

**Cultural Center of the Philippines**  
**Internal Audit Observations, Recommendations and Offices' Reactions and Commitments**  
**For the Audit Period January 1 – December 31, 2021**

**CASH COUNT – Procurement Management Division, Maintenance and Engineering Services Division, General Services Division and Library and Archives Division**

No.	Audit Observations	Audit Recommendations	Offices' Reactions and Comments	Target Implementation	Other Remarks																																																																		
<b>PROCUREMENT MANAGEMENT DIVISION – Cash Count dated July 14, 2022</b>																																																																							
1	<p><b><u>Php14,154.05 Un-liquidated Cash Advances aged One (1) to Four (4) Years from the Date of Cash Advance from the Revolving Fund of the Procurement Management Division.</u></b></p> <p>The fund custodian, Ms. Resurreccion Abada, will still determine the employees who requested for the cash advances.</p>	<p>That the Management require the Accountable Officer or Fund Custodian to:</p> <ul style="list-style-type: none"> <li>Exert effort to determine the employees who were granted the remaining un-liquidated cash advances and necessitate the liquidation of the same. This should also be discussed thoroughly with the OIC of Procurement Management Division and the Department Manager of the Administrative Services Department.</li> <li>Adhere with the governing laws, rules and regulations on the grant, utilization and liquidation of cash advances. (COA Circular No. 97-002 and CCP Memorandum Circular No. 003)</li> <li>Refrain from granting additional cash advances to employees unless their previous cash advances are already liquidated or a proper accounting thereof has already been made.</li> </ul>	<p>In response to your Audit Observation dated September 27, 2022 for the un-liquidated revolving fund of PMD, please see Table for the status of each item:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">PCV No.</th> <th style="text-align: center;">Date Released from the Fund</th> <th style="text-align: center;">Supplier as per PCV</th> <th style="text-align: center;">Particulars as per PCV</th> <th style="text-align: center;">Amount</th> <th style="text-align: center;">Status/Action Taken as of Jan. 19, 2023</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">05-001-18</td> <td style="text-align: center;">May 2018</td> <td>National Bookstore</td> <td>Plastic Envelop, long, short</td> <td style="text-align: right;">2,046.65</td> <td>Still looking for supporting documents</td> </tr> <tr> <td style="text-align: center;">06-012-18</td> <td style="text-align: center;">June 2018</td> <td>Complete Materials</td> <td>Glassine Paper</td> <td style="text-align: right;">900.00</td> <td>Returned to the fund</td> </tr> <tr> <td style="text-align: center;">06-020-18</td> <td style="text-align: center;">June 2018</td> <td>Poweree</td> <td>Masking Tape, Duct Tape</td> <td style="text-align: right;">3,294.33</td> <td>For liquidation</td> </tr> <tr> <td style="text-align: center;">11-005-18</td> <td style="text-align: center;">November 2018</td> <td>Krisnajo</td> <td>Parchment Paper</td> <td style="text-align: right;">205.85</td> <td>Returned to the fund</td> </tr> <tr> <td style="text-align: center;">04-014-18</td> <td style="text-align: center;">April 2018</td> <td>Yamas</td> <td>L-square Ruler Metal</td> <td style="text-align: right;">2,400.00</td> <td>For liquidation</td> </tr> <tr> <td style="text-align: center;">08-006-19</td> <td style="text-align: center;">August 2019</td> <td>Gaisano</td> <td>Speaker Logetica</td> <td style="text-align: right;">895.00</td> <td>For liquidation</td> </tr> <tr> <td style="text-align: center;">09-011-19</td> <td style="text-align: center;">September 2019</td> <td>Mercury Drug Corp.</td> <td>Medioplast Paper Tape</td> <td style="text-align: right;">565.00</td> <td>Returned to the fund</td> </tr> <tr> <td style="text-align: center;">07-002-20</td> <td style="text-align: center;">July 2020</td> <td>Maitlink Systems Inc.</td> <td>Power Supply</td> <td style="text-align: right;">733.48</td> <td>Returned to the fund</td> </tr> <tr> <td style="text-align: center;">11-008-21</td> <td style="text-align: center;">November 2021</td> <td>Maitlink Systems Inc.