

PAPER FOR THE AGIA MID-YEAR CONVENTION CUM SEMINAR
THEME: “STRENGTHENING INTERNAL AUDIT SERVICE
THROUGH STRATEGIC PARTNERSHIP”

30 June 2006

10/F Land Bank Plaza, Malate, Manila

By

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Land Bank of the Philippines’ Acting President and CEO, Senior Executive Vice President Gilda E. Pico, AGIA President Dr Rufo Mendoza, Mr Rodelio de Guzman, your Convention Chair (but in reality my real boss, the only one whose orders, aside from the President of the Republic of the Philippines, I must obey, but who, unlike the President – I can likewise order to do as I wish), other officials and members of the Association of Government Internal Auditors - who represent the various government instrumentalities nationwide, guests, friends, ladies and gentlemen – a pleasant morning to all of you.

As I ponder on your chosen **theme** for this year’s **mid year convention**, that says: **“STRENGTHENING INTERNAL AUDIT SERVICE THROUGH STRATEGIC PARTNERSHIP”**, I cannot help, but get filled with joy - that is brought about by a sense of a renewed hope, as regards an increasing number of allies, that can easily be tapped - to help ensure that this country, the only one we could truly claim to be ours, can finally win the war, a **different kind of war**, we are all in – on the social ills, that continuously cause the deprivation of the weak and the poor - from the opportunity of getting a fair share, from social and economic benefits - that rightfully belong to them.

We have to likewise address, the war brought about by too much politicking, and, irresponsible journalism that picture the country, as a hopeless case, as if, nothing has been done, nothing is being done, and nothing will be done – to improve governance – and push everyone of us to economic progress.

As we concentrate, therefore, on the extent and quality of strategic relationship we are to work for, towards our co-workers, and, the public we are committed to serve, it becomes a must for us, to remain hopeful and do our best, to succeed in this area of fight we are in. From my own personal belief and conviction, it should be from within your ranks, the internal auditors, that hope for a better and stronger Philippines, should come from. Because, among any other groups in the bureaucracy, it is the group of internal auditors who is in the best position to take position, and deliver a purposeful action – what needs to be done, is to put your respective places of work in order...focus on the areas identified as problematic, and direct your strategies - toward preventing a recurrence of the problem, by improving systems and procedures.

And as I am tasked to lead a Commission, whose main task is to help the President address the graft and corruption – related issues, with special focus on alleged anomalies/irregularities committed by presidential appointees or non-presidential appointees (now both in the government service or even private individuals) - found to have connived with the former, I have allowed myself to succumb to the temptation of...

focusing my keynote address to the kind of task we do at the Presidential Anti-Graft Commission – that is, to positively respond to the challenges brought about by an all out war against all forms of corruption, link the same to your respective roles as the government's internal auditors – posted in the various offices, which are completely covered by our jurisdiction, – and, establish guides on how strategic partnership can be factored in – for you, and us, at PAGC, to be together – all the time – in our search for the best strategy, that would finally bring to realization, our dream for a strong republic.

The first rule would be, for us not be affected by the perception – created by too much negativism, that makes it appear that we don't seem to be getting anywhere, in the fight against graft and corruption. There have been a number of positive results that have been registered – captured in the various survey results, that

likewise contained the negatives – but because of cynicism, of politically motivated interests, of being callous, of greed – many opt to feed themselves with the negatives, rather than the positives.

For us to start right, it becomes a must to be strong and internalize that Filipino character of being resilient – of doing everything – undergoing self-sacrifices – to turn around what others perceived to be defeats – to victories. And we need not look outside of this conference room to prove this reality. From your end, I know, that you have lots of actual experiences as regards this situation. We only need to hope, to believe – for it is in the hoping that the process of becoming comes out.

One editorial I happen to appreciate exactly pointed to this as it says....”To hope, we must be optimistic. To be optimistic, we must always feed ourselves with positive thoughts.”

This is exactly what we are going to do now....talk about a lot of things to be joyful and proud of – the many things to brag about...specially focused on how we work, and shall work, together, in our nation building tasks, though, this time it is focused on the anticorruption arena, and how each of us could contribute, to minimizing, if not, totally eradicating this social cancer – called graft and corruption.

For today’s session though, allow me to focus on just a couple of these positives.

Let us take the 2005 SWS Survey of Enterprises on Corruption which covered 701 companies in the five areas of Metro Manila, Metro Cebu, Metro Davao, Cavite-Laguna-Batangas (CALABA), and Cagayan de Oro/Iligan City (CDO-I).

