



# **Internal Audit Services**

## **Internal Services**



## 1. Compliance Audit

Compliance audit is the evaluation of the degree of compliance with laws, regulations, managerial policies, and operating procedures in the LGU, including compliance with accountability measures, ethical standards, and contractual obligations (1.9.1 Compliance Audit, Department of Budget and Management (DBM) Internal Audit Manual for Local Government Units (LGU) (2016), p. 10).

<b>Office Or Division:</b>	Internal Audit Services			
<b>Classification:</b>	Simple, Complex or Highly Technical (may vary per engagement)			
<b>Type Of Transaction:</b>	G2G – Government to Government			
<b>Who May Avail:</b>	Executive Branch of LGU – Ormoc City			
<b>CHECKLIST OF REQUIREMENTS</b>		<b>WHERE TO SECURE</b>		
One (1) original copy of Endorsement Letter/Written Instructions from the City Mayor to conduct audit		City Mayor's Office (CMO)		
<b>CLIENT STEPS</b>	<b>AGENCY ACTION</b>	<b>FEES TO BE PAID</b>	<b>PROCESSING TIME</b>	<b>PERSON RESPONSIBLE</b>
1. Submit the Endorsement Letter/Written Instructions from the City Mayor to the IAS Office	1.0 Receive the Endorsement Letter/Written Instructions and forward to the Head of IAS	None	5 minutes	<i>Internal Audit Staff IAS</i>
	1.1 Evaluation if the audit request is under the scope of IAS	None	3 Hours, 30 minutes	<i>Head IAS</i>
	1.2 If the audit request is:			
	1.2.1 Not under the scope of IAS:			
	1.2.1.1 Preparation of letter stating the basis why the audit request is declined and submit to the Head of IAS for review and approval.	None	4 Hours	<i>Internal Audit Staff IAS</i>
	1.2.1.2 Review and approval of the letter	None	4 Hours	<i>Head IAS</i>



	1.2.1.3 Submit the letter to the City Mayor	None	25 minutes	<i>Internal Audit Staff IAS</i>
	1.2.2 Under the scope of IAS:			
	1.2.2.1 Assignment and discussion of the Project to the IAS staff	None	4 Hours	<i>Head IAS</i>
	1.3 Conduct of Compliance Audit	None	13 Days	<i>Internal Audit Staff IAS</i>
	1.4 Draft audit report and submit to the Head of IAS for review and approval	None	3 Days	<i>Internal Audit Staff IAS</i>
	1.5 Review and approval of audit report	None	3 Days	<i>Head IAS</i>
	1.6 Submit audit report to City Mayor	None	25 Minutes	<i>Internal Audit Staff IAS</i>
	<b>TOTAL</b>	-	<b>If Project is: Not under the scope of IAS: 1 Day, 4 Hours</b>  <b>Under the scope of IAS 20 days</b>	



## 2. Management Audit

Management Audit is a separate evaluation of the effectiveness of internal controls adapted in the operating and support services units/systems to determine whether they achieve the control objectives over a period of time or as of a specific date.

This includes the determination of the degree of compliance with laws, regulations, managerial policies, accountability measures, ethical standards, and contractual obligations covering specific timeframes. It is a review and appraisal of the systems and processes, organizational and staffing structures, operations and management practices, records, reports, and performance standard of the agencies/units covered (1.9.2 Management Audit, Department of Budget and Management (DBM) Internal Audit Manual for Local Government Units (LGU) (2016), p. 10).

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<b>Who May Avail:</b>	Executive Branch of LGU – Ormoc City			
<b>CHECKLIST OF REQUIREMENTS</b>		<b>WHERE TO SECURE</b>		
One (1) original copy of Endorsement Letter/Written Instructions from the City Mayor to conduct audit		City Mayor's Office (CMO)		
<b>CLIENT STEPS</b>	<b>AGENCY ACTION</b>	<b>FEES TO BE PAID</b>	<b>PROCESSING TIME</b>	<b>PERSON RESPONSIBLE</b>
1. Submit the Endorsement Letter/Written Instructions from the City Mayor to the IAS Office	1.0 Receive the Endorsement Letter/Written Instructions and forward to the Head of IAS	None	5 minutes	<i>Internal Audit Staff IAS</i>
	1.1 Evaluation if the audit request is under the scope of IAS	None	3 Hours, 30 minutes	<i>Head IAS</i>
	1.2 If the audit request is:			
	1.2.1 Not under the scope of IAS:	None	4 Hours	<i>Internal Audit Staff IAS</i>