</td> <td>APC UPS 650</td> <td style="text-align: right;">3,113.74</td> <td>For liquidation</td> </tr> <tr> <td colspan="5" style="text-align: right;"><b><u>14,154.05</u></b></td> <td></td> </tr> </tbody> </table> <p>As recommended, the issue was discussed thoroughly with the Procurement Division Chief and the Department Manager of the Administrative Services Department. As discussed, the PMD will strictly adhere with the governing laws, rules and regulations on the grant utilization and liquidation of cash advances. There shall be no additional cash advances, unless all the previous unliquidated account as listed in the table is completely liquidated.</p>	PCV No.	Date Released from the Fund	Supplier as per PCV	Particulars as per PCV	Amount	Status/Action Taken as of Jan. 19, 2023	05-001-18	May 2018	National Bookstore	Plastic Envelop, long, short	2,046.65	Still looking for supporting documents	06-012-18	June 2018	Complete Materials	Glassine Paper	900.00	Returned to the fund	06-020-18	June 2018	Poweree	Masking Tape, Duct Tape	3,294.33	For liquidation	11-005-18	November 2018	Krisnajo	Parchment Paper	205.85	Returned to the fund	04-014-18	April 2018	Yamas	L-square Ruler Metal	2,400.00	For liquidation	08-006-19	August 2019	Gaisano	Speaker Logetica	895.00	For liquidation	09-011-19	September 2019	Mercury Drug Corp.	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<b>MAINTENANCE AND ENGINEERING SERVICES DIVISION – Cash Count dated July 15, 2022</b>																																																																							
2	<p><b><u>Php769.89 negative variance was noted after Revolving Fund Count in the Maintenance and Engineering Services Division on July 15, 2022.</u></b></p>	<p>That the Management require the Accountable Officer or Fund Custodian to:</p> <ul style="list-style-type: none"> <li>Exert effort to locate the supporting document of PCV No.</li> </ul>	<p>Concerning your memorandum dated September 27, 2022, for the Audit Observations of the Cash Management System of the Revolving Fund of the Maintenance and Engineering Services Division (MESD) Office with a total <b>Php769.89</b> variance subject to our comments or dispositions, may we respond to the following variances:</p> <p>1. <b>Php140.00</b> for the purchase of PPR fittings for the Black Box Theater with Reference No. 05-002-</p>	2022	This was thoroughly discussed with President Margie Moran on January 17,																																																																		

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		<p>12-001-2021 (P480.00) for immediate liquidation.</p> <ul style="list-style-type: none"> <li>Discuss with the Department Manager of the Administrative Services Department regarding the service charge amounting to Php150.00 not included by the Accounting Division in the replenishment.</li> <li>Adhere with the governing laws, rules and regulations on the grant, utilization and liquidation of cash advances. (COA Circular No. 97-002 and CCP Memorandum Circular No. 007)</li> </ul>	<p>2022.</p> <p><b>Remarks:</b>The amount is already found inside the box covered by folded paper.  <b>MESD Response:</b> The accountable officer acknowledged the recommendation of the auditor and will ensure proper recording and cash management.</p> <p>2.<b>Php480.00</b> for the purchase of cutting discs with Reference No. 12-001-2021.  <b>Remarks:</b>The document is not yet submitted to the auditor, and still tracing.  <b>MESD Response:</b> The document was handed to the bookkeeping office of FSD sometime in March 2022 looking for an extra budget because the budgeting at that time for that particular item was already closed with the Budget Office. The office acknowledged that they had received the document. However, the office inadvertently misplaced the document. And they are still looking for it. The office will issue an affidavit of loss if the document cannot be found.  <b>Update as of 1.19.2023:</b> The documents were already located and already subject for replenishment.</p> <p>3.<b>Php150.00</b> for the service charge of Landbank for the payment of the LLDA permit requirements.  <b>Remarks:</b>The transaction was made in July 2021, and the budget officer who handled this transaction has already retired. The Php50 service charge should have been processed separately because it has a different description entry.  <b>MESD Response:</b> The accountable officer is willing to shoulder and return this amount from his personal funds for this particular transaction and avoid similar payment transactions in the future.  <b>Update as of 1.19.2023:</b> The custodian returned the amount to the fund.</p>		2023.
