




Republic of the Philippines  
 Department of Environment and Natural Resources  
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February 8, 2022

ENVIRONMENTAL MANAGEMENT BUREAU  
 RELEASED BY:   
 DATE: 02/08/2022  
 TIME: 3:05 PM

**MS. CELIA S. TERADO, CPA**  
 State Auditor III  
 Audit Team Leader- EMB R8  
 NGS R8, Cluster 8, Team No. 31

Dear Madam:

Greetings!

Respectfully submitting herewith a copy of Audit Observation Memorandum No. 2022-001 and 002, signed as received, as well as our comments thereto with the corresponding date of online submission, to wit:

1. AOM No. 2022 – 001 & 002; Signed as Received
2. Comment to AOM No. 2022 – 001 & 002

Date of Online  
 Submission  
 02/08/2022  
  
 02/08/2022

Please acknowledge upon receipt thereof.

Thank you.

Very truly yours,

  
**ENGR. REYNALDO B. BARRA**  
 OIC-Regional Director



Republic of the Philippines  
Department of Environment and Natural Resources  
**ENVIRONMENTAL MANAGEMENT BUREAU**  
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## **COMMENTS TO AUDIT OBSERVATION MEMORANDUM NO: 2022-001 (2021)**

Hereunder is the comment of EMB 8 relative to Audit Observation Memorandum No. 2022-001 (2021).

### **Audit Observation/Finding No. 1:**

Accounts and other accounting outputs like Bank Reconciliation Statements (BRS) were submitted late by 62 to 219 days contrary to relevant laws and rules as well as Section 2 paragraph (1) of Article IX-D of the 1987 Philippine Constitution; thus post-audit thereon was hindered resulting to absence of information on the propriety and validity of the agency's various financial transactions.

### **Recommendations:**

1. Instruct the accountant or the personnel performing said position, to submit to the Audit Team all accounts that are due for submission on or before the deadline. This shall be initially done by the submission of soft (via email) and printed copies of the Transmittal Letter containing the name of accounts ready for post audit, the same described according to reference numbers. In addition, the BRS should be submitted on the prescribed period.
2. Instruct the cashier and all accountable officers to strictly practice the submission within five (5) days after completion of each transaction to the accountant or in-charge of accounting for recording: 1) all reports in their possession like Reports of Collections, Reports of Disbursements and Reports of Checks Issued; and 2) all source documents like disbursement vouchers/payrolls together with their respective supporting documents; official receipts, validated deposit slips and bank credit and debit memos; the same to be covered with transmittal letters as proof of such action.
3. Issue a memorandum or equivalent to the personnel responsible for the invalid withholding of accounts and their consequent submission on time to the Accounting Unit for booking up, thereafter by the latter to the Audit Team for post-audit within the reglementary period.

### **COMMENTS:**

The management humbly acknowledges the noted deficiency on the late submission of accounting reports particularly the RCI/RADAI with all paid DVs and SDs, RCD with all ORS, DSs and SDs, and Bank Reconciliation Statements (BRS).

While it is already current management practice to submit advance copies of the RCI/RADAI and RCD to the Commission on Audit through email, submission of the printed copies of the same are delayed due to the intention of transmitting them altogether with other pertinent Financial Reports.



Furthermore, the Report of Check Issued/Report of Advice to Debit Account Issued and Report of Collections and Deposits together with the pertinent attachments are furnished to the accountant after the end of a particular month and not within five (5) days after completion of each transaction. This is by reason that the attachments are used as reference during report preparation. The same are also physically filed by the collecting and disbursing officer, respectively, and not by the accountant in order to ensure completeness of the attachments and in order to avoid any loss thereof.

It is also worth noting that the preparation of the Bank Reconciliation Statements is affected by the timing of delivery of the Bank Statements from the Authorized Government Depository Banks. Since the management maintains four (4) separate accounts in two (2) different AGDBs, i.e. Development Bank of the Philippines (DBP) and the Land Bank of the Philippines (LBP), the preparation of the BRS are done simultaneously for all funds, hence, the delay in the receipt of bank statements from LBP cause delay to the submission of bank statements for the other funds.

Nevertheless, the management takes note of the audit recommendations of your good office. We shall review the standard operating procedures with regard to the intra-unit submission of accounting reports in order to guarantee the timely submission of not only soft copies, but more importantly, the printed copies of the same.

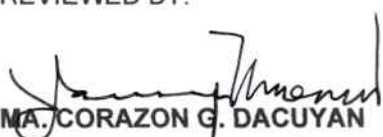
Necessary actions, such as the issuance of a memorandum or an equivalent thereof to the personnel concerned, shall be done in order to serve as a reminder to comply with their respective tasks and responsibilities.

