

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



STI Education Systems Holdings, Inc. STI

PSE Disclosure Form 17-18 - Other SEC Forms/Reports/Requirements

Form/Report Type	Audit Committee Assessment Form
Report Period/Report Date	Oct 4, 2017

Description of the Disclosure

Audit Committee Assessment for the Fiscal Year Ended 31 March 2017

Filed on behalf by:

Name	Arsenio Cabrera, Jr.
Designation	Corporate Secretary



110042017001760



SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Jojit Licudine
Receiving Branch : SEC Head Office
Receipt Date and Time : October 04, 2017 10:05:30 AM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No. 0000001746
Company Name STI EDUCATION SYSTEMS HOLDINGS, INC.
Industry Classification
Company Type Stock Corporation

Document Information

Document ID 110042017001760
Document Type LETTER/MISC
Document Code LTR
Period Covered March 31, 2017
No. of Days Late 0
Department CED/CFD/CRMD/MRD/NTD
Remarks AUDIT COMMITTEE ASSESSMENT

STI EDUCATION SYSTEMS HOLDINGS, INC.

Audit Committee Assessment

For the Fiscal Year Ended 31 March 2017

Responsibilities under the Code	Specific Areas/Dimensions (Non-exclusive List)	Assessment		
		Is this part of the Audit Committee's Charter? (Yes or No)	Has this been implemented? (If yes, cite reference document)	Follow-up Actions Needed
Setting of Committee Structure and Operation	1. Committee size	Yes, at least three (3) members of the Board, one (1) of whom shall be an Independent Director who shall act as the Chairman.	Audit Committee Charter ("ACC") Section 2, 2.1. The Company has actually four (4) members of the board composed of the Chairman - Johnip G. Cua; Members - Martin K. Tanco, Paolo Martin O. Bautista and Ernest Lawrence Cu.	
	2. Independence requirement	Yes	ACC Section 2, 2.1	
	3. Qualifications, skills and attributes of members and Chair	Yes	ACC Section 2, 2.2	
	4. Financial knowledge of members	Yes	ACC Section 2, 2.2	
	5. Succession plan for members and Chair	Yes	ACC Section 2, 2.3	
	6. Meetings (frequency, etc)	Yes	ACC Section 3, 3.1	
	7. Reporting to the Board and issuance of certifications on critical compliance issues	Yes	ACC Section 5	
	8. Evaluations	Yes	ACC Section 6	
	9. Resources including access to outside advisors	Yes	ACC Section 7	
	10. Training and education	Yes	ACC Section 2, 2.2	
Oversight on Financial Reporting	1. Extent of understanding of the company's business and industry in which it operates	Yes	Mission and Vision	
	2. Compliance with financial reporting regulations	Yes	ACC Section 4, 4.1, 4.1.4 and 4.1.5	
	3. Recognition of management's responsibility over the financial statements	Yes	ACC Section 4, 4.1, 4.1.3	
	4. Appropriateness of accounting policies adopted by management	Yes	ACC Section 4, 4.1, 4.1.3	
	5. Reasonableness of estimates, assumptions, and judgements used in the preparation of financial statements	Yes	ACC Section 4, 4.1, 4.1.3	
	6. Identification of material errors and fraud, and sufficiency of risk controls	Yes	ACC Section 4, 4.1, 4.1.2; 4.2, 4.2.1; 4.3, 4.3.1 and 4.3.2	
	7. Actions or measures in case of finding of error or fraud in financial reporting	Yes	ACC Section 4, 4.3, 4.3.3; Code of Business Conduct and Ethics Nos. 6 and 7	
	8. Review of unusual or complex transactions including all related party transactions	Yes	ACC Section 4, 4.1, 4.1.3	
	9. Determination of impact of new accounting standards and interpretations	Yes	ACC Section 4, 4.1, 4.1.3 and 4.1.5	
	10. Assessment of financial annual and interm reports as to completeness, clarity, consistency and accuracy of disclosures of material information including on subsequent events and related party transactions	Yes	ACC Section 4, 4.1, 4.1.3	

