



REPUBLIC OF THE PHILIPPINES
NATIONAL IRRIGATION ADMINISTRATION
CENTRAL OFFICE

INTERNAL AUDIT SERVICES OPERATIONS MANUAL

**ISO 9001:2015
ISO 45001:2018**

DISCLAIMER:

This desk manual and any attachments hereto is owned by and property of IAS, NIA and are strictly confidential. It is intended solely for the information, attention, use of the intended party and should not be reproduced without the consent of IAS, NIA. If you are not the intended party and/or if this document was wrongfully sent or forwarded to you, you may not copy, forward, disclose, or use any part of it. You may notify the National Irrigation Administration immediately through its trunkline number at (632) 8929-6071.



**CONTROLLED
COPY**


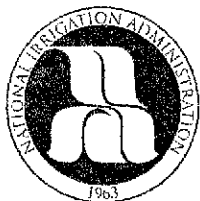
	REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION CENTRAL OFFICE INTERNAL AUDIT SERVICES OPERATIONS MANUAL	Document Code : NIA-IAS-OPM-003
		Revision : 7
		Issue Date : May 20, 2022
		Page(s) : 1 of 34

TABLE OF CONTENTS

1. PURPOSE OF THE OPERATIONS MANUAL.....	4
2. INTERNAL AUDIT SERVICES (IAS) PROFILE.....	4
2.1 FUNCTIONAL DESCRIPTION.....	5
2.2 ORGANIZATIONAL STRUCTURE.....	6
2.3 INTEGRATED OBJECTIVES.....	8
2.4 RELEVANT INTERESTED PARTIES.....	8
2.5 ACTIONS TO ADDRESS RISKS AND OPPORTUNITIES.....	9
2.6 OCCUPATIONAL HEALTH AND SAFETY REQUIREMENTS.....	9
2.7 FLOW PROCESSES.....	10
3. FINANCIAL AND OPERATIONS AUDIT DIVISION PROFILE.....	14
3.1 FUNCTIONAL DESCRIPTION.....	14
3.2 POSITION CHART.....	15
3.3 INTEGRATED OBJECTIVES.....	16
3.4 FINANCIAL AUDIT SECTION PROFILE.....	16
3.4.1 FUNCTIONAL DESCRIPTION.....	16
3.4.2 FLOW PROCESSES.....	18
3.5 OPERATIONS AUDIT SECTION PROFILE.....	22
3.5.1 FUNCTIONAL DESCRIPTION.....	22
3.5.2 FLOW PROCESSES.....	23
4. ORGANIZATION AND MANAGEMENT AUDIT DIVISION PROFILE.....	27
4.1 FUNCTIONAL DESCRIPTION.....	27
4.2 POSITION CHART.....	28
4.3 INTEGRATED OBJECTIVES.....	28
4.4 FLOW PROCESSES.....	29
5. RETENTION.....	33
6. APPROVAL.....	33
7. ANNEXES.....	34

	REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION CENTRAL OFFICE INTERNAL AUDIT SERVICES OPERATIONS MANUAL	Document Code : NIA-IAS-OPM-003
		Revision : 7
		Issue Date : May 20, 2022
		Page(s) : 2 of 34

LIST OF FIGURES

Fig. 1: NIA Organizational Chart.....	6
Fig. 2: IAS Organizational/Position Chart.....	7
Fig. 3: Audit Engagement Planning	10
Fig. 4: Audit Execution.....	11
Fig. 5: Audit Reporting.....	12
Fig. 6: Audit Follow-Up.....	13
Fig. 7: FOAD Position Chart.....	15
Fig. 8: Audit Engagement Planning	18
Fig. 9: Audit Execution.....	19
Fig. 10: Audit Reporting.....	20
Fig. 11: Audit Follow-Up.....	21
Fig. 12: Audit Engagement Planning.....	23
Fig. 13: Audit Execution.....	24
Fig. 14: Audit Reporting.....	25
Fig. 15: Audit Follow-Up.....	26
Fig. 16: OMAD Position Chart.....	28
Fig. 17: Audit Engagement Planning.....	29
Fig. 18: Audit Execution.....	30
Fig. 19: Audit Reporting.....	31
Fig. 20: Audit Follow-Up.....	32



REPUBLIC OF THE PHILIPPINES
NATIONAL IRRIGATION ADMINISTRATION
CENTRAL OFFICE

**INTERNAL AUDIT SERVICES
OPERATIONS MANUAL**

Document Code : NIA-IAS-OPM-003

Revision : 7

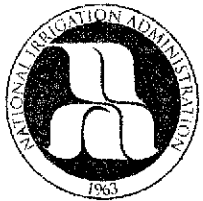
Issue Date : May 20, 2022

Page(s) : 3 of 34

LIST OF ACRONYMS

AO	Administrative Order
BAC	Board Audit Committee
BOD	Board of Directors
COA	Commission on Audit
CICO	Chief Internal Control Officer
CL	Circular Letter
CSC	Civil Service Commission
DBM	Department of Budget and Management
DM	Division Manager
DTS	Document Tracking System
EO	Executive Order
FAS	Financial Audit Section
FOAD	Financial and Operations Audit Division
HoIA	Head of Internal Audit
IAS	Internal Audit Services
ICO A	Internal Control Officer A
IMS	Integrated Management System
IRR	Implementing Rules and Regulations
KPIs	Key Performance Indicators
LRP	Laws, Regulations and Policies
NGICS	National Guidelines on Internal Control System
NIA	National Irrigation Administration
OAS	Operations Audit Section
OHS	Occupational Health and Safety
OMAD	Organization and Management Audit Division
PGIAM	Philippine Government Internal Audit Manual
RPLAN	Rationalization Plan
SICO A	Senior Internal Control Officer A
SICO B	Senior Internal Control Officer B
TO	Travel Order



	<p>REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION CENTRAL OFFICE</p> <p>INTERNAL AUDIT SERVICES OPERATIONS MANUAL</p>	Document Code : NIA-IAS-OPM-003
		Revision : 7
		Issue Date : May 20, 2022
		Page(s) : 4 of 34

1. PURPOSE OF THE OPERATIONS MANUAL

This manual outlined all the processes and document information of this office that shall be used as guidelines during the conduct of all the related activities to ensure conformity and compliance to the requirement of the Integrated Management System (IMS) Standards for ISO 9001:2015 and ISO 45001:2018.

2. INTERNAL AUDIT SERVICES (IAS) PROFILE

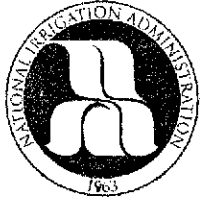
The Internal Audit Services (IAS) was created when the Rationalization Plan was implemented in April 2008 in line with Executive Order (EO) 366 thru DBM-CSC Joint Resolution No. 1 dated May 12, 2006.

Internal Audit is an integral part of the internal control system of public service organizations. The scope of internal audit is broad and involves all matters relating to operations and management control.

Among others, internal audit encompasses the appraisal of the adequacy of internal controls, the conduct of management audit and the evaluation of the results of operations, focusing on the effectiveness of controls of operating systems and support services units/systems.

The IAS aims to assist the Management in:

- Carrying out continuous improvement of operations and programs implementation;
- Promoting operational effectiveness and efficiency;
- Ensuring that adequate safeguards exist over agency assets;
- Ensuring adherence to governmental laws and Agency policies and procedures; and
- Investigating waste, abuse and fraud.

	REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION CENTRAL OFFICE INTERNAL AUDIT SERVICES OPERATIONS MANUAL	Document Code : NIA-IAS-OPM-003
		Revision : 7
		Issue Date : May 20, 2022
		Page(s) : 5 of 34

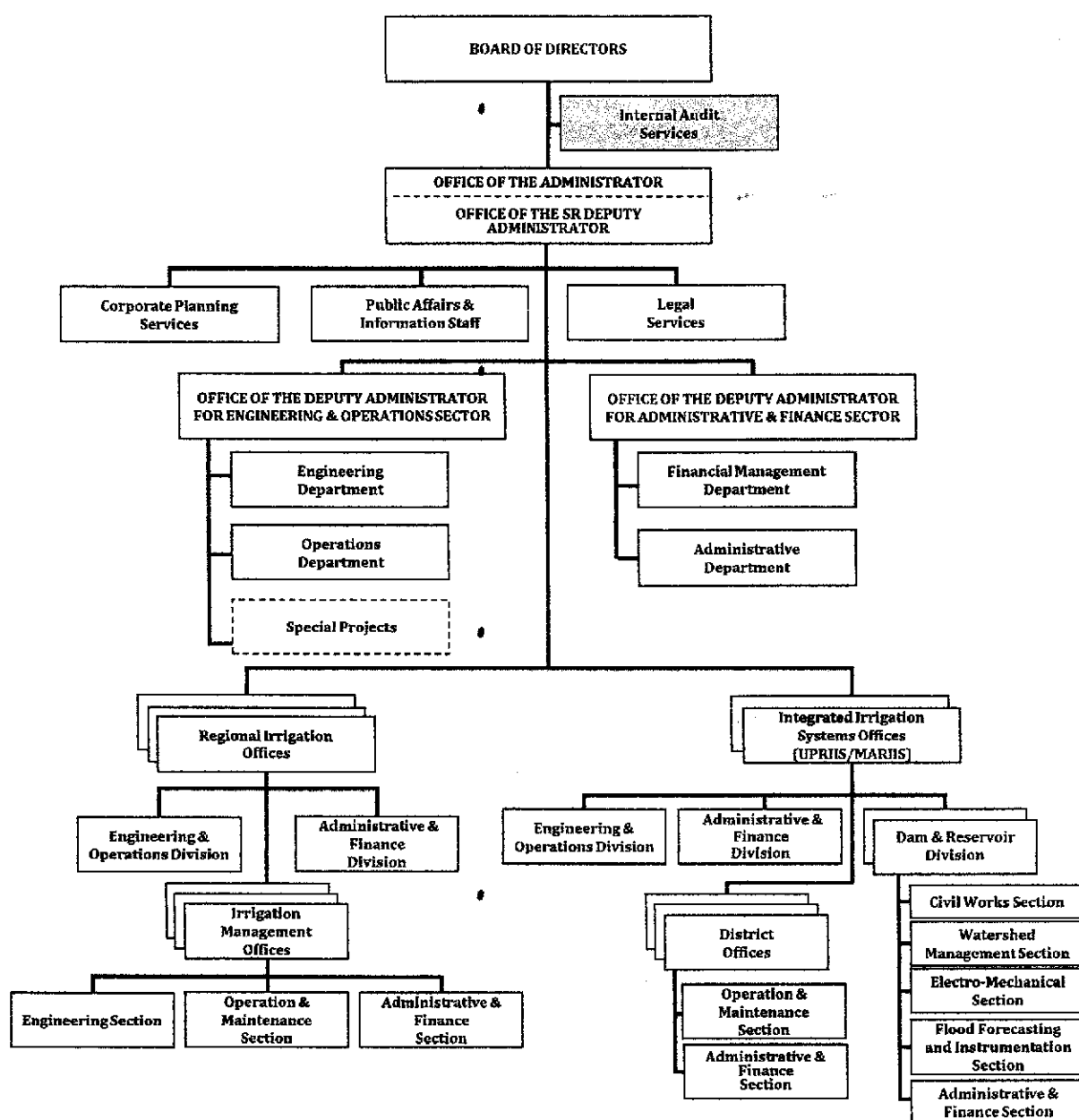
2.1 FUNCTIONAL DESCRIPTION

- Advise top management on all matters relating to management control and operations audit;
- Conduct management and operations performance audit of all organizational units and determine the degree of compliance with established objectives governmental laws and Agency policies and procedures;
- Review and appraise systems and procedures, organizational structures, assets management practices, financial and management records, reports and performance standards of the Agency;
- Ascertain the proper allocation and utilization of funds, manpower, other physical resources, construction materials and equipment;
- Analyze and evaluate management deficiencies and assist top management by recommending realistic courses of action;
- Prepare audit reports and monitor actions taken on audit findings/recommendations;



