Republic of the Philippines
CITY COUNCIL
City of Manila

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REGULAR SESSION NO. 173

9TH CITY COUNCIL

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Begun and held in the City Council on Tuesday, the sixteenth day of June, Two Thousand Fifteen

ORDINANCE NO. _8426_

AN ORDINANCE CREATING THE INTERNAL AUDIT SERVICE IN THE CITY OF MANILA AND PROVIDING FUNDS THEREFORE

ADMINISTRATION MEASURE

PRINCIPAL AUTHORS:

HON. MARLON M. LACSON
Majority Floor Leader

HON. JOHN MARVIN "Yul Servo" NIETO

and

HON. ERNESTO M. DIONISIO, JR.
Acting Majority Floor Leader

Be it ordained by the City Council of Manila, in session assembled, *THAT*:

SECTION 1. Creation. - There shall be created an Internal Audit Service Department in the City of Manila.

SEC. 2. Functions. - The Internal Audit Service Department shall perform the following functions:

a) Advise the City Mayor through the Audit Committee, on all matters relating to management control and operations audits;

b) Conduct management and operations audits of all City of Manila Departments, bureaus, hospitals, schools and universities and other offices as regards their functions, programs, projects, activities with outputs, and determine the degree of compliance with their respective mandate, policies, government regulations, established objectives, systems and procedures/processes and contractual obligations;

c) Review and appraise systems and procedures, organizational structures, asset management practices, financial and management records, reports and performance standards of all the City of Manila Departments, bureaus, hospitals, schools and universities and other offices;

d) Analyze and evaluate management deficiencies and assist the Local Chief Executive by recommending realistic courses of action;

e) Perform such other related duties and responsibilities as may be assigned or delegated by the Local Chief Executive or as may be required by law; and

f) In the conduct of management or operations audit, the Internal Audit Service shall be guided by the Philippine Government Internal Audit Manual, which forms part of this Ordinance.

SEC. 3. Organizational Structure. - The Internal Audit Service shall be directly reporting to the Local Chief Executive. It shall be headed by a Department Head III and shall have a co-terminous position as that of the appointing authority. It shall have three divisions, namely, Management, Operations and Administrative Divisions. It shall exist independent from all the other departments in the local government unit. The organizational structure, in relation to the other offices in the City of Manila shall be as follows:
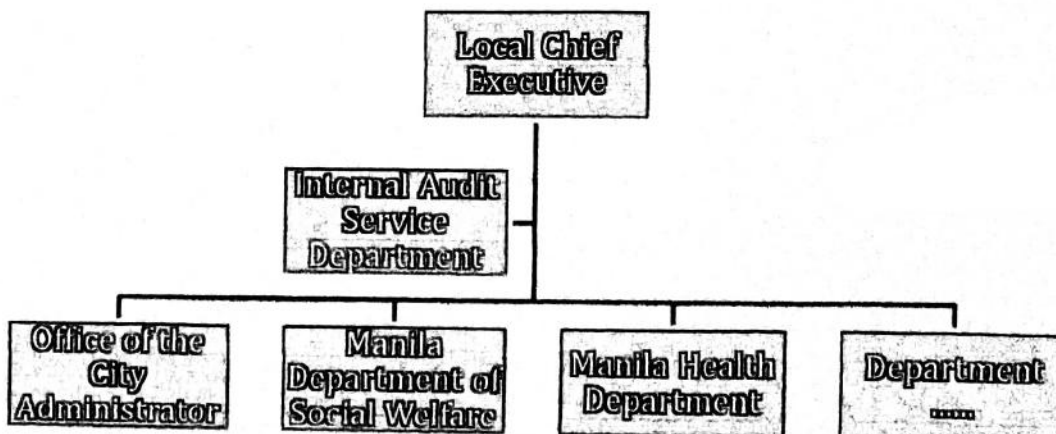
SEC. 4. The Internal Audit Department Head. - The Internal Audit Department Head shall be appointed by the City Mayor with the concurrence of the Sangguniang Panlungsod. He shall be directly reporting to the City Mayor. He shall hold the position of a Department Head III with salary grade 27 and shall have a co-terminous position as that of the appointing authority and shall have the following qualifications:

