



**PHILIPPINE RETIREMENT AUTHORITY  
BOARD AUDIT COMMITTEE**

- Members** :
- HON. MA. CRISTINA C. GARCIA-FRASCO**  
*Secretary*  
Department of Tourism
  - HON. FELIPE M. MEDALLA**  
*Governor*  
Bangko Sentral ng Pilipinas
  - HON. VERNA ESMERALDA C. BUENSUCESO**  
*OIC-Usec. Tourism Development Planning*  
Department of Tourism
- Alternate Members** :
- HON. FERDINAND C. JUMAPAO**  
*Undersecretary*  
Department of Tourism
  - HON. BERNADETTE FATIMA T. ROMULO-PUYAT**  
*Deputy Governor*  
Regional Operations and Advocacy Sector  
Bangko Sentral ng Pilipinas
  - HON. JOANNA EILEEN M. CAPONES**  
*Director, Communications Office*  
Bangko Sentral ng Pilipinas
- Secretariat** :
- MS. REYNA MAE C. DIRECTO-CABANGON**  
*Board Secretary IV*  
Philippine Retirement Authority

**PHILIPPINE RETIREMENT AUTHORITY  
BOARD AUDIT COMMITTEE CHARTER**

**SECTION I INTRODUCTION**

The Board Audit Committee (Audit Committee) Charter sets forth the roles, duties, responsibilities, authority, rules and procedures that shall guide the Audit Committee in the performance of its functions.

**SECTION II PURPOSE**

The Audit Committee is created to assist the PRA Board of Trustees (BOT) in fulfilling its oversight responsibilities relating to PRA's financial reporting, internal controls, risk management, and PRA's compliance with the requirements of legal and regulatory bodies.

**SECTION III MEMBERSHIP**

- 3.1 The Audit Committee shall be composed of three (3) members of the Philippine Retirement Authority's (PRA) BOT, namely:
- a. Department of Tourism (DOT) Secretary/PRA Board Chairperson/Alternate Chairperson or his/her authorized representative
  - b. BSP Governor or his/her authorized representative
  - c. DOT representative duly authorized by the DOT Secretary
- 3.2. The Chairperson of the Audit Committee shall be elected from among the members of the Audit Committee.
- 3.3 The Chairperson should at least have legal, audit, accounting and/or finance background or whoever is most qualified as determined by the members of the Audit Committee.
- 3.4 The Audit Committee Members shall be extensively briefed on relevant provisions of EO 1037 (PRA Charter) and are encouraged to attend seminar, trainings, and workshops related to the functions and responsibilities of the Audit Committee, expenses of which shall be chargeable against the funds of PRA.

**SECTION IV TERM OF OFFICE OF THE AUDIT COMMITTEE MEMBERS**

Unless sooner removed for just cause, the Chairperson and members of the Audit Committee shall serve for a period of three (3) years, renewable at the discretion of the BOT. In case of vacancy resulting from a member's permanent incapacity, resignation,

removal or death, the replacement shall immediately be appointed by the BOT and the appointee shall serve only the unexpired portion of the term.

## SECTION V DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Audit Committee shall have the following duties and responsibilities:

### 5.1. Financial Reporting

Review the financial statements and all related disclosures and reports certified by the PRA General Manager/CEO with timely analysis of significant and critical financial reporting focusing on the changes in accounting policies, practices, alternative accounting treatments and significant adjustments resulting from the audit, and compliance with Philippine accounting standards, tax, legal and regulatory requirements.

### 5.2. Internal Audit

5.2.1 Review and approve the Internal Audit Charter and subsequent revisions thereto;

5.2.2 Review and approve the annual Internal Audit Division's Plans and Programs with corresponding budget and ensure that internal audit examinations cover at least the evaluation of adequacy and effectiveness of controls encompassing the PRA's operations, information systems, to include the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules and regulations;

5.2.3 Direct the conduct of corporate wide review of systems and procedures covering all the areas of operations, finance, and support services administration and submit appropriate recommendations to the BOT;

5.2.4 Review and discuss the audit findings/observations and recommendations of the Internal Audit Division (IAD) with PRA Management ensuring that the latter takes appropriate corrective actions in a timely manner, including monitoring and addressing internal control and compliance issues.

For this purpose, the IAD shall report functionally to the BOT through the Audit Committee and administratively under the PRA General Manager/CEO.

