



Republic of the Philippines  
BATANGAS CITY

Office of the Sangguniang Panlungsod

Tel. No. 723-2175

ORDINANCE NO. 18 S. 2019

CREATION OF THE INTERNAL AUDIT SERVICE DEPARTMENT AND  
NECESSARY POSITIONS FOR THE SAID DEPARTMENT IN THE  
CITY GOVERNMENT OF BATANGAS

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SPONSOR : COUN. ALYSSA RENEE A. CRUZ  
COMMITTEE ON LAWS, RULES AND REGULATIONS  
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**WHEREAS**, Pursuant to Section 3 (b) of R.A. No. 7160 or the Local Government Code of 1991 which mandates the establishment of an accountable, efficient, and dynamic organizational structure and operating mechanisms, it is necessary to establish and create an Internal Audit Service Department to ensure that it spends within means, invests in the right priorities, and delivers measurable results within an environment that empowers citizens through greater transparency, accountability, and meaningful citizen's participation;

**WHEREAS**, it is deemed necessary to include the creation of vital positions for the Internal Audit Service Department including the Department Head, Supervising Administrative Officer - Management Audit Division, and Supervising Administrative Officer - Operations Audit Division;

**NOW THEREFORE**, be it ordained by the Sangguniang Panlungsod in Session assembled:

**SECTION 1. TITLE.** This Ordinance shall be called "Ordinance Creating the Batangas City Internal Audit Service Department".

**SECTION 2. CREATION OF VARIOUS POSITIONS.** The following positions are hereby created for the said department:

1. Department Head
2. Supervising Administrative Officer - Management Audit Division, and
3. Supervising Administrative Officer - Operations Audit Division.

**SECTION 3. LEGAL BASIS.** Section 3(b) of R.A. No. 7160 states that there shall be established in every local government unit an accountable, efficient, and dynamic organizational structure and operating mechanism that will meet the priority needs and service requirements of its constituents.



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Continuation of Ordinance No. 18 S. 2019


CREATION OF THE INTERNAL AUDIT SERVICE DEPARTMENT AND  
NECESSARY POSITIONS FOR THE SAID DEPARTMENT IN THE  
CITY GOVERNMENT OF BATANGAS

**SECTION 4. COMPLIANCE.** Compliance to all auditing rules, regulations and circulars issued by COA and the Department of Finance shall be strictly complied with by the Officials concerned.


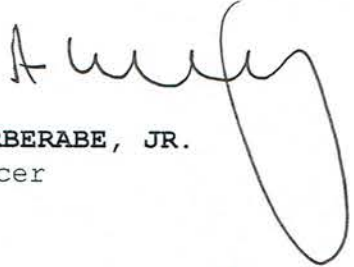
**SECTION 5. SEPARABILITY CLAUSE.** If for any reason any part of this Ordinance shall be held unconstitutional or invalid other parts thereof which are not affected thereby shall continue to be in full force and effect.

**SECTION 6. EFFECTIVITY.** This Ordinance shall take effect upon approval of the City Mayor.

ENACTED by the Sangguniang Panlungsod this September 24, 2019.

  
ATTY. OLIVA D. TELEGATOS  
Secretary  
Sangguniang Panlungsod

ATTESTED:

   
EMILIO FRANCISCO A. BERBERABE, JR.  
Presiding Officer

APPROVED:

  
BEVERLEY ROSE A. DIMACUHA  
City Mayor

Date Approved:

OCT 14 2019



REPUBLIC OF THE PHILIPPINES  
BATANGAS CITY

OFFICE OF THE SANGGUNIANG PANLUNGSOD

EXCERPT FROM THE MINUTES OF THE REGULAR SESSION HELD BY THE  
MEMBERS OF THE SANGGUNIANG PANLUNGSOD OF BATANGAS CITY  
ON SEPTEMBER 24, 2019 AT THE SANGGUNIAN SESSION HALL

PRESENT:

