



# PORO POINT MANAGEMENT CORPORATION

A Member of the Bases Conversion and Development Authority Group

## Appointment and Removal of the Internal Auditor

Section 4.1.2 of the PPMC's Manual of Corporate Governance provides that:

### **4.1.2 Audit and Risk Oversight Committee**

There shall be an Audit and Risk Oversight Committee composed of at least three (3) members with at least one (1) member having a background in audit, accounting, finance or investments and its Chairman should have audit, accounting or finance background. It shall have the following particular duties and responsibilities:

- a. Review and approve the Annual Audit Plan of the Office of the Internal Auditor;
- b. Review the Internal Audit Service Office (IASO) Audit Report and recommend solutions to the PPMC Board to address the audit findings. The Board Audit & Risk Oversight Committee shall ensure that the resolutions, as concurred by the PPMC Board, shall be acted promptly by Management so that the audit findings shall be satisfactorily addressed;
- c. **Be responsible for setting up an internal audit department and consider the appointment and removal of the Chief Audit Executive so that the reporting levels allow the internal audit activity to fulfill its responsibilities (*Underscoring Supplied for Emphasis*)**;
- d. Ensure that the IASO shall have free and full access to all the corporation's records, properties and personnel relevant to and required by its functions and that the internal audit activity shall be free from interference in determining its scope, performing its work and communicating its results;
- e. Ensure that management is taking appropriate corrective actions in a timely manner in addressing control and compliance functions with regulatory agencies;
- f. Review the monthly, quarterly and annual financial statements before submission to the PPMC Board, focusing on changes in accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, going concern assumptions, compliance with accounting standards, and compliance with tax, legal and COA requirements;
- g. Monitor the creation of the Risk Management Policy and Procedures for PPMC;
- h. Review, evaluate and monitor risk management policies, structures and processes as defined by Management;
- i. Review and assess information provided by Management on risk exposures and risk management activities and possible solutions to risks that the corporation faces.