



February 06, 2023

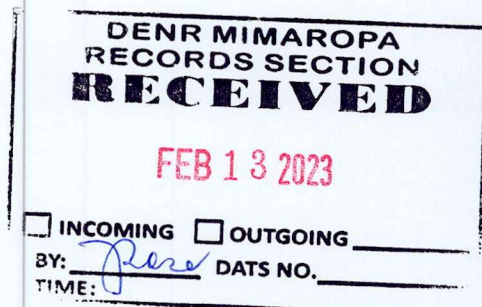
**MEMORANDUM**

**FOR :** The Regional Executive Director  
MIMAROPA Region

**THRU :** The ARD for Technical Services

**FROM :** The OIC PENRO

**SUBJECT :** **REQUEST FOR A COPY OF THE LEGAL BASIS ON THE INCREASE OF AMOUNT PER HECTARE FROM PHP5,000.00 TO PHP6,000.00 FOR THE 3<sup>RD</sup> YEAR MAINTENANCE AND PROTECTION OF THE CY 2021 ENGP ESTABLISHED PLANTATIONS**



This pertains to the increase of the amount allocated for the ENGP 3<sup>rd</sup>-Year Maintenance and Protection activities as reflected in the CY 2023 Work and Financial Plan (WFP).

Inasmuch as this Office would like to comply with the allotted fund in the GAA of ENGP for this year, may we request for a copy of the legal basis on the implementation of cost per hectare from Php5,000.00 to Php6,000.00 for the 3<sup>rd</sup> year maintenance and protection.

Based on the previous implementation of the increase in the ENGP particularly the CY 2016-2018 plantation establishment, the COA has issued Audit Observation Memorandum (AOM). The AOM was issued due to the deviation in FMB Technical Bulletin No. 10 and remind this Office to always strictly implement the applicable guidelines pertaining to the cost per activity. In addition, this also resulted the concerned personnel to submit satisfactory explanation to the Commission On Audit on the deviation made in the cost of plantation establishment. In this regard, the issuance of said AOM opted this Office to request for a copy of the legal basis prior to awarding of contracts to avoid the same observation in the future.

Attached is the copy of the COA AOM issued in CY 2021 on this matter.

For information and consideration.

Tracking No. 00000000  
TSD/CDS/NGPjdm-2023-002

ALAN VALLE







Republic of the Philippines  
**COMMISSION ON AUDIT**  
Regional Office No. IV-B  
National Government Sector – Cluster 8-B  
**AUDIT TEAM NO. R4B-28**

**DENR – Provincial Environment and Natural Resources Office – Or. Mindoro**  
Suqui, Calapan City, Oriental Mindoro

ADM No. 2021-CA-016

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for 121

**AUDIT OBSERVATION MEMORANDUM (AOM)**

**AOM No.: 2021-CA-016 (NGP)**

**December 9, 2021**

**For : Ms. MARY JUNE F. MAYPA**  
Provincial Environment and Natural Resources Officer  
PENRO - Oriental Mindoro  
Calapan City, Oriental Mindoro

**Attention: Ms. Esperanza P. Cortez**  
OIC, Technical Services Division

**Mr. Joel D. Morillo**  
PENRO NGP Coordinator

**Ms. Corazon E. Pudiquet**  
Chief, Planning Section

**Mr. Rodel M. Boyles**  
OIC-CENR Officer, Socorro

**Ms. Alma E. Gibe**  
OIC-CENR Officer, Roxas

We have reviewed the compliance of PENRO-Oriental Mindoro with Forest Management Bureau (FMB) Technical Bulletin (TB) No. 10 dated April 2014 in relation to the implementation of National Greening Program (NGP) and Enhanced NGP (ENGP) calendar years (CYs) 2016 to 2018, and observed that:

The costs of activities amounting to **₱158.886 million** for the 170 approved contracts/Memorandum of Agreement (MOA) entered into by and between PENRO-Oriental Mindoro and POs/LGUs for NGP/ENGP plantation sites for CYs 2016 to 2018 with total contract amount of **₱318.635 million** have exceeded the standard cost of activities of **₱102.704 million** which is not in accordance with Item 3 of FMB Technical Bulletin No. 10 dated April 2014 resulting to overpayment of contracts/MOA amounting to **₱56.182 million** during the years of implementation.

Item 3 of FMB Technical Bulletin No. 10 dated April 2014 provides the NGP Activities and Corresponding Costs for CY 2014 as follows:



Activities	Unit of Work Measure	Unit Cost
Site Validation, Assessment and Planning	Ha	Php 450
Social Mobilization	Ha	Php3,000.00
Site Preparation (hauling, hole digging, brushing, etc.) and Planting		
IEC/Transportation/Mobilization of Partners	Ha	Php1,000.00
Maintenance and Protection of Established Plantations	Ha	
- 1 <sup>st</sup> Year		Php1,000.00
- 2 <sup>nd</sup> Year		Php3,000.00
- 3 <sup>rd</sup> Year		Php2,000.00

Also, Item IX of FMB Technical Bulletin No. 10-A dated November 19, 2019 provides the Updated Standard Cost of Activities of the ENGP as follows:

Activities	Unit of Work Measure	Unit Cost
<b>Plantation Establishment</b>		
- Site Preparation (hauling, hole digging, brushing, etc.)	hectare	6,500
<b>Maintenance and Protection</b>	hectare	
- Brushing or ring weeding, fire line establishment and maintenance, patrol work, replanting, pest and disease control		
- Year 1		2,000
- Year 2		5,000
- Year 3		5,000
- Year 4		5,000
- Year 5		5,000
Hiring of Extension Officers (1 FO: 300 hectares)	No.	20,404/month
Construction/Rehab of nurseries per CENRO/Implementing PENROs	No.	
Construction of satellite nurseries and bunkhouse	No.	
Hiring of laborers		Prevailing DOLE rate
Maintenance of SPAs/H'Ts	No.	500,000
Maintenance of Clonal Nurseries	No.	350,000
Operations and Maintenance of Modernized and Mechanized Nurseries	No.	5,000,000





December 9, 2021

The above showed that PENRO-Oriental Mindoro was not compliant with FMB Technical Bulletin No. 10 dated April 2014 in the preparation of the WFP which was the guideline applicable for the CYs 2016-2018 NGP/ENGP.

We recommend that the PENR Officer, together with the OIC, Technical Services Division, Officers-In-Charge of CENROs, Socorro and Roxas, Chief, Planning Section and NGP Coordinator (a) submit satisfactory explanation for deviating from FMB Technical Bulletin No. 10 dated April 2014 in costing the activities of NGP/ENGP projects implemented in CYs 2016 to 2018, and (b) strictly implement the applicable guidelines particularly those pertaining to costs of activities in the preparation of WFP for NGP/ENGP.

We would appreciate receiving your comments on the foregoing audit observations within two (2) calendar days from receipt hereof.

  
**LUZVIMINDA A. BAYANAY**  
State Auditor IV  
Audit Team Leader

  
**CONNIE G. BENEDICTOS**  
Director II  
Regional Supervising Auditor

**Proof of Receipt of AOM No. 2021-CA-016 (NGP):**

Name	Position/Designation	Received by	Date
1. Ms. Mary June F. Maypa	PENR Officer		
2. Ms. Esperanza P. Cortez	OIC, Technical Services Division		
3. Mr. Joel D. Morillo	PENRO NGP Coordinator		
4. Ms. Corazon Pudiquet	Chief, Planning Section		
5. Mr. Rodel M. Boyles	OIC-CENR Officer, Socorro		
6. Ms. Alma E. Gibe	OIC-CENR Officer, Roxas		