Education	Any of the following: Master's Degree in Accounting, Public Administration, Criminology, Information Technology/Computer Science and other related disciplines. Bachelor's Degree in Law would be an advantage.
Experience	5 years of supervisory of relevant experience in one or a combination of the following: Public Administration, Internal Auditing, Administrative or Criminal Investigation, Forensics (e.g., Accounting, Information Technology), International Organization for Standardization (IOS) Management Systems and other related disciplines.
Training	120 hours of managerial training in one or a combination of the following: Public Administration, Internal Auditing, Administrative or Criminal Investigation, Forensics (e.g., Accounting, Information Technology), International Organization for Standardization (IOS) Management Systems and other related disciplines.
Eligibility	Career Service (Professional) Second Level Eligibility/R.A. 1080

SEC. 5. Functions of Internal Audit Department Head. - The Internal Audit Department Head shall be responsible for:

1. Ensuring the efficient and effective operation of the internal audit function;
2. Developing strong professional relationships with the other Department Heads of the City of Manila and key stakeholders;
3. Leading the development of the internal audit strategic plan and annual work plan that outlines the objectives, priorities and proposed internal audit coverage; and
4. Liaising with other external monitoring and evaluation bodies in developing internal audit plans for the review and approval by the City Mayor.

SEC. 6. Internal Organizational Structure. - The Internal Audit Service shall have the following internal organizational structure:
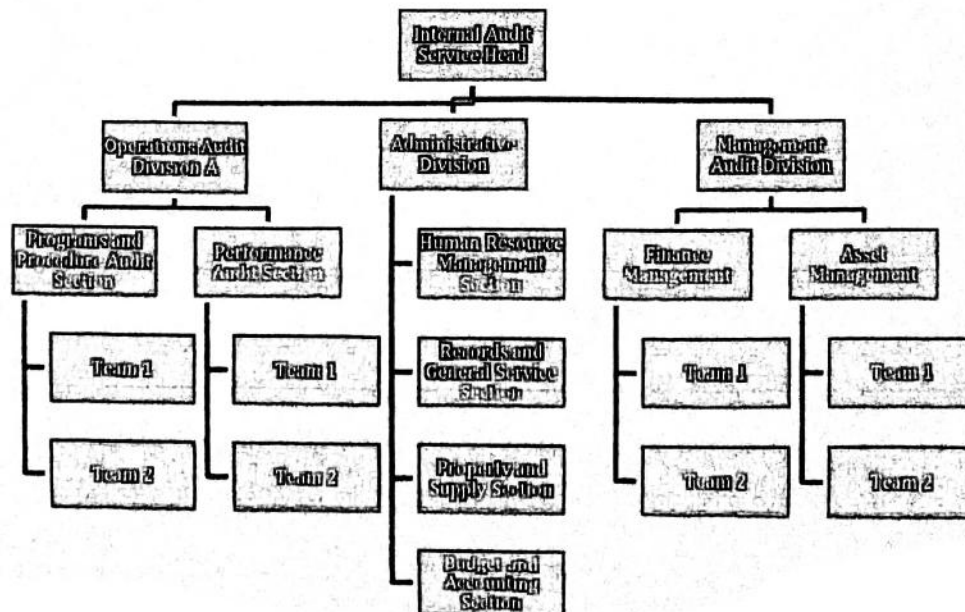
SEC. 7. Functions of Organizational Units. - The functions of the organizational units in the Internal Audit Service are as follows:

(a) Operations Audit Division. The Operations Division shall perform the following:

1. Conduct operations performance audit of activities of all the departments, bureaus, offices and all other units and determine the degree of compliance with the mandate, policies, government regulations, established objectives, systems and procedures/processes and contractual obligations (Section 2.4b, DBM Circular Letter No. 2008-5);

2. Review and appraise systems and procedures/processes, organizational structure, operations practices, operations records, reports and performance standards of the agencies/units covered (Section 2.4c, DBM Circular Letter No. 2008-5);

3. Verify and analyze operations data to ascertain if attendant management information systems generate data or reports that are complete, accurate and valid (Section 4.1.1.2, DBM Budget Circular No. 2004-4);