Hon. Emilio Francisco A. Berberabe Jr.,	Presiding Officer
Hon. Alyssa Renee A. Cruz,	Councilor
Hon. Aileen Grace A. Montalbo,	"
Hon. Nestor E. Dimacuha,	"
Hon. Karlos Emmanjuel A. Buted,	"
Hon. Gerardo A. Dela Roca,	"
Hon. Oliver Z. Macatangay,	"
Hon. Nelson J. Chavez,	"
Hon. Julian Pedro M. Pastor,	"
Hon. Isidra M. Atienza,	"
Hon. Maria Aleth A. Lazarte,	"
Hon. Lorenzo A. Gamboa, Jr.,	"
Hon. Marjorie A. Manalo,	SK-Fed. Pres.
Hon. Angelito "Dondon" A. Dimacuha,	ABC-Rep.
Hon. Julian B. Villena,	Councilor

"On motion of Councilor Cruz seconded by Councilor Nestor Dimacuha, the following Resolution was Adopted:


RESOLUTION NO. 335 S. 2019

APPROVING ON SECOND AND FINAL READING THE ORDINANCE ENTITLED:  
"CREATION OF THE INTERNAL AUDIT SERVICE DEPARTMENT AND  
NECESSARY POSITIONS FOR THE SAID DEPARTMENT IN THE  
CITY GOVERNMENT OF BATANGAS"

**RESOLVED**, to approve on Second and Final reading the Ordinance entitled "Creation of the Internal Audit Service Department and Necessary Positions for the said Department in the City Government of Batangas.

**UNANIMOUSLY APPROVED."**

I hereby certify that the foregoing Resolution No. 335 S. 2019 was approved by the Sangguniang Panlungsod of Batangas City during its Regular Session held on September 24, 2019.

  
ATTY. OLIVA D. TELEGATOS  
Secretary  
Sangguniang Panlungsod

ATTESTED:

  
EMILIO FRANCISCO A. BERBERABE JR.  
Presiding Officer

ODT/ystingchuy...

REPUBLIC OF THE PHILIPPINES  
BATANGAS CITY

OFFICE OF THE SANGGUNIANG PANLUNGSOD

EXCERPT FROM THE MINUTES OF THE REGULAR SESSION HELD BY THE  
MEMBERS OF THE SANGGUNIANG PANLUNGSOD OF BATANGAS CITY  
ON SEPTEMBER 17, 2019 AT THE SANGGUNIAN SESSION HALL

PRESENT:

Hon. Emilio Francisco A. Berberabe Jr.,	Presiding Officer
Hon. Alyssa Renee A. Cruz,	Councilor
Hon. Aileen Grace A. Montalbo,	"
Hon. Nestor E. Dimacuha,	"
Hon. Karlos Emmanjuel A. Buted,	"
Hon. Gerardo A. Dela Roca,	"
Hon. Oliver Z. Macatangay,	"
Hon. Nelson J. Chavez,	"
Hon. Julian B. Villena,	"
Hon. Julian Pedro M. Pastor,	"
Hon. Isidra M. Atienza,	"
Hon. Maria Aleth A. Lazarte,	"
Hon. Lorenzo A. Gamboa, Jr.,	"
Hon. Marjorie A. Manalo,	SK-Fed. Pres.
Hon. Angelito "Dondon" A. Dimacuha,	ABC-Rep.

"On motion of Councilor Cruz seconded by Councilor Nestor Dimacuha, the following Resolution was Adopted:

RESOLUTION NO. 311 S. 2019

ADOPTING THE REPORT OF THE COMMITTEE ON LAWS, RULES AND  
REGULATIONS AND APPROVING ON FIRST READING THE ORDINANCE  
"CREATING THE BATANGAS CITY INTERNAL AUDIT  
SERVICE DEPARTMENT"

**RESOLVED**, to adopt the report of the Committee on Laws, Rules and Regulations and the recommendations stated therein and to approve on first reading the ordinance entitled: "Creation of the Internal Audit Service Department and Necessary Positions for the said Department in the City Government of Batangas".

**RESOLVED FURTHER**, to schedule the same for Second Reading in the next Regular Session.

**UNANIMOUSLY APPROVED."**

Continuation of Resolution No. 311 S. 2019

ADOPTING THE REPORT OF THE COMMITTEE ON LAWS, RULES AND  
REGULATIONS AND APPROVING ON FIRST READING THE ORDINANCE  
"CREATING THE BATANGAS CITY INTERNAL AUDIT  
SERVICE DEPARTMENT"

I hereby certify that the foregoing Resolution No. 311 S. 2019 was approved by the Sangguniang Panlungsod of Batangas City during its Regular Session held on September 17, 2019.

