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## MEMORANDUM

**FOR/TO** : **All Undersecretaries**  
**All Assistant Secretaries**  
**All Service Directors**  
**All Bureau Directors**  
**All Regional Executive Directors**  
**All Division Chiefs**  
**All PENROs/CENROs**

**FROM** : **The Undersecretary**  
**Legal and Administration**  
**Overall Quality Management Representative**

**SUBJECT** : **SURVEILLANCE AUDIT FINDINGS**

**DATE** : **May 4, 2023**

This refers to the Surveillance Audit conducted on the implementation of DENR Quality Management System by SOCOTEC Certification Philippines Inc. from April 17-May 3, 2023.

Closing meeting conducted on May 3, 2023 yielded continued certification of ISO 9001:2015 upon submission and acceptance of corrective action plans. Congratulations to all for a job well done.

Attached is the presented Audit Findings for information and guidance.

  
ATTY. ERNESTO D. ADOBO JR., *CESO I*

MEMO NO. 2023 - 376



**Department of Environment and Natural Resources**  
**First Surveillance Audit**



**April 17-May 3, 2023**

# AUDIT FINDINGS

2 || SURVEILLANCE AUDIT

## **POSITIVE FINDINGS**

- 1. It is commendable that the following recognitions/achievement were seen during the audit at PENRO Agusan Del Sur:**
  - Outstanding Contribution leading to conferment of Taguibo River as 3<sup>rd</sup> Placer in the National Search for Recognizing Individuals/Institutions Towards Vibrant and Enhanced Rivers or R.I.V.E.R.s for Life Award FY 2021 given by DENR-CARAGA Region last 20 June of 2022.**
  - Top 3 Performing PENR Office of CARAGA region awarded by DENR-CARAGA Region last 20 June 2022.**
  - Recognition for unwavering commitment and immense support for the overall accomplishment of the 402<sup>nd</sup> Infantry (Stingers) Brigade's Mission given last 15 July 2022.**

## **POSITIVE FINDINGS**

**2. The following accomplishments/award/recognition of CARAGA Regional Office is worthy to be commended:**

- **Recognition of its unwavering support to the various initiatives of the Regional Development Council – Regional Gender and Development Committee CARAGA given by CARAGA Regional Development Council – Regional Gender and Development Committee last 15 August 2022.**
- **Environment Award for Governance and Leadership Excellence (EAGLE) 2021 given 7<sup>th</sup> day of June 2022.**

**3. Every single application/issuance of patent was recorded and it was evidently seen through logbooks presented during the audit. [PENRO – Bulacan]**

## **POSITIVE FINDINGS**

- 4. It is noteworthy that the organization was able to form partnerships with different agencies through the establishment of Forest Product Monitoring Station/ Anti-Environmental Crime Task Force where there are monitoring stations strategically placed in areas of concern to ensure all environmental crimes were caught within General Santos City [CENRO GENSAN]**
- 5. Commendable establishment of IAC Report form to be used for easier verification and validation of accomplishments of POs as requested as well as the CENRO pre-assessment with the actual IAC assessment. [DENR PENRO South Cotabato]**
- 6. The use of internal coding for easier traceability of case files/folder handled is commendable. Printed status monitoring containing internal coding and important details of the case may be used in case of power outages. [DENR RO12 – Legal Division]**

## **POSITIVE FINDINGS**

**7. It is praiseworthy to incorporate the local dialect of the region into the QMS of the Regional Office XII. The quality policy posted was seen to be translated into different dialects spoken locally (Ilocano, Ilonggo, and T'Boli). Also, there is already an ongoing process of translating the Order to Compromise into the local dialect for the clients to better understand the legal statements indicated in the document. [DENR RO12]**

**8. The use of checklists in monitoring and evaluating the completeness of submitted files for the conduct of Administrative Adjudication Hearing [DENR RO12 – Enforcement Division] is commendable. Usage of checklists for to ease checking of requirements in accordance to respective DAO was also seen in Law Enforcement Section in PENRO – South Cotabato and License, Patents and Deeds Division in Regional Office XII.**

**9. Commendable establishment of strategies being conducted by CENRO-Banga to ease and better promote the application processes in their frontline services thru going to the barangays themselves. [CENRO – Banga]**