The management appreciates the observation and commits to improving the execution of duties in order to deliver a more efficient public service.

PREPARED BY:

  
**PASTOR I. MONTEJO**  
Asst. Chief, FAD

REVIEWED BY:

  
**MA. CORAZON G. DACUYAN**  
Chief, Finance and Admin Division

APPROVED BY:

  
**REYNALDO B. BARRA**  
OIC - Regional Director

*extend to and comprehend all matters relating to auditing procedures, systems and controls, the keeping of the general accounts of the Government, the preservation of vouchers pertaining thereto for a period of ten years, the examination and inspection of the books, records and papers relating to those accounts x x x.*

Concerning submission of accounts for audit, Section 107 of the PD also states thus: *"In the absence of specific provisions of law, all accountable officers shall render their accounts, submit their vouchers, and make deposits of money collected or held by them at such times and in such manner as shall be prescribed in the regulations of the Commission".* In consonance thereto, Section 7.2.1 of COA Circular 2009-006 provides for these quoted requisites; viz: *"The Chief Accountant, Bookkeeper or other authorized official performing accounting and/or bookkeeping functions of the audited agency shall ensure that: a) the reports and supporting documents submitted by the accountable officers are immediately recorded in the books of accounts and submitted to the Auditor within the first ten (10) days of the ensuing month x x"*

In turn, Section 7 of COA Circular No. 94-001 dated January 20, 1994 states that accountable officers shall submit within five (5) days after the end of each month, reports of collections and/or disbursement vouchers (DVs) and other required reports to the Chief Accountant for recording in the books of account.

Also, worth emphasizing are the hereunder provisions of laws concerning non-compliance with the matter:

- a) Section 127 of PD 1445 otherwise known as the State Audit Code of the Philippines

*"Administrative disciplinary Action - Subject to rules and regulations as may be approved by the President (Prime Minister), any unjustified failure by the public officer concerned to comply with any requirement imposed in this Code shall constitute neglect of duty and shall be a ground for administrative disciplinary action against the said public officer who, upon being found guilty thereof after hearing, shall be meted out such penalty as is commensurate with the degree of his guilt in accordance with the Civil Service Law. Repeated unjustified failure to comply with the requirements imposed in this Code shall be conclusive proof that the public officer concerned is notoriously undesirable".*

- b. Article 218 of the Revised Penal Code-

*"Any public officer, whether in the service or separated therefrom by resignation or any other cause, who is required by law or regulation to render account to the Insular Auditor or to a provincial auditor and who fails to do so for a period of two months after such accounts should be rendered, shall be punished by prison correccional in its*



maximum period, or by a fine ranging from 200 to 6,000 pesos, or both."

On submission of BRS Sections 5 to 7 Chapter 21 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs) Volume I states:

**Sec. 5. Preparation of the Bank Reconciliation Statement.** The Chief Accountant/Designated Staff shall within ten days from receipt of the monthly Bank Statement (BS) together with the paid checks, original copies of Debit Memoranda (DM)/Credit Memoranda (CM) from the GSB, reconcile the BS with the GL and prepare the BRS in four copies.

**Sec. 6. Recognition of Adjustments.** The Chief Accountant/Designated Staff shall prepare a JEV to recognize all reconciling items that require adjustment and correction in the books of accounts.

**Sec. 7. Reporting.** The Chief Accountant shall submit the BRS within twenty days after receipt of the monthly BS to the following:

*Original* – COA Auditor (with all the supporting documents and JEVs)

*Copy 2* – Head of Agency/Entity

*Copy 3* – Accounting Division/Unit file

*Copy 4* – Bank, if necessary

This year's monitoring on the submission of accounts and other mandatory accounting statements/reports for audit purposes disclosed the hereunder details:

