



Republic of the Philippines  
**Department of Environment and Natural Resources**  
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### NOTICE OF MEETING

**FOR/TO :** **DENR Region IVB**

- Regional Executive Director
- Assistant Regional Director for Management Services
- Assistant Regional Director for Technical Services
- Chief, Finance Division
- Regional Accountant
- Regional Budget Officer
- PENROs and Other Offices Concerned

**Financial and Management Service**

- Director
- Chief, Accounting Division and Concern Staff
- Chief, Budget Division and Concern Staff
- Chief, Management Division and Concern Staff

**FROM :** **The Assistant Secretary**  
Finance, Information Systems and Mining Concerns

**DATE/TIME :** November 3, 2022 (Thursday)

- 9:00 AM – Onwards

**VENUE :** Face to Face - DENR Region IVB Regional Office

**AGENDA :**

- 1. Financial Performance as of September 30, 2022**
  - Allotment
  - NCA
  - Revenue
- 2. Status of implementation of CAAR CY 2021**
  - Current Audit Findings and Recommendations
  - Status of Implementation of Prior Years Recommendations
- 3. Other matters**

Your attendance is enjoined due to the importance of the concerns to be discussed which affects the over-all financial operations of the DENR.

  
**ENGR. NONITA S. CAGUIWA** 4

Cc: Undersecretary for Finance, Information Systems and Climate Change

Consolidated Annual Audit Report (CAAR) CY 2021

Summary of Audit Observations and Recommendations

As of September 30, 2022

Regions/Bureaus	NO. OBSERVATIONS	NO. OF RECOMMENDATIONS	NO. OF IMPLEMENTED	NO. OF NOT IMPLEMENTED
Central Office - CY	13	24	14	10
ERDB	4	7	5	2
FMB	8	13	7	6
BMB	5	7	1	6
LMB	10	15	3	12
NCR	9	12	9	3
CAR	14	24	10	14
REGION 1	9	14	6	8
REGION 2	12	20	13	7
REGION 3	15	24	7	17
REGION 4A	7	11	3	8
REGION 4B	14	23	1	22
REGION 5	12	18	6	12
REGION 6	17	36	4	32
REGION 7	7	13	5	8
REGION 8	15	23	10	13
REGION 9	12	21	5	16
REGION 10	12	22	6	16
REGION 11	11	20	8	12
REGION 12	9	17	13	4
REGION 13	8	14	5	9
FMP	9	14	9	5
INREMP	7	10	7	3
TOTAL	239	402	157	245

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
Region IV-B - MIMAROPA

CAAR OBSERVATIONS		With Region 4B concern		Status of Implementation as of September 30, 2022
Observation No. 1	Accounting Errors/Omissions and Deficiencies	✓	A B	Not Implemented Not Implemented
Observation No. 2	Utilization of funds and disbursements	—	—	—
Observation No. 3	Reversion, closure and transfer of dormant cash, unauthorized accounts and unnecessary funds	—	—	—
Observation No. 4	Receipt and deposit/remittance of collections and income	—	—	—
Observation No. 5	Unrealized revenue on the use of foreshore lands	—	—	—
Observation No. 6	Unliquidated cash advances	✓	A B	Not Implemented Not Implemented
Observation No. 7	Non-liquidation of fund transfers to Implementing Agencies (IAs)	—	—	—
Observation No. 8	Non-liquidation of advances to PS-DBM and PITC	—	—	—
Observation No. 9	Non-liquidation of fund transfers to NGOs/CSOs	—	—	—
Observation No. 10	Dormant accounts for write-off	✓	A B	Not Implemented Not Implemented
Observation No. 11	Non-insurance of physical assets with the GSIS	✓	C	Not Implemented
Observation No. 12	Non-disposal of unserviceable properties	✓	B	Not Implemented
Observation No. 13	Non-compliance with rules and regulations of the Procurement Law	✓	A	Implemented
Observation No. 14	Delayed/Non-submission of government contracts and POs	✓	A B C	Not Implemented Not Implemented Not Implemented
Observation No. 15	Compliance with GSIS Law	✓	A	Not Implemented
Observation No. 16	Compliance with National Health Insurance Law	✓	A B	Not Implemented Not Implemented
Observation No. 17	Compliance with Pag-IBIG Law	✓	A B	Not Implemented Not Implemented
Observation No. 18	Compliance with Tax law and regulations	✓	A	Not Implemented
Observation No. 19	Hiring of and payments to job orders and contract of service individuals	—	—	—
Observation No. 20	GAD Budget, Utilization and Accomplishments	✓	A	Not Implemented
Observation No. 21	Formulation and implementation of programs/activities for Senior Citizens and Persons with Disability (SCPD)	✓	B	Not Implemented
Observation No. 22	Receipt and utilization and implementation of FAPs and ODA Projects	—	—	—
Observation No. 23	Receipt and utilization of Disaster Related Fund	—	—	—
Observation No. 24	Audit suspensions, disallowances and charges	✓	A B C	Not Implemented Not Implemented Not Implemented
Observation No. 25	Audit of COVID-19 Related Expenses	—	—	—
Observation No. 26	Idle/unused government property and equipment under the responsibility of the DENR Field Offices	—	—	—
Observation No. 27	Improper handling, custody and delayed disposition of confiscated forest products and conveyances	—	—	—
Total Observations		14	23	Implemented - 1 Not Implemented - 22



