



Republic of the Philippines
PHILIPPINE RECLAMATION AUTHORITY

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AUDIT COMMITTEE REPORT

CHAIRMAN: DIR. WARREN REX H. LIONG

**MEMBERS: Dir. Dioscoro E. Esteban, Jr.
Dir. Ulysses T. Sevilla
Dir. Oscar T. Lactao**

The PRA Audit Committee consists of at least three (3) members, whose Chairman should understand accounting, auditing and/or fiscal management.

The Committee is performing its policy-making and oversight functions through its various responsibilities, such as: ascertaining the adequacy and effectiveness of internal control structure and system over financial reporting, accounting policies, core operations, processes, and support services; reviewing the internal audit and COA reports that is to ascertain the response of Management or remedial actions and consequently report to the Board; reviewing changes on accounting practices and recommend for approval those of significant and with major impact on the GOCC; overseeing and evaluating the internal audit function, monitor its compliance with the relevant government laws, rules and regulations, ensuring the professional competence of internal auditors, the adequacy of staffing and budget, and to ensure adherence to objectivity and impartiality; establishing a policy for the receipt, retention, and treatment of complaints regarding accounting, internal auditing matters, procedures for confidential, anonymous submissions by employees regarding questionable accounting or auditing matters; monitoring the GOCC compliance to the policies on risk assessment and risk management; ensuring that Management is aligning its systems and procedures with the policy, that it is continuously developing preventive measures against cybercrime, external and internal security breaches, and it is observing a formal information security governance approach; and periodically reviewing policies to ensure their appropriateness to the GOCC's programs and activities.

For CY 2019, the PRA Audit Committee held multiple sessions to discuss and deliberate the following matters: I. Approved and adopted the IAD Recommendations on the following matter: (1) Coastal Plaza Condominium Project (CPCP); (2) Water Transfer Station Property; (3) BASECO Reclamation Project; (4) The non-basis of procurement of the Decision Support System amounting to P408 Million; (5) For PRA Management to institute a policy on the procurement of Management Information Systems and ICT-related requirements; (6) For PRA Management to institute policy/guidelines on the forfeiture of illegal reclamation (*Special Registration Program of Unauthorized Reclamation under PRA AO Nos. 2005-1 and 2008-3*); (7) For PRA Management to institute policy/guidelines on the accounting of forfeited illegal reclamation projects; II. Approved the following: (1) For the PRA Management to update and present to the Board of Directors the actual use of the Geographic Information System (GIS); (2) The IAD Recommendation to refer the following items to appropriate Board Committees: (2.a) The lack of business continuity plan; (2.b) The optimal use of PRA resources; and (2) The IAD Organizational Reform.