Account	Month (CY2021)	Due Date	Date of Submission		No. of Days Delayed	
			ADA	RCI	ADA	RCI
<b>RCI/ RADAI with all paid DVs and SDs</b>	January	Feb 10, 2021	September 17, 2021	September 17, 2021	219	219
	February	Mar 10, 2021	July 5, 2021	July 5, 2021	117	117
	March	Apr 10, 2021	July 5, 2021	July 5, 2021	86	86
	April	May 10, 2021	July 14, 2021	July 14, 2021	65	65
	May	Jun 10, 2021	October 11, 2021	October 11, 2021	123	123
	June	Jul 10, 2021	October 11, 2021	October 11, 2021	93	93
	July	Aug 10, 2021	October 11, 2021	October 11, 2021	62	62
	August	Sep 10, 2021	December 27, 2021	December 27, 2021	107	107
	September	Oct 10, 2021	December 27, 2021	December 27, 2021	77	77
	October	Nov 10, 2021	Not yet submitted	Not yet submitted		
	November	Dec 10, 2021	Not yet submitted	Not yet submitted		
	December	Jan 10, 2022	Not yet submitted	Not yet submitted		
<b>RCD with all ORs, DSs and SDs</b>	January	Feb 10, 2021	September 17, 2021		219	
	February	Mar 10, 2021	July 5, 2021		117	
	March	Apr 10, 2021	July 5, 2021		86	
	April	May 10, 2021	July 14, 2021		65	
	May	Jun 10, 2021	October 11, 2021		123	
	June	Jul 10, 2021	October 11, 2021		93	
	July	Aug 10, 2021	October 11, 2021		62	
	August	Sep 10, 2021	December 27, 2021		107	
	September	Oct 10, 2021	December 27, 2021		77	
	October	Nov 10, 2021	Not yet submitted			
	November	Dec 10, 2021	Not yet submitted			
	December	Jan 10, 2022	Not yet submitted			

Account	Month (CY2021)	Due Date	Date of Submission				No. of Days Delayed
<b>Bank Reconciliation Statement (BRS)</b>			Fund 101	AQMF	ERF	Trust Fund	
	January	Within twenty days after receipt of monthly Bank Statement	Aug 3, 2021	Aug 3, 2021	Aug 3, 2021	Aug 3, 2021	
	February		Aug 3, 2021	Aug 3, 2021	Aug 3, 2021	Aug 3, 2021	
	March		Aug 26, 2021	Aug 26, 2021	Aug 26, 2021	Aug 26, 2021	
	April		Aug 26, 2021	Aug 26, 2021	Aug 26, 2021	Aug 26, 2021	
	May		Aug 26, 2021	Aug 26, 2021	Aug 26, 2021	Aug 26, 2021	
	June		Oct 11, 2021	Oct 11, 2021	Oct 11, 2021	Oct 11, 2021	
	July		Dec 27, 2021	Dec 27, 2021	Dec 27, 2021	Dec 27, 2021	
	August		Dec 27, 2021	Dec 27, 2021	Dec 27, 2021	Dec 27, 2021	
	September		Not yet submitted	Not yet submitted	Not yet submitted	Not yet submitted	
	October		Not yet submitted	Not yet submitted	Not yet submitted	Not yet submitted	
	November		Not yet submitted	Not yet submitted	Not yet submitted	Not yet submitted	
	December		Not yet submitted	Not yet submitted	Not yet submitted	Not yet submitted	

As shown, the delays incurred in the turn-over of the cited accounts ranged from 62 to 219 days. Whereas, there are still accounts not yet submitted as of date, which gives proof of lack of focus on the undertaking particularly by the agency's Accountable Officers and Accounting Unit.

The failure to submit the required accounts including the BRS within the prescribed period hinders the conduct thereon of on time audit or examination, thereby, preventing the immediate communication to management of any existing flaw in its financial operations. Furthermore, in addition to the legal consequences the concerned personnel may face, the deficiency may likewise result to the suspension of transactions during post-audit on ground of absence of documentations as proof of their validity as well as propriety. In addition, the delayed submission of BRS likewise defer the determination of any error in recording of bank transactions which if neglected may accumulate at same time may already put government funds to risk of loss due to undetected mishandling. On the other hand, since a mandate, the non-adherence to rules gives hint of tolerated invalid practices which may subject concerned personnel to legal consequences.


**In view of the noted deficiencies we reiterate our recommendation for management to:**

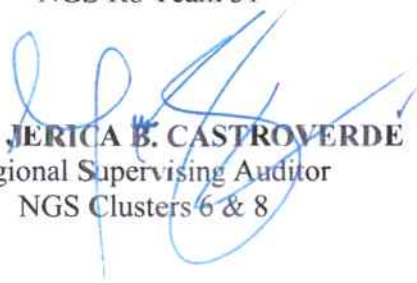
- 1. Instruct the accountant or the personnel performing said position, to submit to the Audit Team all accounts that are due for submission *on or before the deadline*. This shall be initially done by the submission of soft (via email) and printed copies of the**

Transmittal Letter containing the name of *accounts ready for post-audit, the same described according to reference numbers*. In addition, the BRS should be submitted on the prescribed period.

