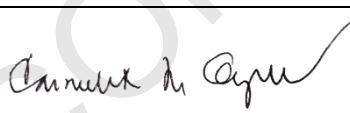
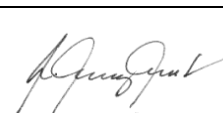
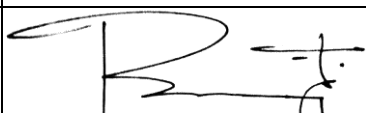
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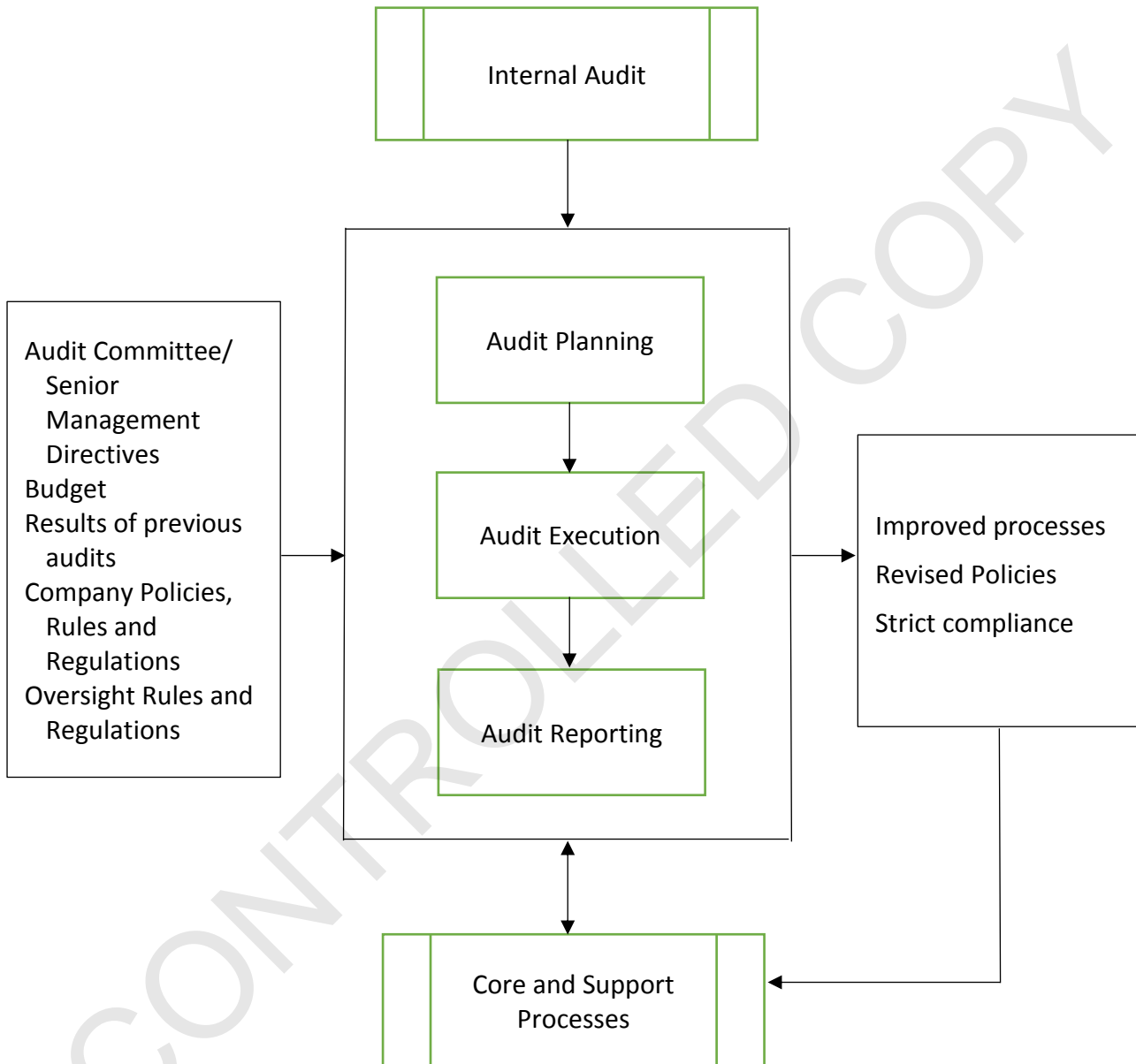
DOC NO.	DOCUMENT TITLE	REV NO.	EFFECTIVITY DATE
	IAO Context Diagram	1	September 6, 2021
IAO-01	Audit Services	1	September 6, 2021
IAO-01F1	IAO Audit Checklist	0	September 6, 2021
IAO-01F2	IAO Audit Report	0	September 6, 2021
IAO-01F3	Monitoring of Observations/OFIs	0	September 6, 2021
IAO-01F4	Closing Meeting Report	0	September 6, 2021
IAO-01F5	Performance Evaluation for Internal Auditors	0	September 6, 2021

