



OUTGOING

Received by: *[Signature]*
Date: *03-20-23*

March 15, 2023

MEMORANDUM

FOR : The Regional Executive Director
DENR MIMAROPA Region

FROM : The OIC, PENR Officer
DENR Odiongan, Romblon

SUBJECT : REPRESENTATION BY THE REGIONAL EXECUTIVE
DIRECTOR ON THE PROVISION OF BUDGET FOR THE
UNTENDED ESTABLISHED TREE PLANTATIONS

DENR MIMAROPA RECORDS SECTION RECEIVED	
APR 25 2023	
<input type="checkbox"/> INCOMING	<input type="checkbox"/> OUTGOING
BY: _____	DATS NO. _____
TIME: _____	

This has reference to the Management Letter dated December 26, 2021 on the Compliance Audit of the NGP from CY 2011 to 2016 and ENGP CY 2017 to June 30, 2021, as mandated by Executive Order Nos. 26, series of 2011 and 193, series of 2015.

In connection to the observations with recommendations provided by the Commission on Audit, we respectfully request from your good office for the representation on the allocation of funds for the NGP sites not adopted under the continuous protection and maintenance of People's Organizations to ensure sustainability and protection of established NGP projects.

Enclosed is the copy of Management Letter dated December 26, 2021, as basis for this representation.

For information, consideration and further instructions, if any.

[Signature]
ARNOLDO A. BLAZA, JR.
[Initials]

Cc:

Connie G. Benedictos, Regional Supervising Auditor, Cluster 8, NGS
Annie A. Fondevilla, OIC, Audit Team Leader



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Annie A. Fondevilla, OIC, Audit Team Leader



NGP Unit

March 15, 2023

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DENR MIMAROPA Region

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Annie A. Fondevilla, OIC, Audit Team Leader



4:57

OUTGOING
Received by: <u>[Signature]</u>
Date: <u>02-20-23</u>

March 15, 2023

MEMORANDUM

FOR : The SECRETARY
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City

THRU : The Regional Executive Director
DENR MIMAROPA Region

FROM : The OIC, PENR Officer
DENR Odiongan, Romblon

SUBJECT : REPRESENTATION BY THE SECRETARY THRU THE
REGIONAL EXECUTIVE DIRECTOR ON THE COMPLIANCE
AUDIT OBSERVATIONS AND RECOMMENDATIONS ON THE
NATIONAL GREENING PROGRAM (NGP) FROM CY 2011 TO
2016 AND ENHANCED NGP (ENGP) CY 2017 TO JUNE 30, 2021

This has reference to the Management Letter dated December 26, 2021 on the Compliance Audit of the NGP implemented from CY 2011-2016 and ENGP CY 2017 to June 30, 2021, as mandated by Executive Order Nos. 26, series of 2011 and 193, series of 2015.

In connection to the observations with recommendations provided by the Commission on Audit, we are requesting from your office for the representation of the following actions to wit:

1. Coordination with the government agencies particularly Department of Agriculture (DA), Department of Agrarian Reform (DAR), Commission on Higher Education (CHED) and Department of Education (DepEd) under the Convergence Initiative to strengthen the roles specifically the production of quality seedlings annually and the provision of technical assistance in the implementation of the NGP/ENGP required in Section 7.2.2 of DENR Memorandum Circular No. 2011-01 dated March 8, 2011;
2. Request for the formulation of specific guidelines for the proper turn-over of the projects to the DENR by the NGP project partners after the completion of 3- year contract period as required pursuant to Sections 3.2 and 6 of DENR Memorandum Circular No. 2013-06 dated April 16, 2013.

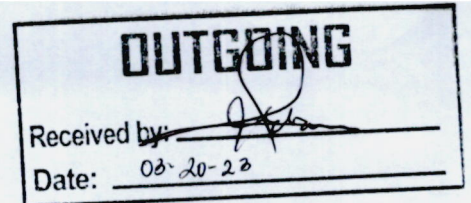
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Connie G. Benedictos, Regional Supervising Auditor, Cluster 8, NGS
Annie A. Fondevilla, OIC, Audit Team Leader



Regional Office

March 15, 2023

MEMORANDUM

FOR : The **SECRETARY**
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City

THRU : The **Regional Executive Director**
DENR MIMAROPA Region

FROM : The **OIC, PENR Officer**
DENR Odiongan, Romblon

SUBJECT : **REPRESENTATION BY THE SECRETARY THRU THE REGIONAL EXECUTIVE DIRECTOR ON THE COMPLIANCE AUDIT OBSERVATIONS AND RECOMMENDATIONS ON THE NATIONAL GREENING PROGRAM (NGP) FROM CY 2011 TO 2016 AND ENHANCED NGP (ENGP) CY 2017 TO JUNE 30, 2021**

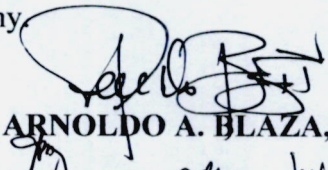
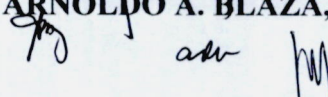
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Annie A. Fondevilla, OIC, Audit Team Leader



Republic of the Philippines
COMMISSION ON AUDIT
Regional Office No. IV-B
National Government Sector – Cluster 8-D
AUDIT TEAM NO. R4B-32

DENR – Provincial Environment and Natural Resources Office
Odiongan, Romblon

December 26, 2021

MR. MAXIMO C. LANDRITO

PENR Officer

Provincial Environment and Natural Resources Office
Odiongan, Romblon

Management Letter on the Compliance Audit on the National Greening Program (NGP) and Enhanced NGP Implemented from CY 2011 to 2016 and 2017 to June 30, 2021 as mandated by Executive Order Nos. 26 and 193

I. INTRODUCTION

Dear Sir Landrito:

1. We have audited the National Greening Program (NGP) and the Enhanced NGP (ENGP), as mandated under Executive Order (EO) No. 26 dated February 24, 2011 and EO No. 193 dated November 12, 2015 and its Implementing Rules and Regulations issued through DENR Memorandum Circulars (MCs) and Administrative Orders (AOs) covering the Calendar Years (CYs) 2011 to 2016 and 2017 to June 30, 2021.
2. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions on Compliance Audit. Those standards require that we plan and perform the audit to obtain a reasonable basis for our conclusions.
3. The audit covered the following subject matters:
 - 3.1 Receipt, Utilization and Disbursement of Funds;
 - 3.2 Procurement and/or Production and Distribution of Seedlings;
 - 3.3 Maintenance and protection of the People's Organization of Established Tree Plantations in CYs 2011-2012;
 - 3.4 Procurement and Awarding of Contracts;
 - 3.5 Establishment of NGP projects from CY 2011 to 2016 in the lands of public domain;
 - 3.6 Turn-over of completed reforestation projects by the NGP project Partners upon the expiration of the contract period;

- 3.7 Maintenance of Registry of Reforestation/Agroforestry Projects for all NGP/Enhanced NGP Projects;
 - 3.8 Sustainable Management and Continued Maintenance and Protection of NGP projects turned over to the DENR from CY 2013 to present;
 - 3.9 Implementation of monitoring mechanisms to ensure timely completion of the projects;
 - 3.10 Filing of request for relief from accountability for loss of reforestation projects due to fire or other casualty or force majeure;
 - 3.11 Enforcement of Tree Replacement Program for Projects Affected/Damaged by DPWH Projects; and
 - 3.12 Compliance with the required Reports on the Status of Accomplishment of the NGP/ENGP from CY 2011 to 2018.
4. The audit was conducted to ascertain compliance with the following laws, rules and regulations (LRRs) as audit criteria on the above subject matters:
- 4.1. Sections 60 and 70 of the GAA (*The Sections in the GAA pertaining thereto vary from year to year depending on the budgetary approach adopted by the DBM*), Pertinent DBM National Budget Circulars, COA Circular No. 2012-003 dated October 29, 2012;
 - 4.2. DENR DAO-2010-11, Section 3, par. 3.8 & Section 7, par. 7.2.2 of DENR MC No. 2011-01, Other Pertinent Rules and Regulations, Section 53.12 of the 2016 RIRR of RA 9184 specifically under GPPB Resolution Nos. 18-2007 and 09-2014;
 - 4.3. Sections 6 and 7.1.4 of DENR MC No. 2011-01;
 - 4.4. Sections 3, par. 3.1.1 to 3.1.3; 4 and 5 of DENR MC No. 2013-06, Applicable provisions of GPPB Resolution No. 09-2014-Adoption of Community Participation Procurement Manual, COA Circular No. 2009-001 dated February 12, 2009;
 - 4.5. Section 2, EO No. 26, and Section 2 of DENR MC No. 2013-06, Item 1 of DENR MC 2012-01, NGP Implementation Manual 2012;
 - 4.6. Section 3, par. 3.2, Sec. 5, par. 5.2 and Section 6 of the DENR MC No. 2013-06;
 - 4.7. Section 6 of DENR Memorandum Circular No. 2013-06;
 - 4.8. Section 10, DENR MC No. 2011-01;
 - 4.9. Section 3.1.2 of EO No. 26 which took effect 24th day of February 2011, Section 6 of DENR MC No. 2011-01 dated March 8, 2011, Section 7 of DENR

MC No. 2013-06 dated April 16, 2013, Item 8 of DENR MC No. 2012-01 dated May 2, 2012;

- 4.10. Sections 7.4 and 9 of DENR MC No. 2011-01, Sections 5, par. 5.1.4 of DENR Memorandum Circular No. 2013-06 dated April 16, 2013;
 - 4.11. Section 73(1) of PD 1445, COA Memorandum No. 92-751 dated February 24, 1992, COA Resolution No. 2018-020 dated February 1, 2018;
 - 4.12. DPWH, DENR and DPWH Joint Memorandum Circular No. 1 dated July 3, 2014; and
 - 4.13. The FY 2018 General Appropriations Act
5. Audit observations together with the recommended courses of action which were communicated thru Audit Observation Memoranda are discussed in detail in Part IV of this letter. The same were formally discussed in an exit conference held on December 22, 2021 and management comments were incorporated in this letter, where necessary.

