

# Republic of the Philippines Department of Environment and Natural Resources

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# **MEMORANDUM**

TO

The Bureau Directors

BMB, ERDB, FMB and LMB

The Regional Executive Directors DENR Regions 1-13, CAR and NCR

The Director

Financial and Management Service

**FROM** 

The Assistant Secretary

Finance, Information Systems and Mining Concerns

SUBJECT

SUBMISSION OF STATUS OF COMPLIANCE ON PART TWO OBSERVATION AND RECOMMENDATION OF THE CONSOLIDATED ANNUAL AUDIT REPORT (CAAR) FOR

CY 2019

DATE

DEC 11 2020

This pertains to the Sustained Compliance with Audit Finding in relation to the PBB requirements for CAAR CY 2019. Please be informed that after consolidation of the AAPSI submitted by the Regional Offices and Bureaus the following are the DENR rating results:

PARTICULARS	DENR RATING	COA REQUIRED RATING
CAAR 2019 Part 2		
Observations and recommendations	23.44%	50% and Above
CAAR 2019 Part 3		
Prior Years Recommendations	69.23%	At least 30%

It may be noted that our rating for the CAAR 2019 Part 2, Observations and Recommendations is equivalent to 23.44% which is below the required rate for the PBB requirements.

In this regard, you are hereby requested to comply with the COA Observations appearing in the Partially Implemented portion in the attached matrix on Status of Compliance of Part 2 of the 2019 CAAR in order to raise our rating and qualify for the PBB requirements.

The revised AAPSI is required to be submitted to this Office. The electronic copies of the AAPSI shall be sent to the Management Division not later than 14 December 2020 and will form part of our submission to the Commission on Audit.

For information and compliance.

NONITAS. GAGUIOA

# DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES SUSTAINED COMPLIANCE WITH AUDIT FINDINGS STATUS OF COMPLIANCE PART II - CY 2019 CONSOLIDATED ANNUAL AUDIT REPORT (CAAR) as of December 12, 2020