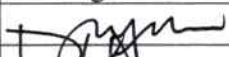
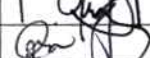
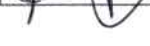
2. Instruct the cashier and all accountable officers to strictly practice the submission within five (5) days after completion of each transaction to the accountant or in-charge of accounting for recording: 1) all reports in their possession like Reports of Collections, Reports of Disbursements and Reports of Checks Issued; and 2) all source documents like disbursement vouchers/payrolls together with their respective supporting documents; official receipts, validated deposit slips and bank credit and debit memos; the same to be covered with transmittal letters as proof of such action.
3. Issue a memorandum or equivalent to the personnel responsible for the invalid withholding of accounts and their consequent submission on time to the Accounting Unit for booking up, thereafter by the latter to the Audit Team for post-audit within the reglementary period.

May we have your comment/s on the foregoing observations within five (5) calendar days from receipt hereof.

  
**CELIA S. TERADO**  
Audit Team Leader  
NGS R8 Team 31

  
**ATTY. MA. JERICA B. CASTROVERDE**  
Regional Supervising Auditor  
NGS Clusters 6 & 8

Proof of Receipt of AOM:

Name	Designation	Date	Signature
Reynaldo B. Barra	Regional Director		
Pastor I. Montejo	Chief, Accounting Section		
Shirlyn G. Jaca	Cashier		





## **COMMENTS TO AUDIT OBSERVATION MEMORANDUM NO: 2022-002 (2021)**

Hereunder is the comment of EMB 8 relative to Audit Observation Memorandum No. 2022-002 (2021).

### **Audit Observation/Finding No. 2:**

Financial reports were submitted late by 75 to 195 days contrary to Chapter 19, Section 60 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs) Volume I, thus timely review was hindered, as well as the immediate communication to management of possible errors in recording and posting of the agency's financial transactions, if there is any.

### **Recommendations:**

1. Instruct the accountant or the personnel performing said position, to submit to the Audit Team all reports that are due for submission on or before the deadline. This shall be initially done by the submission of soft (via email) and printed copies of the Transmittal Letter containing the name of statement/reports; and
2. Issue a memorandum or equivalent to the personnel responsible for the invalid withholding of accounts and their consequent submission on time to the Accounting Unit for booking up, thereafter by the latter to the Audit Team for review within the reglementary period.

### **COMMENTS:**

In light of the mandate to uphold public accountability and securing public trust, the management humbly acknowledges the noted deficiency on the late submission of financial reports particularly the Monthly/Quarterly Trial Balances, Supporting Schedules and the related Financial Statements.

While it is already current management practice to submit the soft copies of the financial reports in advance through email, we recognize the delay in the submission of the physical copies of the aforementioned due to a misconception on our end of the preference for email submission due to lack of space in the auditor's office.

The late submission of report may also be attributed to the reshuffling of assignments of key personnel, i.e. the Collecting Officer returned to her post as Property and Supply Officer whereas the Bookkeeper consequently now functions as the Collecting Officer. The said movement of personnel required the transition of duties and responsibilities which, to a certain extent, affected the timing of preparation of reports.

Furthermore, the delay is aggravated by the prevailing concern regarding the lack of manpower in the Accounting Unit to cover voucher processing, remittances preparation, and report generation duties, among others.



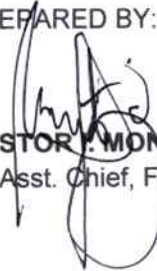
Moreover, to ensure the continuity of the disbursement process inspite of the implementation of alternative work from home arrangements during the pandemic and in consideration with the relevant cut-off periods, the accounting personnel assigned with maintaining the books of the agency concurrently has to assist in the processing of disbursement vouchers.

Nevertheless, the management takes note and values the audit observation and shall implement the corresponding recommendations.


Earnest efforts will be exerted in order to assess and identify bottlenecks in the accounting process in order to improve and ensure the timely physical submission of financial reports. A memorandum or an equivalent thereof shall be issued to the concerned personnel to serve as a reminder of their duty to submit the necessary reports to the Audit Team within the reglementary period to allow timely review and immediate communication and correction of any errors in the recording or posting of financial transactions.

We understand the importance and intention behind the provisions of the Government Accounting Manual. We, therefore, commit to improving compliance therewith in the execution of duties so that public service is delivered more efficiently and effectively.