*Luningning A. Aquino*  
LUNINGNING A. AQUINO  
Board Secretary III  
Sangguniang Panlungsod

NOTED:

*Olivia D. Telegatos*  
ATTY. OLIVA D. TELEGATOS  
Secretary  
Sangguniang Panlungsod

ATTESTED:

*Emilio Francisco A. Berberabe Jr.*  
EMILIO FRANCISCO A. BERBERABE JR.  
Presiding Officer

ODT/LAA/ystingchuy...





Republic of the Philippines  
BATANGAS CITY  
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Tel. No. 723-2175

**THE COMMITTEE ON LAWS, RULES AND REGULATIONS**

**COMMITTEE REPORT**

**PASSAGE OF AN ORDINANCE CREATING THE INTERNAL AUDIT SERVICE DEPARTMENT  
OF THE CITY GOVERNMENT OF BATANGAS**

**BACKGROUND:**

The subject request for the passage of an ordinance, was referred to the Committee on Laws, Rules and Regulations for its consideration during the Regular Session on September 10, 2019. The Committee held a hearing on September 17, 2019 and in attendance were the following:

From City Budget Office: Mrs. Elizabeth Q. Delos Reyes; from City Treasurer's Office: Mrs. Nila Petronila R. Olivario; from City Accounting Office: Mrs. Sherryl Bool from City Mayor's Office: Mr. Manolo M. Perlada; from HRMDO: Mrs. Aurea Castillo and some of the Sangguniang Panlungsod employees. Also present are the Chairperson Coun. Alyssa Renee A. Cruz and Committee members Coun. Gerardo A. Dela Roca, Coun. Julian B. Villena, Coun. Oliver Z. Macatangay and Coun. Nelson J. Chavez. The Vice Mayor Emilio Francisco A. Berberabe Jr., and other members of the Sangguniang Panlungsod Councilors Nestor Dimacuha, Karlos Buted, Julian Pedro M. Pastor, Isidra M. Atienza, Maria Aleth Lazarte, Lorenzo A. Gamboa Jr., and SK Federation President Marjorie A. Manalo were also present.

**COMMENTS:**

Pursuant to Section 3(b) of R.A. No. 7160 or the Local Government Code of 1991 which mandates the establishment of an accountable, efficient, and dynamic organizational structure and operating mechanisms, it is necessary to establish and create an Internal Audit Service Department to ensure that it spends within means, invests in the right priorities, and delivers measurable results within an environment that empowers citizens through greater transparency, accountability, and meaningful citizen's participation.

Further, it is deemed necessary to include the creation of vital positions for the Internal Audit Service Department including the Department Head, Supervising Administrative Officer- Management Audit Division, and Supervising Administrative Officer- Operations Audit Division.



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**RECOMMENDATIONS:**

In view of the foregoing, the Committee hereby recommends:

1. The adoption of this Committee Report.
2. The approval of the Ordinance hereto attached on First Reading and to schedule the Second Reading on the next regular session.

Respectfully submitted, September 17, 2019.

**Committee on Laws, Rules and Regulations**

COUNCILOR ALYSSA RENEE A. CRUZ  
Chairperson

COUN. GERARDO A. DELA ROCA  
Member

COUN. NELSON J. CHAVEZ  
Member

COUN. JULIAN B. VILLENA  
Member

COUN. OLIVER Z. MACATANGAY  
Member



REPUBLIC OF THE PHILIPPINES

BATANGAS CITY

OFFICE OF THE SANGGUNIANG PANLUNGSOD

JOURNAL OF THE COMMITTEE HEARING CONDUCTED  
BY THE COMMITTEE ON LAWS, RULES AND REGULATIONS  
HELD AT THE SESSION HALL OF THE  
SANGGUNIANG PANLUNGSOD ON SEPTEMBER 17, 2019  
AT 10:23 IN THE MORNING

