



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.


NONITA S. CAGUIOA

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	NUMBER OF RECOMMENDATIONS	NUMBER OF FULLY IMPLEMENTED RECOMMENDATIONS	NUMBER OF NOT IMPLEMENTED RECOMMENDATIONS	BREAKDOWN			
				RECOMMENDATION No.	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED
A. Compliance Audit							
1-A. Fund utilization	4	3	1	①	CAR, R5, R9		
				②	FASPS (FAP, FMP, INREMP)		
				③	FASPS		
				④		FASPS	
1-B. Cash utilization/disbursements	4	2	2	①	CAR		
				②	CAR, R1, R11	R5, R9	
				③	R11, R13		
				④		FASPS, INREMP	
2. Audit suspensions, disallowances, charges and attrition	1	0	1	①	LMB, NCR, R2, R5	CO, FASPS, FMP, LMB, CAR, R11	
3. Non-reversion of dormant and unnecessary bank accounts	4	1	3	①	CO, FMB, R3, R5, R6, R13	R4, R8, R12	
				②	R6, FMB		
				③		FMB	
				④	CO, FMB	R13	
4. Non-liquidation of cash advance	3	0	3	①	R2, R5, R6, R7, R8, R13	CO, FMB, FMP, R3, R4, R9, R10, R11, R12	
				②	R5, R6, R7, R9, R12	CO, FMB, FMP, R3, R4, R9, R10, R11, R12	
				③	BMB, FMB, R3, R5, R6, R7, R10	CO, R2, R4, R8, R9, R11, R12, R13	
				④			
5. Unliquidated fund transfers to Implementing Agencies (IAs) and NGOs/POs	5	1	4	①	BMB, NCR, R3, R10, R11	CO, FASPS, FMP, FMB, LMB, CAR, R1, R2, R3, R4, R5, R6, R7, R8, R9, R10, R11, R12, R13	
				②	BMB, LMB, NCR, R3, R5, R7, R9, R10	CO, FASPS, FMP, FMB, CAR, R1, R2, R3, R4, R5, R6, R7, R8, R9, R10, R11	
				③	BMB, LMB, NCR, R3, R5, R6, R7, R8, R9, R10	CO, FASPS, INREMP, CAR, R1, R2, R11	
				④	CAR		
6. Advances to PS and PHC	2	1	1	①	CO, R5	FMB, LMB, R1, R3, R4, R11	
				②	LMB		
				③			
7. Dormant receivables, cash advances and fund transfers not requested for write-off	3	0	3	①	R11	CO, LMB, CAR, R1, R2, R3, R5, R6, R9, R10	
				②	CAR, R11	CO, LMB, R1, R2, R3, R5, R6, R11	
				③	R5, R11	CO, LMB, CAR, R1, R2, R3, R5, R6, R11	
8. Non-insurance of physical assets with the GNS	2	1	1	①	CO, FASPS (INREMP, FMP), BMB, R4, R9, R9, R11	FMB, CAR, R4, R6, R11	
				②	R4B		
9. Non-disposal of unserviceable property	1	0	1	①	R1	FMP, FAP, CAR, R5, R5, R6, R7, R11, R11	
10. Procurement of goods and services, consultancy services and infrastructure projects	7	3	4	①	R9		
				②	R6		
				③		CO	
				④	FMB, R3		
				⑤		CAR	
				⑥	FMB, R6, R9, R10, R11	CO, CAR, R3	
				⑦	R6, R9, R10, R11	CO, LMB, CAR, R3, R4	
11. Information and Publicity on Programs/Projects/Activities (P/P/A)	2	2	0	①	BMB, R5, R6, R13		
				②	BMB, R5, R6, R13		
12. Delayed Non-submission of accounting and property reports	3	0	3	①	CAR, R5, R6, R9, R11	CO, LMB, FMB, FMP, R3, R4, R5, R6, R7, R8, R9, R10, R11, R12, R13	
				②	R5, R9, R11	CO, LMB, FMB, FMP, R3, R4, R5, R6, R7, R8, R9, R10, R11, R12, R13	
				③	R5, R9, R11	CO, LMB, FMB, FMP, R3, R4, R5, R6, R7, R8, R9, R10, R11, R12, R13	
13. Delayed Non-submission of copy of government contracts	1	0	1	①	CAR, R2, R5, R6, R11, R12	CO, FAP, FMB, FMP, NCR, R1	
14. Withholding and remittance of GNS contributions and loans	2	0	2	①	R5	FMB, LMB, FMB, CAR, R3, R4, R5	
				②	LMB, CAR, R5, R6	FMB, LMB, R3, R4, R5	
15. Withholding and remittance of Philhealth contributions and employer's share	1	0	1	①	R5	CO, LMB, LMB, CAR, R4, R6, R7	
16. Withholding and remittance of Pag-IBIG contributions and loans	✓						

FINDINGS	NUMBER OF RECOMMENDATIONS	NUMBER OF FULLY IMPLEMENTED RECOMMENDATIONS	NUMBER OF NOT IMPLEMENTED RECOMMENDATIONS	BREAKDOWN			
				RECOMMENDATION Nos.	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED
17. Withholding and timely remittance of taxes	1	0	1	①		1 MB, R4, R5, R9	
18. Hiring and processing of employees, contractual and consultants	✓						
19. Non-allocation and/or utilization of fund for GAD programs/activities	4	1	3	①	CAR, R6, RMB	CO, I Bar, R6, 7 P, NCR	
				②	R6, LMB, R6	CO, I Bar, R6, 7 P, NCR	
				③	CAR, R5, R6, LMB	CO, I Bar, R6, 7 P, NCR	
				④	R13		
20. Allocation and/or utilization of fund for SCPD programs activities	1	0	1	①	NCR, CAR, R6, R11	CO, I Bar, R6, 7 P, NCR	
21. Inclusion in the City Fund of Projects	✓						
22. Review and submission of the action plan to the Board	✓						
23. Review and submission of PDME and OAD Fund	✓						
24. Uncollected Taregano Revenue	4	0	4	①	R5	R9	
				②		R5	
				③	R13	R6	
				④	R13	R5, R6, R9, R13	
25. Unprotected confiscated property and idle property and equipment	5	0	5	①	R9, R10, R13	R10, R5, R6, R12	
				②	R9, R10, R13	R10, R5, R6, R12	
				③	R10	R10, R5, R6, R9, R12, R13	
				④	R5, R6, R10	R10, R9, R12, R13	
				⑤		R13	
B. Financial Audit							
26. Accounting Entries/Transactions and Deficiencies	4	0	4	①	R2, R9, R11, R10	CO, I MB, I MB, R1, R3, R4, R5, R6, R12	
				②	R2, R1, R10, R11	CO, I MB, I MB, R1, R3, R5, R6, R12, R12	
				③	R2, R10, R12, R11	CO, I MB, I MB, R1, R3, R5, R6, R12, R12	
				④	I MB, R2, R10, R11	CO, I MB, I MB, R1, R3, R5, R6, R12, R12	
TOTAL	64	15	49				
% OF FULLY IMPLEMENTED RECOMMENDATIONS		23.44%	76.56%				

✓ Fully Implemented Findings as per Auditor's Validation (Not included in PY% of CAAR 2019)

CRITERIA ON PBB REQUIREMENTS ON SUSTAINED COMPLIANCE WITH AUDIT FINDINGS CAAR 2019

	COA Requirement	DENR Rating as per Submission of Monitoring Reports
CAAR 2019 Part II Audit Observations and Recommendations	50% and above	23.44%
CAAR 2019 Part III Prior Years Recommendations	30% and above	69.23%