II. BACKGROUND INFORMATION

- 6. The National Greening Program or the NGP as the DENR banner program is a convergence initiative of DA-DAR-DENR where the DENR stands as the lead agency. As a government priority pursuant to EO Nos. 23 and 26, both series of 2011, the NGP aims to: 1) contribute in reducing poverty among upland and lowland poor households, indigenous peoples, and in coastal and urban areas; 2) implement sustainable management of natural resources through resource conservation, protection, and productivity enhancement; 3) provide food, goods and services such as timber, fiber, non-timber forest products, aesthetic values, air enhancement values, water regulation values, and mitigate climate change by expanding forest cover that serve as carbon sink; 4) promote public awareness as well as instill social and environmental consciousness on the value of forests and watersheds; 5) enhance the formation of positive values among the youth and other partners through shared responsibilities in sustainable management of tree plantations and forest resources, and 6) consolidate and harmonize all greening efforts of the government, civil society, and the private sector.
- 7. Executive Order No. 26, series of 2011 was issued to plant 1.5 billion trees in 1.5 million hectares of lands of the public domain for a period of six (6) years from CY 2011 to CY 2016.
- 8. Executive Order No. 193, signed on November 12, 2015 as the Expanded NGP was issued to rehabilitate all the remaining unproductive, denuded and degraded forestlands estimated at 7.1 million hectares from CY 2016 to 2028.

III. BASIS FOR THE CONCLUSION, CONCLUSION AND RECOMMENDATION

Receipt, Utilization and Disbursement of Funds

9. Funds earmarked for the implementation of the National Greening Program (NGP) from CYs 2011 to 2016 and Enhanced NGP from CYs 2017 to 2021 amounting to ₱38.548 million and ₱19.558 million, respectively, were exclusively used for the purpose intended as per approved Annual Work and Financial Plan (WFP) and the yearly budget for NGP/ENGP per GAA and were duly accounted for pursuant to the General Provision of the GAA for FYs 2011 to 2021.
10. Based on the audit work performed, we conclude that receipt, utilization and disbursement of funds intended for the implementation of the NGP and Enhanced NGP from CY 2011 to 2016 and CY 2017 to June 30, 2021 were in compliance with the approved Annual WFP and the yearly budget for NGP/ENGP per GAA.
11. We recommended and Management agreed to continue its practice of strictly observing the proper utilization of funds in accordance with the appropriations/allotments and for the intended purpose/s so as to prevent the incurrence of irregular or unnecessary expenditures which are disallowable in audit.

Production and Distribution of Seedlings

12. Government institutions particularly Department of Agriculture (DA), Department of Agrarian Reform (DAR), Commission on Higher Education (CHED) and Department of Education (DepEd) in the province failed to produce appropriate quality seedlings annually for the NGP and to provide technical assistance under the Convergence Initiative as required under Section 7.2.2 of DENR MC No. 2011-01.
13. Based on the audit work performed, we conclude that PENRO Romblon was not fully compliant with Section 7.2.2 of DENR MC No. 2011-01 due to the failure of the government agencies to produce quality seedlings for NGP.
14. We recommended and the PENR Officer agreed to make representation with the DENR Secretary through the Regional Executive Director for the coordination with the agencies under the Convergence Initiative to strengthen the roles of the agencies concerned specifically the production of quality seedlings annually and the provision of technical assistance in the implementation of the NGP/ENGP required in Section 7.2.2 of DENR MC No. 2011-01.

Maintenance and Protection of Established Tree Plantations in CY 2011-2012

15. All the 34 NGP tree plantations established from CY 2011 to 2012 costing P5,825,970.78 are no longer under the maintenance and protection of the People's Organizations (POs) creating doubt on the attainment of the National Greening Program's (NGP) main objectives.
16. Based on the audit work performed, we conclude that PENRO Romblon was not fully compliant with Sections 6 and 7.4.1 of DENR MC No. 2011-01 relative to the continued maintenance and protection by the People's Organizations (POs) of NGP tree plantations established from CY 2011 to 2012.
17. We recommended and the PENR Officer agreed to make representation with the Regional Executive Director for allocation of funds for the NGP sites not adopted under the continuous protection and maintenance of People's Organizations to ensure their sustainability and protection.

Procurement and Awarding of Contracts for Reforestation Projects

18. All the 193 NGP contracts totaling P53,869,818.68 were not submitted to the Audit Team within five days from date of perfection of said contracts, contrary to Paragraph 3.1.1 of COA Circular No. 2009-01 dated February 12, 2009. This prevented the Audit Team from conducting timely review of the contracts and attachments and from communicating to Management possible defect/s or issue/s which may be found in audit.
19. Based on the audit work performed, we conclude that PENRO Romblon was not compliant with COA Circular No. 2009-01 on the submission of NGP and E-NGP contracts.
20. We recommended and Management agreed to instruct the Bids and Awards Committee to submit to the Audit Team copies of all contracts and attachments within five days after perfection thereof in compliance with COA Circular No. 2009-001 dated February 12, 2009 to ensure timely review and evaluation of the same, and that Management would be immediately notified of any defects/deficiencies noted thereon.

Establishment of NGP projects from 2011 to 2016 in the lands of public domain

21. All the 154 NGP tree plantations of PENRO Romblon were established in lands of public domain as provided for in Section 2 of Executive Order (EO) No. 26 dated February 24, 2011. However, three of the projects costing P1,963,235.00 established in CYs 2013 to 2021 were implemented/established in areas covered with tenurial

instruments or within tenured areas without first cancelling/revoking/terminating the contracts.

22. Based on the audit work performed, we conclude that PENRO Romblon was not fully compliant with Section 2 of Executive Order No. 26 and DENR MC No. 2011-01 and DENR MC No. 2013-06, due to the establishment of NGP projects in areas covered with tenurial instruments.
23. We recommended and the PENR Officer agreed to:
 - a. instruct the OIC-Chief, Technical Services Division and NGP Coordinator to stop establishing NGP plantations in tenured forest lands unless the tenurial contract is first terminated/revoked/cancelled; and
 - b. for the existing NGP tree plantations established either within tenured or untenured areas, enter into agreement with People's Organization for the continuous maintenance and protection of NGP tree plantations pursuant to Section 3.1.2 of EO No. 26 considering that NGP projects are property of the government, which are accounted for in the DENR books of accounts as Land Improvement – Reforestation Projects.

Turnover of reforestation projects by the NGP Project Partners upon the expiration of the contract period

24. Turnover of the completed projects by the NGP project partners after the expiration of the three-year contract period stipulated in the Memorandum of Agreement and provided for in Sections 3.2 and 6 of DENR MC No. 2013-06 was not properly undertaken by PENRO Romblon. Moreover, all the three projects with area of 100 hectares and above which were subjected to Third Party Performance Evaluation and 75 of the 102 projects with area of below 100 hectares validated by the Regional Validating Team failed to meet the 85% survival requirement.
25. Based on the audit work performed, we conclude that PENRO Romblon was not fully compliant with Section 6 of the DENR MC No.2013-06 with respect to the turnover of completed projects by NGP Project Partners after the expiration of the contract period.
26. We recommended and the PENR Officer agreed to:
 - a. ensure proper turnover of completed projects after the expiration of the contract by executing appropriate documents to prove such turnover;
 - b. request immediately for performance evaluation of NGP sites either from Third Party or Regional Validating Team as soon as the projects are completed to obtain timely and reliable report; and

- c. instruct the OIC-Chief, TSD and NGP Coordinator to facilitate proper conduct of survey, mapping and planning prior to implementation of the projects to avoid unfavorable project outcome.

Maintenance of Registry of Reforestation/Agroforestry Projects for all NGP/Enhanced NGP Projects

27. The Accounting Division of PENRO Romblon has provided and maintained a Registry of Reforestation Projects of the NGP and Enhanced NGP in compliance with Section 10 of DENR MC No. 2011-01 dated March 8, 2011.
28. Based on the audit work performed, we conclude that PENRO Romblon was fully compliant with Section 10 of DENR MC No. 2011-01 dated March 8, 2011 in maintaining the required Registry of Reforestation/Agroforestry Projects.
29. We recommended and the Management agreed to continue its practice of maintaining the Registry of Reforestation Projects as a monitoring mechanism for all NGP & ENGP projects implemented by the Agency.

Sustainable Management and Continued Maintenance and Protection of NGP projects turned over to the PENRO from 2013 to present

30. One hundred sixteen out of 118 NGP tree plantations from CY 2013 to 2016 amounting to ₱30,481,475.00 (including the 76 uncompleted projects established in CY 2015) that were considered by PENRO Romblon to have been turned over to the said agency by NGP Partners as well as the nine ENGP projects from CY 2017 to 2018 amounting to ₱11,702,447.90 were not subjected to sustainable management and continued maintenance and protection by the People's Organizations thus, the 125 NGP reforestation projects amounting to ₱42,183,922.90 were unprotected and unsustained after the turnover to the DENR by the Partners, since responsibility and accountability over turned over tree plantations were not properly defined in DENR MC Nos. 2011-01 and 2013-06 dated March 8, 2011 and April 16, 2013, respectively, the implementing guidelines of Executive Order No. 26 dated February 24, 2011.
31. Based on the audit work performed, we conclude that PENRO Romblon was not fully compliant with DENR MC No. 2013-06 with respect to the requirement to subject the turned over NGP projects to sustainable management and continued maintenance and protection of NGP and ENGP projects.
32. We recommended and the PENR Officer agreed to strictly observe the provision of Section 6 of DMC 2013-06 and make representation with the Regional Executive Director for the allocation of funds for the NGP sites not adopted under the

continuous protection and maintenance of People's Organizations to ensure sustainability and protection of the NGP projects.

