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Department of Environment and Natural Resources  
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**MEMORANDUM**

FOR/TO : All DENR Officials

DEC 22 2021

- Undersecretaries
- Assistant Secretaries
- Service Directors
- Staff Bureau Directors
- Regional Executive Directors
- Staff Bureau Assistant Directors
- PENR Officers
- CENR Officers

FROM : The Undersecretary  
Finance, Information Systems and Climate Change

SUBJECT : **RESPONSIBLE OFFICES IN THE FY 2021 COMMISSION ON  
AUDIT (COA) AUDIT THRUST AREAS**

The Commission on Audit Resident Auditor conducted the Entrance Conference for the audit of the DENR transactions for FY 2021 last October 28, 2021. Among the presentation of the auditor is the audit thrust areas for the three (3) major accounts with specified sub-accounts and financial statements: a) compliance audit; b) financial audit (23 audit focus); and c) follow-up/validation of Prior Year's Audit Recommendations.

In order to prepare our offices and facilitate actions on the audit findings and recommendations as a result of the COA activity, we are providing you the attached matrix of offices responsible on the specific audit focus presented by the COA.

The Head of Offices concerned shall ensure that all audit recommendations are addressed and the requirements are timely submitted to the respective COA Auditors.

For information and guidance.

**ATTY. ANALIZA REBUELTA-TEH**

Cc: Office of the Secretary



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Cluster 8 – Agriculture and Environment  
National Government Sector

**ENTRANCE CONFERENCE AGENDA  
CY 2021**

Date: October 28, 2021

Time: 10:00 am onwards

Venue: Virtual Conference

Agency Covered: **Department of Environment and Natural Resources**

**I. INTRODUCTION OF AUDITORS**

- A. DENR Head Office/Bureaus
- B. Regional Offices

**II. AUDIT THRUST AREAS**

The audit shall focus on the following areas:

**A. Compliance Audit**

<b>Audit Focus</b>	<b>Specific Issue/s</b>	<b>Responsible Office</b>
1. Sec. 62, General Provisions (GP), Republic Act (RA) No. 11518 or Fiscal Year (FY) 2021 General Appropriations Act (GAA), as implemented by Item 3.3 of National Budget Circular No. 583, dated January 4, 2021	<ul style="list-style-type: none"><li>• Full utilization and disbursement of Appropriations for CY 2021 until December 31, 2021.<ul style="list-style-type: none"><li>a. Over-all</li><li>b. Selected P/P/A<ul style="list-style-type: none"><li>1. National Greening Program (NGP) under Forest Development, Rehabilitation and Maintenance and Protection</li><li>2. Development, Updating and Implementation of the Operational Plan for the Manila Bay Coastal Management Strategy pursuant to SC Decision under GR No. 171947-48</li></ul></li></ul></li></ul>	<ul style="list-style-type: none"><li>• CO, ROs, Staff Bureaus, PENROs and CENROs</li><li>• Usec. For Field Operations, FMB, ROs, PENRO and CENROs<ul style="list-style-type: none"><li>• Planning</li><li>• Technical Concerned</li><li>• Finance</li><li>• Administrative</li></ul></li><li>• Usec. For Planning and Policy and International Affairs, MBCO, NCR, Region 3 and Region 4A including concerned PENROs of Regions 3 and R4A<ul style="list-style-type: none"><li>• Planning</li><li>• Technical Concerned</li><li>• Finance</li></ul></li></ul>

