

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
 Visayas Avenue, Diliman, Quezon City  
 AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION  
 SIGNIFICANT OBSERVATIONS AND RECOMMENDATIONS  
 CY 2023 CONSOLIDATED ANNUAL AUDIT REPORT  
 As of July 19, 2024

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/Non-Implementation of action, if applicable	Action Taken/Action to be Taken
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From	To			
Observation No. 2	<p><b>Unutilized appropriations/unobligated allotments/unused budget/fund</b></p> <p>Of the agency's appropriation/allotment for CY 2023 of P19,999.014 million, the amount P18,736.525 million or 93.69 percent was utilized/obligated and P17,036.853 million or 90.93 percent was disbursed as of December 31, 2023. Moreover, of the total cash allocation of P20,112.290 million, 94.13 percent or P18,932.652 million was disbursed, leaving a balance of P1,179.638 million which was reverted back to the BTr, thus projects targeted for implementation during the year were not immediately implemented.</p>	<p>a. provide a detailed remedial action plan to reflect the specific measures to be undertaken to resolve the identified issues to ensure attainment of targets to deliver the optimum services to the intended beneficiaries of the programs; and</p> <p>b. ensure the timely implementation of projects/activities to attain its objectives and avoid reversion of allotments to the unappropriated surplus of the General Fund.</p>		<p>Central Office Manila Bay Coordinating Office (MBCO) HRDS</p>			FULLY IMPLEMENTED		<p>1. This office has already reflected the appropriate measured/indicators for the actual work in our revised Work and Financial Plan (WFP) for CY 2024 by specifying the preparatory of activities, such as, consultation of meetings, drafting and approval of Memoranda of Agreement (MOA), downloading of funds to the implementing agency, and submission of monthly and quarterly accomplishment reports, in which the office could complete. The previous WFP indicators solely focused on the completion of the construction of the establishment itself, which is highly dependent on the implementing agency and which our office, while involved, has no control.</p> <p>In relation to Finding No. 1 Item B recommendation, we will resubmit the request for the institutionalization of the Manila Bay Coordinating Office (MBCO) to the Human Resource Development Services (HRDS) in order to address the lack of MBCO plantilla personnel which leads to fast turnover of hired Contract of Service (COS) personnel and ultimately, causes delays/non implementation of the P/A/Ps.</p> <p>All recommendations with regard to Finding No. 2 are taken into consideration and our office will act accordingly through the timely submission of the required documents such as terms of reference, designs, etc. Much more, regular coordination meetings with concerned offices including the Financial Management Service (FMS), Legal Affairs Service (LAS), Bids and Awards Committee (BAC) and our partner agencies like the Department of Public Works and Highways (DPWH) and Metropolitan Manila Development Manila Authority (MMDA), will be conducted. This is to ensure that we are regularly updated and compliant on recent procurement laws and other important guidelines for the drafting of MOA and that timelines are reconciled during the crafting and revision of the WFP to indicate the actual period for the execution of the activities.</p>