<b>GENERAL SERVICES DIVISION – Cash Count dated July 12, 2022</b>					
3	<p><b><u>33 Cash Advances totaling Php92,547.52 from the Revolving Fund of the General Services Division Remain Un-liquidated for 42 to 201 days from the Date of Cash Advance.</u></b></p>	<p>That the Management require the Accountable Officer or Fund Custodian to:</p> <ul style="list-style-type: none"> <li>Exert effort to follow up for the liquidation of the above noted un-liquidated cash advances from the revolving fund.</li> <li>Adhere with the governing laws, rules and regulations on the grant, utilization and liquidation of cash advances. (COA Circular No. 97-002 and CCP Memorandum Circular No. 003)</li> </ul>	<p>The GSD Revolving Fund was established primarily to have a petty cash on hand to purchase spare parts for the maintenance of all CCP vehicles.</p> <p>Most of the time, purchases of spare parts require additional documentary requirement, i.e., Waste Material Report, in the processing of replenishment. There were instances wherein the items were already purchased but not yet installed because the vehicle is being used as service vehicle of CCP officials or employees during events, performances or outreach programs.</p> <p>Another factor for the late replenishment was that, payment details were not properly stated in the Official Receipt (OR) issued by the Supplier, thus the replenishment for that specific transaction was put on hold until the OR was corrected.</p> <p>For cash advances issued for the operation and maintenance of the Executive House – National Arts Center, Los Baños, Laguna, it would take some time to process the replenishment considering the location of offices (CCP &amp;NAC) and the nature of transactions being undertaken.</p>	Prospectively starting 2022	This was thoroughly discussed with President Margie Moran on January 17, 2023.
<b>LIBRARY AND ARCHIVES DIVISION – Cash Count dated July 20, 2022</b>					
4	<p><b><u>The personal G-Cash Account of the OIC of the LAD is being used for e-collection of payment from customers.</u></b></p> <p>This poses risk of misappropriation of CCP collection.</p>	<p>That the OIC of the LAD coordinate with the Treasury Division regarding our Authorized Government Depository Banks (AGDBs) or coordinate with the Procurement Management Division regarding the possible bidding of intermediaries for e-Collections of payment of customers.</p>	<p>At the time of the Audit Team’s visit, the OIC mentioned that she made necessary accommodations to serve a researcher – who was then situated outside Metro Manila and is still uncomfortable getting out as we are still in the middle if the pandemic. This extra mile arrangement included receiving the service fees thru GCash as it is the most convenient mode for the clientele. Then we remitted it to Cashier’s Office and gave the official receipt (OR) to the researcher when he eventually visited onsite.</p> <p>Since then, remote researchers who have availed of our services (i.e., scanning, video dubbing) are provided with the official bank accounts of the CCP provided by the Cashier’s Office. Afterwards, we would send a memorandum to the Cashier’s Office detailing the transaction provided to us by the researcher. Though, at times, we ask our researchers to submit their requests through the CCP Collections website, where they can pay their fees through Dragonpay.</p>	Started in 2022	This was thoroughly discussed with President Margie Moran on January 17, 2023.

