



CULTURAL CENTER OF THE PHILIPPINES
AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2023
As of May 31, 2024

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial Delay/Non-implementation, if applicable	Action Taken/Action to be Taken
			Action Plan	Persons/ Dept. Responsible	Target Implementation Date				
					From	To			
AOM No. 2024-003 (23) and AOM No. 2024-004 (23)	The balance of the Accumulated Surplus/(Deficit) amounting to P515.968 million as of December 31, 2023 was understated by P15.264 million due to: a) erroneous recording of accrued expenses totaling to P6.413 million; b) erroneous recording of rental deposit and rental expenses amounting to P3.447 million; and c) accrual of salaries, benefits, and other emoluments based on the Compensation and Position Classification System revised salary scheme pending approval of the Office of the President totaling P5.404 million, contrary to Paragraph 27 of International Public	With the audit observations noted, we recommended that Management direct the Accounting Division to: a. Prepare the necessary adjusting entries to correct the understatement of Accumulated Surplus/(Deficit) and Other Deposits and overstatement of Accounts Payables and Due to Officers and Employees accounts; and ensure compliance with the provisions of Paragraph 27 of IPSAS 1, particularly on the recording of expenses and	The breakdown of the accrual of salaries, benefits, and other emoluments based on the Compensation and Position Classification System revised salary scheme as requested by Resident COA is for submission by the Human Resource and Management Division (HRMD)	Accounting Division and HRMD	May 2024	December 2024	Not Implemented	The JEV for item letter c will be considered by the Resident COA upon submission by the HRMD of the said breakdown	a. The Accounting Division already made an adjusting entry to correct said error in recording. Attached as Annex A and B are the approved Journal Entry Voucher (JEV) dated April 12, 2024 and April 15, 2024, respectively and the Accounting Division will ensure its compliance with the said provision of IPSAS 1. The Financial Services Department will consider the other recommendations of COA.

	Sector Accounting Standard 1.	<p>liabilities, in order to enable the fair presentation of financial statements;</p> <p>b. Provide timelines for the Operating Units to submit the necessary documents such as Terminal Accomplishment Report, accepted and approved by Management and Certificate of Services Rendered for proper recording of transactions; and</p> <p>c. Adopt a review process in the recording of transactions to prevent the incurrance of erroneous entry/ies.</p>							
AOM No. 2024-001 (23)	The correctness of the balance of the Property, Plant and Equipment accounts amounting to P1.759 billion with a carrying value of P1.163 billion as of December 31, 2023 was not established due to variance of P7.094 million in absolute value between the balances per books and the Report on the Physical Count of Property, Plant and Equipment, contrary to Paragraph 27 of International Public Sector Accounting Standard 1.	We recommended that Management instruct the AD and PD to coordinate and reconcile the discrepancy of P7.094 million in absolute value between the balances per books and the RPCPPE and prepare the necessary adjusting entry/ies in compliance with Paragraph 27 of IPSAS 1.	To continue reconciling the balances of PPE accounts of AD and PSD to reconcile the discrepancy. Prevent increase of the discrepancy.	Accounting Division & Property and Supply Division	April 2024	December 2024	Not Implemented	N/A	<p>Checking the balances of PPE accounts of AD and PSD to reconcile the discrepancy of P7.094 million down from the previous year discrepancy of P72.154 million.</p> <p>Exerting all effort to reconcile the remaining balance of P7.094 million through close coordination, updating and double checking of both records of AD and PSD.</p>

AOM No. 2024-002 (23)	<p>The CCP was able to comply with the requirements of the Philippine Commission on Women (PCW), National Economic and Development Authority and Department of Budget and Management Joint Circular No. 2012-01, particularly on the allocation of funds for Gender and Development (GAD) of at least five percent of the CCP's total budget and on the submission of the GAD Plan and Budget (GPB) to PCW for the calendar year 2023 within the prescribed period. However, the Center was not able to provide the GAD Accomplishment Report to the Office of the Auditor, thus precluding the Audit Team from determining whether the GAD activities were aligned with approved/endorsed GPB, contrary to Item V of COA Circular No. 2014-01 on the Revised Guidelines in the Audit of GAD Funds and Activities in Government Agencies.</p>	<p>We recommended that Management:</p> <ol style="list-style-type: none"> a. Continue to comply with the provisions of PCW-NEDA-DBM Joint Circular No. 2012-01 and other GAD related PCW Memorandum Circulars and issuances on the GAD Budget allocation and timely submission of the GPB to PCW; and b. Submit the GAD AR to PCW for review on the required deadline of submission in compliance with PCW Memorandum Circular No. 2023 05 dated December 19, 2023. 	<p>The GAD Focal Person already gathered the 2023 CCP expense for the GAD Accomplishment Report.</p>	GAD Focal Person	May 2024	December 2024	Not Implemented	N/A	<p>The GAD Focal Person already gathered the 2023 CCP expense for the GAD Accomplishment Report.</p>
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Noted by:



MR. MANUEL B. CABALEJO
 Department Manager III
 Internal Audit Department

Approved by:



MS. KAYE C. TINGA
 President
 Cultural Center of the Philippine