



Republic of the Philippines
PHILIPPINE RECLAMATION AUTHORITY

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AUDIT COMMITTEE REPORT

CHAIRMAN: DIR. DIOSCORO E. ESTEBAN, JR.

**MEMBERS: DIR. ULYSSES T. SEVILLA
DIR. OSCAR T. LACTAO
DIR. NOLASCO K. BATHAN**

The PRA Audit Committee consists of four (4) members, whose Chairman competently understands 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 2021, the PRA Audit Committee held multiple sessions and have discussed, deliberated, and acted on the findings/observations and recommendations of the Internal Audit Division on the following matters:

- I. Approved and adopted the IAD Recommendations on the following matter:
 - 1) For Management to establish and to have a Board-approved Information Systems Strategic Plan (ISSP) that contains the agency's overall strategy which involves medium term (3–5-year plan) planning for its information and communications technology (ICT) thrusts, strategies, and programs for development. It indicates the ICT resource requirements of a particular agency on a per year basis. Formulation of an ISSP is aimed at directing ICT application towards “mission-critical, public-service-sensitive, development-management-supportive and revenue-generating areas of the government.”

- 2) For Management to formulate and establish a Board-approved policy on the procurement of MIS and ICT-related requirements of the PRA. This will ensure a coordinated and well-planned purchase of information systems and necessary communications technology software and hardware. A guided procurement of ICTs.
- 3) For Management to formulate its Public Service Continuity Plan (PSCP) in compliance with the issuance of the National Disaster Risk Reduction and Management Council (NDRRMC) Memorandum No. 33 s. 2018 and that of the Civil Service Commission. The PSCP is an all-hazard plan that aims to ensure continuous delivery of services to the public amid any disruption. It works by highlighting internal capacities, recovery requirements, and strategies to minimize damage and loss to essential processes, ensure succession of leadership, and improve continuity capabilities of all government entities.
- 4) For Management to hasten the establishment of Financial Management Information System to serve the requirement of the Bureau of Internal Revenue for institutional reporting and for management information and decision making.
- 5) For Management to formulate a policy on the accounting of foreclosed illegal reclamation projects in line with the approved PRA Administrative Order No. 2021-01 providing for the Rules and Procedures for the Forfeiture of Unauthorized and Illegal Reclamations Through Titling Under The Name of The Philippine Reclamation Authority (PRA). And for Management to provide an updated Manual of Procedures.
- 6) For Management to formulate a Financial Management Policy to maximize the utilization of the Agency resources not just limited to cash funds or current asset.
- 7) For the Management to formulate a policy to protect the Agency's data assets especially those stored outside of its primary office.

II. Ascertaining the adequacy and effectiveness of internal control structure and system of the following:

- 1) Geographic Information System - A digital map. It can be used for scientific investigations, resource management, asset management, environmental impact assessment, and urban planning.
- 2) Asset Management System
- 3) Human Resource Information System
- 4) Procedures in the virtual conduct of the Bid and Awards Committee (BAC)