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Observation No. 7	<p><b>Receipt and utilization of funds, and implementation of FAPs and ODA Funded Projects</b></p> <p>The total CY 2023 budget of the Forestland Management Project (FMP) was not optimally utilized resulting in a low utilization of P71.215 million or 46 percent of the total available allotments of P155.881 million that led to the reversion of the unobligated continuing allotment amounting to P82.323, which could have been used to finance the other activities of the Project. Moreover, two targeted outputs were not completed as of December 31, 2023, namely: Land Tenure Issuance and Agroforestry Support Facilities due to several reasons; thus, attainment of the overall project's objective/purpose was delayed.</p>	<p>We recommended and Management agreed to direct the Project Head to: a. exercise judicious budget planning to rationalize the provision of funds/allotments for project activities to avoid significant reversion of funds;</p> <p>b. continuously coordinate with the NCIP to fast track and facilitate the conduct of the necessary FPIC process; and</p> <p>c. expedite the payment of contractor billings to catch-up for the delayed works.</p>		Central Office FASPS			FULLY IMPLEMENTED		<p>FMB-CPMCO: As of 30 June 2024, out of the Php1.8 million budget from CY 2023 Continuing Appropriation, Php1.6 million has been utilized. FMP conducted the National Closeout Event which was held last 16 to 17 May 2024. Hence, unutilized budget was already used for the said event.</p>
			Central Office FASPS			FULLY IMPLEMENTED	<p>The Regional Offices/PENROs/CENROs of CAR and Region 6 to continue coordination and work with concerned NCIP Regional/Provincial Offices to issue NCIP clearance to FMP POs beyond July 3, 2024.</p>		
			Central Office FASPS			FULLY IMPLEMENTED	<p>As of 30 June 2024, only 102 out of 149 POs were issued with Land Tenure Issuance (LTIs)</p>		
Observation No. 9	<p><b>Non-Compliance with Republic Act (RA) No. 9184 and its Revised IRR on the procurement activities and pursuant to COA Circular Nos. 2009-0017 and 2012-001</b></p> <p>Deficiencies in the procurement activities of four ROs and 11 PENROs with a corresponding amount of P93.950 million were noted contrary to the existing laws, rules and regulations on procurement.</p>	<p>We recommended, and Management agreed, to instruct the BAC of ROs I, IX, X, and XI, PENROs Batanes, Ilocos Sur, Isabela, La Union, Nueva Vizcaya, Oriental Mindoro, Pangasinan, Quirino, Romblon, Zamboanga Del Norte and Zamboanga Del Sur to ensure that procurement activities are in accordance with RA No. 9184 and its RIRR, and to submit the lacking supporting documents for audit.</p>	<p>Continuously develop initiatives to reinforce its internal control on the processing of government contracts.</p>	Regional Office 1- Management Services, Administrative Division, Procurement Section	01/06/2024	12/31/2024	PARTIALLY IMPLEMENTED	Ongoing Implementation	<p>On the observation on the improperly accomplished POs and Contract, we commit to ensure date of receipt of supplier will be fully complied.</p>
				Region 1 PENRO Ilocos Sur -	01/06/2024	12/31/2024	FULLY IMPLEMENTED		<p>For succeeding procurements of PENRO Ilocos Sur through competitive public bidding, the office has been compliant with the observations and recommendations of</p>
			<p>For succeeding procurements of PENRO La Union through competitive public bidding, the office has been compliant with the observations and recommendations of the resident COA Auditor specially on verifying the current ongoing and completed projects of the lowest calculated bidder.</p>	Region 1 PENRO La Union - Management Services Division	01/06/2024	12/31/2024	FULLY IMPLEMENTED		<p>For succeeding procurements of PENRO La Union through competitive public bidding, the office has been compliant with the observations and recommendations of the resident COA Auditor specially on verifying the current ongoing and completed projects of the lowest calculated bidder.</p>

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Observation No. 28	<p><b>Non-enforcement of regulations on the use of Foreshore Lands</b></p> <p>The absence of specific guidelines on the collection procedures coupled with inadequate measures and laxity in the monitoring of uncollected revenues for the foreshore land use rental/occupational fees, resource/facilities users' fees, performance bond, forest charges and surcharges from foreshore property/cottages, forest lands, and protected areas in one RO and five PENROs, resulted in the non-enforcement of regulations on foreshore lands management, which further resulted in the accumulation of uncollected revenue in an estimated amount of P264.740 million.</p>	<p>a. prepare a Process Flow Chart on the application process (Provisional or Revocable Permit) showing the processing time for each process;</p> <p>b. prepare a guideline that will outline the monitoring, computation of surcharges and issuance of demand letters for unpaid rental/occupational fees including the designation of responsible officers for uniform application</p> <p>c. direct the responsible officer of DENR NCR, PENROs-Ilocos Sur, Ilocos Norte, La Union, Davao Oriental, and Davao de Oro to maintain subsidiary ledger for each occupant for monitoring of receivables to enforce collection of unpaid rental/ occupational fees, prompt issuance of billings and continuous sending of demand letters until full payment has been made.</p>	To revise the DENR Administrative Order No. 2004-24.	LMB Chief, LMD	01/01/2024	9/30/2024	PARTIALLY IMPLEMENTED	On process of Revising the DENT Administrative Order No. 2004-24	LMB is currently revising the DENR Administrative Order No. 2004-24, otherwise known as "Revised Rules and Regulations Governing the Administration and Management of Foreshore Lands". In the said revision, the recommendation to prepare a process flow chart showing the processing time of the Provisional and Revocable Permits is considered. This revised policy will be consulted to our internal stakeholders (DENR Regional Offices) from September 3 to 5, 2024, for their comments and additional input.
			LMB to draft a policy regarding the standard computation of Purchase Price, rentals, Occupation fees, and applicable interest and charges	LMB Chief, LMD	01/01/2024	9/30/2024	PARTIALLY IMPLEMENTED	In the process of drafting the said policy.	LMB is currently drafting a policy regarding the standard computation of Purchase Price, rentals, Occupation fees, and applicable interest and charges. The proposed policy will be subject of the consultation on Sept 3, 2023
			Already issued Memorandum to OIC, Patents and Deeds Section to comply with the audit recommendation.	NCR OIC, Accounting Section and OIC, Patents and Deeds Section	01/03/2024	12/31/2024	PARTIALLY IMPLEMENTED	For discussion with the Regional Executive Director	Already issued Memorandum to OIC, Patents and Deeds Section to comply with the audit recommendation.
				Region 1 PENRO Ilocos Norte - Administrative and Finance Section	01/06/2024	12/31/2024	FULLY IMPLEMENTED		The audit observations were noted and all collectibles were demanded to the proponent thru a letter.
				PENRO La Union - Administrative and Finance Section	01/06/2024	12/31/2024	FULLY IMPLEMENTED	Ongoing Implementation	The office has issued a demand letter to the proponent dated March 20, 2024.
				PENRO Pangasinan - Administrative and Finance Section	01/06/2024	12/31/2024	FULLY IMPLEMENTED		For CENRO Dagupan - to issue demand letters to all tenure holder with unpaid rentals this 2nd sem of 2024 - delinquent tenure holder shall be subject to cancellation in accordance with the existing policy pertaining to the matter.