FINDINGS NAMER OF RECOMMENDATIONS  A. Compliance Audit  1-A. Fund utilization  4  1-B. Cash willization dishursements  4  2. Audit suspensions, disallowances, charges and artificient  1. Non-reserving of domains and innecessary hank accounts  4  4. Non-liquidation of cash advance  3  5.1 aliquidated fund transfers to implementing Agencies (IAs) and NGOs POs.	3  2  0  1	I 1 2 1 3 3 3		(C)	CAR, MS, R9 FASPS (FAPs, FMPANREMP) FASPS CAR CAR, R1, R11 R11, R13 IMB, NCR, R2, R5 R6, R13 R6, FMB	PARIMIA IMPLEMENTED  FANDS  BARD  LANDS ONE MES  COLLANDS OME, FME, CALLEH  RUB, ENERGE	NGT IMPLEMENTED
1-A. Fund utilization  4  1-B. Cash utilization dishursements  4  2. Sudit suspensions, disallomances, charges and autiforment  1. None-reversion of domaint and innocessary hank accounts  4  4. Non-liquidation of cash advance  3  5. Unliquidated fund transfers to	0	2 1 3		0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	FASPS (FAPs, FMPANREMP) FASPS  CAR CAR, RI, RII RII, RI3  LMB, NCR, R2, R5 CO, FMB, R1, R5, R6, R13 R6, FMB	PS, R19  LASPS (INDEME)  CO. FASPS (IMP)  FME, CAR, ELL  R19, FS, R02	
1. And the systematics of the sy	0	2 1 3		0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	FASPS (FAPs, FMPANREMP) FASPS  CAR CAR, RI, RII RII, RI3  LMB, NCR, R2, R5 CO, FMB, R1, R5, R6, R13 R6, FMB	PS, R19  LASPS (INDEME)  CO. FASPS (IMP)  FME, CAR, ELL  R19, FS, R02	
1-M. Cash willradion dishursements  4 2. Audit suspensions, disallomances, charges and actification  1. Non-reversion of domaint and innaccessary hank accounts  4 4. Non-liquidation of cash advance  3 5.1 oliquidated fund transfers to	0	2 1 3		(a) (b) (c) (c) (c) (c) (c) (c) (c) (c) (c) (c	FMPANREMP) FASES  CAR CAR, RI, RII RII, RIA  LMB, NCR, R2, R5 CO, FMB, R1, R5, R6, R13 R6, FMB	PS, R19  LASPS (INDEME)  CO. FASPS (IMP)  FME, CAR, ELL  R19, FS, R02	
4  2. Audit suspensions, disallomances, charges and artiferent  1. Expension of domaint and innecessary hank accounts  4. Non-liquidation of cash advance  3. Iniquidated fund transfers to	0	2 1 3		(a) (b) (c) (d) (d) (d) (d)	CAR CAR, R1, R11 R11, R13  LMB, NCR, R2, R5 CO, FMB, R3, R5, R6, R13 R6, FMB	PS, R19  LASPS (INDEME)  CO. FASPS (IMP)  FME, CAR, ELL  R19, FS, R02	
2. Audit suspensions, disallomances, charges and astifement  1. Non-reversion of domaint and innocessary hank accounts  4. Non-liquidation of cash advance  3. S. Loliquidated fund transfers to	1	3		(i) (ii) (iii) (ii	CAR, RI, RII  RII, RI3  IMB, NCR, R2, R5  CO, FMB, R3, R5, R6, R13  R6, FMB	PS, R19  LASPS (INDEME)  CO. FASPS (IMP)  FME, CAR, ELL  R19, FS, R02	
4  2. Audit suspensions, disallomances, charges and artiferent  1. Expension of domaint and innecessary hank accounts  4. Non-liquidation of cash advance  3. Iniquidated fund transfers to	1	3		(a) (b) (c) (c) (c) (d) (d) (d) (d) (d) (d) (d) (d) (d) (d	CAR, RI, RII  RII, RI3  IMB, NCR, R2, R5  CO, FMB, R3, R5, R6, R13  R6, FMB	TASPS ONE MPS COLFAS PS & MPS FME, CAE, ETF RPS, ES, RC2	
2. Audit suspendents, disallomances, charges and aetifement  1. Non-reversion of dominant and innecessary hank accounts  4. Non-liquidation of cash advance  3. London and transfers to	1	3		(b) (c) (d) (d) (d) (d) (d) (d) (d) (d) (d) (d	R11, R13  LMB, NCR, R2, R5  CO, FMB, R3, R5, R6, R13  R6, FMB	TASPS ONE MPS COLFAS PS & MPS FME, CAE, ETF RPS, ES, RC2	
2. Audit any powiene, disallowances, charges and astification   1. Non-reversion of dominant and onnecessary hank accounts  4. Non-liquidation of cash advance  3. Loliquidated fund transfers to	1	3		© © (c) (d) (d) (d) (d) (d) (d) (d) (d) (d) (d	1.MB, NCR, R2, R5 CO, FMB, R3, R5, R6, R13 R6, FMB	CO, FASES (I MP), FMR, CAR, EH R49, ES, R42	
and actification  1. Non-reversion of dominant and onnecessary hank accounts  4. Non-liquidation of cash advance  3. Loliquidated fund transfers to	1	3		① ① ① ① ① ① ② ② ② ② ② ② ② ② ② ② ② ② ③ ② ③	CO, FMB, R3, R5, R6, R13 R6, FMB	CO, FASES (I MP), FMR, CAR, EH R49, ES, R42	
and actification  1. Non-reversion of dominant and onnecessary hank accounts  4. Non-liquidation of cash advance  3. Loliquidated fund transfers to	1	3		(i) (i) (ii)	CO, FMB, R3, R5, R6, R13 R6, FMB	FMB, CAB, B11 R40, B8, B42	
4. Non-liquidation of cash advance  3	-			(1) (4)	R6, R13 R6, FMB		
4. Non-liquidation of cash advance  3	-			(3) (4)	R6, FMB	174.6	
3	-			(4)		1 1 1	
S.1 pliquidated fund transfers to	0	3					
S.1 pliquidated fund transfers to	0	3			CO, FMB	814	
5.1 oligoidated fund transfers to	0	3		0	R2, R5, R6, R7, R8, R13	CO, I-MB, FMB, 483, R491, 439, R10, R11, R12,	
5.1 oliquidated fund transfers to fauplementing Agencies (IAs) and NGOs PCs			1	0	R5, R6, R7, R9, R12	CO. hours to see that	
5. Unliquidated fund transfers to Implementing Agencies (IAs) and NGOs POs		I		<b>(J</b> )	BMB, FMB, R3, R5, R6, R7, R10	CO, R2. , P45. , E8. R9. P11, P12, P13	
			-	<b>①</b>	BMB, NCR, R3, R10, R11	CO, LANCS (1804 NG), , LNB, , CAR, RL R2,	
					RMB, LMB, NCR, R3, R5, R7, R9, R10	Ps. Ps. P7. P9. P0. CO, LASC SHAM MER CAR, R1, R2, R6, R8,	
5	1	4		<u> </u>	BMB, LMB, NCR, R3, R5, R6, R7, R8,	CO, LASES (INRUME),	
					R9, R10	CAR, 101, 1/2, 30.1	
				<u>(i)</u>	CAR	(0)	
6. Advances to PS and PELC	<u> </u>		l—i	<u>®</u>			
2	1	1			CO, R5	RH	
				(7)	1.118	ļ	
7. Dormont reach oblics, such advances and find transfers not requested for write-off				<b>0</b>	RH	CO. I MB, CAR, RI, R2, R3, R5, Ib, R19.	
3	0	3		<b>D</b>	CAR, RH	CO. I MP. , 101, R2, R3, P5, R5, R1).	
				(1)	R5. R11	CO. I MB C MCRI, R2, R3, 385, R19,	
8. Non-insurance of physical assets with the GSIS	1	1		0	(INREMP, FMP), BMB, R4B R9, R9,	UEDB, CAR, PA, Rs. RH	
_				(2)	Raft		
9. Non-disposal of unserviceable property	0	1	i	0	RI	EMPLEABLICAR RE	
1	0	1			κ,	R5-105, R7, R1 (-1011)	
10. Procurement of goods and services, consultancy services and infrastructure			ĺ	©_	R9		
projects				0	R6		
				<u></u>	FMB, R3	(0	
		4		<u> </u>	FMB, RO	€ AR	
7	3	4		<u> </u>	FMB, Rs, R9, R10,	CO, CAR, IO	
			-		RII	-	
			<u>                                     </u>	<b>o</b>	R6, R9, R10, R11	CO, EMB, CAR, RA,	
III. Information and Publicity on Programs Projects/ Activities (P:P/A)	2	0	l—ļ	0	BMB, R5, R6, R13		
	- 4	U	<u> </u>	(2)	BMB, R5, R6, R13		
12. Delayed Non-submission of accounting and property reports				0	C4R, R5, R6, R4, R11	CO, I MB, PMB, I ROS an 119 Pl NPOS	
3	0	3		Ø	R5, R9, R11	CO. I MB. PMB. 2 DOS 35 1 PEPENDOS	
				•	R5, R9, R11	CO, I MIC PMIE, 2 ROS 6-1 19 PI NROS	
13. Delayed Non-submission of copy of government contracts	0	1		(1)	CAR, R2, R5, R6, R11, R12	CO I APC EMB, I MB, NCR, RI	
14. Withholding and remittance of GS15 contributions and loans	0			0	R5	PM9, FM9, I M9, CAR, R3, R4A, R6	
2	0	2		2	LMB, CAR, R5, R6	BAID, FAIG, RA, RAA, .	
15. Withholding and remittance of Philliealth contributions and employer's their	0	1		0)	R5	CO, FMB, IMB, CAR, R4A, R6, R7	
In Within they as 44 meteorie stance of Pag. 100 countries of the act of France.					I		