2.2 ORGANIZATIONAL STRUCTURE

Fig. 1: NIA Organizational Chart

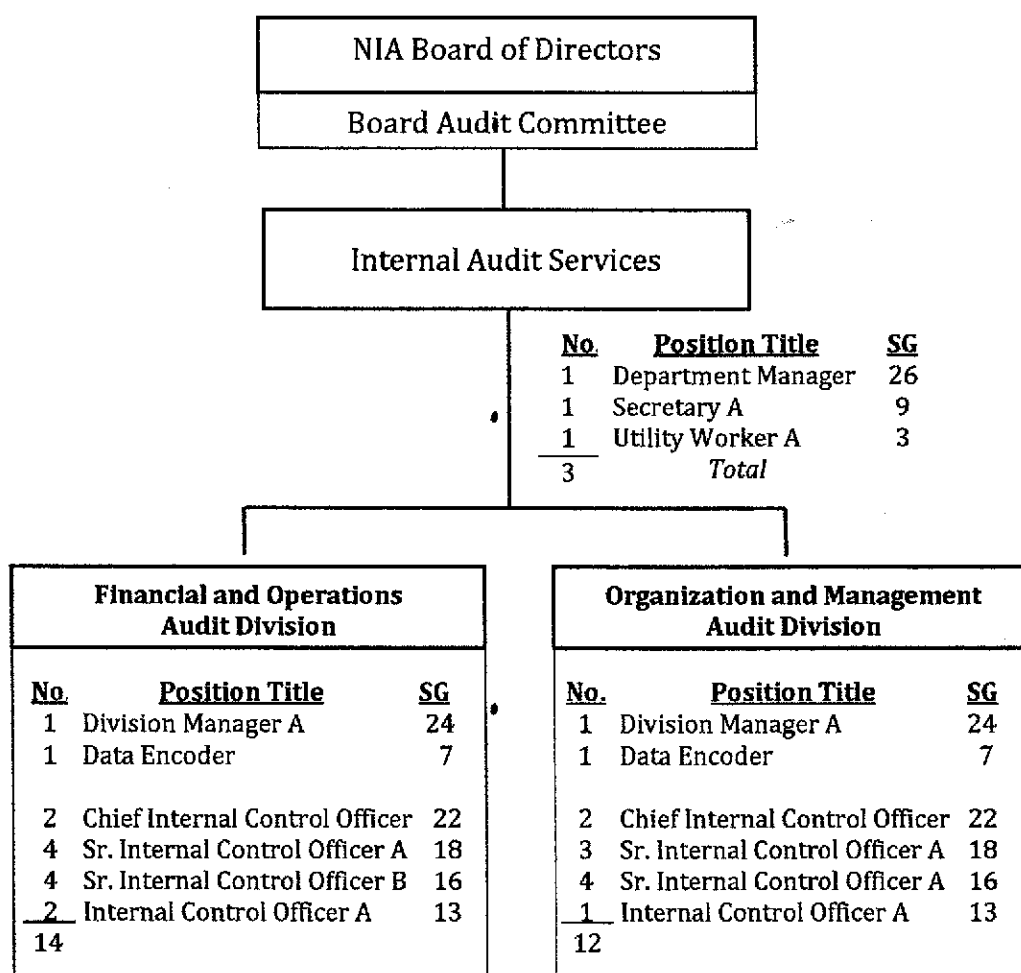




2.2 ORGANIZATIONAL STRUCTURE (CONT.)

Fig. 2: IAS Organizational/Position Chart


IAS ORGANIZATIONAL/POSITION CHART



Note: Daily Positions not included



CONTROLLED
COPY

	REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION CENTRAL OFFICE INTERNAL AUDIT SERVICES OPERATIONS MANUAL	Document Code : NIA-IAS-OPM-003
		Revision : 7
		Issue Date : May 20, 2022
		Page(s) : 8 of 34

2.3 INTEGRATED OBJECTIVES

The Integrated Objectives of Internal Audit Services are where the strategic themes/objectives stated in the Office Performance Commitment and Review (OPCR) are aligned.

Reference: Office Performance Commitment and Review (OPCR) (Annex 1)
IAS Integrated Objectives (Annex 2)


- Evaluate and appraise the degree of compliance of supervision or control with laws, rules and regulations governing the operations of the agency, the adequacy of internal controls and the evaluation of the results of the operations, focusing on the effectiveness of controls of operating and support services units in the attainment of agency objectives in accordance with the Revised Philippine Government Internal Audit Manual.
- Ensure that audit report is in accordance with the prescribed standards and guidelines and is transmitted to the Board Audit Committee, Top Management and auditees with the prescribed period.
- Attain satisfaction of auditees in the conduct of internal audit.
- Ensure awareness and competence in performing tasks safely.

2.4 RELEVANT INTERESTED PARTIES

Internal Audit Services (IAS) has identified the interested parties that are relevant to its integrated management system (IMS) and the requirements of the interested parties in order to prevent the potential effect on the ability of the organization to consistently provide services that meet customer and applicable legal, as well as international, requirements. Thus, IAS determines, monitors, and reviews, the requirements, needs, and expectation of relevant interested parties. This information is updated as necessary and used by IAS to review its strategic directions.

Reference: List of Relevant Interested Parties including Needs and / or Requirements. (Annex 3)



	REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION CENTRAL OFFICE INTERNAL AUDIT SERVICES OPERATIONS MANUAL	Document Code : NIA-IAS-OPM-003
		Revision : 7
		Issue Date : May 20, 2022
		Page(s) : 9 of 34

2.5 ACTIONS TO ADDRESS RISKS AND OPPORTUNITIES

The adoption of a risk-based thinking approach is essential for achieving an effective implementation of IMS. IAS considers external and internal issues as well as its strategic directions (integrated objectives) in determining risks and opportunities as basis for planning. Risk is the effect of uncertainty, which can have a positive or negative effect. A positive effect of risks results to opportunities. Hence, addressing both risks and opportunities establishes a basis for increasing the effectiveness of the IMS of NIA, achieving improved results and preventing negative effects.

Reference: Risks Registry and Opportunities Registry. (Annex 4)

2.6 OCCUPATIONAL HEALTH AND SAFETY REQUIREMENTS

The manual provides the framework for setting the OHS policy and objectives to provide safe and healthy working conditions for the prevention of work-related and ill-health, commits to eliminating hazards and reducing risks in the work place.

Integrated Management System (IMS) shall serve as the mechanism for consultation and participation of NIA employees at all applicable levels and functions, and in the development, planning, implementation, performance evaluation, and actions for improvement of the IMS.

Reference: OHS Risks Registry and Opportunities Registry. (see Annex 5)





2.7 FLOW PROCESSES

Fig. 3: Audit Engagement Planning

Key Activities		Responsible Office/ Position Title/ Designation
	Start	
1	Direct the conduct of scheduled audits based on the approved Annual Work Plan;	Head of Internal Audit (HoIA) and DM
2	Constitute the Audit Team; determine the audit objective, scope and applicable criteria and audit evidence; and prepare Travel Order (TO); forward to HoIA;	Division Manager (DM) and Chief Internal Control Officer (CICO)
3	Review and initial TO; forward to Administrator;	HoIA/DM
4	Approve TO; return to IAS;	Administrator
5	Approve and issue memo to Auditee for the conduct of audit and request for documents needed;	HoIA
6	Serve approved TO to Auditors for the conduct of audit;	DM
7	Gather other data/references and perform pre-audit analysis; and	Audit Team (at least 2-3 Members) CICO/SICO-A/SICO-B/ICO-A
8	Conduct pre-audit conference.	HoIA/DM/Audit Team
	A	

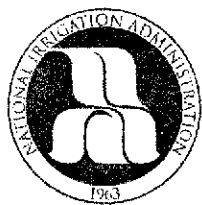


Fig. 4: Audit Execution

Key Activities		Responsible Office/ Position Title/ Designation
	A	
1	Conduct Entry Conference;	Audit Team (CICO/ SICO-A/ SICO-B/
2	Validate data; interview auditee; analyze and evaluate data gathered;	Audit Team
3	Conduct ocular inspection; observe systems and procedures being practiced;	Audit Team
4	Develop preliminary report of findings and observations;	Audit Team
5	Conduct exit conference; record the comments and reactions of the Auditee; and	HoIA/DM Audit Team
6	Submit and discuss Back to Office Initial Report of the audit to HoIA and DM;	Audit Team
	B	


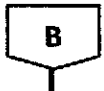

	REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION CENTRAL OFFICE INTERNAL AUDIT SERVICES OPERATIONS MANUAL	Document Code : NIA-IAS-OPM-003
		Revision : 7
		Issue Date : May 20, 2022
		Page(s) : 12 of 34

Fig. 5: Audit Reporting

Key Activities		Responsible Office/ Position Title/ Designation
		
1	Develop audit findings as to: a. Criteria (laws and standards) b. Conditions (findings of facts) c. Conclusion (of facts) d. Cause (root/probable cause/s);	Audit Team
2	Develop audit recommendations; report progress of the compliance audit to DM	Audit Team Leader
3	Supervise the Audit Team in the progress of the Audit Report;	HoIA/Division Manager
4	Draft the Audit Report;	Audit Team
5	Evaluate Audit Report;	Division Manager
6	Review Audit Report;	HoIA
7	Finalize Audit Report;	Audit Team
8	Initial the Final Audit Report;	Division Manager
9	Noted/sign the Final Audit Report;	HoIA
10	Present/discuss the Final Audit Report to the Board Audit Committee (BAC); and	HoIA
11	Reproduce and distribute the Final Audit Report to the Auditee, Administrator and the BOD; file IAS copy.	Process server; Secretary/Document keeper
		