4. Ascertain the reliability and integrity of operational information and the means used to identify, measure, classify and report such information (Section 1.1.1, AO No. 278, S. 1992);

5. 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 (Section 1.1.5, AO 278, S. 1992);

6. Evaluate the quality of performance of groups/individuals in carrying out their assigned responsibilities (Section 1.1.6, AO 278, S. 1992);

7. Recommend courses of action on operational deficiencies observed (Section 1.1.7, AO 278 s. 1992); and

8. 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 (Section 4.1.1.4, DBM i. Perform miscellaneous services, including special investigations and assistance to outside contacts such as COA (Section 4.1.1.5, DBM Budget Circular No. 2004-4).

(b) Management Division. The Management Division shall have the following functions: (p. 59 of PGIAM)

1. Conduct management audit of activities and its units and determine the degree of compliance with the mandate, policies, government regulations, established objectives, systems and procedures/processes and contractual obligations (Section 2.4b, DBM Circular Letter No. 2008-5 and Section 1.1.2, AO 278, s. 1992);

2. Review and appraise systems and procedures/processes, organizational structure, assets management practices, financial and management records, reports and performance standards of the agencies/units covered (Section 2.4c, DBM Circular Letter No. 2008-5);

3. Verification and analysis of financial and management data to ascertain if attendant management information systems generate data or reports that are complete, accurate and valid (Section 4.1.1.2, DBM Budget Circular No. 2004-4);

4. Ascertain the reliability and integrity of financial and management information and the means used to identify, measure, classify and report such information (Section 1.1.1, AO No. 278, s. 1992);

5. Ascertain the extent to which the assets and other resources of the institutions are accounted for and safeguarded from losses of all kinds (Section 1.1.3, AO 278, s. 1992);

6. Review and evaluate the soundness, adequacy and application of accounting, financial and management controls and promote the most effective control at reasonable cost (Section 1.1.4, AO 278, s. 1992);

7. Evaluate the quality of performance of groups/individuals in carrying out their assigned responsibilities (Section 1.1.6, AO 278, s. 1992);

8. 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 (Section 4.1.1.4, DBM Budget Circular No. 2004-4); and

9. Perform miscellaneous services, including special investigations and assistance to outside contacts such as COA (Section 4.1.1.5, DBM Budget Circular No. 2004-4).

(c) Administrative Division. The Administrative Division shall have the following functions:

- Exercises supervision and control over the operation and management of the Division;
- Submits policy recommendations to the IAS Department Head as it relates to general administration services and functions;
- Implements office policies, laws, rules and regulations issued by the Civil Service Commission (CSC) and other authorities relating to general administration services and functions;
- Provides advisory services to the IAS Department Head, as well as other officials and employees on general administrative services;
- Develops administrative systems and procedures for the IAS Department; and
- Performs such other functions as may be assigned by the IAS Department Head

The Administrative Division shall have the following sections:

1. Human Resource Management Section

    1.1   Keeps and maintains current plantilla of personnel, records and statistics;
    1.2   Prepares payroll and maintains individual subsidiary ledgers of officers and employees;

1.3 Promotes employees welfare and morale and assists in developing and improving efficiency of personnel by providing the necessary information, and advises on personnel needs and problems;

1.4 Acts on all matters concerning attendance, leaves and absences, appointments, promotions, transfer and other personnel transactions;

1.5 Informs the employees of Civil Service rules and regulations and explains the consequences and impact of the reasons for the various personnel actions;

1.6 Identifies the training needs of IAS employees in preparation for the establishment of IAS' Human Resource Development Plan;

1.7 Performs liaison work in entities of the government concerned with personnel activities; and

1.8 Performs such other functions as may be assigned by the Division Chief and IAS Department Head.

2. Records and General Service Section

2.1 Implements policies and guidelines for the efficient and effective records management and archival administration;

2.2 Safeguards the official records and seal of IAS;

2.3 Establishes, implements, and maintains an organized internal records disposition program;

2.4 Authenticates official records, when necessary and represents IAS in the presentation of documents required by the courts and other administrative bodies;