Rev. No.	Affected pages/ section	Revision History
0	-	New version of PNOC QMS; to include PNOC Energy Supply Base and PNOC Industrial Park.
1	Page 1	Revised Context diagram; added enrolled forms; change signatories and effectivity dates

Prepared by	Reviewed by	Approved by
 C. M. Orpilla	 G. E. Manalo	 Atty. G. M. Barleta
Internal Auditor V	OIC Internal Audit Office	Supervising SVP

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Context Diagram Internal Audit Office



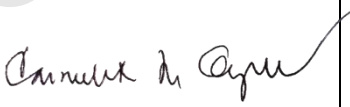

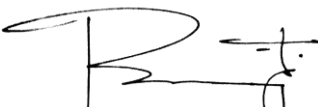
Context Diagram Internal Audit Office


Narrative:

The Internal Control Office is tasked with the evaluation of:

1. Degree of compliance with laws, regulations and managerial policies and operating procedures in the agency, including compliance with accountability measures, ethical standards and contractual obligations;
2. Effectiveness of internal controls adapted in the operating and support service units/ systems to determine whether they achieve the control objectives over a period of time or as a specific date. It includes review and appraisal of the systems and processes, organizational and staffing structures, operations and management practices, records, reports and performance standards of the agencies/ units covered;
3. Evaluation of the outcome, output, process and input to determine whether company operations, programs and projects are effective, efficient, ethical and economical.

Rev. No.	Affected pages/ section	Revision History
0	-	New version of PNOC QMS; to include PNOC Energy Supply Base and PNOC Industrial Park.
1	All	Revision of context diagrams to consolidate the different processes (audit planning, audit execution and audit reporting) into one context diagram Revision- to replace the word Management to Senior Management and delete the "MGMT"

Prepared by	Reviewed by	Approved by
 C. M. Orpilla	 G. E. Manalo	 Atty. G. M. Barleta
Process Owner	OIC Internal Audit Office	Supervising SVP

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1.0 Objectives


- 1.1 To ascertain that plans and programs of the Auditee are accomplished as targeted.
- 1.2 To ensure that the plans and programs are accomplished within/according to budget.
- 1.3 To ensure that the processes and procedures adopted by the Auditee are in compliance with the statutory, regulatory and company rules, regulations and policies.
- 1.4 To ascertain effectiveness of Auditee's internal controls.

2.0 Scope

This procedure covers all processes, functions, operational and management areas of the various Departments/Divisions/Units of PNOC as well as its subsidiaries.

3.0 Definition of Terms

- 3.1 *Audit* – a systematic and documented process of obtaining objective evidence of conformity to a standard or criteria
- 3.2 *Auditor* – a person with competence to conduct an operations/management/compliance audit
- 3.3 *Audit Observations/Findings* – a non-fulfillment of a specified requirement of company and regulatory agencies/bodies' policies, rules, regulations, procedures
- 3.4 *Auditee* – a person, a unit, a division, a department or a subsidiary of PNOC
- 3.5 *Compliance Audit* – evaluation of the degree of compliance with laws, regulations and managerial policies and operating procedures in the agency, including compliance with accountability measures, ethical standards and contractual obligations
- 3.6 *Management Audit* – evaluation of the effectiveness of internal controls adapted in the operating and support services units/systems to determine whether they achieve the control objectives over a period of time or as a specific date. It includes a review and appraisal of the systems and processes,

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organizational and staffing structures, operations and management practices, records, reports and performance standards of the agencies/units covered.