REPUBLIC OF THE PHILIPPINES
NATIONAL IRRIGATION ADMINISTRATION
CENTRAL OFFICE

INTERNAL AUDIT SERVICES
OPERATIONS MANUAL

Document Code : NIA-IAS-OPM-003

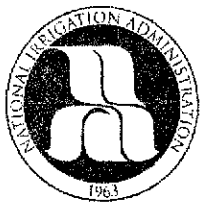
Revision : 7

Issue Date : May 20, 2022

Page(s) : 13 of 34

Fig. 6: Audit Follow-Up

Key Activities		Responsible Office/ Position Title/ Designation
	<p style="text-align: center;">C</p> <p style="text-align: center;">↓</p>	
1	Direct the conduct of follow-up/ monitoring of actions taken by the auditee, after 30 days of receipt by the Auditee of the Audit Report;	HoIA
2	Prepare follow-up notification memo indicating the need to submit the status of implementation;	DM/Audit Team
3	Approve and issue follow-up notification memo;	HoIA
4	Acknowledge receipt of compliance progress report	Audit Team
5	Evaluate the preventive/corrective actions of the Auditee; resolve non-implementation of audit recommendations;	DM and Audit Team
6	Reflect the action taken by the Auditee in the Audit Follow-up Report and Compliance progress monitoring Records.	Audit Team
7	Field validation and verification of actions taken per Compliance Progress Report	Audit Team
	<p style="text-align: center;">↓</p> <p style="text-align: center;">End</p>	

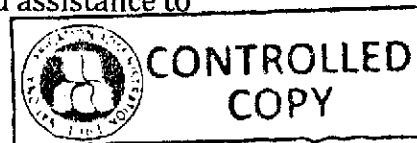
	REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION CENTRAL OFFICE INTERNAL AUDIT SERVICES OPERATIONS MANUAL	Document Code : NIA-IAS-OPM-003
		Revision : 7
		Issue Date : May 20, 2022
		Page(s) : 14 of 34

3. FINANCIAL AND OPERATIONS AUDIT DIVISION PROFILE

The Financial and Operations Audit Division (FOAD) consists of two (2) sections, namely: Financial Audit Section (FAS) and Operations Audit Section (OAS). The Division is responsible for conducting compliance, financial and operations audits of the Agency.

3.1 FUNCTIONAL DESCRIPTION

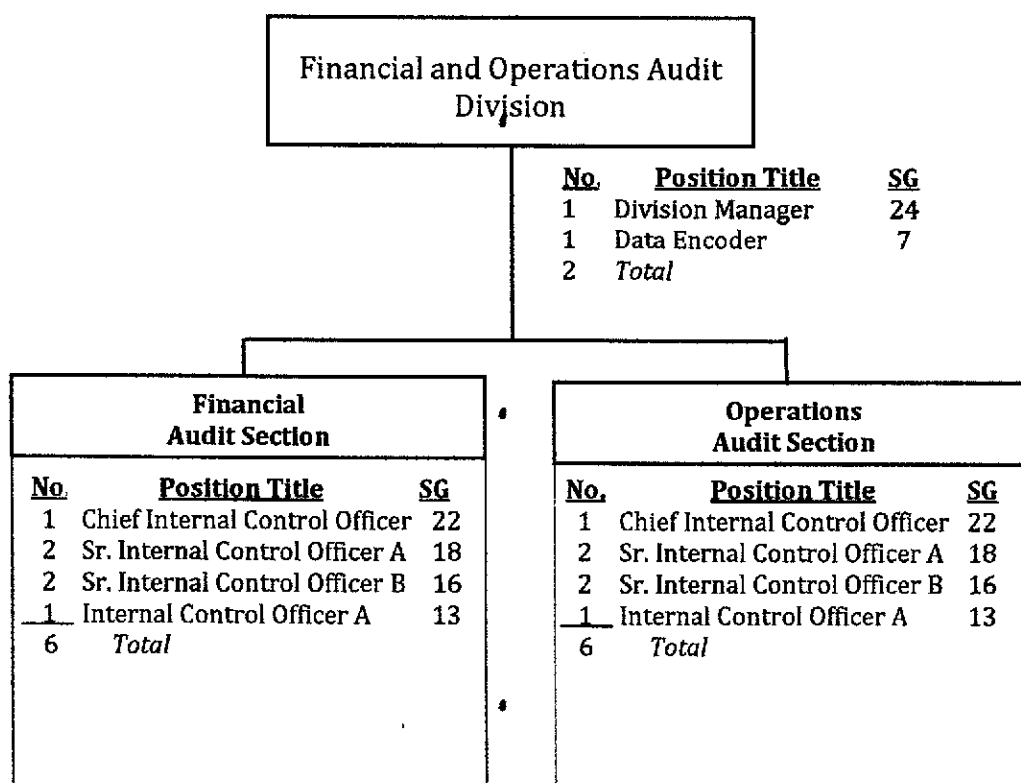
- Review and appraise the internal control system of the agency to determine weaknesses and inadequacies for corrective measures;
- Conduct financial and operations performance audit of agency activities and determine the extent of compliance with established objectives, laws, rules, policies, procedures and standards;
- Ascertain the proper allocation, control and utilization of assets and other resources and ascertain the extent to which they are accounted for and safeguarded from the losses;
- Ascertain the accuracy, completeness and timeliness of financial records and reports to ensure that management can use these reports to develop policies, evaluate performance and render decisions;
- Ascertain the reliability and integrity of operational information and the means used to identify, measure, classify and report such information;
- Determine the presence of reasonable and acceptable standard of performance that can intelligently forecast financial goals/accomplishments and optimum utilization of handling property and facilities;
- Evaluate the quality of performance of groups/individuals in carrying out their assigned responsibilities;
- Review operations or programs to ensure that irrigation projects, rehabilitation/repair of irrigation systems and pumps installed conform to specifications/standards;
- Review of cases involving misuse of property and checking of transactions by outside party;
- Recommend courses of action on operational deficiencies observed; and
- Perform miscellaneous services, including investigations and assistance to outside contacts such as COA.






3.2 POSITION CHART

Fig. 7: FOAD Position Chart



Note: Daily Positions not included

	REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION CENTRAL OFFICE INTERNAL AUDIT SERVICES OPERATIONS MANUAL	Document Code : NIA-IAS-OPM-003
		Revision : 7
		Issue Date : May 20, 2022
		Page(s) : 16 of 34

3.3. INTEGRATED OBJECTIVES

The Integrated Objectives of Financial and Operations Audit Division are where the strategic themes/objectives stated in the Division Performance Commitment and Review (DPCR) are aligned.

The Integrated Objectives of FOAD are as follows:

- Evaluate the outcome, output, process and input to determine whether government operations, programs and projects of the agency are effective, efficient, ethical and economical.
- Determine the degree of compliance of control or supervision with laws, regulations, managerial policies, accountability measures, ethical standards and contractual obligations.
- Ensure that audit report is in accordance with the prescribed standards and guidelines and is transmitted to the Manager of Internal Audit Services within the prescribed period.
- Attain satisfaction of auditees in the conduct of internal audit.
- Ensure awareness and competence in performing tasks safely.

3.4 FINANCIAL AUDIT SECTION PROFILE

The Financial Audit Section shall evaluate the achievement of the control objectives which include the safeguarding of assets, checking the accuracy and reliability of accounting data, adherence to managerial policies, compliance with laws, rules and regulations by utilizing internal auditing methods.

3.4.1 FUNCTIONAL DESCRIPTION

- Review and appraise the extent of compliance with laws, rules and regulations and adherence to managerial policies.
- Conduct financial audit in all responsibility units of the agency.
- Evaluate the control procedures to determine their adequacy, efficiency and effectiveness over operations and resources.





REPUBLIC OF THE PHILIPPINES
NATIONAL IRRIGATION ADMINISTRATION
CENTRAL OFFICE

**INTERNAL AUDIT SERVICES
OPERATIONS MANUAL**

Document Code : NIA-IAS-OPM-003


Revision : 7

Issue Date : May 20, 2022

Page(s) : 17 of 34

- Ascertain the proper allocation, control and utilization of assets and other resources and ascertain the extent to which they are accounted for and safeguarded from losses.
- Review and appraise the reliability, timeliness and integrity of financial records and operational information.
- Review of cases involving misuse of property and other assets.
- Recommend courses of actions on financial procedural lapses and deficiencies observed.
- Perform miscellaneous audit activities, including investigations and assistance to outside contacts such as COA.



	REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION CENTRAL OFFICE INTERNAL AUDIT SERVICES OPERATIONS MANUAL	Document Code : NIA-IAS-OPM-003
		Revision : 7
		Issue Date : May 20, 2022
		Page(s) : 18 of 34

3.4.2 FLOW PROCESSES

Fig. 8: Audit Engagement Planning

Key Activities		Responsible Office/ Position Title/ Designation
	Start	
1	Direct the conduct of scheduled audits based on the approved Annual Work Plan;	Head of Internal Audit (HoIA) and DM
2	Constitute the Audit Team; determine the audit objective, scope and applicable criteria and audit evidence; and prepare Travel Order (TO); forward to HoIA;	Division Manager (DM) and Chief Internal Control Officer (CICO)
3	Review and initial TO; forward to Administrator;	HoIA/DM
4	Approve TO; return to IAS;	Administrator
5	Approve and issue memo to Auditee for the conduct of financial audit and request for documents needed;	HoIA
6	Serve approved TO to Auditors for the conduct of financial audit;	DM
7	Gather other data/references and perform pre-audit analysis; and	Audit Team (at least 2-3 Members) CICO/SICO-A/SICO-B/ICO-A
8	Conduct pre-audit conference.	HoIA/DM/Audit Team
	A	


	REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION CENTRAL OFFICE INTERNAL AUDIT SERVICES OPERATIONS MANUAL	Document Code : NIA-IAS-OPM-003
		Revision : 7
		Issue Date : May 20, 2022
		Page(s) : 19 of 34

Fig. 9: Audit Execution

Key Activities		Responsible Office/ Position Title/ Designation
	<div style="border: 1px solid black; padding: 5px; width: 40px; margin: 0 auto;">A</div>	
1	<div style="border: 1px solid black; padding: 5px; width: 250px; margin: 0 auto;">Conduct Entry Conference;</div>	Audit Team (CICO/SICO-A/SICO-B/ICO-A)
2	<div style="border: 1px solid black; padding: 5px; width: 250px; margin: 0 auto;">Validate data; interview auditee; analyze and evaluate data gathered;</div>	Audit Team
3	<div style="border: 1px solid black; padding: 5px; width: 250px; margin: 0 auto;">Conduct ocular inspection; observe systems and procedures being practiced;</div>	Audit Team
4	<div style="border: 1px solid black; padding: 5px; width: 250px; margin: 0 auto;">Develop preliminary report of findings and observations;</div>	Audit Team
5	<div style="border: 1px solid black; padding: 5px; width: 250px; margin: 0 auto;">Conduct exit conference; record the comments and reactions of the Auditee; and</div>	HoIA/DM Audit Team
6	<div style="border: 1px solid black; padding: 5px; width: 250px; margin: 0 auto;">Submit and discuss Back to Office Initial Report of the financial audit to HoIA and DM;</div>	Audit Team
	<div style="border: 1px solid black; padding: 5px; width: 40px; margin: 0 auto;">B</div>	

