



Pag-IBIG Fund
(Home Development Mutual Fund)
BOARD AUDIT COMMITTEE CHARTER

I. PURPOSE

The Board Audit Committee is established to assist the Board of Trustees in the oversight of the integrity of the Fund's financial reporting, internal control and risk management process, and evaluate the performance of the Internal Audit Services Group.

II. DEFINITIONS

<i>"the Fund"</i>	<i>the Pag-IBIG Fund or Home Development Mutual Fund</i>
<i>"Board"</i>	<i>the Board of Trustees of Pag-IBIG Fund</i>
<i>"the BAC"</i>	<i>the Board Audit Committee</i>
<i>"Chairperson"</i>	<i>the duly elected Chairperson of the Board Audit Committee</i>
<i>"Vice-Chairperson"</i>	<i>the duly elected Vice-Chairperson of the Board Audit Committee</i>
<i>"Secretariat"</i>	<i>the Internal Audit Services Group which shall be responsible for the administration of the Board Audit Committee Meetings</i>
<i>"Members"</i>	<i>the Chairperson, Vice-Chairperson and the members of the BAC</i>
<i>"Financial Reporting"</i>	<i>involves the disclosure of financial information to the various stakeholders about the financial performance and financial position of the Fund over a specified period of time. These stakeholders include members, employers, debt providers, developers, government agencies and various regulatory bodies.</i>
<i>"Financial reports"</i>	<i>reports prepared by the management to present the financial performance and position of the Fund at a point in time.</i>



- “Internal Control”* a process, effected by the board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.
- “Internal Audit Services Group”* the organizational unit responsible for review of operational effectiveness and efficiency of the Fund’s business processes, systems and procedures as well as evaluation of adequacy and effectiveness of internal control and quality of performance.
- “Risk Management”* the set of processes through which management identifies, analyzes, evaluates, and, where necessary, responds appropriately to risks that might adversely affect the realization of the Fund’s strategic and business objectives.
- “this Charter”* this Charter in the present form or as may be amended from time to time.

III. COMPOSITION

The Board of Trustees shall appoint five (5) from among its members to constitute the BAC to serve for a term of one (1) year. The Committee shall elect from among themselves the Chairperson and the Vice-Chairperson, who shall preferably have audit, accounting, or finance background.

IV. RESPONSIBILITIES AND DUTIES

The Board Audit Committee shall have the following duties and responsibilities:

1. Financial Reporting

Review the financial statements and all related disclosures and reports certified by the Vice-President of Finance Group with timely analysis of significant/ critical financial reporting focusing on changes in accounting policies and practices, alternative accounting treatments and major judgmental areas, significant adjustments resulting from the audit, going concern assumptions, compliance with accounting standards, tax, legal and regulatory requirements.

2. Internal Audit

- a. Review and approve the Internal Audit Charter and subsequent revisions thereto;