



**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**  
**KAGAWARAN NG KAPALIGIRAN AT LIKAS YAMAN**



**NOTICE OF MEETING**

- FOR/TO :** The Undersecretary for Legal and Administration  
The Undersecretary for Field Operations – Luzon, Visayas and Environment  
The Undersecretary for Field Operations – Mindanao  
The Assistant Secretary for Field Operations – Eastern Mindanao  
The OIC Assistant Secretary for Field Operations – Luzon and Visayas  
The OIC Assistant Secretary for Field Operations – Western Mindanao  
The OIC Director, Financial and Management Service  
The Division Chiefs and Concerned Staff  
Accounting Division  
Budget Division  
Management Division  
The Bureau Director and Concerned Staff  
Land Management Bureau  
The Regional Executive Directors and Concerned Staff  
Regions 5, 6, 10 and 11  
The PENR Officers and Concerned Staff  
Region 5 (PENROs Albay, Masbate and Sorsogon)  
Region 6 (PENROs Capiz and Iloilo)  
Region 10 (PENROs Camiguin, Misamis Occidental and Misamis Oriental)  
Region 11 (PENROs Davao del Norte, Davao Occidental and Davao del Sur)
- FROM :** The Undersecretary  
Finance, Information Systems and Climate Change
- AGENDA :** 1. Commission on Audit (COA) Exit Conference on Compliance Audit of Foreshore Lease Agreement;  
2. Other matters.

Please be informed that the COA Exit Conference for Foreshore Lease Agreement will be on **January 29, 2023 (Monday), 1:00 PM onwards**, at the Office of the Assistant Secretary for International Affairs Conference Room, 5<sup>th</sup> Floor, DENR Main Building, Diliman, Quezon City.

The following officials and employees are hereby requested to attend the meeting face-to-face:

1. Undersecretary for Field Operations – Luzon, Visayas and Environment;
2. Undersecretary for Field Operations – Mindanao;
3. Assistant Secretary for Field Operations – Eastern Mindanao;

**Visayas Avenue, Diliman, Quezon City 1100, Philippines**  
**[www.denr.gov.ph](http://www.denr.gov.ph)**

4. OIC Assistant Secretary for Field Operations – Luzon and Visayas;
5. OIC Assistant Secretary for Field Operations – Western Mindanao;
6. Bureau Director and Concerned Staff of Land Management Bureau;
7. OIC Director of Financial and Management Service; and
8. Division Chiefs and Concerned Staff of Accounting, Budget and Management Division.

Other participants are requested to attend via Zoom thru this link  
<https://bit.ly/COAFindingsonFLA2024>.

For further details, please contact Ms. Anna Regina Vega of the Management Division at telephone no. 8926-6998, IP Phone trunk line nos. 8249-3367 and 8248-3367 loc. 1027/1028.

Your attendance at the said meeting is requested.

  
ATTY. ANALIZA REBUELTA-TEH



REPUBLIC OF THE PHILIPPINES  
**COMMISSION ON AUDIT**  
**NATIONAL GOVERNMENT AUDIT SECTOR**  
**CLUSTER 8- AGRICULTURE AND ENVIRONMENT**  
**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES 1**  
Visayas Ave., Diliman, Quezon City

**Office of the Auditor – Team NCR-01**

January 17, 2024

**HON. MARIA ANTONIA YULO LOYZAGA**

Secretary  
Department of Environment and Natural Resources (DENR)  
Visayas Ave., Diliman, Quezon City

Dear **Secretary Yulo Loyzaga**,

In relation to the conduct of Compliance Audit on the compliance of DENR and Foreshore Lease Agreement holders with Sections 15.5, 14.2, 14.3 and 16.2 of DENR Administrative Order (DAO) No. 2004 dated August 24, 2004 that provides for the Revised Rules and Regulations Governing the Administration and Management of Foreshore Lands, we respectfully invite you or any of your representatives together with the heads of the following DENR Offices to attend the Exit Conference to be held on January 29, 2024 at 1:00 PM: //


1. Land and Management Bureau
2. Regional Office Nos. 5, 6, 10 and 11


The conference aims to tackle the result of the compliance audit on the above DAO, in which audit observations and recommendations were communicated through Audit Observation Memoranda (AOMs) by our Regional Audit Teams. Relative thereto, we are requesting you to provide us with your comments and/or actions taken on the audit observations during our exit conference and by accomplishing the attached Summary of Audit Observations and Recommendations (Annex A – SAOR), in order that the same be incorporated in the Compliance Management Letter.

We would also like to request the usage of any of the Department's conference room on the said time and date. In addition, may we also seek for assistance in creating a meeting link for our virtual participants.

Thank you for your usual cooperation.