## **POSITIVE FINDINGS**

**10. Localized customer satisfaction was also noted in CENRO – Banga, as established for a deeper and better understanding of clients concerns. Encouragement and promotion of customer satisfaction survey collection were also noted [CENRO – Banga]. Promotion of diversity was also considered and seen thru translation of Customer Satisfaction Survey in other local dialects in the Philippines.**

**11. Also commendable local activities were noted in CENRO – Banga, such as the Bamboohay tree planting activity. [CENRO – Banga]**

**12. Commendable achievement of PRIME-HRM Level II in Regional Office XII was also noted.**



## **POSITIVE FINDINGS**

**13. Despite noted lack of resources, the Biodiversity Management Bureau is still able to provide and support multiple programs and establish competencies of their technical personnel thru constant and strong partnerships and affiliations, both locally and internationally, and both other government institutions and some private entities.**

**14. The following awards/recognition for being Top requested and performing agency in the eFOI Portal (500 to 999 requests and with at least 90% Closed Transaction is very commendable. This recognition was consistently received from 2019-2022.**

## **POSITIVE FINDINGS**

- 15. Strong process traceability was observed among the samples taken from DENR – LMB.**
- 16. High Customer Satisfaction or VS to Outstanding was noted for LMB for CY 2022.**
- 17. Records/evidences were presented in a swift manner in almost all areas audited, denoting adequate control in records in the organization. Utilization of digitalized copies, databases and master lists were consistently seen in the organization, making records retrieval easier.**
- 18. High level of process mastery was seen among the auditees. Their ability to consistently and efficiently navigate across their documents and records was commendable.**

# OPPORTUNITIES FOR IMPROVEMENT

- Considerations for improvement of QMS
- No required corrective action response

## **OPPORTUNITIES FOR IMPROVEMENT**

- 1. Proof that species of the confiscated Forest Product (Lumber) has been identified by Licensed Forester can be traced on other attachments of CSW report. With this, the traceability can still be improved by putting it on Tally Sheet therefore making the said traceability easier. [Monitoring and Enforcement Section, CENRO – Tubay]**
- 2. Tally Sheet Computation can be improved by indicating the total quantity of itemized Forest Product instead of computing during the time that the data is needed. This may reduce the time consumed during back tracing. [Monitoring and Enforcement Section, CENRO – Tubay]**
- 3. The Organization may consider to create or implement a customer feedback after the conduct of technical assistance or conduct of capacity building to external interested parties (e.g LGU, Schools) for improvement and professional growth of the speaker and delivery service of the section. [CRFMS, Regional Office XIII]**

## **OPPORTUNITIES FOR IMPROVEMENT**

- 4. May wish to utilize the ongoing Tracking System activity for Agricultural/Residential Free Patent Application process in LPDD, PENRO – Bulacan to lessen time in searching records and for ease in traceability, instead of the existing checking into logbooks for every records retrieval. [License, Patents and Deeds Division, PENRO – Bulacan]**
- 5. May wish to revisit risk level classification in ROAAP in the update of risk assessment, for a more appropriate prioritization of controls to be implemented, and for a more appropriate documentation of the highest to lowest risk. [Conservation and Development Section, CENRO – Camiling]**
- 6. Although all sampled monitoring equipment were evidently calibrated during the time of the audit, it may benefit the organization to monitor this thru a Calibration Plan. [CENRO – Camiling, CENRO – Guiguinto]**

## **OPPORTUNITIES FOR IMPROVEMENT**

**7. Although no critical issues were seen on the unfilled information and all were further trailed, may further improve filling up of Document Routing Slip. [Regulation and Permitting Section, CENRO – Camiling]**

**8. May consider to include the lead time in the established target of the Public Land Survey Process from receipt of request from client up to the transmittal to PENRO. [CENRO – Camiling]**  
**Consideration of inclusion of TAT in the established target/quality objectives was also noted in Regulations and Permitting Section. [CENRO – General Santos]. This is to better monitor the timely completion of their frontline services.**

## **OPPORTUNITIES FOR IMPROVEMENT**

- 9. The organization may wish to align target-setting for wood charcoal from the other forest products in the work and financial plan since the mode of measurement for wood charcoal for official legal documents is through sacks however, bd. ft is used for measurement of quantity in the work and financial planning.**
- 10. Although discussed during the Context of the Organization, it may be beneficial if identified internal and external issues encountered by BMB be thoroughly correlated in the risks and/or opportunities indicated in the ROAAP. [Coastal and Marine Division, BMB]**