Audit Focus	Specific Issue/s	Responsible Office
<p>Section 81, GP of FY 2021 GAA (Incurrence or payment of unauthorized or unlawful obligation or expenditure)</p>	<ul style="list-style-type: none"> <li>• Compliance of Obligation with Allotment and Disbursement with Obligation, i.e. obligations and disbursements are in accordance with the purpose of allotment for the following:               <ol style="list-style-type: none"> <li>1. National Greening Program (NGP) under Forest Development, Rehabilitation and Maintenance and Protection</li> <li>2. Development, Updating and Implementation of the Operational Plan for the Manila Bay Coastal Management Strategy pursuant to SC Decision under GR No. 171947-48</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• Administrative</li> <li>• Usec. For Field Operations, FMB, ROs, PENRO and CENROs               <ul style="list-style-type: none"> <li>• Planning</li> <li>• Technical Concerned</li> <li>• Finance</li> <li>• Administrative</li> </ul> </li> <li>• Usec. For Planning and Policy and International Affairs, MBCO, NCR, Region 3 and Region 4A including concerned PENROs of Regions 3 and R4A               <ul style="list-style-type: none"> <li>• Planning</li> <li>• Technical Concerned</li> <li>• Finance</li> <li>• Administrative</li> </ul> </li> </ul>
<p>2. Executive Order No. 91 dated September 9, 2019 (Adopting the Cash Budgeting System Beginning Fiscal Year 2019, and for other Purposes)</p>	<ul style="list-style-type: none"> <li>• Full utilization of cash allocation for CY 2021 until December 31, 2021.</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff Bureaus, ROs, and PENROs               <ul style="list-style-type: none"> <li>• Planning</li> <li>• Technical</li> <li>• Administrative</li> <li>• Finance</li> <li>• All other offices</li> </ul> </li> </ul>
<p>3. Section 10 of the GP of FY 2021 GAA, as implemented by the Permanent Committee Joint Circular No. 4-2012, dated September 11, 2012, implementing Executive Order No. 431, dated May 30, 2005 and COA Circular No. 2015-001 dated January 29, 2015</p>	<ul style="list-style-type: none"> <li>• Reversion, closure, transfer of balances of special accounts, fiduciary or trust funds, revolving funds and unauthorized accounts and unnecessary funds.</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff Bureaus, ROs, and PENROs               <ul style="list-style-type: none"> <li>• Accounting Division/Section/Unit</li> <li>• Cashier Unit</li> <li>• FASPS</li> </ul> </li> </ul>
<p>4. Sections 4 to 9 and 12 to 14 of the GP of FY 2021 GAA (Receipts and Income)</p>	<ul style="list-style-type: none"> <li>• Receipt and deposit/remittance to the National Treasury of all fees, charges, assessments, and other receipts or revenues collected, trust receipts and performance bonds and deposits, among others, except as authorized by law to be retained by the agency for its use.</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff Bureaus, ROs, and PENROs               <ul style="list-style-type: none"> <li>• Accounting Division/Section/Unit</li> <li>• Cashier Unit</li> </ul> </li> </ul>

Audit Focus	Specific Issue/s	Responsible Office
5. COA Circular No. 97-002 dated February 10, 1997	<ul style="list-style-type: none"> <li>Granting, utilization and liquidation of cash advances for payroll, operating expenses, official local and foreign travels and special purpose/time-bound undertakings</li> </ul>	<ul style="list-style-type: none"> <li>Central Office, Staff Bureaus, ROs, and PENROs <ul style="list-style-type: none"> <li>Budget Division/Section/Unit</li> <li>Accounting Division/Section/Unit</li> <li>Cashier Unit</li> <li>Special Disbursing Officer</li> <li>Concerned offices implementing special activities</li> <li>Concerned officials and employees</li> </ul> </li> </ul>
6. COA Circular No. 94-013 dated December 13, 1994	<ul style="list-style-type: none"> <li>Granting, utilization and liquidation of fund transfers to National Government Agencies (NGAs), Local Government Units (LGUs) and Government Owned or Controlled Corporations (GOCCs) for implementation of agencies' projects, both for Due from and Due to Implementing Agencies (IAs)</li> </ul>	<ul style="list-style-type: none"> <li>Central Office, Staff Bureaus, ROs, and PENROs <ul style="list-style-type: none"> <li>Implementing Office</li> <li>Planning</li> <li>Administrative Procurement Section/Unit</li> <li>Budget Division/Section/Unit</li> <li>Accounting Division/Section/Unit</li> </ul> </li> </ul>
7. COA Circular No. 94-013 dated December 13, 1994	<ul style="list-style-type: none"> <li>Granting, utilization and liquidation of advances to Procurement Service-Department of Budget and Management (PS-DBM) and Philippine International Trade Center (PITC) for the procurement of its common office supplies and equipment requirement.</li> </ul>	<ul style="list-style-type: none"> <li>Central Office, Staff Bureaus, ROs, and PENROs <ul style="list-style-type: none"> <li>Property and Supply Management Division/Section/Unit</li> <li>KISS</li> <li>Budget Division/Section/Unit</li> <li>Accounting Division/Section/Unit</li> </ul> </li> </ul>
8. Section 67 of the GP of FY 2021 GAA  COA Circular No. 2007-001 dated October 25, 2007	<ul style="list-style-type: none"> <li>Granting, utilization and liquidation of fund transfers to Non-Government Organizations (NGOs)/People's Organization (POs)</li> </ul>	<ul style="list-style-type: none"> <li>Central Office, Staff Bureaus, ROs, and PENROs <ul style="list-style-type: none"> <li>Implementing Offices (i.e. MBCO, NGP, and FASPS)</li> <li>Administrative Procurement Section/Unit</li> <li>Budget Division/Section/Unit</li> <li>Accounting Division/Section/Unit</li> </ul> </li> </ul>
9. COA Circular No. 2016-005 dated December 19,	<ul style="list-style-type: none"> <li>Write-off of dormant accounts (receivables, cash advances and fund transfers) which are ten and more years</li> </ul>	<ul style="list-style-type: none"> <li>Central Office, Staff Bureaus, ROs, and</li> </ul>