When the results of this survey were discussed in the 01 June 2005 presentation, a year ago, it was reported that the results show the views of Filipino managers and on certain matters can be compared to the views of the general public from national SWS surveys.

After the presentation, what was captured in the news was the report depicting “public sector corruption as very high and non-diminishing with 66 percent expressing it to be very bleak.”

But do you know that the same survey results contained exceptional **bright spots – but not picked up?**

And these are:

+ the decreasing bribe solicitation on local government permits/licenses and income tax payments

+ private sector’s willingness to fund an anti-corruption program, which accordingly, has risen steadily

+ managers’ enthusiasm to participate, even personally, in monitoring government projects and in government’s Bids and Awards Committees

+ conditions look favorable for ultimate success of the Coalition Against Corruption

Very specific statistics to back up my earlier claims on the positive results of the Macapagal-Arroyo’s anti-corruption thrust were captured in this SWS survey results, specifically presented as Table 3, page 3 of the report:

	<u>2000</u> <u>(NCR)</u>	<u>2001</u> <u>(NCR)</u>	<u>2002/03</u> <u>(NCR)</u>	<u>2003/04</u> <u>(NCR/C/D)</u>	<u>2005</u> <u>(5</u> <u>areas)</u>
<u>Local government permits or licenses</u>	<u>55%</u>	<u>54%</u>	<u>50%</u>	<u>41%</u>	<u>36%</u>
<u>Payment of income taxes</u>	<u>52</u>	<u>50</u>	<u>43</u>	<u>39</u>	<u>30</u>
<u>National government permits or license</u>	<u>42</u>	<u>34</u>	<u>37</u>	<u>28</u>	<u>28</u>
<u>None of the above</u>	<u>21</u>	<u>20</u>	<u>26</u>	<u>30</u>	<u>39</u>
<u>Don’t know/refused</u>			<u>2</u>	<u>2</u>	

- + 36% had been asked in connection with a local government permit/license (this was 55% in the President Estrada's time, this shows a 19% downtrend)
- + 30% concerning income taxes (from 52% in 2000 or 22% decrease)
- + 28% concerning a national government permit/license (42% in 2000, that means, 15% downtrend)

All but one area showed a downward trend in the solicitation of bribes that are directly attributable to the anti-corruption measures put in place as early as the first year of President Macapagal-Arroyo's presidency in 2001, as this area has become one of her flagship projects.

However, in the reporting proper, the information that was highlighted said: "there appears to be a slight decline in the reported solicitation of bribes in relation to income taxes in particular".

Going back to the statistics, the area of income tax payment registered 22% decrease in a span of four and a half years. And to them, 22% is considered a slight decline!

Again, let us go back to the table....the fifth row shows an increasing trend of from 21% in 2000 to 39% in 2004/2005 or an increase of 18%. But this one is another proof of positive results on the Macapagal-Arroyo's anticorruption drive as in here, what was asked was the area where they were asked for bribe and the respondents said that in all three areas they did not experience being asked for bribe. This is indeed a positive sign.

Two weeks ago, the Philippine star's front page carried a report on the American Chamber of Commerce's report that corruption in the Philippines is abating with a remarkable 11 percent decrease from 2004's 88 percent to 2005's 77 percent. Coming from the members of an American Organization, no one can say these are sanitized reports or propaganda of the Macapagal-Arroyo administration.

Unfortunately, after its publication, there was no mention of this positive news in any other forum.

Indeed, these positive moves tell us that the anti-corruption efforts are not just lip service – not mere rhetoric. For we get results. And these results are not plucked from thin air by the administration but are picked out from the same sources used by others who say that the anti-corruption program of the government failed.

As such, public servants should ensure that they are aware of what these programs are – and commit to get involved so that their respective contributions can be translated in a higher level of value added in the government's anticorruption programs.

As we give a good fight on this area, it would be like taking ones' cross, and allowing trials and pains as part of personal sacrifices, of starting the cleansing within us and subsequently cascading the move outwards to cover more areas and influence more targets – with only one objective in mind....to get rid of graft and corruption to offer a better place to live not so much for ourselves, but more for the next generations to come – for our children and our children's children –

But for us to be able to successfully achieve this goal....we need to first say yes to GOD as HE calls us for this special mission, we need to be strong, we need to be courageous and persevering...and these, we can only attain, with GOD's grace....

to enable us to be transformed and become the kind of internal auditors who could deliver what is needed to effect the desired changes...

