

**IMMEDIATE  
ATTENTION**

EBAP/09/154

CONFIDENTIAL

November 30, 2009

To: Members of the Executive Board

From: The Acting Secretary

Subject: **Selection of Member of the External Audit Committee**

Attached for consideration by the Executive Board is a report from the Chairman of the Audit Selection Committee on the selection of a new member of the External Audit Committee.

It is not proposed to bring this matter to the agenda of the Executive Board for discussion unless an Executive Director so requests by **noon on Friday, December 4, 2009**. In the absence of such a request, the proposed decision that appears on page 3 will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

Questions may be referred to Mr. Bakker, Executive Director (ext. 34640).

This document will shortly be posted on the extranet, a secure website for the Executive Directors and member country authorities.

Att: (1)

Other Distribution:  
Department Heads



CONFIDENTIAL

INTERNATIONAL MONETARY FUND

**Selection of Member of the External Audit Committee**

Mr. Bakker, Chair, ad hoc Audit Selection Committee

November 30, 2009

1. The ad hoc Audit Selection Committee (the Committee) was constituted in April 2009 to recommend to the Executive Board a suitable candidate to fill the vacant position on the External Audit Committee (EAC).<sup>1</sup>
2. Under Section 20(c) of the Fund's By-Laws, members of the EAC are appointed for a period of three years. To ensure continuity, appointments are staggered by one year. Mr. Anderson (New Zealand) was appointed in the 2007 financial year and his term has expired. The Committee has completed its work on the process of selecting a candidate to replace Mr. Anderson.
3. Section 20(c) of the By-Laws requires that "the members of the audit committee must possess the qualifications required to carry out the oversight of the annual audit" and that "the persons serving on the audit committee must be nationals of different members of the Fund at the time of their appointment; at least one of them shall be a national of one of the six members having the largest quotas." The latter requirement is currently met by Mr. Graf of Germany, who was appointed during the 2009 financial year. The other member of the EAC, Mr. O'Neill, is a national of Canada. In searching for a new EAC member, the Committee followed the practice of regional rotation and evaluated candidates from the Southeast Asia region.
4. In assessing candidates for the EAC, the Committee took into account relevant professional qualifications and experience. The search process, which was facilitated by Executive Directors and in particular the office of Ms. Vongpradhip, identified six

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<sup>1</sup> See *Appointment of Executive Directors to the Ad Hoc Audit Selection Committee* (EBAP/09/61, 04/08/09). The Committee consists of Mr. Gibbs, Mr. Itam, Ms. Lundsager, Mr. Mojarrad, and Mr. Bakker as Chair.

candidates. Three candidates were short-listed and interviewed by Committee members via video-conferencing.<sup>2</sup>

5. While all interviewed candidates were qualified, the Committee reached a consensus to propose that Ms. Cabal, a national of the Philippines, be selected as a member of the EAC. Ms. Cabal is a retired Senior Partner of SyCip Gorres Velayo & Co., a member practice of Ernst & Young Global, and is a member of the Board and the audit committee of the Metropolitan Bank and Trust Company. She has extensive external audit, financial reporting, corporate governance, and internal audit experience. Her curriculum vitae is attached.

6. In order to conclude the selection process for the new EAC member, the draft decision below, which may be made by a majority of votes cast, is proposed for adoption by the Executive Board.

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<sup>2</sup> All members of the Committee were notified of the interview schedule and were invited to attend. Messrs. Bakker, Majoro, and Rouai conducted the interviews.

**Proposed Decision**

Pursuant to Section 20(c) of the Fund's By-Laws, Ms. Cabal is selected to serve as a member of the External Audit Committee for a term of three years covering the audits of FY2010–2012.

- ### ***Professional Affiliations***

## AMELIA B. CABAL

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### **Professional Experience with SyCip Gorres Velayo & Co.**

*SyCip Gorres Velayo & Co. (SGV & Co.) is the Philippines' largest professional services firm with eight offices across the country. It is a member practice of Ernst & Young Global, a global leader in professional services. The Firm employs about 2,200 professionals from various disciplines. It provides integrated solutions that draw on diverse and deep competencies in assurance, tax, and risk services. The Firm upholds the highest standards of quality and, in fact, SGV & Co. remains to be the only ISO 9002-certified professional services firm in the Philippines since 1996.*

