



## **AUDIT COMMITTEE'S ACCOMPLISHMENT REPORT FOR CY 2017**

2017 has been a productive year for Audit Committee in strengthening its foundation for the oversight function on internal controls in the core programs and projects, support systems and application systems. The Audit Committee approved the Internal Audit Group's (IAG) partnership with the Commission on Audit (COA) in the Initiative entitled, "Undertake Capacity-Building of the Internal Audit Group (IAG) Staff in the Conduct of the Baseline Assessment of Internal Control System (BAICS), Preliminary Strategic Internal Audit Planning, as well as on the Various Internal Audit Processes." The partnership aims to enhance the IAG's ability to contribute to the Corporation's strategic objective on ensuring effective and efficient processes.

1<sup>st</sup> Phase of the Initiative involves the conduct of Assessment of Internal Control System (ICS) in the Central Office in the 8/17 PhilHealth Regional Offices (PROs) such as NCR, III, II, V, VI, IX, X, CARAGA. The Assessment of ICS includes the administration of Internal Control Checklists (ICCs) to ascertain the identified risks and the internal controls. The results of the Assessment of ICS served as bases in determining the audit areas for 3 years as reflected in the Internal Audit Strategic Plan (IASP). The Audit Committee approved the Assessment of ICS Report, IASP and the 2018 IAG Annual Work Plan.

The Initiative culminated with the finalization of PhilHealth Internal Audit Manual (PIAM). The PIAM is the Internal Auditor's guide in the performance of his/her duties and responsibilities in accordance with the COA's Philippine International Auditing Standards and International Standards for Professional Practice of Internal Auditing. The PIAM contains the organization structure, management of audit activity, audit engagement process, quality assurance and improvement program, and features of the internal audit charter.

The Internal Audit Teams proceeded to the conduct of monitoring on the implementation of audit recommendations in the last quarter of the year. The monitoring effort intends to check the extent of addressing the audit observations of the IAG made from July 2013 up to March 2017. The results of the monitoring include the discussion in the Audit Committee on the closure of certain observations or directives for the Management to address the audit observations.

In the coming year of 2018, the Audit Committee is expected to reinforce Internal Audit's critical role in effective governance, risk management and internal control.