



*Republic of the Philippines*  
**PHILIPPINE HEALTH INSURANCE CORPORATION**

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## **CY 2018 Performance Report of the Audit Committee**

In 2018, the Audit Committee (AudCom) prioritized discussion on areas with high financial or reputational impact. As such, it revised the Internal Audit Strategic Plan for CY 2018–2020 to give way to the conduct of special audit on unpaid (pending) claims. This aimed to shed light on and provide a more reliable data vis-à-vis the allegations on PhilHealth’s debt to accredited private health care institutions, and recommend solutions to address the issue moving forward. The AudCom also directed the conduct of a special audit on the process of document release in the Comptrollership Department and the validation of the 2017 PhilHealth financial statement. This is to improve the safeguarding, maintenance and storage of confidential information, and ensure that the correct procedures and policies on generating the report are consistently followed henceforth.

Moreover, the AudCom confirmed the audit reports on the following, and issued directives pertinent thereto for Management’s action: user access controls on core application systems, unwarranted claims, implementation of medical post-audit, investment, Office of the Corporate Secretary, policy development process, and planning and budgeting. It also instructed the subsequent dissemination of said reports to the Management for the implementation of the audit recommendations.

As an offshoot of the discussion on the dishonored payments, the AudCom suggested the direct payment to PhilHealth of the premium contribution of its employees to save on cost and ease administrative workload. It also directed the submission of a report on the procured office and IT equipment and supplies of PhilHealth to the Governance Committee for information, further discussion, and guidance on prospective budget deliberation and policy directions.

The Board approved the PhilHealth Internal Audit Manual (PIAM) through PhilHealth Board Resolution (PBR) No. 2342 dated January 10, 2018. Said manual shall serve as the internal auditor’s guide in the performance of his/her duties and responsibilities in accordance with the auditing standards of the Commission on Audit. Subsequently, the AudCom recommended to the Board the amendment of the PIAM to include provisions on the signing off of all Internal Audit Reports, and all the applicable supporting documents, submitted to the Management and the AudCom.

Per Management endorsement, the AudCom also confirmed the reassignment of Ms. Ann Marie C. San Andres and Atty. Alex B. Cañaverl as the new acting Vice-President of the Internal Audit Group and the new Senior Manager of the Financial Audit Department, respectively.

Instead of adhering to the minimum quarterly schedule prescribed in the Audit Charter, the AudCom resolved to meet every other month to monitor compliance on crucial directives and address other operational issues that warrant prompt action.

The members of the AudCom also graced the Internal Audit Summit held in Davao City in October 2018. The event, which also focused on effective governance and risk management, aimed to build awareness and promote internal controls management in the Corporation.

Lastly, 2018 marked significant changes in the composition and leadership of the AudCom. In view of the reconstitution of PhilHealth Board Committees early last year (pursuant to PBR No. 2341), the AudCom elected Dep. Treas. Ma. Sharon P. Almanza (BTr, and permanent representative of Finance Secretary Carlos F. Dominguez III) as the new chairperson.

Meanwhile, Dr. Joan Cristine Lareza (Health Care Providers Sector) replaced as vice-chairperson Dr. Roy B. Ferrer (Employers Sector) who was appointed as Acting President and CEO. By the end of CY 2018, other members comprising the AudCom are Dr. Lilibeth C. David (DOH representative), Dr. Celestina Ma. Jude. P. Dela Serna (Filipino Overseas Worker Sector), Dr. Roberto M. Salvador, Jr. (Formal Economy Sector) and Dr. Anthony C. Leachon (Ind. Director, Monetary Board).