



Cultural Center of the Philippines

Audit Committee Meeting Minutes

31 July 2024

FSD Conference Room, Administration and Finance Building,
and via Zoom

Present:

Mr. Jaime Laya	Chairman
Ms. Marivic del Pilar	Audit Committee – Chairperson
Mr. Teodoro del Mundo Jr.	Member
Mr. Felix Monino Duque	

Also Present:

Mr. Jose Victor Gaité	VP - Administration
Atty. Guia Flaminiano	COS – Office of the President
Atty. Krischelle Matas	DM – HRMD
Ms. Lourdes Mendoza	DM – FSD
Atty. Hency Tanbengco	Attorney V – Legal Office
Mr. Clifford Colubio	OIC – Treasury Division
Ms. Chevaree Casalla	Budget Analyst
Ms. Maria Criselda Fegalquin	Secretariat Member

Call to Order	Ms. del Pilar called the meeting to order at 3:09 PM
Topics Discussed	
YTD Income Statement 2024	<p>Ms. Mendoza presented the Approved Income Target, the Actual Income generated (from January to July), and the Projected Income (from August to December).</p> <p><u>Operating & Service Income</u></p> <ul style="list-style-type: none"> EPA <p>Mr. Gaité shared the discussions with the Marketing Department. There is no report yet on the progress made in the sales of the EPA. He added, that Pres. Tinga is talking with the new DepEd Secretary, to have a new avenue to sell the EPA.</p> <p>Mr. del Mundo reiterated his suggestion before, to have a meeting with the different leagues of the LGUs to speed up the disposal of EPA.</p> <p>Mr. Laya suggested to touch base with overseas Filipinos, foreign libraries, and the embassy.</p> <p><u>Action Item: For the Management and the Marketing Department to prepare a marketing plan, for presentation to the board, to increase EPA revenue for the current year.</u></p>

	<p>Ticket Sales</p> <p>Mr. Laya inquired about the strategy of the Marketing Department on how to increase sales.</p> <p>Mr. del Mundo reminded the committee about the plan to sell tickets with Marco Polo Club. He mentioned that the Marketing team has not submitted a draft agreement with the Marco Polo Club encompassing the sales of the tickets at the club.</p> <p>Mr. Gaité mentioned that co-production shows were a significant factor in sales for 2023, but there haven't been any such activities in the current year.</p> <p>Ms. del Pilar suggested having training on how to set targets for revenue.</p>
<p>Rentals of Tenants</p>	<p>Mr. Gaité presented the 2023 and 2024 revenue from rentals. He reported the contracts for negotiation, new contracts, additional projected income as well as the canceled contracts. The last item greatly affects the decrease (which is about P93M) in the overall projected income for the current year.</p> <p>He also updated the status regarding one of the lessees (Sunway). The NBI provided a report to the CCP that this tenant is subleasing their space to a financial company that harasses credit card debtors. They were forced to close and some of the employees were imprisoned.</p> <p>The CCP's recommendation is the termination of the contract, due to some media coverage regarding the raid that may affect the image of the Center since it is in the complex.</p> <p>On the other hand, the area that will be vacated by this tenant would be a better option to transfer the personnel from RMC.</p> <p><u>Action Item: For the Management to present a plan, for presentation to the board, on ways to increase revenue for the current year. Try looking at unutilized space and make it earn revenue or reduce cost.</u></p>
<p>Personnel Services</p>	<p>Ms. Mendoza reported the Approved PS Expenditure, the Actual Utilization (January to July), and the Projected Utilization (August to December).</p> <p>Based on the presentation, there was a deficit of about P82.7M. Ms. Mendoza discussed the sources that may augment the PS – Corp Fund CI's subsidy and MOOE Subsidy CY 2024. She said that the DBM provided the CCP authorization to realign the unutilized Congressional Initiatives (CI) for artistic programs that were not yet started, to be used for our personnel services.</p>


	<p>Mr. Laya suggested not to spend all the Corp Fund (from DBM) this year so that there will be a portion to spend the following year. He added that it is up to the Management to propose how to finance any deficit to continue paying the salaries.</p> <p>Mr. del Mundo supported this suggestion of Mr. Laya. He also emphasized having flagship programs instead of several ones wherein we can generate revenue.</p> <p>Mr. Gaité explained that before, the revenue from leases and ticket sales was enough to cover the expenses. But with the present situation due to the rehabilitation and terminated contracts, one possible way to increase revenue is revitalizing the Asset Management Team.</p> <p><u>Action Item: For the Management to present a plan, for presentation to the board, on ways to increase revenue.</u></p>
Procurement Act	<p><u>Action Item: The Legal department, through Atty. Matas, shall present their analysis on how the new procurement act would be an advantage to the CCP. Which provisions may we use to our benefit?</u></p> <p>Chairman Laya clarified that signing and approval of contracts are two different things. Anyone who signs on contracts, on behalf of the CCP, binds the CCP to that contract. However the approval for him/her to sign on that contract, is also a different matter.</p> <p><u>Action Item: For elevation to the CCP Board of Directors: the approval of a Board Resolution as recommended by the Audit Committee. Noting difficulties encountered in the discretionary fund, CCP projects approved by the president must be co-approved by another officer.</u></p>
Policy on Grants	<p><u>Action Item: For the September Audit Committee meeting, VP Jay Gaité will present management's recommended policy on grants.</u></p>
Adjournment	<p>No other matters to discuss, and the meeting adjourned at 5:21 PM.</p>

Prepared by:



Maria Criselda Fegalquin
Secretariat Member

Approved by:

DocuSigned by:

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Marivic del Pilar
Chairperson, Audit Committee

Date: 06 August 2024