



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF AGRARIAN REFORM
Tunay na Pagbabago sa Repormang Agraryo

MEMORANDUM CIRCULAR NO. 05
Series of 2021

TO : ALL DAR OFFICIALS AND PERSONNEL

SUBJECT : DAR INTERNAL CONTROL POLICY STATEMENT

Section 1 of Administrative Order (A.O.) No. 119 dated March 29, 1989 provides that the "each and every office, agency, corporation, and local government unit is mandated to strengthen its internal control system and/or organize systems and procedures to that effect in coordination with the Department of Budget and Management".


Department of Budget and Management (DBM) Circular Letter No. 2008-8, which adopts the National Guidelines on Internal Control Systems (NGICS), provides that a "strong and responsive internal control system (ICS) is an essential component of an organization's internal and external processes" and that "it can significantly enhance the integrity of operations and improve organizational outcomes and results to achieve sectoral goals.

The Internal Control Standards for the Philippine Public Sector (ICSPPS) provides that the Head of the Agency "is directly responsible for all activities of the agency which include designing, implementing, maintaining, and evolving a system of evaluation of internal control system, as well as implementing corrective actions.

This Department recognizes the importance of establishing and maintaining effective internal control structure through policies and procedures to provide reasonable assurance that internal control objectives will be achieved.

In line with the Department's efforts to strengthen its internal control system, the DAR Internal Control Policy Statement attached hereto is hereby issued.

Diliman, Quezon City JUN 02 2021.


ATTY. JOHN R. CASTRICONES
Secretary

Department of Agrarian Reform

Office of the Secretary



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DAR INTERNAL CONTROL POLICY STATEMENT

OBJECTIVES

In pursuit of the agency's mission, the following general objectives shall be achieved:

- Efficient, effective, economical and ethical operations;
- Reliable and relevant financial and non-financial information;
- Compliance with applicable laws, rules, regulations, and policies; and
- Safeguarding of resources against loss, misuse and damage due to waste, abuse, mismanagement, errors, fraud, and irregularities.

RESPONSIBILITY

All DAR officials and employees have the responsibility to:

1. Establish a culture of integrity, ethics, and competence;
2. Identify and analyze relevant risks to the achievement of their office's objectives and determine appropriate response;
3. Establish policies and procedures to address risks;
4. Provide relevant, reliable and timely communication related to internal as well as external events;
5. Assess the quality of the internal control system's performance overtime to ensure that controls are operating as intended.

Every DAR employee must demonstrate personal and professional integrity and ethical values, and has to comply with applicable code of conduct at all times.

ACCOUNTABILITY

Management and personnel at every level of the agency's structure should be involved in the internal control process and ensures that internal controls are established, properly documented and maintained. Mechanisms must be in placed to ensure accountability.

THIS INTERNAL CONTROL POLICY STATEMENT, A FULL EXPRESSION OF ORGANIZATION'S "TONE AT THE TOP" IS HEREBY ISSUED.


Atty. **JOHN R. CASTRICIONES**
Secretary

Department of Agrarian Reform
Office of the Secretary



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