

Policy Statement on the Appointment and Removal of the PhilHealth Internal Auditor

The PhilHealth Internal Audit Manual (PIAM), approved through PhilHealth Board Resolution (PBR) No. 2342, s. 2018, under Audit Standard 1100 states that “functional reporting to the Audit Committee involves: d) approving all decisions regarding the performance evaluation, appointment, reassignment, detail, or removal of the Chief Audit Executive (Head of Internal Audit) in accordance with applicable laws, rules, and regulations; e) **approving all decisions regarding: 1) reassignment, secondment or detail of the IAG officers and personnel; and 2) reassignment, secondment or detail of other personnel to IAG, in accordance with applicable laws, rules and regulations.**” (*emphasis supplied*)

Further, Commission on Audit (COA) issued Internal Auditing Standards for the Philippine Public Sector (IASPPS) under Audit Standard 1110 provides that “Organizational independence of IAS is effectively achieved when the Head of Internal Audit reports functionally to the Governing Body/Audit Committee. Examples of functional reporting are the Audit Committee’s actions such as the following: **v. Approving decisions regarding the appointment and removal of the Head of the Internal Audit.**” (*emphasis supplied*)

Lastly, the 2020 Revised PhilHealth Internal Audit Charter per PBR No. 2549, s. 2020 under Item No. VI – Independence and Objectivity, which provides that: **“In order to maintain such independence and objectivity of IAG’s officers, internal auditors and staff in the performance of their duties and responsibilities, their appointment, secondment, re-assignment, transfer and other personnel movements shall be with prior clearance and approval of the Audit Committee.”** (*emphasis supplied*)



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