**Department of Environment and Natural Resources**  
**AGENCY ACTION PLAN and STATUS of IMPLEMENTATION**

Audit Observations and Recommendation (Current Year)

Accounting Errors/Omissions

For the Calendar Year 2021

As of September 30, 2022

Ref. No.	Audit Observation	Audit Recommendation	Agency Action Plan							Status of Implementation	Reason for Partial/ Delay/ Non-Implementation of action, if applicable	Action Taken/Action to be taken as of September 2022
			Action Plan	Person/ Department Responsible	Balance as of December 31, 2021 (a)	Adjustment Jan. 1 to September 2022 (b)	Balance as of September 2022 (c) = (a) - (b)	Target Date of Implementation				
								From	To			
1.3	Accounting Errors/Omissions Unrecorded deliveries of PPE and issued inventories from Procurement Service (PS) –DBM											
				Sub-total	3,353,141.68	3,353,141.68	0.00					
				R4B-RO	3,038,536.80	3,038,536.80	0.00	01/01/2022	12/31/2022	Implemented		JEV 2022-01-0116 dated January 16, 2022 amounting to Php 3,038,536.80 was prepared to record delivered items from PS-DBM
					314,604.88	314,604.88	0.00	01/01/2022	12/31/2022	Implemented		Adjusted thru: JEV No. 2022-01-116 (01/21/2022) P25,155.22 JEV No. 2022-03-0398 (03/31/2022) P13,632.17 JEV No. 22-03-0376 (03/16/2022) P275,817.49 TOTAL = P314,604.88 respectively, were prepared to record delivery of supplies from PS-DBM. Total adjustments of P314,604.88
1.4	Inventories already issued still recognized in the books											
				Sub-total	5,777,346.02	2,352,007.26	3,425,338.76					
				R4B-Marinduque	2,935,127.88	468,034.50	2,467,093.38	01/01/2022	09/30/2022	Not Implemented		The following JEVs were prepared: JEV No. 133 (06/30/2022) - 275,724.50 JEV No. 176 (08/31/2022) - 147,500.00 JEV No. 190 (09/28/2022) - 44,810.00 TOTAL - 468,034.50  The Supply Officer is still preparing the Report of Supplies and Materials Issued (RSMI) together with the original RIS pertaining to the issued inventory items for CY 2021 to be submitted to Accounting Unit for adjustment. These accounting errors/omissions will be fully adjusted by October 2022.



**Department of Environment and Natural Resources**  
**AGENCY ACTION PLAN and STATUS of IMPLEMENTATION**

Audit Observations and Recommendation (Current Year)

Accounting Errors/Omissions

For the Calendar Year 2021

As of September 30, 2022

Ref. No.	Audit Observation	Audit Recommendation	Agency Action Plan							Status of Implementation	Reason for Partial/ Delay/ Non-Implementation of action, if applicable	Action Taken/Action to be taken as of September 2022
			Action Plan	Person/ Department Responsible	Balance as of December 31, 2021 (a)	Adjustment Jan. 1 to September 2022 (b)	Balance as of September 2022 (c) = (a) - (b)	Target Date of Implementation				
								From	To			
												2022-09-1587 dtd 9/28/22 42,600.00  <b>TOTAL Php 1,883,972.76</b>  Based on the memorandum from Chief, Administrative Division, a RSMI was submitted to Accounting last September 23, 2022 amounting to Php 42,600. The corresponding entry for the submitted RSMI was prepared per JEV No. 2022-09-1587 dated September 28, 2022. Likewise, they said the will exert effort to complete the RSMI and other supporting documents to be submitted to Finance Division on or before November 29, 2022.
1.9	Non-provision of impairment loss on various PPE accounts and burnt/devastated reforestation projects			<i>Sub-total</i>	<i>5,288,967.28</i>	<i>3,888,549.36</i>	<i>1,400,417.92</i>					
				R4B-RO	337,207.41	317,047.31	20,160.10	08/01/2022	12/31/2022	Not Implemented		The amount P317,047.31 was adjusted w/ the ff. JEVs dtd March 31, 2022: JEV-2022-03-0394 - 1,849.50 JEV-2022-03-02-158 - 26,450.00 JEV-2022-03-0396 - 268,587.81 JEV-2022-03-02-102 - 2,160.00 <b>TOTAL - 317,047.31</b> Still awaiting for the disposal record of Php 20,160.10 balance from the GSS. Per memorandum from Chief, Administrative Division dated Septemebr 28, 2022, they will analyze the balance of Php 20,160.10 by checking their disposal records to determine/ identify the breakdown of disposed equipment
				R4B-Palawan	4,951,759.87	3,571,502.05	1,380,257.82	08/01/2022	12/31/2022	Not Implemented		Impairment loss was recognized under JEV no. 101-2022-06-2887 dated June 30, 2021 amounting to P3,571,502.05 (non-refo)
1.11	Erroneous provision of depreciation			<i>Sub-total</i>	<i>579,717.87</i>	<i>579,717.87</i>	<i>0.00</i>					
				R4B-RO	471,300.70	471,300.70	0.00	01/01/2022	12/31/2022	Implemented		JEV 2022-03-0396 dated March 31, 2022 was prepared to recognize depreciation of the ICT in the amount of P471,300.70.
				R4B-Oriental Mindoro	108,417.17	108,417.17	0.00	04/01/2022	12/31/2022	Implemented		Reconciliation of records between GSU and Accounting Unit is still on-going.
	Total Errors/Omissions				9,710,205.57	6,284,866.81	3,425,338.76					

