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Item No.: 10
Date: JUL 18 2023

Republic of the Philippines
PROVINCE OF LEYTE
Palo, Leyte

SANGGUNIANG PANLALAWIGAN
LEYTE
JUL 11 2023
PROVINCE OF LEYTE

PROVINCIAL LEGAL OFFICE
2nd INDORSEMENT
July 10, 2023

Province of Leyte
Leyte
JUL 12 2023

Respectfully returned to the Sangguniang Panlalawigan of Leyte, through the SP Secretary, the attached Ordinance No. 07 Series of 2023 of the Municipality of San Merida, Leyte, recommending for the declaration of its validity, pursuant to its power under Section 56 (C) of R.A. 7160.

The Provincial Legal Office is of the opinion that the ordinance is in line with Section 3(b) of the Local Government Code which aims to create an efficient dynamic organizational structure within the LGU to meet service requirements. It further opines that the creation of the Internal Audit Service Office is within its power provided for in Section 447(i)(vii) of the same Code.

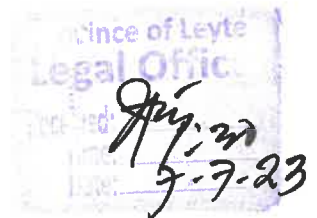

ATTY. JOSE RAYMUND A. ACOL
Asst. Provincial Legal Officer

Republic of the Philippines
PROVINCE OF LEYTE
Palo, Leyte


OFFICE OF THE SANGGUNIANG PANLALAWIGAN

1ST INDORSEMENT

06 June 2023
27



The Provincial Legal Office is respectfully requested to review and submit recommendations on the herein enclosed **MUNICIPAL ORDINANCE NO. 07, SERIES OF 2023 OF THE MUNICIPALITY OF MERIDA, LEYTE**, entitled: AN ORDINANCE CREATING THE INTERNAL AUDIT SERVICE OFFICE OF THE LOCAL GOVERNMENT UNIT OF MERIDA, PROVINCE OF LEYTE.

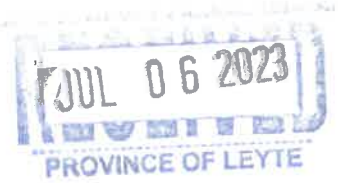

FLORINDA JILI S. UYVICO
Secretary to the Board



Republic of the Philippines
Province of Leyte
MUNICIPALITY OF MERIDA

OFFICE OF THE SANGGUNIANG BAYAN

July 04, 2023



THE SANGGUNIANG PANLALAWIGAN OF LEYTE
NEW LEYTE PROVINCIAL CAPITOL
PALO, LEYTE

DEAR HONORABLE SP MEMBERS;

I HAVE THE HONOR TO SUBMIT TO THE SANGGUNIANG PANLALAWIGAN OF LEYTE COPIES OF **MUNICIPAL ORDINANCE NO. 07, SERIES OF 2023 – “AN ORDINANCE CREATING THE INTERNAL AUDIT SERVICE OFFICE OF THE LOCAL GOVERNMENT UNIT OF MERIDA, PROVINCE OF LEYTE”** ENACTED BY THE 18TH COUNCIL OF MERIDA, LEYTE FOR REVIEW AND CONSIDERATION.

HOPING EVERYTHING IS IN ORDER.

THANK YOU.

RESPECTFULLY,


JOSELITO T. DELOS ANGELES
Secretary to the Sangguniang Bayan



Republic of the Philippines
Province of Leyte
MUNICIPALITY OF MERIDA

SANGGUNIANG BAYAN

SANGGUNIANG PANLALAWIGAN



EXCERPT FROM THE MINUTES OF THE 37TH REGULAR SESSION OF THE SANGGUNIANG BAYAN (18TH COUNCIL), MERIDA, LEYTE HELD ON MARCH 27, 2023 AT THE LEGISLATIVE BUILDING SESSION HALL.

-RESOLUTION NO. 18-23-106-

A RESOLUTION ADOPTING THE MUNICIPAL ORDINANCE NO. 07, SERIES OF 2023 "AN ORDINANCE CREATING THE INTERNAL AUDIT SERVICE OFFICE OF THE LOCAL GOVERNMENT UNIT OF MERIDA, PROVINCE OF LEYTE."

NOW, WHEREFORE, ON MOTION OF Hon. Emarito A. Luzares, Chairman Committee on Rules, Regulations and Ordinances, duly seconded by Hon. Nenfa C. Oyao, BE IT RESOLVED TO ENACT;

-MUNICIPAL ORDINANCE NO. 07- Series of 2023

AN ORDINANCE CREATING THE INTERNAL AUDIT SERVICE OFFICE OF THE LOCAL GOVERNMENT UNIT OF MERIDA, PROVINCE OF LEYTE.

There is an imperative need for the Municipal Government of Merida to create the Office of the Internal Audit Service pursuant to Republic Act (RA) No. 3456 (Internal Auditing Act of 1962) as amended by R.A No. 4177 entitled "Creating, Organizing, and Operating an Internal Audit Service in all government agencies which shall assist management to achieve efficient and effective Fiscal Administration and performance of agency affairs and functions".