#### ▪ **Industry Specialization and Relevant Experience – Financial Markets**

- Has 40 years of experience in the financial services market
- Led the Firm's financial markets practice covering banks and non-bank financial institutions, insurance companies, stock brokerage firms, investment houses, finance companies, leasing companies, asset management companies, mutual funds, with trust funds, credit card companies, consumer finance, and other financial allied companies of banks.
- Provided assistance to banks and non-bank companies in the conversion of their accounting policies from Philippine GAAP to the Philippine Financial Reporting Standards (Philippine adaptation of International Financial Reporting Standards)
- Handled the audits, among others, of:
  - 9 of the ten local universal banks
  - 10 of the top 14 foreign banks with full banking license
  - 3 of the top five investment banks
  - 7 credit card companies or units of banks
  - Philippine Stock Exchange (PSE)
  - 2 of the Top 3 Telecom Companies
- Provided financial advisory services on:
  - Privatization of government-owned banks and a hotel
  - Securitization of real estate mortgage portfolios of real estate development companies and of banks, consumer loans of a finance company and a telecommunication company and future foreign exchange flows and receivables of banks and a telecommunication company
  - Mergers, acquisitions, and joint ventures involving banks and non-bank financial institutions
  - Internal control system and corporate governance
  - Conversion of traditional internal audit procedures to risk-based audit procedures
  - Developing of corporate strategies of banks and non-bank financial institutions
  - Manualization of treasury operations and credit and market risk management policies for purposes of applying for a derivatives license of banks with the BSP

**AMELIA B. CABAL**

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- Handled feasibility studies of a petrochemical company, airline company and of new entrants to the banking industry (thrift banks and branches of foreign banks)
- Handled the “demutualization of PSE”
- Performed compliance review with (PSE and SEC regulations) of stock brokers in an outsourcing capacity
- Performed due diligence reviews (also for bond offerings and listing of shares of banks and manufacturing companies in the PSE, New York and Singapore Stock Exchanges)
- Provided advisory services on licensing of banks with the Bangko Sentral ng Pilipinas (BSP)
- Assisted in the merger of Manila and Makati Stock Exchanges to form the PSE.
- Provided accounting advisory services to the Development Bank of the Philippines
- Coordinates with the Bankers Association of the Philippines, the BSP, the Philippine Securities and Exchange Commission and other agencies on regulatory issues affecting banks and non-bank financial institutions
- Represented the Accounting Standards Council of the Philippines in the Central Bank's Committee on Financial Reporting, a World Bank- constituted committee
- Served as a Deputy Director of the Arthur Andersen-Asia Pacific Team that undertook the Delphi Study of Capital Markets, Trends, and Directions
- Actively participated in commenting on the draft bill on Special Purpose Asset Vehicle and on Securitization which were passed in Congress in 2003 and 2004
- Assisted in preparing the “Report on the Status of the Convergence of Domestic Standards to International Financial Reporting Standards Among APEC Economies” submitted to the Asian Bankers’ Association
- Coordinated with the Supervision and Examination Department of the BSP in drawing up the reporting guidelines on Funds Managed by the Trust Department of Banks in the Philippines
- Coordinated with the Philippine Association of Finance Companies and assisted in drafting the accounting and tax regulations on leasing transactions
- Assisted in the organization of the Apex Unit of the Central Bank of the Philippines in 1980 which served as the conduit for loans granted to small and medium enterprises by the World Bank



**AMELIA B. CABAL**

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- Supervised SGV assistance in the SGV-Jakarta Office advisory work in establishment of an examination and supervision department of Indonesia's Central Bank
- Seconded to the internal audit groups of Citibank, N.A. -for 6 months in New York and 6 months in Manila in 1976
- Seconded to the Research Department of one of the Big Eight Accounting Firms in New York from 1974 to 1975.
- Also handled audit engagements of and provided financial advisory services to companies in real estate industry, semiconductor industry, telecommunication and entertainment industry, power and manufacturing industry.

***Speeches Delivered***

2005	One of the Panelists in the Asset and Capital Markets Forum at the Shangri-La Hotel, Makati
2004	Audit of Financial Services and Some Concerns AIM/ADB-sponsored conference for government regulators in Asia Pacific
2003-2004	Seminars on International Accounting Standards for the Chamber of Thrift Banks, BSP, AIM, and various clients
1999	Global Approach in the Audit of Banks Bank Administration Institute Annual Convention, Cebu City
1997	The Mechanism to Improve the Quality of Financial Statements of SMEs in Order to Deliver Viable Information to Capital Market Participants. Taiwan
1995	Derivatives, A Financial Risk Management Tool Euromoney Conference, Manila
1994	Australia/ASEAN Women Leaders: Ideas for Future Action. Singapore
1994	Foreign Currency Deposit System. Taiwan

***Up to 2007 Attend various conference and Executive Training Programs (In-house and outside of SGV, Arthur Andersen and Ernst & Young as Participants or Facilitator)***