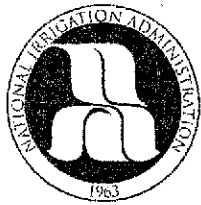




Fig. 10: Audit Reporting

Key Activities		Responsible Office/ Position Title/ Designation
		
1	Develop audit findings as to: e. Criteria (laws and standards) f. Conditions (findings of facts) g. Conclusion (of facts) h. Cause (root/probable cause/s) ;	Audit Team
2	Develop audit recommendations; report progress of the financial audit to DM	Audit Team Leader
3	Supervise the Audit Team in the progress of the Audit Report;	HoIA/Division Manager
4	Draft the Financial Audit Report;	Audit Team
5	Evaluate Financial Audit Report;	Division Manager
6	Review Financial Audit Report;	HoIA
7	Finalize Financial Audit Report;	Audit Team
8	Initial the Final Financial Audit Report;	Division Manager
9	Noted/sign the Final Financial Audit Report;	HoIA
10	Present/discuss the Final Financial Audit Report to the Board Audit Committee (BAC); and	HoIA
11	Reproduce and distribute the Final Financial Audit Report to the Auditee, Administrator and the BOD; file IAS copy.	Process server; Secretary/Document keeper
		

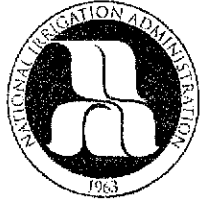

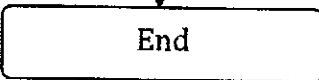

	REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION CENTRAL OFFICE INTERNAL AUDIT SERVICES OPERATIONS MANUAL	Document Code : NIA-IAS-OPM-003
		Revision : 7
		Issue Date : May 20, 2022
		Page(s) : 21 of 34

Fig. 11: Audit Follow-Up

	Key Activities	Responsible Office/ Position Title/ Designation
		
1	Direct the conduct of follow-up/ monitoring of actions taken by the auditee, after 30 days of receipt by the Auditee of the Audit Report;	HoIA
2	Prepare follow-up notification memo indicating the need to submit the status of implementation;	DM/Audit Team
3	Approve and issue follow-up notification memo;	HoIA
4	Acknowledge receipt of compliance progress report;	Audit Team
5	Evaluate the preventive/corrective actions of the Auditee; resolve non-implementation of audit recommendations;	DM and Audit Team
6	Reflect the action taken by the Auditee in the Financial Audit Follow-up Report and Compliance progress monitoring Records;	Audit Team
7	Field validation and verification of actions taken per Compliance Progress Report.	Audit Team
		

	REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION CENTRAL OFFICE INTERNAL AUDIT SERVICES OPERATIONS MANUAL	Document Code : NIA-IAS-OPM-003
		Revision : 7
		Issue Date : May 20, 2022
		Page(s) : 22 of 34

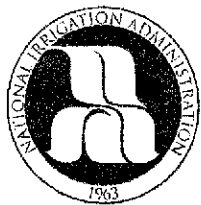
3.5 OPERATIONS AUDIT SECTION PROFILE

The Operations Audit Section shall evaluate the extent of compliance and ascertain the effective, efficient, ethical and economical execution of operations by utilizing internal auditing methods.

3.5.1 FUNCTIONAL DESCRIPTION

- Conduct operations audit of activities of all organizational units of the Agency 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, operations practices, operations records, reports and performance standards of the agencies/ units covered;
- Verify and analyze operations data to ascertain if management information systems generate data or reports that are complete, accurate and valid;
- Ascertain the reliability and integrity of operational information and the means used to identify, measure, classify and report such information;
- 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;
- Evaluate the quality of performance of groups/ individuals in carrying out their assigned responsibilities;
- Recommend courses of action on operational deficiencies observed;
- Performed 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 such as COA;





3.5.2 FLOW PROCESSES

Fig. 12: Audit Engagement Planning

	Key Activities	Responsible Office/ Position Title/ Designation
	Start	
1	Direct the conduct of scheduled audits based on the approved Annual Work Plan;	Head of Internal Audit (HoIA) and DM
2	Constitute the Audit Team; determine the audit objective, scope and applicable criteria and audit evidence; and prepare Travel Order (TO); forward to HoIA;	Division Manager (DM) and Chief Internal Control Officer (CICO)
3	Review and initial TO; forward to Administrator;	HoIA/DM
4	Approve TO; return to IAS;	Administrator
5	Approve and issue memo to Auditee for the conduct of operations audit and request for documents needed;	HoIA
6	Serve approved TO to Auditors for the conduct of operations audit;	DM
7	Gather other data/references and perform pre-audit analysis; and	Audit Team (at least 2-3 Members) CICO/SICO-A/SICO-B/ICO-A
8	Conduct pre-audit conference.	HoIA/DM/Audit Team
	A	





Fig. 13: Audit Execution



Key Activities		Responsible Office/ Position Title/ Designation
		
1	Conduct Entry Conference;	Audit Team (CICO/ SICO-A/ SICO-B/ ICO-A)
2	Validate data; interview auditee; analyze and evaluate data gathered;	Audit Team
3	Conduct ocular inspection; observe systems and procedures being practiced;	Audit Team
4	Develop preliminary report of findings and observations;	Audit Team
5	Conduct exit conference; record the comments and reactions of the Auditee; and	HoIA/DM Audit Team
6	Submit and discuss Back to Office Initial Report of the operations audit to HoIA and DM;	Audit Team
		



Fig. 14: Audit Reporting

Key Activities		Responsible Office/ Position Title/ Designation
	<div style="border: 1px solid black; width: 40px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center; font-weight: bold;">B</div>	
1	Develop audit findings as to: i. Criteria (laws and standards) j. Conditions (findings of facts) k. Conclusion (of facts) l. Cause (root/probable cause/s);	Audit Team
2	Develop audit recommendations; report progress of the operations audit to DM;	Audit Team Leader
3	Supervise the Audit Team in the progress of the Audit Report;	HoIA/Division Manager
4	Draft the Operations Audit Report;	Audit Team
5	Evaluate Operations Audit Report;	Division Manager
6	Review Operations Audit Report;	HoIA
7	Finalize Operations Audit Report;	Audit Team
8	Initial the Final Operations Audit Report;	Division Manager
9	Noted/sign the Final Operations Audit Report;	HoIA
10	Present/discuss the Final Operations Audit Report to the Board Audit Committee (BAC);	HoIA
11	Reproduce and distribute the Final Operations Audit Report to the Auditee, Administrator and the BOD; file IAS copy.	Process server; Secretary/Document keeper
	<div style="border: 1px solid black; width: 40px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center; font-weight: bold;">C</div>	





REPUBLIC OF THE PHILIPPINES
NATIONAL IRRIGATION ADMINISTRATION
CENTRAL OFFICE

INTERNAL AUDIT SERVICES
OPERATIONS MANUAL

Document Code : NIA-IAS-OPM-003

Revision : 7

Issue Date : May 20, 2022

Page(s) : 27 of 34


4. ORGANIZATION AND MANAGEMENT AUDIT DIVISION PROFILE

The Organization and Management Audit Division (OMAD) is responsible for conducting compliance and management audit of the various units of the Agency. The Division shall conduct management and operations performance audit and determine the degree of compliance with established objectives, policies, methods and procedures, government regulations, and contractual obligations of the Agency.

4.1 FUNCTIONAL DESCRIPTION

- Conduct management audit of activities and its units and determine the degree of compliance with the mandate, policies, regulations, established objectives and systems and procedures/processes;
- Conduct organization audit to assess and evaluate existing organizational set up and manpower complement in relation to the ongoing activities and delivery of service to farmer clientele;
- Review and appraise systems and procedures, organizational structures, management records, reports and standards of the units covered;
- Analyze and evaluate management deficiencies pertaining to systems and procedures and assist top management in resolving problems by recommending realistic courses of action;
- Recommend changes/modifications in the existing work methods and procedures to conform with current policy directions, management thrusts and program priorities;
- Prepare audit reports and monitor actions taken on audit findings/recommendations.



	REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION CENTRAL OFFICE INTERNAL AUDIT SERVICES OPERATIONS MANUAL	Document Code : NIA-IAS-OPM-003
		Revision : 7
		Issue Date : May 20, 2022
		Page(s) : 28 of 34

4.2 POSITION CHART

Fig. 16: OMAD Position Chart

Organization and Management Audit Division		
No.	Position Title	SG
1	Division Manager A	24
1	Data Encoder	7
2	Chief Internal Control Officer	22
3	Sr. Internal Control Officer A	18
4	Sr. Internal Control Officer B	16
1	Internal Control Officer A	13
<u>12</u>		

Note: Daily Positions not included

4.3 INTEGRATED OBJECTIVES

The Integrated Objectives of Organization and Management Audit Division are where the strategic themes/objectives stated in the Division Performance Commitment and Review (DPCR) are aligned.

The Integrated Objectives of OMAD are as follows:

- Evaluate and appraise the systems and processes, organizational and staffing structures, operations and management practices, records, reports and performance standards of the agency.
- Determine the degree of compliance of control or supervision with laws, regulations, managerial policies, accountability measures, ethical standards and contractual obligations.
- Ensure that audit report is in accordance with the prescribed standards and guidelines and is transmitted to the Manager of Internal Audit Services within the prescribed period.
- Attain satisfaction of auditees in the conduct of internal audit.
- Ensure awareness and competence in performing tasks safely.