As we give our YES to this task, we likewise say YES to Strategic Partnership's requirements where saying YES would mean opening ourselves to strategic partnership's challenges and trials...

Sirach 2: 1-3, gives us an indication of what we mean here....it says:

“...if you have decided to serve the Lord, prepare yourself for trials. Keep your heart upright and remain resolute; do not be upset in the time of adversity. Hold fast to the Lord, do not separate yourself from Him so that you may be successful till the end of your days.”

Further, Sirach 4:28, says: “Fight for the truth till death and the Lord will fight for you”

Situating ourselves on these messages, we can take last week’s call of the President for an all out war against all forms of corruption as an example. This was done exactly on the birthday of our national hero, Dr Jose P. Rizal, 19 June, carries symbolism – a call for all of us to do as our national hero did – dying for one’s country and fellowmen – the call now for sacrifice does not mean physical death but death in other forms.

This could be taken to mean, death in terms of relationships – cutting off ties if the other party is doing the wrong thing that the other party is addressing... the other party could be a member of one’s immediate or extended family, a friend, an officemate, an associate....; or death in one’s ways – from being wasteful to having concerns about judicious use of government’s scarce resources; and the list goes on and on....

Things that are basically covered by an internal auditor’s scope of work. Things that are very well covered by the elements of internal control that every internal auditor is made to internalize and made part of one’s systems.

These just tell us of a call to effect radical reforms and that the change must start from within ourselves, within our own circles of association; within our own sets of ways.

We need to do cleansing from within...and in this area, internal auditors must play a very crucial role....not through your own efforts but through strategic partnership with the right agencies, with the right groups – in the right time.

As partners therefore, geared towards a big score to win in this fight, we need to be on equal footing. We need to come from and be headed towards the same direction – combating graft and corruption through good governance. And when you talk of good governance, you talk of internal control. And when you talk of internal control, you talk of internal auditors. And when we talk of internal auditors – we mean YOU I don't have to expound on your roles as internal auditors nor what are expected of internal control structures that must be place in every single phase of transaction that each agency or office does – for these, I believe, have already been planted at the back of your minds.

But going back to the same direction that we all must come from, this talks about a direction that has become a flagship project of the Macapagal-Arroyo administration, since 2001, on her first day of presidency...as evidenced by a number of issuances mandating the implementation of anti-corruption programs and setting in place administrative mechanisms that would help push for the reforms being initiated.

We have here the ones directly affecting internal auditing – the issuance of Administrative Order No. 70 dated 14 April 2003 followed by the DBM Circular 2004-04. Only during President Macapagal – Arroyo's term that internal auditing is given so much attention and the fight graft and corruption is fought the way our government is waging a battle on this area – with so much political will and with the corresponding logistical requirements and capability building programs....

On the area of internal audit set up and strengthening of internal audit units (IAUs) and internal auditors' professionalization, the need to strengthen internal controls through internal audit units, become the first of the 22 anti-corruption measures incorporated in the Integrity Development Action Plan or IDAP that was crafted

during the December 2004 unprecedented Presidential Anti-Corruption Workshop attended by over a hundred top officials (from Cabinet Secretaries down to Senior Deputies/Directors). You would note that all of these measures are basically internal control mechanisms – thus, within your areas of expertise.

Allow me to share with you this first doable under the Prevention Strategy with the desired outcome focused on the revival and strengthening of systems integrity in the agencies covered by IDAP

We all know that in most of the yearly audit reports rendered by the external auditors from the Commission on Audit (COA), the absence of strong control mechanisms..

or most of the times written as presence of weak controls in the agencies, is always included with emphasis on the recommendation pointing to the need to set up internal audit unit.

But these observations, findings and recommendations – unfortunately remain to be just like that – observations, findings and recommendations. There is very limited record of actual implementation or if implemented, sustainability is wanting.

But having this area in the IDAP, a lot of positive moves have been registered, and these are:

+ the mandatory setting up/strengthening of IAUs which can be done through EO 366 or the Rationalization and Streamlining Plan or RSP. The Department of Budget and Management (DBM) already committed not to approve any RSP that does not include an Internal Audit Structure in the proposal and that as committed, DBM will automatically include an IAS unit in respective agencies' structure. DBM has likewise released its position and communication to the agency Heads and Civil Service Commission on the importance of giving priority to the creation of IAS units and approval of the position classification for internal auditors.

