

## I. INTRODUCTION

In line with strengthening of internal audit functions, one of the covenants with the World Bank relative to NPS-ENRMP and the enrolment of FLBDA coupled with the commitment of the Secretary to accomplish the delineation and assessment activities within CY 2011, IAS conducted the FLBDA audit/validation. Initially, it was undertaken in the four (4) Regions, namely Regions 3, 4A, 4B and 11 from September to November 2011 using appropriate audit methodologies especially field assessment of the sampled areas.

The general objective of the study was to provide the Secretary and the World Bank feedback on the implementation of the FLBDA. It primarily focused on five (5) concerns/issues namely: field assessment; capability of field implementers; Information, Education and Communication (IEC); coordination, and fund utilization. The findings/observations were presented to the concerned Regional officials and employees thru Exit Conference at the end of the study. A comprehensive report on the audit/validation dated January 11, 2012 was also provided the Office of the Secretary and Foreign Assisted and Special Projects Office (FASPO).

## II. SUBSEQUENT ACTIVITIES

In support of the said covenant the following were conducted:

### A. Internal audit/validation

#### 1. *FLBDA investigation/ground validation in Palawan*

This investigation/ground validation was in compliance with Special Order No. 2012-563 dated July 17, 2012, signed by USEC Analiza R. Teh. It was conducted in twenty-three (23) sample barangays under PENRO Palawan in the municipalities of Busuanga, Coron, Culion, Linapacan, El Nido, Taytay, Narra, Quezon, Bataraza and Balabac.

The activity was preceded with lecture and hands-on familiarization in the use of Mini Tablet Computer and Handheld Global Positioning System (GPS) which were used in the investigation/ground validation. The purposes of the activity were to determine the existence of PVC markers done by the Regional Assessment and Delineation Teams (RADT) and the hiring of laborers for their installation. It was undertaken from July 17-21, 2012 by seven (7) teams from the Office of ASEC, IAAC, IAS, Management Information System Division, Forest Management Bureau and Land Management Bureau technical staff. Findings were consolidated by IAS. Investigation report was submitted to the Secretary.



2. *FLBDA audit/validation in Region 8.*

It was done by a team composed of IAS staff in Barangay Lube-lube, Municipality of Dagami, Leyte, particularly Corner Nos. 82, 83, 80, 5, 6, 7, 79 and 84. Using the FLBDA IAS Form, coordinates were validated as reflected in the Accomplishment Report but no PVC was found. Interview with FLBDA laborer/guide and Alexander Casco, Team Leader of Regional Assessment and Delineation Team (RADT) No. 4, revealed that PVC pipes were properly installed as reported.

It was also found that in the Accomplishment Report for the month of February 2011, dated March 4, 2011 submitted by RADT to the RED, Region 8, the forest boundary line within the administrative jurisdiction of Dagami, Leyte was not included in the submitted draft bill in consonance with the Presidential Proclamation No. 1112 dated October 17, 1979, proclaiming it as a Geothermal Resolution.

3. *FLBDA Audit/Validation in Region 1, San Fernando, La Union.*

This was undertaken by IAS Staff and a Regional Internal Audit Focal Person. The sampled site was Narvacan, Santa, Bantay, Ilocos Sur where 14 PVC pipes installed out of 1,000 were sample to determine if they were established properly and in accordance with specifications set by the DENR. The validation also dealt on the correctness of the GPS readings, capability and coordination of RADT, unit cost per kilometer and fund utilization.

It was found out that 14 out of the 1,000+ PVC markers installed, 4 were missing, 2 destroyed, 1 removed due to installed electrical post, 1 destroyed due to tree that fell down and 8 were in good condition. Other findings/observations are as follows: GPS readings and field notes of the RADT used as guide to locate the PVC Markers were congruent and correct; RADT members claimed that they are competent in conducting delineation; and their accomplishment report was supported with photo-documentation on the actual installation of the PVC markers.

4. *FLBDA Audit/Validation Follow-Up*

On October 3, 2013, the Undersecretary and Chief of Staff issued Memorandum to the REDs of Regions 3, 4A and 11, requesting submission of management's comments and actions on the concerns/issues related to the audit findings and observations on FLBDA. Another Memorandum dated November 6, 2013 was individually sent to the said Regions in view of the letter of the World Bank dated October 29, 2013. Copies of the Memorandum- response from the said Regions were furnished FASPO in November 29.



5. *Approval and On-Board of Consultancy Services of PDP Australia Ltd. and Orient Integrated Development Consultants Incorporated (OIDCI) on April 15, 2013.*

IAS worked jointly with the consultants of PDP Australia Pty Ltd in connection with the Strengthening of the Institutional Framework and Enhancement of the Capacity of the Public Sector on Internal Audit funded by World Bank. This partnership provided IAS an opportunity to work with the PDP Australia Pty Ltd international and local consultants in the completion of Baseline Assessment of Internal Control System of the DENR: Land Management Bureau's Cadastral Survey, Management Information System Division and Philippine Climate Change Adaptation Project (PhilCCAP) - Phase 1.

## **B. Developmental Activities**

1. Performance Evaluation and Planning, Strategic Planning for Internal Audit of Foreign Assisted Projects and Standardization of Social Network Web Pages for Field Offices Workshop/Seminar of the Office of Assistant Secretary for Internal Audit and Anti-Corruption (OASIAAC).

This activity was initiated by ASEC Daniel Darius M. Nicer. The Management Audit Division-Internal Audit Service MAD-IAS developed the design of the Workshop/Seminar and managed its implementation. The participants coming from OASIAAC and IAS assessed the CY 2012 and 1<sup>st</sup> Quarter 2013 accomplishments and strategize the effective and efficient implementation of the remaining activities for the year. Staffs from the Foreign Assisted and Special Projects Office (FASPO) and Management Information System Division (MISD) were tapped as resource persons. It was held on April 17-19, 2013.

2. Training on Cadastral Survey Audit Cum Year-End Assessment and Planning. Initiated by ASEC Nicer, this training brought together the IAS staff and Regional and Bureau Focal Persons to gain essential knowledge and skills in conducting Cadastral Survey Audit guided by Philippine Government Internal Manual and Government Procurement Reform Act or RA 9184. The training design developed by MAD-IAS led to maximum learning on the three kinds of audit, namely: Compliance, Management and Operations Audit; RA 9184 and the preparation of Internal Control Questionnaire (ICQ) for Cadastral Survey.

## **III. NEXT STEPS/CHALLENGES**

1. Work the full staffing of IAS;



2. Continually implement developmental interventions thru training/orientation/seminar, practical exercises and more familiarization of new technologies;
3. Continue audit/validation strictly following the Philippine Government Internal Audit Manual (PGIAM);
4. Availment of audit software/program applications for automated auditing; and
5. Look for possible funding opportunities from other organizations.

