

CY 2024 Performance Report of the Audit Committee

Approved by the Audit Committee on February 10, 2025

In 2024, the Audit Committee (AudCom) fulfilled its mandate to oversee and enhance the Corporation's internal control systems, ensuring transparency and compliance with governance standards.

The Committee confirmed the audit reports on the following audit engagements, and issued additional directives pertinent thereto for the Management's action: Information and Communication Technology (ICT) Infrastructure Management, Procurement Process of Information Technology (IT) Security Solutions, Information Security Policies, NClaims Web System, PhilHealth Regional Offices (PROs) I and X Collection Process, Fixed Assets Management (land properties), Property Management (property custodianship and issuance and utilization), High Risks Areas in the Motorpool Operation, Accounts Management and Monitoring Process of Micro-Employers in the Private Sector, Debit Credit Payment Method (DCPM), Newborn Care Package (NCP), Z Benefits for Colon and Rectum cancers, Collection Process-Receipt and Acknowledgment of Contributions and other Receipts, Internal Audit Report (IAR) on Process of Accounts Management of Employers in the Government Sector.

In compliance with good governance conditions, it reviewed and cleared the Financial Statements of the Corporation as of the fourth quarter of CY 2023, as well as the first, second and third quarters of CY 2024, prior to presentation to the Board for approval. The Committee also tackled key issues concerning the compliance of the Corporation with the findings of the Commission on Audit (COA) report on the result of Pre-assessment of PhilHealth's Internal Audit Group (IAG) compliance with the Internal Auditing Standards for the Philippine Public Sector (IASPPS). Additionally, financial matters, including the Insurance Contract Liability (ICL), Reserve Funds, and Incurred But Not yet Reported (IBNR) claims, were addressed.

To further strengthen the leadership of the AudCom, Board Member Dr. Thea Arcely R. Gimenez, an expert in finance and economics, has been elected as its Vice-Chairperson. Additionally, the Committee also approved the audit on the implementation process of the Quality Management System (QMS) Certifiable by ISO 9001:2015 in the Head Office, a critical step in aligning processes with international quality standards.

To ensure continuous improvement and effective implementation of audit practices, the Committee approved key initiatives and gave appropriate directions concerning the implementation of the internal audit function in PhilHealth, including the Proposed IAG Policy on the Disposition of Ongoing Audit Recommendations and the Proposal for the Conduct of an Internal Audit Summit Every Two Years to enhance collaboration.

Moreover, the Committee approved the Proposal for the Full Implementation of the Internal Audit-Quality Assurance and Improvement Program (IA-QAIP) Internal Assessment and the use of the IAG-Strategic Performance Management System (IAG-SPMS) for the QAIP, which is vital in ensuring continuous improvement and compliance with audit standards.

It also endorsed the revision of the Risk-Based Internal Audit Strategic Plan (RBIASP) of the Operations Audit Department (OAD) for CY 2024-2026, which serves as a roadmap for addressing high-risk areas and ensuring effective internal controls over the next three years.

Furthermore, the Committee approved the Revised Internal Audit Plan for the Second Semester of CY 2024 for the Financial Audit Department (FAD) and the Revised Audit Plan for CY 2024 of Task Force IT Audit (TFITA) on the Request for Replacement of Audit Area of PhilHealth Integrated Payroll System (PIPS) to Management of ICT Infrastructure.

The Committee also approved the closure of fully implemented, partially implemented, and not-implemented audit recommendations for CYs 2013-2023 of the FAD, OAD, as well as CYs 2019–2023 of the TFITA, and endorsement of those partially implemented and not-implement audit recommendations to the Risk Management Committee and Program Management Team for Risk Management (PMT-RM). High-risk recommendations were referred to the Risk Management Committee, while low-to-moderate risks were endorsed to the PMT-Risk Management, reflecting the Committee’s commitment to accountability and operational excellence.

Committee Membership

DEPARTMENT OF FINANCE (DOF) Principal Alternate Alternate	Sec. Ralph G. Recto Treas. Sharon P. Almanza Dept. Treas. Eduardo G. Mariño III (<i>Chairperson</i>)
DEPARTMENT OF HEALTH (DOH) Alternate	Sec. Teodoro J. Herbosa Asec. Paolo S. Teston Asec. Albert Francis E. Domingo
DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) Alternate	Sec. Amenah F. Pangandaman Usec. Wilford Will L. Wong Usec. Maria Francesca M. Del Rosario
HEALTH CARE PROVIDERS SECTOR REPRESENTATIVE	BGen. Marlene R. Padua (Ret.)
EMPLOYERS’ GROUP REPRESENTATIVE	Mr. Robert Francis F. Maronilla
EXPERT PANEL REPRESENTATIVE	Dr. Thea Arcely R. Gimenez (<i>Vice Chairperson</i>)
EXPERT PANEL REPRESENTATIVE	Dr. Ma. Graciela G. Gonzaga

The tables below present the dates of the Audit Committee meetings held in CY 2024, along with the attendance of each Member:

Audit Committee Meetings Conducted

No.	Date
1	January 26, 2024
2	February 12, 2024 (Special)
3	March 19, 2024
4	May 21, 2024
5	August 01, 2024
6	August 29, 2024 (Special)
7	September 20, 2024
8	November 22, 2024

Attendance of Audit Committee Members

Sector	Jan 26	Feb 12	Mar 19	May 21	Aug 01	Aug 29	Sept 20	Nov 22	Total
Department of Health (DOH)	✓	✓	✗	✗	✓	✓	✓	✗	5/8
Department of Finance (DOF)	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Department of Budget and Management (DBM)	✓	✓	✓	✓	✓	✓	✗	✓	7/8
Health Care Provider Sector (HCPS)	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Employer Sector	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Expert Panel	✓	✓	✓	✓	✓	✓	✓	✓	8/8