



Republic of the Philippines  
PROVINCE OF PANGASINAN  
MUNICIPALITY OF BAYAMBANG  
**OFFICE OF THE SANGGUNIANG BAYAN**

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**MUNICIPAL ORDINANCE NO. 07,  
SERIES OF 2021**

**AN ORDINANCE CREATING THE OFFICE OF THE INTERNAL AUDIT SERVICE  
(IAS) OF THE MUNICIPAL GOVERNMENT OF BAYAMBANG;**

**EXPLANATORY NOTE:**

**WHEREAS**, Section I of Administrative Order No. 119 dated March 1989, mandated government entities to strengthen their internal control systems and organize systems and procedures in coordination with the DBM;

**WHEREAS**, Administrative Order No. 278 issued on April 28, 1992 provides that all heads of government offices, agencies, GOCCs including GFIs and Local Government Units (LGUs) shall organize in their respective offices, the Internal Audit Service (IAS) which shall be an integral part of the office and shall assist the institution management in the effective discharge of its responsibilities in so far as the same would not encroach on or be adversarial with those of the Commission on Audit or COA;

**WHEREAS**, it shall function in accordance with the policies established by the provisions of Republic Act No. 3456, as amended by Republic Act No. 4177, and shall perform staff functions with primary responsibilities encompassing the examination and evaluation of the adequacy and effectiveness of internal control and the quality of performance;

**WHEREAS**, Administrative Order No. 70 which was issued on April 14, 2003 mandates all heads of government agencies, GOCCs, GFI, SUCs and Local Government Units to immediately organize an Internal Auditing System in their respective offices, which shall function in accordance with the policies establish by the provisions of R.A No. 3456 as amended by R.A No. 4177;

**WHEREAS**, it is to the best interest on the part of the Municipal Government of Bayambang to create an office to function in such a way that the effectiveness and adequacy of security and management controls over information systems and databases and the integrity of each and every department shall be determined under the guidelines issued by the Department of Budget and Management specifically DBM Budget Circular No. 2004-4 issued March 22, 2004 providing the guidelines on the organization and staffing of Internal Audit Units (IAUs);

**WHEREAS**, CSC Memorandum Circular No. 12, s. 2006 set the Qualification Standards for IAS Positions pursuant to Administrative Order No. 70 dated April 14, 2003 that mandated government offices, agencies including LGUs to organize an Internal Audit Service based on the approved CSC Resolution No. 040683 dated June 21, 2004;

**NOW THEREFORE**, on motion of **SB Member Amory M. Junio**, duly seconded;

**BE IT ENACTED**, by the *Sangguniang Bayan of Bayambang in session assembled*  
that:

**SECTION 1. TITLE.** - This Ordinance shall be known as the "Ordinance Creating the Office of the Internal Audit Service (IAS), Municipality of Bayambang, Province of Pangasinan".



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**SECTION 2. LEGAL BASES FOR THE CREATION OF THE OFFICE OF INTERNAL AUDIT SERVICE.** - The chronological order summary of issuances on the organization, staffing, functions, and activities of internal audit is provided as follows:

Number	Issuance	Particulars
1	Administrative Order (AO) 119 dated 29 March 1989	Mandated government entities to strengthen their internal control systems and organize systems and procedures in coordination with the DBM
2	Memorandum Order 277 dated 17 January 1990	Directed DBM to promulgate the necessary rules, regulations and circulars for the strengthening of the internal control systems of government offices, agencies, government-owned or controlled corporations and local government units
3	Section 3(b) of RA No. 7160 (The Local Government Code of 1991)	Mandated the establishment of an accountable, efficient, and dynamic organizational structure and operating mechanisms that will meet the priority needs and service requirements of its communities in every LGU
4	Administrative Order 278 dated 28 April 1992	Provided authority for the creation of an IAS and its functions, duties and activities
5	Administrative Order 70 dated 14 April 2003	
6	DBM Budget Circular 2004-4 dated 22 March 2004	Highlighted the policy guidelines in the organization, staffing, positions and salary grades of the IAS
7	DBM-CSC Joint Resolution No. 1 dated 12 May 2006	Provided for the creation of an IAS/IAU with its functions in line with Executive Order No. 366
8	CSC MC No. 12 dated 22 June 2006	Set the Qualification Standards for IAS Positions
9	DBM Circular Letter (CL) No. 2008-5	Provided the guidelines in the organization of the IAS and clarified its functions, and the rank and salary grade of the head of the IAS
10	DBM CL No. 2008-8	Provided guidance to heads of departments and agencies in designing, installing, implementing, and monitoring their respective Internal Control System (ICS), taking into consideration the requirements of their organizations
11	DBM LBC No. 110 dated June 10, 2016	Issuance of the Internal Audit Manual (IAM) for LGUs



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**SECTION 3. CREATION AND COMPOSITION OF THE MUNICIPAL INTERNAL AUDIT SERVICE OFFICE.** - The office of the Internal Audit Service of the Municipality of Bayambang, Pangasinan is hereby created, shall be initially composed of the following pursuant to CSC MC No. 12, s. 2006:

**1. Internal Auditor V (SG – 24)**

Education : Master's Degree  
 Experience : 4 years in position/s involving management and supervision  
 Training : 24 hours of training n management and supervision  
 Eligibility : Career Service (Professional) / Second Level Eligibility