- 3.7 Operations Audit – evaluation of the outcome, output, process and input to determine whether company operations, programs and projects are effective, efficient, ethical and economical

4.0 References

- 4.1 Philippine Government Internal Audit Manual (PGIAM)
- 4.2 Government Accounting and Auditing Manual (GAAM)
- 4.3 National Guidelines on Internal Control Systems (NGICS)
- 4.4 R.A. 9184 and its IRR
- 4.5 PNOC Approvals Manual, PNOC Investment Management Policy Manual and other PNOC Operations Manual
- 4.6 PNOC QMS Manual
- 4.7 Relevant circulars issued by the Civil Service Commission (CSC), Commission on Audit (COA), Department of Budget and Management (DBM), Governance Commission for Government-owned and Controlled Corporations (GCG), Government Procurement Policy Board (GPPB) and other oversight agencies
- 4.8 Revised Chart of Accounts
- 4.9 Annual Audit Plan


5.0 Policies and Guidelines

5.1 General

- 5.1.1 The PNOC functions/Department/Division/subsidiaries shall be audited at least once a year, taking into consideration the status and importance of the processes/ areas/ function to be audited and results of previous audits.
- 5.1.2 The management of the audited area/unit shall be responsible in ensuring that observations/findings detected during the audit are addressed promptly.
- 5.1.3 If observations/findings were found during the audit, follow up and verify implementation of the action plans committed by the auditee.

5.2 Internal auditors' competence program

- 5.2.1 Internal Auditors shall follow a training program to ensure their competence. Auditors' training shall be planned and monitored.

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5.2.2 Internal Auditors shall complete the minimum requirements as follows:

- 5.2.2.1 Basic internal auditing skills
- 5.2.2.2 Understanding of PNOC's processes, systems, rules, regulations and policies.

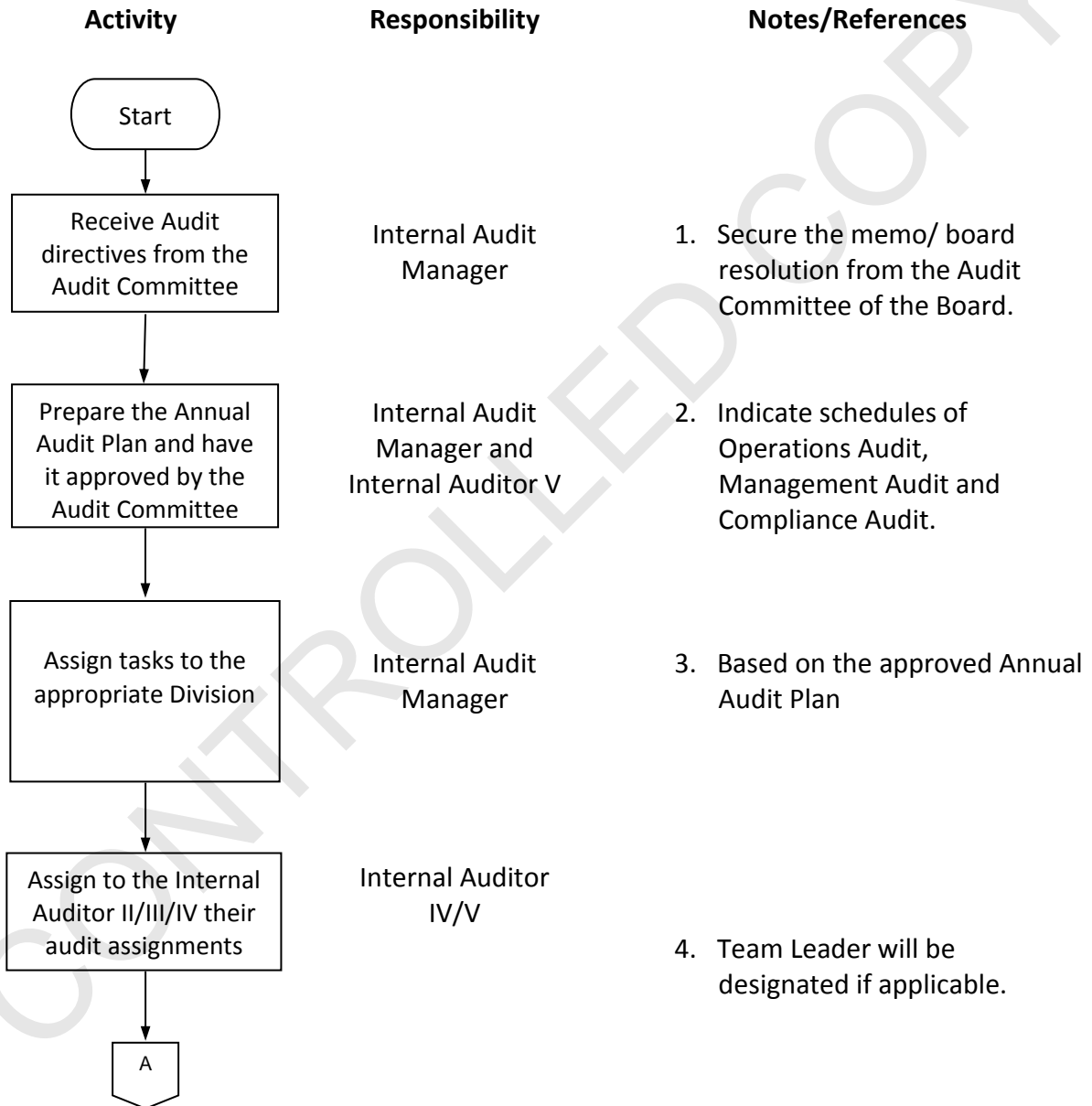
5.2.3 Auditors are required continual improvement on competencies. Those who have training gaps shall be:


- 5.2.3.1 Allowed to audit under the supervision of the audit team leader
- 5.2.3.2 Required to complete relevant training to address the gaps

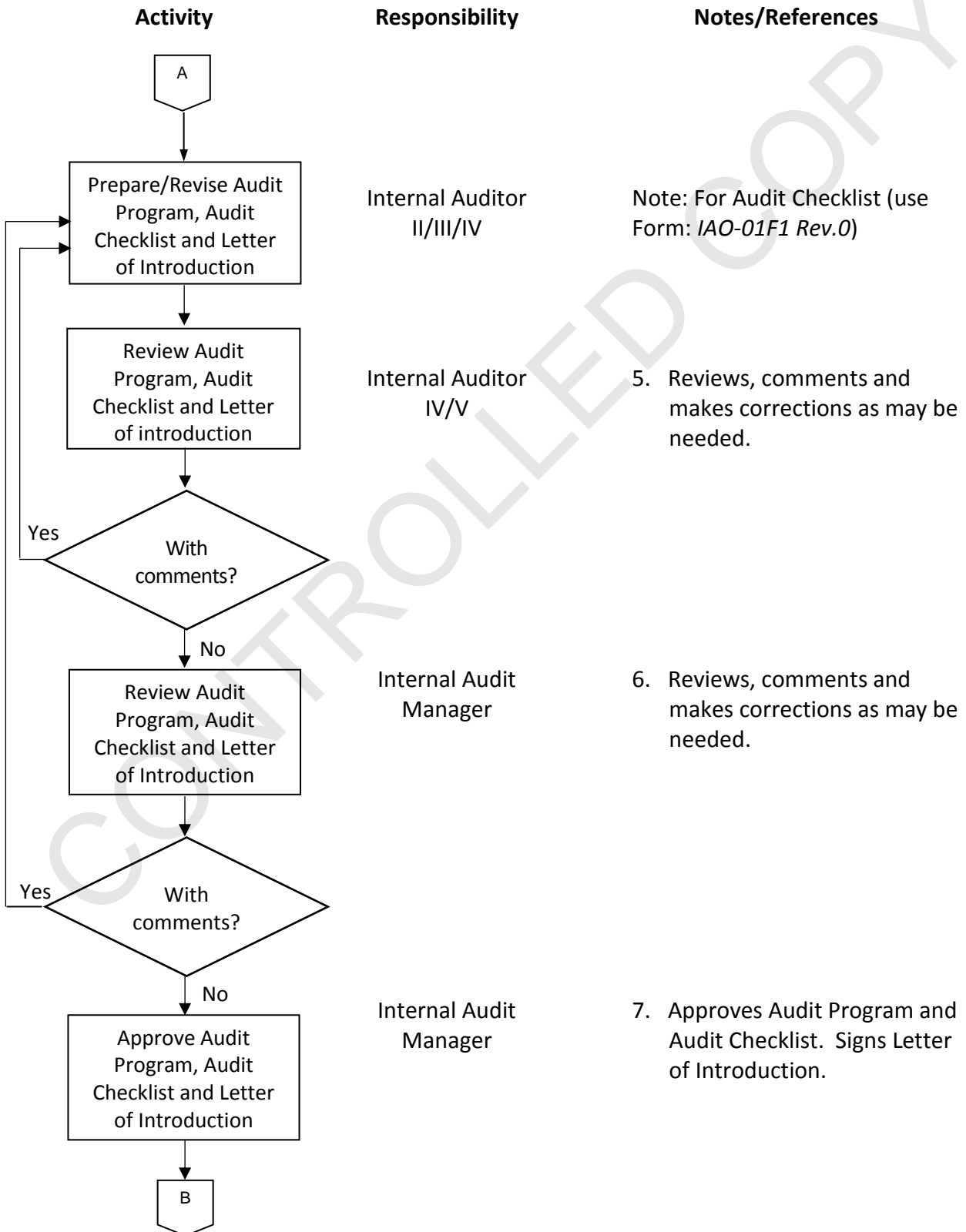
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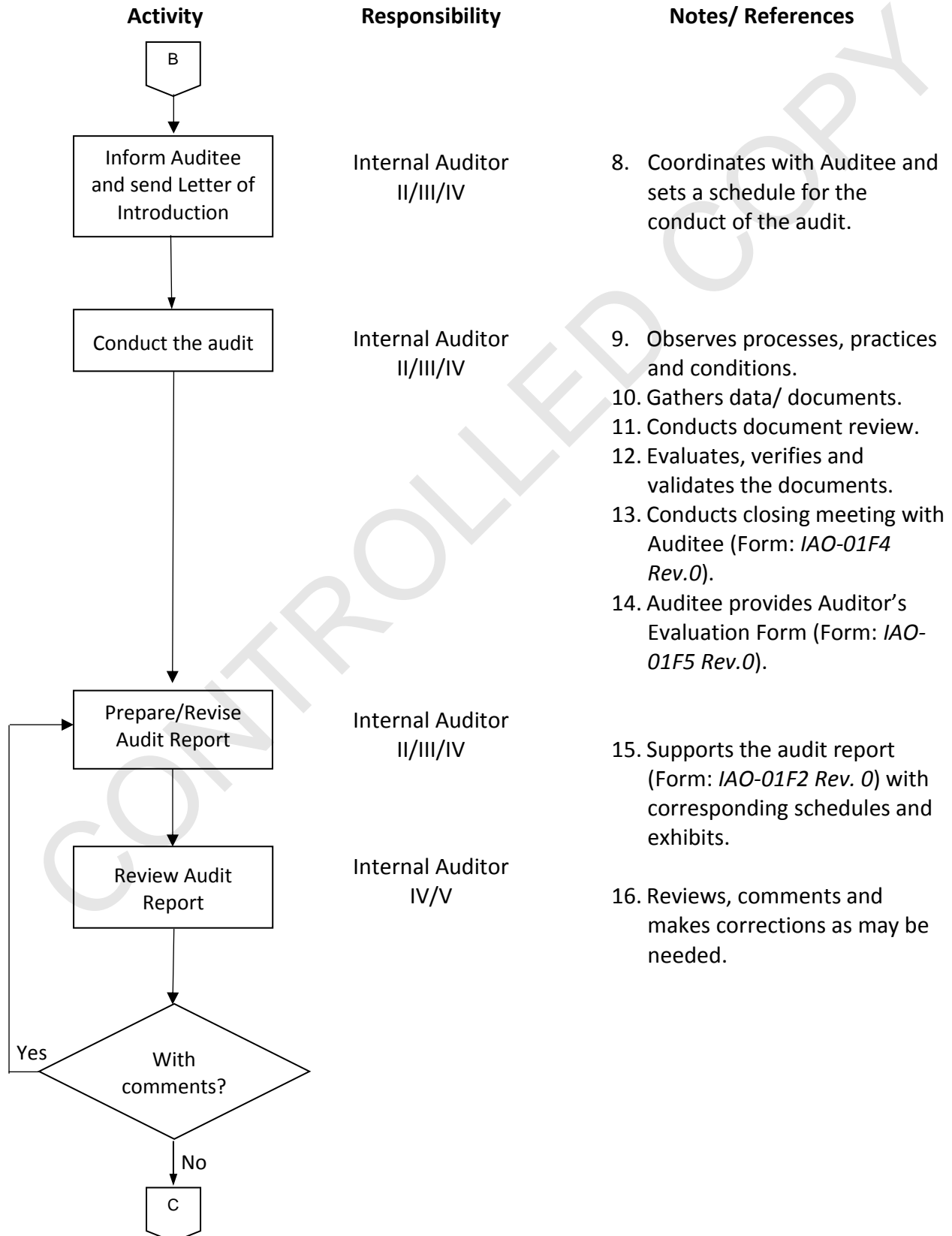
6.0 Details




