

ASKI INTERNAL AUDIT AND FRAUD DETECTION

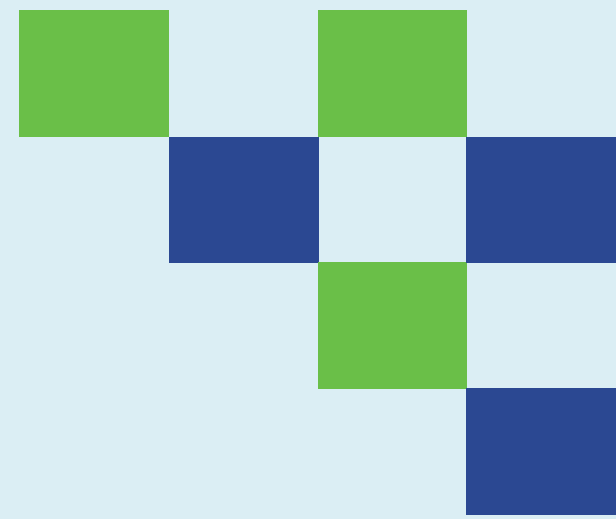
2022 MCPI ANNUAL CONFERENCE

MARY JOY DC. AGCAOILI
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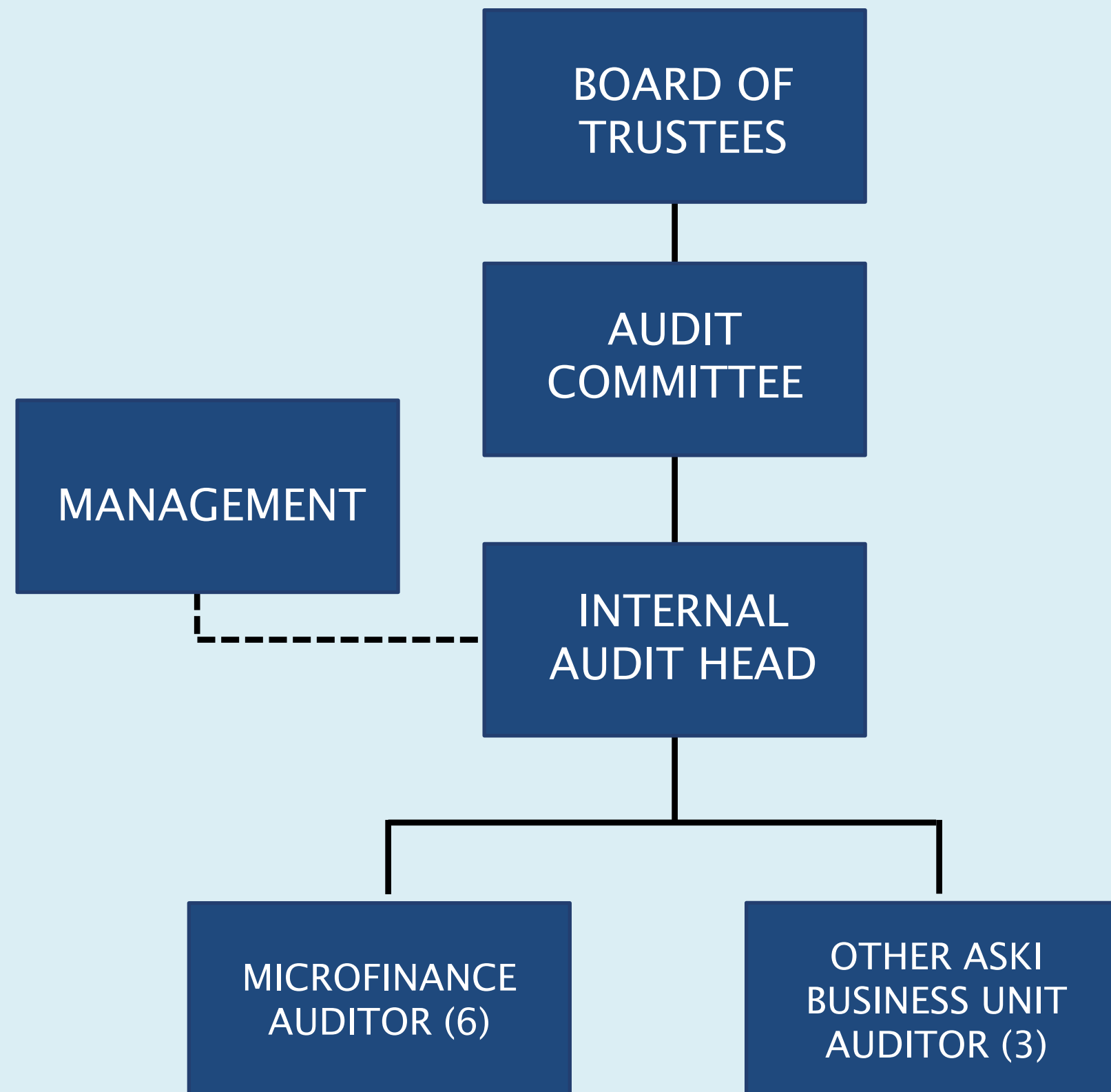