The Head of Internal Audit shall be authorized to regularly attend and participate in meetings that relate to the governing body/audit committee's oversight responsibilities for auditing, financial reporting, organizational governance, and

control. The Head of Internal Audit's attendance and participation at these meetings provide an opportunity to be apprised of the strategic and operational developments; allow to raise high-level risk, systems or control issues at an early stage; provide an opportunity to exchange information concerning internal audit service's plans and activities; and keep each other informed on any other matters of mutual interest. (IASPPS, 2019)

### 5.3. External Audit

Review the reports of the regulatory agencies including the Commission on Audit (COA), where applicable, and ensure that management is taking appropriate corrective actions in a timely manner, including addressing control and compliance issues.

### 5.4. Risk Management

Review the adequacy of the PRA's risk management processes in monitoring the retiree-member's visa deposits maintained with the Development Bank of the Philippines and other accredited private banks and other related operating matters of PRA.

## SECTION VI MEETINGS

- 6.1 The Audit Committee shall meet at least once every quarter or may convene additional meetings as circumstances may require;
- 6.2 Attendance of at least two (2) of the Audit Committee members shall constitute a quorum;
- 6.3 As and when appropriate, the Audit Committee may request members of the top Management, Head of Internal Audit, Internal Auditors, or other persons to attend Audit Committee meeting.

## SECTION VII ROLE OF THE PRA MANAGEMENT

- 7.1 The Top Management sets objectives of the organization, develops plans and policies and takes full responsibility over the activities of the organization. It is directly responsible for the implementation of risk management, control and governance processes, as well as compliance with the recommendations of the Audit Committee and IAD audit recommendations.

- 7.2 Management shall ensure that internal auditors have free and full access to all the Authority's documents, records, properties, personnel, information system, data and information and all other resources relevant to and required by its functions, and that IAD shall be free from interference in determining its scope, performing its work and communicating results subject to the relevant provisions of R.A. 3456 (as amended by R.A. 4177) and the Data Privacy Act.

## SECTION VIII RELATIONSHIPS

- 8.1 The Audit Committee shall only inform the BOT on all actions undertaken including approval of the audit findings and recommendations of IAD, activities, recommendations and issues decided by them. The Audit Committee shall issue Board Audit Committee Resolution/s on the approval of the audit findings and recommendations of IAD and to include in the said resolution the authority for IAD to conduct monitoring/follow-up on the audit findings and recommendations duly approved by them ;
- 8.2 Every effort shall be made to keep mutually supportive but professionally arms-length relationship with the General Manager/CEO and other members of the PRA Management.

## SECTION IX FUNCTIONAL AND SECRETARIAT SUPPORT

- 9.1 The Board Secretary of the PRA Board shall be the designated Secretary of the Audit Committee. The Audit Committee Secretary shall prepare and maintain possession of the minutes of the meeting and other records of the Audit Committee as well as reports received from IAD, Management and/or other sources and making these available for inspection by any member of the Audit Committee or the BOT when needed. The minutes of the meetings should be prepared and sent to the Audit Committee Members at least three (3) days before the scheduled meeting;
- 9.2 The Audit Committee Secretary shall seek the approval of the Audit Committee Chairperson for the items to be included in the Agenda of the Audit Committee Meetings;
- 9.3 The Audit Committee Secretary shall see to it that the instructions/directives of the Audit Committee shall be communicated to the concerned department/division and shall monitor compliance thereof;
- 9.4 The IAD shall support the Audit Committee in the rendition of its functions through the provision for logistical support such as attendance of the Head of the Internal Audit and /or other assigned personnel to all Committee meetings. The Head of

the Internal Audit shall attend and participate in meetings that relate to the Head of Agency or the governing body/audit committee's oversight responsibilities for auditing, financial reporting, organizational governance and control.

#### SECTION X REPORTING AND AUDIT REVIEW

The Chairperson or his/her authorized representative shall report its activities to the BOT on a regular basis or as deemed necessary and shall make recommendations with respect thereto and other matters as the Audit Committee may deem necessary or appropriate under the circumstances.

#### SECTION XI CHARTER REVIEW

The Audit Committee shall review and re-assess this Charter at least three (3) years upon approval or whenever the BOT deemed necessary under the circumstances.

#### SECTION XII EFFECTIVITY

The Board Audit Committee Charter shall take effect upon approval of the PRA Board of Trustees.