2.5 Receives/releases records created by IAS and those received from other agencies;

2.6 Provides messenger, liaison, and janitorial services; and

2.7 Performs other such functions as may be assigned by the Division Chief and the IAS Department Head.

3. Property and Supply Section

3.1 Develops and maintains an efficient and effective supply management system;

3.2 Takes custody of properties, equipment and supplies of the Department;

3.3 Procures, stores and distributes supplies and equipment, and conducts periodic inventories of the same;

3.4 Keeps and maintains Supply Ledger Card for monitoring of Summary of Supplies and Materials Issued (SSMI);

3.5 Prepares monthly SSMI report;

3.6 Conducts regular office equipment and supplies inventory;

3.7 Conducts studies, formulates and recommends measures for the most effective utilization and maintenance of the property, supplies and equipment and other facilities of the Department; and

3.8 Performs other such functions as may be assigned by the Division Chief and the IAS Department Head.

4. Budget and Accounting Section

4.1 Assists the IAS Department Head in the preparation of Annual Budget Proposal of the Department;

4.2 Monitors financial transactions of the Department as against Advice of Allotment issued and obligated;

4.3   Prepares and processes payrolls, allowances and other monetary benefits of IAS employees and job order workers;

4.4   Processes Disbursements Voucher (DV), Journal Entries Voucher (JEV) and Allotments and Obligation Slip (ALOBS) of the Department; and

4.5   Performs other such functions as may be assigned by the Division Chief and the IAS Department Head.

SEC. 8. Staffing Pattern. - The Internal Audit Staff shall hold career positions. Each Division shall be headed by an Internal Auditor V with a Salary Grade 24. Each Division shall have two Sections to be headed by Internal Auditor IV with a Salary Grade 22. Each Section shall have two teams composed of Internal Auditors I, II,III and one Internal Auditing Assistant.

Below are the number of positions and qualifications of the Internal Audit Staff:

MANAGEMENT AUDIT DIVISION:

IAS Positions/ Number of positions	Education	Experience	Training	Eligibility
Chief Administrative Officer (Management and Audit Analyst V) (SG 24)/1 position	Master's degree relevant to the position	4 years in a position involving management or supervision	24 hrs. of relevant training in management and supervision	Career Service (Professional)/ Second level eligibility
Supervising Administrative Officer (Management Audit Analyst) (SG 22) / 2 positions	Bachelor's degree relevant to the position	3 years of relevant experience	16 hrs. of relevant training	Career Service (Professional)/ Second level eligibility
Administrative Officer V (Management and Audit Analyst III) (SG 18) / 4 positions	Bachelor's degree relevant to the position	2 years of relevant experience	8 hrs. of relevant training	Career Service (Professional)/ Second level eligibility
Administrative Officer IV (Management and Audit Analyst II) (SG-15) / 4 positions	Bachelor's degree relevant to the position	1 year of relevant experience	8 hrs. of relevant training	Career Service (Professional)/ Second level eligibility
Administrative Officer II (Management and Audit Analyst I) (SG 11) / 4 positions	Bachelor's degree relevant to the position	None Required	None Required	Career Service (Professional)/ Second level eligibility
Administrative Assistant II (SG 8) / 4 positions	Completion of 2 years of study in college	1 year of relevant experience	4 hours relevant training	Career Service (Sub-Professional)/ Second level eligibility

OPERATIONS AUDIT DIVISION:

IAS Positions/ Number of positions	Education	Experience	Training	Eligibility
Chief Administrative V (SG 24) / 1 position	Master's degree relevant to the position	4 years in a position involving management or supervision	24 hrs. of relevant training in management and supervision	Career Service (Professional)/ Second level eligibility
Supervising Administrative Officer (Fiscal Examiner IV) (SG 22) / 2 positions	Bachelor's degree relevant to the position	3 years of relevant experience	16 hrs. of relevant training	Career Service (Professional)/ Second level eligibility
Fiscal Examiner III (SG 18) / 4 positions	Bachelor's degree relevant to the position	2 years of relevant experience	8 hrs. of relevant training	Career Service (Professional)/ Second level eligibility
Fiscal Examiner II (SG-15) / 4 positions	Bachelor's degree relevant to the position	1 year of relevant experience	4 hrs. of relevant training	Career Service (Professional)/ Second level eligibility
Fiscal Examiner I (SG 11) / 4 positions	Bachelor's degree relevant to the position	None Required	None Required	Career Service (Professional)/ Second level eligibility
Administrative Assistant (SG 8) / 4 positions	Completion of 2 years of study in college	1 year of relevant experience	4 hours relevant training	First level eligibility