4.4 FLOW PROCESSES

Fig. 17: Audit Engagement Planning

	Key Activities	Responsible Office/ Position Title/ Designation
	Start	
1	Direct the conduct of scheduled audits based on the approved Annual Work Plan;	Head of Internal Audit (HoIA) and DM
2	Constitute the Audit Team; determine the audit objective, scope and applicable criteria and audit evidence; and prepare Travel Order (TO); forward to HoIA;	Division Manager (DM) and Chief Internal Control Officer (CICO)
3	Review and initial TO; forward to Administrator;	HoIA/DM
4	Approve TO; return to IAS;	Administrator
5	Approve and issue memo to Auditee for the conduct of organization/management audit and request for documents needed;	HoIA
6	Serve approved TO to Auditors for the conduct of org./mgt. audit;	DM
7	Gather other data/references and perform pre-audit analysis; and	Audit Team (at least 2-3 Members) CICO/SICO-A/SICO-B/ICO-A
8	Conduct pre-audit conference.	HoIA/DM/Audit Team
	A	




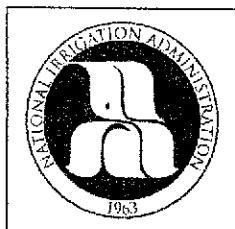
	REPUBLIC OF THE PHILIPPINES NATIONAL IRRIGATION ADMINISTRATION CENTRAL OFFICE INTERNAL AUDIT SERVICES OPERATIONS MANUAL	Document Code : NIA-IAS-OPM-003
		Revision : 7
		Issue Date : May 20, 2022
		Page(s) : 30 of 34

Fig. 18: Audit Execution

Key Activities		Responsible Office/ Position Title/ Designation
	<div style="border: 1px solid black; padding: 5px; width: 40px; margin: 0 auto;">A</div>	
1	<div style="border: 1px solid black; padding: 5px; width: 200px; margin: 0 auto;">Conduct Entry Conference;</div>	Audit Team (CICO/ SICO-A/ SICO-B/ ICO-A)
2	<div style="border: 1px solid black; padding: 5px; width: 200px; margin: 0 auto;">Validate data; interview auditee; analyze and evaluate data gathered;</div>	Audit Team
3	<div style="border: 1px solid black; padding: 5px; width: 200px; margin: 0 auto;">Conduct ocular inspection; observe systems and procedures being practiced;</div>	Audit Team
4	<div style="border: 1px solid black; padding: 5px; width: 200px; margin: 0 auto;">Develop preliminary report of findings and observations;</div>	Audit Team
5	<div style="border: 1px solid black; padding: 5px; width: 200px; margin: 0 auto;">Conduct exit conference; record the comments and reactions of the Auditee; and</div>	HoIA/DM Audit Team
6	<div style="border: 1px solid black; padding: 5px; width: 200px; margin: 0 auto;">Submit and discuss Back to Office Initial Report of the org./mgt. audit to HoIA and DM;</div>	Audit Team
	<div style="border: 1px solid black; padding: 5px; width: 40px; margin: 0 auto;">B</div>	



REPUBLIC OF THE PHILIPPINES
NATIONAL IRRIGATION ADMINISTRATION
CENTRAL OFFICE

INTERNAL AUDIT SERVICES
OPERATIONS MANUAL

Document Code : NIA-IAS-OPM-003

Revision : 7

Issue Date : May 20, 2022

Page(s) : 31 of 34

Fig. 19: Audit Reporting

Key Activities		Responsible Office/ Position Title/ Designation
	<div style="border: 1px solid black; padding: 5px; width: 40px; margin: 0 auto;">B</div>	
1	Develop audit findings as to: m. Criteria (laws and standards) n. Conditions (findings of facts) o. Conclusion (of facts) p. Cause (root/probable cause/s) ;	Audit Team
2	Develop audit recommendations; report progress of the org./mgt. audit to DM;	Audit Team Leader
3	Supervise the Audit Team in the progress of the Audit Report;	HoIA/Division Manager
4	Draft the Org./Mgt. Audit Report;	Audit Team
5	Evaluate Org./Mgt. Audit Report;	Division Manager
6	Review Org./Mgt. Audit Report;	HoIA
7	Finalize Org./Mgt. Audit Report;	Audit Team
8	Initial the Final Org./Mgt. Audit Report;	Division Manager
9	Noted/sign the Final Org./Mgt. Audit Report;	HoIA
10	Present/discuss the Final Org./Mgt. Audit Report to the Board Audit Committee	HoIA
11	Reproduce and distribute the Final Org./Mgt. Audit Report to the Auditee, Administrator and the BOD; file IAS copy.	Process server; Secretary/Document keeper
	<div style="border: 1px solid black; padding: 5px; width: 40px; margin: 0 auto;">C</div>	



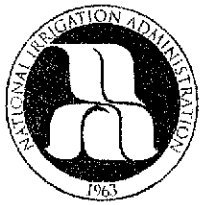
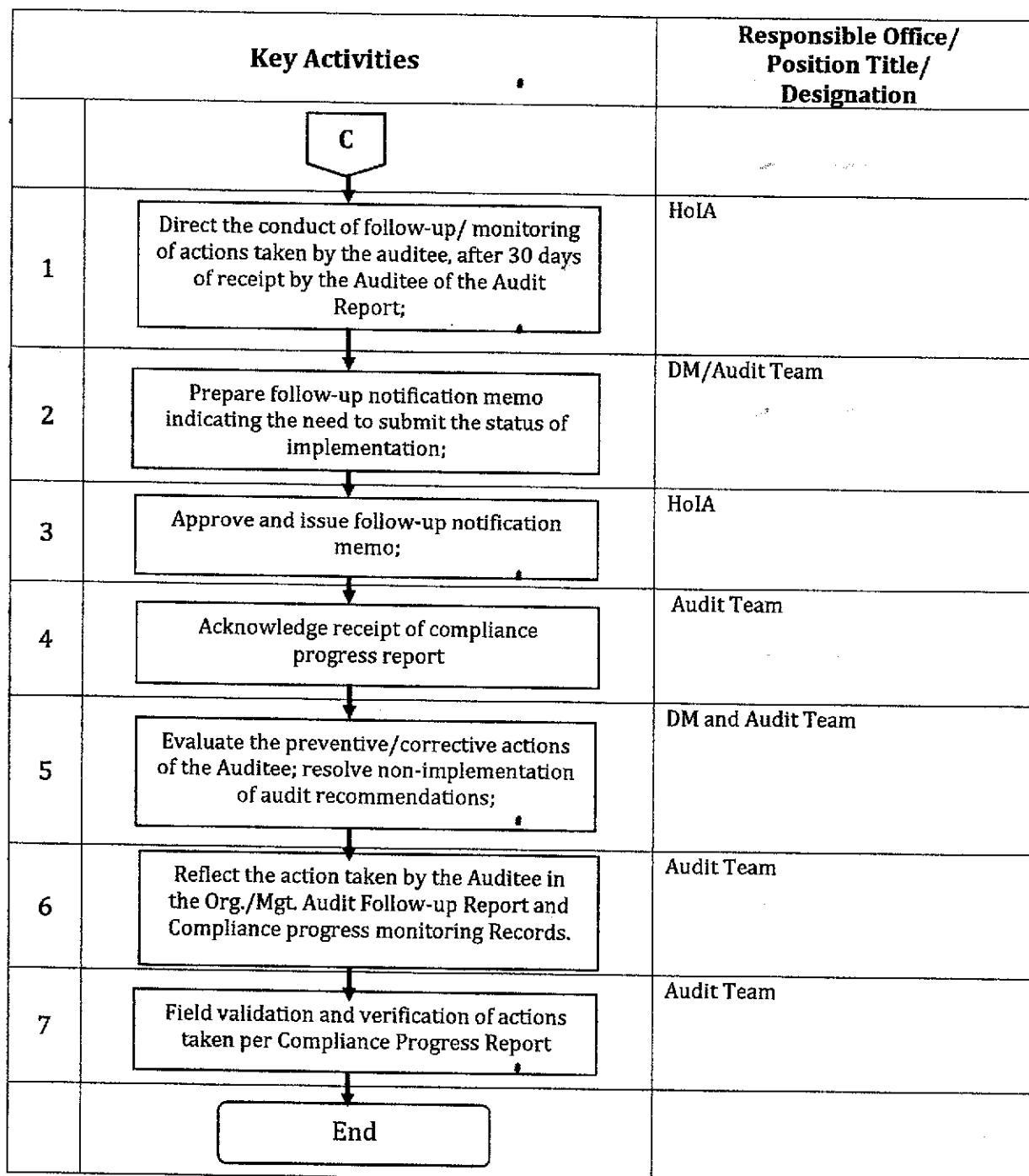


Fig. 20: Audit Follow-Up





REPUBLIC OF THE PHILIPPINES
NATIONAL IRRIGATION ADMINISTRATION
CENTRAL OFFICE

INTERNAL AUDIT SERVICES
OPERATIONS MANUAL

Document Code : NIA-IAS-OPM-003

Revision : 7

Issue Date : May 20, 2022

Page(s) : 33 of 34

5. RETENTION

The procedure in maintaining documents is anchored to the Retention of Documented Information Procedure under the manual of the Documented Information Team.

6. APPROVAL

Prepared by:

NENITA H. RAMON
Senior Internal Control Officer B, OMAD

KATRINA A. FERRER
Senior Internal Control Officer B, FOAD

Reviewed by:

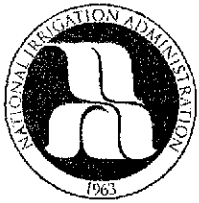
MARIA TEODORA S. PAGALILAUAN
Acting Manager, OMAD

MARY JEAN P. ESTEFANIO
Acting Manager, FOAD

Approved by:

ATTY. PEPITO L. PADILLA
Acting Department Manager, IAS





REPUBLIC OF THE PHILIPPINES
NATIONAL IRRIGATION ADMINISTRATION
CENTRAL OFFICE

**INTERNAL AUDIT SERVICES
OPERATIONS MANUAL**

Document Code : NIA-IAS-OPM-003

Revision : 7

Issue Date : May 20, 2022

Page(s) : 34 of 34

7. ANNEXES



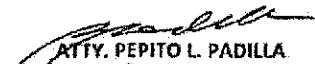
OFFICE PERFORMANCE COMMITMENT AND REVIEW (OPCR)



Republika ng Pilipinas
National Irrigation Administration
 (Pambansang Pangasiwaan ng Patubig)
 Lungsod ng Quezon

Strategic Performance Management System (SPMS)
 Office Performance Commitment and Review (OPCR)

I, **PEPITO L. PADILLA**, Acting Manager, Internal Audit Services, commit to deliver and agree to be rated on the attainment of the following targets in accordance with the indicated measures for the period **January to December 2022**.


