



MUNICIPALITY OF ASINGAN

OFFICE OF THE MUNICIPAL MAYOR



Seal of
Good
Local
Governance

AWARDEE: 2016 2017 2019 2022

2/F Municipal Hall, Poblacion, Asingan, Pangasinan 2439 | Tel. (075) 632-8612
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EXECUTIVE ORDER NO. 036, S-2024

ESTABLISHING THE INTERNAL AUDIT UNIT (IAU) AND DESIGNATING THE INTERNAL AUDITOR OF THE MUNICIPAL GOVERNMENT OF ASINGAN, PANGASINAN, AND FOR OTHER PURPOSE

WHEREAS, Republic Act No. 3456 (Internal Auditing Act of 1962), as amended by RA No. 4177, created and organized an IAS/IAU in all government agencies to help management achieve an efficient and effective fiscal administration and to assist in the performance of agency affairs and functions;

WHEREAS, Administrative Order No. 278 dated 28 April 1992 provided for the functions, duties and activities of the IAS/IAU while AO No. 70 dated April 14, 2003, mandates the creation of Internal Audit Service (IAS);

WHEREAS, Commission on Audit Circular No. 2018-003 indicated that the Internal Audit Service (IAS) "has a vital role in enhancing good governance, transparency, accountability, and efficiency, and effectiveness of government operations, including risk management and the internal control framework of all government entities...which aims to achieve four general objectives: operations (orderly, ethical, economical, efficient, and effective), reporting (accountability), compliance (with laws and regulations), and safeguarding resources;

WHEREAS, Department of Budget and Management (DBM) Circular Letter No. 2008-5, as amended by DBM CL No. 2023-14, laid down guidelines on the organization and staffing of an Internal Audit Unit in departments, agencies, SUCs, GOCCs/GFIs, and LGUs;

NOW, THEREFORE, I, Engr. CARLOS F. LOPEZ, JR, Municipal Mayor of Asingan, Pangasinan by virtue of the powers vested in me by law, do hereby order and decree the following:

SECTION 1. CREATION. The Internal Audit Unit (IAU) is hereby created to assist the Local Chief Executive in conducting a separate evaluation of the internal control system to determine if controls are well-designed and properly implemented. The IAU shall be located at the 2nd Floor, DILG Building, of this municipality.

SECTION 2. FUNCTIONS. The IAU shall have the following specific functions, viz:

- Advise the LCE on all matters relating to the separate evaluation of the internal control system;
- Conduct management and operations audit of the agency functions, programs, projects, and activities with outputs, and determine the degree of compliance with their mandates, policies, government regulations, established objectives, systems, procedures/processes, and contractual obligations;
- Review and appraise systems and procedures, organizational structures, and the administrative, financial, and management practices, records and reports, including performance standards of the agency;
- Analyze and evaluate internal control deficiencies, conduct root cause analysis in cases when controls are weak, and recommend realistic course of action (corrective and preventive measures) to the LCE; and
- Perform such other internal audit-related duties and responsibilities as may be assigned or delegated by the LCE or as may be required by law.

SECTION 3. DESIGNATION. Hereby designating **Mrs. JOVANNIE G. DIAZ**, Local Revenue Collection Officer I, as the **Internal Auditor**, who shall be relieved of her current duties and responsibilities to enable her to fully concentrate on her new designation and ensure her undivided attention to the responsibilities.

SECTION 4. REPORTING LINE. The Internal Auditor shall functionally/operationally report to the LCE for matters relating to management control and operations audit of the Executive Branch. However, in cases when the Legislative Branch is being audited, it shall functionally/operationally report to the Presiding Office of the Sanggunian. The IAS/IAU in the LGU is administratively under the LCE.



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SECTION 5. DUTIES AND RESPONSIBILITIES. The Internal Auditor shall have the following duties and responsibilities:

- Conduct management and operations performance audits of activities of the LGU and determine the degree of compliance with the mandate, policies, government regulations, established objectives, systems and procedures/processes, and contractual obligations;
- Review and appraise systems and procedures/processes, organizational structure, assets management practices, financial and management records, reports, and performance standards of the LGU and the departments covered;
- Verify and analyze financial, management, and operations data to ascertain if attendant management information systems generate data or reports that are complete, accurate, and valid;
- Ascertain the reliability and integrity of financial, management, and operations information and the means used to identify, measure, classify, and report such information;
- Ascertain the extent to which the assets and other resources of the institutions are accounted for and safeguarded from losses of all kinds;
- Review operations or programs to ascertain whether or not results are consistent with established objectives and goals, and whether or not such programs are being carried out as planned;
- Review and evaluate the soundness, adequacy, and application of accounting, financial and management controls and promote the most effective control at a reasonable cost;
- Evaluate the quality of performance of groups/individuals in carrying out their assigned responsibilities;
- Recommend courses of action on operational deficiencies observed;
- Perform functions of a protective nature, such as prevention and detection of fraud or dishonesty; review of cases involving misuse of agency property; and checking of transactions with outside parties; and
- Perform miscellaneous services, including special investigations and assistance to outside contacts, subject to authority from the LCE or the Presiding Officer of the Sanggunian.

SECTION 6. INTERNAL AUDIT AS DETACHED FROM REGULAR FUNCTIONS. Inasmuch as the LGU operations, programs, and projects, including their systems and processes, may be subject to future audit, the IAU shall refrain from participating in the operations and processes of another unit as this is in conflict with the post-audit (ex post facto or after the fact/transaction) function of the internal audit.

SECTION 7. OBJECTIVITY, IMPARTIALITY, AND AVOIDANCE OF CONFLICT OF INTEREST. To be objective and impartial, the internal auditors shall, at all times: (1) uphold public interest over and above personal interest; (2) have no direct authority or responsibility for the activities they review nor any responsibility for developing or implementing processes or systems; (3) not engage in regular functions or activities which are the primary duties of another department or office in the LGU; and (4) not have a vested interest in the activity being audited.

SECTION 8. SUPPLEMENTARY CLAUSE. On matters not provided in this Order, any applicable laws and their corresponding implementing rules and regulations, executive orders and relevant issuances therefore shall be applied in a supplemental manner.

SECTION 9. REPEALING CLAUSE. All orders, rules, regulations, and other related issuances inconsistent with or contrary to this Order are hereby repealed, amended, or modified accordingly. All other provisions of existing issuances which are not affected by this Order shall remain valid and in effect.

SECTION 10. EFFECTIVITY. This Order shall take effect immediately.

Let copies hereof be furnished to all concerned for information, reference, and guidance.

DONE this 17th day of June 2024 in the Municipality of Asingan, Pangasinan.

Engr. CARLOS M. LOPEZ, JR.
Municipal Mayor