Responsibilities under the Code	Specific Areas/Dimensions (Non-exclusive List)	Assessment		
		Is this part of the Audit Committee's Charter? (Yes or No)	Has this been implemented? (If yes, cite reference document)	Follow-up Actions Needed
	11. Review and approval of management representation letter before submission to external auditor	Yes	ACC Section 4, 4.1; 4.1.5	
	12. Communication of the AudCom with legal counsel covering litigation, claims, contingencies or other significant legal issues that impact financial statements	Yes	ACC Section 7	
	13. Fair and balance review of financial reports	Yes	ACC Section 4, 4.1, 4.1.2 and 4.1.3	
	14. Assessment of correspondence between the company and regulators regarding financial statement filings and disclosures	Yes	ACC Section 4, 4.1, 4.1.5	
Oversight on Risk Management and Internal Controls	1. Obtaining management's assurance on the state of internal controls	Yes	ACC Section 4, 4.2, 4.2.1	
	2. Review of internal auditor's evaluation of internal controls	Yes	ACC Section 4, 4.4, 4.4.4	
	3. Evaluation of internal control issued raised by external auditors	Yes	ACC Section 4, 4.5, 4.5.4	
	4. Assessment of control environment including IT systems and functions	Yes	ACC Section 4, 4.3, 4.3.1	
	5. Setting a framework for fraud prevention and detection including whistle-blower program	Yes	ACC Section 4, 4.3; 4.3.1 and 4.3.2; Code of Business Conduct and Ethics 6.2A and B	
	6. Deliberation on findings of weaknesses in controls and reporting process	Yes	ACC Section 4,4.1, 4.1.2 and 4.3, 4.3.1	
	7. Understanding and assessment of identified risks	Yes	ACC Section 4, 4.2, 4.2.1	
	8. Evaluation of sufficiency and effectiveness of risk management processes and policies	Yes	ACC Section 4, 4.2, 4.2.1	
	9. Preparation and implementation of Business Continuity Plan	No		The Board will prepare a Business Continuity Plan for the Company.
	10. Promotion of risk awareness in the organization	Yes	ACC Section 6, 6.4 and 6.6	
Oversight on Management and Internal Audit	1. Evaluation of compliance with the code of Conduct for management	Yes	ACC Section 4, 4.4, 4.4.2	
	2. Communication with management and internal auditor	Yes	ACC Section 4, 4.1, 4.1.1 and 4.1.2	
	3. Assessment of adequacy of resources and independence of internal auditor	Yes	ACC Section 4, 4.4, 4.4.1 and 4.4.2	
	4. Qualifications of an internal Auditor	Yes	ACC Section 4, 4.4, 4.4.3	
	5. In-house or outsource internal audit function	Yes		Outsourced internal audit function
	6. Compliance with International Standards on the Professional Practice of Internal Auditing	Yes	ACC Section 4, 4.1, 4.1.4	
	7. Review and approval of internal audit annual plan	Yes 2	ACC Section 4, 4.4, 4.4.2	

Responsibilities under the Code	Specific Areas/Dimensions (Non-exclusive List)	Assessment		
		Is this part of the Audit Committee's Charter? (Yes or No)	Has this been implemented? (If yes, cite reference document)	Follow-up Actions Needed
	8. Extent and scope of internal audit work	Yes	ACC Section 4, 4.4, 4.4.2	
	9. Reporting process	Yes	ACC Section 4, 4.4, 4.4.5	
Oversight on External Audit	1. Assessment of independence and professional qualifications and competence of external auditor	Yes	ACC Section 4, 4.5, 4.5.1 and 4.5.5	
	2. Engagement and rotation process of external auditor or firm	Yes	For Fiscal Year 31 March 2017, the Company engaged Mr. Benjamin N Villacorte of SGV as the Partner-in-charge for STI Holdings.	
	3. Review and approval of scope of work and fees of external auditor	Yes	ACC Section 4, 4.5, 4.5.5 and 4.5.3	
	4. Assessment of non-audit services	Yes	ACC Section 4, 4.5, 4.5.5	
	5. Understanding disagreements between the auditor and management	Yes	ACC Section 4, 4.5, 4.5.1	
	6. Actions on the findings of external auditor	Yes	ACC Section 4, 4.5, 4.5.4	
	7. Management's competence regarding financial reporting responsibilities including aggressiveness and reasonableness of decisions	Yes	ACC Section 2, 2.1 and 2.2	
	8. Evaluation of performance of external auditor-reappointment and resignation	Yes	ACC Section 4, 4.5, 4.5.1, 4.5.4 and 4.5.5	
	9. Compliance of external auditor with auditing standards	Yes	ACC Section 4, 4.1, 4.1.4; 4.5, 4.5.3 and 4.5.4	
	10. Completeness and timeliness of communication with external auditor as to critical policies, alternative treatments, observations on internal controls, audit adjustments, independence, limitations on the audit work set by the management, and other material issues that affect the audit and financial reporting.	Yes	ACC Section 4, 4.5, 4.5.1, 4.5.2, 4.5.3, 4.5.4 and 4.5.5	

STI EDUCATION SYSTEMS HOLDINGS, INC.

Reviewed by:

ARSENIO C. CABRERA, JR.
Compliance Officer

Noted By:

JOHNIP G. CUA

Chairman of the Audit Committee