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			This office will serve letters/notices to the lesses with expired lease contracts and has delinquent account to remind them on their obligation and to inform them in the guidelines estipulated under Section 17 of DAO 2004-24: The effect of termination and cancellation of the Agreement and of Section 22 and 23 of the Lease Contract, expropriating any improvement found in the leased property as a consequence of its termination due to its non-renewal to avoid depriving the Government of any consequential benefits therefrom.	Region 11 PENRO Davao Oriental (CENRO Mati)	01/04/2024	01/04/2024	PARTIALLY IMPLEMENTED	Subject for dissemination of letters/ notice (CENRO Mati)	To inform the foreshore users/lessees thru letter/notices and copy furnished the LGU concern about the provision stipulated under Section 17 of the DAO 2004-24 (CENRO Mati)
			* Timely Collection of the Foreshore Revenues to those delinquent/ non-delinquent foreshore users to enforce the policies and guidelines on DAO 2004-24. * Facilitate timely the foreshore lease application/ provisional permits of foreshore users	CENRO Baganga	01/01/2024	12/31/2024	PARTIALLY IMPLEMENTED	n/a	* Serve notification for Notice of Billing Collection to all foreshore users with delinquent and new accounts. * Collected Previous/Old accounts CY 2023 of two (2) foreshore users amounting of Php 8,027.00 1. Anrana Beach Resort - Php 5,250.00 (partial payment) 2. Hello K-Tea Pool - Php 2,777.00 (partial payment) * Serve letter to all old and new foreshore users reminding for the compliance of requirements to process their Foreshore Lease Application/ Agreement and Provisional Permit.
			Issue formal demand letters to foreshore users on a regular basis to ensure compliance with their quarterly reporting obligations	CENRO Manay	01/04/2024	6/30/2024	PARTIALLY IMPLEMENTED	Delayed submission of other required documents is due to the lengthy and complex process involved.	Require all foreshore users within the AOR of CENRO Manay to submit a quarterly report to monitor the number of guests and the potential income generated by the resort.  Submitted to the CENR Officer on June 25,2024, the Status Report of failure to fulfill Quarterly Obligations of Kabaywa, Dawis and Moana Resorts.  Demand Letters were given on June 3,2024 to the following: 1. Michael Sobiaco ( Php 14,000.00 ) 2. Rachel D. Yosores (Php2,783.00 ) 3. Lloyd Laplana (Php 23,500.00) 4. Euri Kele (Php 2,500.00)
			Give notice to foreshore users thru letter copy furnished the LGU concerned of their obligation for the payment of rentals and the eventual expropriation of their structures within the leased property absent their renewal and payment	CENRO Lupon	01/04/2024	9/30/2024	PARTIALLY IMPLEMENTED	Subject for dissemination	To inform the foreshore users thru letter copy furnished the LGU concern about the provision of section 17 of the DAO 2004-24

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			This office will continue to monitor the foreshore land occupied by the beach resort operators who commercialized the property of the government without paying due rental fees	Region 11 PENRO Davao de Oro	01/01/2024	12/31/2024	PARTIALLY IMPLEMENTED	This office will continue to monitor the foreshore land occupied by the beach resort operators who commercialized the property of the government without paying due rental fees	