



Cultural Center of the Philippines

Audit Committee Meeting

14 February 2024

CCP Administrative and Finance Building and via Zoom

Part I:

Present:

Mr. Moises Benedict Carandang Audit Committee – Chairperson
Ms. Marivic del Pilar Trustee

Also Present:

Ms. Teresa De Guzman OIC – Budget Division
Ms. Jelly Magnaye Budget Officer IV
Ms. Jemmah Maria Flores OIC – Accounting Division
Ms. Michelle La Torre Accountant II
Mr. Michael Manlangit Financial Analyst II
Ms. Maria Criselda Fegalquin Secretariat Member

Mr. Carandang started the meeting with the introduction of the members of the Audit Committee and officers from Landbank of the Philippines.

Call to Order	Mr. Carandang called the meeting to order at 9:08 A.M.
Topics Discussed	
Updates on LBP Investments	<ul style="list-style-type: none">● LBP officer presented the portfolio status as of December 31, 2023.● It was mentioned that CCP has to amend the Investment Policy Statement (IPS) to change the percentage (from 95% to 100%) invested in Government Securities.
2023 Financial Statements	<ul style="list-style-type: none">● Ms. De Guzman said that FSD requested from COA that the submission of FS be extended to March 6, 2024.● Ms. del Pilar inquired about the down payment to Vista Green. Where it is presented in the FS. Ms. De Guzman explained that the deposit to Vista Green is included in the Other Current Assets account.● Ms. del Pilar also asked regarding the composition of the Government Equity account since it has no changes for 2022 and 2023.● Ms. De Guzman said that the Government Equity account is the actual investment of the government to CCP since it

	<p>began. All the operating income or loss goes to the Accumulated surplus/(deficit) account.</p>
<p>Financial Performance</p>	<ul style="list-style-type: none"> Ms. La Torre explained the decrease in income is due to derecognition of rental income due to condonations. Meanwhile, there was an increase in current operating expenses due to the implementation of CPCS and production expenses. The substantial decrease in direct cost was due to the sales of EPA to DEPED while the decrease in non-cash expenses was mainly due to depreciation for the investment property.
<p>Tentative Income Tax Computation</p>	<ul style="list-style-type: none"> The allocation is based on proprietary and non-proprietary income. Ms. La Torre explained that based on the figures the amount due is P2.020M. Ms. del Pilar asked if the amount was tallied with the tax certificates. Ms. La Torre and Ms. Flores said that the computations are substantiated by tax certificates from clients.
<p>Tentative Computation of Dividends for 2023</p>	<ul style="list-style-type: none"> Ms. del Pilar suggested to set aside (appropriate) amount from IMA to be used for operations instead of declaring it as dividends. Ms. Flores said that appropriation of income will be verified with COA.
<p>Adjournment</p>	<p>The meeting adjourned at 10:30 A.M.</p>

Part II:

Present:

Mr. Jaime Laya	Chairman
Ms. Marivic del Pilar	Trustee
Mr. Jose Victor Gaité	VP-Administration

Also Present:

Ms. Teresa De Guzman	OIC – Budget Division
Ms. Jemmah Maria Flores	OIC – Accounting Division
Ms. Michelle La Torre	Accountant II
Ms. Maria Criselda Fegalquin	Secretariat Member

The discussions started at 6:00 P.M.

Topics Discussed	
2023 Financial Statements	<p>The computation of Income Tax Payable was discussed by Ms. Flores.</p> <p>Upon checking by the FSD, there was an adjustment made due to the creditable tax from 2021 which resulted to an increase to the tax due. In effect, there was also an increase in the dividend due from P23M to P31M.</p> <p>Mr. Laya commented that the dividend due is higher than the amount of the net income. He suggested to exclude the subsidy from the computation (or general appropriation) to come up with a smaller dividend base.</p> <p>Action Items:</p> <p>a. For FSD to draft a letter requesting an exemption in the payment of the dividends from President Marcos.</p> <p>b. For FSD to submit to the Committee the 2023 Financial Statements to be presented and approval of the Board of Trustees.</p>
Other information	<p>The letter of request to extend the submission of the 2023 Financial Statements from February 14 to March 6 was submitted to the resident COA Auditor on February 14 and was verbally endorsed with the Audit Supervisor. We just have to wait for the formal reply to the request from their supervisor.</p>
Adjournment	<p>The meeting adjourned at 6:30 P.M.</p>

Prepared by:



Maria Criselda Fegalquin
Secretariat Member

Approved by:



Moises Benedict Carandang
Chairperson, Audit Committee

Date: 19 February 2024