



Republic of the Philippines
Province of Isabela

PROVINCIAL INTERNAL AUDIT AND CONTROL OFFICE

ACCOMPLISHMENT REPORT

FY 2018

Republic Act No. 7160, known as the Local Government Code of 1991, specifically Section 3(b) provides that there shall be established in every local government unit an accountable, efficient, and dynamic organizational structure and operating mechanism that will meet the priority needs and service requirements of its communities.

Paragraph 2 of CSC Memorandum Circular No. 19 S. 1992 otherwise known as "Guidelines and standards in the establishment of organizational structures and staffing patterns in Local Government Units provides that It is therefore the responsibility of every local government unit to design, approve and implement the organizational structure and staffing pattern in accordance with the guidelines and standards.

Section 2 of Republic Act No. 3456, the internal Auditing Act of 1962 as amended by RA 4177, There shall be created, organized, and operated in all branches, subdivisions and instrumentalities of the government, Internal Audit Services which shall assist management to achieve an efficient and effective fiscal administration and performance of agency affairs and functions.

Administrative Order No. 70 directing all heads of government offices including LGUs to immediately organize an Internal Audit Service in their respective offices; DBM Budget Circular No. 2004-4, Guidelines on the Organization and Staffing of IAU; and CSC Memorandum Circular No. 12 s.2006 provides for the qualification standards for IAS position were likewise issued in connection with the establishment of an Internal Audit Service

In accordance with the foregoing, the Provincial Government of Isabela established the Provincial Internal Audit and Control Unit (PIACU) by virtue of Executive Order No. 17A Series of 2017 dated March 1, 2017. Likewise Appropriation Ordinance No.17 Series of 2017 dated December 19, 2017, an Ordinance authorizing the Annual Budget of the Provincial Government of Isabela was enacted creating among others the Provincial Internal Audit and Control Office.

Internal Audit, as defined in the Local Government Unit Internal audit Manual, is the evaluation of management controls and operations performance, and the determination of the degree of compliance with laws, regulations, managerial policies, accountability measures, ethical standards, and contractual obligations. It involves the appraisal of the plan of organization and all the coordinated methods and measures, in order to recommend courses of action on matters relating to operations and management control.

Internal audit, being a separate component of internal control, is instituted to determine whether internal controls are well-designed and properly

operated. Internal Audit is an integral part of the Internal Control System. The scope of the internal audit involves matters relating to the conduct of Management Audit and Operations audit to improve the effectiveness of risk management, controls and governance process.

The Provincial Internal audit and Control Office is a newly created office, its humble accomplishments for the fiscal year 2018 were as follows:

PARTICULARS	ACCOMPLISHMENT
Preparation of Baseline Assessment Report for the Office of the Provincial Engineer to be submitted as one of the requirements for the release of the conditional Matching Grant for Provinces (CMGP) for FY 2018	Conducted the Baseline Assessment of Internal Control system (BAICS) of the Office of the Provincial Engineer based on the documented procedures in the ISO 9001:2008 Prepared Baseline Assessment Report and submitted the same thru the Provincial Planning and Development Office to the Department of Interior and Local Government.
Financial Documents	Examined and reviewed the validity, propriety, accuracy and completeness of all financial transaction documents in accordance with COA, CSC, DBM, DILG and other applicable Rules and Regulations and Republic Act 9184, or known as the Government Reform Procurement Act
Management Audit	Conducted management audit thru documents review on the effectiveness of controls on the processes and procedures of the 29 offices of the Provincial Government of Isabela.
Operations Audit	Conducted operations audit thru document review on the implementation of the processes of the 29 offices of the Provincial Government of Isabela. Conducted assessment on the implementation of the BRO program, determination if target beneficiaries were achieved on the thirteen (13) components. The audit was limited to the assessment of targets vs. accomplishments
ISO 9001:2008 Monitoring and Evaluation	The quarterly accomplishment report of the 29 offices on their quality objectives were regularly collected, monitored and evaluated.
ISO Certification on-going upgrade from 9001:2008 to 9001:2015	Conducted review on the procedures and processes of the 33 offices of the PGI Completed the following reports on the 33 Offices of the PGI: Risk Assessment Registry Opportunities action plan SWOT analysis Needs and Expectations
Reengineering of LGU systems and procedures in compliance with Republic Act 11032 or the	Collected and conducted an initial review of the Updated Citizens charter of the 33 offices and submitted the same to