## **OPPORTUNITIES FOR IMPROVEMENT**

**11. Although no required time-frame established for submission of Cave and Wetland Management Plans per identified and classified caves and wetlands, it would also benefit the CAWED to maximize the use of their existing database for a more efficient tracking of the submissions of Cave and Wetland Management Plans. [Caves, Wetlands and Other Ecosystem Division, BMB]**

**12. May wish to include date received and date released from division in the monitoring of issued SAPA, for a more appropriate monitoring of TAT accomplishment. [National Parks Division, BMB]**



## OPPORTUNITIES FOR IMPROVEMENT

**13. May wish to review the need to improve the target in relation to review and submission of Monthly Client Satisfaction Survey Report in the Issuance of NIPAS Certification.** *(as upon trailing, it was seen that they are not meeting the target set since Customer Satisfaction Survey is not being required by the office after the transaction.)*  
**[Conservation and Development Division, Regional Office III]**

**14. Reports (where possible) may be generated directly from LAMS and analyzed for consistency against the logbooks and internal trackers. [Land Management Bureau]**

## OBSERVATIONS

- Borderline nonconformities [isolated cases, need of further trailing in the next audit
- No required corrective action response, but internal control is required
- Will be verified next audit; If found recurring, will be elevated into nonconformity

## OBSERVATION

- 1. The ongoing finalization and completion of IPCR 2022 will be revisited on the next audit. (Law Enforcement). (9.1.3) [PENRO – Agusan del Sur]**
- 2. Isolated Case: Individual Development Plan where coaching in accordance to CSC knowledge and competency were presented, however, ensure completion on the information in the IDP were being conducted. (7.2) [PENRO - South Cotabato]**

## OBSERVATION

- 3. Ensure validity of all documents being presented, especially if the transaction was temporarily halted due to client's decision. [Isolated case: previously provided Veterinary Certificate in one sampled transaction in the processing of Wildlife Permit was expired.] (8.2.3)**
- 4. Isolated Case: Overall Samples: 1/9. Transaction 20220600996 24 June 2022 Certificate of Registration of Surveying Instrument was tagged as "Original" in the records instead of "Renewal". (8.6)**
- 5. To be further checked next audit: ensuring that all management review inputs and outputs were consistently retained as documented information during the time of the audit. (9.3.1)**
- 6. Isolated case: 1/3 Quality Objective for Monitoring of Wildlife Permit Holders is not measurable (Target :To process, review and endorse WFP application to the PENRO within the prescribe time frame) [Law Enforcement Section, CENRO – Guiguinto] (6.2)**

## OBSERVATION

### **7. There is a need to review established targets to ensure alignment and suitability of measurements in the actual service deliverables.**

1. Currently, the target is demand driven hence affected by external factors. Capacity/size of untenured land varies and depends on number of applicants for expansion. [PENRO – Agusan del Sur]
2. Immediate administrative and adjudication proceedings for apprehended forest products including conveyances, tools and implements. Target 4. Actual 4. In this case, the target “4” may not be attained if there will be no Forestry Law violators for a particular period wherein no violators can be easily translated that the programs (e.g. LAWIN Patrol) of the agency is effective. [CENRO – Tubay]
3. May consider reestablishment of targets/performance indicator for it to be more suited and align in the actual deliverables in Planning and Development Division of Regional Office XII (case in point: target set in PENROs and Divisions monitoring + CENRO monitored is 3, which corresponds to 3 months of monitoring, but actual documents and activities being done to adequately monitor the PENRO, CENRO and Division varies on the project implementation assigned per Office/Division.)

## MINOR NONCONFORMITY

- Lapses in one or two subclauses of the standard, recurring observation, or multiple isolated cases
- Required corrective action response to be submitted within 30 calendar days
- Will be verified next audit; If found recurring, will be elevated into major nonconformity

## **MINOR NONCONFORMITY**

### **7.5 Documented information**

#### **7.5.2 Creating and updating**

**When creating and updating documented information, the organization shall ensure appropriate:**

- a) Identification and description (e.g. title, date, author, or reference number);**
- b) Format (e.g. language, software version, graphics) and media (e.g. paper, electronic);**
- c) Review and approval for suitability and adequacy**

**7.5.3.2 For the control of documented information, the organization shall address the following activities, as applicable:**

- a) distribution, access, retrieval and use;**
- c) Control of changes (e.g. version control);**