**Department of Environment and Natural Resources**  
**AGENCY ACTION PLAN and STATUS of IMPLEMENTATION**

Audit Observations and Recommendation (Current Year)

Accounting Deficiencies

For the Calendar Year 2021

As of September 30, 2022

Ref. No.	Audit Observation	Audit Recommendation	Agency Action Plan						Status of Implementation	Reason for Partial/ Delay/ Non-Implementatio n of action, if applicable	Action Taken/Action to be taken Jan. to Sept. 2022	
			Action Plan	Person/ Department Responsible	Balance as of December 31, 2021 (a)	Adjustment Jan. 1 to September 2022 (b)	Balance as of September 2022 (c) = (a) - (b)	Target Date of Implementation				
								From				To
	Accounting Deficiencies											
1	Variances between accounting and property records/reports			Subtotal	10,643,248.03	5,925,160.00	4,718,088.03					
				R4B - Romblon	1,599,897.00	1,309,689.00	290,208.00	01/01/2022	12/31/2022	Not Implemented		Issued with ICS/RIS and RSMI per JEV#2022-05-628 (P1,060,751.00)and JEV#22-09-1806 dtd Sept.30,2022 (P248,938.00)
				R4B - Palawan	9,043,351.03	4,615,471.00	4,427,880.03	01/01/2022	12/31/2022	Not Implemented		Supplies ledger cards are still for updating. As to date, total amount of SLCs prepared by the Accounting Unit is P4,615,471.00
2	Variances between General Ledger (GL) balances and the Report on the Physical Count of PPE (RPCPPE)			Subtotal	291,057,849.89	40,740,206.36	250,317,643.53					
				R4B - Regional Office	20,232,698.42	0.00	20,232,698.42	01/01/2022	12/31/2022	Not Implemented		Analization and reconcilliation of PPE is still on going with the Chiefs, GSS and Accounting Section and Chairperson of Inventory Committee.
				R4B - Oriental Mindoro	50,785,935.31	33,392,345.97	17,393,589.34	04/01/2022	12/15/2022	Not Implemented		The total amount of 33,392,345.97 is adjusted in the RCPPE as of September 27, 2022. The reconciliation of remaining balance amounting to 17,393,589.34 is still ongoing.
				R4B - Palawan	110,693,967.31	7,347,860.39	103,346,106.92	01/01/2022	12/31/2022	Not Implemented		Adjustments were taken up under JEV-101-2022-07-3364 (07/31/2022) P 131,568.00 JEV-101-2022-08-3841 (08/31/2022) P7,216,292.39 TOTAL - P7,347,860.39
				R4B - Romblon	109,345,248.85	0.00	109,345,248.85	01/31/2022	12/31/2022	Not Implemented		P109,345,248.85 pertains to PPE acct. No adjusting entry has been made yet since the Supply Officer has not yet finish its reconciliation and conduct of Physical Inventory of PPE.
3	Missing/unaccounted equipment during the actual inventory			Subtotal	1,271,138.76	1,139,510.00	131,628.76					
				R4B - Palawan	1,271,138.76	1,139,510.00	131,628.76	01/01/2022	12/31/2022	Not Implemented		Complete Physical count of inventory of PPE was already conducted. JEV No. 101-2022-09-4044 dated Sept. 15, 2022 was prepared amounting to Php 1,139,150.00
GRANDTOTAL					302,972,236.68	47,804,876.36	255,167,360.32					



## Unliquidated Cash Advances

Observation	Recommendation	Office	Unliquidated Balance as of 12/31/2021		LIQUIDATION (JAN-AUG2022)		Unliquidated Balance as of 08/31/2022		SEPTEMBER 2022				Action Taken/Action to be taken as of September 30, 2022	Status
			CY	PY	CY	PY	CY	PY	LIQUIDATION		Unliquidated Balance			
								CY	PY	CY	PY			
Cash advances amounting to <b>₱53.065 million</b> or 30.96 percent of the total cash advances granted of P 171.418 million were not liquidated in the CO, LMB, FMP, 2 ROs and 13 PENROs at year-end due to the non-enforcement of settlement/liquidation of outstanding cash advances within the prescribes period, thus, exposes government funds to possible misuse.	We recommended and Management agreed to direct the Accountants of: <b>a.</b> CO, LMB, FMB and ROs <b>IV-B</b> and XII, and PENROs Aklan and Zamboanga del Norte to validate the propriety of the long outstanding balances and those recorded in the books in the lump sum amount and request for write-off for those balances existing for over ten years;	Region IV-B												Not Implemented
	<b>b.</b> LMB, FMP, <b>RO IV-B</b> and PENROs Cagayan, Quirino, Albay, Bukidnon, Camiguin, Iloilo, South Cotabato, Laguna, <b>Palawan</b> , Negros Oriental, and Surigao del Norte to enforce strictly the liquidation of cash advances within the prescribed period by requiring the AOs to liquidate immediately their cash advances as soon as the purpose for which it was granted has already been served and the immediate refund/return of any excess amount thereof;	Region IV-B	0.003	0.315	0.000	0.204	0.003	0.111	0.000	0.000	0.003	0.111	•Mr. Edsel Valencia who died last Nov. 2020 still had outstanding balance of Php 54,842.00. •Mr. Sanny Suliba who already opted to retire early has outstanding balance of Php 55,715.00. •Per Chief, Personnel Section, the said amount will be reflected on the voucher and will be deducted from total amount of terminal leave of accountable officers.	Not Implemented
		Palawan	3.499	0.000	0.000	0.000	3.499	0.000	3.499	0.000	0.000	0.000	Already submitted the Liquidation Reports to the Office of the Resident Auditor and recorded under JEV No. 101-2022-01-0071B dated Jan 31, 2022 P50,000; JEV No. 101-2022-01-0071C dated Jan 31, 2022 P988,132.64; JEV No. 101-2022-01-0071D dated Jan 31, 2022 P748,632.40; JEV No. 101-2022-03-0825 dated Mar 31, 2022 P993,581.73; JEV No. 101-2022-03-0273 dated Mar 31, 2022 P718,675	Implemented
	<b>c.</b> LMB and PENROs Zamboanga del Norte, Iloilo and South Cotabato to refrain from processing additional cash advance of AOs with outstanding cash advance/s; <b>d.</b> RO XII to communicate and verify from the nearest of kin of the identified AOs/SDOs with unliquidated cash advances of more than 10 years to ascertain their whereabouts and whether or not there is truth in the claims of their death, as this may support the request for write-off; and <b>e.</b> PENRO Iloilo to direct the SDO to refrain from paying the wages of the contractual personnel whose documentary requirements are not complete to avoid delay in the liquidation.													
		TOTAL	3.502	0.315	0.000	0.204	3.502	0.111	3.499	0.000	0.003	0.111		