PARTICULARS	ACCOMPLISHMENT
EODB-EGSD (Ease of doing Business-Efficient Government Service Delivery) Act of 2018.	the Office of the Governor thru the Provincial Administrator for final review and action
Other accomplishments	The PIACO assisted in the documentation of the Seal of Good Local Governance and Business Friendliness and Competitiveness, where the PGI is a recipient and a finalist respectively
	The PIACO assisted in providing and compiling the documentary requirements as attachments to the 2018 COA Agency Action Plan and Status of Implementation (AAPSI) of Audit Observations and Recommendations of FY 2017 and Audit Observations Memorandums (AOMs) for FY 2018
	The PIACO Acted as Secretariat to the Six (6) In-house Seminars and trainings conducted by the Provincial Human Resources and Management Office

One of the Internal Audit Principles and standards is Professional Competence, wherein the Internal auditors shall maintain high standards of competence and the highest degree of professional integrity, both in the technical sense, commensurate with his/her responsibilities and mandated functions. He/she must posed and continually develop the knowledge, skills, and other competencies needed to perform their responsibilities to enhance the quality of the audit. In reference therewith the officers and staff of the Provincial Internal Audit and Control Office have undergone seminars, trainings and workshops in the year 2018 as follows:

PARTICULARS	INCLUSIVE DATES	
ISO 9001:2015 Awareness and Risk management training	04/24/2018	04/25/2018
Internal Quality Audit Training	07/18/2018	07/20/2018
Local Government Leagues Forum Conducted by the Department of Interior and Local Government	08/02/2018	08/02/2018
Seminar on risk-based internal auditing Conducted by the Center for Internal Audit Services Philippines	08/06/2018	08/09/2018
workshop on the formulation of Provincial Governance Reform Roadmap Conducted by the Department of Interior and Local Government	10/16/2018	10/18/2018
2018 PHILLBO-Luzon area convention-seminar/development financing policy and process Conducted by PHILLBO Luzon and the Department of Budget and Management	10/19/2018	10/20/2018
Seminar/workshop on Basic Internal Control concepts and Internal Auditing principles and practices Conducted by the Association of Government	11/14/2018	11/16/2018

PARTICULARS	INCLUSIVE DATES	
Internal Auditors, Inc (AGIA)		
Seminar on Laws and Rules on Government Expenditures (LARGE) Conducted by the Commission on Audit	11/26/2018	11/29/2018
Workshop on updating of Peace and Order and Public Safety Plan Conducted by the Department of Interior and Local Government	12/03/2018	12/03/2018
Seminar on Management and Operations Audit Conducted by the Association of Government Internal Auditors, Inc (AGIA)	12/11/2018	12/13/2018

When the Provincial Internal Audit and Control Unit (PIACU) was created on March 1, 2017 by virtue of Executive Order No. 17A Series of 2017, immediately, for capability building, those designated officers and staff of the said PIACO has undergone Trainings, workshops and seminars to wit:

PARTICULARS	INCLUSIVE DATES	
Training workshop on the Implementation of Internal Audit and Internal Control Systems in the Provincial LGUs	03/20/2017	03/24/2017
Training on the Local Government Internal Audit Manual and Local Economic Enterprise Manual	07/31/2017	08/01/2017
Technical writing in Local Governance	08/09/2017	08/11/2017
Follow through: Training workshop on the implementation of Internal Audit for Provinces under the CMGP program	11/20/2017	11/24/2017



**Seminar on Management and Operations Audit
Association of Government Internal Auditors (AGIA)
December 11-13, 2018 Sta. Cruz Manila**



**Seminar/Workshop on Basic Internal Control concepts
and Internal Auditing principles and practices
Association of Government Internal Auditors (AGIA)
November 14-16, 2018 Sta. Cruz Manila**



**Seminar on Risk-based Internal Auditing
Center for internal Audit Services Philippines
August 6-9, 2018 Makati Metro Manila**



Internal Quality Audit Training
July 18-20, 2018 @ Balay Capitol Compound



**ISO 9001:2015 Awareness and Risk management training
April 24-25, 2018 @ Balay Capitol Compound**

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PIACO

Noted:

FAUSTINO G. DY III
Governor

By authority of the Governor:

NOEL MANUEL R. LOPEZ
Provincial Administrator