Audit Focus	Specific Issue/s	Responsible Office
2016		PENROs <ul style="list-style-type: none"> <li>• Accounting Division/Section/Unit</li> </ul>
10. RA No. 656, otherwise known as the "Property Insurance Law", as amended by Presidential Decree (PD) No. 245 dated July 13, 1973	<ul style="list-style-type: none"> <li>• Insurance of physical assets with GSIS</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff Bureaus, ROs, and PENROs               <ul style="list-style-type: none"> <li>• Administrative</li> <li>• PSMD</li> <li>• General Services Division/Section/Unit</li> </ul> </li> </ul>
11. Section 79 of PD No. 1445, as implemented by COA Circular No. 89-296 dated January 27, 1989	<ul style="list-style-type: none"> <li>• Disposal of unserviceable property</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff Bureaus, ROs, and PENROs               <ul style="list-style-type: none"> <li>• Administrative Service/Division</li> <li>• General Services Division/Section/Unit</li> <li>• Property and Supply Management Division/Section/Unit</li> </ul> </li> </ul>
12. Section 10 of Rule IV and Sections 48 to 54 of Rule XVI of 2016 Revised Implementing Rules and Regulations of Procurement Law (RA No. 9184)	<ul style="list-style-type: none"> <li>• Appropriateness and Propriety of Modes of Procurement for selected P/P/A in #1 above.</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff Bureaus, ROs, and PENROs               <ul style="list-style-type: none"> <li>• HoPE</li> <li>• Administrative Service/Division</li> <li>• Management Services Division</li> <li>• Property and Supply Management Division/Section/Unit</li> <li>• TWG</li> <li>• BAC</li> </ul> </li> </ul>
13. COA Circular No. 2009-001 dated February 12, 2009 (Items 3.1.1 and 3.2.1)	<ul style="list-style-type: none"> <li>• Complete and timely submission of copy of government contracts, purchase orders (POs) and their supporting documents with results of review of submitted contracts and POs</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff Bureaus, ROs, and PENROs               <ul style="list-style-type: none"> <li>• Property and Supply Management Division/Section/Unit</li> </ul> </li> </ul>
14. RA No. 8291 (GSIS Law)	<ul style="list-style-type: none"> <li>• Proper deduction and timely remittance of GSIS personal share and loans of employees as well as timely remittance of employer's share</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff Bureaus, ROs, and PENROs               <ul style="list-style-type: none"> <li>• Personnel Division/Section/Unit</li> <li>• Accounting Division/Section/Unit</li> </ul> </li> </ul>
15. RA No. 7875, as amended by RA No.	<ul style="list-style-type: none"> <li>• Proper deduction and timely remittance of PhilHealth contributions from the salaries of employees as well as</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff Bureaus, ROs, and</li> </ul>