Dormant accounts for write-off

Observation	Recommendation	Office	Amount (In Million Pesos)	Remarks	Action Taken/Action to be taken as of September 30, 2022	Status
Dormant receivable accounts, unliquidated cash advances, and fund transfers amounting to <b>₱127.962 million</b> were not requested for write-off by the CO, 2 Staff Bureaus, 2 ROs and 7 PENROs .	We recommended and Management agreed to direct the Accountants of CO,LMB, ERDB, CAR, RO III and PENROs Davao de Oro, Bataan, Iloilo, Pampanga, <b>Oriental Mindoro</b> , Samar, and Misamis Oriental to: <b>a.</b> exert more effort in gathering the necessary documents to support the request for authority to write-off; and <b>b.</b> subsequently file a request for authority to write-off dormant receivables, unliquidated cash advances and fund transfers duly supported with applicable documents required under COA Circular no. 2016-005.	Due from LGUs				
		PENRO Oriental Mindoro	0.746	●Due to absence of pertinent supporting documents required under COA Circular No. 2016-005.	PENRO Oriental Mindoro, one required document in the request for write-off is the Certification of “No PENDING” case involving the subject’s dormant account in court and will send another request for this certification to the municipality of BACO since the previous administration did not issue the said certification. If the LGU already provide the required document, they will request for the write-off of the said dormant account	Not Implemented
		TOTAL	0.746			

Non-insurance of physical assets with the GSIS

Observation	Recommendation	Office	Amount (In Million Pesos)	Insured	Action Taken/Action to be taken as of September 30, 2022	Status
Some physical assets of DENR-CO, LMB, RO VIII, and PENROs Abra, Benguet, Kalinga, Cagayan, Aurora, Nueva Ecija, Palawan, Occidental Mindoro, Camarines Sur, Guimaras, Southern Leyte, Zamboanga del Norte, Zamboanga del Sur, and Cotabato in the total amount of <b>₱386.836 million</b> were not insured against fire or theft with the General Insurance Fund (GIF) of the GSIS, thus, said Offices are at risk of not being indemnified in case of damage or loss of the assets.	We recommended and Management agreed to direct the officials of the:  <b>a.</b> CO and PRCMO to require the Property and Supply Officer to update the PIF once the RPCPPE for the period covered is available and ensure that all insurable properties are being insured with the GSIS;  <b>b.</b> PENRO Benguet to follow-up from the GSIS the status of its application for the insurance of all its insurable assets;  <b>c.</b> LMB, RO VIII, PENROs Abra, Cagayan, Aurora, Nueva Ecija, <b>Palawan, Occidental Mindoro</b> , Camarines Sur , Guimaras, Southern Leyte, Zamboanga del Norte, Zamboanga del Sur and Cotabato to facilitate the required procedures and documents so that the necessary insurance coverage for all insurable properties can be applied with the General Insurance Fund of the GSIS; and  <b>d.</b> PENROs Kalinga, Aurora, Nueva Ecija and Guimaras to provide the necessary budget for the insurance premium sufficient to cover all insurable property and cause the application for insurance thereof in faithful compliance with Sections 5 and 11 of RA No. 656.	PENRO Palawan	63.443	Not yet	The PIF was not yet submitted to GSIS because the Property Custodian decided to process all at once the insurance of the buildings and other structure together with its content upon the expiration and renewal of the premium comes September 2022.	Not Implemented
		PENRO Occidental Mindoro	28.625	Not yet	1. Insurance policies thru GSIS are currently existing after renewal. 2. End-users with new assets for insurance had already coordinated with GSIS.	Not Implemented
		TOTAL	92.068			

