

MEMORANDUM

TO : ALL MANAGERS/OIC IN OPERATIONS
DATE : 28 JULY 2021
FROM : AUDIT & H R D
SUBJECT : STRICT IMPLEMENTATION OF EXISTING SECURITY MEASURES

Since our branches opened in the middle of the pandemic, there have been many cases of fraud, losses and huge variances. These unusual cases have become alarming as we are just starting to address the negative impact of the pandemic on our branches..

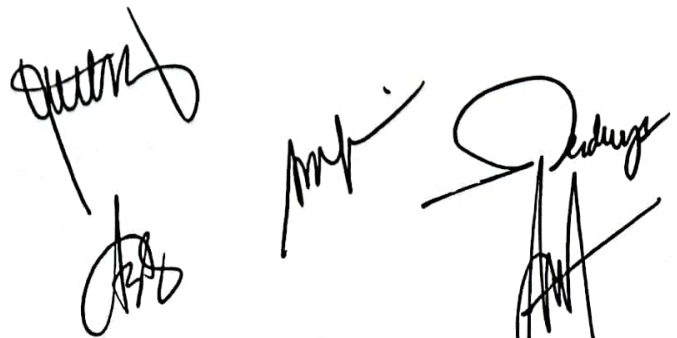
Due to operational concerns, we need to reiterate and emphasize the strict implementation of existing product inventory and cash management policies as follows:

PRODUCTS INVENTORY MANAGEMENT

1. Daily counting of inventories from start and end of the day is a must except for bulk quantities (e.g. CL and lens) which are counted on a monthly basis upon MVDR.
2. Prescribed monitoring notebooks must be checked and updated.
3. Conduct of body frisking and bag checking – whenever an employee enters & exits the branch.
4. Installed display/window alarms and CCTV must function properly.
5. Presence of at least (2) branch employees with (1) as high ranking officer (e.g. BM, Opto, CRO) is essential when opening and closing the branch. Each employee is a witness for reasons of control and balance.

Any employee caught stealing, selling or negotiating non-EO products for personal use at the company's premises, and other unscrupulous acts will be dealt with accordingly, including dismissal. He/She will be blacklisted, there will be no good background checks for future employment, will face criminal charges for theft or will be prosecuted under due process of law.

Any deviation or variance that appears to be due to an employee's negligence should be subject to a corresponding payment for actual product losses and the administrative case.



CASH HANDLING

1. Cash sales, branch operating funds (LCF, PCF), and other cash collections should be counted at the start and end of the day.

- The cashier shall count the branch operating funds (LCF, PCF) in the presence of the BM/OIC at the beginning of the day. They must check the reported sales for the previous night's closing shift. The cashier and the BM/OIC shall both sign and record the LCF, PCF on the Deposit Monitoring Notebook. Sealed collections should not be opened or recounted.

- The cashier must count and record the cash sales for the day, including operating funds (LCF, PCF) in the presence of the BM/OIC at the end of the day.

2. After counting the cash sales/collections and operating funds (LCF, PCF), the cashier must prepare a deposit slip in 3 or 4 copies, and must be verified and signed by her BM/OIC. There should be no erasures in deposit slip.

3. All cash sales/collections and operating funds with signed deposit slips must be sealed in an envelope, in the presence of the cashier and the BM/OIC. The sealed envelope must be: a) put inside the vault (for daytime deposit or pick-up deposit only), or b) put inside the duffle bag and securely locked inside the vault for bank's night deposit.

Important Note: Only the Branch Manager and OIC must have direct access to the vault, including passwords, combinations and keys.

4. All cash sales/collections and operating funds, along with other related matters, must be accurately recorded in the branch's prescribed notebooks.

5. The daily deposit of all funds (cash) received throughout the day is mandatory.

6. There must be at least one authorized signatory or officer to bring the deposit or sealed envelope to the bank (for daytime or night deposit). It is prohibited to have one (1) employee to perform the deposit transaction at the bank.

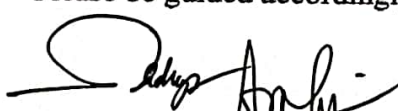
7. The sealed envelope shall not at any time, in any place, be opened for any reason by any branch personnel. Only the bank teller can open the sealed envelope for verification and validation in front of the authorized officer and accompanying staff.



8. Upon validation, the authorized officer MUST verify the validated deposit slip, in particular the bank account number, name and amount, before accepting it in full. In case of discrepancy, the authorized officer must immediately inform the bank teller/officer of the necessary modification.
9. The cashier is mainly responsible for all shortages and overages as she is responsible for managing the funds. The BM or OIC are not allowed to stay in the cashier's area.
10. The shortage must be resolved by the staff responsible on the day it arises. If not, she is required to sign an NSD/ATD form and attach it to the remittance report.
11. In the event of an overage or overpayment, regardless of the amount and origin, the cashier is required to deposit all cash collections intact with regular sales (one-time deposit only).

To RMs, AMs, GBM, and BM/ABM – please make sure to strictly adhere and implement the above existing policies.

Please be guided accordingly.


B. Reyes / A. De Jesus / M. Navarro-Dayas
Audit / HRD Treasury

Approved:


Ms. RACHELLE L. UY
EVP for Corporate Operations

cc: All Branches/ All Departments/ File

