

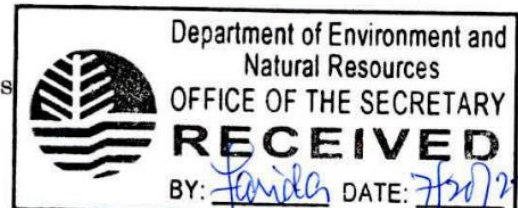


Republic of the Philippines  
**COMMISSION ON AUDIT**  
**NATIONAL GOVERNMENT AUDIT SECTOR**  
Cluster 8 – Agriculture and Environment  
Quezon City

JUL 19 2022

**MA. ANTONIA YULO-LOYZAGA**

Secretary  
Department of Environment and Natural Resources  
Visayas Avenue, Diliman, Quezon City



Dear **Secretary Loyzaga**:

We are pleased to transmit the Consolidated Annual Audit Report on the **Department of Environment and Natural Resources** for the Calendar Year 2021, in compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of the Government Audit Code of the Philippines (Presidential Decree No. 1445).

The audit was conducted to (a) ascertain the level of assurance that may be placed on management's assertions on the financial statements; (b) determine the propriety of transactions as well as the extent of compliance with applicable laws, rules and regulations; (c) recommend agency improvement opportunities; and (d) determine the extent of the implementation of prior years' audit recommendations.

The attached report consists of the Independent Auditor's Report, the Audited Financial Statements, the Observations and Recommendations, and the Status of Implementation of Prior Years' Audit Recommendations which were discussed with the concerned Management officials and staff.

We request that a status report on the actions taken on the recommendations be submitted within sixty (60) days from the date of receipt of the report hereof, pursuant to Section 91 of the General Provisions of the General Appropriations Act for FY 2021 (R.A. No. 11518) using the attached Agency Action Plan and Status of Implementation (AAPSI), copy furnished the Secretary of the Department of Budget and Management (DBM), Speaker of the House of Representatives, President of the Senate of the Philippines, House Committee on Appropriations and the Senate Committee on Finance.

We express our appreciation for the valuable support and cooperation extended to the audit team by the officials and staff of that Agency.

Very truly yours,

**MELISSA GRACE B. MARTINEZ**  
Director IV