



Republic of the Philippines
PHILIPPINE RECLAMATION AUTHORITY

7th floor, Legaspi Towers 200 Bldg., 107 Paseo de Roxas St., Legaspi Village, 1226 City of Makati
Tel. No.: (02) 459-5000 • Facsimile No.: (02) 815-2662
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SECRETARY'S CERTIFICATE

SO THE PUBLIC MAY KNOW:

I, **BAI SAUDIA SHAHARA B. AMPATUAN**, of legal age, Filipino, with office address at the 8th Floor, Legaspi Towers 200 Building, 107 Paseo de Roxas, Legaspi Village, Makati City, after having been duly sworn to in accordance with law, do hereby certify that:

1. I am the Board Secretary V of the Philippine Reclamation Authority (PRA);
2. At the 554th Regular Meeting of the PRA Board of Directors on 18 April 2018, duly called for the purpose, a quorum being present and acted throughout, the following resolution was unanimously adopted with the concurrence of the Chairman, and is now in full force and effect, to wit:

Resolution No. 4853
Series of 2018

**APPROVAL OF AMENDMENTS TO THE AUDIT
COMMITTEE CHARTER**

RESOLVED, That the proposed amendments to the Audit Committee Charter during the December 20, 2017 regular meeting of the PRA Board of Directors as well as the rephrasing from the statement "The Audit Committee shall have direct responsibility to select, evaluate and where appropriate, replace the Head of Internal Audit Division" to be rephrased to "The Committee shall be responsible in endorsing to the Board the appointment and removal of the Head of the Internal Audit Division." are hereby APPROVED.

3. The foregoing resolution has not been repealed, amended or modified and remains to be valid and subsisting as of date hereof.

Signed on 19 April 2018 at Makati City, Metro Manila.

- Original signed -

BAI SAUDIA SHAHARA B. AMPATUAN
Board Secretary V



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**The Amended
CHARTER OF THE AUDIT COMMITTEE
18 April 2018**

PURPOSE

This Charter governs the operations of the Audit Committee in fulfilling its responsibility to assist the Board in policy formulation and for oversight of PRA's financial reporting process, the system of internal control, the audit process, and the process for monitoring compliance with laws, regulations and code of conduct.

AUTHORITY

In line with its policy-making and oversight functions, the Committee shall have the authority to conduct investigations on matters within the scope of its responsibility. It shall, likewise, be vested with the authority to obtain assistance from accounting, legal, or other consultants in carrying out its function.

The Committee shall functionally exercise authority over the Internal Audit Division (IAD). The IAD shall report to the Board through the Audit Committee on the performance of its functions while remaining under the administrative supervision of the General Manager and Chief Executive Officer (GM & CEO) who accedes to the guidelines set by the Civil Service Commission.

The Committee shall be responsible in endorsing to the Board the appointment and removal of the Head of Internal Audit Division.

The Committee may request any PRA officers and employees to attend its meetings and to provide pertinent information and/or assistance as may be necessary, subject to relevant Management policy.

In addition to the authorities granted to the Audit Committee in this Charter, the Committee is authorized:

1. To access any information, data or records of PRA and to require the production of the same subject to the established Management policy;
2. To conduct or authorize the conduct of an inquiry into matters within the scope of/ its responsibility;

3. To recommend for approval of the Board the hiring of accounting, audit, technology, legal or other consultants who will assist the Committee in carrying out its functions and duties under this Charter;
4. To resolve any disagreements between Management and the Internal Audit Division (IAD);
5. To recommend for approval of the Board to supplement the Internal Audit resources by temporary personnel movements (detail) to enhance its capability to deliver the required services and make it more responsive to changes and emerging trends in audit standards, methodologies and best practices in accordance with the provisions under Chapter III – Organizing the Internal Audit, PGIAM and PRA Employees’ Manual;
6. To determine the internal audit support functions that may be outsourced subject to the approval by the Commission on Audit (COA) as per Chapter I item 5.9 – Internal Audit Studies, Services and Other Seminars by Private Persons or Firms of PGIAM.

COMPOSITION

The Board shall designate among themselves three (3) members including the chairman for quorum purposes. The Committee Chairperson must understand accounting, auditing, and/or fiscal management.

No member of the Audit Committee shall have interest in any subsidiaries/affiliates, stakeholders, contractors and/or any company doing business, whether direct or indirect relationship with PRA. Full disclosure of business interest is a must.

The members of the Audit Committee shall be elected by the Board of Directors annually and shall serve until their successors are duly elected and qualified. The election of all members of the Audit Committee shall require unanimous approval of all directors present during their election.

DUTIES AND RESPONSIBILITIES

The Committee shall have the following duties and responsibilities:

Financial Reporting Processes, Accounting Policies and Internal Control Structure

1. In aid of formulating an Agency policy, the Committee shall discuss with Management its processes for assessing the adequacy and effectiveness of internal

control over financial reporting, core operations, and support services including any material weaknesses or significant deficiencies identified;

2. To review the internal audit and COA reports and discuss with Management the key issues or exceptions on financial reporting and operations management to ascertain its response or remedial actions and consequently report to the Board, the Audit Committee's assessment and recommendations that will warrant policy formulation to assist Management in strengthening the Agency's internal control mechanism;
3. To review and recommend for approval significant changes on accounting practices that will have major impact on the Agency;
4. To oversee and evaluate 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;
5. To establish 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;
6. To review other reports related to the Audit Committee's responsibilities and perform other activities consistent with this Charter, the Philippine Government Internal Audit Manual, the National Guidelines on Internal Control Systems and the PEA Charter (PD 1084).

Risk Assessment, Information Technology Security and Controls

1. To monitor the Agency compliance to the policies on risk assessment and risk management;
2. To formulate policies governing the information technology security and controls, and ensure 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 the Agency is observing a formal information security governance approach;
3. To review policies periodically to ensure their appropriateness to the Agency's programs and activities.

RELIANCE ON INFORMATION PROVIDED

The members of the Audit Committee, in the performance of their duties and responsibilities, shall be fully protected from liability in relying in good faith upon the key information providers (the Management, employees, Board committees and experts) as to the matters the committee members reasonably believe are within the information provider's professional or expert competence. The Audit Committee members, however, are presumed to have exercised due care and diligence, are active and alert in rendering their recommendatory function.

MEETINGS

The Committee shall meet quarterly, as a minimum frequency. The Committee, however, may convene in a special meeting as needed and when determined by the Chair of the Committee. Majority of the members of the Committee shall constitute a quorum. Notice and agenda of every meeting together with the relevant papers shall be delivered to all Audit Committee members at least fort-eight (48) hours prior to the meeting date. Under extraordinary circumstances, members may participate in the Committee meetings via teleconference or videoconference and it shall be considered as officially valid meeting.

The Head of IAD shall prepare and submit the agenda for the Committee meetings through the Office of the Corporate Secretary at least one (1) week before the Committee Meeting. The Committee members may suggest items to be included in the agenda.

The Office of the Corporate Secretary shall prepare the directives as agreed upon during the meeting. It shall also prepare and keep the minutes of the Committee meetings and shall regularly submit to the Board of Directors a report of the Committee's activities, findings, actions and recommendations.

REVIEW OF THE AUDIT COMMITTEE CHARTER

The Committee shall review and assess the adequacy of the Committee Charter annually and propose amendments as may be necessary, subject to the approval of the Board.

ATTESTED BY:

- Original signed
DIR. WARREN REX H. LIONG
Chairman
Audit Committee

- Original signed -
DIR. DIOSCORO E. ESTEBAN, JR.
Member
Audit Committee