Non-disposal of unserviceable properties

Observation	Recommendation	Office	Cost (In Million Pesos)	July 31, 2022		August 31, 2022		September 30, 2022		Action Taken/Action to be taken as of September 30, 2022	Status
				Disposal	Balance	Disposal	Balance	Disposal	Balance		
Unserviceable properties amounting to <b>₱102.324 million</b> stationed in CO, 3 Staff Bureaus, 5 ROs, 28 PENROs and 2 FAPs remained not disposed of, thus, exposing them to further deterioration and decreasing their realizable value.	We recommended and Management agreed to direct the:  <b>a.</b> Heads of the CO, LMB, BMB, FMB, ROs II, V, VIII, X, CAR, concerned PENROs, FAPs-FMP and FAPs-INREMP to take immediate action to facilitate/cause the appraisal and disposal of unserviceable properties to avoid further deterioration and optimize realizable value therefrom; and										
	<b>b.</b> Property Officers of CO, FMB and PENROs Pangasinan, Isabela, <b>Occidental Mindoro</b> , Siquijor, <b>Palawan</b> , <b>Romblon</b> , Guimaras, Zamboanga del Norte to accomplish the IIRUP of all obsolete and unserviceable PPEs surrendered in their custody as basis for dropping from the books of accounts after the disposal is completed.	R4B - PENRO Occidental Mindoro	11.221	0.000	11.221	0.000	11.221	0.000	11.221	1.Completion/exhaustion of property information needed for disposal should be completed/retrieved and verified. 2.Workshop on reconciliation of records between inventoried properties and properties recorded in the book of accounts was conducted on May 18-20, 2021. 3. A special Inventory committee is formed for the one time cleansing of PPE which started in August 2021	Not Implemented
		R4B - PENRO Oriental Mindoro	2.294	2.294	0.000	0.000	0.000	0.000	0.000	●Unserviceable properties were disposed by Property Officer on May 04, 2022. ●IIRUP was submitted to Accounting Unit on June 01, 2022.	Implemented
		R4B - PENRO Palawan	4.952	0.000	4.952	0.000	4.952	0.000	4.952	Already submitted its letter request dated June 24, 2021 to the Resident Auditor The request inspection and validation of the unserviceable properties for disposal for FY 2020 was forwarded to the COA Technical Audit Specialist thru the Regional Director.	Not Implemented
		R4B - PENRO Romblon	0.881	0.000	0.881	0.000	0.881	0.000	0.881	On going reconciliation and preparation of IIRUP	Not Implemented
		<b>TOTAL</b>	<b>19.348</b>	<b>2.294</b>	<b>17.054</b>	<b>0.000</b>	<b>17.054</b>	<b>0.000</b>	<b>17.054</b>		



Non-compliance with rules and regulations of the Procurement Law

Observation	Recommendation	Office	Cost (In Million Pesos)	Action Taken/Action to be taken as of September 30, 2022	Status
The procurement process of three ROs, nine PENROs and FAPs-FMP disclosed non-compliance with applicable laws, rules and regulations in their procurement amounting to <b>₱126,030,964.79</b>	We recommended and Management agreed to instruct the BAC of ROs II, IX and XIII, PENROs <b>Romblon</b> , Albay, Sorsogon, Ilocos Norte, Ilocos Sur, Nueva Vizcaya, Eastern Samar, Lanao del Norte, Surigao del Norte, and FAPs-FMP to ensure that procurement of goods and services and infrastructure projects are in accordance with RA No. 9184 and its Revised Implementing Rules and Regulations (RIRR) and to submit the lacking supporting documents for audit.	Romblon	2.199	BAC has convened on the May 5, 2022 for the review and compliance to audit observation. The BAC were also reminded to adhere with RA 9184 in all its procurement process. Submitted its reply and compliance to the deficiencies noted in the audit to COA last May 17, 2022	Implemented
		TOTAL	2.199		

Delayed/ Non-submission of goverment contracts and POs

Delayed/Unsubmitted Government Contracts										Delayed/Unsubmitted Purchase Orders								
Observation	Recommendation	Office	No. of Contracts		Amount (In Million Pesos)		Range of days delay	Submitted	Balance Unsubmitted Jan-Sept 2022	No. of Purchase Orders		Amount (In Million Pesos)		Range of days delay	Submitted	Balance Unsubmitted Jan-Sept 2022	Action Taken/Action to be taken as of September 30, 2022	Status
			Delayed	Not Submitted	Delayed	Not Submitted				Delayed	Not Submitted	Delayed	Not Submitted					
Copies of 3,731 government contracts and 3,849 Purchase Orders (POs) amounting to ₱544.908 million and ₱113.420 million, respectively, were not submitted by the CO, FMB, FAPs-FMP, FAPs-INREMP, 5 ROs and 28 PENROs within the prescribed period, with delays ranging from 1 to 356 days. Likewise, 658 contracts and 572 POs amounting to ₱53.547 million and ₱18.632 million, respectively, were not submitted to the concerned Audit Teams for review. This delayed/non-submission of contracts and POs precludes its timely review and evaluation and the detection of any deficiency that could be rectified immediately.	We recommended and Management agreed to direct the Heads of the CO, FMB, FAPs-FMP, FAPs-INREMP, CAR and ROs II, III, VI, XIII and 28 PENROs to:  a. maintain an updated monitoring system on the submission of contracts/PO, and check periodically the status of such submission;  b. properly endorse the task of submission of contracts to the alternate staff in case of unavailability of the person-in-charge; and  c. submit copies of perfected contracts/purchase orders within the prescribed timeline.	PENRO Marinduque	4	69					125	109						The Administrative Section prepared Flow Chart for Procurement subject for review and approval by the Management. This will help PENRO Marinduque personnel in timely preparation of procurement documents and submit the perfected Purchase Order/Contracts to the Resident Auditor within 5 days after perfection.	Implemented	
		PENRO Romblon		33		3.563		0.000	3.563		125		6.217		0.000	6.217		Not Implemented
		PENRO Palawan	1		1.465					95		5.193		41-355			Memorandum was issued dated February 10, 2022 to the General Services and Procurement Unit to adhere on the timely submission of perfected contracts. Short meeting was also conducted by the Chief MSD and participated by the Accountant, Budget Officer and Head of the General Services and Procurement Unit to resolve the issues involved during the process of procurement.	Implemented
		TOTAL	5	102	1.465	3.563	-	0.000	3.563	220	234	5.193	6.217	-	0.000	6.217		