Even in the new compensation package being worked out by the Civil Service Commission and the DBM for submission to both the Lower and Upper Houses and hopefully to be implemented starting next year, the position classification and pay scale for internal auditors – has been considered.

+ this thrust likewise got World Bank's nod as it released US\$ 300,000.00 grant to fund strengthening of internal audit units and internal auditors for better transparency and accountability

The project will initially focus on the procurement system – for an efficient and effective procurement monitoring and enforcement.

The first two components of this project – that is on mapping of internal audit functions and on the preparation of a generic internal audit manual – has been awarded to the winning service provider, the SGV, which, as early as 3 weeks ago, started their survey to do a mapping of internal audit functions and internal auditors' requirements.

The project worth over P6.0 Million will take about 8 months and there are 15 pilot project beneficiaries which include the Office of the Ombudsman as a representative of the Constitutional bodies, 3 from the Local Government Units – the Province of Bulacan, City of Marikina and Municipality of Cainta. The rest come from the executive branch – DA, DPWH, DOH, DEPED, DILG, DBM-PS, DSWD, DND/AFP, PNP, OP and NAPOCOR.

On the mechanics of implementation: PAGC and SGV will work hand in hand in the project and to ensure that this shall be done, a Project Steering Committee was created during the Negotiation phase with the following Composition – PAGC Chair, SGV Project Head, PAGC Commissioners, PAGC Directors (Investigation/PEO); PAGC Consultant, Dr Rufo Mendoza. The Steering Committee shall be supported by the Project Management Office

Under this project, COA has been tapped and already agreed to be a resource agency to ensure that internal auditing concerns shall be considered.

A downstream assignment of this project, which is Component 3 of the Grant- is on the development of Certification Program for Internal Auditors. When implemented, this will translate to corruption eradication through:

- the development of a quality assessment program on internal auditing functions
- a generic internal audit manual
- a national training program and certification for internal auditors and, procurement records management and monitoring system
- the last component is on the strengthening of PAGC as an oversight agency.

Agencies' compliance level to the IDAP's first doable is guided by a list of things to do and to have including the corresponding point systems on a per measure basis.

Thus, we have the following rating system:

RATING	LEVELS OF ACHIEVEMENT
5	<ul style="list-style-type: none"> ▪ Audit findings are available to the public (except those concerning national security) Impact of its effectiveness as a mechanism to prevent corrupt practices and assist management in achieving more effective governance regularly assessed
4	<ul style="list-style-type: none"> ▪ Random audits are carried out with reports and recommendations for action provided to the head of the agency * Appropriate follow-up action are taken on any findings as maybe necessary
3	<ul style="list-style-type: none"> ▪ Internal Audit Unit already operationalized ▪ Internal Audit Unit has a manual of procedures IAU has already complied with the International Standard for the Professional Practice of Internal Auditing and the Code of Ethics promulgated by the (AGIA)
2	<ul style="list-style-type: none"> ▪ Department Order already disseminated to the employees * Orientation and discussion on the Department Order held Training of Internal Auditors
1	<ul style="list-style-type: none"> ▪ Department Order creating the Internal Audit Unit, charter,

	structure and function of which are in accordance with Administrative Order No. 70 and DBM Circular 2004-04, already approved
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I know that there are new issues raised on the new ruling that impact on how IAS units are to be set up, that is, at the Department level instead of all areas - bureau or field offices – brought about by specific provisions in E.O. 292 that points to the Head of the Agency – like the Department’s Secretary – at the Head Office level – as being the one tasked to exercise supervision and control over all bureaus and units under its jurisdiction - – but I believe though, that these should be tackled in your technical sessions.

On the anti-corruption thrust, for people to appreciate the government’s moves to win the fight, it is not enough to launch anti corruption projects left and right. It is a must to ensure first of all that the programs, are directly responsive to the pressing problems of the present times – meaning, consultations should have been done and people’s involvement in program implementation are assured. It is also a must for everyone to understand that graft and corruption are not products of the modern age or something that happen only under this administration. It is an affliction that started as early as the time of the great fight of the angels, further seen at the temptation at the Garden of Eden.

And as an evidence of the long years of our sufferings from this malaise, even Dante, as early as the 13th century, had revealed in his *Inferno*, that the fifth circle of hell is reserved for hose who have betrayed the public trust – although, corruption in those days consisted of the buying and selling of appointments for public office.