Implementation of Monitoring Mechanisms to Ensure Timely Completion of NGP/ENGP Projects

33. PENRO Romblon has monitoring mechanisms to ensure completion of the projects within the contract period. However, 11 reforestation projects damaged by fire or force majeure from CY 2011 to 2018 valued at P2,234,734.00 were not timely evaluated, and not requested for relief from accountability to the Office of the Auditor as required under Section 7.4 of DENR MC No. 2011-01 and Section 5.1.4 of DENR MC No. 2013-06 dated April 16, 2013.
34. Based on the audit work performed, we conclude that PENRO Romblon was not fully compliant with Section 7.4 of DENR MC No. 2011-01 and Section 5.1.4 of DENR MC No. MC 2013-06 dated April 16, 2013 on the timely evaluation of damaged/lost asset due to fire or force majeure because of absence of specific policies on the assessment of damage to property and the fixing of responsibility and accountability over completed and turned over reforestation projects.
35. We recommended and the PENR Officer agreed to:
 - a. instruct the OIC-Chief of Technical Services Division and NGP Coordinator to continue strictly imposing the monitoring mechanisms to ensure the completion of the projects within the contract period;
 - b. coordinate with DENR Regional/Central Office for a definite policy that the PENROs could follow in the assessment/validation of the extent of damage to property and in the delineation of the duties and responsibilities over turned over reforestation projects that were lost thru fire or force majeure so that reliable amount could be provided and proper responsibility and accountability over the completed reforestation projects will be upheld; and
 - c. comply strictly with Section 73(1) of PD 1445, COA Memorandum No. 92-751 dated February 24, 1992 and COA Resolution No. 2018-020 dated February 1, 2018 in the filing of request for relief from property accountability for the loss of reforestation projects due to fire or force majeure.

Filing of Request for relief from accountability for loss of reforestation projects due to fire or other casualty or force majeure.

36. As of June 30, 2021, reforestation projects lost due to fire or force majeure with total estimated damaged cost of at least P2,234,574.00 consisting of 11 projects were not requested for relief from property accountability since responsibility and

liability over the reforestation projects were not clearly defined thus, resulted to non-derecognition of the damaged/lost property from the books of accounts and non-recognition of receivable in case of loss due to negligence.

37. Based on the audit work performed, we conclude that PENRO Romblon was not compliant with Section 73(1) of PD 1445, COA Memorandum No. 92-751 dated February 24, 1992 and COA Resolution No. 2018-020 dated February 1, 2018 on the filing of petition/request for relief from accountability on losses/damages of reforestation projects due to fire or force majeure.
38. We recommended and the PENR Officer agreed to:
 - a. coordinate with the DENR Central Office thru the Regional Executive Officer for definite DENR policy on the determination of responsible and liable officials/employees over turned over reforestation projects that were lost thru fire or force majeure; and
 - b. comply strictly with Section 73(1) of PD 1445, COA Memorandum No. 92-751 dated February 24, 1992 and COA Resolution No. 2018-020 dated February 1, 2018 in the filing of petition/request for relief from property accountability for the loss of reforestation projects due to fire or force majeure.

Enforcement of Tree Replacement Program for Projects Affected/Damaged by DPWH Projects

39. Tree Replacement for NGP projects damaged during the implementation of DPWH projects was not enforced by PENRO Romblon due to the absence of Memorandum of Agreement between the two agencies as well as the failure of PENRO Romblon to properly account and report the damages which is not in compliance with DPWH-DENR-DSWD Joint Memorandum Circular No. 01 series of 2014 dated July 3, 2014.
40. Based on the audit work performed, we conclude that PENRO Romblon was not compliant with DPWH-DENR-DSWD Joint Memorandum Circular No. 01, series of 2014 dated July 3, 2014.
41. We recommended and the PENR Officer agreed to inquire from the DENR Regional Office No. IV-B whether or not a MOA between the DENR and DPWH had been entered into. Otherwise, PENRO Romblon should enter into a MOA with DPWH for Tree Replacement Program pursuant to DPWH-DENR-DSWD Joint Memorandum Circular No. 01, series of 2014 so that smooth implementation of both projects of DENR and DPWH could be successfully attained. Moreso, instruct the OIC-Chief, Technical Services Division and the NGP Coordinator to strictly monitor NGP Reforestation Projects affected by road widening and other DPWH projects and prepare the corresponding report thereof so that the cost for rectification of damaged site can be collected from the DPWH.

Reporting of Status of Accomplishments of the NGP/ENGP from 2011 to 2018

42. Of the 80 and 11 NGP projects reported accomplished by the PENRO Romblon, from CYs 2011 to 2016 and from CYs 2017 to 2018, respectively; only 70 and 11 NGP projects with shapefiles, 60 projects with geo-tagged photos of the sites, and 80 and three projects with accomplishment reports were posted in the DENR-FMB Website. Moreover, the impact of the program to the communities were not posted in the said website.
43. Based on the audit work performed, we conclude that PENRO Romblon was not fully compliant with the Unified Reporting System required in the Specific Provisions of FY 2018 General Appropriations Act.
44. We recommended and the PENR Officer agreed to instruct the OIC-Chief, Technical Services Division and the NGP Coordinator to:
 - a. continue the regular preparation and submission of required NGP/ENGP reports to the DENR Regional Office IV-B in compliance with the Specific Provisions of FY 2018 GAA;
 - b. coordinate regularly with the DENR Regional Office IV-B for the posting of Accomplishment Reports for all NGP projects including the shapefiles, geo-tagged photos and the impact of the program to the communities or facilitate the submission of lacking information, if such is the case, for these to be posted in the said website to promote transparency.

IV. DETAILED OBSERVATIONS AND RECOMMENDATIONS

Receipt, Utilization and Disbursement of Funds

45. **Funds earmarked for the implementation of the National Greening Program (NGP) from CYs 2011 to 2016 and Enhanced NGP from CYs 2017 to 2021 amounting to ₱38.548 million and ₱19.558 million, respectively, were exclusively used for the purpose intended as per approved Annual Work and Financial Plan (WFP) and the yearly budget for NGP/ENGP per GAA and were duly accounted for thus, the agency was fully compliant with the pertinent General Provision of the GAA for FYs 2011 to 2021.**
46. Pertinent General Provision of the Annual GAA states that all appropriations authorized in this Act shall be available for release and disbursement for the purpose specified, and under the general and special provisions applicable thereto.
47. Audit disclosed that the funds for NGP and ENGP Projects were utilized for the intended purpose in accordance with the approved Annual Work and Financial Plan

for CYs 2011 to June 30, 2021 to attain the yearly targets as summarized in the table below and detailed in **Annex A**.

Period	Adjusted Appropriation	Allotment	Obligations			Unexpended Balance
			Total	In line with NGP Mandate	Not in line with NGP Mandate	
NGP						
2011	2,087,000.00	2,087,000.00	2,070,431.25	2,070,431.25	0.00	16,568.75
2012	2,154,000.00	2,154,000.00	1,884,539.53	1,884,539.53	0.00	269,460.47
2013	7,678,000.00	7,678,000.00	7,625,950.00	7,625,950.00	0.00	52,050.00
2014	3,525,000.00	3,525,000.00	3,525,000.00	3,525,000.00	0.00	0.00
2015	17,028,000.00	17,028,000.00	16,028,850.00	16,028,850.00	0.00	999,150.00
2016	6,076,000.00	6,076,000.00	6,076,000.00	6,076,000.00	0.00	0.00
Total	38,548,000.00	38,548,000.00	37,210,770.78	37,210,770.78	0.00	1,337,229.22
Enhanced NGP						
2017	8,152,000.00	8,152,000.00	7,956,447.90	7,956,447.90	0.00	195,552.10
2018	3,691,000.00	3,691,000.00	3,691,000.00	3,691,000.00	0.00	0.00
2019	3,065,000.00	3,065,000.00	3,053,700.00	3,053,700.00	0.00	11,300.00
2020	808,000.00	808,000.00	782,500.00	782,500.00	0.00	25,500.00
2021 (6 months)	6,868,500.00	3,842,000.00	3,115,520.00	3,115,520.00	0.00	726,480.00
Total	22,584,500.00	19,558,000.00	18,599,167.90	18,599,167.90	0.00	958,832.10
Grand Total	61,132,500.00	58,106,000.00	55,809,938.68	55,809,938.68	0.00	2,296,061.32

48. The activities were budgeted as planned and the WFP served as guide in the utilization of the intended funds. The physical accomplishments were validated and inspected by the authorized designated personnel of the NGP. Payment cannot be made unless required documents such as Certificate of Accomplishments by People’s Organizations, Inspection and Acceptance Reports by the Inspection and Acceptance Committees of the PENRO and CENROs Inspection Team, geo-tagged photos of activities undertaken and other necessary documents were submitted.
49. The agency had utilized the funds for the intended projects reflecting full compliance with the pertinent General Provision of the General Appropriations Act from FY 2011 to 2021.
50. **We recommended and the Management agreed to continue its practice of strictly observing the proper utilization of funds in accordance with the appropriations/allotments and for the intended purpose/s so as to prevent the incurrence of irregular or unnecessary expenditures which are disallowable in audit.**

Procurement and/or Production and Distribution of Seedlings

51. **Government institutions particularly Department of Agriculture (DA), Department of Agrarian Reform (DAR), Commission on Higher Education (CHED) and Department of Education (DepEd) in the province failed to produce appropriate quality seedlings annually for the NGP and to provide technical assistance under the Convergence Initiative. Thus, Section 7.2.2 of DENR MC No. 2011-01 dated March 8, 2011 was not complied with.**
52. Section 7.2.2 of DENR MC No. 2011-01 dated March 8, 2011 provides that:

All government institutions particularly DA, DAR, DENR, CHED and DepEd shall produce appropriate quality seedlings annually for the NGP. Technical assistance shall be provided by DA, DENR, DAR under the Convergence Initiative.
53. Inquiry with the NGP Coordinator disclosed that there were no seedlings received annually from the DA, DAR, CHED and DepEd offices, and technical assistance from the DA and DAR was also not provided for the period from Calendar Year (CY) 2011 to June 2021 for the implementation of NGP and Enhanced NGP (ENGP). It was noted upon verification of submitted reports and available disbursement vouchers for CYs 2011 to 2016 transactions pertaining to NGP that the seedlings for the establishment of forest plantations in those years amounting to ₱27,791,810.78 (details in **Annex B**) were procured from private nursery and People's Organizations (POs) instead of being produced by the above-mentioned agencies.
54. The NGP Coordinator mentioned that PENRO Romblon had a corresponding budget, based on approved DENR Work & Financial Plan, allocated for the production/procurement of quality seedlings intended for NGP plantation establishment, hence, the procurement.
55. As to the non-provision of technical assistance by DA and DAR, he mentioned in his response to Audit Query No. 2021-001 dated December 10, 2021 on NGP/ENGP that those agencies have participated during the tree planting activity within NGP sites during the early stage of NGP (Social Mobilization) thus, it can be concluded that those government institutions are aware of the program but failed to perform their responsibilities mentioned in the aforesaid MC.
56. The non-provision of quality seedlings of the DA, DAR, CHED and DepEd offices and technical assistance by the agencies under Convergence Initiative for the implementation of NGP in Romblon not only shows non-compliance with Section 7.2.2 of DENR MC No. 2011-01 but also affects the achievement of the NGP's objectives mentioned in Section 1 of the same DENR MC, such as enhancing the formation of positive values among the youth and other partners through shared responsibilities in sustainable management of tree plantations and forest resources;

and consolidating and harmonizing all greening efforts of the government, civil society and the private sector.

Management Comment

57. The PENRO Accountant explained during the exit conference that the implementation of NGP projects since CY 2011 was only based on the issued Bulletins. There was no directive from the National level that some of the seedlings will be produced/turned over by the mentioned government agencies. Moreover, she added that the budget downloaded to the agency covers the production/procurement of all the needed seedlings as also based on the Work and Financial Plan issued.
58. **We recommended and the PENR Officer agreed to make representation with the DENR Secretary through the Regional Executive Director for the coordination with the agencies under the Convergence Initiative to strengthen the roles of the agencies concerned specifically the production of quality seedlings annually and the provision of technical assistance in the implementation of the NGP/ENGP required in Section 7.2.2 of DENR MC No. 2011-01.**

Maintenance and protection of Established Tree Plantations in CY 2011-2012 by People's Organizations

59. **All the 34 NGP tree plantations established from CY 2011 to 2012 costing ₱5,825,970.78 are no longer under the maintenance and protection of the People's Organizations (POs) creating doubt on the attainment of the National Greening Program's (NGP) main objectives, thus, PENRO Romblon is not compliant with Sections 6 and 7.1.4 of DENR MC No. 2011-01 dated March 8, 2011.**
60. Section 6 of DENR MC No. 2011-01 dated March 8, 2011 provides for the Maintenance and Protection of NGP projects. It states that:

With appropriate assistance from DA, DAR, DENR, DSWD, LGUs and other government agencies and instrumentalities, and the private sector, the members of POs concerned shall be primarily responsible for the maintenance and protection of the established plantations.

61. Section 7.1.4 further provides that:

The POs shall be given the primary responsibility of site preparation and maintenance and protection of the established plantations. The DENR field offices shall take the lead in providing technical

assistance and conduct of appropriate interventions to enhance the capacities of the POs concerned to undertake these activities.

62. Review of the data for the NGP sites for CYs 2011-2012 disclosed that all of the 34 tree plantation projects costing ₱5,825,970.78 are no longer under the continued maintenance and protection of the People's Organizations, details below:

Year Established	No. of NGP Tree Plantation	Project Cost (Establishment & Maintenance and Protection)			Total
		Year 1	Year 2	Year 3	
2011	24	2,070,431.25	753,000.00	251,000.00	₱ 3,074,431.25
2012	10	1,131,539.53	972,000.00	648,000.00	2,751,539.53
Total	34				₱5,825,970.78

63. Interview with the NGP Coordinator disclosed that established plantations in CYs 2011-2012 are no longer under the maintenance and protection of POs as the fund allotted was for three years only and after which, those NGP sites were turned over to PENRO Romblon. Moreover, the agency has no financial capability to undertake further maintenance and protection. Those tree plantations that have not been under the protection and maintenance are now monitored by their hired Forest Protection Officers and Forest Rangers.
64. The absence of continuous protection and maintenance of the established plantations created doubt on the attainment of the NGP main objectives. Moreover, the unprotected sites are susceptible to unconcern people's illegal activities thus, unavoidable damages might not be prevented.
65. **We recommended and the PENR Officer agreed to make representation with the Regional Executive Director for allocation of funds for the NGP sites not adopted under the continuous protection and maintenance of People's Organizations to ensure their sustainability and protection.**

Submission of NGP Contracts

66. **All the 193 NGP contracts totaling ₱53,869,818.68 were not submitted to the Audit Team within five days from date of perfection of said contracts, thus, PENRO Romblon was not compliant with Paragraph 3.1.1 of COA Circular No. 2009-01 dated February 12, 2009. This prevented the Audit Team from conducting timely review of the contracts and attachments and from communicating to management possible defect/s or issue/s which may be found in audit.**
67. Paragraph 3.1.1 of COA Circular No. 2009-01 dated February 12, 2009 provides that:

Within five (5) working days from the execution of a contract by the government or any of its subdivisions, agencies or instrumentalities, including government-owned and controlled corporations and their subsidiaries, a copy of said contract and each of all the documents forming part thereof by reference or incorporation shall be furnished to the Auditor of the agency concerned.

68. Verification/review of documents disclosed that copies of 193 NGP contracts, summarized below, totaling P53,869,818.68 (**Annex C**) entered into by and between PENRO Romblon and various People's Organizations, Local Government Units and other contractors from CY 2011 to June 2021 were not submitted to the Audit Team within five days after execution. Of the 193 contracts, 129 are NGP contracts totaling P37,210,770.78, while 64 consists of Enhanced NGP contracts totaling P16,659,047.90, further broken down by year, as follows:

Period Covered	No. of Contracts	Contract Amount
NGP Contracts		
2011	16	P2,673,431.25
2012	9	1,281,539.53
2013	53	7,625,950.00
2014	29	3,525,000.00
2015	13	16,028,850.00
2016	9	6,076,000.00
Total NGP Contracts	129	37,210,770.78
ENGP Contracts		
2017	11	6,356,447.90
2018	11	3,691,000.00
2019	9	3,046,200.00
2020	5	775,000.00
January-June 2021	28	2,790,400.00
Total- e-NGP Contracts	64	16,659,047.90
Total	193	P53,869,818.68

69. Delayed/ non-submission of the above contracts hindered the Audit Team from conducting timely review and evaluation of the subject documents thus, deficiencies were not immediately detected and communicated to the management.
70. This shows that PENRO Romblon was not compliant with COA Circular No. 2009-01 dated February 12, 2009 as regards the submission of contracts within five (5) days from date of execution.
71. **We recommended and Management agreed to instruct the Bids and Awards Committee to submit to the Audit Team copies of all contracts and attachments within five days after perfection thereof in compliance with COA**

Circular No. 2009-001 dated February 12, 2009 to ensure timely review and evaluation of the same, and that Management would be immediately notified of any defects/deficiencies noted thereon.

Establishment of NGP projects from CY 2011 to 2016 in the lands of public domain

72. All the 154 NGP tree plantations of PENRO Romblon were established in lands of public domain as provided for in Section 2 of Executive Order (EO) No. 26 dated February 24, 2011. However, three of the projects costing P1,963,235.00 established in CY 2013 to 2021 were implemented/established in areas covered with tenurial instruments or within tenured areas without first cancelling/revoking/terminating the contracts thus, PENRO Romblon is not fully compliant with Section 2 of said EO, DENR MC No. 2011-01 dated March 8, 2011 and DENR MC No. 2013-06 dated April 16, 2013.
73. Section 2 of EO No. 26, s. 2011 dated February 24, 2011 and Section 2 of DENR Memorandum Circular (MC) No. 2011-01 dated March 8, 2011 set the coverage of the NGP, as follows:
74. The National Greening Program shall plant some 1.5 Billion trees covering about 1.5 Million hectares for a period of six (6) years from CY 2011 to 2016, in the following lands of the public domain:
- Forestlands
 - Mangrove and protected areas
 - Ancestral domains
 - Civil and military reservations
 - Urban areas under the greening plan of the LGUs
 - Inactive and abandoned mine sites; and
 - Other suitable lands
75. Likewise, Section 2 of DENR MC No. 2013-06 specifically provides the potential areas for plantation development, as follows:
- Potential areas for plantation development are degraded/denuded lands of the public domain, open access areas, which include cancelled, expired, and abandoned tenured areas; and undeveloped portions of areas managed by people's organizations/indigenous communities. The minimum area shall be 100 hectares and maximum of 1,000 hectares contiguous or clustered within the Municipality as identified by the DENR.*
76. In the review of Inventory/List of NGP Plantations Within Areas Covered By Tenurial Instruments furnished to the Audit Team by the Technical Services

Division, we noted that 100% of the 154 NGP tree plantations totaling ₱38,095,770.78 were implemented in lands of public domain, as summarized in the table below:

Year	No. of Established NGP Tree Plantations	Amount
2011	24	3,074,431.25
2012	10	2,751,539.53
2013	36	11,197,950.00
2014	0	0.00
2015	76	16,510,850.00
2016	8	4,561,000.00
Total	154	₱38,095,770.78

77. However, we also noted that three out of the 154 established NGP tree plantation projects in CY 2013 to 2021 costing ₱1,963,325.00 were implemented/established in areas covered with tenurial instruments or within tenured areas without first cancelling/revoking/terminating the contracts, which is not in accordance with the aforementioned provisions of EO No. 26 and DENR Memorandum Circulars.
78. Presented in the table below are the three NGP tree plantations established from CY 2013 to 2021 in areas covered with tenurial instruments or within tenured areas.

