



**ADMINISTRATIVE ORDER NO.: 35**  
Series 2016

**CREATING THE INTERNAL AUDIT TEAM AS AN INITIAL STEP TOWARDS  
THE INSTITUTIONALIZATION OF THE ITOGON LGU INTERNAL AUDIT  
SYSTEM / SERVICE (IAS)**

**BRIEF EXPLANATORY PREFACE**

IAS primary mandate and focus shall be on the systematic and disciplined approach to evaluate and to improve the effectiveness of operational performance of each office and of each personnel.

Since all offices are engaged in the preparation of programs, projects and activities wherein budgetary considerations are involved and materiality (peso value) of work or task is explicit, then these will also be treated as Internal Audit focus.

However, IAS will not interfere or encroach on the domain of the Commission on Audit or on the bearings of the Accounting, Budget and Treasury offices but IAS will also have to evaluate or assess the adequacy, effectiveness, accuracy and reliability of the utilization of resources (Internal Control).

The Department of Budget and Management has just released the Internal Audit Manual for Local Government Units. It is timely yet long overdue. Nevertheless, this manual will become our substantial reference among other references. It is also enlightening to learn from actual experiences of other LGU's which have earlier started their IAS. Unfortunately, NO IAS could be copied because the attending and surrounding circumstances of each LGU are unique and different though, there are common denominators as there are common audit focus.

Creation of an IAS office and appointment for its personnel is definitely out of the question at this time. For our IAS to take off, a Team shall be tasked to undertake the initial task. What is crucial is for this Team to craft the IAS operational framework; identifying the scope (audit focus); defining the limitations and agreeing on methodology and strategy.

IAS is a requisite of Public Financial Management Assessment Tool (PFMAT) and Quality Manual System (QMS) and others.

Above and beyond this requisite is the solemn responsibility of this LGU to provide a fresher outlook on performance. Take the following as a backdrop:

1. In a survey of private and public corporations including LGU's, forty (40) percent of individual or collective salary or wages are paid for UNPRODUCTIVITY. In our case, this may mean 40% of 92,286,182.52 for 2016; is 36,914,472.86. Shocking! This survey is mentioned as an avenue for an examination of conscience. Perhaps, we may have been involved in engagements that may be hardly called PERFORMANCE. For a few, yes. Before everybody is infected or influenced, something must be done.

First: Greater awareness and profound conscientization and

Second: Amendment and Improvement of SPMS, OPCR, IPCR, IDP and Citizen's Charter through a well conceptualized and workable IAS.

2. We have initiated a reorganization program where we have something like 87% achievement. The logical consequence that is expected is that reorganization would have generated motivation and greater love for work. This will also be evaluated in our IAS.
3. We had adopted as a collective battle cry the theme: Excel and Be Distinct. We have been a recipient of numerous awards recognizing our excellent programs. We shall aim higher. IAS will help us through.
4. By 2017, a guideline for Performance Based Bonus (PBB) might be issued. We have to exert better to be most deserving of this PBB. IAS is the avenue.

The personnel is the backbone of operations and governance. Therefore, audit focus shall also be on:

1. Personnel Competency Build Up.
2. Internal Organizational Capacity.
3. Transformative Policy Directions.
4. Develop Information System and Operational Database Management.
5. Plan for the most needed modular courses or trainings.

Performance is best assessed and gauged through the public eye. Therefore, vital segment of our IAS is to develop a Citizen's Satisfaction Index System.

Anything that dampens, delays, postpones, negates, discourages, decisional flip flops, attitudinal or behavioral indifference, disenchantment, disconnection and evasiveness from a given or assigned task is a RISK. Therefore, IAS will have to address the need to have Risk Assessment and Management.

**THUS:**

**WHEREAS**, the Internal Audit System (IAS) will be adopted as an innovative approach to "build" a "window" to see through Itogon LGU's Performance Scoreboard;

**WHEREAS**, through this IAS, Itogon LGU shall internally reinvent itself and rebuild its image continuously by adhering to the values and principles of performance, accountability, transparency, collaborative participation/coordination and ethical standards;

**WHEREAS**, it is a fact that routinary work, length of service, familiarity with the job and familiarity with co-workers dampen creativity, innovativeness, productivity and motivation;

**WHEREAS**, IAS is a challenge that will usher in "fresh air" that should hone talents, skills, resourcefulness and critical thinking for there's always a need for a challenging awakening;

**WHEREAS**, IAS may be difficult as it is complicated, but it is doable especially when our charted path and determined vision is to finish it. Thus, the appeal for each one to invest in quality input to generate intended quality outcome through quality IAS process.

**WHEREFORE, I, Atty. VICTORIO T. PALANGDAN**, by virtue of the powers vested in me as **Municipal Mayor, this municipality**, do hereby create the Internal Audit Team to be composed of the following;

**TEAM LEADER:**                   **ALOYSIUS G. KATO**  
Municipal Administrator

**THE MEMBERS:**

**EUSEBIA T. FIANZA**  
Admin. Officer V / HRMO III

**SHALIMAR G. SORALLO**  
Admin. Officer IV/ HRMO II

**GIRLIE A. NABUS**  
Admin. Officer V

**LEONILA K. AMPAGUEY**  
Admin. Officer V

**IRENE F. FERNANDO**  
Asst. Municipal Treasurer

**Engr. AVELINO S. MEDINA JR.**  
Asst. Municipal Assessor

**THELMA B. BENTRES**  
Registration Officer III

**ROWENA C. CARIÑO**  
Budget Officer II

**Engr. ROGER P. CATAYAO**  
Engineer II

**IDA JANCES P. CIRIACO**  
Nurse II

**URSULA V. YDIO**  
Local Assessment Operations Officer II

**JENNIFER J. MONTES**  
Admin. Assistant II

**CARIE T. KIMAYONG**  
Local Legislative Staff Officer II

**SHARON B. BAROA**  
Social Welfare Assistant

**Engr. ARVIE B. ANCHALES**  
Engineer I

**JOHNNY V. DEPALOG**  
Statistician Aide I



**THE SECRETARIAT:**

**NATHANIEL P. GABAO**  
Supply Officer I

**ALJON K. CUYAHON**  
Admin. Aide III

**FERDINAND F. SAPALONG**  
Bandmaster

**EDWARD A. BENTRES JR.**  
Admin. Aide VI


**DUTIES:**

The Internal Audit Team Members and Secretariat shall be guided by the brief explanatory preface and the preamble of this Administrative Order.

**EFFECTIVITY:**

This Administrative Order shall take effect immediately upon approval.

**Done this 10th day of November 2016.**

  
**Atty. VICTORIO T. PALANGDAN**  
Municipal Mayor

**Cc:**

- The Sangguniang Bayan
- MLGOO
- Office of the Benguet Provincial Governor
- All offices
- COA - CAR
- CSC – CAR
- File