Audit Focus	Specific Issue/s	Responsible Office
9241 (National Health Insurance Act of 1995)	remittance of employer's share.	PENROs <ul style="list-style-type: none"> <li>• Personnel Division/Section/Unit</li> <li>• Accounting Division/Section/Unit</li> </ul>
16. RA No. 9679 (Pag-IBIG Fund Law 2009)	<ul style="list-style-type: none"> <li>• Proper deduction and timely remittance of PagIBIG contributions from the salaries of employees as well as remittance of employer's share.</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff Bureaus, ROs, and PENROs</li> <li>• Personnel Division/Section/Unit</li> <li>• Accounting Division/Section/Unit</li> </ul>
17. Revenue Regulation No. 10-2008 dated July 8, 2008	<ul style="list-style-type: none"> <li>• Proper withholding and timely remittance of taxes on gross compensation income from officials and employees and from suppliers/contractors on government purchases and contract of services.</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff Bureaus, ROs, and PENROs</li> <li>• Personnel Division/Section/Unit</li> <li>• Accounting Division/Section/Unit</li> </ul>
18. CSC COA DBM Joint Circular No. 1 dated June 15, 2017, as updated by CSC COA DBM Joint Circular No. 2, s 2020, dated October 20, 2020	<ul style="list-style-type: none"> <li>• Hiring and payment of Contract of Service and Job Order Workers</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff Bureaus, ROs, and PENROs</li> <li>• End-User</li> <li>• Personnel Division/Section/Unit</li> <li>• Budget Division/Section/Unit</li> <li>• Accounting Division/Section/Unit</li> <li>• Cashier</li> </ul>
19. Section 32 of the GP of the FY 2021 GAA  PCW-NEDA-DBM Joint Circular No. 2012-01  RA No. 7192, the Women in Development and Nation Building Act.	<ul style="list-style-type: none"> <li>• GAD Budget, Utilization and Accomplishments</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff Bureaus, ROs, and PENROs</li> <li>• GAD Focal Office/Person</li> <li>• Planning Division/Section/Unit</li> </ul>
20. Section 33 of the GP of the FY 2021 GAA  Batas Pambansa Blg. 344 and RA No. 7277, as amended.	<ul style="list-style-type: none"> <li>• Formulation and implementation of plans/programs for Senior Citizen and Person with Disability (SCPD).</li> <li>• Provision of architectural or structural features, design or facilities that will reasonably enhance the mobility, safety and welfare of persons with disability.</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff Bureaus, ROs, and PENROs</li> <li>• Strategic Communication and Information Service</li> <li>• Administrative Division/Section/Unit</li> </ul>
21. Section 79 of the GP of	<ul style="list-style-type: none"> <li>• Receipt and utilization of Foreign-Assisted Projects FAPs</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff</li> </ul>

Audit Focus	Specific Issue/s	Responsible Office
the GAA for CY 2021 (Use of Funds for Foreign-Assisted Projects (FAPs))  RA No. 8182 (as amended), or the Official Development Assistance (ODA) Act of 1996	and ODA Funded Projects and their implementation in accordance with Terms of Reference	Bureaus, ROs, and PENROs <ul style="list-style-type: none"> <li>• FASPS</li> <li>• Project Management Office</li> <li>• Finance Division</li> <li>• Management Services Division</li> </ul>
22. COA Circular No. 2014-002 dated April 15, 2014	<ul style="list-style-type: none"> <li>• Receipt and Utilization of the Disaster Risk Reduction Management (DRRM) Fund and/or Quick Response Fund</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
23. COA Circular No. 2009-006 dated September 15, 2009 and COA Circular No. 2012-003 dated October 29, 2012	<ul style="list-style-type: none"> <li>• Audit suspensions, disallowances, charges and settlement at the end of the year</li> </ul>	<ul style="list-style-type: none"> <li>• Central Office, Staff Bureaus, ROs, and PENROs</li> <li>• All concerned personnel/offices</li> </ul>