**2. Internal Auditor IV (SG – 22)**

Education : Bachelor's degree relevant to the job  
 Experience : 3 years of relevant experience  
 Training : 16 hours of relevant training  
 Eligibility : Career Service (Professional) / Second Level Eligibility

**3. Internal Auditor III (SG - 18)**

Education : Bachelor's degree relevant to the job  
 Experience : 2 years of relevant experience  
 Training : 8 hours of relevant training  
 Eligibility : Career Service (Professional) / Second Level Eligibility

**4. Internal Auditor II (SG - 15)**

Education : Bachelor's degree relevant to the job  
 Experience : 1 year of relevant experience  
 Training : 4 hours of relevant training  
 Eligibility : Career Service (Professional) / Second Level Eligibility

**5. Administrative Assistant VI (SG 12)**

Education : Bachelor's degree relevant to the job  
 Experience : None required  
 Training : None required  
 Eligibility : Career Service (Professional) / Second Level Eligibility

**6. Internal Auditor I (SG 11)**

Education : Bachelor's degree relevant to the job  
 Experience : None required  
 Training : None required  
 Eligibility : Career Service (Professional) / Second Level Eligibility



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**7. Auditing Assistant (SG 8)**

Education : Completion of two years' studies in college  
 Experience : 1 year of relevant experience  
 Training : 4 hours of relevant training  
 Eligibility : Career Service (Sub-professional) / Second Level Eligibility

**8. Administrative Assistant I (SG 7)**

Education : Completion of two years' studies in college  
 Experience : 1 year of relevant experience  
 Training : 4 hours of relevant training  
 Eligibility : Career Service (Sub-professional) / Second Level Eligibility

**9. Reproduction Machine Operator (SG 4)**

Education : Completion of two years' studies in college  
 Experience : 1 year of relevant experience  
 Training : 4 hours of relevant training  
 Eligibility : Career Service (Sub-professional) / Second Level Eligibility

The salaries and allowances for items 2, 5, 7 and 8 were appropriated in the annual budget for calendar year 2021. In addition, the remaining items mentioned above were included in the approved Executive Legislative Agenda (ELA) for 2020 - 2022 for effective local governance.

**SECTION 4. FUNCTIONS OF THE MUNICIPAL INTERNAL AUDIT SERVICE OFFICE.** The Municipal Internal Audit Service Office (MIASO) shall perform the following functions:

1. Advise the Local Chief Executive (LCE) or Sanggunian on all matters relating to management control and operations audit of the executive or legislative branches;
2. Conduct management and operations audit of LGU functions, programs, projects, activities, and outputs and determine the degree of compliance with their mandate, policies, government regulations, established objectives, systems and procedures/processes, and contractual obligations;
3. Review and appraise systems and procedures, organizational structures, asset management practices, financial and management records, reports, and performance standards of the LGU;
4. Analyze and evaluate management deficiencies and assist top management by recommending realistic courses of action; and
5. Perform such other related duties and responsibilities as may be assigned or delegated by the LCE or as may be required by law

**SECTION 5. CREATION OF NEW POSITIONS.** - The needed positions based on DBM, CSC, and other government laws, rules, and regulations shall be created if the Municipality of Bayambang is within the personnel services cap under Section 325 (a) of RA 7160 and funding requirements will be duly appropriated for such purpose.



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**SECTION 6. SEPARABILITY CLAUSE.** - It is the Sanggunian's intent if any section, subsection, clause or provision of this ordinance is deemed invalid or unconstitutional by a court of competent jurisdiction, such portion will become a separate provision and will not affect the remaining provisions of this ordinance. The Sanggunian further declares its intent that these provisions of this ordinance would have been adopted if unconditional provision was not included.

**SECTION 7. REPEALING CLAUSE.** - All local ordinances, resolutions, order, rules and regulations that are inconsistent with this Ordinance are hereby repealed, modified or amended accordingly.


**SECTION 8. EFFECTIVITY CLAUSE.** - This Ordinance shall take effect upon its approval.

**ENACTED** this 22<sup>nd</sup> day of March 2021.

*Certified to be duly adopted and approved:*

**JOEL V. CAMACHO**  
 Secretary to the Sanggunian

**ATTESTED:**

  
**HON. RAUL R. SABANGAN**  
 Municipal Vice Mayor &  
 Presiding Officer



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 INTERNAL AUDIT SERVICE  
 (IAS) OF THE MUNICIPAL  
 GOVERNMENT OF  
 BAYAMBANG;

**WE CONCUR.**  
**SANGGUNIANG BAYAN MEMBERS**

HON. MYLVIN T. JUNIO

HON. PHILIP R. DUMALANTA

HON. JOSEPH VINCENT E. RAMOS

HON. BENJAMIN FRANCISCO S. DE VERA

(absent)

HON. GERARDO DC. FLORES

HON. MARTIN E. TERRADO II

HON. AMORY M. JUNIO

HON. LEVINSON NESSUS M. UY

HON. RODELITO F. BAUTISTA  
 Pangulo, Liga ng mga Barangay

HON. GABRIEL TRISTAN P. HERNANDEZ  
 President, SK Federation

APPROVED:

HON. CEZAR T. QUIAMBAO  
 Municipal Mayor