Location	Non-Government/ CSO/PO Partner	Total Land Area (ha)	Project Cost	Type of Tenurial Instrument
Looc, Romblon	Limon Sur Upland Farmers Producers Association	35	₱175,000.00	CBFMA*
Odiongan, Romblon	Tuburan Farmers Association	160	1,593,325.00	ISFA**
San Agustin, Romblon	Cawayan Upland Farmers Association	15	195,000.00	CBFMA*
Total :		210	₱1,963,325.00	

* Community-Based Forest Management Agreement (CBFMA)
 ** Integrated Social Forestry Agreement (ISFA)

79. Hence, establishing NGP tree plantations within tenured areas and engaging into contracts with POs for the comprehensive site development activities without first cancelling/revoking/terminating the tenurial agreements, as in the case of CBFMA and ISFA, is in violation of Section 2 of DENR MC No. 2013-06.

80. In addition, EO No. 23, Declaring A Moratorium on The Cutting and Harvesting of Timber in the Natural And Residual Forests and Creating the Anti-Illegal Logging Task Force provides for the protection of natural and residual forest of the entire country which are forests composed of indigenous trees, not planted by man.
81. The moratorium does not protect plantation forest covered by NGP since it will be planted by man and the logging activities that may be conducted by virtue of an existing forest management agreement is directly contrary to the intention of NGP.
82. EO No. 26, Declaring an Interdepartmental Convergence Initiative for a National Greening Program does not authorized any logging activities to compensate organization that will participate to the NGP instead, Section 3.3 Provision for Incentives provides that:
- “3.3.1 All proceeds from agroforestry plantations, duly accounted by the DENR, shall accrue to the NGP beneficiary communities to address food security and poverty reduction.
- 3.3.2 NGP beneficiary communities shall be considered priority in the Conditional Cash Transfer (CCT) Program.
- 3.3.3 Appropriate incentives shall be developed by the Convergence Initiative to encourage rain forestation, particularly in the protected area.”
83. Therefore, in no case shall the two contractual agreements exist in the same area, such as the CBFMA and NGP Comprehensive Site Development (CSD) activities, having two conflicting purposes. The former allows the tenured holder to develop, utilize and manage the small tract of lands, meaning to plant and harvest the trees while the NGP shall plant a certain number of trees in specified areas identified for NGP Tree Plantation establishments for a contract period of three years under the comprehensive site development agreements. These established NGP tree plantations are considered capital investments of the government since these were charged to the Annual appropriations for Capital Outlay of the DENR.
84. Moreover, these are accounted for in the DENR books of accounts as Land Improvements, Reforestation Projects and Construction in Progress (CIP) – Land Improvements. Considering that these are capital expenditures, NGP projects, therefore, should be adequately protected and not to be disposed or neither allowed to be cut rather to be preserved for purposes of biodiversity conservation and climate change mitigation and adaptation. Considering further that poverty reduction and food security aspects were already addressed by Section 3.3 of EO No. 26 on the Provision of Incentives. Likewise, the payments for the CSD contracts for the NGP Projects also accrue to the People’s Organizations, who are Project Partners, which benefited its members thereby addressing poverty reduction and food security objectives.

85. Hence, areas with existing tenurial instruments, unless cancelled/ revoked/ terminated, cannot be considered eligible for NGP project sites under the Comprehensive Site Development scheme pursuant to Section 2 of DENR MC No. 2013-06. In effect, PENRO Romblon is not compliant with Section 2 of DENR MC No. 2013-06 dated April 16, 2013.
86. **We recommended and the PENR Officer agreed to:**
- a. **instruct the OIC-Chief, Technical Services Division and NGP Coordinator to stop establishing NGP Plantations in tenured forest lands unless the tenurial contract is first terminated/revoked/cancelled; and**
 - b. **for the existing NGP tree plantations established either within tenured or untenured areas, enter into agreement with People's Organization for the continuous maintenance and protection of NGP tree plantations pursuant to Section 3.1.2 of EO No. 26 considering that NGP Projects are property of the government, which are accounted for in the DENR books of accounts as Land Improvement.**

Turnover of reforestation projects by the NGP project Partners upon the expiration of the contract period

87. **Turnover of the completed projects by the NGP project partners after the expiration of the three-year contract period stipulated in the Memorandum of Agreement and provided for in Sections 3.2 and 6 of DENR MC No. 2013-06 was not properly undertaken by PENRO Romblon. Moreover, all the three projects with area of 100 hectares and above which were subjected to Third Party Performance Evaluation and 75 of the 102 projects with area of below 100 hectares validated by the Regional Validating Team failed to meet the 85% survival requirement which is not in compliance with Section 5 of the same MC.**
88. **Section 3.2 of the DENR MC No. 2013-06 dated April 16, 2013 provides for the Duration of MOA/Development Contracts. It states that:**

The MOA/Development Contract shall be for a period of three (3) years commencing 15 days from receipt of notice to proceed issued by the DENR. The first year includes seedling production and actual planting & maintenance; the second and third years are devoted to maintenance and protection of established plantations.

89. **Corollary to the foregoing, Section 6 of the same MC provides the regulation on the turn-over of the project area to the DENR, as follows:**

After the contract duration, the area shall be subjected to performance

evaluation by a third party to be identified by the DENR. If conditions in the contract have been complied, the area shall be turned-over to the DENR. All areas turned over to the DENR shall be bidded to interested parties in accordance to RA 9184 for long term development of the area. Thereafter, an appropriate legal instrument shall be issued by the DENR for the sustainable management of the area.

On the other hand, should the Partner fail to comply with the terms and conditions of the contract, the area shall likewise be turned-over to the DENR; and the unreleased funds and retention fee amounting to 10% of the contract shall be forfeited in favor of the government without prejudice to the filing of appropriate sanction against the contractor and they shall not be allowed to engage in any similar activity or project in the future. The DENR may invite interested parties to continue the development of the area.

90. Moreover, Section 5 of DMC No. 2013-06 provides the following Responsibilities of Parties, among others:

5.1 The DENR shall:

- 5.1.1. Conduct survey, mapping and planning (indicative plan)*
- 5.1.2. Ensure compliance of the development partners to the terms and conditions of the MOA/Contract;*
- 5.1.3. Provide funds for the comprehensive site development subject to the approved Work and Financial Plan (WFP); and*
- 5.1.4. Conduct regular monitoring and evaluation*

5.2 The Partner shall:

- 5.2.1. Submit the Work and Financial Plan WFP for approval of the DENR, which shall form part of the Memorandum of Agreement/Contract;*
- 5.2.2. Produce planting materials following the standards prescribed by the DENR;*
- 5.2.3. Establish plantations as required under the MOA/Contract;*
- 5.2.4. Maintain and protect established plantations;*
- 5.2.5. **Ensure at least 85% survival of established plantations;***
xxx (emphasis ours)

91. Inquiry with the OIC-Chief, Technical Service Division disclosed that all the completed projects from CY 2013 to 2016 were already turned over by the contractors to PENRO Romblon, however, formal turnover of said projects have not been undertaken. Thus, documents to prove that such turnover was made, such as Certificate of Turnover could not be provided to the Audit Team. He further stated

that turnover of the NGP projects or graduated projects was automatically assumed after the expiration of the three-year contract.

92. On the other hand, the three-year cycle of planting, maintenance and protection of the 76 projects established in CY 2015 for the 800 hectares Mangrove and Beach Forest Development Project was not completed as the contractors no longer entered into contract for the third year maintenance and protection of the project with a total allotment of ₱1,600,000.00 due to low survival rate of the planted trees.
93. In the examination of reports submitted by the Technical Services Division concerning the evaluation of NGP sites conducted by the Third Party for 100 hectares and above in CY 2016 and Regional Validating Team (VT) for below 100 hectares in May 2017, it was noted that all the three projects with area of 100 hectares and above and 75 of the 102 projects with area of below 100 hectares including the 70 uncompleted projects established in CY 2015 failed to meet the 85% survival requirement as summarized below, details are provided in **Annex “D”**:

Year Completed	No. of Site Validated/ With Validation Report	Average Survival Rate	No. of Sites With 85% and above Survival Rate	No. of Sites with Below 85% Survival Rate	Name of Validators
100 Hectares and Above					
2015	3	23.42*	0	3	Consultancy Services of For. Fernando A. Lacerona
Below 100 Hectares					
2013	17	93.46%	17	0	DENR Regional Validating Team
2014	10	92.46%	10	0	DENR Regional Validating Team
2015	5	30.73%	0	5	DENR Regional Validating Team
2016	70**	6.47%	0	70	DENR Regional Validating Team
Total	102		27	75	

*27.66% per Report provided by FMB

**uncompleted Mangrove and Beach Forest Development Project established in 2015 but were implemented up to 2nd year M&P in 2016.

94. Inquiry with the NGP Coordinator disclosed that before the turnover of some NGP Projects by the contractors, PENRO Romblon Inspection Committee conducted the evaluation of the projects and noted that said projects met the 85% survival rate at the end of the third year. However, considering that the validation conducted by the Third Party and Regional VT were delayed, the survival rate of the projects was significantly affected due to unfortunate events and circumstances that occurred during the intervening period.