ATTY. PEPITO L. PADILLA
 Acting Department Manager

_____ Date

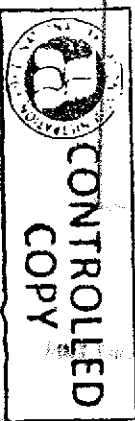
Recommended by	Date	Recommended by	Date
C'ZAR M. SULAIK Deputy Administrator for Engineering and Operations	_____		
ENGR. FREDDIE M. TOQUERO, Ph.D. Acting Deputy Administrator for Administrative and Finance	_____	GEN RICARDO R VISAYA (RET) Administrator	_____
ENGR. ROMEO M. LOPEZ, CSEE Acting Senior Deputy Administrator	_____		



CONTROLLED
COPY

Strategic Performance Management System (SPMS)
Office Performance Commitment and Review (OPCR)
Central Office

MIO/FAP (1)	SUCCESS INDICATOR (TARGETS + MEASURES) (2)	ALLOTTED BUDGET (3)	DIVISION/INDIVIDUALS ACCOUNTABLE (4)	ACTUAL ACCOMPLISHMENTS (5)	RATING				REMARKS (7)
					Q1	E2	T3	A4	
STRATEGIC PRIORITY/THEMES Efficient and efficient internal building									
OPERATIONAL FUNCTIONS (20%)									
1. Direct the establishment of a risk based Annual Audit Plan to determine priorities of the IAS consistent with the Agency's goals, to ensure IAS adds value and improve agency governance	Formulates 3 Year Strategic Plan of IAS Annual audit plan approved by the IBA Board Audit Committee by 1st Quarter of CY 2021		OMAD Acting Division Manager FOAD Acting Division Manager Operations Audit Section Acting Head Financial Audit Section Acting Head,						
2. Direct and supervise the implementation of the risk based internal audit plan	Conduct audits by end of CY 2022 FOAD - 8 Audit and/or Follow-up Audit OMAD - 8 Management Audit through actual field audit or using social media platforms - 1 Follow up audit through actual field audit or using social media platforms		FOAD Acting Division Manager Operations Audit Section Acting Head Financial Audit Section Acting Head OMAD Acting Division Manager						



**Strategic Performance Management System (SPMS)
Office Performance Commitment and Review (OPCR)
Central Office**

INFO/PAP (1)	SUCCESS INDICATOR (TARGETS + MEASURES) (2)	ALLOTTED BUDGET (3)	DIVISION/INDIVIDUALS ACCOUNTABLE (4)	ACTUAL ACCOMPLISHMENTS (5)	RATING				REMARKS (7)
					Q1	E2	T3	A4	
					(6)				
3. Review and approve the internal audit reports	Internal Audit Reports reviewed and submitted to Administrator, copy furnished the NIA Board Audit Committee and the Auditees FOAD - 4 Audit Reports/Related reports OIAAD 8 Management Audit Reports		FOAD Acting Division Manager Operations Audit Section Acting Head Financial Audit Section Acting Head OMAD Acting Division Manager						
4. Direct the evaluations on compliance reports submitted by the auditees	Ensure quarterly submitted Audit Compliance Progress Reports (ACPRs) are evaluated and validated		OMAD Acting Division Manager FOAD Acting Division Manager Operations Audit Section Acting Head Financial Audit Section Acting Head,						
5. Direct the development of system for reporting, monitoring, the compilation of actual data, analysis and preparation of report and recommendation to management	Submission/presentation of audit reports and data needed by top management; Managers Meeting (as scheduled), NIA Board Audit Committee Meeting (every Quarter or as scheduled), or anything as needed		FOAD Acting Division Manager OMAD Acting Division Manager Operations Audit Section Acting Head Financial Audit Section Acting Head						
Total Rating (CORE FUNCTIONS - 70%)									



**CONTROLLED
COPY**

**Strategic Performance Management System (SPMS)
Office Performance Commitment and Review (OPCR)
Central Office**

MFO/PAP (1)	SUCCESS INDICATOR (TARGETS + MEASURES) (2)	ALLOTTED BUDGET (3)	DIVISION/INDIVIDUALS ACCOUNTABLE (4)	ACTUAL ACCOMPLISHMENTS (5)	RATING				REMARKS (7)
					Q1	E2	T3	A4	
					(6)				
SUPPORT FUNCTIONS (30%)									
1	Recommend the approval of trainings, seminars, workshops and conventions to capacitate and strengthen the internal audit staff		Office of the IAS Manager - 2 FOAD - 18 staff OMAD - 10 staff						
2	Attendance to meetings		IAS Acting Manager OMAD Acting Division Manager FOAD Acting Division Manager 30 IAS Staff						
3	Performance of other related functions		IAS Acting Manager OMAD Acting Division Manager FOAD Acting Division Manager						
Total Rating (SUPPORT FUNCTIONS - 30%)								0.00	
Final Average Rating								0.00	
Adjectival Rating									



**CONTROLLED
COPY**

Assessed by:				Final Rating by:	Date
ROGELIA C. DELA TORRE Manager, Corporate Planning Services	Date	ENGR. ROMEO M. LOPEZ, CSEE Acting Senior Deputy Administrator	Date	GEN RICARDO R VISAYA (Ret) Administrator	
Start of Rating Period		Start of Rating Period:			
End of Rating Period		End of Rating Period:			

Legend:

Q1 - Quality

E2 - Efficiency

T3 - Timeliness

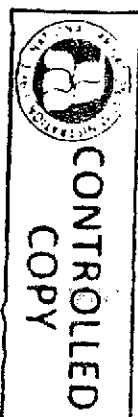
A4 - Average

RATING SCALE:

Numerical

Adjectival

- | | |
|-------------|---|
| 5.00 | - Outstanding (O) - target exceeded by 30% |
| 4.00 - 4.99 | - Very Satisfactory (VS) - target exceeded by 15% to 29 % |
| 3.00 - 3.99 | - Satisfactory (S) - met 100% to 114% target |
| 2.00 - 2.99 | - Unsatisfactory (US) - only met 51% to 99 % target |
| 1.00-1.99 | - Poor (P) - failed to deliver most target by 50% and below |



IAS INTEGRATED OBJECTIVES



REPUBLIC OF THE PHILIPPINES
NATIONAL IRRIGATION ADMINISTRATION
CENTRAL OFFICE

DEPARTMENT: INTERNAL AUDIT SERVICES

INTEGRATED OBJECTIVES

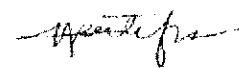
- Evaluate and appraise the degree of compliance of supervision or control with laws, rules and regulations governing the operations of the agency, the adequacy of internal controls and the evaluation of the results of the operations, focusing on the effectiveness of controls of operating and support services units in the attainment of agency objectives in accordance with the Revised Philippine Government Internal Audit Manual.
- Ensure that audit report is in accordance with the prescribed standards and guidelines and is transmitted to the Board Audit Committee, Top Management and auditees with the prescribed period.
- Attain satisfaction of auditees in the conduct of internal audit.
- Ensure awareness and competence in performing tasks safely.

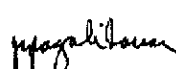
Prepared By:


KATRINA A. FERRER
Sr. Internal Control Officer B, FOAD


NENITA H. RAMON
Sr. Internal Control Officer B, OMAD

Reviewed By:


MARY JEAN P. ESTEFANIO
Acting Manager, FOAD


MARIA TEODORA S. PAGALILAUAN
Acting Manager, OMAD

Approved By:


ATTY. PEPITO L. PADILLA



LIST OF RELEVANT INTERESTED PARTIES AND REQUIREMENTS

No.	Relevant Interested Parties	Relevant Requirements
1	Board Audit Committee	<ul style="list-style-type: none"> • Annual Work Plan • Internal Audit Reports • 3-Year Strategic Plan
2	Auditees (Central Office Units, ROs, IMOs, PMOs)	<ul style="list-style-type: none"> • Approved Audit Reports
3	Top Management	<ul style="list-style-type: none"> • Audit Reports
4	Commission on Audit (COA)	<ul style="list-style-type: none"> • Conduct of Investigation re COA findings • Monitoring and validation of Auditees Actions to address COA findings
5	NIA Employees	<ul style="list-style-type: none"> • Significant and relevant audit recommendations to improve the internal control systems of respective offices. • Individual objectivity of the audit team.

RISKS AND OPPORTUNITIES REGISTRY

NATIONAL IRRIGATION ADMINISTRATION
Internal Audit Services (IAS)

SWOT Analysis

As of December 31, 2021

Revision No. 5

	Strengths (a)	Weaknesses (b)
Internal	1. Competent and flexible personnel.	1. Limited field audit engagements.
	2. Good rapport with relevant interested parties.	2. Audit plan is not based on the result of ROR assessment.
	3. Adaptive to new computer/internet trends.	3. Control universe is not yet updated.
		4. Inadequate IT equipment for field audits and Work From Home.
	Opportunities (c)	Threats (d)
External	1. Invitations to various relevant internal audit trainings/seminars from organizations and training providers.	1. Existence of Covid 19 pandemic.
	2. Available virtual applications for audit and meetings during this pandemic situation.	2. Internet glitch during audit conferences in the conduct of remote audits.

Prepared by:

Nenita H. Ramon
NENITA H. RAMON

Senior Internal Control Officer B, OMAD

Katrina A. Ferrer
KATRINA A. FERRER

Senior Internal Control Officer B, FOAD

Reviewed By:

Maria Teodora S. Pagalilauan
MARIA TEODORA S. PAGALILAUAN
Acting Manager, OMAD

Mary Jean P. Estefanio
MARY JEAN P. ESTEFANIO
Acting Manager, FOAD 16

Approved By:

Atty. Pepito L. Padilla
ATTY. PEPITO L. PADILLA
Acting Manager, Internal Audit Services



NATIONAL IRRIGATION ADMINISTRATOR
Internal Audit Services (IAS)
PESTLES Analysis
 As of December 31, 2021
 Revision No. 5

OMAD
 EOP

Political
No issues identified
Economic
Reduced budget allocation.
Social
No issues identified
Technological
Use of available meeting apps in conducting follow up audits.
Internet glitch during audit conferences in the conduct of remote audits.
Legal
No issues identified
Environmental
No issues identified
Safety
Existence of Covid 19 pandemic.

Prepared by:

Nenita H. Ramon
NENITA H. RAMON
 Senior Internal Control Officer B, OMAD

Katrina A. Ferrer
KATRINA A. FERRER
 Senior Internal Control Officer B, FOAD

Reviewed By:

Maria Teodora S. Pagalilauan
MARIA TEODORA S. PAGALILAUAN
 Acting Manager, OMAD

Mary Jean P. Estefanio
MARY JEAN P. ESTEFANIO
 Acting Manager, FOAD

Approved by:

Atty. Pepito L. Padilla
ATTY. PEPITO L. PADILLA
 Acting Manager, Internal Audit Services



-NATIONAL IRRIGATION ADMINISTRATION
Internal Audit Services (IAS)
Relevant Interested Parties (RIPs) Matrix
As of December 31, 2021
Revision No. 5

No.	Relevant Interested Parties (RIPs)	Requirements of RIPs from NIA	How the requirements are satisfied	Issues arising from RIPs
	(1)	(2)	(3)	(4)
1.	Board Audit Committee (Board AudiCom)	Annual Work Plan Internal Audit Reports 3-Year Strategic Plan	Submission of quality Annual Work Plan, Audit Reports and 3-year Strategic Plan	Audit plan is not yet based on the result of ROR assessment.
2.	Auditees (Central Office Units, ROs, IMOs, PMOs)	Approved Audit Reports	Submission of Quality Audit Reports within one (1) week from its approval for action/compliance.	Non-implementation of some approved audit recommendations. Limited access to NIA documents. Delayed submission of required documents for audit.
3	Top Management	Audit Reports	Copy of audit reports are furnished to Top Management.	No issue identified.
4.	Commission on Audit (COA)	Conduct of Investigation re COA findings Monitoring and validation of Auditees Actions to address COA Findings	Validation of COA-AOMs on Project Implementation and Financial Matters as recommended by COA.	IAS was directed to undertake COA's requirement to validate and conduct investigation of COA-AOMs on Project Implementation and Financial Matters.
5	NIA Employees	Significant and relevant audit recommendations to improve the internal control systems of respective offices. Individual objectivity of the audit team.	Internal Auditors should be proficient to be able to provide significant and relevant audit recommendations. Internal auditors should perform their work with due diligence and professional care.	Non-implementation of some audit recommendations. Non-adherence to recommended internal control processes and government laws.