## MARKETING DEPARTMENT

No.	Audit Observations	Audit Recommendations	Offices' Reactions and Comments	Target Implementation	Other Remarks
1	<p><b><u>Sale of Books was subjected to 12% Value-Added Tax (VAT) when the transaction is supposedly a VAT-Exempt Transaction.</u></b></p> <p>This resulted to losses on the part of the CCP due to the improper remittance of VAT to the BIR.</p>	<p>That the Management require the Sales and Promotion Division of the Marketing Department to discontinue the charging of VAT to the sale of books and other publications to the public. Furthermore, it is advised that the Marketing Department coordinate with the Cashier as regards the proper way to input the sales in the Official Receipts (OR). The amount of sales should be placed in the VAT Exempt Sales portion of the OR when issuing the same.</p>	<p>The charging of VAT was already discontinued last July as per instruction of the Finance Department. The cashier is in charge of issuing an Official Receipt and Sales and Promo Division always follows what the cashier instructs when it comes to requesting for OR especially on what tax should be reflected since we all know that they are more familiar with Tax rules. We think this audit observation/findings should be directed to Finance Department rather than to Sales and Promotions Division.</p>	Started in 2022	This was thoroughly discussed with President Margie Moran on January 17, 2023.
2	<p><b><u>Incorrect Recognition as Income of Shipping Fee deposited by Customers to the CCP's Account for the freight of their Purchased Publications.</u></b></p> <p>This resulted to misstated financial statements due to over-statement of income and under-statement of liabilities and to losses due to improper remittance of VAT.</p>	<ol style="list-style-type: none"> <li>1. That the Marketing Department coordinate with the Accounting Division of the Financial Services Department (FSD) as regards the recognition of the shipping fee as Accounts Payable and the discontinuance of the remittance of 12% VAT out of the shipping fee received to the BIR;</li> <li>2. That the Sales and Promotion Division coordinate with the FSD regarding the nature of an account or transaction before the latter records the same in the books;</li> <li>3. That the FSD make necessary adjusting entries to reclassify the shipping fee account; and</li> <li>4. That the Marketing Department make proper monitoring of the shipping fees it receives.</li> </ol>	<p>Shipping fee normally forms part of the purchase if the items are for delivery. Said fees were always presented separately and clearly indicated in the Order of Payment when we request an Official Receipt. Common sense will dictate that shipping fee is not part of an income. Part of the task of our Division is to sell our products and remits all payments made by our clients, the entry to Financial Statement is not anymore, our duty so this audit observation/findings should be not be directed to us but rather to the section who is in-charge of income recognition.</p>	Prospective implementation starting 2022	This was thoroughly discussed with President Margie Moran on January 17, 2023.
3	<p><b><u>Transaction Fees and/or Service/Bank charges deducted from the Selling Price of Books which resulted to Loss of Income on the part of the CCP</u></b></p> <p>As per inquiry with the Sales and Promotions Division staff, the charges were being shouldered by the Center to give customers the convenience in using any modes of payments.</p> <p>In addition, the deduction of the said charges from the selling price of the books was not approved by the Management and there was no cost analysis made as to the effects of the said charges in our projected income.</p>	<p>That the Management require the Officer-in-Charge of the Marketing Department to make cost analysis for the sales of publications and seek for approval of the same before making any decisions especially on matters that may affect the projected income of the Center.</p>	<p>Transaction Fees and/or Service bank Charges are typical expenses incurred when selling goods or services using some online payment channels, bank fund transfers, or e-commerce platforms. It is part of a normal process when a business is engaged in selling and we wanted to provide other options for clients to purchase our products. Contrary to what was stated in the audit findings, we always do cost analysis and we weigh things before we engaged in this kind of transaction. We can conclude that said fees will not translate to loss of income on the part of CCP and will not have a significant effect in our projected income, but rather will gain us more clients and will even increase our sales.</p>		This was thoroughly discussed with President Margie Moran on January 17, 2023.