**SUBJECT: PASSAGE OF AN ORDINANCE CREATING INTERNAL  
AUDIT SERVICES DEPARTMENT OF THE  
CITY OF BATANGAS**

MGA NAGSIDALO:

Vice Mayor Emilio Francisco A. Berberabe

Committee on Laws, Rules and Regulations:

Coun. Alyssa Cruz Atienza	Chairperson
Coun. Nelson Chavez	Member
Coun. Oliver Macatangay	Member
Coun. Gerardo dela Roca	Member

Other SP Members :

Coun. Nestor E. Dimacuha  
Coun. Karlos Emmanuel A. Buted  
Coun. Julian B. Villena  
Coun. Ma. Aleth A. Lazarte  
Coun. Isidra M. Atienza  
Coun. Julian Pedro M. Pastor  
Coun. Lorenzo A. Gamboa, Jr.  
Coun. Marjorie Manalo - SK Rep.

MGA PANAUHING NAGSIDALO:

Ms. Elizabeth delos Reyes	City Budget Officer
Ms. Petronila Olivario	OIC – City Treasurer's Office
Ms. Sheryll Bool	OIC - Accounting
Ms. Aurea Castillo	Chief – HR
Mr. Manolo Perlada	EA – CMO





CHAIR: Ngayon po ay sisimulan natin ang committee hearing regarding the Creation of Internal Audit Services Department and the creation of three vital positions – Department Head, Supervising Administrative Officer, Supervising Administrative Officer IV, Management Audit and Operations Audit. Sino po ang makakapag-explain the functions and duties of this Internal Audit Service Department. Mr. Manolo Perlada. . .

MR. MANOLO PERLADA: Good morning Vice Mayor and the members of the Sangguniang Panlungsod.

Our request is for creation of a new department which is Internal Audit Service Department. This will be composed of a department head and two division chiefs. The function of the Internal Audit Service is to ensure that the operation of the city government is in proper. Kapag may mga issues na kailangang tingnan administratively on management and operation, ito pong IAS ang gagawa noon. Ang IAS po ay isa sa mga requirements na rin hinihingi ng COA for Local Government Unit at ina-allow na rin po iyong creation nito under DBM rulings.

CHAIR: Sir Manolo, ano po ito, First Audit or Pre Audit?

MR. M. PERLADA: Hindi po sila gagawa ng parehong functions. Ang gagawin nila ay siguraduhin or let's say, may problema ang isang department, pwedeng puntahan ito ng IAS to check.

CHAIR: So, hindi siya financial audit?

MR. M. PERLADA: Hindi po financial. Operational Audit po ang gagawin nila. Its either kung may problema ang isang department sa isang bagay ay pwede nilang papuntahan ng Mayor para i-check kung may problema nga. Recommendatory po ang magiging function nila kung anoman ang makikita nila sa isang office. And iyong reporting ng findings nito will be reported directly to the City Mayor. Confidential in nature at hindi siya basta ginagamit kung saan-saan. The findings will be reported directly to the City Mayor. Mandate po talaga ang creation ng Internal Audit Service.

CHAIR: So, anong example po ng mga problems na tinutukoy na pwedeng gawin?

MR. M. PERLADA: Let us say po may mga findings si COA na may problema ang department na ito pagdating sa handling ng kanilang supplies. Pwede pong silipin ng IAS iyon pagkatapos magbigay ng rekomendasyon sa Mayor at ang Mayor ang magbibigay ng instruction sa department head on what to do with this



particular findings of COA. Kasi nga po, sinasabi din ni COAa na kapag may IAS daw ay mas mababawasan, hindi man ma-eliminate iyong mga EOMs ay baka mabawasan iyong mga EOMs na gagawin o makikita ng COA kasi supposed to be ay makikita na yon ng Internal Audit Service.

CHAIR: Upon creation of Internal Audit Service Department, Sir Manolo, saan po mag-o-office ang department na ito?

MR. M. PERLADA: Sa ngayon po ay wala pa pero ihahanap na po siya ng separate office, not in the Mayor's Office, kasi mag-i-stand siya as a separate department. Since hindi naman kalakihan, small office will do for the IAS to stand in a separate office. Sa ngayon po ay only three positions po.

