



Republic of the Philippines  
Provincial Government of Isabela  
**PROVINCIAL INTERNAL AUDIT AND CONTROL OFFICE**

**ACCOMPLISHMENT REPORT  
FY 2020**

The Provincial Internal Audit and Control Office (PIACO) was established by virtue of Appropriation Ordinance No. 17 dated December 16, 2018.

**MANDATE:**

The PIACO is mandated to conduct an evaluation or appraisal of the internal control system to determine if internal controls are well designed and properly implemented. It is also mandated to conduct compliance audit, management audit and operations audit<sup>1</sup>

**VISION:**

An independent, accountable and efficient Internal Audit Office committed to advancing an Efficient Government Service Delivery through an effective management controls, governance processes and operations performance

**MISSION:**

To support the Provincial Government of Isabela in the effective performance of its responsibilities by appraising the effectiveness of its internal controls, thereby enhancing management controls, governance process and operations performance, in order to achieve optimum productivity and Efficient Government Service Delivery.

**CORE VALUES:**

**P**rofessional Competence

The PIACO maintains and applies the required professional knowledge, skills, and experience in the performance of its internal audit functions.

**I**ntegrity

The PIACO exhibits honesty, straightforwardness, and truthfulness in all of its professional and business dealings.

**A**ccountability

The PIACO takes responsibility for all its actions, inputs and decisions.

**C**onfidentiality

The PIACO refrains from disclosing information acquired without appropriate authorization unless there is a legal or professional obligation to do so.

**O**bjectivity

The PIACO performs its duties without bias, conflict of interest or undue influence or for its own interest or for others.

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<sup>1</sup> PGIAM p108

## FUNCTIONAL STATEMENT

Internal audit, as defined, 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.<sup>2</sup>

The Functions of the PIACO mainly is the conduct of Management and Operations Audit to determine the degree of compliance with laws, regulations, managerial policies, accountability measures, ethical standards, and contractual obligations.

Management Audit is the separate evaluation of the effectiveness of internal controls adopted in the operating and support services units/systems to determine whether they achieve the control objectives over a period of time or as of a specific date. This includes the determination of the degree of compliance with laws, regulations, managerial policies, accountability measures, ethical standards and contractual obligations covering specific timeframes. It is a review and appraisal of the systems and processes, organizational and staffing structures, operations and management practices, records, reports, and performance standards.<sup>3</sup>

Operations Audit is a separate evaluation of the outcome, output, process, and input to determine whether government operations, programs, and projects are effective, efficient, ethical and economical including compliance with laws regulations, managerial policies, accountability measures, ethical standards and contractual obligations. It involves an evaluation of whether or not performance targets and expected results were achieved<sup>4</sup>

## ACCOMPLISHMENT:

1. The PIACO conducted audit on five (5) Road Related Offices in accordance with the Annual Audit Plan and in alignment and/or compliance with the Agency Reform Action Plan (ARAP) of the Provincial Governance Reform Roadmap 2019-2022. The evaluation of controls in the documented processes was conducted through the review of Financial documents and its attachments, to identify if controls were effectively implemented. Financial documents evaluated numbers Twenty Thousand Two Hundred Two (20,202)) sets to include, but not limited to the following:
  - a. Financial document such as: Obligation Requests; Disbursement Vouchers; Payroll; Purchase Request; Small Value Purchase Request; Request for Price Quotation; Abstract of Canvass; Purchase Order; Inspection and Acceptance Report; Waste Materials Report; Acknowledgement Receipt for Equipment; Invoice, etc;
  - b. Procurement thru public bidding documents such as: Bidding documents; Contract agreement; Notice of award; Notice to proceed; BAC Resolutions, etc.  
*(Details @ FY2020 Annual Internal Audit Report)*
2. Monitored the implementation of Prior Years Recommendation. For the FY 2020, PIACO conducted an audit on the processes of the Provincial Human Resource and Management Office and the Provincial Engineers Office.  
*(Details@ FY2020 Annual Internal Audit Report)*

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<sup>2</sup>IAM for LGUs, p8.

<sup>3</sup>IAM for LGUs, p10

<sup>4</sup>Ibid

3. One of the Internal Audit Principles and standards is Professional Competence, where the Auditors are required to maintain highest standards of competence and the highest degree of professional integrity, commensurate with his/her responsibilities and functions. He/she must continuously develop the knowledge, skills, and competencies needed to perform 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 twenty five (25) seminars, trainings and workshops in the year 2020, to name a few: Values Orientation workshops by the Civil Service Commission; Basic Accounting and Internal Controls; Basic Internal Control concepts and Internal auditing Principles; Auditing School1; Strategic and Operational Planning, Internal Control system for Property and Supply Management; Risk Management; Information Systems Audit Fundamentals; Competency Framework for Internal Auditors; Philippine Government Accounting Standards; Philippine Bidding Documents.
4. The PGI has its documented processes through the ISO Certification. Its operations stemmed from certified procedures, effective controls, and compliance with laws, rules and regulations. ISO documents were maintained in accordance with ISO 9001:2008 Standards. The PGI is now in the process of upgrading to ISO 9001:2015; The PIACO is privileged as the designated office in leading its implementation and upgrading.
5. The PGI in on its final touches on the updating of its Citizens Charter and Reengineering of its systems and procedures in compliance with Republic Act 11032 or the EODB-EGSD (Ease of doing Business-Efficient Government Service Delivery) Act of 2018. The PIACO is privileged as one of the designated Office leading the documentation process.
6. The PGI was conferred with the 2020 FOI Award. The PIACO is privileged to be part of the team that drafted the FOI Manual and for being designated as FOI Receiving Officer in its implementation.
7. The PIACO is the Focal Person in the collection and compilation of documentary requirements and in the supervision of the maintenance and uploading of documents in compliance with DILG directives and/or requirements:
  - 7.2. <https://pops.dilg.gov.ph/plan/my-plan> for the compliance on Peace and Order and Public Safety Plan-Policy Compliance Monitoring System (POPSP-PCMS)
  - 7.3. <https://fdpp.dilg.gov.ph/> for the compliance on Full Disclosure Policy portal
8. The PIACO has attended and participated in the following:
  - 8.1. CMGP-PGRR-ARAP 2020 Project Implementation Review and ARAP 2021 formulation through online platform
  - 8.2. Budget Deliberation and hearing
  - 8.3. Covid -19 Task Force meetings
  - 8.4. Department head's meetings
  - 8.5. Other activities/functions as required/needed.
7. All the PIACO officers and staff have participated in the "Todas Dengue Todo na'to ikapitong kagat" on June 12, 2020.

The PGI is one of the most awarded LGU in the Philippines, A Hall of famer in SGLG and best Anti Red Tape Act implementer. The PGI has always been true to its mission in delivering excellent public service to Isabeleños. Amidst Covid-19, the PGI has never stopped in reaching out its constituents by continuously implementing its projects and programs that geared towards uplifting the lives of the marginalized sector of Isabela society, and at the same time facing and addressing the challenges that the grave pandemic is bringing in the lives of every Isabeleño. The PIACO is honoured and privileged to be part of this Institution. The PIACO in turn, commits to uphold the principle of "a public office is a public trust".

Respectfully Submitted:



**MARILYN G. LOPEZ**

PIACO