## B. FINANCIAL AUDIT

Accounts	Specific Area/s	Responsible Office
<b>1. Audit of accounts and financial transactions</b> <b>a. Statement of Financial Position (SFPos)</b> <b>a.1 Cash and Cash Equivalent</b> <ul style="list-style-type: none"> <li>• Cash-in-Bank, LCCA</li> <li>• Cash - Treasury/Agency Deposit, Regular</li> </ul> <b>a.2 Receivables</b> <ul style="list-style-type: none"> <li>• Due from NGAs</li> <li>• Due from GOCCs</li> </ul> <b>a.3 Inventories</b> <ul style="list-style-type: none"> <li>• Office Supplies Inventory</li> <li>• Other Supplies and Materials Inventory</li> <li>• Semi-Expendable Information and Communications Technology Equipment</li> </ul> <b>a.4 Property, Plant and Equipment</b> <ul style="list-style-type: none"> <li>• Land Improvements - Reforestation Projects</li> <li>• Other Land Improvements</li> <li>• Water Supply Systems</li> <li>• Buildings</li> </ul>	<b>Management Assertions on the accounts</b>  <b>Account balance assertions</b> (assertions related to the ending balances in accounts and so relate primarily to the SFPos) <ul style="list-style-type: none"> <li>• <i>Completeness</i> - all reported asset, liability, and equity balances have been fully reported.</li> <li>• <i>Existence</i> - all account balances exist for assets, liabilities, and equity</li> <li>• <i>Rights and obligations</i> - the entity has the rights to the assets it owns and is obligated under its reported liabilities</li> </ul>	<b>a.1</b> Central Office, Staff Bureaus, ROs, and PENROs <ul style="list-style-type: none"> <li>• Accounting Division/Section/Unit</li> <li>• Cashier Unit</li> </ul> <b>a.2</b> Central Office, Staff Bureaus, ROs, and PENROs <ul style="list-style-type: none"> <li>• Accounting Division/Section/Unit</li> <li>• Implementing Offices (ie. MBCO, NGP, and FASPS)</li> </ul> <b>a.3</b> Central Office, Staff Bureaus, ROs, and PENROs <ul style="list-style-type: none"> <li>• Property and Supply Management Division</li> <li>• Administrative Division               <ul style="list-style-type: none"> <li>• Property and Supply Section</li> </ul> </li> <li>• Management Services Division               <ul style="list-style-type: none"> <li>• Property and Supply Unit</li> </ul> </li> <li>• Accounting Division/Section/Unit</li> </ul> <b>a.4</b> Central Office, Staff Bureaus, ROs, and PENROs <ul style="list-style-type: none"> <li>• Property and Supply Management Division</li> <li>• General Services Division</li> </ul>

- Other Structures
- Office Equipment
- Information & Communication Technology Equipment
- Technical and Scientific Equipment
- Other Equipment
- Motor Vehicles
- Furniture and Fixtures

**a.5 Construction in Progress (NGP, MBCO, PRCMO, FAPs: INREMP, FMP, etc.)**

- Construction in Progress-Land Improvements
- Construction in Progress - Infrastructure Assets
- Construction in Progress - Buildings and Other Structures

**a.6 Other Assets**

- Advances to Contractors

- Confiscated Property/Assets

**a.8 Financial Liabilities**

- Accounts Payable
- Due to Officers and Employees

**a.9 Inter-Agency Payables**

- Due to NGAs

- *Valuation* - all asset, liability, and equity balances have been recorded at their proper valuation

- Administrative Division
  - Property and Supply Section
  - General Services Section
- Management Services Division
  - Property and Supply Unit
  - General Services Unit
- Accounting Division/Section/Unit

**• a.5 Central Office, Staff Bureaus, ROs, and PENROs**

- Property and Supply Management Division
- General Services Division
- Administrative Division
  - Property and Supply Section
  - General Services Section
- Management Services Division
  - Property and Supply Unit
  - General Services Unit
- Technical Services – Conservation and Development Division
- Accounting Division/Section/Unit
- FAPs Project Management Office
- PPS-Program Monitoring and Evaluation Division
- Project Monitoring and Evaluation Division
- Project Management Division
- Project Accounts Management Division

**• a.6 Central Office, Staff Bureaus, ROs, and PENROs**

- Concerned office/end-user
- Administrative
- Property and Supply Management Division
- General Services Division
- Accounting Division/Section/Unit
- Property and Supply Management Division
- General Services Division
- Appraisal and Disposal Committee