Very truly yours,

  
**ATTY. EDSON M. YAMBOT**  
Audit Team Leader  
DENR-CO

  
**LORILIE M. PLACIDO**  
OIC-Supervising Auditor  
DENR 1



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 DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES I  
 Visayas Ave., Diliman, Quezon City

**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**  
**Consolidated Summary of Audit Observations and Recommendations**  
**Compliance Audit CY 2023**

Reference	Compliance Audit Observation	Recommendations	Management Comments	Auditor's Rejoinder
Compliance Audit Management Letter CY 2023 Par. 16, Page 4	Payment of annual lease rentals on Foreshore Lease Agreements of lessees under all PENROs covered by this compliance audit was not properly observed either due to non-payment of annual lease rentals amounting to 575,301.45 or late payment of annual lease rentals ranging from 1 to 716 days in violation of Section 15.5 of DENR DAO 2004-24 dated August 24, 2004 thus, precluded the government the immediate use of the funds for its priority programs, projects and activities.	<p>We recommended that Management of all PENROs to:</p> <ul style="list-style-type: none"> <li>a. enforce measures to effectively monitor and collect annual lease rentals in a timely manner consistent with the provision of Section 15.5 of DENR DAO 2004-24 dated August 24, 2004, such as sending of collection letters or notice of billings to lessees before due date;</li> <li>b. re-orient and familiarize the PENRO personnel in-charged and lessees on the rules and regulations pertaining to the Administration and</li> </ul>		

ANNEX A

Reference	Compliance Audit Observation	Recommendations	Management Comments	Auditor's Rejoinder
		<p>Management of Foreshore Lands with emphasis on the deadline and collection of rental fees;</p> <p>c. instruct the concerned officer to monitor the payments of annual lease rental of lessees properly and see to it that the aforesaid Administrative Order is religiously complied with by maintaining a database of payments made by FLA holders.</p> <p>We also recommended that Management of the following PENROs to:</p> <p>a. Albay, Misamis Occidental, Davao del Sur and Misamis Oriental to direct the personnel in-charged to demand from and inform in writing the lessee regarding the non-payment of rental for the first year of the foreshore lease;</p> <p>b. PENROs Albay, Capiz, Camiguin and Masbate to make representations to higher authorities to</p>		

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Reference	Compliance Audit Observation	Recommendations	Management Comments	Auditor's Rejoinder
		<p>execute amendments of the Foreshore Lease Contract to rectify the defects particularly the provision on the date of subsequent payments of annual lease rentals in accordance with the above-cited rules and regulations.</p>		
<p>Compliance Audit Management Letter CY 2023 Par. 17, Page 8</p>	<p>Foreshore Lease Agreements under PENROs Misamis Occidental and Sorsogon remained in force despite non-payment of annual lease rentals for two consecutive years contrary to Section 16 of DENR DAO 2004-24 dated August 24, 2004, thereby preventing the government to lease the property to other good-payor occupants and consequently generate additional revenues as added funds to its beneficial programs, projects and activities.</p>	<p>We recommend that Management of PENROs Misamis Occidental and Sorsogon to:</p> <ul style="list-style-type: none"> <li>a. Coordinate with the higher authorities to take appropriate actions in the termination of the lease contracts between the DENR and lessees that have outstanding lease rentals for two consecutive years as provided in Section 16 of DENR DAO 2004-24;</li> <li>b. Have the leased foreshore land open for public bidding so that future revenues from new occupants could be generated.</li> </ul>		



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**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES 1**  
Visayas Ave., Diliman, Quezon City

**Office of the Auditor – Team NCR-01**

January 22, 2024

**OIC-Director IMELDA R. DELA CRUZ**

Financial and Management Services  
Department of Environment and Natural Resources (DENR)  
Visayas Ave., Diliman, Quezon City

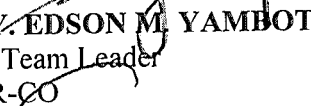
Dear **OIC-Director Dela Cruz**,


In relation to our previous communication letter dated January 17, 2024 with regard to the results of the compliance audit conducted on Foreshore Lease Agreement, may we also request the attendance of the heads of the following Provincial Environment and Natural Resources Offices (PENRO) or any of their representatives:

PENRO
Region 5
PENRO Albay
PENRO Masbate
PENRO Sorsogon
Region 6
PENRO Capiz
PENRO Iloilo
Region 10
PENRO Camiguin
PENRO Misamis Occidental
PENRO Misamis Oriental
Region 11
PENRO Davao Del Norte
PENRO Davao Occidental
PENRO Davao Del Sur

Thank you for your usual cooperation.

Very truly yours,

  
**ATTY. EDSON M. YAMBOT**  
Audit Team Leader  
DENR-CO

  
**LORELIE M. PLACIDO**  
OIC-Supervising Auditor  
DENR 1



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**Office of the Auditor – Team NCR-01**

January 17, 2024

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Secretary  
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Visayas Ave., Diliman, Quezon City

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**LORILIE M. PLACIDO**  
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DENR I

Edgar 9:46 pm





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