Prepared by:


NENITA H. RAMON
Senior Internal Control Officer B, OMAD


KATRINA A. FERRER
Senior Internal Control Officer B, FOAD

Reviewed By:


MARIA TEODORA S. PAGALILAUAN
Acting Manager, OMAD


MARY JEAN P. ESTEFANIO
Acting Manager, FOAD *4/8*

Approved by:


ATTY. PEPITO L. PADILLA
Acting Manager, Internal Audit Services

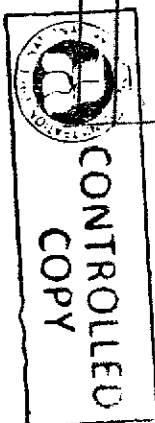


NATIONAL IRRIGATION ADMINISTRATION
INTERNAL AUDIT SERVICES (IAS)
Organizational Level
Risks Registry
As of December 31, 2021
Revision No. 7

No	Risk Assessment								Risk Treatment				Remarks (methods of evaluation of effectiveness of actions.)
	Issue/s Affecting Objectives or Arising From RIPs	Cause/s of Issue/s	Risk	Impact	Likelihood	Risk Rating	Risk Level	Previous Risk Rating and Level	Action Plan	Start Date	End Date	Status of Action	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
A. Issue/s Affecting Objectives													
1	Audit plan is not based on the result of ROR assessment.	No formulated risk-based Strategic Plan.	Overall value of audit may not be useful and relevant to the Management and Auditees and high risks not addressed.	4	4	16	High	16	What: Come up with a risk-based audit plan for management audit.	July 2020	March 2021	1. Nine (9) IAS staff attended the webinar on Strategic and Risk-based Plan on October 12 to 15, 2021 conducted by CIASP. The training is an onset on the formulation of IAS Strategic Plan. Revisit and review updated Process-Based RORs of various organizational units shall be done when the formulation of the IAS Strategic Plan kicks off.	<ul style="list-style-type: none"> > Approved three-year Strategic Plan. > Audits Areas are based on Risk-Based Annual Audit Plan. > At least 90% of the identified priority audit areas are audited. > The effectiveness of the implementation of the risk based Audit Plan shall be validated after two audit cycles.
2	Control/Audit universe is not yet updated.								How: 1. To formulate a risk-based assessment procedures/guidelines, which includes among others, review of risk registry of the 17 Regions and 8 Central Office Departments in collaboration with NIA-ISO Risk Management Team. Results of the Risk-based Assessment shall be incorporated in the Baseline Assessment of Internal Control Systems (BAICS). 2. A three-year Strategic Plan shall be formulated. 3. Implement the approved Strategic Plan. Who: All IAS staff shall be involved in the formulation and updating of the Strategic Plan.	January 2021	Dec. 2021 New End Date: Dec. 2022	3. For implementation once approved.	
										CY 2022 New: CY 2023	CY 2024 New: CY 2025		



No.	Risk Assessment								Risk Treatment				Remarks (methods of evaluation of effectiveness of actions.)
	Issue/s Affecting Objectives or Arising From RPs	Cause/s of Issue/s	Risk	Impact	Likelihood	Risk Rating	Risk Level	Previous Risk Rating and Level	Action Plan	Start Date	End Date	Status of Action	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
3	Delayed submission of Compliance Report by auditee.	Over workload staff at Region/Office/Audit ee to prepare the compliance report.	Audit recommendations are no longer realistic and accurate thus affecting audit performance.	4	3	12	High	12	<p>What: Implement Memorandum Circular No. 57 s. 2021 and MC 79, s. 2021.</p> <p>How: 1. Issue a letter signed by the Head of the Internal Audit requesting the offices/Auditees to appoint a focal audit person regarding audit matters. 2. Data Encoder shall prepare the monitoring checklist of Compliance Reports 3. Monitor the quarterly submission of ACPRs. 4. An official letter signed by the Administrator shall be issued to the Auditee when Auditee fails to submit the Compliance Report after two 2 consecutive reporting period.</p>	February 2021 February 2021 May 2021	February 2021 Continuing Continuing	1. Action completed. 2. Action completed. 3. Continuously implemented. 4. Continuously implemented.	<p>>100% of the Compliance Reports are submitted within the period according to the Memo.</p> <p>>To be validated after 2 years.</p>
4	Limited field audit engagements.	Travel restriction due COVID 19 pandemic. Personnel apprehension to conduct field audits due to health risks. Understaffed/backfilled positions	Urgent issues needing attention may not be immediately addressed.	5	4	20	Extreme	25	<p>Action 1: What: We shall study the feasibility of conducting OFFSITE/remote audits.</p> <p>How: 1. Consider the pandemic situation in the preparation of succeeding annual work plans. 2. Conduct audit thru remote/offsite audit. 3. Attend seminar on Remote Audit For Public Sector. 4. Establish a guideline / procedure / flow on the conduct of OFFSITE/remote audits.</p> <p>What: All Internal Auditors concerned under the supervision of the Head of Internal Audit.</p> <p>Action 2: What: Fill up vacant positions</p> <p>How: 1. IAS to request for the filling up of permanent vacant positions to the the Administrative Department.</p>	June 2020 June 2020 June 2021 January 2022	Continuing Continuing June 2021 March 2022	<p>For Action 1: 1. Regions/Offices that have travel restrictions and with high risk of Covid 19 cases are no longer programmed for regular audit in the CY 2021 Annual Work Plan. 2. Sixteen (16) out of 33 remote audits were conducted. 3. Internal Auditors have attended seminar on Remote Audit for Public Sector. Action completed. 4. 1. Flow chart planning is ongoing.</p> <p>For Action 2: 1. IAS requested for the filling up of 6 permanent positions and creation of 4 daily positions.</p>	<p>Baseline 2020: 60% Target number of audits: 20; Actual: 12</p> <p>2021: 48% Target: 33 Actual: 16</p>



No.	Risk Assessment								Risk Treatment				Remarks (methods of evaluation of effectiveness of actions.)
	Issue/s Affecting Objectives or Arising From RFPs	Cause/s of Issue/s	Risk	Impact	Likelihood	Risk Rating	Risk Level	Previous Risk Rating and Level	Action Plan	Start Date	End Date	Status of Action	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
5	Some staff are newly hired.	Limited Internal auditors.	Audit findings and recommendations may not be useful or relevant to the Agency.	4	3	12	High	16	<p>What: Continually improve the fundamental competence of our auditors through capability trainings.</p> <p>How: 1. Continuous attendance to relevant trainings/seminars/ workshops and conventions provided by AGIA, CIASP, COA, GPPS and other training providers to ensure enhanced competencies of Internal auditors.</p> <p>2. Continuous coaching and mentoring is also being conducted to narrow down knowledge gap between the senior and junior internal auditors.</p> <p>3. Internal Auditors shall keep abreast/updated to latest policies, guidelines, issuances, government laws, rules and regulations thru research and group discussions.</p>	June 2020	Continuing	<p>As part of continuous capability development, internal auditors have attended the following trainings for 4th CY 2021:</p> <p>a. Effective Audit Report Writing b. Training on Strategic Plan and Risk-Based Annual Plan c. Workplace Accountability for Enhancement of Personnel Productivity d. 2021 Annual Convention cum Seminar e. Orientation Webinar with DICT on the Use of Electronic Documents, Electronic Signatures and Digital Signatures in Government Transactions</p> <p>2. Coaching and mentoring is continuously being done.</p> <p>3. Updated and latest relevant policies, guidelines, issuances, government laws, rules and regulations are being gathered and provided to all internal auditors.</p>	>Number of new staff trained/coached as of December 31, 2021 =6
6	Existence of Covid 19 Pandemic.	Covid 19 Outbreak	Health risk of IAS employees that may result to non-attainment of audit targets.	5	4	20	High	20	<p>What: Implement IATF Guidelines and CSC Guidelines of Alternative Work Arrangements.</p> <p>How: All IAS personnel must observe precautionary measures and alternative work arrangement shall be adopted.</p>	June 2020	Continuing (until declared Covid 19 free)	<p>1. Adopted the Alternative Work Arrangement Schedules are being submitted as required.</p> <p>2. Six (6) IAS personnel became COVID 19 positive but have recovered.</p>	>ZERO casualty due to Covid 19.
7	Inadequate IT equipment for field audits and Work From Home. Reduce of budget allocation	Arbitrary allocation of budget which is significantly lower than the proposed budget.	No field audit reports/documents and Work From Home Reports are submitted.	4	3	12	High	12	<p>What: Revise APP/PPMP for CY 2021.</p> <p>How: 1. To reduce the number of laptops programmed to be procured for CY 2021.</p> <p>2. Other laptops shall be procured in the succeeding years depending on the approved budget until required number of laptops are purchased.</p>	March 2021	December 2023	<p>1. Action completed. The APP/PPMP 2021 was revised.</p> <p>2. Procured and purchased laptops = 100%</p> <p>As of Oct. 2021=34% (10/29) As of Dec 2021=47% (14/30)</p>	<p>>100% Internal Auditors are provided with Laptops.</p> <p>Target No. of laptops: 29 units Actual As of Sep 2021=34%(10/29) as of Dec 2021=47% (14/30)</p> <p>>Audit reports are submitted within the audit period.</p>



CONTROLLED
COPY

No.	Risk Assessment								Risk Treatment				Remarks (Methods of evaluation of effectiveness of actions.)
	Issue/s Affecting Objectives or Arising From RIFs	Cause/s of Issue/s	Risk	Impact	Likelihood	Risk Rating	Risk Level	Previous Risk Rating and Level	Action Plan	Start Date	End Date	Status of Action	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
8	Internet glitch during audit conferences in the conduct of remote audits.	Slow Internet connection and poor signal by both internal auditor and auditee.	Audit engagements may be prolonged resulting to non-achievement of targets as planned.	4	4	16	High	16	What: Ensure good Internet connectivity during remote audits. How: 1. IAS to report to MID regarding Internet connection issues and to seek advise for possible procurement of Internet booster for IAS. 2. Advise the Auditee to coordinate with their IT regarding the conduct of remote audit prior to audit period to be prioritized in the usage of Internet.	September 2021	Continuing	> Ongoing Implementation. The Auditee is being reminded to ensure good Internet connection prior to conduct of virtual meetings and conferences.	>100% successful conduct of remote audits.
B. Issue/s Arising From RIFs													
9	IAS was directed to validate COA-AOMs on Project Implementation and Financial Matters.	Recommendations coming from COA.	Internal Auditors' work commitments are affected considering that IAS has to comply with COA recommendation.	4	4	16	High	16	What: Validate COA findings in the field offices and monitor actions taken in compliance with the AOMs. How: 1. FOAD to conduct compliance audit on particular COA findings simultaneously with regular and follow up audits.	June 2020	Continuing	>Monitoring of the AAPSI submission, vis-à-vis implementation of recommendations is continuously being done. Actual verification of actions taken cannot be validated due to travel restrictions.	No. of COA Findings monitored 2021 = 5
10	Non-Implementation by Auditees of some approved audit recommendations. Non-adherence to recommended internal control processes.	Auditees simply ignore audit findings due to lack of sanctions imposed. Lack of Field Management's attention to IAS audit reports.	Lapses are not addressed and controls not strengthened resulting to COA AOMs/findings.	5	4	20	High	20	What: Recommend stronger action / escalation action to pursue corrective actions compliance to IAS audit findings. How: 1. Major audit findings/summary of audit findings to be presented by the Head of Internal Audit to the EXECOM every after conduct of audit. 2. Non-compliance of Auditee to audit recommendations after 3rd follow up shall be recommended by the Head of Internal Audit for appropriate actions. 3. Constantly monitor auditees' compliance to audit recommendations within reasonable period.	January 2021	Continuing	> Ongoing Implementation effective 2nd Quarter of 2021. > Submission of ACPRs are being monitored regularly thru updating of ACPR checklist to identify regions/units that are not compliant to MC No. 57 and 79 s. 2021.	> At least 90% of recommended actions are fully complied within specified period. Baseline Compliance Rating (Sep 2021)=80% Dec 2021= 81% > To be validated after 2 years.



