



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

CIRCULAR LETTER

No.: 2021 - 9

October 14, 2021

For : All Heads of Departments, Agencies, Other Executive Offices, Government-Owned or -Controlled Corporations (GOCCs)/ Government Financial Institutions (GFIs), and State Universities and Colleges (SUCs) in the Executive Branch; Local Government Units (LGUs); and All Others Concerned

Subject : **ADOPTION OF A RECOGNITION PROGRAM FOR RESOURCE PERSONS ON THE NATIONAL GUIDELINES ON INTERNAL CONTROL SYSTEMS (NGICS) AND REVISED PHILIPPINE GOVERNMENT INTERNAL AUDIT MANUAL (RPGIAM), AND IMPLEMENTING GUIDELINES FOR THE PURPOSE**

1.0 Rationale/Background

- 1.1 Various issuances of the Office of the President (OP) directed the Department of Budget and Management (DBM) to promulgate the necessary rules and regulations for the strengthening of internal control systems in government, including internal audit as a key part thereof, as follows:
- a. Administrative Order (AO) No. 119, s. 1989¹, as amended by AO No. 278, s. 1992² and AO No. 70, s. 2003³;
 - b. Memorandum Order No. 277, s. 1990⁴; and
 - c. Memorandum Circular No. 89, s. 2005⁵.
- 1.2 Relative thereto, the DBM issued the NGICS⁶ and the RPGIAM⁷ in 2008 and 2020, respectively.

¹ *Directing the Strengthening of Internal Control Systems of Government Offices, Agencies, Government-Owned or Controlled Corporations and Local Government Units in their Fiscal Operations* dated 29 March 1989

² *Directing the Strengthening of the Internal Control Systems of Government Offices, Agencies, Government-Owned and/or Controlled Corporations, Including Government Financial Institutions and Local Government Units, in Their Operations* dated 28 April 1992

³ *Strengthening of the Internal Control Systems of Government Offices, Agencies, Government-Owned and/or Controlled Corporations, Including Government Financial Institutions, State Universities and Colleges and Local Government Units* dated 14 April 2003

⁴ *Directing the Department of Budget and Management to Promulgate the Necessary Rules, Regulations or Circulars for the Strengthening of the Internal Control Systems of Government Offices, Agencies, Government-Owned or Controlled Corporations and Local Government Units* dated 17 January 1990

⁵ *Reiterating Compliance with A.O. 70, s. 2003 "Strengthening of the Internal Control Systems of the Government Offices, Agencies, Government-Owned and/or Controlled Corporations, Including Government Financial Institutions, State Universities and Colleges and Local Government Units" and Its Implementing Guidelines under DBM Budget Circular No. 2004-4* dated 18 August 2005

⁶ Issued under DBM Circular Letter No. 2008-8 dated 23 October 2008

⁷ Issued under DBM Circular Letter No. 2020-8 dated 26 May 2020

- 1.2.1 The **NGICS** serves as a guide to the heads of departments and agencies in the design, installation, implementation and monitoring of their respective internal control systems taking into consideration the requirements of their organization and operations.
- 1.2.2 The **RPGIAM**, which complements the NGICS and serves as an updated version of the 2011 PGIAM⁸, aims to assist departments and agencies in the establishment and development of internal audit to promote effective, efficient, ethical and economical operations in government, among other objectives. It serves as a generic guide for internal auditors to help them **(1)** understand the legal bases, nature and scope of the internal audit function in the Philippine public sector, including the institutional arrangements, protocols and processes for the conduct of the same, **(2)** identify and prioritize potential audit areas for appraisal as they progress in the internal audit activity, and **(3)** describe the procedures logically to facilitate a structured and systematic approach in internal auditing.
- 1.3 To ensure the full adoption by government agencies concerned of the RPGIAM in the performance of internal audit functions, the DBM, in collaboration with the OP, is pursuing the rollout of said revised manual. Among the key components of the rollout are the conduct of: **(1)** executive briefings on the NGICS for the principal of the internal audit service/unit and senior officials of agencies concerned, which aim to establish the context of their roles and responsibilities in the internal control system and deepen their understanding and appreciation of their accountabilities in terms of supervision; and **(2)** capacity-building trainings on the RPGIAM for internal auditors of government agencies in the Executive Branch to build their capabilities in the operationalization of their internal audit functions based on the RPGIAM.

2.0 Purpose

This Circular Letter is being issued to adopt and institutionalize a program or scheme that would recognize resource persons for NGICS and RPGIAM, and provide the guidelines therefor.

3.0 Objectives of the Recognition Program

The Program is primarily intended to develop a roster of resource persons to be engaged in various learning and development interventions on public sector internal control and internal audit, including the capacity-building trainings on the NGICS and RPGIAM, as speakers, subject matter experts and/or facilitators.