CHAIR: Salary grade ano po iyong Supervising Administrative Officers?

MR. M. PERLADA: Grade 22 po ang nasa division chief.

CHAIR: How about the Department Head?

MR. M. PERLADA: Tulad po ng sa atin – Grade 25 po.

CHAIR: Okay po. Konsehal Villena . . .

COUN. J. VILLENA: Madam Chair, thank you. Ano po iyong qualifications na kailangang ilagay diyan kung sakaling ma-create ang departamentong ito? Kailangan po ba ito ng CPA or CPA-Lawyer or ano ang background ng dapat ilagay diyan?

MR. M. PERLADA: Madam . C hair, as per guidelines ay hindi po kailangang maging CPA ang department head. Basta qualified po siya sa description na ibinigay ng Civil Service for Department Head level - the experience and so on. But as per the statement of our Mayor during the presentation of her 8-Point Agenda, ang gusto niya ay ang composition ng ISA ay may lawyer, may CPA at may Engineer to make sure na yong expertise, halimbawa po ay ang gusto niyang patingnan ay iyong isang facility na ipinagawa, kailangan ng isang expertise doon, isang engineer, para mag-tsek noon. Kung ang kailangan naman ay sa Inventories ay siguro ang kailangan ay ang expertise ng isang Accountant. Kapag may mga technical na bagay that concerns the legality of the actions ay kailangang may lawyer na sasagot. Pero as I have said ito ang gusto nating mapalagay doon. But definitely, hindi naman siya isinasaad ng guidelines for personnel in the particular position.



COUN. J. VILLENA: Kasi kapag sinabi nating internal audit, ito po ay more on accounting procedure. Kaya bakit kailangang mayroong engineer doon. Okay lang po ang lawyer dahil may mga CPA-Lawyer. Pero iyong engineer, ewan ko kung paano . . . pag sa akin ay kapag sinabing audit ito ay more on accounting procedure ito. Ang CPA ay well experienced pagdating sa accounting. Halimbawa na hindi nanggaling sa COA – let us say na merong isang bagay na kahina-hinala sa isang departamento, kasi kapag sinabing audit ay more on money yan eh. Pera yan ng bayan. Iyan ho ba ay ia-address agad ng departamentong ito o hihintayin muna na makapag-audit ang COA. At kung ano yong result at report ng audit ng COA saka ho ba papasok ang ating departamentong ito?

MR. M PERLADA: Tama din po na kalimitan ay ang iniisip natin kapag audit ay Accounting Procedure. Pero hindi lang po kasi accounting ang ibig sabihin ng auditing. This could be operational and management. Hindi lang po pera ang ino-audit but even the operation of an office and the management of an office could also be audited. There will be instances that we will be needing technical persons to assist in the audit of a particular project. Project includes procurement and infrastructure. Kapag infra po, kahit anong gawin ng isang lawyer, without the technical know how of a certain construction ay baka hindi din natin makikita iyon.

Sa ngayon po ay hindi pa natin alam kung sino ang mga ilalagay na tao at kahit siguradong sigurado na kayo na iyon ang ilalagay ay hindi pa rin pwedeng sabihin until such time na magawa iyong PSB, bawal na bawal po iyan. Pero iyon nga po ay ang qualifications sana ay isang engineer, isang lawyer at isang CPA ang composition n gating IAS.

COUN. J. VILLENA: Napakaganda po ng department na iyan dahil iyan po kung saka-sakali na magpre-prevent ng mga problema na pag alam ng mga empleyado kung sino pa man ang involve sa city government na gumagawa ng hindi maganda ay sabi nga ay prevention is better than cure. Kaya I am not against with the proposal at iyan ay 101 percent na sasamahan ko kapag dumating na sa plenary at napakalaking tulong ang magagawa niyan sa city government. Thank you po.

CHAIR: Thank you Konsehal Villena. Vice Mayor Doc Jun Berberabe. . .