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.

Furthermore, 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.

The IAS shall be integral part of the Office of the Municipal Mayor and will be in its direct supervision and control. Its main function is: (a) to assist the management in ensuring that Municipal resources are used consistent with laws, regulations and policies; (b) that Municipal properties are safeguarded against loss wastage and misuse; (c) that financial and non-financial information are reliable, accurate and timely and its operations are economical, efficient and effective.

It is to the best interest on the part of the Municipal Government of Merida 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. 04-04 issued March 22, 2014 which provides that Internal Auditing in a Component Municipality may be a department headed by a Municipal Government Department Head I with Salary Grade 25. The qualification requirements of the positions under the Office of the Internal Auditor shall be governed by the existing qualifications and standards set by the Civil Service Commission as well as the wages and salaries which shall be based on existing wage rates prescribed by the Department of Budget and Management for Local Government Units.

Be it Ordained by the Sangguniang Bayan (17th Council) of Merida, Leyte on its Regular Session assembled and by Authority of the same that;

OVER-



(CONTINUATION OF MUNICIPAL ORDINANCE NO. 07, SERIES OF 2023, DATED MARCH 27, 2023.//PAGE 02)

SECTION 1. CREATION – There is hereby created, under the organizational structure of the Municipal Government of Merida the Internal Audit Service.

SECTION 2. OBJECTIVES – The Internal Audit Service shall assist the Municipal Government to achieve an efficient and effective fiscal administration and performance of government affairs and functions.

SECTION 3. LEGAL BASES FOR THE CREATION OF THE OFFICE OF INTERNAL AUDIT SERVICE– The chronological summary of issuances on the organization, staffing, functions, and activities of internal audit is provided as follows:

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

D. No. 1 (Reorganizing the Executive Branch of the National Government), which abolished the IAS/U created under **RA No. 3456**, as amended by **RA No. 4177**. The function was subsequently merged with the Management Division of the Financial and Management Service in the Departments pursuant to **Item 3, Article IV, Chapter I, Part IV of the P.D.**

Section 1 of Administrative Order (AO) No. 119 dated 29 March 1989, which mandated government entities to strengthen their internal control systems and organize systems and procedures in coordination with **DBM**.

Memorandum Order No. 277 dated 17 January 1990, directing the **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 (**GOCCs**), and **LGUs**.

Section 3(b) of RA No. 7160 (The Local Government Code of 1991), which 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**. **Section 474(b)** further provides for the qualifications, powers, and duties of an Accountant, among which is the mandate to take charge of both the accounting and internal audit services of the **LGU**.

SECTION 4. DUTIES AND FUNCTIONS – The Internal Audit Service activities shall include the following:

Ascertaining the reliability and integrity of financial and operational information and the means used to identify, measure, classify and report such information;

Ascertaining the extent of compliance and reviewing the systems established to ensure with government policies, plans and procedures, laws and regulations which have impact on operations;

Ascertaining the extent to which the assets and other resources of the Municipality are accounted for and safeguard from losses of all kinds;

Reviewing and evaluating the soundness, adequacy and application of accounting, financial and other operating controls and promoting the most effective control at reasonable cost;

Reviewing operating or programs to ascertain whether or not the results are inconsistent with established objectives and goals and whether or not such programs are being carried out as planned;

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(CONTINUATION OF MUNICIPAL ORDINANCE NO. 07, SERIES OF 2023, DATED MARCH 27, 2023.//PAGE 03)

Evaluating the quality of performance of groups/individuals in carrying out their assigned responsibilities;

Recommending corrective actions on operational deficiencies observed.

SECTION 5. OTHER DUTIES – *The Internal Audit Service may be called upon by the Municipal Mayor to perform special assignments. However, it shall not be responsible for or required to participate in procedures which are essentially a part of regular operating activities or in operations which are the primary responsibility of another office in the Municipal Government. The Internal Audit Service shall be detached from all functions of routine operating character, such as:*

Pre-Audit of vouchers and counter-signature of checks;

Inspection of deliveries, although the internal auditor may, as part of his examination, observe inspection;

Preparation of treasury and bank reconciliation statements;

Development and installation of systems and procedures, however, in exceptional cases, the Internal Auditor may assist by way of giving suggestions;

Taking physical inventories, however, the Internal Auditor may review the plans in advance and observe and test-check the accuracy of counting, costing and summarizing;

Maintaining property records; and

All other activities related to operations.

SECTION 6. CONDUCT OF INTERNAL AUDIT – *Internal Audit shall be performed with proficiency and professional care. The Internal Audit Service shall, therefore:*

Ensure that the technical proficiency and educational background of internal auditors are appropriate for the audit to be performed;

Ensure that internal auditors possess the knowledge, skills and discipline needed to carry out the audit responsibilities of the office;

Ensure that internal audits are properly supervised and performed with due professional care;

Conduct the audit in conformity with International Standards, for the Professional Practice of Internal Auditing; and

Strictly observe the Code of Ethics promulgated by the Association of Government Internal Auditors (AGIA) to maintain high standards of honesty, objectivity and loyalty.