		NUMBER OF FULLY	NUMBER OF NOT		BREAKDOWN				
FINDINGS	NUMBER OF RECOMMENDATIONS	IMPLEMENTED RECOMMENDATIONS	IMPLEMENTED		RECOMMEN- DATION Nos.	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	
17. Withholding and finely renittance of races	1	0	1		0		1 MB, R4A, R5, R9		
(A. Horngolius Episones exaptourders, on training to the most care.)	<b>√</b>								
19. Non-allocation and or utilization of fund for GAD programs/activities	4	1	3		0	CAR, Rt, BMB	CO, I Butrius, 7 Pf Nitti		
					(2)	R6, LMB, R6	CO, I Burczo, 7 PENROs		
					3	CAR, R5, R6, LMB	CO. I Berein, 7 PI NRO		
					(4)	R13			
20. Allocation and or utilization of fund for SCI'D programs activities	1	0	1		0	NCR, CAR, R6, R11	Fram, 1912 NROs Lec 6 PENDOS		
21 Tarola synation of ODA Funct of Projects	<b>✓</b>					•			
$22$ By $^{\circ}$ , or and outstand on or Diseases in Rock ( d. board).	✓				•				
23. Revent and Institute vent of PDAF and DAP Fund	✓								
24. Uncallected Toregone Revenue	4	0			0	R5	1:2		
			4		2		No		
					(1)	RD	P.6,		
		<u> </u>			(4)	R13	R5, P6, R2, R12,		
25. Unprotected confluenced property and idle property and equipment		0	5		<u> </u>	R9, R10, R13	P 03, R5, P6, , R12,		
					<b>②</b>	R4, R16, R13	1018, R5, R8, R12,		
	5			(1)	(3)	Rig	R10, R5, R5, R2, R12, 1		
					•	R5, R6, R10	R40, 109 R17 R13		
					<b>©</b>		10.1		
B. Financial Audit		:	,				ļ		
2a. Accounting Firms Chinistions and Deficiencies			4		0	R2, R9, R11, R10	CO, FMB, I MB, RL R3 , F4B, R5 F6, R12		
	4 0	0			Ø	R2, R1, R10, R11	CO.1 MH.4 MB., RA R4B R5 R5, R2, R12		
		1 1		3	R2, R18, R12, R11	CO, IMB, IMB, RI, RA, RB, PS, RS, FO, 7			
					•	1 MB, R2, R10, R11	CO. FMS, P1.103 IOS, F5, 10, 400, 4012		
TOTAL	64	15	49						
% OF FULLY IMPLEMENTED RECOMMENDATIONS	23.4	4%	76.56%						

<sup>✓</sup> Fully Implemented Findings as per Auditor's Varidoson (Not included in PYs of CAAR 2018)

## CRITERIA ON PBB REQLIREMENTS ON SUSTAINED COMPLIANCE WITH AUDIT FINDINGS CAAR 2019

	COA Requirement	DENR Rating as per Submission of Monitoring Remota		
CAAR 2019 Part II Audit (Huervations and Recommendations	50% and above	23,44%		
CAAR 2019 Part III Prior Years Recommendations	30% and above	69.23%		