**a.8 Central Office, Staff Bureaus, ROs, and PENROs**

- All offices concerned

**• a.9 Central Office, Staff Bureaus, ROs, and PENROs**

- Implementing Office



<p><b>a.10 Trust Liabilities</b></p> <ul style="list-style-type: none"> <li>• Guaranty/Security Deposits Payable</li> </ul> <p><b>a.11 Other Payables</b></p> <ul style="list-style-type: none"> <li>• Other Payables</li> </ul> <p><b>a.12 Equity</b></p> <ul style="list-style-type: none"> <li>• Accumulated Surplus/(Deficit)</li> </ul>		<ul style="list-style-type: none"> <li>• Accounting Division/Section/Unit</li> <li>• Cashier Unit</li> </ul> <p><b>a.10</b> Central Office, Staff Bureaus, ROs, and PENROs</p> <ul style="list-style-type: none"> <li>• End-User/Concerned Office</li> <li>• Property and Supply Management Division</li> <li>• NGP Coordinator/Inspection and Acceptance Committee/Assessment and Validation Office</li> <li>• Accounting Division/Section/Unit</li> </ul> <p><b>a.11</b> Central Office, Staff Bureaus, ROs, and PENROs</p> <ul style="list-style-type: none"> <li>• Personnel Division/Section/Unit</li> <li>• Accounting Division/Section/Unit</li> <li>• All offices</li> </ul> <p><b>a.12</b> Central Office, Staff Bureaus, ROs, and PENROs</p> <ul style="list-style-type: none"> <li>• Accounting Division/Section/Unit</li> </ul>
<p><b>b. Statement of Financial Performance (SFPPer)</b></p> <p><b>b.1 Revenue</b></p> <ul style="list-style-type: none"> <li>• Other Service Income</li> <li>• Rent/Lease Income</li> </ul> <p><b>b.2 Expenses</b></p> <ul style="list-style-type: none"> <li>• Other Personnel Benefits</li> <li>• Traveling Expenses-Local</li> <li>• Training Expenses</li> <li>• Office Supplies Expenses</li> <li>• Other Supplies and Materials Expenses</li> <li>• Telephone Expenses</li> <li>• Internet Subscription Expenses</li> <li>• Consultancy Services</li> <li>• Other Professional Services</li> <li>• Security Services</li> <li>• Other General Services</li> <li>• Repairs and Maintenance - Land Improvements</li> <li>• Repairs and Maintenance-Buildings and Other Structures</li> <li>• Repairs and Maintenance - Transportation Equipment</li> <li>• Other Maintenance and Operating Expenses</li> </ul> <p><b>b.3 Expenses Needing Adjustments at Year-end</b></p> <ul style="list-style-type: none"> <li>• Unpaid/Obligated transactions not yet taken up as A/P as of cut-off</li> </ul>	<p><b>Transaction-level assertions</b> (assertions related to transactions, mostly in regard to the (SFPPer):</p> <ul style="list-style-type: none"> <li>• <i>Accuracy</i> - the full amounts of all transactions were recorded, without error.</li> <li>• <i>Classification</i> - all transactions have been recorded within the correct accounts in the general ledger</li> <li>• <i>Completeness</i> - all business events to which the company was subjected were recorded</li> <li>• <i>Cutoff</i>- all transactions were recorded within the correct reporting period</li> <li>• <i>Occurrence</i> - the recorded business transactions actually took place</li> </ul>	<ul style="list-style-type: none"> <li>• <b>b.1</b> Central Office, Staff Bureaus, ROs, and PENROs</li> <li>• Protected Area Management Office</li> <li>• Technical (LMS/FMS/BMB/ERDB)</li> <li>• Administrative</li> <li>• Cashier Unit/Collecting Officer</li> <li>• Accounting Division/Section/Unit</li> </ul> <ul style="list-style-type: none"> <li>• <b>b.2</b> Central Office, Staff Bureaus, ROs, and PENROs</li> <li>• All Offices</li> </ul> <ul style="list-style-type: none"> <li>• <b>b.3</b> Central Office, Staff Bureaus, ROs, and PENROs</li> <li>• End-User</li> <li>• Budget Division/Section/Unit</li> </ul>