PREPARED BY:

  
**PASTOR F. MONTEJO**  
Asst. Chief, FAD

REVIEWED BY:

  
**MA. CORAZON G. DACUYAN**  
Chief, Finance and Admin Division

APPROVED BY:

  
**REYNALDO B. BARRA**  
OIC - Regional Director



Republic of the Philippines  
**COMMISSION ON AUDIT**  
**Environmental Management Bureau 08**  
Regional Office No. VIII  
Tacloban City

AOM No.: 2022-02 (2021)  
Date : January 13, 2022

**AUDIT OBSERVATION MEMORANDUM**

**Reynaldo B. Barra**  
OIC – Regional Director  
Environmental Management Bureau  
Regional Office No. VIII  
Tacloban City

Attention: Pastor I. Montejo  
Chief, Accounting Section

Shirlyn G. Jaca  
Cashier

We have monitored the submission of financial reports and noted the following deficiencies:

**Financial reports were submitted late by 75 to 195 days contrary to Chapter 19, Section 60 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs) Volume I, thus timely review was hindered, as well as the immediate communication to management of possible errors in recording and posting of the agency's financial transactions, if there is any.**

Chapter 19, Sec. 60 of the GAM for NGAs, Volume I pertinently provides:

**Sec. 60. Deadlines on Submission of Reports.** All NGAs shall prepare and submit the following financial statements and schedules as follows, within the prescribed deadline:

a. Provincial Offices and Operating Units

<u>Entity/Office</u>	<u>Statement/Report</u>	<u>Deadline</u>	<u>Submit to:</u>
Monthly	Trial balances and Supporting	Ten days after the end of the month	Auditor, Regional Accountant



Quarterly	Schedules (SSs) TBs, FSs, SSs	Ten days after the end of the quarter	Auditor, Regional Accountant
Yearend	TBs, FSs, SSs	On or before January 20 of the following year	Auditor, Regional Accountant

b. X x x

Also, worth emphasizing are the hereunder provisions of Section 127 of PD No. 1445 which state:

*“Administrative disciplinary Action - Subject to rules and regulations as may be approved by the President (Prime Minister), any unjustified failure by the public officer concerned to comply with any requirement imposed in this Code shall constitute neglect of duty and shall be a ground for administrative disciplinary action against the said public officer who, upon being found guilty thereof after hearing, shall be meted out such penalty as is commensurate with the degree of his guilt in accordance with the Civil Service Law. Repeated unjustified failure to comply with the requirements imposed in this Code shall be conclusive proof that the public officer concerned is notoriously undesirable”.*

This year’s monitoring on the submission of financial reports disclosed the hereunder details:

Statement/Report	Month (CY2020)	Due Date	Date of Submission	No. of Days Delayed
<b>Monthly/Quarterly Trial Balance with Supporting Schedules and Financial Statements</b>	January	Ten days after the end of the month/quarter	August 24, 2021	195
	February		August 24, 2021	167
	March		August 24, 2021	136
	April		August 24, 2021	106
	May		August 24, 2021	75
	June		November 22, 2021	135
	July		November 22, 2021	104
	August		Not yet submitted	
	September		Not yet submitted	
	October		Not yet submitted	
	November		Not yet submitted	
	December		Not yet submitted	
<b>Yearend TB, FS and SSs</b>		On or before February 14, 2022	Not yet submitted	

As shown, the delays incurred in the turn-over of the cited reports ranged from 75 to 195 days. Whereas, there are reports not yet submitted as of date, which gives proof of lack of focus on the undertaking particularly by the agency’s Accounting Unit.

The failure to submit the required reports within the prescribed period hinders the conduct thereon of on time review, thereby, preventing the immediate communication to management of any errors in its financial reporting. Furthermore, the personnel concerned may face the legal consequences of the disclosed non-compliance with existing rules and laws.

In view of the noted deficiencies we reiterate our recommendation for management to:

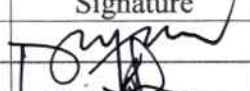

1. Instruct the accountant or the personnel performing said position, to submit to the Audit Team all reports that are due for submission *on or before the deadline*. This shall be initially done by the submission of soft (via email) and printed copies of the Transmittal Letter containing the name of *statement/reports*; and
2. Issue a memorandum or equivalent to the personnel responsible for the invalid withholding of accounts and their consequent submission on time to the Accounting Unit for booking up, thereafter by the latter to the Audit Team for review within the reglementary period.

May we have your comment/s on the foregoing observations within five (5) calendar days from receipt hereof.

  
**CELIA S. TERADO**  
Audit Team Leader  
NGS R8 Team 31

  
**ATTY. MA. JERICA B. CASTROVERDE**  
Regional Supervising Auditor  
NGS Clusters 6 & 8

Proof of Receipt of AOM:

Name	Designation	Date	Signature
Reynaldo B. Barra	Regional Director		
Pastor I. Montejo	Chief, Accounting Section		
Shirlyn G. Jaca	Cashier		