95. As to the non-completion of the 800 hectares Mangrove and Beach Forest Development Program established in CY 2015, Management explained that despite repeated replanting made by the contractors, still, the planted propagule could not grow, resulting to very low survival rate which also prompted the contractor not to enter into the contract for the third year maintenance and protection. Management further stated that, during the inspection conducted by the Validation Team from the DENR Regional Office No. IV-B, it was found out that only 497 hectares were suited for plantation considering that the remaining 303 hectares were dominated by seagrass.
96. Had PENRO Romblon conducted proper survey, mapping and planning before the implementation of the said project as required under Section 5.1 of DENR MC No. 2013-06, failure of the project owing to the very low survival rate of the planted propagules could have been avoided.
97. The above lapses therefore, showed that PENRO Romblon is not fully compliant with Sections 3.2, 5 and 6 of DENR MC No. 2013-06 dated April 16, 2013.
98. **We recommended and the PENR Officer agreed to:**
 - a. **ensure proper turnover of completed projects after the expiration of the contract by executing appropriate documents to prove such turnover;**
 - b. **request immediately for performance evaluation of NGP sites either from Third Party or Regional Validating Team as soon as the projects are completed to obtain timely and reliable report; and**
 - c. **instruct the OIC-Chief, TSD and NGP Coordinator to facilitate proper conduct of survey, mapping and planning prior to implementation of the projects to avoid unfavorable project outcome.**

Management Comment

99. Management explained during the exit conference that survey, mapping and planning was conducted prior to implementation of the Mangrove and Beach Forest Protection project. The initially issued ERDB Technical Bulletin does not specifically prohibit selecting area with seagrass as plantation site hence, the project was implemented on the specified location. A subsequent Technical Bulletin which explicitly mentioned that area with seagrass beds are not recommended as plantation was issued later however, the said project had already been implemented.

Maintenance of Registry of Reforestation/Agroforestry projects for all NGP/Enhanced NGP Projects

100. **The Accounting Division of PENRO Romblon has provided and maintained a Registry of Reforestation/ Agroforestry projects in compliance with Section 10 of DENR MC No. 2011-01 dated March 8, 2011, thus further resulted in the continued monitoring of NGP projects.**
101. Section 10 of DENR Memorandum Circular (MC) No. 2011-01 dated March 8, 2011 requires the maintenance of the Registry of Reforestation/Agroforestry Projects. It states that:

Consistent with the Manual on New Government Accounting System (NGAS), a Registry of reforestation/agroforestry projects shall be maintained for each NGP site. The Regional offices shall consolidate and submit the Registry of FMB.
102. Audit disclosed that the Agency maintained pertinent data or Registry of every reforestation/agroforestry project (NGP/ENGP) implemented.
103. The Agency provided the registry of reforestation as database and monitoring mechanism of every NGP and ENGP projects/sites in compliance with the Section 10 of DENR MC No. 2011-01.
104. The maintenance of Registry of Reforestation/Agroforestry Projects served as a monitoring tool for the continued maintenance and monitoring of NGP and ENGP projects.
105. **We recommended and the Management of PENRO Romblon agreed to continue its practice of maintaining the Registry of Reforestation/Agroforestry Projects as a monitoring mechanism for all NGP & ENGP projects implemented by the Agency.**

Sustainable Management and continued maintenance and protection of NGP projects turned-over to the DENR from 2013 to present

106. **One hundred sixteen out of 118 NGP tree plantations from CY 2013 to 2016 amounting to ₱30,481,475.00 (including the 76 uncompleted projects established in CY 2015) that were considered by PENRO Romblon to have been turned over to the said agency by NGP Partners as well as the nine ENGP projects from CY 2017 to 2018 amounting to ₱11,702,447.90 were not subjected to sustainable management and continued maintenance and protection by the People's Organizations thus, the 125 NGP reforestation projects amounting to ₱42,183,922.90 were unprotected and unsustained after the turnover to the DENR by the Partners, since responsibility and accountability over turned**

over tree plantations were not properly defined in DENR MC Nos. 2011-01 and 2013-06 dated March 8, 2011 and April 16, 2013, respectively, the implementing guidelines of Executive Order No. 26 dated February 24, 2011.

107. Section 6 of DENR MC No. 2013-06 dated April 16, 2013 provides that:

Xxx All areas turned over to the DENR shall be bidded to interested parties in accordance to RA 9184 for long term development of the area. Thereafter, an appropriate legal instrument shall be issued by the DENR for the sustainable management of the area.

xxx

The DENR may invite interested parties to continue the development of the area.

For PO/IP-managed areas, management of same shall remain with the concerned PO/IP and shall be co-terminus with the tenure instrument issued to them.

The Local Government Units may opt to avail of the co-management agreement with the DENR. Under the co-management agreement, the LGUs shall not be allowed to sublease the area to a third party.

108. Review of documents and available reports disclosed that PENRO Romblon established 127 NGP tree plantations from CY 2013 to 2018.
109. As discussed in paragraph 91 of this report, no formal turnover of the completed NGP Projects was undertaken. Instead, turnover of the NGP projects was automatically assumed by PENRO Romblon after the expiration of the three-year contract.
110. In the interview with the OIC-Chief of the Technical Services Division, we were informed that all NGP projects which they referred to as graduated projects at the end of the three year contract, including the projects established in 76 NGP sites in CY 2015, were not under the sustainable management and continuous protection and maintenance of People's Organizations (POs) as no instruction was directed to them concerning the specific provision of Section 6 of DENR MC 2013-06 and that the fund allotted for the projects was for three years only. Only two NGP plantations established in CY 2013 which are covered by tenurial instruments amounting to ₱1,788,325.00 are under the continued maintenance and protection by the partner POs. However, the Audit Team was informed that the sites are being monitored by the hired Forest Rangers from time to time. Summarized in the table on the next page is the NGP plantations established in CYs 2013 to 2018 which are no longer under the sustainable management and maintenance and protection of POs.

Year Established	Year Completed	No. of NGP Tree Plantation	Project Cost (Establishment & Maintenance and Protection)			Total
			Year 1	Year 2	Year 3	
NGP						
2013	2015	34	5,489,625.00	2,352,000.00	1,568,000.00	9,409,625.00
2014	2016	0	0.00	0.00	0.00	0.00
2015	2016*	76	14,110,850.00	2,400,000.00	0.00	16,510,850.00
2016	2018	6	3,676,000.00	531,000.00	354,000.00	4,561,000.00
Total NGP		116				₱30,481,475.00
2017	2019	4	5,330,527.90	750,000.00	1,250,000.00	7,330,527.90
2018	2020	5	3,081,920.00	657,500.00	632,500.00	4,371,920.00
Total ENGP		9				₱11,702,447.90
Grand Total		125				₱42,183,922.90

*The three-year cycle was not completed. Implementation was only until CY2016 for the 2nd year maintenance and protection.

111. The absence of sustainable management and continuous protection and maintenance for the 125 NGP sites resulted in the non-monitoring of the planted trees and improvement of the seedlings, very low survival rate of the projects after the end of the three-year period, and uncertainty on the attainment of the NGP main objective. Moreover, the unprotected sites can be accessed by the illegal activities of unconcerned people, thus, unavoidable damages cannot be prevented.

Management's comments:

112. The NGP Coordinator informed the Audit Team during the exit conference that there are some POs who are willing to enter into MOA with PENRO Romblon for the continued maintenance and protection of the NGP projects despite the lack of fund. This matter had already been raised to the Regional Office, however, no response was received yet from the said office.

On the other hand, the PENRO Accountant commented during the exit conference that Section 6 of DENR MC No. 2013-06 was not implemented due to legal issues raised on whether subjecting the areas turned over to DENR for bidding in accordance with RA 9184 will be allowed considering that it is a public land and subjecting it to public bidding is tantamount to selling a public lot. The state of ownership of the lot is the main concern. She also stated that even lawyers are not in agreement with the aforesaid provision. Thus, there was instruction from higher-ups not to implement said provision of DENR MC.

113. We recommended and the PENR Officer agreed to strictly observe the provision of Section 6 of DMC 2013-06 and to make representation with the Regional Executive Director for the allocation of funds for the NGP sites not adopted under the continuous protection and maintenance of People's Organizations to ensure sustainability and protection of the NGP projects.

Implementation of monitoring mechanisms to ensure timely completion of the projects

114. **PENRO Romblon has monitoring mechanisms to ensure completion of the projects within the contract period. However, 11 reforestation projects damaged by fire or force majeure from CY 2011 to 2018 valued at P2,234,734.00 were not timely evaluated, and not requested for relief from accountability to the Office of the Auditor thus, PENRO Romblon is not fully compliant with Section 7.4 of DENR MC No. 2011-01 and Section 5.1.4 of DENR MC No. MC 2013-06 dated April 16, 2013.**

115. Section 7.4 of DENR MC No. 2011-01 dated March 8, 2011 states:

7.4 Monitoring and Management of Database

7.4.1 DA, DAR, DENR, shall develop a centralized database and provide regular monitoring and timely report on the progress of the NGP.

7.4.2 The Convergence Initiative shall engage the private sector, civil society and the academe in the monitoring and evaluation of the NGP.

116. Sections 5 of DENR MC 2013-06 dated April 16, 2013 provides for the responsibilities of the Parties. It states, among others, that:

5.1 The DENR shall:

5.1.1 Conduct survey, mapping and planning (indicative plan)

5.1.2 Ensure compliance of the development partners to the terms and conditions of the MOA/Contract;

5.1.3 Provide funds for the comprehensive site development subject to the approved Work and Financial Plan (WFP); and

5.1.4 Conduct regular monitoring and evaluation. (underscoring supplied)

117. To ensure that the activities were followed and completed by the partner POs in the duration of the contract, PENRO Romblon has conducted regular monitoring and inspection of NGP sites through their hired Forest Technician and NGP Team.

118. Audit of disbursements also disclosed that payments were supported by geo-tagged photos showing the monitoring of PENRO NGP Team together with POs partners in every activity of NGP/ENGP implementation. Additionally, according to the NGP Coordinator, reports on the status and percentage of completion of projects for each NGP sites were also prepared by the Team weekly, monthly, quarterly, semi-annually and annually and the same were submitted to the Regional Office for consolidation.