The following are positions and qualification of other Non-Technical Staff:

ADMINISTRATIVE DIVISION:

Chief Administrative Officer (SG 24) / 1 position	Masteral Degree	4 years in position involving Management and Supervision	24 hrs. of training in management and supervision	Career Service (Professional)/ Second level eligibility
Supervising Administrative Officer (SG22) / 1 position	Bachelor's degree relevant to the position	3 years of relevant experience	16 hrs. of relevant training	Career Service (Professional)/ Second level eligibility
Administrative Officer V (SG 18) / 4 positions Budget Officer Personnel Officer Record Officer Supply Officer	Bachelor's Degree relevant to the job	3 years of relevant experience	8 hrs. of relevant training	Career Service (Professional)/ Second level eligibility
Administrative Assistant III (SG 9) / 4 positions	Completion of two years studies in college or high school graduate with relevant vocational/ trade course	1 year relevant experience	4 hrs. relevant training	Career Service (Sub- Professional) first level eligibility

Administrative Assistant II (SG 8) / 2 positions	Completion of two years studies in college or high school graduate with relevant vocational/ trade course	1 year relevant experience	4 hrs. relevant trainings	Career Service (Sub-Professional) first level eligibility
Administrative Aide VI (SG 6) / 2 positions	Must be able to read and write/ elementary school graduate, high school graduate or completion of relevant vocational/ completion of 2 years college	1 year relevant experience	4 hrs. relevant trainings	Relevant MC11 1996 Career Service (sub-Professional) first level eligibility
Administrative Aide IV (SG-4) / 2 positions	Must be able to read and write/ elementary school graduate, high school graduate or completion of relevant vocational/ completion of 2 years college	None Required	None Required	Relevant MC11 1996 Career Service (sub-Professional) first level eligibility
Administrative Aide II (SG-2) / 2 positions	Must be able to read and write/ elementary school graduate, high school graduate or completion of relevant vocational/ completion of 2 years college	None Required	None Required	Relevant MC11 1996 Career Service (sub-Professional) first level eligibility
Administrative Aide I (SG-1) / 2 positions	Must be able to read and write/ elementary school graduate, high school graduate or completion of relevant vocational/ completion of 2 years college	None Required	None Required	Relevant MC11 1996 Career Service (sub-Professional) first level eligibility

SEC. 9. Appropriation. The initial appropriation for the creation and personnel complement of the Internal Audit Service shall be taken from the unfilled-up positions of the different departments and offices of the City of Manila. Upon approval of this Ordinance, the appropriation for the Internal Audit Service shall be regularly included in the Annual Budget.

SEC. 10. Transitory Provisions. The City Mayor shall create an Ad-Hoc Committee that shall be responsible for setting up the Internal Audit Service within six-months from approval of this Ordinance. This Ad-hoc Committee shall be composed of:

1. Secretary to the Mayor
2. City Accountant
3. City Budget Officer
4. Personnel Officer
5. Others as may be determined by the City Mayor

SEC. 11. Effectivity Clause. – This Ordinance shall take effect upon its approval.

This Ordinance was finally enacted by the City Council of Manila on September 24, 2015.

PRESIDED BY:

EDWARD V.P. MACEDA
President Pro-Tempore and
Acting Presiding Officer
City Council, Manila

ATTESTED:

LUCH R. GEMPIS, JR.
City Government Department Head III
(Secretary to the City Council)

APPROVED BY HIS HONOR, THE MAYOR, ON _20 October 2015_

JOSEPH EJERCITO ESTRADA
Mayor
City of Manila

ATTESTED:

EDWARD S. SERAPIO
City Government Department Head III
(Secretary to the Mayor)

EZB:rnf/jvl/vmf