But as the modern life has grown more complex, the methods of graft and corruption have become more sophisticated.

And in order to prevent, detect, and prosecute every instance of graft and corruption, the government must device new strategies and seek assistance from

others who are willing to lend a helping hand...and this is exactly what is being done during these times. Logistical support are being provided.

Thus, with the new challenge, as regards the all out war on all forms of corruption, goes a P1.0 billion funding to be released by the Department of Budget and Management (DBM) upon submission of plans with deliverables by agency – beneficiaries.

This is on top of the US\$ 21.0 million grant from the United States of America's Millenium Challenge Account which will be used for specific anti-corruption programs to be implemented by the Office of the Ombudsman, BIR, BOC and RIPS.

This US\$ 21.0 million is equivalent to P1.0 billion.

This P1.0 billion is matched by the Philippine government with another P1.0 billion to be used for the anticorruption programs of the executive department – to roll out our Integrity Development Action Plan or IDAP in all agencies nationwide, focusing on projects and activities heavy on systems improvement, on values formation, moral recovery, capability building for investigators to ensure air tight cases, and shall, likewise cover high impact anti illegal drugs campaign of the PNP and PDEA and other equally directly responsive projects of the BIR, BOC – at least for the next two years – with PAGC being tasked by the President to be at the helm of the executive efforts in cooperation with the Office of the Ombudsman.

In here, PAGC is committed to ensure attainment of the set targets....again, with your support and full cooperation, as an ally.

At this early, assurance is within reach because of the support mechanisms in place particularly the new executive order that the President signed last May 31, that is E.O. 531 amending E.O. 12 that created PAGC.

The new E.O.'s focus is the strengthening of PAGC as an anti-corruption body. This took effect on 23 June, last Friday...hence, you become the very first group to be the recipient of the new PAGC's sharing as regards the hows of an intensified fight against graft and corruption shall be.

This new E.O. basically addresses the weaknesses observed in carrying out the fight against graft and corruption under a limited jurisdiction per E.O. 12. It broadens PAGC's coverage to now include E.O. 292 or the Administrative Code of 1987 which carries the sanctions for violations of R.A. 6713 or the Code of Ethical Standards for Public Officials and Employees.

It has given PAGC the legal basis for the exercise of oversight function over the offices under the executive branch as regards anti-corruption programs, which is actually our IDAP.

It has clothed PAGC the power to file cases (criminal) of erring officials before the Office of the Ombudsman or Department of Justice. Even private individuals can now be covered by PAGC investigation if found to have conspired with presidential appointees. Criminal charges or complaints against erring public officers or employees who refuse to comply with the summons or subpoena issued by PAGC can now be undertaken.

Everything that is being done to combat corruption is anchored on the blueprint of the Macapagal-Arroyo administration which is the 2004 – 2010 Medium Term Philippine Development Plan (MTPDP) – which dedicated a full Chapter, Chapter 21 for Anti-Corruption, specifically stressing three areas of reforms on anticorruption efforts which are:

- a) punitive measures that include effective enforcement of anti-corruption laws; enforcement mechanisms within revenue generating agencies; lifestyle check and other programs

- b) preventive measures that include strengthening of anti-corruption laws; improvement of integrity systems; improvement of systems and controls
- c) and, promotion of zero tolerance for corruption through societal values formation and active participation and involvement of the public in the fight against corruption

Chapter 22, on the other hand, says:

“To improve the quality and efficiency of public service, the government shall adopt institutional improvements in the bureaucracy...”

Further, in the July 2004 State of the Nation Address (SONA), the President clearly spelled out these thrusts as she said:

“Is there a reason we cannot all work together? All that is needed is to clear away a couple of obstacles, as I intend to do with five key reform packages..”

And she enumerated these as: “...job creation, anti-corruption through good government, social justice, education, and energy dependence..”

The targets set on the anticorruption thrust have become and shall remain to be the focus of the government’s efforts towards addressing the problems on graft and corruption.