4	<p><b><u>Old Publications Sold to Customers at Lower Prices without Proper Approval of the Management</u></b></p> <p>As per examination of Orders of Payment and other supporting documents, it has been noted that the sales prices of old publications were marked down or given to customers at very low prices without any approval from the Management.</p>	<p>That the Management require the following:</p> <ol style="list-style-type: none"> <li>1. That the Marketing Department consider the preparation of cost analysis before giving any discounts and markdown on prices to customers; and</li> <li>2. That the department seek the approval of the Management first before granting the abovementioned to customers.</li> </ol>	<p>We apologize for not being able to show the documents used as the basis of the discounted price during the audit. It was based on Office Order No. 003, series of 1994, specifically on page 3, and there were no other new documents issued in line with this. Please see a copy of said documents attached.</p> <p>Moreover, there seems to be a miscommunication on the audit report mentioning that as per the Sales and Promotions Division Staff that verbal instructions were received from the OIC regarding this matter. I was the one they interviewed and what I said was I followed the discounted rates they were using during the</p>		This was thoroughly discussed with President Margie Moran on January 17, 2023.

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	There were neither supporting documents submitted to the audit team to show how the lowered prices were considered nor any other policies regarding the giving of discounts to customers. As per inquiry with the Sales and Promotion Division staff, verbal instructions were received from the OIC regarding this matter.		<p>festival sale and will ask the former staff on the basis of said discounts. I am fully aware that verbal instruction is not acceptable.</p> <p><b><u>AUDIT TEAM'S REJOINDER:</u></b> Section 6.2 of Office Order No. 003, Series of 1994 specifically provides the following:</p> <p><i>If a publication has been determined to be slow in sales, the give-away price may be enforced upon the approval of the Management Committee (MANCOM). No other discount may be given if a publication is being bought at the give-away price.</i></p>		
5	<b><u>Sales and Promotion Division was not able to Provide the Audit Team with an Approved Basis for the Sales Price of Books and Other Publications</u></b>	That the Management require the following that the Sales and Promotions Division coordinate with the Financial Services Department regarding the basis of the selling price for analysis and review and then for approval by the Management before offering the books and other publications to the public.	Again, we apologize for not being able to show the documents pertaining to the approved basis for the sales price of books and other publications. Upon review and consultation with the previous staff, the basis in the pricing of books was also from Office Order No. 003, series of 1994, specifically on the provision on Regular Retail Price found on the first page. The guidelines mentioned that the regular retail price will be determined by the Marketing Department and the coordinating center involved with the publication. We can also follow the recommendation of the Audit Team provided that guidelines should also be set and approved first so everyone involved will be properly guided.		This was thoroughly discussed with President Margie Moran on January 17, 2023.
6	<b><u>ORs issued after 1 to 269 days from the Date of Sales Which Resulted to Late Recording and Untimely Recognition of Income in the Financial Statements</u></b>	That the Sales and Promotion Division furnish a copy of the summary of daily sales to Accounting Division for the timely recognition of income and have an immediate issuance of the ORs.	<p>The most common reason for the late issuance of Official Receipts was the late sending of proof of deposit by clients or no advice given to us that there was a payment made. For the Dragonpay and Lazada sales, a report needs to be finalized and summarized first before we can request an Official Receipt. We are also encountering some difficulty accessing their dashboard which contributes to the delay in coming up with a final report, including the challenges encountered during the time of the pandemic. However, there were no delays in the issuance of Official Receipts for the daily sales during an event. We also suggest that dates on Annex E be reviewed as we noticed some errors on the date format which can affect the accuracy of this audit findings.</p> <p>Rest assured that besides following the Audit's recommendation, we will think of other better ways to properly monitor the transactions to avoid late issuance of OR.</p>	Prospective implementation starting 2022	This was thoroughly discussed with President Margie Moran on January 17, 2023.

