



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

FROM : The Undersecretary
Finance, Information Systems and Climate Change

SUBJECT : **STATUS OF COMPLIANCE ON THE CONSOLIDATED ANNUAL
AUDIT REPORT (CAAR) FOR CY 2019 IN CONSONANCE WITH
THE REVISED AAPSI MATRIX IN RELATION TO AUDIT
FINDING NUMBERS 12, 19 AND 20**

DATE : March 30, 2021

This refers to the agreements on January 11 and 13, 2021 during the Consultative Meeting on the 2021 General Appropriations Act and Discussions on 2020 Financial Performance to further improve the Department's compliance internal monitoring report of the CAAR 2019 and Prior Years.

The DENR Resident Auditor provided a copy on the breakdown of concerned offices audit finding numbers 12, 19, and 20 under Part 2, Observations and Recommendations of CAAR 2019. Hence, a revised Agency Action Plan and Status of Implementation (AAPSI) Matrix/Summary Chart was prepared for the information of the Bureaus and Regional Offices in relation to our compliance to the COA audit recommendations.

The submission of the 2019 CAAR (Part 2-Observations and Recommendations and Part 3-Status of Implementation of Prior Years Audit Recommendations) status report on the actions taken on the COA recommendations shall be submitted to the Financial and Management Service (FMS) using the COA prescribed Agency Action Plan and Status of Implementation (AAPSI) format through the Management Division at mgt_denr@yahoo.com **not later than 15 APRIL 2021**.

The AAPSI shall indicate **the updates by recommendations provided in the CAAR findings**. Reports submitted using an incorrect format/content (not using the prescribed template, AOM/ML file type, reports with unfilled "Status of Implementation" column) will not be considered.

For strict compliance.


ATTY. ANALIZA REBUELTA-TEH, *CESO I*

MEMO NO. 2021 - 307

Attachments:
ANNEX A – CAAR CY 2019 Summary Chart
ANNEX B – Breakdown of Offices on CAAR CY 2019 on the COA Audit Recommendations

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
CY 2019 CONSOLIDATED ANNUAL AUDIT REPORT (CAAR)
PART II - Observations and Recommendations
as of February 2021

ANNEX A

FINDINGS	STATUS		
	TOTAL NUMBER OF RECOMMENDATIONS	NUMBER OF FULLY IMPLEMENTED RECOMMENDATIONS	NUMBER OF NOT IMPLEMENTED RECOMMENDATIONS
A. Compliance Audit			
1-A. Fund utilization	4	1	3
1-B. Cash utilization/disbursements	4	2	2
2. Audit suspensions, disallowances, charges and settlement	1	0	1
3. Non- reversion of dormant and unnecessary bank accounts	4	2	2
4. Non-liquidation of cash advance	3	0	3
5. Unliquidated fund transfers to Implementing Agencies (IAs) and NGOs/POs	5	2	3
6. Advances to PS and PITC	2	1	1
7. Dormant receivables, cash advances and fund transfers not requested for write-off	3	0	3
8. Non-insurance of physical assets with the GSIS	2	1	1
9. Non-disposal of unserviceable property	1	0	1
10. Procurement of goods and services, consultancy services and infrastructure projects	7	7	0
11. Information and Publicity on Programs/Projects/ Activities (PIP/A)	2	2	0
12. Delayed/Non-submission of accounting and property reports	3	0	3
13. Delayed/Non- submission of copy of government contracts	1	0	1
14. Withholding and remittance of GSIS contributions and loans	2	0	2
15. Withholding and remittance of PhilHealth contributions and employer's share	1	0	1
16. Withholding and timely remittance of Pag-IBIG contributions and loans	✓		