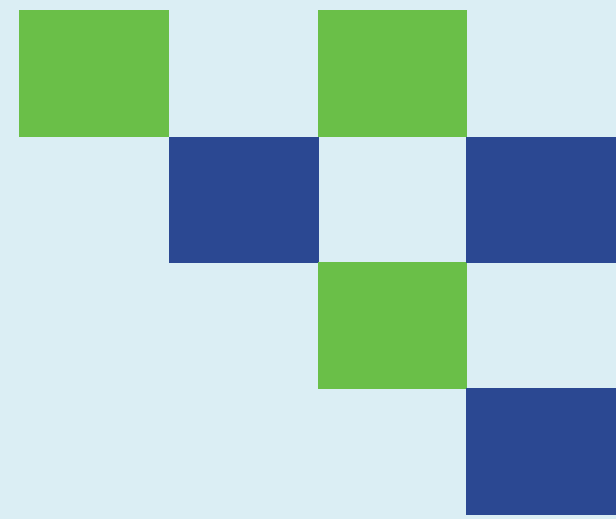
ASKI

Creating Opportunities, Transforming Communities

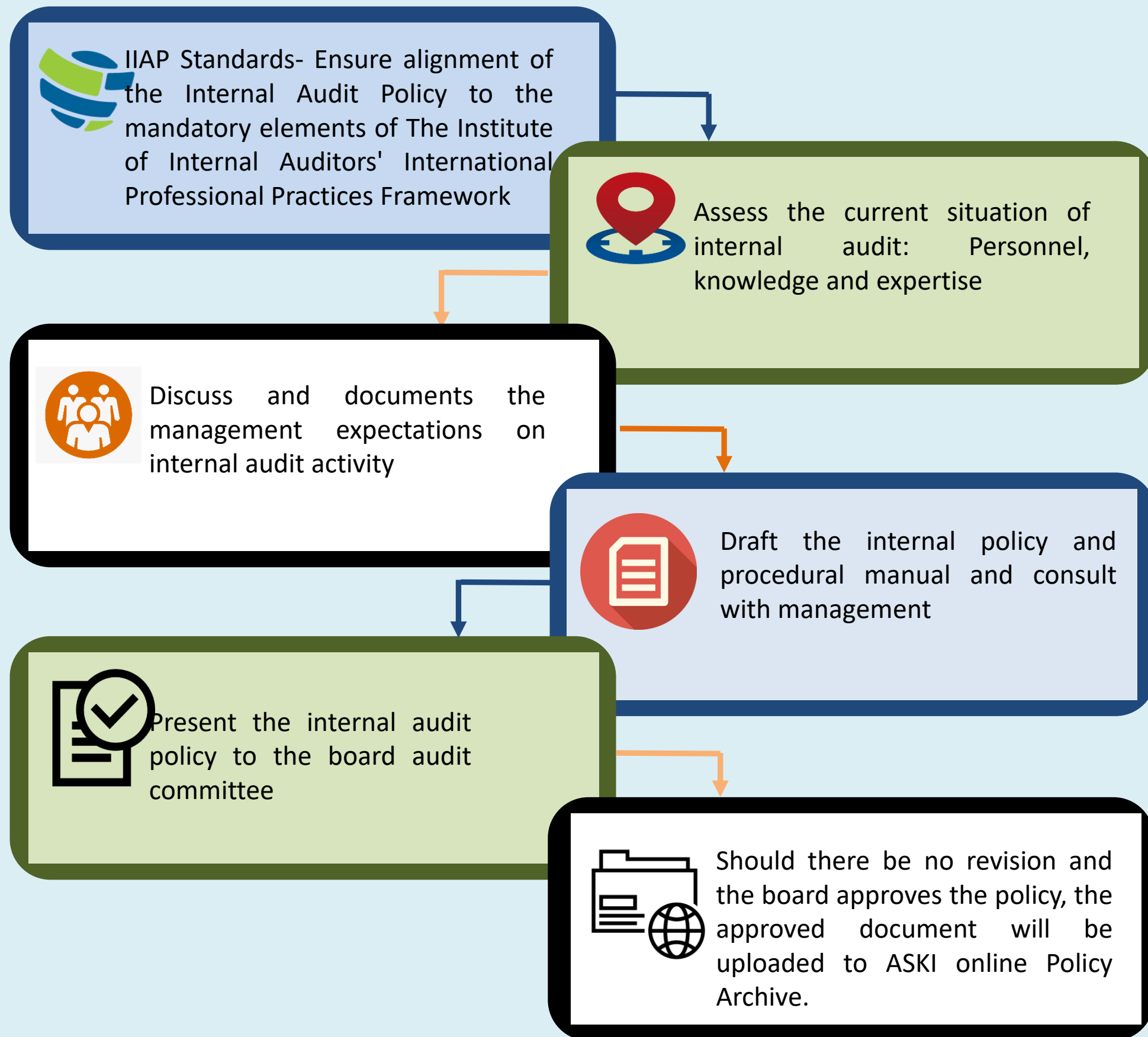


ASKI Internal Audit Organizational Structure

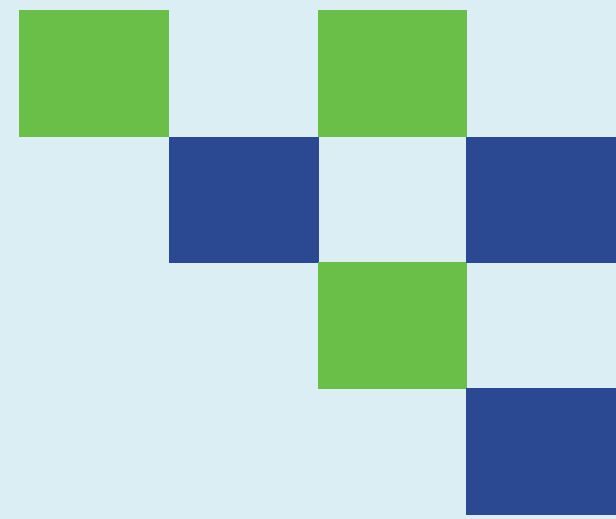




ASKI INTERNAL AUDIT POLICY AND PROCEDURAL MANUAL DEVELOPMENT



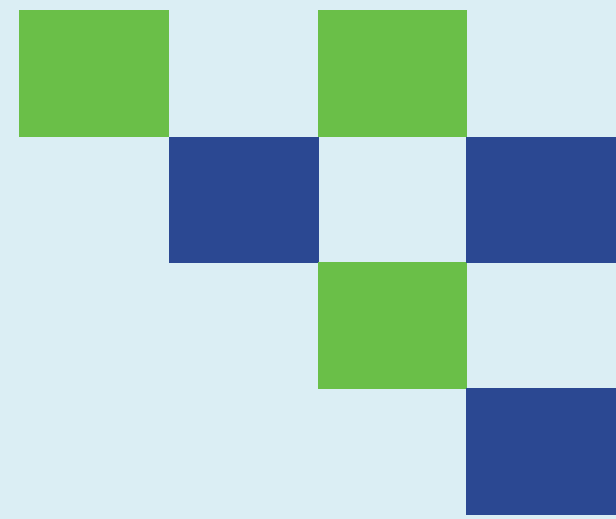
Challenges for Internal Audit



1. High employee turnover rate
2. Transitioning from on-site audit to remote audit procedures
3. Evolving audit skill needs (Cyber security, data mining and analytics, IT system, etc.)

