



Cultural Center of the Philippines

Audit Committee Meeting Minutes

28 May 2024

AED Conference Room, Annex Building, and via Zoom

Present:

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

Also Present:

Ms. Kaye Tinga	President
Mr. Dennis Marasigan	VP- Artistic
Mr. Jose Victor Gaite	VP-Administration
Mr. Manuel Cabalejo	DM – Internal Audit Department
Ms. Jelly Magnaye	OIC – Budget Division
Mr. Clifford Colubio	OIC – Treasury Division
Ms. Jemmah Maria Flores	OIC – Accounting Division
Ms. Michelle La Torre	Accountant II
Ms. Marlene Sison	Budget Officer III
Ms. Maria Criselda Fegalquin	Secretariat Member

Call to Order	Ms. del Pilar called the meeting to order at 1:15 PM
Topics Discussed	
Updates on the Construction Audit (Rehab)	<p>Mr. Cabalejo and Ms. Fegalquin provided updates on the rehabilitation audit of the CCP. Ms. Fegalquin said that based on the chronology of events as of April 30, 2024, the initial findings related to delay in rehabilitation are as follows:</p> <ol style="list-style-type: none"> The project manager was not considered during the initial planning. Notice of suspension was issued to the contractor (Vista Green) because a project manager was not yet onboard. Delayed in the drafting of the TOR <p>Mr. Cabalejo commented that because hiring a project manager was not considered in the initial planning, there was a domino effect in the sequence of the project activities.</p> <p>Ms. del Pilar agreed with these initial findings. She explained that a grand plan should be in place before embarking on a construction project. She added that part of it is selecting the players that will compose the plan.</p>

	<p>Mr. del Mundo asked if the assessment of ORRA is included in the scope of the audit. He also requested to note the task owners of the activities in the rehabilitation project.</p>
GCash Implementation	<p>Mr. Gaité said that in a previous meeting, it was mentioned that GCash would be one of the payment channels of CCP. He said that the proposal is to limit the use of the facility to receipt of cash. It will be an additional option to LinkBiz and PayMaya channels. He also said that once the board approves opening the facility to CCP, it can be used in June.</p> <p>Ms. del Pilar inquired about the merchant discount rate provided by the GCash. She also commented that the Legal Office review the documents to onboard the GCash.</p> <p>Further, she mentioned her concern about how the CCP will use this facility.</p> <p>Mr. Colubio said that the MDR is 1-2% per transaction. He also replied that the documents are ready for review by the Legal Office. He then proceeded to the presentation of the timeline of the GCash with emphasis on its implementation which covers contract signing, orientation, training, and information dissemination.</p> <p>Mr. Gaité added that with the initial discussions with the Marketing Department, GCash will be primarily used for ticket sales and selling of items from the gift shop.</p> <p>Ms. del Pilar requested to send the documents for an ad referendum.</p> <p>Mr. Colubio said he would send the comprehensive guidelines and the internal procedures of GCash to Ms. del Pilar.</p>
Budget Utilization Report as of April 30, 2024	<p>Ms. Magnaye presented the COB as approved by the DBM.</p> <p><u>Conditional Supplemental Subsidy</u> She discussed the variance of P228.854M (supplemental subsidy) which pertains to the NG subsidy for PIEC. This item was deferred because the document submitted was a memorandum from the executive secretary. DBM is asking for an executive order related to this which is to be presented for approval by the Malacanang. Upon approval, CCP can request the supplemental subsidy until September.</p>

	<p>Relative to the possible loss from the PIEC construction, Ms. del Pilar is asking to address the gap for possible rentals while Mr. Laya inquired about extending the leases on a month-to-month basis.</p> <p>Mr. Gaité shared that the CCP is still in contact with the lessees and the intention of the lessees to renew the contracts is present. He continued that for some, it is done on a month-to-month basis.</p> <p><u>Budget Presentation</u></p> <p>Mr. Laya recollected that the budget presentation would be better if presented based on the fund uses (programs/projects/activities) rather than fund sources.</p> <p>Mr. Marasigan recounted that per the chairman's instruction follow the programs/projects/activities structure. According to him, they are reformatting the presentation for trading and production.</p> <p><i>Mr. Laya requested Mr. Marasigan to send the members of the board the reformatted presentation of the programs/projects/activities budget before the next board meeting.</i></p> <p><u>Current Expenditures</u></p> <p>Mr. Gaité discussed the amount under the Personal Services. He informed the committee that DBM included in the breakdown an amount from the CI balances from previous years. He explained that those amounts were already allocated for the programs of the CCP.</p> <p>Mr. Magnaye explained that based on the approval of DBM, CCP can realign the budget coming from MOOE or Capital Outlay.</p> <p>Mr. Laya suggested knowing what is being cut to request budget consideration and informing DBM that CCP will be discontinuing some programs due to a cut in the budget.</p>
Updates on COA Audit Observations (2023)	Ms. Flores presented the adjustments (JEV 04-0211-24) submitted to COA regarding the Personnel Services Account - AOM No. 24-003(23).
Status of Unliquidated Grants - NCCA	Ms. Flores discussed the unliquidated grants as of April 30, 2024. There were seven (7) grants of which three were fully liquidated and the remaining items were for verification of documents and submission of liquidation report to NCCA.
2019 Dividends	In December 2021 DOF sent a letter requesting the payment of 2019 dividends.


	Mr. Laya is requesting the supporting documents relative to the request to waive the payment of the 2019 dividends.
Notes and Other Information	<ul style="list-style-type: none">a. Mr. Cabalejo informed the Committee that the Office of the President approved the authority to conduct the special audit related to the rehabilitation of the CCP.b. The next meetings will be on June 13, 2024, at 9:00 AM and July 10 at 1:00 PM.
Adjournment	The meeting adjourned at 2:47 PM

Prepared by:



Maria Criselda Fegalquin
Secretariat Member

Approved by:

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Marivic del Pilar
Chairperson, Audit Committee

Date: 05 June 2024