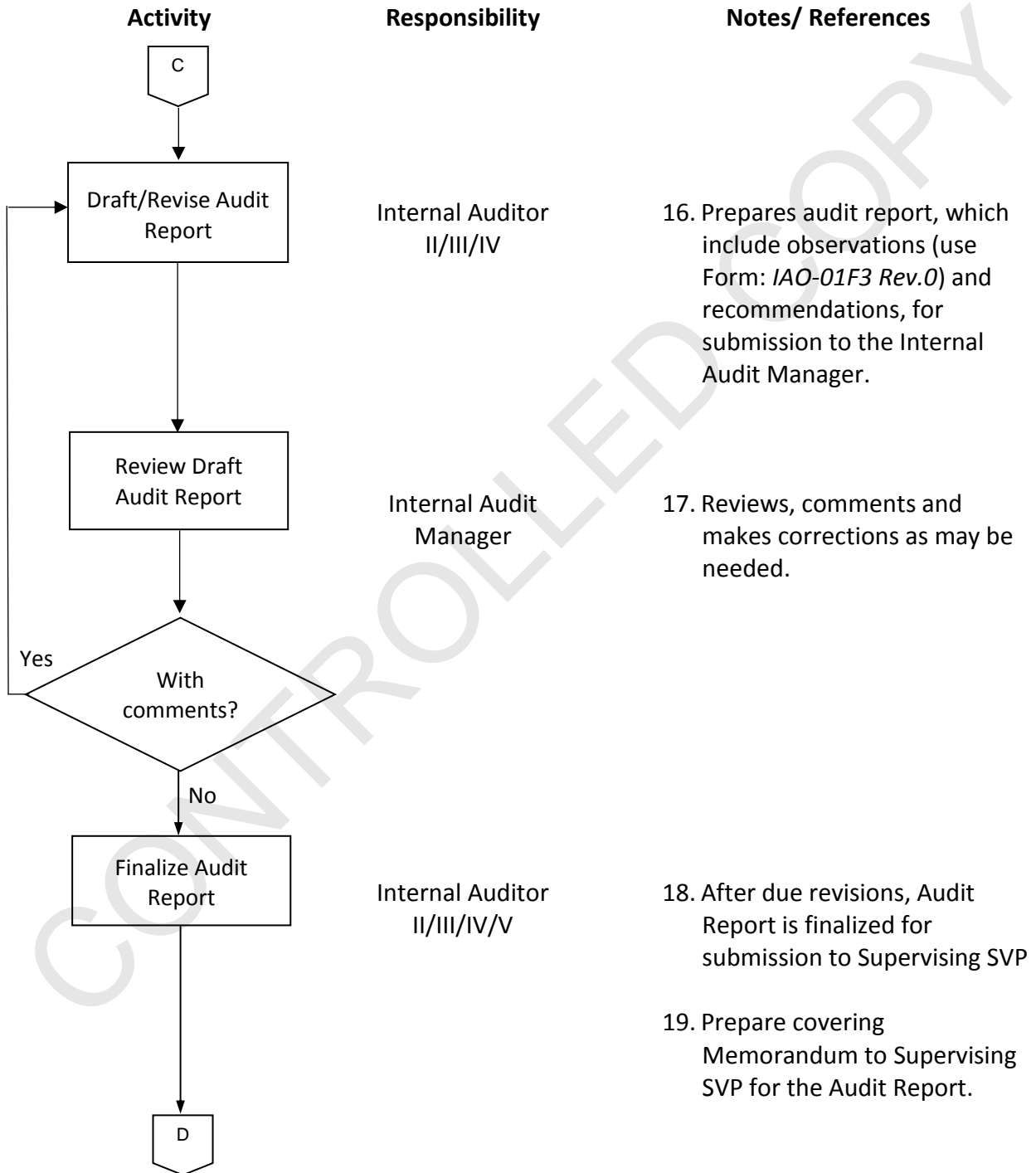
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