

▪ **External Auditors**

- To appoint external auditors who have the reputation, competence and integrity to do bank audit, the MB, in its Resolution No. 737 dated 5 May 2000, approved the rules and regulations to govern the selection, appointment and the reporting requirement for external auditors of UBs and KBs. (*Circular No. 318 dated 30 January 2002; Circular Letter dated 22 May 2001, Circular No. 245 dated 19 May 2000, as amended, which repealed Circular No. 179 dated 25 September 1998 - Circular Nos. 318 and 245 were repealed by Circular No. 410 dated 29 October 2003*)
- Only BSP selected external auditors shall be engaged by banks for regular audit or special engagement commencing the calendar/fiscal year 2000. An external auditor who has been selected by the BSP for a UB/KB is automatically qualified to audit other banks (*Circular Letter dated 22 May 2001, which modified Circular No. 245 dated 19 May 2000, which repealed Circular No. 179 dated 25 September 1998 - Circular No. 245 was repealed by Circular No. 410 dated 29 October 2003*)
- Under the guidelines, external auditors are required to apply generally accepted auditing standards and report to the BSP within 30 days:
  - a) Any material finding discovered during the period of audit involving fraud or dishonesty which will reduce capital funds by at least 1 percent;
  - b) Adjustments or potential losses, the aggregate of which amounts to at least 1 percent of capital funds; and
  - c) Any findings to the effect that the total bank assets, on a going-concern basis, are no longer adequate to cover the total claims of creditors.
- The MB, in its Resolution No. 1429 dated 2 October 2003, implementing Section 58 of R. A. No. 8791 (The General Banking Law of 2000), approved the rules and regulations that shall govern the selection and delisting by the BSP of external auditors of banks, quasi-banks, trust entities, NSSLAs, their subsidiaries and affiliates engaged in allied activities and other financial institutions which under special laws are subject to BSP supervision. The regulations require, among others, that the external auditor shall be changed or the lead or concurring partner shall be rotated every 5 years or earlier with the rotation of the lead and concurring partner having an interval of at least 2 years. The external auditor must also report to BSP any material finding of fraud/dishonesty, potential losses

amounting to at least 1% of the capital, termination or resignation as external auditor, discovery of a material breach of law, and findings/matters of corporate governance. (Circular No. 410, dated 29 October 2003 which repealed Circular No. 245 dated 25 May 2000, as amended by Circular No. 318 dated 30 January 2002)

- Pursuant to MB Resolution No. 1352 dated 16 September 2004, external auditors included in the BSP list shall be valid for a period of 3 years. Thereafter, external auditors shall apply for the renewal of their selection every 3 years having the same general requirements and application/ pre-qualification requirements per Circular No. 410 dated 29 October 2003. The Supervision and Examination Sector (SES) shall make an annual assessment of the performance of external auditors and will recommend deletion from the list even prior to the 3-year renewal period, if based on assessment, the external auditors' report did not comply with BSP requirements. (Circular No. 455 dated 29 September 2004)
- List of BSP selected external auditors:

Auditing Firms	Date of Approval	Type of Auditors						
		U/KBs	TBs	RBs	Nat'l CBs	Local CBs	NBQBsNSSLAs	
Alba Romeo & Co., CPAs	09.02.04		x	x	x	x	x	x
A.P. Acyatan and Company, CPAs	09.02.04		x	x	x	x	x	x
Banaria, Banaria & Co., CPAs	07.08.04			x		x		x
C.B. Fuentesfina & Co., Business Consultants and CPA	08.19.04			x		x		x
C. Guevarra and Co., CPAs	08.19.04			x		x		x
CL Manabat and Co.	08.15.04	x	x	x	x	x	x	x
Carlos J. Valdes & Associates	01.06.05		x	x	x	x	x	
Dan C. Bañas & Co.	01.20.05		x	x	x	x	x	
Diaz Murillo Daplupan & Co.	05.06.04		x	x	x	x	x	x
EC Cuenca & Co., CPAs	08.19.04			x		x		x
F.G. Ampil and Co., CPAs	07.01.04			x		x		x
Florencio L. Gabrillo & Associates	11.18.04			x		x		x
Galo D. Weygan & Associates	11.18.04			x		x		x
Guzman, Bocaling & Co.	02.16.01	x	x	x	x	x	x	x
Joaquin Cunanan & Co.	02.16.01	x	x	x	x	x	x	x
J. Vergel de Dios & Co., CPAs	08.19.04			x		x		x
KPMG Laya Mananghaya & Co.	02.16.01	x	x	x	x	x	x	x
Luis Cañete & Co., CPAs	06.23.04		x	x	x	x	x	x
Napili, Bonacua & Associates, CPAs	11.18.04			x		x		x
Nepomunceno, Suner & Associates	08.19.04			x		x		x
Odsinada, Rivera and Co., CPAs	07.08.04		x	x	x	x	x	x
Olaño, Malbas, Duterte & Co., CPAs	11.18.04			x		x		x
Punongbayan and Araulo	04.05.01	x	x	x	x	x	x	x
Quilab, Cabilin, Bato & Company	07.29.04		x	x	x	x	x	x
R.B. Alvarez Accounting Office	08.19.04			x		x		x
R.S. Bernaldo and Associates	07.15.04		x	x	x	x	x	x
Rodriguez, Suan & Co.	02.03.05		x	x	x	x	x	x
Sicangco Menor Villanueva & Co	12.09.04		x	x	x	x	x	x

Sison Conillo Parone & Co., CPAs	11.18.04			x		x		x
Sycip, Gorres, Velayo & Co.	02.16.01	x	x	x	x	x	x	x
Uy, Singson, Abella and Co., CPAs	07.01.04			x		x		x
Valdez Accounting Office - CPA and Management Consultant	11.11.04		x	x	x	x	x	x
Wilfredo V. de Jesus & Associates	11.18.04			x		x		x
Individuals								
Ancieto, Wenceslao M.	11.18.04			x		x		x
Antonio, Florentina R.	07.01.04			x		x		x
Anuran, Adones B.	11.18.04			x		x		x
Berhay, Robinson D.	08.19.04			x		x		x
Cabuyadao, Andres R.	08.19.04			x		x		x
Calibuyut, Mirasol R.	11.18.04			x		x		x
Claro, Jr. Clemente P.	11.18.04			x		x		x
Desabelle, Myrna L.	11.18.04			x		x		x
Elises, Jose Q.	08.19.04			x		x		x
Eulalia, Ernesto C.	11.18.04			x		x		x
Garcia, Jose A.	11.18.04			x		x		x
Guzman, Jr. Cesar G.	07.01.04			x		x		x
Ismael, Christopher U.	07.01.04			x		x		x
Licup, Erlindo N.	08.19.04			x		x		x
Lorenzo, Elma V.	11.18.04			x		x		x
Macalagay, Emiliano C.	07.01.04			x		x		x
Montalbo, Erlinda A.	07.01.04			x		x		x
Nieva, Amorsolo S.	08.19.04			x		x		x
Roldan, Florentino P.	11.18.04			x		x		x
Samaco, Joaquin S.	08.19.04			x		x		x
Santiago, Editha	05.06.04		x	x	x	x	x	x