	<h1 style="text-align: center;">Internal Audit</h1>		<b>Document Number:</b>  2P-FIN-03.16
	<b>Department:</b> <b>F2 Logistics Philippines Inc.-Internal Audit</b>	<b>Effective Date:</b> June 05, 2017	<b>Revision No</b> 0

## Scope

This procedure covers data gathering until reporting of audit findings.

## Ownership

The AVP for Internal Audit is responsible for ensuring that this procedure is cascaded to all concerned personnel and that it reflects actual practice.


## Policy

1. Audit shall be conducted when:
  - a. There is Cash sales transactions.
  - b. There is/are Fleet units deployed – Manila and branches.
  - c. There is scheduled yearly or monthly audit.
  - d. There is suspected anomaly happening in the Department or in the Branch.
  - e. There is a change of personnel with a vital role (e.g. Branch-in-charge, Branch Accountant, Petty Cash Custodian, or Cashier).
  - f. There is a new system and procedures that will be implemented companywide to check compliance.
  - g. There is requirement for Audit activities as ordered by the SVP/CFO or by the President.
2. Major issues found in the course of the audit shall be reported by the auditor immediately even if the audit is not yet completed.

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3. Audit findings shall be discussed and should have conformity with the Auditee.

## Procedures


### Auditor

1. Gathers data and records.
  - a. Data extraction reports for sales.
  - b. Latest list of Fleet units.
  - c. Latest list and amount of PCF or revolving fund per custodian.
  - d. Latest list/aging of unpaid freight collect and unpaid prepaid shipments.
  - e. Other schedules as necessary for the audit.
2. Notifies through email or call the department leader or Branch In-charge for the schedule of audit.
3. Performs audit fieldwork based on the audit schedule.
  - a. Cash count of Petty Cash Fund or Revolving Fund. Cash count sheet is to be signed by the PCF or Revolving Fund Custodian and the auditor after the count.
  - b. Collection verification of deposit to the actual bank statement.
  - c. Review of collection status of unpaid freight collect – inbound, and unpaid prepaid – outbound.

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- d. Perform fleet units (Tractor Head, Close Van, and Trailer) count and inspection for company owned fleet units and note for signs of damage, or check status of repair if Fleet unit is down.
  - e. Other procedures deemed necessary for the conduct of audit.
4. Summarizes audit findings and observations.
  5. Discusses audit findings and observations with the Department Leader or the Branch In-charge and obtains action plan and timeline on the closing of audit findings.
  6. Finalizes the audit report for review by the AVP – Internal Audit.
  7. Sends through email the reviewed audit report to the Department Leader or the Branch In-charge.

### AVP – Internal Audit

8. Reviews the audit report prepared by the auditor and discusses the audit report to SVP/CFO and the President.


### Auditor

9. Performs follow through audit based on the agreed timeline to close all the audit findings.
10. Updates audit findings until closed.