	1.2.1.1 Preparation of letter stating the basis why the audit request is declined and submit to the Head of IAS for review and approval.			
	1.2.1.2 Review and approval of the letter	None	4 Hours	<i>Head IAS</i>
	1.2.1.3 Submit the letter to the City Mayor	None	25 minutes	<i>Internal Audit Staff IAS</i>
	1.2.2 Under the scope of IAS:			
	1.2.2.1 Assignment and discussion of the Project to the IAS staff	None	4 Hours	<i>Head IAS</i>
	1.3 Conduct of Management Audit	None	13 Days	<i>Internal Audit Staff IAS</i>
	1.4 Draft audit report and submit to the Head of IAS for review and approval	None	3 Days	<i>Internal Audit Staff IAS</i>
	1.5 Review and approval of audit report	None	3 Days	<i>Head IAS</i>
	1.6 Submit audit report to City Mayor	None	25 Minutes	<i>Internal Audit Staff IAS</i>
	<b>TOTAL</b>	-	<b>If Project is:</b>  <b>Not under the scope of IAS:</b> <b>1 Day, 4 Hours</b>  <b>Under the scope of IAS</b> <b>20 Days</b>	



### 3. Operations Audit

Operations Audit is a separate evaluation of the outcome, output, process, and input to determine whether government operations, programs, and projects are effective, efficient, ethical and economical, including compliance with laws, regulations, managerial policies, accountability measures, and projects involves an evaluation of whether or not performance targets and expected results were achieved (1.9.3 Compliance Audit, Department of Budget and Management (DBM) Internal Audit Manual for Local Government Units (LGU) (2016), p. 10).

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<b>Who May Avail:</b>		Executive Branch of LGU – Ormoc City		
<b>CHECKLIST OF REQUIREMENTS</b>		<b>WHERE TO SECURE</b>		
One (1) original copy of Endorsement Letter/Written Instructions from the City Mayor to conduct audit		City Mayor's Office (CMO)		
<b>CLIENT STEPS</b>	<b>AGENCY ACTION</b>	<b>FEES TO BE PAID</b>	<b>PROCESSING TIME</b>	<b>PERSON RESPONSIBLE</b>
1. Submit the Endorsement Letter/Written Instructions from the City Mayor to the IAS Office	1.0 Receive the Endorsement Letter/Written Instructions and forward to the Head of IAS	None	5 minutes	Internal Audit Staff IAS
	1.1 Evaluation if the audit request is under the scope of IAS	None	3 Hours, 30 minutes	Head IAS
	1.2 If the audit request is:			
	1.2.1 Not under the scope of IAS:	None	4 Hours	Internal Audit Staff IAS



	1.2.1.1 Preparation of letter stating the basis why the audit request is declined and submit to the Head of IAS for review and approval.			
	1.2.1.2 Review and approval of the letter	None	4 Hours	Head IAS
	1.2.1.3 Submit the letter to the City Mayor	None	25 minutes	Internal Audit Staff IAS
	1.2.2 Under the scope of IAS:			
	1.2.2.1 Assignment and discussion of the Project to the IAS staff	None	4 Hours	Head IAS
	1.3 Conduct of Operations Audit	None	13 Days	Internal Audit Staff IAS
	1.4 Draft audit report and submit to the Head of IAS for review and approval	None	3 Days	Internal Audit Staff IAS
	1.5 Review and approval of audit report	None	3 Days	Head IAS
	1.6 Submit audit report to City Mayor	None	25 Minutes	Internal Audit Staff IAS
	<b>TOTAL</b>	-	<b>If Project is:</b>  <b>Not under the scope of IAS:</b> <b>1 Day, 4 Hours</b>  <b>Under the scope of IAS</b> <b>20 Days</b>	