119. However, as also discussed in the immediately succeeding audit observation, damaged reforestation projects caused by fire with estimated damaged cost of ₱2,234,734.00 consisting of 11 projects were not yet requested for relief from property accountability due to lack of pertinent guidelines on fixing of responsibility and accountability over completed and turned over reforestation projects. Although incident reports were submitted by the Forest Technicians to PENRO, no action was taken by the latter to identify the officials responsible for the filing of relief from accountability following the provision prescribed under Section 73(1) of PD No. 1445, as well as the guidelines and procedures under COA Memorandum No. 92-751 dated February 24, 1992 and COA Resolution No. 2018-020 dated February 1, 2018. Moreover, the amount of the estimated damage declared in their report were merely based on the assessment of their hired Forest Technicians as guidelines on the assessment of damaged reforestations projects was not issued/formulated by the DENR thus, the declared value of the damaged property amounting to ₱2,234,734.00 could not be fully relied upon.
120. Foregoing considered, PENRO Romblon is not fully compliant with Section 7.4 of DENR MC. 2011-01 and Section 5.1.4 of DENR MC No. 2013-06.
121. **We recommended and the PENR Officer agreed to:**
- a. **instruct the OIC-Chief of Technical Services Division and NGP Coordinator to continue strictly imposing the monitoring mechanisms to ensure the completion of the projects within the contract period; and**
 - b. **coordinate with DENR Regional/Central Office for a definite policy that the PENROs could follow in the assessment/validation of the extent of damage to property and in the delineation of the duties and responsibilities over turned over reforestation projects that were lost thru fire or force majeure so that reliable amount could be provided and proper responsibility and accountability over the completed reforestation projects will be upheld; and**
 - c. **comply strictly with Section 73(1) of PD 1445, COA Memorandum No. 92-751 dated February 24, 1992 and COA Resolution No. 2018-020 dated February 1, 2018 in the filing of petition for request for relief from property accountability for the loss of reforestation projects due to fire or force majeure.**

Filing of Request for relief from accountability for loss of reforestation projects due to fire or other casualty or force majeure.

122. **As of June 30, 2021, reforestation projects lost due to fire or force majeure with total estimated damaged cost of at least ₱2,234,574.00 consisting of 11 projects were not requested for relief from property accountability since**

responsibility and liability over the reforestation projects were not clearly defined which is not in compliance with Section 73 (1) of PD 1445, COA Memorandum No. 92-751 dated February 24, 1992 and COA Resolution No. 2018-020 dated February 1, 2018 thus, resulted to non-derecognition of the damaged/lost property from the books of accounts and non-recognition of receivable in case of loss due to negligence.

123. Section 73 (1) of PD 1445 provides for "Credit for loss occurring in transit or due to casualty or force majeure. It states that:

(1) When a loss of government funds or property occurs while they are in transit or the loss is caused by fire, theft, or other casualty or force majeure, the officer accountable therefor or having custody thereof shall immediately notify the Commission or the auditor concerned and, within thirty days or such longer period as the Commission or auditor may in the particular case allow, shall present his application for relief, with the available supporting evidence. Whenever warranted by the evidence credit for the loss shall be allowed. An officer who fails to comply with this requirement shall not be relieved of liability or allowed credit for any loss in the settlement of his accounts.

124. To implement the above provision, the Commission issued COA Memorandum No. 92-751 dated February 24, 1992 which pertains to Documentation on Petitions/Requests for Relief from Accountability. It states that:

In order, therefore, to ensure or facilitate the evaluation and resolution of applications for relief from accountability with utmost accuracy and dispatch, and if only to correct or put an end to the commission of the afore-cited deficiencies, the COA Director/Officer-in-Charge and/or Unit Head concerned should, henceforth, see that the following requirements are first duly complied with and that the documents called for thereunder accompany the pertinent requests for relief to be submitted to the Commission, to wit:

- 1. The basic notice of loss to be filed immediately after the discovery of the loss and the request for relief from accountability which should be filed by the proper accountable officer within the reglementary period of 30 days from the occurrence of the loss, with the Auditor concerned or the Commission as the case maybe.*

- 1.1 In case of delay in the filing of the aforesaid notice and request, satisfactory explanation of the reason(s) for such delay should be submitted, after which the*

reasons/explanation given should be verified or conformed by the Auditor concerned.

- 1.2 If the occurrence of the loss has been reported to other police agencies, like the N.B.I., C.I.S., etc., the progress/final investigation report thereon should be submitted.*
- 2. Copy of the Investigation, Inventory and Inspection report of the proper COA personnel on the facts and circumstances surrounding the loss;*
- 3. Affidavit or Sworn Statement of the proper accountable officer on the facts and circumstances surrounding the said loss, supported by the Affidavit of two (2) disinterested persons who have personal knowledge of such fact or loss;*
- 4. Comment and/or recommendation of the Agency Head concerned on the request;*
- 5. Comment and/or recommendation of the COA Director/OIC and/or Unit Head on the propriety of the request, together with a full statement of material facts;*
- 6. Exact or accurate amount of government cash or book value of the property, subject of the request for relief;*
- 7. Memorandum Receipts covering the properties subject of the request, if any; and*
- 8. A categorical determination by the Director/Auditor concerned on the absence of fault or negligence on the part of the accountable officer in the handling, safekeeping, etc, of the funds and properties under his custody as evidence by a recital of the precautionary/security measures adopted to protect or safeguard them and the like.*

Additionally, in case of the following incidents/occurrence:

F I R E:

- 1. The progress and/or final report of the local Police/Fire Department or Station on the incident;*
- 2. List or inventory of burned or destroyed properties as well as those properties retrieved after the fire, stating therein the acquisition*

cost/book value of each item, duly verified by the Auditor concerned;

- 3. Authenticated picture(s) showing the site/office or government properties razed by the fire;*
- 4. Fire insurance policy, if any, covering subject property. If the property is insured, information as to whether or not the Agency concerned has already been paid the proceeds of the said insurance policy should be secured and, if so, evidence to this effect should be submitted. If the property has not been insured, reasons to this effect should be submitted.*

125. Moreover, COA Resolution No. 2018-020 dated February 1, 2018 provides for Clarification on the documentary requirements for Requests for Relief from Accountability for loss thru force majeure (earthquake, typhoon, etc.) under COA Memorandum No. 1992-751 dated February 24, 1992. It states that:

The Commission resolves that in case of government properties where the pertinent documents and records thereof, such as inventory reports, acknowledgement receipts of equipment's, financial records, etc., are lost due to force majeure, the following requirements shall be complied to with:

- a. A notice of loss shall be filed by the AO immediately after the occurrence of loss for purposes of verification by the auditor;*
- b. The request for relief from accountability must be filed by the proper AO within the reglementary period of 30 days, duly supported by the required basic and additional documents, as enumerated under COA Memorandum No. 92-751, that may still be recovered in the aftermath of the natural calamity or instance of force majeure; and*
- c. The AO shall submit a strong justification as to why no records are available in his/her office or in any other office, to prove that due diligence was exercised by the AO in the performance of his/her duties and responsibilities.*

126. Based on the submitted documents and reports, it was noted that 11 incidents of forest fire with total estimated damage cost of ₱2,234,574.00 had occurred in NGP sites of PENRO Romblon as of June 30, 2021, as shown in the table on the next page:

Date of Occurrence	Cause/Origin of Occurrence	Location	Extent of Damage in Forest Land		
			Area	Estimated No. of Trees Damaged	Estimated Damaged Cost (-P)
Approximately within the last week of February to 1 st Week of March 2017	Fire	Silab, Taclobo*, San Fernando, Romblon	13.0/13.0 Has. in Investigation Report but 12.0/12.0 Has. in Accomplishment Report NGP 2013	6,500	156,000.00**
March 17, 2017	Fire	Agtiwa, San Fernando, Romblon	4.0/15.0 Has. NGP 2016	<i>Not stated</i>	<i>Not stated</i>
Not stated but it was mentioned in the submitted accomplishment report that it was discovered on May 16-17, 2017 during the conduct of weekly monitoring.	Fire/Drought	Cambalo, Cajidiocan, Romblon	Unidentified area with 12°27'44"N, 122°40'8"E Altitude for damaged by Fire and 12°27'45"N, 122°40'8"E Altitude of Dried Plants due to Drought Beach Plantation	<i>Not Stated</i>	<i>Not Stated</i>
3/28/2018	Fire	Balogo, Calatrava, Romblon	24.3/35.0 Has NGP 2012	12,150	607,500.00
3/28/2018	Fire	San Roque, Calatrava, Romblon	11.6/26.0 Has NGP 2011	5,800	290,000.00
2/3/2019	Fire	Agtiwa, San Fernando, Romblon	10.0/15.0 Has. In Monthly Forest Fire Incident Report 10/20 Has. in Incident Report NGP 2016	16,670	83,350.00
4/23/2019	Fire	Taclobo, San Fernando, Romblon	23.28/24.0 Has NGP 2016	38,808	194,038.00
3/9-10/2019	Fire	Agpudlos, San Andres, Romblon	11.0/50.18 Has NGP 2011	5,500	275,000.00
3-15-17/2019	Fire	Linawan, San Andres, Romblon	6.51/10.17 Has NGP 2011	3,255	162,750.00
3-15-17/2019	Fire	Linawan,	5.0/34.89 Has	3,255	125,000.00

Date of Occurrence	Cause/Origin of Occurrence	Location	Extent of Damage in Forest Land		
			Area	Estimated No. of Trees Damaged	Estimated Damaged Cost (₱)
		San Andres, Romblon	NGP 2012		
3/21/2020	Fire	Calagonsao, Alcantara, Romblon	13.2/123.0 Has NGP 2018	21,992	340,936.00
Total			121.89 Has	113,930	₱2,234,574.00

*Canjalon in Geotagged Photo.