RECOMMEN- DATION Nos.	BREAKDOWN		
	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED
①	CAR, R5, R9		
②			CO-FASPS (FAPs, FMP/INREMP)
③			CO-FASPS
④			CO-FASPS
⑤	CAR		
⑥	CAR, R1, R5, R11	R10	
⑦	R11, R13		
⑧		CO-FASPS (INREMP)	
⑨	LMB, NCR, R2, R5	CO, FASPS (FMP), FMB, CAR, R11	
⑩	CO, FMB, R3, R4B, R5, R6, R13	R8, R12	
⑪	R6, FMB		
⑫		FMB	
⑬	CO, FMB, R4-B		
⑭	R2, R3, R5, R6, R7, R8, R10, R13	BMB, FMB, R4B, R9, R11, R12,	CO
⑮	CO, R2, R3, R5, R6, R7, R8, R9, R10, R12, R13	BMB, FMB, R4B, R11,	
⑯	CO, BMB, R2, R3, R5, R6, R7, R8, R9, R10, R13	FMB, R4B, R11, R12,	
⑰	BMB, NCR, CAR, R2, R7, R10, R11	LMB, R1, R3, R5, R6, R8, R9,	CO
⑱	CO, BMB, LMB, NCR, CAR, R2, R3, R5, R7, R9, R10	R1, R6, R8, R11	
⑲	CO, BMB, LMB, NCR, CAR, R3, R5, R6, R7, R8, R9, R10	R1, R2, R11	
⑳	CAR		
㉑	CO		
㉒	CO, R3, R5	BMB, LMB, R1, R11	
㉓	LMB		
㉔	CO, R3, R3, R11	LMB, CAR, R1, R5, R6, R10,	
㉕	CO, CAR, R2, R11	LMB, R1, R3, R5, R6, R10,	
㉖	CO, CAR, R2, R5, R11	LMB, R1, R6, R10	R3
㉗	CO-FASPS (INREMP, FMP), BMB, ERDB, R3, R4B, R8, R9, R10, R12	CAR, R6, R11	
㉘	R4B		
㉙	CO, R1, R6, R7	FMB, CAR, R2, R3, R5, R10, R11	
㉚	R9		
㉛	R6		
㉜	CO		
㉝	FMB, R3		
㉞	CAR		
㉟	CO, FMB, CAR, R3, R6, R9, R10, R11		
㊱	CO, FMB, CAR, R3, R6, R9, R10, R11		
㊲	BMB, R5, R6, R13		
㊳	BMB, R5, R6, R13		
㊴	CO	LMB, BMB, CAR, R1, R2, R3, R5, R6, R8, R9, R11, R12	
㊵	CO	LMB, BMB, CAR, R1, R2, R3, R5, R6, R8, R9, R11, R12	
㊶	CO	LMB, BMB, CAR, R1, R2, R3, R5, R6, R8, R9, R11, R12	
㊷	CO-FASPS, CAR, NCR, R1, R2, R3, R6, R11, R12	BMB, FMB,	
㊸	R5, R4A	BMB, FMB, LMB, CAR, R3, R6	
㊹	LMB, CAR, R3, R4A, R5, R6	BMB, FMB,	
㊺	CO, CAR, R4A, R5, R7	FMB, LMB, R6	

FINDINGS	STATUS		
	TOTAL NUMBER OF RECOMMENDATIONS	NUMBER OF FULLY IMPLEMENTED RECOMMENDATIONS	NUMBER OF NOT IMPLEMENTED RECOMMENDATIONS
17. Withholding and timely remittance of taxes	1	0	1
18. Hiring of and payments to job orders, contractual and consultants	✓		
19. Non-allocation and/or utilization of fund for GAD programs/activities	4	1	3
20. Allocation and/or utilization of fund for SCPD programs/activities	1	0	1
21. Implementation of ODA Funded Projects	✓		
22. Receipt and utilization of Disaster Related Fund	✓		
23. Receipt and Disbursement of PDAF and DAP Fund	✓		
24. Uncollected/Foregone Revenue	4	0	4
25. Unprotected confiscated property and idle property and equipment	5	0	5
B. Financial Audit			
26. Accounting Errors/Omissions and Deficiencies	4	0	4
TOTAL	64	19	45
% OF FULLY IMPLEMENTED RECOMMENDATIONS	29.69%		70.31%

✓ - Fully Implemented Findings as per Auditor's Validation (Not included in PY's of CAAR 2018)

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	29.69%
CAAR 2019 Part III Prior Years Recommendations	30%	72.12%

RECOMMENDATION Nos.	BREAKDOWN		
	FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED
①	R4A	LMB, R6, R9	
①	BMB	CO, FAPs, LMB, R2, R3, R4B, R5, R6, R8, R10	
②	LMB	CO, FAPs, BMB, R2, R3, R4B, R5, R6, R8, R10	
③	LMB	CO, FAPs, BMB, R2, R3, R4B, R5, R6, R8, R10	
④	R13		
①	CAR (PENRO Ifugao, Kalanga, Apayao).	R4B ((PENRO Palawan, Romblon, Masbate), R7 (PENRO Cebu), R9 (PENRO Zamboanga Del Sur), R12 (PENRO Cotabato, South Cotabato)	
①	R5		R9
②		R6	
③	R13	R6	
④	R13	R5, R10	R6, R9
①	R9, R10, R13	R4B, R5, R6, R12,	
②	R9, R10, R13	R4B, R5, R6, R12,	
③	R9, R10	R4B, R5, R6, R12, R13	
④	R5, R6, R9, R10, R12	R4B, R13	
⑤		R13	
①	CO, R1, R2, R3, R4B, R9, R11, R10	FMB, LMB, R5, R6, R12	
②	CO, R2, R3, R4B, R9, R10, R11	FMB, LMB, R5, R6, R12	
③	CO, R2, R4B, R10, R12, R11	FMB, LMB, R3, R5, R6,	R9
④	LMB, R1, R2, R3, R4B, R10, R11	CO, FMB, R5, R6, R9, R12	

Target number of Fully Implemented Recommendations (CAAR 2019)	32
Current number of Fully Implemented Recommendations (CAAR 2019)	19