From PAGC’s end, we did the following contribution towards these objectives:

- Crafting the PAGC vision, mission, goals and objectives and the first ever PAGC Medium Term Plan

And these talk of:

“A Graft and Corrupt-Free Philippines characterized by transparency and accountability in governance, honesty and integrity in the bureaucracy in a corruption intolerant society” for the vision

And for the Mission, we say:

“To be the President’s arm in eradicating graft and corruption through effective Deterrence, Prevention and Education in partnership with all stakeholders”

For the Goals, we have:

Under Deterrence (investigation/enforcement) – “to make graft and corruption a high-risk, low-reward activity”

Under Prevention – “to minimize opportunities for graft and corruption and ensure that systems of agencies are corruption-resistant”

For Education – “To promote corruption-intolerant society by raising awareness that mobilizes citizenry and by disseminating good citizenship values and institutionalizing the code of ethics in agencies”

- **Adoption of an anti-graft campaign employing the three-pronged strategy of investigation, prevention and education**
- **Phasing in of another strategy on Strategic Partnership which cuts across each of the three-other strategies and which is intended to highlight the important roles that each stakeholder is expected to deliver on this fight**
- **Institutionalization of the thrusts and programs reflective of the PAGC’s Vision, Mission, and Goals in covered agencies, initially focusing on the Executive Branch**
- **Convened over a hundred top officials from more than 40 government departments and offices in a three-day unprecedented Presidential Anti Corruption Workshop in December 2004 to craft the Integrity Development Action Plan (IDAP) which talks about agency-specific measurable initiatives and action plans towards improving images of respective agencies.**

- These agency plans and department commitments, served as an integrity pact between the President and the Agency Heads, to ensure implementation of the same starting January 2005. Monitoring as to compliance level has been PAGC's task.

Specific activities have been undertaken towards these ends from January 2005 to date, like:

- requirement for monthly submission by IDAP-covered agencies of accomplishment reports
- conduct of bi-monthly follow-up sessions
- conduct of Performance Indicators workshop
- conduct of the semestral IDAP Enhancement Seminar/Workshop
- conduct of special sessions by special committees to address given requirements
- issuance of an IDAP Circular serving as guide on IDAP implementation
- forging of several partnerships with both local and international partners for the provision of much needed assistance taking the form of grants, trainings and the like
- ensuring that the necessary issuances from the Office of the President are done to support IDAP implementation and sustainability requirements

and these proved useful and produced positive results as evidenced by the following accomplishments:

+ IDAP is now in over 60 offices from the 40 agencies initially covered, and these are, presented in alphabetical order:

1. Bureau of Customs
2. Bureau of Immigration
3. Bureau of Internal Revenue
4. Bureau of Jail Management and Penology

- 5. Department of Agrarian Reform**
- 6. Department of Agriculture**
- 7. Department of Budget and Management**
- 8. Department of Education**
- 9. Department of Energy**
- 10. Department of Environment & Natural Resources**
- 11. Department of Finance**
- 12. Department of Foreign Affairs**
- 13. Department of Health**
- 14. Department of Interior and Local Government**
- 15. Department of Justice – Nat’l Prosecution Service**
- 16. Department of Labor and Employment**
- 17. Department of National Defense**
 - Armed Forces of the Philippines**
- 18. Department of Public Works and Highways**
- 19. Department of Science and Technology**
- 20. Department of Social Welfare and Development**
- 21. Department of Tourism**
- 22. Department of Trade and Industry**
- 23. Department of Transportation & Communication**
- 24. Housing and Urban Development Coord Council**
 - National Housing Authority**
 - Housing and Land Use Regulatory Board**
 - National Housing Mortgage Finance Corp**
 - Housing Guarantee Corporation**
 - Home Development Mutual Fund**
- 25. Land Regulation Authority**
- 26. Land Transportation Office**
- 27. Land Transportation and Regulatory Board**
- 28. Metro Manila Development Authority**
- 29. National Anti-Poverty Commission**

- 30. National Economic Development Authority**
- 31. National Irrigation Authority**
- 32. National Labor Relations Commission**
- 33. Office of the President**
- 34. Office of the Presidential Adviser on Peace Process**
- 35. Office of the Vice President**
- 36. Philippine National Police**

Additional Agencies phased in for 2005 include:

- 37. Bureau of Corrections**
- 38. Social Security Commission/Social Security System**
- 39. Land Bank of the Philippines**
- 40. Government Service and Insurance System**
- 41. Bureau of Fire Protection (your group)**

Others that expressed interest to be covered for 2006

- 42. Province of Bulacan**
- 43. City of Marikina**
- 44. Municipality of Cainta**
- 45. NAPOCOR**
- 46. SBMA**
- 47. Senate of the Philippines**
- 48. Presidential Council for Values Formation**

I have presented the rest of the 22 doables in a number of talks I gave before AGIAns and in various agencies we covered. But for the sake of those who have no idea of what these 22 anticorruption measures are all about, I will just present these in bullet forms – and already clustered in each of the three pronged strategies including the one on strategic partnership. Thus,