### **HUMAN RESOURCE MANAGEMENT DEPARTMENT**

No.	Audit Observations	Audit Recommendations	Offices' Reactions and Comments	Target Implementation	Other Remarks
1	<b><u>Non-compliance to CSC 2017 ORA-OHRA as the Designations of Seven (7) Employees for Positions without Incumbents already exceeded the maximum of two (2) years.</u></b>	That the Management require the Human Resource Management Department to comply with Section 14, subsection (c) (4) on Designation of the CSC 2017 ORA-OHRA which states that for positions without incumbents, a designation may be made only for a maximum of one (1) year and in the exigency of the service, the designation of employees may be renewed every year but not to exceed two (2) years.	<p>The concerned departments have been reminded of the provision of the ORA-OHRA on the designation of OICs and the need to fill the vacant positions at the soonest possible time.</p> <p><b><u>Update as of 01.18.2023:</u></b> Two (2) employees (Ms. Maria Rosario A. Estrada and Engr. Ramil J. Macaraig) have enrolled for their Master's Degree. The position being held by Ms. Clotilde G. Lucero as OIC is being posted for filling.</p> <p>Mr.Edgar M. Laganas failed in the 7 August 2022 CSC Examination.</p>		This was thoroughly discussed with President Margie Moran on January 17, 2023.

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			<p>The CSC rule on the two-year maximum period of OIC designation is being acknowledged and it is noted that the CCP has posted two of the vacancies a number of times, but no applicants met the requirements of the CCP and some did not meet the CSC Qualification Standards. Furthermore, it was highlighted that the operation and implementation of programs of the offices concerned are not hampered by the absence of permanent Division Chiefs. It was also noted that the CCP is saving some funds because of the unfilled positions.</p> <p>Nonetheless, the concerned Department Managers were, once again, reminded of the CSC rule and specific Plan of Action shall be drawn up to address the Audit recommendation and comply with the CSC rule.</p>		
2	<p><b><u>170 out of 241 employees as of December 31, 2021 have no trainings attended for the same year 2021.</u></b></p>	<p>That the Training and Development Division of the HRMD establish a continuing program for career and personnel development for the employees of the Center at all levels in compliance with the abovementioned provisions of EO 292 and the ORA-OHRA.</p>	<p>It has been the goal of HRMD-TDD to provide at least one (1) training each employee every year in accordance with the provisions of EO292 and the ORAOHRA. However, the last two (2) years have been very challenging because of the Page 19 of 38 pandemic. The limitations in terms of programs offered by raining institutions, including the Civil Service Commission, as well as the restrictions on face-to-face activities contributed to the small number of employees who were given training in 2021. The HRMD-TDD needed to look after the health and safety of the CCP employees during the period of pandemic. Most of the activities were focused on the monitoring of the medical condition of all the employees, especially those who were tested positive and their close contacts. The Department also facilitated the conduct of two (2) swab testing and the administration of first booster shots. The volume of the day-to-day communication with the patients and close contacts and with health institutions occupied the major portion of the work hours of the staff. The HRMD Training Development Division will strive hard to adopt a realistic and attainable work program for career and personal development of the CCP employees at all levels.</p> <p><b><u>Update as of 01.18.2023:</u></b> The CCP entered into a contract with John Clements, Inc. for the conduct of a Leadership Management Program for Middle Managers. The one-year training program, covering the period December 2022-November 2023, will adopt a curriculum designed according to the needs of the participants and will be done via Online Self-Paced Learning method. The following learning programs are also in the plans for 2023:</p> <p>In-house Training Programs:</p> <ul style="list-style-type: none"> <li>• Supervisory Development Course Track 2</li> <li>• Computer Skills Training Program (Advanced Excel for Financial Transactions)</li> <li>• Work Attitude and Values Enhancement (WAVE) Program for the PPO</li> <li>• Essential Marketing Development Program</li> <li>• Risk Management</li> <li>• Production Management Training Program</li> <li>• Stage Management Training Program</li> <li>• Job Rise with Wadhvani Foundation</li> </ul> <p>External Training Programs</p> <ul style="list-style-type: none"> <li>• Development Course for Executives</li> <li>• Skills Training/Technical Competency Development Intervention</li> </ul>		<p>This was thoroughly discussed with President Margie Moran on January 17, 2023.</p>
3	<p><b><u>Employees of the Center do not have Individual Development Plan for the Year 2021.</u></b></p>	<p>That the Training and Development Division require employees to submit a Training and Development Plan as a foundation for the overall Learning and Development Plan in compliance with the abovementioned provisions of EO 292 and the ORA-OHRA.</p>	<p>The HRMD-TDD failed to come up with the 2021 Individual Development Plan for CCP employees due to the difficulties brought about the pandemic. For the current year, the supervisors will be requested to prepare the Individual Development Plan for their staff, to be validated by the HRMD-TDD through the Competency Assessment Report and interviews/discussions.</p>		<p>This was thoroughly discussed with President Margie Moran on January 17, 2023.</p>



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			<b><u>Update as of 01.18.2023:</u></b> The HRMD is sending a Memo to all supervisors on the training and development needs of their staff. They will be reminded to fully utilize the mechanisms of Performance Evaluation and the Competency Assessment in coming up with the learning and intervention needs of their people.		