VICE MAYOR DOC JUN BERBERABE: Magandang umaga po sa ating lahat. Ako po ay sang-ayon din sa creation ng ganitong Internal Audit Service. Tanong ko lang sa HR, kasi itong kini-create na position under this department ay tatlo lang. Ano



po ba ang difference ng division and department? Baka pwedeng maging division itong IAS o bakit department agad ito? Katulad ninyo division kayo, pero ang dami ninyong empleyado. So what is the difference between division and department?

MS. AUREA CASTILLO: Meron naman hong offices na hindi kailangan ang maraming tao pero name-meet . . tulad ng Legal Office po na ilang empleyado lamang ang nandoon, parang sampu lamang empleyado. Hindi naman po kailangan siguro ang dami ng tao sa pagki-create ng isang department.

CHAIR: Ano yong difference po of a division and a department.

MS. AUREA CASTILLO: Halimbawa po kami sa Mayor's Office, kami po ay I think is fourteen divisions. An gaming pinaka-head ay si Mayor. Siyempre lahat naman po ng division chief ay nag-a-aspire na maging department head, di ga po. So yon po.

VICE MAYOR DOC JUN BERBERABE: Kina-clarify ko lang Madam Chair, kasi nga baka ma-question kami bakit nag-create ng department head ay tatatlo ang empleyado ay kung pwede namang division under the City Mayor's Office. Clarification lang po para iyong aming committee report with regards to this ay maayos po.

MS. AUREA CASTILLO: Ang sabi ko nga po kanina ay iyong sa creation ng position ay yon po ay under ng jurisdiction at concern ng Provincial Budget. Ang provincial budget po ang nagre-review kung talagang valid or pwede pang mag-create ng ganong position or department. So, pag nag-submit po tayo sa provincial budget ng ating plantilla positions ay nire-review nila iyon kung talagang pwede.

COUN. N. DIMACUHA: Madam Chair, I think the question which is valid or not will not be an issue. It is mandated under the law that an Internal Audit Service Department should have been created long time ago, 1992. When the Local Government Code was approved in 1991, a year after it was implemented at nakalagay yan sa Section 3. So, yan ang justifications natin. Na it is mandatory under the law that a department which is the Internal Audit Service shall be created.

Ngayon ay ang question ko po dito, three positions – department head, supervising administrative officer and management audit and operation audit division . Now, magha-hire – tayo ay nag-o-observe ang austerity measure – nagtitipid tayo - kung magha-hire tayo ay siyempre additional compensation.



Why not train an empleyado who have technical know how pagdating sa auditing. Then the Mayor can designate her or him doon sa Office. And the rest ay magkakaroon ng ladderized promotion, Ililipat sa ibang department at iyong mababakanteng pwesto at aangat ang nasa ibaba at nakatulong pa tayo sa marami, na-retain ang tao at nakapagtipid pa rin tayo. Will that be possible and is that acceptable to the Finance Committee. So, my suggestion now is instead of hiring, we train our personnel/employees pagdating sa activities and duties nito ay malaman nila. Salamat po.

Chair: Please answer Mr. Perlada.

MR. M. PERLADA: Madam Chair, actually that is the plan. We will be selecting among the employees o the city government. Those individuals that will qualify the position. And if you are asking why only three positions are being created. Maybe there are some offices that have extra staff that we could tap so that they could be re-assigned in the particular department and eventually will be re-organized. So we will not be creating new positions. We will be utilizing those current positions to be utilized for that department.

CHAIR: Thank you Sir Manolo. Mam Nila you are now recognized.

MS. PETRONILA OLIVARIO: As you have said, Konsehal Boy matagal na nga dapat ito dahil naka-base sa RA 7160 at isa pa poi to sa 8-point agenda ng ating City Mayor, itong creation ng IAS.

CHAIR: Any other question?


NONE

Kung wala na po, maraming salamat po sa ating mga bisita ngayong araw na ito at pag-aaralan ng Sanggunian ang mga request na ito. This committee hearing is now adjourned.

Natapos ang pagdinig sa ganap na ika 11:15 ng umaga.

#### CERTIFICATION

I hereby certify that the foregoing transcript is true and correct to the best of my own personal knowledge, belief and understanding.

  
**CECILIA D. ATIENZA**  
Senior Administrative Asst. 1  
(Stenographic Reporter IV)