On the area of Prevention, we have 7 doables:

- 1. strengthening of internal control through the institutionalization of internal audit service**
- 2. conduct of Integrity Development Review or IDR in 5 agencies**
- 3. fast tracking of the electronic New Government Accounting System and electronic bidding for the procurement of goods, services and infrastructure projects**
- 4. incorporating integrity check in recruitment and promotion of government personnel**
- 5. institutionalization of a multi-stakeholder personnel and organizational performance evaluation system**
- 6. protection of meager income of government employees by ensuring a level for take home pay**
- 7. adoption of a single ID system for government officials and employees.**

We have four for the Education Strategies,

- 1. dissemination of compendium of anticorruption laws, rules and regulations**
- 2. preparation of agency-specific code of ethical standards**
- 3. conduct of ethics training, spiritual formation, and moral recovery program for agencies and stakeholders**
- 4. integration of anti-corruption modules for elementary and secondary levels.**

On deterrence or investigation and enforcement, we have seven:

1. **development of agency Internal Complaint Unit (including the protection of whistleblowers).**
2. **setting up/strengthening of agency Internal Affairs Unit.**
3. **publish blacklisted offenders and maintain on-line central database for public access**
4. **holding superiors accountable for corrupt activities of subordinates**
5. **advocacy for the submission of Income Tax Returns as attachment to the Statement of Assets, Liabilities and Networth**
6. **effective use of existing agency administrative disciplinary machinery and publication of results of administrative cases handled**
7. **PAGC's carrying out of an independent survey to check anti-graft and corruption program effectiveness**

And on Strategic Partnership, we have four:

1. **linking of existing databases of complementary agencies and sharing of information**
2. **need to enlist or enhance participation of private sector and civil society in various areas of governance**
3. **need to tap international development agencies and private sector for support**
4. **institutionalization of the participation of stakeholders in agency activities**

I appeal to you to take a look at your respective places of work and find out if these have been disseminated not just for every public servant in your particular office to know these but for everyone to be aware of his or her particular share in ensuring that the objectives for putting these in place – that is, to improve governance in covered agencies.

The success of the IDAP implementation, based on lessons culled from a year and a half's monitoring of the same point to the following:

+ on best practices which are shared between and among the IDAP focal persons during the regular sessions that PAGC conducted to help others improve on their performance level – which means employing an efficient and effective networking, that is strategic partnership – these point to:

- planning what needs to be done and who shall be asked to do the tasks,**
- capturing agreements, decisions taken, action plans, timelines, and the like, in written form,**
- disseminating information to the rest of the public officials and employees in their respective offices and taking time to bring reforms for their regional or provincial offices**

On the reasons for failure to register improvements in ratings:

These include failure of the IDAP designated focal person/s to report to their respective superiors – not even the Department's Secretary is given updates on IDAP, targets and accomplishment reports are personally set/prepared by the focal person hence no action has ever been taken by the Department, draft circulars/orders/guidelines remain as draft.

And so, the key is the need for:

- proactive IDAP focal person/s**
- active participation in IDAP-related activities**
- timely submission of progress reports**
- compliance to IDAP indicators**
- establishing/sustaining effective coordination with PAGC**

(which is, again, an area pointing to strategic partnership, within and outside of your respective kingdoms)

We can easily substitute IDAP to any of the areas each of us here does, and, again, to relate this to the all out war against all forms of corruption that we shall address - together, we need to be vigilant and ensure that the level of commitment is further nurtured.

We need to remind one another not to conform any longer to the pattern of this world, but to continuously be transformed – that is, in accordance with how GOD, our Creator wants our hearts to be formed, how our minds need to be transformed, how our will need to be conformed – and that, this transformation must take place everyday for the rest of our lives.

Surely, there will be trials and temptations all the time...but we must persevere , we should not be discouraged. We should not give up. Instead, we must move on.... we should never allow ourselves to get distracted.... we should bond together to remain focused and just do what we are supposed to deliver.

This shall be more critical when you are in your own group – with your official families in whichever agency you are posted or with your own peers. What you need to focus on, though, is on how you are to position yourselves in this fight against graft and corruption – for such position, I believe, will break or make your firm resolve to succeed.