Compliance with GSIS Law

Observation	Recommendation	Office	Amount (In Million Pesos)	Adjustments	Balance as of September 2022	Action Taken/Action to be taken as of September 30, 2022	Status																																								
Prior years' balances that are subject to reconciliation and remittance amounting to <b>₱3.024 million</b> for four ROs and nine PENROs remained unremitted as of year-end.	We recommended and Management agreed to instruct the Accountants of NCR, ROs I, VI and XIII and PENROs Abra, Pampanga, <b>Palawan, Marinduque</b> , Albay, Guimaras, Iloilo, Agusan del Norte, and Agusan del Sur to prioritize the reconciliation of agency’s records as against the records of GSIS, identify the affected employees and establish the unremitted amount to cause immediate remittance thereof.	Palawan	0.640	0.000	0.640	Still ongoing. Necessary adjustments or actions will be taken up once reconciliation with the GSIS is completed.	Not Implemented																																								
		Marinduque	0.021	0.017	0.004	1. Analyzed the Due to GSIS Account for CY 2021 and prior years 2. The ERF Handler furnished copy of clarificatory items to AAO for submission of Agency Remittance Advice to GSIS 3. As of December 31, 2021 Due to GSIS account balance amounting to 30,648.91, the following JEVs were prepared on CY 2022:  <table><tr><td>JEV#</td><td>Date</td><td>Amount</td></tr><tr><td>ENGAS</td><td></td><td></td></tr><tr><td>2022-04-333</td><td>4/20/2022</td><td>22,914.75</td></tr><tr><td>2022-04-270</td><td>4/27/2022</td><td>825.30</td></tr><tr><td>2022-04-271</td><td>4/27/2022</td><td>1,157.77</td></tr><tr><td>2022-06-860</td><td>6/30/2022</td><td>3,103.62</td></tr><tr><td>2022-08-1084</td><td>8/19/2022</td><td>167.00</td></tr><tr><td>2022-08-1183</td><td>8/05/2022</td><td>5,092.06</td></tr><tr><td></td><td></td><td>1,642.50</td></tr><tr><td>Remittance of PYs</td><td></td><td>5,700.49</td></tr><tr><td>Remittance of PYs</td><td></td><td>4,600.88</td></tr><tr><td>2022-05-325</td><td>4/12/2022</td><td>(6,781.88)</td></tr><tr><td>2022-05-397</td><td>5/12/2022</td><td>(21,716.89)</td></tr><tr><td><b>Total</b></td><td></td><td><b>16,705.60</b></td></tr></table>	JEV#	Date	Amount	ENGAS			2022-04-333	4/20/2022	22,914.75	2022-04-270	4/27/2022	825.30	2022-04-271	4/27/2022	1,157.77	2022-06-860	6/30/2022	3,103.62	2022-08-1084	8/19/2022	167.00	2022-08-1183	8/05/2022	5,092.06			1,642.50	Remittance of PYs		5,700.49	Remittance of PYs		4,600.88	2022-05-325	4/12/2022	(6,781.88)	2022-05-397	5/12/2022	(21,716.89)	<b>Total</b>	
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<b>Total</b>		<b>16,705.60</b>																																													
		<b>TOTAL</b>	<b>0.661</b>	<b>0.017</b>	<b>0.644</b>																																										



## Compliance with National Health Insurance Law

CY											
Observation	Recommendation	Office	Amount		Days Delayed	Adjustments		Balance		Action Taken/Action to be taken as of September 30, 2022	Status
			Personal Share	Gov't Share		Personal Share	Gov't Share	Personal Share	Gov't Share		
Two ROs and four PENROs incurred 2 to 258 days delay in the remittance of the personal share of employees and government share amounting to <b>₱0.222 million</b> and <b>₱0.217 million</b> , respectively, and these prior years' balances of <b>₱0.414 million</b> in two ROs and seven PENROs which remained unremitted as of year-end.	We recommended that the Management instruct the Chief Accountants of:  a. ROs <b>IV-B</b> and VI and PENROs <b>Marinduque, Romblon, Zamboanga del Norte</b> and del Sur to regularly update the member's records and ensure timely remittance of the monthly premium contributions in accordance with the provisions of the National Health Insurance Law to avoid imposition of penalties; and	RO IV-B	0.002	0.000	23	0.002	0.000	0.000	0.000	Per Managment Letter received from resident auditor, amount of Personal and Government share were remitted without significant delay	Implemented
		Marinduque	0.002	0.002	4 to 49	0.002	0.000	0.000	0.002	As of August 31, 2022, the Due to PhilHealth account has no balance or unremitted personal contributions.	Not Implemented
		Romblon	0.154	0.154	8 to 142	0.000	0.000	0.154	0.154		
		<b>TOTAL CY Balance</b>	<b>0.158</b>	<b>0.156</b>		<b>0.004</b>	<b>0.000</b>	<b>0.154</b>	<b>0.156</b>		
		<b>PY</b>									
	b. NCR, RO VI and PENROs Abra, <b>Palawan, Romblon</b> , Albay, Northern Samar, Zamboanga del Norte and Negros Occidental to analyze/reconcile the unremitted balances including the PYs balances and remit to PhilHEALTH, if warranted.	<b>Office</b>	<b>Amount</b>	<b>Adjustments Jan-Sept 2022</b>	<b>Balance</b>					<b>Action Taken/Action to be taken as of September 30, 2022</b>	<b>Status</b>
		PENRO Palawan	0.047	0.00	0.047					Focal person for remittances is already doing the task. She is still working back on those balances	Not Implemented
		PENRO Romblon	0.001	0.00	0.000					on time. The delay in the remittances in CY 2021 was due to the change in the online payment system being implemented by Philhealth and Landbank which unfortunately encounter problem in its processing	Implemented
		<b>TOTAL PY Balance</b>	<b>0.048</b>	<b>0.001</b>	<b>0.047</b>						

