

JHMC BOARD AUDIT COMMITTEE FUNCTIONS

(Based on the JHMC Manual of Corporate Governance)

1. Oversee, monitor and evaluate the adequacy and effectiveness of JHMC's internal control system, engage and provide oversight of JHMC's internal and external auditors, and coordinate with the COA;
2. Review and approve audit scope and frequency, the annual internal audit plan, quarterly, semi-annual and annual financial statements before submission to the 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, regulatory and COA requirements;
3. Receive and review reports of internal and external auditors and regulatory agencies, and ensure that Management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies;
4. Ensure the internal auditors have free and full access to all the GOCCs records, properties and personnel relevant to and required by its function and that the internal audit activity shall be free from interference in determining its scope, performing its work and communicating its results; and
5. Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the GOCC through a procedures and policies handbook that will be used by the entire organization.