4	<b><u>The HRMD is still in process of complying with the provisions of the Compensation and Position Classification System (CPCS) for the GOCCs covered by Republic Act 10149.</u></b>	That the HRMD exert extra effort in complying with the provisions of the abovementioned law covering the CPCS.	The process of submission of documents to the Governance Commission for GOCCs (GCG) is in its final stage. The Competency-based Job Descriptions of SG27 and above positions shall be submitted to the GCG within the month of August 2022; after which the GCG will conduct its review and assessment.  <b><u>Update as of 01.18.2023:</u></b> The HRMD has submitted all the requirements to GCG and is monitoring the results of the review and evaluation.		This was thoroughly discussed with President Margie Moran on January 17, 2023.
5	<b><u>There are 82 vacant plantilla positions in the Center as of December 31, 2021.</u></b>	That this be revisited by the Human Resource Management Department and taken action on. We advise intensifying of the hiring of unfilled plantilla positions through publication of the vacant positions.	There are 28 vacant plantilla positions which are Co-Terminus with the incumbents (CTI); thus, they have been collapsed/abolished. To date, 19 vacant plantilla positions are under process; 15 vacant Orchestra member positions have to wait for the appointment of Music Director/Conductor before filling; four (4) positions in the OVP-Office of the Artistic Director have just been vacated, three of which are CoTerminus with the Official being served (CTO) and thus, cannot be filled until a new VP-Artistic Director has been appointed. The same goes with the four (4) positions in the Office of the Vice President for Administration. The HRMD-HRSD will work hard and exert effort to fast track the filing of vacant positions within the budget provided for the purpose.  <b><u>Update as of 01.18.2023:</u></b> Out of the 323 plantilla positions in the CCP, 30 have been abolished as Co-terminous with the Incumbents (CTI). Of the remaining 293 active positions, 275 positions are included in the 2023 budget. Currently, there are 231 filled positions; 11 are under process for selection and placement; and 33 are to be processed this year.  Once again, the HRMD will endeavor to conduct the recruitment, selection, and placement in the most prompt and efficient manner in filling the vacant positions.		This was thoroughly discussed with President Margie Moran on January 17, 2023.
6	<b><u>CSC Approval not yet sought for the Merit Selection Plan (MSP)</u></b>	That the Center re-submit the Merit Selection Plan to CSC and seek for approval	The CCP Merit Selection Plan, with second set of inputs from the Civil Service Commission (CSC), has been re-submitted to the CSC on 09 August 2022.  <b><u>Update as of 01.18.2023:</u></b> The CSC has given its third set of inputs which is now being worked on by HRMD		This was thoroughly discussed with President Margie Moran on January 17, 2023.