BREAKDOWN OF OFFICES ON CAAR CY 2019 ON THE COA Audit Recommendations

Findings Number	AUDIT FINDINGS	AUDIT RECOMMENDATIONS	OFFICES
Observation No. 12	<p>Delayed/Non-submission of accounting and property reports</p> <p>Accounting and property reports and their supporting documents were submitted on time in two ROs (III and V) and seven PENROs. However, said reports were not prepared in a timely manner and not submitted to COA within the period prescribed, thus, reduces their usefulness as input to assessments of accountability and inform and influence decisions that need to be made by the Agency's decision maker.</p>	<p>We recommended and Management agreed to direct the Heads of the Offices concerned to require their respective Accountants to:</p> <p>a. ensure that all transactions received for processing are supported with complete documentation;</p> <p>b. adopt the systems and procedures in the collections and disbursements of fund as prescribed for in the GAM for NGAs; and</p> <p>c. submit the financial reports and related documents within the time frame established under existing regulations for a timely audit of the transactions.</p>	<p>CO, LMB, BMB, CAR (PENRO Ifugao, Mt. Province, Abra), R1, R2 (PENRO Nueva Vizcaya, Quirino), R3 (Zambales), R5 (Camarines Sur, Albay, Sorsogon, Masbate), R6 (PENRO Antique, Iloilo), R8 (PENRO Southern Leyte), R9 (PENRO Zamboanga Del Sur, Zamboanga Del Norte), R11 (PENRO Davao Del Sur, Davao Occidental, Davao Del Norte), R12 (PENRO Sarangani)</p>
Observation No. 19	<p>Non-allocation and/or utilization of fund for GAD programs/activities</p> <p>The CO, two staff Bureaus, RO VI and eight PENROs did not allocate five percent of the total appropriations of their agency budget for GAD programs and activities, contrary to Section 32 of the General Provisions of the GAA for FY 2019. Similarly, the FAPs were not allocated 5-30 percent of the total appropriations of ₱5-30 percent, contrary to Section 37 of the IRRA of RA 9710. Moreover, the Breastfeeding Building of PENRO ADS costing P1.000 million, which was constructed in 2018, was not used for its intended purpose to address the Gender and Development (GAD) issue concerning women in the workplace, as mandated under Section 32 of the General Provisions of the General Appropriation Act for FY 2019.</p>	<p>We recommended and Management agreed to direct the GAD Focal Point System (GFPS) and/or DENR officials concerned to:</p> <p>a. allocate/attribute at least five percent of the agency budget for the formulation and implementation of GAD Plan;</p> <p>b. maximize utilization of GAD allocated budget to be more responsive in addressing gender issues; and</p> <p>c. secure a PCW-endorsed GAD AR and henceforth, observe timely submission of GAD AR.</p> <p>We further recommended and Management agreed to direct the PENR Officer of PENRO Agusan del Sur to utilize the said breast feeding building for its intended purpose.</p>	<p>CO, BMB, LMB, FAPs, R2 (PENRO Quirino, Batanes), R3 (PENRO Zambales), R4B (PENRO Marinduque), R5 (PENRO Camarines Sur), R6 (PENRO Antique), R8 (Eastern Samar), R10 (PENRO Bukidnon), R13 PENRO Agusan Del Sur</p>
Observation No. 20	<p>Allocation and/or utilization of fund for SCPD programs/activities</p> <p>The CO, four Staff Bureaus, 14ROs and 31 PENROs spent ₱7.831million in the implementation of the activities for the Senior Citizens and Persons with Disability (SCPD). However, 10 PENROs did not allocate budget nor formulate any plans, projects and programs intended for the benefit of SCPD for CY 2018.</p>	<p>We recommended and Management agreed to require the 10 PENROs to formulate plans, programs and projects to address the concerns of SCPD, in compliance with Section 33 of the General Provision of the GAA.</p>	<p>CAR (PENRO Ifugao, Kalinga, Apayao), R4B (PENRO Palawan, Romblon, Masbate), R7 (PENRO Cebu), R9 (PENRO Zamboanga Del Sur), R12 (PENRO Cotabato, South Cotabato)</p>



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MS. MARITES A. ODTOJAN
Supervising Auditor – DENR I Audit Group
DENR, Visayas Avenue,
Diliman, Quezon City

29 JAN 2021

Dear Auditor Odtojan:

In relation to our effort to comply with the audit recommendations on the issued DENR Consolidated Annual Audit Report for CY 2019, we would like to request for the breakdown of the DENR Offices mentioned under Part 2, Observations and Recommendations, as follows:

CAAR CY 2019 AUDIT FINDINGS	CAAR AUDIT FINDINGS
12. Delayed/Non Submission of accounting and property reports	CO, LMB, BMB, 5 ROs and 19 PENROs
19. Non Allocation and/or utilization of fund for GAD of fund for GAD programs/activities	CO, 2 Bureaus, R6, 8 PENROs
20. Allocation and/or utilization of fund for SPCD programs/activities	10 PENROs

The data requested will allow us to address the concerns of the regional offices, monitoring of the Central Office and compliance to the audit recommendations.

We will appreciate to receive your reply the soonest time possible.

Rest assured that the Department is continually exerting effort and prioritize compliance to the COA audit recommendations.

Thank you.


WILFREDO J. OBIEN