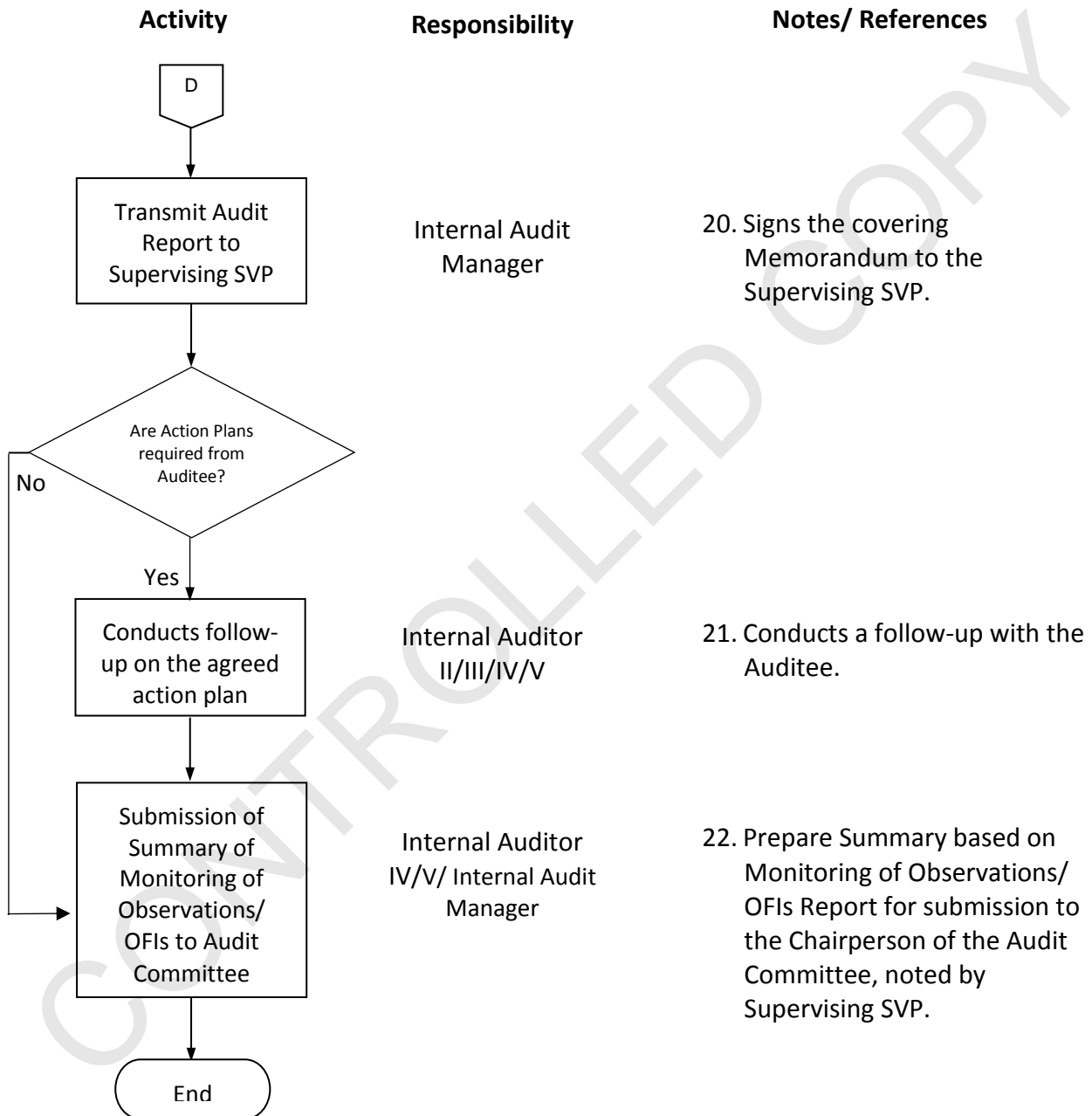
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7.0 Forms and Records