SECTION 7. EFFECTIVITY – *This Ordinance shall take effect after compliance of posting and publication requirements.*

ENACTED ON THIS 27TH DAY OF MARCH, 2023 IN THE MUNICIPALITY OF MERIDA, LEYTE.

APPROVED UNANIMOUSLY.

[Handwritten signatures and initials in black and blue ink, including a large signature on the left and several smaller ones on the right.]

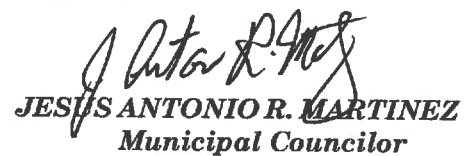


(CONTINUATION OF MUNICIPAL ORDINANCE NO. 07, SERIES OF 2023, DATED MARCH 27, 2023.....//PAGE 04)

SANGGUNIANG BAYAN MEMBERS


CHENIL C. CALDERON
Municipal Councilor
Assistant Floor Leader


JOEL A. MARSON
Municipal Councilor


JESUS ANTONIO R. MARTINEZ
Municipal Councilor

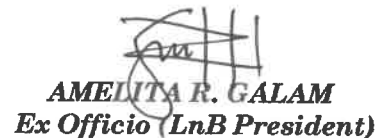

EMARITO A. LUZARES
Municipal Councilor
Majority Floor Leader

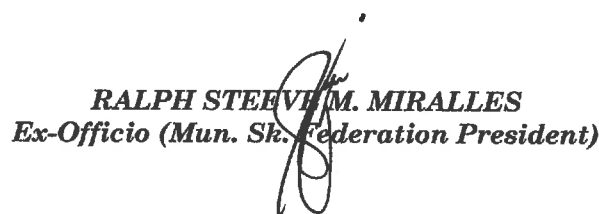

CAMILO T. DEJON
Municipal Councilor


FELIPE H. PEREZ, JR.
Municipal Councilor


NENFA C. OYAO
Municipal Councilor


STEPHANIE M. MIRALLES
Municipal Councilor

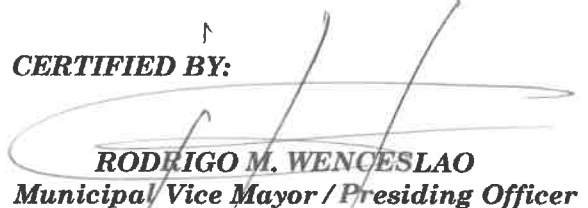

AMELITA R. GALAM
Ex Officio (LnB President)

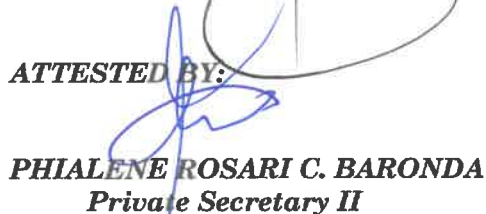

RALPH STEEVI M. MIRALLES
Ex-Officio (Mun. Sk. Federation President)

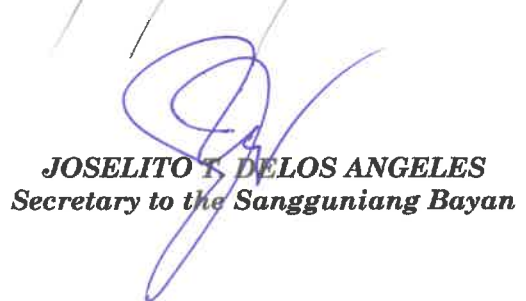
APPROVED BY HIS HONOR, THE MUNICIPAL MAYOR ON APRIL 19, 2023.

APPROVED BY:

ENGR. ROLANDO M. VILLASENICO
Municipal Mayor

CERTIFIED BY:

RODRIGO M. WENCESLAO
Municipal Vice Mayor / Presiding Officer

ATTESTED BY:

PHIALENE ROSARI C. BARONDA
Private Secretary II


JOSELITO T. DELOS ANGELES
Secretary to the Sangguniang Bayan



Republic of the Philippines
Province of Leyte
MUNICIPALITY OF MERIDA

OFFICE OF THE SANGGUNIANG BAYAN

CERTIFICATION

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY that **MUNICIPAL ORDINANCE NO. 07, SERIES OF 2023 – “AN ORDINANCE CREATING THE INTERNAL AUDIT SERVICE OFFICE OF THE LOCAL GOVERNMENT UNIT OF MERIDA, PROVINCE OF LEYTE”** had been posted in three (3) conspicuous places in the locality within three (3) consecutive weeks from APRIL 25, 2023 to MAY 16, 2023.

THIS CERTIFICATION has been issued in compliance to Section 511 (1), Title One, book IV of RA 7160, otherwise known as the Local Government Code of 1991.

DONE AND ISSUED this 04TH day of July 2023 at Merida, Leyte, Philippines.


JOSELITO T. DELOS ANGELES
Secretary to the Sangguniang Bayan