



**PROCESS MANUAL**  
**BUREAU OF LOCAL GOVERNMENT**  
**FINANCE**

**BLGF-PM-06-05**

Revision Code: 00

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Section: **PERFORMANCE EVALUATION**

Effectivity Date: 01-19-2018

Subject: **INTERNAL AUDIT**

**1. PURPOSE:**

To define responsibilities and requirements for planning and conducting audits and for reporting results and maintaining records.

**2. SCOPE:**

This procedure starts from preparing audit program up to checking effectiveness of the implemented corrective actions and any necessary updates on risks, opportunities and affected documents.

**3. DEFINITION OF TERMS:**

- a. **CA** – Corrective Action
- b. **NCAR** – Non-Conformance Corrective Action Report
- c. **APM** – Audit Program Manager
- d. **ATL** – Audit Team Leader

**4. RECORDS:**

TITLE/CODE	LOCATION	RETENTION CRITERIA	RETENTION PERIOD	DISPOSAL METHOD
1. Audit Plan	QMS Files	NAP R.A. 9470	10 years	As per NAP Rules
2. Audit Summary Report	QMS Files	NAP R.A. 9470	10 years	As per NAP Rules
3. NCAR records	QMS Files	NAP R.A. 9470	10 years	As per NAP Rules

**5. REFERENCES:**

5.1 ISO Clause Reference

Clause 9.2 – Internal Audit  
Clause 10 – Improvement

5.2 Any document which supports the implementation of the procedure – N/A

5.3 Related documents linked to the procedure – Corrective Action Procedure

REVIEWED BY: MANAGEMENT REPRESENTATIVE

APPROVED BY: EXECUTIVE DIRECTOR



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**6. PROCEDURE:**

ACTIVITY FLOW	RESPONSIBLE	DETAILS
	<b>Audit Program Manager (APM) /            Audit Team Leader (ATL)</b>	Audit program includes all activities related to audit and is done every January. It shall be planned taking into considerations the importance of the processes concerned, changes affecting the organization and results of previous audits.
	<b>Audit Team Leader</b>	At least two weeks before audit schedule ensure that all auditors are qualified. Secure approval prior to release.
	<b>Audit Team Leader            Auditors</b>	Review standards and QMS documents. Review previous audit results and previous checklists. Auditors ensure that they will not audit their own processes. Secure MR or team leader comment if necessary.
  	<b>Audit Team Leader            Auditors</b>	Team leader presides opening meeting. Collect evidences. Prepare NCAR's before closing meeting. Team leader presides closing meeting. Auditors request auditee acknowledgement. Team leader collects all NCAR's & provide copies to auditees and auditors. Team leader prepares audit report

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ACTIVITY FLOW	RESPONSIBLE	DETAILS
	<p align="center"><b>Process Owner and concerned employees</b></p>	<p>Identify root cause and prepare corrective action plan. Set measures of effectiveness. Agree on timeline of Corrective action implementation. Corrective actions should be implemented within 7 days or as agreed upon.</p>
	<p align="center"><b>Auditors Audit Team Leader</b></p>	<p>Monitor and follow up implementation. Ensure to review measures of effectiveness and verify. Note results of follow-up on NCAR form.</p>
	<p align="center"><b>Audit Program Manager</b></p>	<p>Check performance of internal audit process.</p>

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	<p align="center"><b>Management Representative</b></p>	<p>Updates the risks and opportunities register as necessary, or in any affected documents.</p>
	<p align="center"><b>Division Chief</b></p>	<p>Determine if performance targets were achieved.</p> <p>For unmet targets:  <b>Refer to Corrective Action Procedure.</b></p> <p>Submit complete monthly accomplishment report and performance report to immediate superior every first week of the month</p> <p>Internal audit interval is every six months or more frequent if previous result calls for it.</p>

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