Internal Audit Forms

- IAO-01F1 Rev.0: INTERNAL AUDIT OFFICE CHECKLIST
- IAO-01F2 Rev.0: IAO AUDIT REPORT
- IAO-01F3 Rev.0: MONITORING OF ACTION PLANS
- IAO-01F4 Rev.0: CLOSING MEETING REPORT
- IAO-01F5 Rev.0: PERFORMANCE EVALUATION FOR INTERNAL AUDITORS

8.0 Attachments

None

Rev. No.	Affected pages/section	Revision History
0	-	New version of PNOC QMS; to include PNOC Energy Supply Base and PNOC Industrial Park.
1	Pages 1 to 8 Page 9	Revision of audit process based on IQA 2021 and creation of IAO Forms; change of effectivity date Change of signatory

Prepared by	Reviewed by	Approved by
 C. M. Orpilla Internal Auditor V	 G. E. Manalo OIC Internal Audit Office	 G. M. Barleta Supervising SVP



PHILIPPINE NATIONAL OIL COMPANY
Energy Center, Bonifacio Global City, Taguig City

INTERNAL AUDIT OFFICE AUDIT CHECKLIST

IAO-01F1 Rev.0

Process/ Function/ Area		Date:	Auditor(s)
CRITERIA	REQUIREMENTS	NC/ Obs / OFI	REMARKS

IAO Auditor

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PHILIPPINE NATIONAL OIL COMPANY
Fort Bonifacio, Taguig City

IAO AUDIT REPORT
IAO-01F2 Rev.0

Auditor(s):		Date of Audit:
		Number of CARs: _____ (When applicable, attach copy of CARs):
Functions/ Departments Audited		
Areas not covered during the audit		
General Observations		
Major Problem Areas		
Findings per Area		
Requirement/ Clause	Findings/ Nonconformity	
Function/Department:		
Function/Department:		
Audit Conclusion		

Signature: _____
IAO Auditor



PHILIPPINE NATIONAL OIL COMPANY
Energy Center, Bonifacio Global City, Taguig City

MONITORING OF OBSERVATIONS / OFIs

IAO-01F3 Rev.0

ITEM NO	ISSUED FUNCTION/ DEPARTMENT	OBSERVATION / OFI	ACTION TAKEN / ACTION PLAN	FOLLOW-UP REMARKS

Prepared by:

(Signature over Printed Name)

IAO Auditor

Noted by:

(Signature over Printed Name)

Department Manager



PHILIPPINE NATIONAL OIL COMPANY
Fort Bonifacio, Taguig City

CLOSING MEETING REPORT
IAO-01F4 Rev.0

TITLE OF AUDIT

DEPARTMENT

Objective (s) of the Audit

Scope of the Audit

Coverage of the Audit

Closing Meeting (Day and Time)

Participants (Name and Title)

Observations

Discussion/Comments

Signed and Agreed upon:

IAO Auditor

Auditee



PERFORMANCE EVALUATION FOR INTERNAL AUDITORS

IAO-01F5 Rev.0

Auditor:	
Auditee:	
Scope of Audit:	

Please rate the following:	Excellent	Good	Adequate	Poor	Very Poor
	5	4	3	2	1
a. Professionalism of the auditor (punctuality, knowledge, good judgment, skills, and polite behavior)					
b. Communication skills of the auditor (auditor speaks clearly and explains their thoughts, ideas, and suggestions during the meeting/presentation of findings)					
c. Notification of the audit purpose and scope (audit purpose and scope clearly stated)					
d. Clarity of the audit findings (audit findings clearly stated and well-organized for better understanding by the auditee)					
e. Duration of the audit (sufficiency or insufficiency of time to cover the scope of the audit)					
f. Timeliness of the audit report					
g. Value-adding recommendation(s) – (recommendation helps improve the system)					

Additional comments about the auditor and/or the audit process:

**Note: This form shall be submitted to the Supervising SVP a day after the audit has been done.*

Rater: _____

Date: _____