CONTROLLED
COPY

No.	Risk Assessment								Risk Treatment				Retention (methods of evaluation of effectiveness of actions.)
	Issue/s Affecting Objectives or Acting From RFPs	Cause/s of Issue/s	Risk	Impact	Likelihood	Risk Rating	Risk Level	Previous Risk Rating and Level	Action Plan	Start Date	End Date	Status of Action	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
11	Limited access to NTA documents. Delayed submission of required documents for audit.	Lack of full cooperation of Auditee.	May result in inadequate assessment, unsubstantiated findings and recommendations.	5	4	20	High	20	What: Issue an official letter requesting for the submission of needed documents. How: 1. Audit Team to prepare a request letter signed by the IAS Department Manager requesting the submission of the needed documents. If Auditee did not comply, prepare another letter signed by the Administrator. 2. Audit Teams to incorporate the IAS' Mandates and Objectives of Internal audit the presentation during entry conferences.	Jun 2020 March 2021	December 2021 Continuing	1. Ongoing Implementation. Effective as of 1st Quarter of 2021. 2. Ongoing Implementation. Mandates and purpose of Internal audit are being included in the presentation during entry conferences.	>90% Audit reports are submitted on time and accurate recommendations are provided.

Prepared by:

NENITA H. RAMON
Senior Internal Control Officer B, OMAD

KATRINA A. FERRER
Senior Internal Control Officer B, FOAD

Reviewed by:

MARIAN TORORA S. PAGALILAUAN
Acting Manager, OMAD

MARY JEAN P. ESTEPANIO
Acting Manager, FOAD

Approved by:

ATTY. PEPITO L. PADILLA
Acting Manager, Internal Audit Services



NATIONAL IRRIGATION ADMINISTRATION
INTERNAL AUDIT SERVICES (IAS)
Opportunity Registry
As of December 31, 2021
Revision No. 7

Opportunity Assessment									Opportunity Treatment				Remarks
No.	Positive Issue/s	Source/s of Issue/s	Opportunity	Impact	Likelihood	Opportunity Rating	Opportunity Level	Previous Opportunity Rating and Level	Action Plan	Start Date	End Date	Status of Action	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Invitations to various relevant internal audit trainings/seminars from organizations and training providers.	Some staff are newly hired. Laws and policies are constantly modified, improved and updated.	Competency level of internal auditors are increasing. Internal Auditors are kept abreast/updated to latest policies, guidelines, issuances, government laws, rules and regulations to be able to identify new and updated Criteria.	4	3	12	High	N/A	What: Continually improve the fundamental competence of our auditors through capability trainings How: 1. IAS to request HRD for authority to attend identified relevant training needs of internal auditors starting 2020. 2. Identify trainings/seminars to be attended based on competency requirement of internal auditors.	June 2020	Continuing	All Internal Auditors are attending trainings according to individual training needs as a result of competency assessment.	> All personnel have atleast an overall Competency rating of 3. > All internal auditors are able to conduct successful audit from audit engagement to audit report preparation. > Atleast 90% audit recommendations are complied by the Auditees.
2	Available virtual applications for audit and meetings during this pandemic situation. Competent and flexible personnel. Adaptive to new computer/internet trends.	Limited field travels to conduct regular audits due to pandemic situation.	Virtual follow up audits with the regional offices can be conducted.	4	3	12	High	12	What: Make use of the free meeting apps in the conduct of follow up audits. How: 1. All Internal Auditors shall use googlemeet and messenger apps and other available digital platforms in conducting remote audits.	July 2020	Continuing (until declared Covid Free)	Googlemeet is being used to conduct Entry and Exit Conferences, Ocular Inspection, Interviews and coordination.	Baseline 2021: 75% Target follow up audits: 12 Actual: 9



CONTROLLED COPY

Opportunity Assessment									Opportunity Action Plan				Remarks
No.	Positive Issue/s	Source/s of Issue/s	Opportunity	Impact	Likelihood	Opportunity Rating	Opportunity Level	Previous Opportunity Rating and Level	Action Plan	Start Date	End Date	Status of Action	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
3	Good rapport with relevant interested parties.	Exercise of due diligence and professional care.	All programmed audit engagements are successfully conducted.	4	4	16	High	new	<p>What: Maintain a good rapport with relevant interested parties.</p> <p>How: 1. Include in the presentation IAS objectives during Entry Conferences to persuade Auditees on their negative perception about audit.</p>	Year-round	Continuing	Ongoing implementation.	100% audit targets are successfully conducted as planned.

Prepared by:

Nenita Il Ramon
NENITA IL RAMON
 Senior Internal Control Officer B, OMAD

Kathrina A. Ferrer
KATHRINA A. FERRER
 Senior Internal Control Officer B, FOAD

Reviewed by:

Mary Teodoros Pagalilauan
MARY TEODOROS PAGALILAUAN
 Acting Manager, OMAD

Mary Jean P. Estefanio
MARY JEAN P. ESTEFANIO
 Acting Manager, FOAD

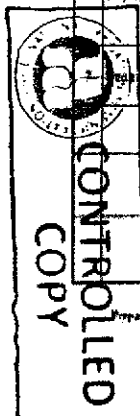
Approved by:

Atty. Pepito L. Padilla
ATTY. PEPITO L. PADILLA
 Acting Manager, Internal Audit Services



OHS RISKS AND OPPORTUNITIES REGISTRY

NATIONAL IRRIGATION ADMINISTRATION			RISK REGISTER														
RISK IDENTIFICATION			RISK EVALUATION		RISK CONTROL ACTION				RISK MONITORING				RISK REVIEW ACTION				
NO.	ACTIVITY	RISK ORIGIN	POTENTIAL FAILURE	EFFECT	EXISTING CONTROL	S	L	RPN (SL)	REFER TO RISK CATEGORY AND ACTION	R/O	ADDITIONAL RISK CONTROL	S	L	RPN (SL)	REFER TO RISK CATEGORY AND ACTION	RESPONSIBLE	INTERFACING DOCUMENT REF. NO.
1	Conduct of field works, on-site inspections and project validation; IA profiling	External	Exposure to adverse weather conditions, such as thermal heat/cold, rain, ultraviolet light, wind, etc.	Various ailments (cough, colds, etc.)	Use of jacket, raincoat, Umbrella	2	2	12	Medium	R	Tolerate. Wear appropriate attire to mitigate the adverse effects of the weather conditions.						
			Unsafe project site due to presence of sharp objects, debris of construction materials	Occurrence of accidents that may also lead to death	First Aid and hospitalization	3	2	12	High	R	Wear proper attire/equipment when conducting site inspection.						
2	Traveling for auditing engagements	External	Fatigue driver Road infractions Weather Conditions	Occurrence of accidents that may also lead to death	Observation of road rules and regulations and ensure driver is in good shape.	3	2	12	High	R	Maintain existing control.						
			Poor vehicle condition	Delayed travel time, Occurrence of accidents that may also lead to death	Ensure good condition of vehicle before leaving.	3	2	12	High	R	Ensure good condition of vehicle before leaving in coordination with GSD.						
3	Use of computer/laptops in performing daily tasks	Internal	Too much exposure to computer screen monitor	Fatigue, stress and anxiety	Regular short breaks is being observed.	2	2	12	Medium	R	Maintain existing control. Observe proper posture when working on the computer.						
4	Receipt and storage of office supplies - in bulk/batches	Internal	Expired office supplies due to absence of a storage room.	Pilferage/Loss of office supplies	The vacant cubicles are used as temporary storage place for office supplies.	1	1	11	Low	R	Coordinate with GSD for available storage space near or within the IAS office.						
5	Wiring and cable systems	Internal	Short Circuit due to electrical overload.	Electrocution and fire hazard	All cubicles are provided with an outlet.	1	1	11	Low	R	Maintain existing control. Report to GSD/IAIR when race occurred.						
6	Day to day employee interaction	Internal/ External	Unhealthy working relationship	Psychological and Mental Stress and anxiety	Reinforce work ethics and proper behavior during staff meetings.	2	3	23	High	R	Unethical behaviors shall be reported and discussed during staff meetings. Observation of work ethics shall be monitored by the Division Heads.						
	General Physical Office Environment	Internal	Spilled liquid substance and presence of food prone to pests on respective work station/cubicle	Damaged computer equipment	Meals are taken inside the pantry.	2	2	22	Medium	R	Avoid presence of food on the working table. Meals shall be taken inside the pantry/cubicle.						
			Extreme cold temperature inside the office	Ailing personnel	Personnel are wearing sweaters/jackets	2	2	22	Medium	R	Set the aircondition temperature to a temperature favorable to all.						
			Presence of pests around the office	Disruption of work/task and damage to office supplies and electrical wirings	Pest control is being conducted by GSD.	2	2	22	Medium	R	Report to GSD for regular conduct of pest control.						
			Unexpected minor accidents and physical illness while on performing task (ex. Headache, stomach ache, minor wounds etc)	Non-performance of the day's task		2	2	22	Medium	R	Request First Aid Kit from concerned office.						



Prepared by:

OR
MARIA KATHLEEN E. BARBOSA
Senior Internal Control Officer I, FIAI

Reviewed by:

[Signature]
MARIA KATHLEEN E. BARBOSA
Senior Internal Control Officer I, FIAI

[Signature]
ON LEAVE
MARIA KATHLEEN E. BARBOSA
Acting Manager, Financial and Operational Audit Division

Approved by:

[Signature]
MARIA KATHLEEN E. BARBOSA
Acting Manager, Regulatory and Management Audit Division

[Signature]
MARIA KATHLEEN E. BARBOSA
Acting Manager, Internal Audit Services