ASKI INTERNAL AUDIT BEST PRACTICES

1. Active Board Audit Committee
2. Annual internal audit activities are aligned with MFI strategic priorities
3. Effective mechanism for follow-up of management action plan
4. Audit Customer feedback mechanism
5. Management see Internal Audit as “trusted advisor”



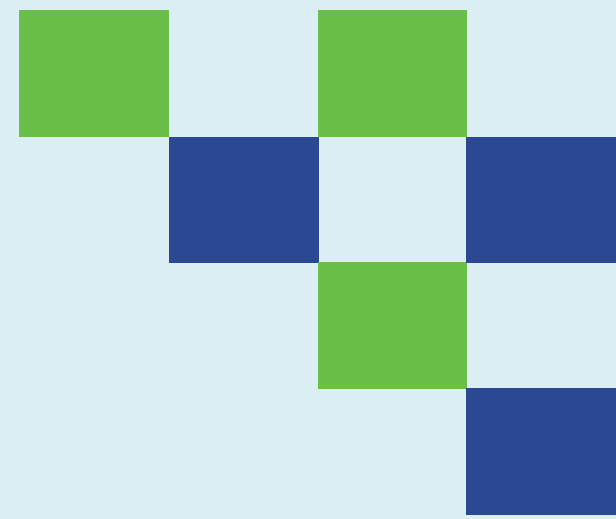
ASKI STRATEGIES FOR FRAUD PREVENTION

FRAUD TRIANGLE

I. PRESSURE:

“An employee can be pressured or motivated to commit fraud because of a personal financial problem, such as a large gambling debt, emergency needs of cash. Sometimes, the pressure originates from problems at work. For example, an individual may be motivated to perpetrate fraud because he feels he has been given unrealistic performance targets.”

- ✓ Existence of ASKI Employees Cooperative to address financial needs of the employee
- ✓ Referral income given to ASKI Employee
- ✓ Giving realistic targets per employee



ASKI STRATEGIES FOR FRAUD PREVENTION

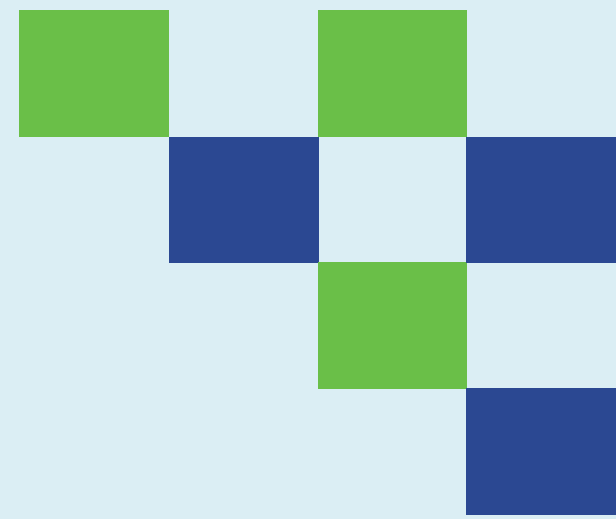
FRAUD TRIANGLE

II. OPPORTUNITY

“Opportunities for fraud can occur wherever oversight is: Absent; Unenforced; Ineffective; Unmonitored”

Existence of the following controls procedures:

- ✓ Loan portfolio Audit (conducted by Internal Audit, and Branch and Area Management)
- ✓ Tele- validation (conducted by Internal Audit and Branch Staff)
- ✓ ASKI Digitalization RoadMap
- ✓ etc



ASKI STRATEGIES FOR FRAUD PREVENTION

FRAUD TRIANGLE

III. RATIONALIZATION

“fraudsters’ self-justification that it’s somehow OK to steal”

- ✓ Daily devotion
- ✓ Strict implementation of ASKI Code of Discipline