<ul style="list-style-type: none"> <li>• Depreciation Expenses not taken up in the books</li> <li>• Impairment Loss</li> <li>• Loss of Assets</li> <li>• Expenses Paid from the cash advances not yet taken up in the books</li> <li>• Insurance Expense</li> <li>• Other Prepayments and accrued expenses</li> </ul>		<ul style="list-style-type: none"> <li>• Accounting Division/Section/Unit</li> <li>• Property and Supply Management Division</li> <li>• Accounting Division/Section/Unit</li> <li>• Property and Supply Management Division</li> <li>• Accounting Division/Section/Unit</li> <li>• Project Management Office (NGP, FAPs, MBCO)</li> <li>• All Offices/concerned personnel</li> <li>• Property and Supply Management Division</li> <li>• Accounting Division/Section/Unit</li> <li>• Cashier Unit</li> <li>• Special Disbursing Officer</li> <li>• Accounting Division/Section/Unit</li> <li>• Administrative Service/Division</li> <li>• Accounting Division/Section/Unit</li> <li>• Administrative Service/Division</li> <li>• Accounting Division/Section/Unit</li> </ul>
<p><b>c. Financial Statements – General Purpose</b></p> <ul style="list-style-type: none"> <li>• Statement of Financial Position</li> <li>• Statement of Financial Performance</li> <li>• Statement of Cash Flows</li> <li>• Statement of Changes in Net Assets/Equity</li> <li>• Statement of Comparison of Budget and Actual Amounts</li> <li>• Notes to Financial Statements</li> </ul>	<p><b>Presentation and disclosure assertions</b> (assertions related to the presentation of information within the financial statements, as well as the accompanying disclosures):</p> <ul style="list-style-type: none"> <li>• <i>Accuracy</i> - all information disclosed is in the correct amounts, and which reflect their proper values</li> <li>• <i>Completeness</i> - all transactions that should be disclosed have been disclosed</li> <li>• <i>Occurrence</i> - transactions disclosed have</li> </ul>	<p><b>C. Central Office, Staff Bureaus, ROs, and PENROs</b></p> <ul style="list-style-type: none"> <li>• Accounting Division/Section/Unit</li> </ul>

	<p>indeed occurred</p> <ul style="list-style-type: none"> <li>• <i>Rights and obligations</i> - rights and obligations disclosed actually relate to the reporting entity</li> <li>• <i>Understandability</i> - the information included in the financial statements has been appropriately presented and is clearly understandable</li> </ul>	
<b>2. Follow-up/Validation of Prior Year's Audit Recommendations</b>	<p>Audit Observations and Recommendations in the DENR CAAR CY 2020</p>	<p>2. Central Office, Staff Bureaus, ROs, and PENROs</p> <ul style="list-style-type: none"> <li>• Management Division</li> <li>• Finance Division</li> <li>• Accounting Division/Section/Unit</li> </ul>

### C. AUDIT SCOPE

For the audit of accounts and transactions, test of details and review of transactions shall cover the period January 1, 2021 to December 31, 2021. The audit shall also include test of controls of financial transactions on a sampling basis, and the evaluation of the operating performance of Agency with due consideration to efficiency and effectiveness of operation.

### D. AUDIT APPROACH AND METHODOLOGY

In compliance with the requirements of the International Standards of Supreme Audit Institution (ISSAI), specifically ISSAI 1315 – Identify and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment, ISSAI 1320 – Materiality in Planning and Performing an Audit and ISSAI 1330 – The Auditor's Responses to Assessed Risks, the Commission on Audit adopted the Risks-Based Financial Audit using the Financial Audit Manual (FAM) per COA Resolution No. 2019-004 dated March 22, 2019 in the conduct of its audit.

The approach focuses on the identification and assessment of the risks of financial statement misstatement whether due to fraud or error. It provides a framework to reduce the impact on the financial statements of these identified risks to an acceptably low level prior to expressing audit opinion, in all material respects, on the fairness of presentation of the financial statements in accordance with the applicable financial reporting framework. It also provides indicators of risks as basis for any opportunity for enhancement of the auditee's risk management and control processes.

In communicating the value delivered, the audit findings will be conveyed to the auditee's Management through the Audit Observations Memorandum (AOM). Reportable significant audit issues together with the relevant comments of management will be incorporated in the Annual Audit Report, as may be deemed necessary.

