

# PORO POINT MANAGEMENT CORPORATION

A Member of the Bases Conversion and Development Authority Group

## Separate Internal Audit Function

Section 2.3 and 2.4 of the PPMC's Audit Manual provides that:

### **2.3 CREATION**

The need for internal audit services as a tool for achieving efficient and effective administration and performance of agency affairs and functions has been recognized as early as 1962 when R.A. 3456 was enacted.

The IASO was created in compliance with Administrative Order (A.O.) No. 278 dated April 28, 1992 as amended by A.O. No. 70, dated April 14, 2003.

A.O. No. 70 was issued to strengthen the internal control systems of the government offices, agencies, government-owned and/or controlled corporations, including government financial institutions, state universities and colleges and local government units by creating an Internal Audit Service in their respective offices.

Further, the creation of the IASO is in compliance with the recommendation of the Commission on Audit (COA) to organize an Internal Audit Office as mentioned in the 2008 Annual Audit Report of PPMC. The Bases Conversion and Development Authority (BCDA) approved the funding of the said position in year 2010.

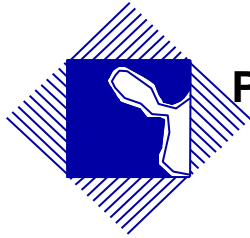
### **2.4 INDEPENDENCE**

In performing its responsibilities, the IASO must be independent, in fact and perception, of the activities audited. This independence is essential to freely, and objectively carry out the mission of the Office. Independence permits internal auditors to render an impartial and unbiased judgement essential to the proper conduct of the audits.

The internal auditors shall be free of influence by any element in the company, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports.

The internal auditors shall not engage in any activity which they would examine, review and appraise in the course of performing their functions or which may be construed to impair their objectivity.

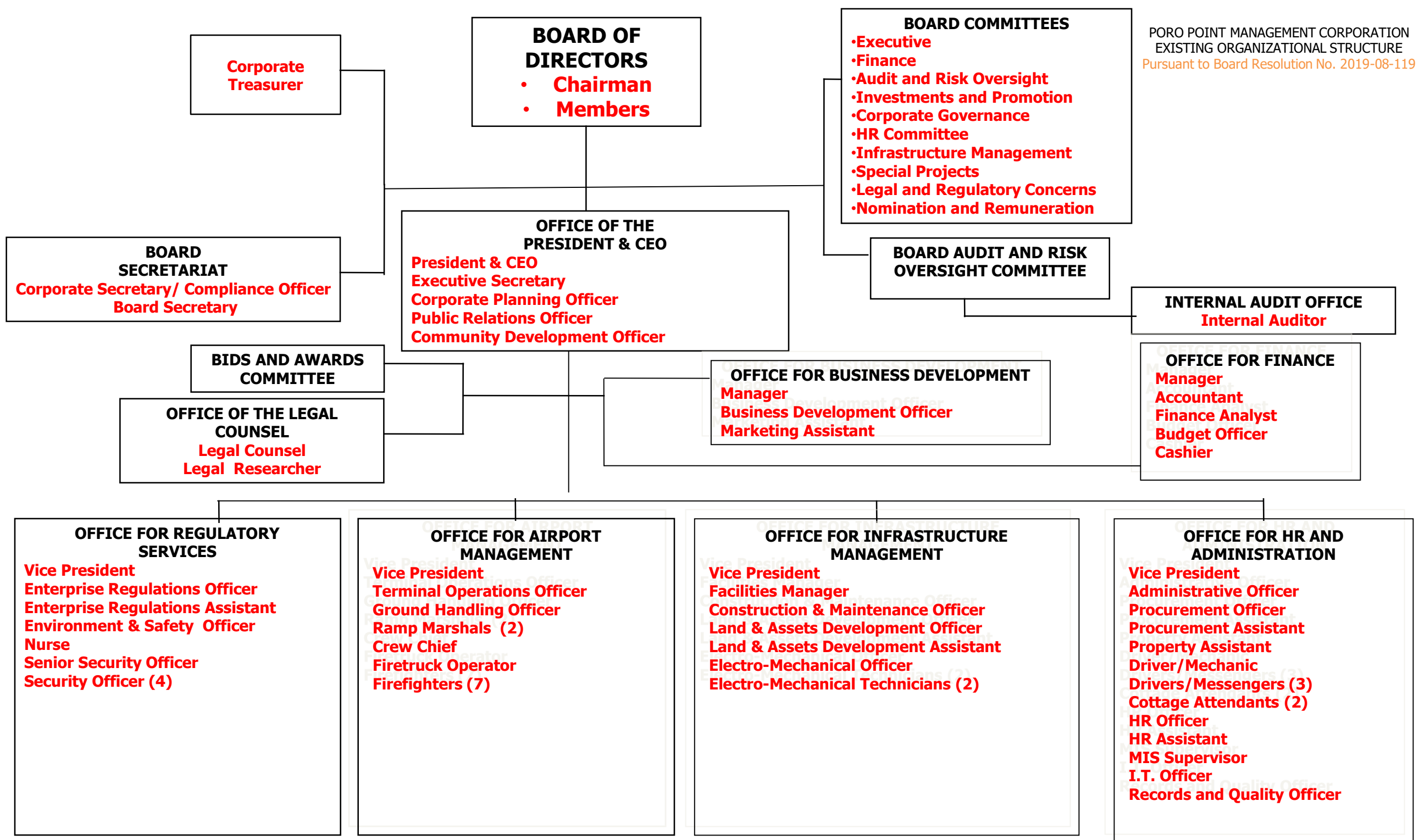
Internal audit shall serve as an advisory function and not a line or operating function. It is not concerned with participation in, authority over or pre-action in the approval of operations or transactions. Being an advisory unit and in consonance with the provision of Administrative Order No. 278, dated April 28, 1992, the IASO shall be prohibited from performing the following functions, which impair independence and objectivity:



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1. Pre-audit of vouchers and countersigning of checks;
2. Inspection of deliveries, although the IASO may, as part of its examination, observe the inspection of deliveries and conduct separate inspection as determine in the course of audit engagements;
3. Preparation of Treasury and bank reconciliation statements;
4. Drafting, developing, installing and operating controls, systems and procedures. In exceptional cases, the IASO may, however, assist by way of giving suggestions and recommendations;
5. Conduct physical inventory. The IASO, however may view the plans in advance and observe and test-check the accuracy of counting and summarizing;
6. Maintaining property records; and
7. All other activities related to operation.



**BOARD OF DIRECTORS**  
 • Chairman  
 • Members

**BOARD COMMITTEES**  
 •Executive  
 •Finance  
 •Audit and Risk Oversight  
 •Investments and Promotion  
 •Corporate Governance  
 •HR Committee  
 •Infrastructure Management  
 •Special Projects  
 •Legal and Regulatory Concerns  
 •Nomination and Remuneration

**Corporate Treasurer**

**BOARD SECRETARIAT**  
 Corporate Secretary/ Compliance Officer  
 Board Secretary

**OFFICE OF THE PRESIDENT & CEO**  
 President & CEO  
 Executive Secretary  
 Corporate Planning Officer  
 Public Relations Officer  
 Community Development Officer

**BOARD AUDIT AND RISK OVERSIGHT COMMITTEE**

**INTERNAL AUDIT OFFICE**  
 Internal Auditor

**BIDS AND AWARDS COMMITTEE**

**OFFICE OF THE LEGAL COUNSEL**  
 Legal Counsel  
 Legal Researcher

**OFFICE FOR BUSINESS DEVELOPMENT**  
 Manager  
 Business Development Officer  
 Marketing Assistant

**OFFICE FOR FINANCE**  
 Manager  
 Accountant  
 Finance Analyst  
 Budget Officer  
 Cashier

**OFFICE FOR REGULATORY SERVICES**  
 Vice President  
 Enterprise Regulations Officer  
 Enterprise Regulations Assistant  
 Environment & Safety Officer  
 Nurse  
 Senior Security Officer  
 Security Officer (4)

**OFFICE FOR AIRPORT MANAGEMENT**  
 Vice President  
 Terminal Operations Officer  
 Ground Handling Officer  
 Ramp Marshals (2)  
 Crew Chief  
 Firetruck Operator  
 Firefighters (7)

**OFFICE FOR INFRASTRUCTURE MANAGEMENT**  
 Vice President  
 Facilities Manager  
 Construction & Maintenance Officer  
 Land & Assets Development Officer  
 Land & Assets Development Assistant  
 Electro-Mechanical Officer  
 Electro-Mechanical Technicians (2)

**OFFICE FOR HR AND ADMINISTRATION**  
 Vice President  
 Administrative Officer  
 Procurement Officer  
 Procurement Assistant  
 Property Assistant  
 Driver/Mechanic  
 Drivers/Messengers (3)  
 Cottage Attendants (2)  
 HR Officer  
 HR Assistant  
 MIS Supervisor  
 I.T. Officer  
 Records and Quality Officer