



Administrative Order No. 7  
Series of 1993

**SUBJECT : CREATION OF AN INTERNAL AUDIT SERVICE (IAS)  
IN THE DEPARTMENT**

#### SECTION I. MANDATE AND FUNCTIONS

Pursuant to Administrative Order No 278, Series of 1992, the Internal Audit Service is hereby created and shall assist the Department of Agrarian Reform Management in the effective discharge of its responsibilities insofar as the same would not encroach on or be adversarial with those of the auditors of the Commission on Audit. It shall function in accordance with the policies established by the provisions of Republic Act No. 3456, as amended by Republic Act No. 4177, and shall perform staff functions with primary responsibilities encompassing the examination and evaluation of the adequacy and effectiveness of internal control and the quality of performance. The Internal Audit activities shall include the following:

- 1.1 Ascertaining the reliability and integrity of financial and operational information and the means used to identify, measure, classify and report such information;
- 1.2 Ascertaining the extent of compliance and reviewing the systems established to ensure compliance with government policies, plans and procedures, laws and regulations which have impact on operations;
- 1.3 Ascertaining the extent to which the assets and other resources of the institutions are accounted for and safeguarded from losses of all kinds;
- 1.4 Reviewing and evaluating the soundness, adequacy and application of accounting, financial and other operating controls and promoting the most effective control at reasonable cost;
- 1.5 Reviewing 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;
- 1.6 Evaluating the quality of performance of groups/individuals in carrying out their assigned responsibilities; and
- 1.7 Recommending corrective actions on operational deficiencies observed.

In addition to its above duties, the Internal Audit Service maybe called upon to perform special assignments by the Secretary. 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 unit in the Department.

## SECTION 2. ORGANIZATION

- 2.1 The Internal Audit Service shall be created directly under the Office of the Secretary;
- 2.2 The Internal Audit Service shall have units in all Regional and Provincial Offices;
- 2.3 The Internal Audit Service including its Regional and Provincial units shall be staffed by personnel duly designated by the Secretary and shall come from the other units of the Department.

## SECTION 3. EFFECTIVITY

This Administrative Order shall take effect immediately and amends any issuance inconsistent with it.

August 18, 1993.

  
ERNESTO D. GARILAO  
Secretary

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