⁸ Issued under DBM Circular Letter No. 2011-05 dated 19 May 2011

In particular, the Program aims to:

- 3.1 Ensure that the resource persons to be tapped during the conduct of various learning and development activities have undergone proper training, coaching and mentoring, thus, are deemed qualified and competent to carry out their responsibilities;
- 3.2 Standardize the minimum requirements and methodology on the selection and recognition of the subject resource persons; and
- 3.3 Formally obtain the commitment of said resource persons in the engagement during the trainings or learning and development activities on internal control and internal audit.

4.0 Coverage

- 4.1 Recognized resource persons shall refer to the **existing government officials and employees** who have successfully completed the requirements under the Program, and passed the evaluation and assessment thereunder.
- 4.2 The recognized resource persons shall be part of the roster to be tapped and engaged during the conduct of trainings or learning and development activities on internal control and internal audit as:
 - a. **Speaker or subject matter expert** – to handle the discussion or presentation of the technical session on internal control and internal audit, normally through oral communications, but may also be consulted in written communication in the particular case of a subject matter expert; and/or
 - b. **Facilitator** – to manage the technical session whose task may include the opening and closing of the session with management of learning, doing a recap of the previous session, introduction of the sessions/speakers, management of group exercises and other activities, facilitation of question and answer, and announcement of the reminders for the next session.

5.0 Framework and Guidelines

The Recognition Program shall have **six (6) phases**, i.e., recruitment, selection, learning and development, evaluation, conferment, and retention. A selection and recognition body shall be organized by the DBM for the purpose. As necessary, the Department shall invite subject matter experts in the implementation of the Program.

5.1 Recruitment

Candidates to the Program shall be:

- a. Existing government personnel occupying regular position with salary grade 18 or above;
- b. With minimum of four (4) years of relevant experience on public sector internal auditing; and
- c. With completed capacity-building trainings on the NGICS and RPGIAM as conducted by the DBM.

For this purpose, a call for submission of applications shall be sent out by the DBM. The DBM may send invitations to identified potential candidates to participate in the selection process.

5.2 **Selection**

The selection of candidates shall involve activities such as self-assessment, administration of baseline assessment examination, and conduct of interview. The candidates shall be selected based on the following considerations, among others:

- a. Eligibility based on the minimum criteria;
- b. Extent of adoption of and adherence to the NGICS and RPGIAM;
- c. Level of exposure and knowledge on government internal control and internal audit;
- d. Area of specialization; and
- e. Result of the baseline assessment examination.

5.3 **Learning and development**

Learning and development activities shall be undertaken with the goal to equip the selected candidates with supplemental knowledge and necessary skills, tools, and techniques to make them effective and efficient resource persons. It shall involve activities such as the conduct of training of trainers, administration of learning assessment examination, and undertaking of coaching and mentoring sessions.

5.4 **Evaluation**

The overall performance of the candidates during the learning and development phase shall be assessed. The final list of recommended candidates for recognition shall be determined based on, but not limited to, the following:

- a. Comparison of the results of the baseline and learning assessment examination;
- b. Areas of specialization;
- c. Strengths and development areas; and
- d. Overall behavior, attitude, knowledge and skills in demonstrating their understanding on the NGICS and RPGIAM.

5.5 **Conferment**

The recognition shall be formally conferred to the candidates upon the issuance of a certificate of completion and the execution of a memorandum of understanding between the DBM Secretary and the candidate, which shall contain at least the following:

- a. Confirmation and commitment of the candidate as a recognized resource person;

- b. Prohibition on the acceptance of training requests from agencies and private organizations without proper endorsement from the DBM;
- c. Conditions for the retention in the roster of recognized resource persons, such as the minimum number of lectures/engagements per annum to be rendered as a recognized resource person, and participation in the continuing capacity development programs of the DBM with a minimum number of training hours per annum, as may be applicable; and
- d. Payment of honoraria, subject to existing budgeting, accounting and auditing rules and regulations.

5.6 Retention

The DBM shall maintain an updated list of recognized resource persons which shall be published in the DBM official website. It shall also adopt a system to continually monitor and evaluate their performance, and develop and implement a continuing capacity development program for the purpose.

Possible causes for the removal from the roster of recognized resource persons shall include, but not limited to, separation from government service, change in the field/career, violation of any of the provisions of the memorandum of understanding, poor performance based on the monitoring and evaluation system of the DBM, and inactivity for a certain period of time.

6.0 Updating and Review of Guidelines

The guidelines prescribed under this Circular Letter shall be reviewed, updated and improved, as necessary.

7.0 Separability

If, for any reason, any part or provision of this Circular Letter is declared invalid or unconstitutional, the other provisions not affected thereby shall remain in force and effect.

8.0 Effectivity

This Circular Letter shall take effect immediately after its complete publication in the Official Gazette or a newspaper of general circulation, and the filing of three (3) certified true copies thereof with the Office of the National Administrative Register of the University of the Philippines Law Center.


TINA ROSE MARIE L. CANDIA
Undersecretary and Officer-in-Charge