#### E. AUDIT OUTPUTS

- Audit Observation Memoranda (AOMs) to inform management of the results of audit
- NS/ND/NC and SASDC
- Management Letters
- Consolidated Annual Audit Report

#### F. Offices Involved and Linkages

- Undersecretary for Finance, Information Systems and Climate Change
- Assistant Secretary for Finance, Information Systems and Mining Concerns
- Central Offices and Bureau Directors Concerned
- Regional Executive Directors
- Provincial Environment and Natural Resources Officers
- Community Environment and Natural Resources Officers
- All DENR Offices concerned on Administrative and Financial Management System

#### G. Administrative Matters

To facilitate the conduct of audit, the team requests management's cooperation and assistance particularly on the provision of various documents needed and the timely submission of reports as prescribed **both in hard and soft copy**.

#### H. Documents Needed


1. Documents and financial reports;

Type of Reports	Due Date of Submission to COA
<b><i>A. Transaction Reports</i></b>	
1. Report of Checks Issued (RCI) & Report of ADA Issued (RADAI) with the corresponding DVs and supporting documents.	10 <sup>th</sup> day of the ensuing month.
2. Report of Disbursements (RDs) with the corresponding liquidation documents.	5 <sup>th</sup> day of the ensuing month.
3. Report of Collections and Deposits (RCD) with the corresponding ORs and validated deposit slips.	10 <sup>th</sup> day of the ensuing month.
4. Liquidation Reports (LRs) for cash	Foreign – <i>within 60 days upon return to the</i>

<b>Type of Reports</b>		<b>Due Date of Submission to COA</b>	
advances granted for traveling expenses (per month)		<i>Philippines</i> Local – within 30 days upon return to the official station	
5. Journal Entry Vouchers (JEV) and supporting documents for non-cash transactions		Submitted to the COA Auditor together with the supporting documents after recording in the journals for post audit.	
6. Journal Entry Vouchers (JEV) for all cash transactions		5 <sup>th</sup> day of the succeeding month.	
7. Special Journals (Cash Receipts Journal (CRJ), Check/ ADA Disbursements Journal (Ck/ADADJ), Cash Disbursements Journals (CDJ)		5 <sup>th</sup> day of the succeeding month. Hard and Soft Copy	
8. General Journals			
9. General and Subsidiary Ledgers		10 <sup>th</sup> day after end of Quarter (Soft Copy Only)	
10. Quarterly Status Report on Cash Advances granted and liquidated.		25 <sup>th</sup> day of the month/quarter	
<b>B. Financial Reports (Hard and Soft Copy)</b>			
<i>Entity/Office</i>	<i>Statement/Report</i>	<i>Deadline</i>	<i>Submit to</i>
Provincial Offices/Operating Units	Monthly Trial Balance (TBs) with Supporting Schedules (SSs) per account	10 days after the end of the month	Auditor, Regional Accountant
Regional/Branches Offices			Regional Auditor, Central Office Chief Accountant
Central/Head/Main Offices			Auditor, DBM, Management
Provincial Offices/Operating Units	Quarterly TBs, Financial Statements (FSs) with SSs	10 days after the end of the quarter	Auditor, Regional Accountant
Regional/Branches Offices			Regional Auditor, Central Office Chief Accountant
Central/Head/Main Offices			Auditor, DBM, Management
Provincial Offices/Operating Units	Year-end TBs, FSs with SSs	On or before January 20 of the following year	Auditor, Regional Accountant
Regional/Branches Offices	Year-end TBs, FSs with SSs (combined RO and OUs)	On or before January 31 of the following year	Regional Auditor, Central Office Chief Accountant
Central/Head/Main Offices	Year-end TBs, FSs with SSs (combined CO, ROs and OUs)	February 14 of the following year	Auditor, DBM, COA-GAS
	Bank Reconciliation Statements	20 <sup>th</sup> day of the succeeding month or within 20 days after the receipt of the bank statement.	

2. Quarterly Budget and Financial Accountability Reports (BFARs) together with the soft copy of all the Registries.
3. Quarterly Report of the Publicized Government Projects/Programs/Activities using the prescribed format in COA Circular No. 2015-006 and as enhanced per unnumbered COA Memo dated July 27, 2017, to be used starting July 1 to September 30, 2017 reporting period.
4. Quarterly Status Report on Cash Advances, Fund Transfers and Other Receivables.
5. Other documents/reports as may be needed in the course of audit.

Prepared by:

  
**MARITES A. ODTOJAN**  
State Auditor V  
Supervising Auditor