

COSCO CAPITAL, INC.
2018 Audit Plan

I. Internal Audit

A. Audit Plan for Cosco Capital, Inc. (*Business process review and Manual preparation*)

Period	Area
Q1	HR Processes
	Data Privacy (<i>Compliance audit</i>)
Q2	IT Processes
Q3	Petty Cash Fund (<i>Spot audit</i>)
	Disbursements (<i>Compliance audit</i>)
	Bank Reconciliation (<i>Financial audit</i>)
Q4	Asset Management and Requisition (<i>Compliance audit</i>)
	Depreciation and Amortization (<i>Financial audit</i>)

B. Audit Plan for Liguigaz Philippines Corporation

Period	Area	Details
Q1 – Q2	Inventory and Cost of Sales	Gas imports/Exchange, Sale/Transfer, Inventory gain/loss, Valuation
	Revenue and Receivable	Pricing, Revenue recognition, Allowance for doubtful accounts
	Asset Verification	Asset Inventory of wholesale, autogas, commercial, cylinder segments
Q3	Cash and Cash Equivalent	Collections, Payment, Petty cash
	Prepaid Expenses and Other Assets	Balances and transactions
Q4	Property, Plant and Equipment	Acquisition, depreciation, maintenance, disposal, de-recognition, warehousing

Routine Audit

- Customer Installation and Pull-out
- OPEX, Trade & Non-Trade Payables

C. Audit Plan for the Real Estate Segment

Period	Area	Activity
Q1	Significant processes of NE Pacific	- Review of policies and guidelines
	Payroll (NE Pacific)	- Review of employee time records
	Accounts Receivable Management	- Collectibility analysis - Review and analysis of receivables
Q2	Significant processes of Ellimac and PRLMI	- Review of policies and guidelines
	Other Income	- Review of daily collection reports
	Cash Management	- Cash Count - Review of Bank Reconciliation

Q3	Contract Management	- Review of tenant contracts - Review of monthly billings - Ocular inspection
	Accounts Payable Management	- Review of vendor list
Q4	Asset Management	- Physical asset count - Review of depreciation
	Accounts Payable Management	- Review reasonableness of accruals - Checking of RFP/APV
	Cash Management	- Spot checking on Petty Cash Management and Liquidation

Routine Audit

- Audit of Petty Cash Fund
- Pre-audit of Expenses/Reimbursements
- Audit of Payables/Disbursements
- Payroll Checking
- Contract Checking

D. Audit Plan for Office Warehouse, Inc. (*Business Process Review & Policy Making*)

Period	Area
Q1	CUSTOMER DEPOSIT RECEIPT
	SECURITY CONTROLS
	3RD PARTY PAYROLL PROCESS
	SECURITY TRAINING
	INDIRECT RECRUITMENT PROCESS
Q2	SECURITY GUIDELINES
	SALES PROCESS
	CASH MANAGEMENT
	CREDIT & COLLECTION PROCESS
	REFUND/REPLACEMENT PROCESS
Q3	REFUND/REPLACEMENT PROCESS
	SUPPLIES & STOCK MANAGEMENT
	PAYABLE PROCESS
	INVOICE BILLING & COLLECTION
	CASH MANAGEMENT
Q4	SUPPLIES & STOCK MANAGEMENT
	REPAIR FEES & DISCOUNT
	RETURN TO VENDOR
	CREDIT CARD PROCESS
	CUSTOMER LOYALTY PROGRAM

E. Audit Plan for the Cosco Group

Period	Area	Activity
Q1	Regulatory Requirements	- Review inventory of regulatory and compliance requirements - Ensure adherence to regulatory requirements
	Internal Audit (IA) Governance	- Assess compliance with IA Standards - Review & update IA Charter & IA Manual
	Skills Management	- Training and professional development
	Data Privacy	- Compliance audit
Q2	Risk Management	- Assess risks, controls and best practices
	Improvement Plans	- Review audit procedures - Improve quality of audit & outcomes - Implement action plan for external audit findings
Q3	Operational Effectiveness and Efficiency	- Review business processes - Ensure adherence to policy and procedures
Q4	Third Party Relationships	- Review third party processes

F. Other Plans for 2018

Office Warehouse

- Strengthen Audit Department by hiring additional audit staff

Wines and Liquor Segment

- Walkthrough of business processes
- Formulation and drafting of related business processes
- Guide the current audit member of Premier Wines

NE Pacific Mall

- Hire team members for Audit Department
- Walkthrough of the current business processes
- Revision and Improvements of existing processes