

ADMINISTRATIVE ORDERNo. 07
Series of 2023**SUBJECT: REORGANIZING THE INTERNAL AUDIT SERVICE OF THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT CENTRAL OFFICE, REVOKING FOR THIS PURPOSE ADMINISTRATIVE ORDER NO. 6, SERIES OF 2022**

Pursuant to Department of Budget and Management (DBM) Budget Circular No. 2004-4 dated 22 March 2004, the Internal Audit Service (IAS) shall have up to two divisions on operations audit and financial audit which shall each be headed by an Internal Auditor V.

The same budget circular states the internal audit functions of the two divisions, to wit:

“4.1.1 The organization and staffing of an [IAS] shall consider the following internal audit functions:

- 4.1.1.1 Appraisal of procedures and related matters, including expressing an opinion as to the efficiency or adequacy of existing procedures; and appraising personnel efficiency.
- 4.1.1.2 Verification and analysis of financial and operations data to ascertain if attendant management information systems generate data or reports that are complete, accurate and valid.
- 4.1.1.3 Activities verifying the extent of compliance. This may involve determining that accounting procedures or other policies are being followed; operating procedures are being properly implemented; governmental regulations are being complied with; performance targets are being achieved; and other contractual obligations are being met.
- 4.1.1.4 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.
- 4.1.1.5 **Miscellaneous services, including special investigations and assistance to outside contacts such as the COA.”¹**

¹ *Emphasis supplied.*

However, Administrative Order (AO) No. 6, series of 2022 re-established the Special Audit Division (SAD) of the IAS and restated the functions already provided for under DBM Budget Circular No. 2004-4. In this connection, there is a duplication of functions between the two mandated divisions and the SAD created under AO No. 6.

Thus, pursuant to the President's directive of rightsizing government operations and Department's own initiative to streamline its operations and staff complement, the Special Audit Division is hereby dissolved.

Further, the Management Audit Division shall be renamed to the Financial Audit Division.

This Administrative Order shall take effect immediately.

Issued in Quezon City this 31st day of May 2023.


REX B. BATTCHALIAN
Secretary

Certified True Copy


MYRNA H. REYES
OIC-Division Chief
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