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	INTERNAL AUDIT CHARTER		IAO 002-1015		
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I. MISSION

The mission of the Internal Audit Office (IAO) is to provide independent and objective assurance and consulting services designed to add value and improve the Company's operations, as a service to the Management, Board of Directors and Stockholders. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the Company's control, risk and governance processes.

II. SCOPE OF WORK

To determine whether the Company's network of risk management, internal control systems, information systems and governance processes, as designed and represented by Management, is adequate and functioning to ensure that:

1. Risks are appropriately defined and managed.
2. Interaction with the various governance groups occurs as needed.
3. Significant financial, managerial, and operating information is accurate, reliable, and timely.
4. Employees' actions are in compliance with policies, rules, procedures, standards and applicable laws and regulations.
5. Resources are acquired economically, used efficiently, and protected adequately.
6. Significant legislative or regulatory issues impacting the Company are recognized and appropriately addressed.
7. Programs, plans and objectives set are attained.
8. Quality and continuous improvement are fostered in the Company's control process.
9. Opportunities for improving management control, profitability, and the Company's image are communicated to Senior Management.

Core services include:

1. Compliance, operations, financial, fraud, IT, and tax audits;
2. Advisory or consultancy services; and
3. Business process review or improvement.

III. AUTHORITY

Subject to compliance with the Company's security policies, the officers and staff of IAO are authorized to:

1. Have full and free access to the Senior Management and Audit Committee.
2. Have complete and unrestricted access to all functions, records, properties and personnel required in the conduct of audit engagements.
3. Plan, delegate duties, allocate resources, select audit universe, determine scope of works, and select required methodology/techniques to accomplish audit objectives.
4. Obtain necessary assistance and cooperation of personnel in auditable units and other specialized services from within or outside the Company

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The officers and staff of IAO are not authorized to:

1. Perform any operational duties for the Company.
2. Initiate or approve accounting transactions outside IAO.
3. Prepare records or engage in any other activity normally reviewed by it, nor develop or implement procedures or systems.
4. Direct the activities of any employees outside IAO, except those who have been assigned to assist the audit team.

All records, documentation and information accessed in the course of undertaking internal audit activities are to be used solely for the conduct of these activities. The Head of Internal Audit and individual internal audit staff are responsible and accountable for maintaining the confidentiality of the information they receive during the course of their work.

IV. ACCOUNTABILITY

IAO is accountable to the Board of Directors (BOD) through the Audit Committee, and the Senior Management in the discharge of their responsibilities.

V. RESPONSIBILITY

The IAO officers and staff, have the responsibility to:

1. Provide annual assessment on the adequacy and effectiveness of the Company's management of its internal control and risk activities.
2. Develop an annual audit plan using risk-based methodology that identifies risks assessed by the Management as critical for its operations. Submit the annual audit plan to the Audit Committee for approval.
3. Implement the annual audit plan as approved, including special tasks or projects requested by the Management and Audit Committee.
4. Coordinate with and provide oversight of other controls and monitoring functions related to risk management, compliance, security, ethics, and environmental issues.
5. Assist in the investigation of suspected fraudulent activities within the Company and its subsidiaries.
6. Assist process owners in the preparation and implementation of systems and processes.
7. Consider the scope of work of the external auditors and regulators to provide wider audit coverage.
8. Report to Senior Management, Audit Committee or BOD, as may be required, summarizing all audit findings, issues and concerns, and opportunities or recommendations for improvements, to those processes covered by audit or review.
9. Provide monthly updates to Senior Management on the status of the audit activities and issues/concerns raised in the conduct of its duties. Also submit or present quarterly updates/report to Audit Committee or BOD, as convened, including status and results of the annual plan, budget and sufficiency of IAO resources.

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VI. INDEPENDENCE

Independence is essential for effective operations of the auditing function, thus IAO shall remain free of any influence by any of its organizational elements. Internal Auditor must exhibit the highest level of professional objectivity and must always make a balanced assessment of all relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

Internal Audit reports functionally to the Audit Committee, and administratively to the Senior Management. The Head of Internal Audit is accountable to the BOD for the efficient and effective operation of the internal audit function.

The reporting relationships, authority and responsibility of IAO are established by the Audit Committee on behalf of the BOD. The approval of the Audit Committee is required for the appointment, removal or replacement of the IAO Head. Please refer to the Audit Committee Charter for details.

VII. STANDARDS OF AUDIT PRACTICE

The Company's IAO shall adopt and comply with the *International Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors. New auditing standards may similarly be adopted by the Internal Audit as necessary.

Internal audit activities are also conducted in accordance with the Company values, policies and procedures.

VIII. THE CHARTER

1. The Audit Committee shall review and reassess this Charter at least annually or otherwise as it deems appropriate, and recommend any necessary changes to the BOD.
2. The BOD shall have the authority to amend or modify any provision of the Charter at any time, and prepare and review the performance evaluation of the Committee in relation to this Charter.

IX. POLICY CHANGE SHEET

Issue No.	Revision No.	Date	Description of Change	Initiator
1	0	November 5, 2015	Issuance	Dale Tongco

End of Policy Statement