Given such role, it becomes imperative for you – to fully understand the extent of your task not just in ensuring that your roles or assignments as internal auditors are implemented but in seeing to it that these are implemented in accordance with the international standards on the professional practice of internal auditing, and that these are taking roots and bearing fruits. But apart from that, the most critical

task is to take on personal sacrifices for you to become role models in all aspects of internal auditing work – at all times.

All these, I know that we all know, to do these will never be easy. But there are a lot of things we could tap from within ourselves, which can be the source of our strength to go on – these are:

- to show your leadership capabilities;
- your value systems and character;
- your capability to influence others;
- to set people in the right direction—where right direction is gauged based on values—of being truthful, ethical and principled;
- to exhibit integrity—where integrity is tied up with honesty and where honesty means doing what one says he will do—with no trace of deception nor cover-ups;
- to provide consistency between words and deeds;
- to take a stand on important principles—saying NO when everyone else says YES;
- of making a difference in the midst of conformism; and,
- to basically serve like candles in the dark.

Very hard job indeed!

But with GOD's grace, with your resolve to work with passion and do your respective mission in the task of building a graft and corrupt-free Philippines, through efficient and effective internal control mechanisms, I am sure you will all succeed.

You represent the group of professional people with good attitudes that can be relied on – like real leaders – competent and credible, with high level of integrity that earns respect and as such inspire others.

But you need to likewise work out on other areas to enable you to be experts in your areas – and ensure that others will see in you manifestations of real internal auditors – one who knows what can and cannot be done – and as such, is able to identify options intelligently and opens his heart and mind to all alternatives, no matter how distasteful they may be.

You need to prepare yourselves for the kind of fight you are to face head on...

Now, we are given the chance to do something and see if we could get our recommendations working. We could finally effect changes. And that is precisely what is being expected of us all,

Our collective efforts can address the perceived or even real deterrents to the realization of the desired change. ..

The challenge is obviously not how one can get away with doing as little as possible and leaving the unpleasant work to everyone else but rather how each and everyone of us can contribute most effectively and meaningfully to this crucial struggle

The flame on the desire to focus on internal control and push for internal auditing as means to curb graft and corruption I believe has been lit. But now, it must be fanned, not only so that it may stay alive, but that it may grow and spread, that what started out as one tiny flame may become a conflagration that engulfs the entire government bureaucracy and the rest of the society as well.

And let us borrow the Department of Health's anti-corruption jingle and focus on a few lines which you could very well take as your own, as internal auditorsit says:

Kapag tama ka, manindigan ka! Kung mali si Boss, makibaka ka!

Kung tutulong ka, kusang-loob sana! Sa lahat ng bagay, dapat eksakto ka!

I am confident that you can deliver...And as I stated earlier on, we must all begin our efforts with a big HOPE.... as the seedbed of all great endeavors is HOPE... where the WILL is planted and nourished. And for us to do this, there is a –

+ Need to direct our energies to things or activities that best benefit not only ourselves but others;

+ Need to bloom where we are planted, give our best shot to whatever we do or are tasked to do.

We may not always choose the circumstances that life finds us in, but, if we give our best in whatever situation, then we are sure to reap a harvest of good fortune, not necessarily financial reward, but recompense of a greater value and one which would give us greater satisfaction;

+ Need to live our virtues. And these are hard work, patience, honesty and integrity. We need to hold on to them no matter what it costs us

Indeed, our efforts together - with all of us working as one - shall be unyielding, and, we shall not deny the nation of our dreams and vision. It is indeed fulfilling to achieve one's dreams –

the conduct of this mid year convention cum seminar a week after the call for an all out war against all forms of corruption is announced is an providential...

This signals GOD's hand in our fight! Let us all get involved...

as Frederic Flach once said: “Whether by accident or design, there are the moments when, because of a readiness within us and a collaboration with events occurring around us, we are forced to seriously reappraise ourselves and the

conditions under which we live and to make certain choices that will affect the rest of our lives.” Let us seize this opportunity and let us make our choices and let us act NOW!

Likewise, Dr Jose P. Laurel’s statements in his inaugural speech could serve as another inspiration for all of us, as he said: “Every drop, every trickle of individual effort shall be grooved into a single channel for common endeavor until they grow into a flowing stream...a raging flood, hurdling all difficulties”.

In these difficult times for the world and our country, these words must stir and move us to unite and consecrate ourselves for our country and our people. May our Creator continuously bless all our undertakings as we do all these for the greater glory of HIS name. Let us not fail HIM.

Magandang umaga pong muli at maraming salamat at mabuhay ang AGIA!