Compliance with Pag-IBIG Law

CY											
Observation	Recommendation	Office	Amount		Days Delayed	Adjustment Jan to		Balance as of Sept		Action Taken/Action to be taken as of September 30, 2022	Status
			Personal Share	Loans		Personal Share	Loans	Personal Share	Loans		
RO VI and four PENROs had incurred 4 to 301days delay in the remittance of personal share and loan payments of employees in the amount of <b>₱0.039 million and ₱0.062 million</b> , respectively, and prior year's balances of <b>₱0.415 million</b> in two ROs and five PENROs remained unremitted as of year-end.	We recommended and Management agreed to require/instruct the Accountants of:  a. RO VI and PENROs <b>Marinduque, Romblon</b> , Zamboanga del Norte, and Zamboanga del Sur to remit the amount withheld for employees' Pag-ibig contributions and loan payments within the prescribed period; and  b. NCR, RO VI and PENROs Abra, Pampanga, <b>Palawan</b> , Albay, and Northern Samar to determine the composition of the unremitted balance pertaining to prior years of the Due to Pag-IBIG account and immediately remit the same to the pag-IBIG in compliance with existing regulation and make necessary adjusting entries, if necessary.	PENRO Marinduque			10 to 12	0.000	0.000	0.000	0.000	As of August 31, 2022, the Due to Pag-IBIG account has no balance or unremitted personal contributions and loan deductions.	Implemented
		PENRO Romblon	0.008	0.001	13	0.000	0.000	0.008	0.001	PENRO Romblon did not incur any delay of PAG-IBIG remittances for CY 2021. The balance pertains to prior years account subject for reconciliation.	Not Implemented
		TOTAL CY Balance	0.008	0.001							
		PY									
		Office	Amount	Adjustments Jan-Sept 2022	Balance					Action Taken/Action to be taken as of September 30, 2022	Status
		PENRO Palawan	0.066	0.000	0.066					Focal person for remittances is already doing the task. She is still working back on those balances	Not
		TOTAL PY Balance	0.066	0.000	0.066						



Compliance with Tax Law and regulations

Observation	Recommendation	Office	Amount (In Million Pesos)	Adjustments	Balance	Action Taken/Action to be taken as of September 30, 2022	Status
Taxes withheld amounting to <b>₱5.561 million</b> in LMB, three ROs, FAPs-FMP, FAPs-INREMP and five PENROs remained unremitted as of year-end and subject to reconciliation.	We recommended and Management agreed to instruct the Accountants of the LMB, NCR, ROs III and VI, FAPs-FMP, FAPs-INREMP and PENROs Abra, Apayao, <b>Palawan</b> , Leyte and Samar to determine the composition of the unremitted balance of Due to BIR account and immediately remit the same to the BIR in compliance with tax laws and regulations and make necessary adjusting entries, if necessary.	PENRO Palawan	0.026	0.000	0.026	Still on-going. Necessary adjustments will be taken up once reconciliation with BIR is completed.	Not Implemented
		TOTAL PY Balance	0.026	0.000	0.026		