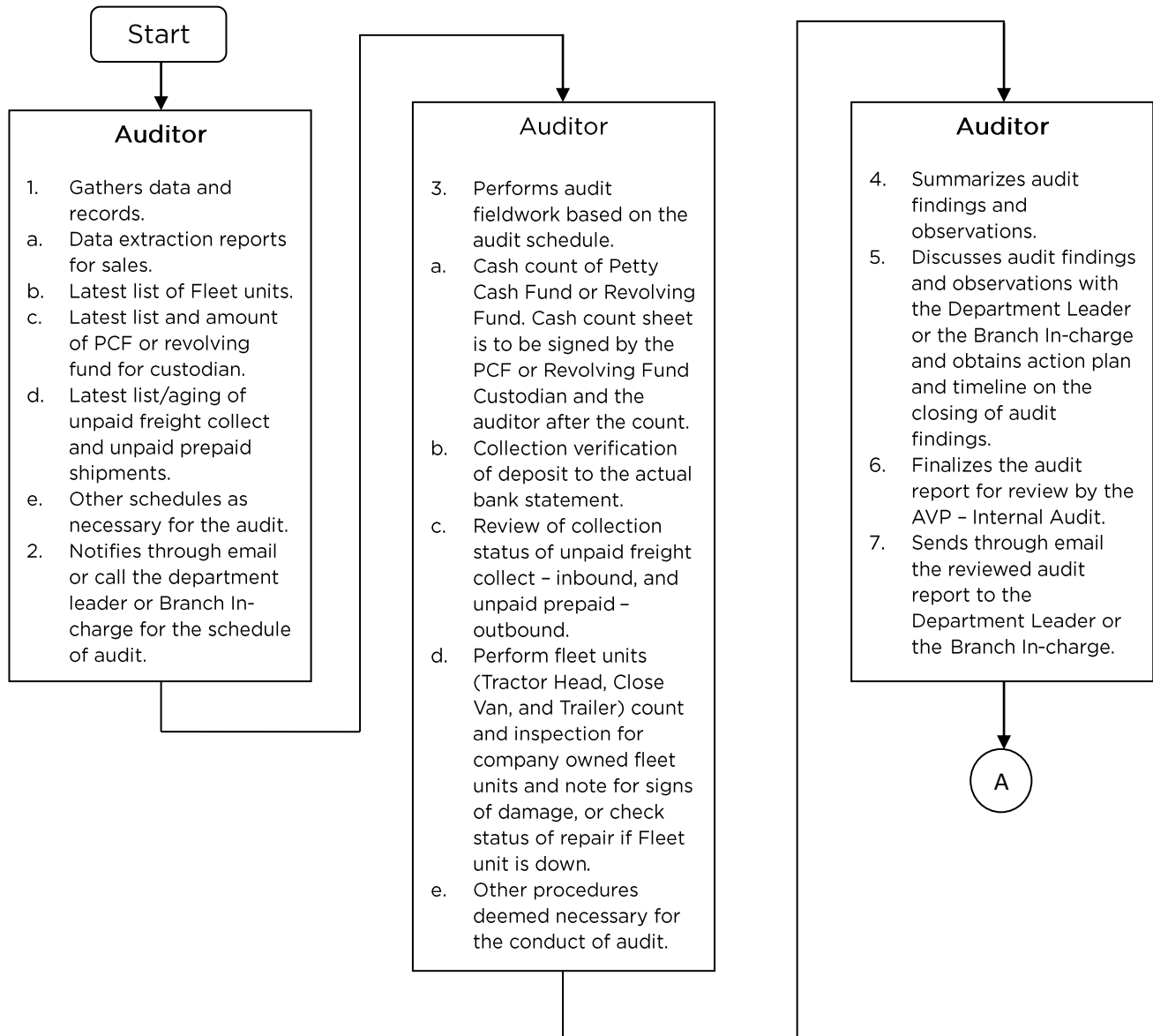
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## Procedures

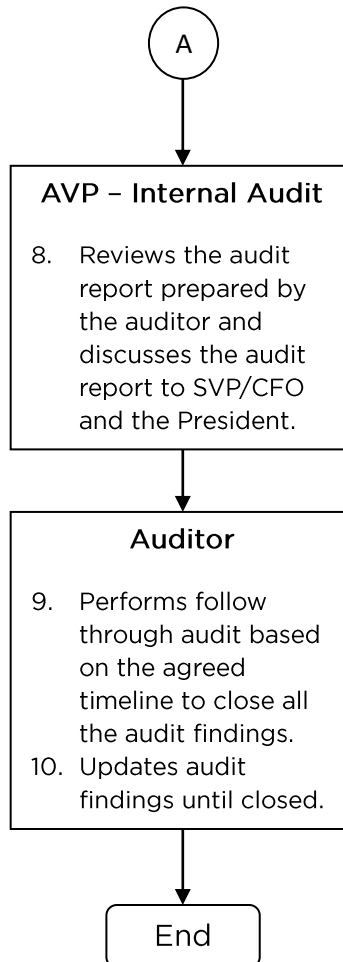


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