** Based on Investigation Report.

127. The above projects damaged by fire/drought were not reported to the Audit Team nor the agency requested for the relief from accountability for the damaged property which is not in compliance with the afore-cited provisions. This could be attributable to the failure of the DENR to formulate policy that clearly defines the responsibility and liability over turned over reforestation projects.
128. The non-compliance of the PENRO Romblon with Section 73(1) of PD 1445, COA Memorandum No. 92-751 dated February 24, 1992 and COA Resolution No. 2018-020 dated February 1, 2018 resulted to non-derecognition of the damaged/lost property from the books of accounts and non-recognition of receivable, in case of loss due to negligence. Lastly, government's efforts and funds invested towards the attainment of the objectives of the projects might be put in vain which could result to possible wastage of government funds if not addressed properly.
129. We recommended and the PENR Officer agreed to:
 - a. coordinate with the DENR Central Office thru the Regional Executive Officer for definite DENR policy on the determination of responsible and liable officials/employees over turned over reforestation projects that were lost thru fire or force majeure; and
 - b. comply strictly with Section 73(1) of PD 1445, COA Memorandum No. 92-751 dated February 24, 1992 and COA Resolution No. 2018-020 dated February 1, 2018 in the filing of petition/request for relief from property accountability for the loss of reforestation projects due to fire or force majeure.

Enforcement of Tree Replacement Program

130. Tree Replacement for National Greening Program (NGP) projects damaged during the implementation of DPWH projects was not enforced by PENRO Romblon due to the absence of Memorandum of Agreement between the two agencies as well as the failure of PENRO Romblon to properly account and

report the damages which is not in compliance with DPWH-DENR-DSWD Joint Memorandum Circular No. 01 series of 2014 dated July 3, 2014.

131. The Tree Replacement Program is a partnership project by the DPWH, DENR and DSWD covered by the DPWH-DENR-DSWD Joint Memorandum Circular No. 01, series of 2014 dated July 3, 2014 which specifically aimed to rectify the deforestation of natural parks and forests in all regions affected by DPWH infrastructure projects through the replacement of each tree cut with the planting of 100 seedlings/sapling/propagules, and to generate temporary employment and to facilitate the creation of appropriate forest-based micro-enterprises for Pantawid Pamilya beneficiaries selected on the basis of proximity to project areas and membership in a DENR- People's Organization. This program was also intended to contribute to the NGP and the Millennium Development Goals on the eradication of extreme poverty and hunger.

132. Item V. C of the same Joint Memorandum Circular states:

C. TREE REPLACEMENT AND QUALITY CONTROL

1. Tree replacement

The DENR shall specifically identify the activities that the participants are expected to conduct, given that proper orientation and training have been provided to them. The identified participants shall implement the different activities to ensure that the project's objectives are met. The different activities may include the following:

- a. Proper management (utilization or disposal) of trees cut within DPWH RROW*
- b. Nursery and tree plantation establishment, other environmental development projects, and protection and maintenance*
- c. Development of environment-friendly enterprises of participants*

2. Monitoring and evaluation

Monthly reports shall be submitted through coordinating units in the regional offices to the respective national agency offices, with copies furnished to the NTWG. The NTWG shall review and validate the reports and consolidate the same to prepare the annual reports vis-vis the targets set. (Emphasis ours)

133. Inquiry with the NGP Coordinator and OIC-Chief, Technical Services Division disclosed that there are NGP sites that were actually damaged/affected by road widening and shore protection projects of DPWH, however, no report was prepared

pertaining thereto hence, the Audit Team was not furnished with a copy of the said report. Moreover, there is no MOA entered into by and between PENRO Romblon and DPWH relative to the matter nor were they aware of any MOA entered into by and between DENR Regional Office No. IV-B and DPWH.

134. The absence of MOA between PENRO Romblon and DPWH and the failure of the former to properly assess and report the damage on the NGP plantations resulted to non-collection of corresponding cost of damaged seedlings and other cost of activities for replanting/replacement thus, PENRO Romblon is not compliant with DPWH-DENR-DSWD Joint Memorandum Circular No. 01 series of 2014 dated July 3, 2014. Consequently, the objective of the Tree Replacement Program was not attained.
135. **We recommended and the PENR Officer agreed to inquire from the DENR Regional Office No. IV-B whether or not a MOA between the DENR and DPWH had been entered into. Otherwise, PENRO Romblon should enter into MOA with DPWH for Tree Replacement Program pursuant to DPWH-DENR-DSWD Joint Memorandum Circular No. 01 series of 2014 dated July 3, 2014 so that smooth implementation of both projects of DENR and DPWH could be successfully attained. Moreso, instruct the OIC-Chief, Technical Services Division and the NGP Coordinator to strictly monitor NGP Reforestation Projects affected by road widening and other DPWH projects and prepare the corresponding report thereof so that the cost for rectification of damaged site can be collected from the DPWH.**

Management Comment

136. The PENR Officer commented during the exit conference that a MOA between the PENRO Romblon and the DPWH had already been prepared and the same was forwarded to the DPWH for signature of the District Engineer. He also added that the DPWH had provided seedlings as replacement for the trees damaged by their roadside projects and the same were planted by PENRO Romblon in the affected site.

Auditor's Rejoinder:

137. While the Management claimed that the DPWH had provided seedlings as replacement for trees damaged by DPWH projects and the same were planted by PENRO Romblon, such statement could not be relied upon due to absence of documents/reports to support their claim.

Compliance with the required Reports on the Status of Accomplishment of the NGP/ENGP from 2011-2018

138. Of the 80 and 11 NGP projects reported accomplished by the PENRO Romblon, from CYs 2011 to 2016 and from CYs 2017 to 2018, respectively; only 70 and 11 NGP projects with shapefiles, 60 projects with geo-tagged photos of the sites, and 80 and three projects with accomplishment reports were posted in the DENR-FMB Website. Moreover, the impact of the program to the communities were not posted in the said website. Thus, the DENR is not fully compliant with the Specific Provisions of the FY 2018 General Appropriations Act (GAA).

139. The FY 2018 GAA Specific Provisions provides, among others, that:

DENR shall submit reports on the status of accomplishment of the NGP from 2011-2018, including geo-tagged photos of the sites and the impact of the program to the communities, with electronic signature to the DBM, through the Unified Reporting System, and to the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, by posting said reports on DENR website for a period of three (3) years. The Secretary of Environment and Natural Resources shall send written notice to the said offices when said reports have been posted on its website, which shall be considered the date of submission.

140. It was noted in the submitted List of NGP Plantations of PENRO Romblon for CYs 2011 to 2018 that the agency completed a total of 89 NGP projects during the period. Verification, however, of the DENR-FMB website disclosed that there were 10 NGP projects in 2016 inconsistent with the list furnished the Audit Team which only includes eight projects, bringing the total NGP projects to 91. Out of the 80 and 11 completed projects reported accomplished by the agency from CYs 2011 to 2016 and from CYs 2017 to 2018, respectively; only 70 and 11 NGP projects with shapefiles, 60 projects with geo-tagged photos of the sites, and 80 and three projects with accomplishment reports were posted in the DENR-FMB website. Moreover, the impact of the program to the communities was not posted in the website, details are shown in the Table below.

Year	No. of Projects	No. of Projects Posted with		
		Shapefiles	Geo-tagged Photos	Accomplishment Reports*
2011	24	24	24	24
2012	10	0	0	10
2013	36	36	36	36
2014	0	0	0	0
2015	0	0	0	0

Year	No. of Projects	No. of Projects Posted with		
		Shapefiles	Geo-tagged Photos	Accomplishment Reports [*]
2016	10**	10	0	10
<i>Sub-total</i>	80	70	60	80
2017	6	6	0	2
2018	5	5	0	1
<i>Sub-total</i>	11	11	0	3
Total	91	81	60	83

^{*}Impact of the program to communities was submitted but not posted.

^{**}Only 8 projects were included in the report furnished the Audit Team

141. Inquiry with the NGP Coordinator revealed that PENRO Romblon has been preparing weekly, monthly, quarterly, semi-annual and annual accomplishment reports of the NGP/ENGP Projects with attachments, for submission to the Regional NGP Coordinator, however, as can be gleaned from the table above, there are still projects with no reported accomplishment report as well as shapefiles and geo-tagged photos of the site.
142. Based on the foregoing observations, DENR/PENRO Romblon was not fully compliant with the requirement of the Specific Provisions of the FY 2018 GAA.
143. **We recommended and the PENR Officer agreed to instruct the OIC-Chief, Technical Services Division and the NGP Coordinator to:**
 - a. **continue the regular preparation and submission of required NGP/ENGP reports to the DENR Regional Office IV-B in compliance with the Specific Provisions of FY 2018 GAA;**
 - b. **coordinate regularly with the DENR Regional Office IV-B for the posting of Accomplishment Reports for all NGP projects including the shapefiles, geo-tagged photos and the impact of the program to the communities or facilitate the submission of lacking information, if such is the case, for it to be posted in the said website to promote transparency.**

V. STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS

144. No compliance audit was conducted in prior year, hence, there is no data for this section.

VI. ACKNOWLEDGMENT

145. We wish to express our appreciation to the Management and staff of the Provincial Environment and Natural Resources Office, Romblon for the cooperation and assistance extended to our Audit Team during the audit.
146. We request that appropriate actions be undertaken on our audit recommendations and that we be informed of the actions taken thereon by accomplishing the attached Agency Action Plan and Status of Implementation (AAPSI) form (Annex E) and submit it to us (in hard and electronic copies) within 60 days from date of receipt hereof.

Very truly yours,

COMMISSION ON AUDIT

By:


ANNIE A. FONDEVILLA
OIC-Audit Team Leader

Copy furnished:

The Cluster Director, Cluster 8, NGS
The Supervising Auditor, DENR Audit Group
The Regional Supervising Auditor, Cluster 8, NGS

Annexes:

- A. Schedule of Allotment, Obligations and Balances
- B. List of Contracts with Private Nursery/POs for the Production of Seedlings for NGP
- C. Schedule of NGP and eNGP Contracts not submitted to COA within five (5) days from Execution
- D. List of Validated NGP Projects with Survival Rates
- E. Agency Action Plan and Monitoring of Audit Recommendations