



**ACCOMPLISHMENT REPORT  
FY 2021**

**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**

**Professional Competence**

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

**Integrity**

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

**Accountability**

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

**Confidentiality**

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

**Objectivity**

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

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<sup>1</sup> PGIAM, page 108



## **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.<sup>2</sup>

Internal audit, being a separate component of internal control, is instituted to determine whether internal controls are well designed and properly operated.<sup>3</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>4</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>5</sup> This is not yet implemented by the Office since it has focused on Management audit as mandated by the Head of Agency as a priority.

## **ACCOMPLISHMENT**

1. The PIACO evaluated the Management Controls through the review of Financial Documents to determine compliance with established, documented and/or certified systems, procedures and processes and to determine whether they achieve the control objectives. It also included

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<sup>2</sup> IAM for LGUs, page 8

<sup>3</sup> RPIAM, page 5

<sup>4</sup> IAM for LGUs, page 10

<sup>5</sup> Ibid



Republic of the Philippines  
Provincial Government of Isabela

**PROVINCIAL INTERNAL AUDIT AND CONTROL OFFICE**

assessing the degree of compliance with applicable laws, regulations, managerial policies, accountability measures, ethical standards and contractual obligations. The review, which covered Twenty-Two Thousand Three Hundred Fifteen (22,315) sets of Financial Documents includes, among others, implementation of controls on the following procedures: Procurement Control Procedure-Purchasing Process ([PGI-BAC-LL-001](#)); Small Value Procurement Control-Purchasing Process ([PGI-PGSO-LL-002](#)); Budget Control Procedures-Processing of OBRs ([PGI-PBO-LL-001](#)); Accounting Operations Control Procedure-Disbursement Process payroll preparation ([PGI-ACCT-LL-001](#)). Further, the review was done within the prescribed timeframe in accordance with RA 11032, or the Ease of doing Business and Efficient Government Service Delivery Act of 2018.

2. The PGI has its documented processes through the ISO Certification. Its operations stemmed from certified procedures, effective controls, and in compliance with laws, rules and regulations. ISO documents were maintained in accordance with ISO 9001:2008 Standards. The PGI has already started upgrading to ISO 9001:2015. With this, the PIACO is privileged as the designated office in leading its implementation and upgrading. In relation, the PIACO has received, reviewed and maintained ISO records from the different offices of the PGI. The PIACO has also effectively performed tasks in connection with the ongoing ISO 9001:2015 Certification, which includes among others the facilitation, thru online platform, of the Document and Quality Objectives Coaching; Risk Management and Internal Audit Training; and Quality Objectives Training.

3. The PIACO has efficiently and timely acted and/or complied as directed and/or requested all letters, memorandum and orders that implement policies, plans, programs and activities of the Provincial Government of Isabela.

4. The PIACO has assisted in the updating and submission of Citizen's Charter and ARTA Compliance Report in accordance and/or compliance with R.A. No. 11032, or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018. It has also assisted in the efficient and timely compliance on the uploading and posting of all the required documents in the following: DILG Full Disclosure Policy portal (<https://fdpp.dilg.gov.ph>) and in three (3) conspicuous places; In the DILG Peace and Order and Public Safety Plan-Policy Compliance Monitoring System (POPS-PCMS) (<https://pops.dilg.gov.ph>); and DILG Anti-Drug Abuse Council Functionality Monitoring System (ADAC-FMS) (<https://adac.dilg.gov.ph>).



**PROVINCIAL INTERNAL AUDIT AND CONTROL OFFICE**

5. An Internal Auditor should commit to the highest degree of professional competence, both in the technical and ethical sense, through empowerment and continuing self-development.<sup>6</sup> Accordingly, the officers and staff of PIACO have undergone thru online platform thirty (30) seminars, trainings and workshops in the year 2021. Among others: Management Audit; Operations Audit; Effective Audit Report Writing; Internal Control Consideration and Fraud Detection with Awareness; Audit Consideration for Planning and Risk Assessment in Accordance with ISA; Supervisory Development Course (SDC); Seminar Workshop on Administrative Procedures (SWAP); Retooling Employees towards Service Excellence through Technology (RESET); Effective Writing in the Public Sector; and GAD Webinar series.

6. The PIACO has attended and participated in the following:
- a) Covid-19 Task Force Meetings
  - b) Department Head's/Committee Member's Meetings
  - c) Budget Deliberation and Hearing
  - d) CMGP-PGRR-2021 ARAP Project Implementation Review and ARAP 2022 formulation
  - e) Training/Workshop on Results-Based Monitoring and Evaluation (RBME)
  - f) "Todas Dengue, Todo na 'to (Ikawalong Kagat)"-together with all the PIACO Personnel
  - g) Other meetings, functions, programs and activities as required/needed.

The PGI is one of the most awarded LGU in the Philippines, A Hall of Famer in SGLG, Best Anti Red Tape Act implementer, and recently as Best in Local Fiscal Management Practices during the Covid-19 Pandemic. 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 to its constituents by continuously implementing its projects and programs geared towards uplifting the lives of the marginalized sectors of its 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 honored and privileged to be a part of this Institution. The PIACO in turn commits to uphold the PG-Isabela's envisioned institutional Vision—*A quality, strengthened positive image as an LGU that is responsive, sincere, and compassionate, and is distinguished in service delivery*-- by discharging its duties and functions with utmost responsibility, integrity, competence and loyalty, and to always adhere to the principle of "A public office is a public trust".

Respectfully submitted,

**MARILYN G. LOPEZ**  
Head-PIACO

<sup>6</sup> RPGIAM, page 29