CAAR CY 2021

Observation No. 20

GAD Budget, Utilization and Accomplishments

Observation	Recommendation	Office	Fund Allocation	At least 5% of Appropriation	Amount	Action Taken/Action to be taken as of September 30, 2022	Status
Although DENR allocated ₱4,300.265 million or 14 percent of the total appropriations of ₱30,031.558 million for GAD programs and activities, ROs II, VI, VIII and XI and PENROs Aklan, Bukidnon, Camarines Sur, Leyte, Marinduque, Palawan, Quirino and Sarangani and DENR-NCR did not allocate at least five percent of their appropriations for GAD programs and activities, contrary to Section 32 of the FY 2021 GAA. Further, PENROs Northern Samar, Eastern Samar, and Southern Leyte were not able to submit their GAD Plan and Budget to PCW for proper review and approval as well as their ARs. Also, the ARs of DENR-CO and PENRO of Nueva Viscaya were not submitted to the auditors for evaluation. Furthermore,	We recommended and Management agreed to:  a. direct the GAD Focal Person of ROs II, VI, VIII and XI, as well as PENROs of Aklan, Bukidnon, Camarines Sur, Leyte, <b>Marinduque, Palawan</b> , Quirino and Sarangani and DENR-NCR to ensure the allocation of at least five percent of the agency’s annual appropriations to GAD activities;  b. direct the GAD focal person of DENR-CO and PENRO Nueva Viscaya to ensure that the allocation for GAD activities is in accordance with the requirements of the General Appropriations Act in order to address more programs and GAD related activities and to mainstream the GAD activities into the regular Agency programs and projects;  c. direct the GAD focal person of PENROs Northern Samar, Eastern Samar, and Southern Leyte to ensure that the Annual GPB shall be submitted to the PCW for review to have a PCW-endorsed GBP in the future; and  d. direct all GAD focal persons to provide data on actual accomplishments and amount expended for all of the GAD activities and that the AR shall be fully supported with the financial details and documents.	Marinduque	61,554,889.80	3,077,744.49	2,928,600.56	Has no audit findings for CY 2021 relative with the GAD implementation  •Complied with the allocation of at least 5% of the agency’s annual appropriations to GAD activities. •Concerned personnel were given instructions for the compliance of the office. WFP was prepared for GAD programs and activites	Not Implemented
		Palawan	289,355,000.00	14,467,750.00	1,184,851.00		Implemented
		Total	350,909,889.80	17,545,494.49	4,113,451.56		

Formulation and implementation of programs/activities for Senior Citizens and Persons with Disability (SCPD)

Observation	Recommendation	Office	Allocation	Utilization	Utilization Rate	Action Taken/Action to be taken as of September 30, 2022	Status
			(In Million Pesos)				
Two ROs and seven PENROs did not allocate budget nor formulate any plans, projects and programs intended for the benefit of SCPD for CY 2021.	We recommended and Management agreed to instruct the: <b>a.</b> Heads of LMB,NCR, RO XIII and PENROs Abra , Agusan del Norte, Agusan del Sur, Dinagat Islands, Ifugao, Misamis Occidental, Mountain Province, North Cotabato, Sarangani, Surigao del Norte, Surigao del Sur, Zamboanga del Norte, Zamboanga del Sur and Zamboanga Sibugay to incorporate in their report the actual cost spent for the plans, programs and projects for SCPDs; and  <b>b.</b> Heads of ROs V and IX and PENROs Apayao, Biliran, Lanao del Norte, Leyte, <b>Palawan</b> , Samar and Southern Leyte to allocate budget and formulate plans, projects and programs for the elderly and differently-abled persons.	RO IV-B	0.034	0.034	100.00%	●Project Procurement Management Plan (PPMP) with corresponding fund allocation was prepared by the SCPDs focal person. ●The management had allocated certain amount under Budget Impositions for SCPDS. The said amount was utilized for the procurement and supplies for the welfare of SCPDs.	Implemented
		Oriental Mindoro	0.021	0.021	100.00%		Implemented
		Marinduque	0.047	0.047	100.00%	Has no audit findings for CY 2021 relative with the GAD implementation	Not implemented
		Palawan					Not implemented
		TOTAL	0.102	0.102	100.00%		

Audit suspensions, disallowances, charges and settlement

Observation	Recommendation	Office	Balance as of December 31, 2021	Settlement (Jan. 1 - Sept. 30, 2022)	Balance as of Sept. 30, 2022	Action Taken/Action to be taken as of September 30, 2022	Status
Total settlement of suspensions, disallowances and charges during the year amounted to ₱33.851 million or 6.80 percent out of the total audit suspensions, disallowances and charges of ₱495.083 million, leaving unsettled suspensions, disallowances and charges of ₱141.731 million, ₱246.291 million and ₱73.030 million, respectively, as at year-end.	We reiterated our previous years' recommendation and Management agreed to:	<b>AUDIT SUSPENSION</b>					
		R4B - Occidental Mindoro	1,528,669.01	0.00	1,528,669.01		Not Implemented
		<b>AUDIT DISALLOWANCE</b>					
		R4B - Regional Office	1,941,605.86	0.00	1,941,605.86		Not Implemented
		R4B - Romblon	23,063,410.25	0.00	23,063,410.25		Not Implemented
		R4B - Occidental Mindoro	17,525.00	0.00	17,525.00		Not Implemented
		R4B - Marinduque	747,937.27	0.00	747,937.27		Not Implemented
		R4B - Palawan	3,965,665.03	0.00	3,965,665.03		Not Implemented
		<b>TOTAL</b>	<b>31,264,812.42</b>	<b>0.00</b>	<b>31,264,812.42</b>		
	<b>a.</b> ensure compliance with laws, rules and regulations to avoid audit suspensions, disallowances and charges; and	R4B - Regional Office					
		R4B - Romblon					
		R4B - Occidental Mindoro					
		R4B - Marinduque					
	<b>b.</b> adhere to the provisions of the RRSA as prescribed under COA Circular No. 2009-006 dated September 15, 2009, requiring the settlement of suspensions, disallowances and charges within the prescribed period to prevent accumulation of unsettled NSs, NDs and NCs.	R4B - Palawan					
		R4B - Regional Office					
		R4B - Romblon					
		R4B - Occidental Mindoro					
		R4B - Marinduque					
	<b>c.</b> send demand letters to all persons responsible/liable for audit disallowances/charges with issued NFDs and COEs and enforce the immediate full settlement pursuant to the RRSA thru the Accountants of concerned DENR offices.	R4B - Palawan					
		R4B - Regional Office					
		R4B - Romblon					
		R4B - Occidental Mindoro					
		R4B - Marinduque					