7	<b><u>The CCP Handbook is still in-process of revisions.</u></b>	That the Human Resource Management Department continuously work on updating the employee handbook until reaching for a final copy. Having a formal Employee Handbook that is tailored to the needs of the Center and that is regularly updated is the best way to ensure compliance and to minimize risk for employee disputes.	The updated CCP Employee Handbook is in its final review and is expected to be finished within the last quarter of 2022.  <b><u>Update as of 01.18.2023:</u></b> The final comments on the handbook had been rendered and being incorporated into the master copy		This was thoroughly discussed with President Margie Moran on January 17, 2023.
8	<b><u>CCP is disqualified to receive the Performance-Based Bonus (PBB)</u></b>	That the Human Resource Management Department comply with the provisions of MC No. 6, s. 2012 on the conduct of performance monitoring and coaching phase wherein the performance of the Offices and every individual shall be regularly monitored to aid in achieving the	The HRMD has received its target in terms of the Competency Assessment of the employees as part of the CCP's Performance Scorecard. For the 2021, the percentage of number of employees who have met the required competencies is 91%. The Corporate Planning Unit would have the full details of the reasons for the CCP's non-qualification for a Performance-Based Bonus in 2020.		This was thoroughly discussed with President Margie Moran on January 17, 2023.

No.	Audit Observations	Audit Recommendations	Offices' Reactions and Comments	Target Implementation	Other Remarks
		required rating by the GCG of at least 90% in the performance scorecard for the Center to be eligible in receiving the Performance-Based Bonus.	<u>Update as of 01.18.2023:</u> The Corporate Planning Division is currently checking on the exact reasons for the ineligibility of CCP for the 2021 PBB.		
9	<u>Approved and paid seminar conducted by Commission on Audit not attended by the participant, Mr. Manuel Cabalejo on October 18-19, 2019</u>	That the Management require Mr. Cabalejo in writing as to why the seminar which was already paid by the Center was not attended by him. Then, from this, a decision must be made as to whether a refund must be sought for the payment.	Mr. Cabalejo sent a Memorandum to HRMD informing that the Internal Audit Department has requested the COA Training Unit for the deferment of the said training and is waiting for the reply. He cited that he was unable to attend the training due to conflict in the schedule as the ISO surveillance audit was held on the same date. HRMD-TDD will follow up with IAD/Mr. Cabalejo on the outcome of the request and will ascertain whether a refund shall be requested.  <u>Update as of 01.18.2023:</u> Mr. Cabalejo has confirmed with COA that the amount paid by CCP can be applied to the next seminar that he will attend; thus, there is no need to request for a refund.	Waiting for next schedule of COA training	This was thoroughly discussed with President Margie Moran on January 17, 2023.

### **CORPORATE AFFAIRS DEPARTMENT**

No.	Audit Observations	Audit Recommendations	Offices' Reactions and Comments	Target Implementation	Other Remarks
1	<u>Non-administration of the Office Performance Commitment and Review Form (OPCR) in violation of CCP Board Resolution No. 81 Series of 2021, Office Order No. 121 Series of 2016 and CSC Memorandum Circular No. 6 Series of 2012</u>	That the Management require Management Services Division particularly its Corporate Planning Office the compliance with the abovementioned issuances to avoid sanctions laid down in CSC Memorandum Circular No. 6 Series of 2012.	We appreciate your recommendation to make sure that the compliance with the submission by all CCP Departments of the Office Performance Commitment and Review Form (OPCRF) will be strictly observed to avoid sanctions laid down in CSC Memorandum Circular No. 6 series of 2012.  As you know, MSD-CorPlan Office staff members were only hired this year (March 22, August 25 and Oct 18). We are still experiencing learning curves but because of your support, we can do what is effective and efficient to the Office.  We still attached the OPCR of the Corporate Affairs Department for the year 2021 (Target and Accomplished) which has an average rating of 4.52.  <u>Update:</u> A memo was sent on December 1, 2022 to departments requesting for the submission of accomplished OPCR for FY 2022 and OPCR Targets for FY 2023.	Prospectively starting 2022	This was thoroughly discussed with President Margie Moran on January 17, 2023.