## **MINOR NONCONFORMITY**

**1. However, the following lapses were seen on PENRO Surigao del Sur – Conservation and Development Division:**

- **During verification whether the CRMF endorsement has been realized referring to the presented Work and Financial Plan 2022, it was found out that the presented document is not suitable to be used as reference as this is not the finalized/updated/approved document. The document has no indication of its status (whether updated, approved or drafted) resulting to wrong presentation of document during the audit.**
- **CRMF Procedure (R13-SDS.TSD.PR.024) no information on the actual document regarding date issued.**
- **PO Resolution has missing information such as date of approval.**

**2. In addition, despite scope extension being conducted last 2022 Recertification Audit, the scope and exclusion presented per Quality Manual still do not indicate the aforementioned update.**



## **MINOR NONCONFORMITY**

- 3. The documented procedures presented by the divisions (PPD,PAMD,PMD and PMED) under FASPS were both old and new documents. (E.g.: Doc ID: CO-PPDF.PR.001 (New) Doc. Code: CO.QMS.001 Control No. P.CO-FASPS-PPD.2018.001 (Old))**
- 4. 1/10 sampled performance measure/target): Actual untenured lands is 0.2 hectares but documented is 0.56. (Law Enforcement). [PENRO – Agusan del Sur]**
- 5. No documentation of the actual maintenance activities being done on the equipment being utilized by the Monitoring and Enforcement Section was presented during the time of the audit. [CENRO – Camiling]**

## **MINOR NONCONFORMITY**

### **10.2 Nonconformity and corrective action**

**10.2.1 When a nonconformity occurs, including any arising from complaints, the organization shall:**

- b) evaluate the need for action to eliminate the cause(s) of the nonconformity, in order that it does not recur or occur elsewhere, by:**
- 3) determining if similar nonconformities exist, or could potentially occur;**
- d) review the effectiveness of any corrective action taken;**
- e) update risks and opportunities determined during planning, if necessary;**

**However, the implemented corrective action in accordance to the identification of risks and opportunities per ROAAP were evidently not seen on other areas not included in the previously raised nonconformity. This was seen on Regulation and Permitting Section, CENRO – General Santos. Although actual internal and external issues being encountered by the section was identified in their presented ROAAP, its actual risks were not identified.**

## **MINOR NONCONFORMITY**

**6.1.2 The organization shall plan:**

**b) how to:**

- 1) integrate and implement the actions into its quality management system processes (see 4.4);**
- 2) evaluate the effectiveness of these actions.**

**However, appropriate evaluation of effectiveness of the established actions in relation to identified risks and opportunities were not demonstrated in the following case-in-points:**

- 1. No indicated date of analysis and evaluation date in the ROAAP presented for Issuance of Certificates of Private Tree Plantation Registration process [CENRO – General Santos]**
- 2. Although additional controls have already been implemented per presented ROAAP of Planning and Development Division of Regional Office XII, there was no presented update and reevaluation for its effectiveness.**
- 3. ROAP of CRMF and FYWP (R13-SDS-TSD.ROAAP.024) has no information pertaining to date issued/date of effectivity [Conservation and Development Division, PENRO – Surigao del Sur].**

**Note: case in points were not elevated as a major nonconformity since all areas mentioned were able to provide risks and opportunities as well as their corresponding action plans, which was the raised issue per previous major nonconformity.**

## **MINOR NONCONFORMITY**

### **8.5.1 Control of production and service provision**

**The organization shall implement production and service provision under controlled conditions. Controlled conditions shall include, as applicable:**

**c) the implementation of monitoring and measurement activities at appropriate stages to verify that criteria for control of processes or outputs, and acceptance criteria for products and services, have been met;**

**However, evident monitoring of required turn-around times on the service deliverables were not demonstrated in the following lapses:**

**1. 2 out of 3 sampled transactions for Issuance of Certificate of Registration as Lumber Dealer is not compliant with the required TAT. Note that this issue was also already identified in ROAAP and action plan is already in place to be implemented by the organization. (8.5) [License, Patents and Deeds Division, PENRO – Tarlac]**

## **MINOR NONCONFORMITY**

- 2. October 6, 2022 Tree Cutting Permit No. CENRO GSC-21-2022 - required TAT were not met, no observed monitoring, verification and analysis as to why the TAT was not met. [CENRO-GenSan]**
- 3. All samples for permit processing is not compliant to the required TAT established. [Regulation and Permitting Section, CENRO-Guiguinto]**