



In view of the foregoing, approval of this Bill is earnestly sought.


  
JINGGO Y EJERCITO ESTRADA  
Senator

THIRTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
First Regular Session

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SENATE  
OFFICE OF THE SECRETARY

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SENATE

S.B. No. 936

Introduced by Sen. Jinggoy Ejercito Estrada

AN ACT

FURTHER AMENDING SECTIONS THREE AND FOUR OF REPUBLIC ACT  
NUMBERED THREE THOUSAND FOUR HUNDRED FIFTY-SIX, AS AMENDED  
BY REPUBLIC ACT NUMBERED ONE THOUSAND ONE HUNDRED SEVENTY-  
SEVEN, OTHERWISE KNOWN AS THE "INTERNAL AUDITING ACT OF 1962"

Be it enacted by the Senate and the House of Representatives of the  
Philippines Congress assembled:

**SECTION 1.** Sections three and four of the Republic act Numbered Three  
Thousand Four Hundred Fifty-Six, as amended by Republic Act Numbered Four  
Thousand One Hundred Seventy-Seven, otherwise known As the "Internal Auditing  
Act of 1962" are hereby further amended to read as follows:

"SEC 3. The Internal Audit Service shall be under the direct  
administrative supervision and control of the heads] of the agency. It shall  
correspondingly perform staff functions. It shall be responsible for instituting  
and conducting a program of internal audit for the agency. The chief of  
the Internal Audit Service shall have the rank and salary equivalent to the  
third ranking official of the agency. He shall report directly to the head [or  
assistant head] of the agency.

"SEC 4 The [Auditor General] COMMISSION ON AUDIT shall be  
responsible for the promulgation and enforcement of general policies, rules  
and regulations on internal auditing, non-compliance or disregard of which  
shall be considered as a breach of official duty and may be used as a  
basis for an administrative action against the defaulting official. [He] THE

COMMISSION shall coordinate government internal auditing activities and [schedule] the [gradual] installation of internal audit services in all branches, subdivisions and instrumentalities of the government, including government-owned and/or controlled corporations, and shall develop for execution, working plans and training program to maintain continuously the effectiveness of these internal audit services. [The Internal Auditing Coordinating Department of the General Auditing Office shall assist the Auditor General in the discharge of these responsibilities.]”

**SECTION 2.** The Commission on Audit, together with the Civil Service Commission and Department of Budget and Management, in consultation with the Association of Government Internal Auditors, shall, within ninety (90) days after the effectivity of this Act, promulgate the rules and regulations for the effective implementation of this Act.

The Commission on Audit shall submit to both Houses of Congress copies the Implementing Rules and Regulations, the heads of agencies are mandated to install the Internal Audit Services in their respective agencies.

**SECTION 3.** Any violation of this Act shall render the officials of the agencies concerned liable under Republic Act Numbered Six Thousand Seven Hundred Thirteen, otherwise known as the “Code of Conduct and Ethical Standards for Public Officials and Employees” and other existing administrative and/or criminal laws.

**SECTION 4. Effectivity.** - This Act shall take effect fifteen (15) days following the completion of its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved.