



Cultural Center of the Philippines
SENTRONG PANGKULTURA NG PILIPINAS

TO: **MS. SUZETTE G. PORNALES**
Supervising Auditor
Commission on Audit

FROM: **MS. KAYE C. TINGA**
President
Cultural Center of the Philippines

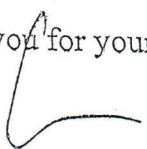
SUBJECT: **Submission of Updates on the Agency Action Plan and Status of Implementation for CY 2024 as of August 31, 2025**

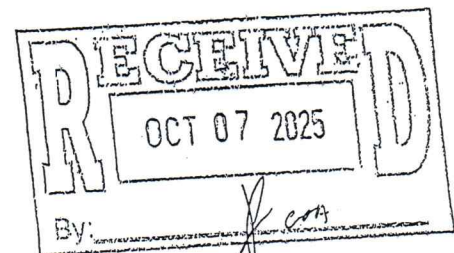
DATE: **October 1, 2025**

In compliance with the Commission on Audit's requirements, we are submitting the updated Agency Action Plan and Status of Implementation (AAPSI) for the CY 2024 as of August 31, 2025. The AAPSI is attached to this memo for your reference.

Should you require further clarification or additional information, please do not hesitate to contact us at internal.audit@culturalcenter.gov.ph.

Thank you for your attention to this matter.


MS. KAYE C. TINGA *pp.*
President
Cultural Center of the Philippines



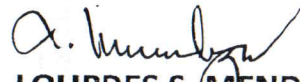
Cultural Center of the Philippines
Agency Action Plan and Status of Implementations
As of August 31, 2025

AOM No.	Audit Observation	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/ Non-Implementation, if applicable	Action Taken/ Action be Taken
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From	To			
AAR 2024 AO No. 1 p.55	The fair presentation of the Property, Plant and Equipment (PPE) accounts, totaling P1.910 billion with a carrying amount of P1.273 billion as at December 31, 2024, could not be established due to a variance of P6.965 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 the International Public Sector Accounting Standard 1 and Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities.	We recommended that CCP Management: a. Require the AD, in coordination with the PD, to prepare and submit a Reconciliation Action Plan, indicating the specific PPE items for reconciliation, assigned personnel, required supporting documents and realistic timelines for completion; b. Ensure the conduct and completion of the reconciliation process, and submit a Reconciliation Report to the Audit Team, duly signed by both AD and PD, detailing the actions taken, adjustments made, and remaining unresolved variances, if any; and	a. The Property and Supply Division (PSD) and the Accounting Division (AD) are continuing their periodic (annual) reconciliation and validation of their respective records to prevent any increase in discrepancies.	a. Accounting Division & Property and Supply Division	Jan. 2025	Dec. 2025	Not Implemented	Continuous periodic reconciliation between PSD and AD	Continuous periodic reconciliation between the PSD and AD.
			b. The PSD is requesting the adjustment of Php266,240.16 to be recorded under Other PPE (Musical Instruments). According to the Accounting Division, they will record the adjustment of PPE to Other PPE (Musical Instruments) amounting to Php266,240.16.	b. Accounting Division & Property and Supply Division	April 2025	July 2025	Implemented	n/a	The adjustment was recorded in the books of account per JEV no. 06-0402-25

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		c. Require the AD to prepare necessary adjusting entries, consistent with the results of the reconciliation.	c. The PSD requested the AD to record the adjustments to Information Equipment and Software, and Other PPE (Other Assets – Others), amounting to PhP504,711.00 and PhP580,684.89, respectively.	c. Accounting Division	April 2025	May 2025	Implemented	n/a	The adjustment was recorded in the books of account per JEV no.05-0253-25.
AAR 2024 AO No. 2 p. 58	The CCP was not able to recognize the accrued liabilities arising from the money value of earned leave credits amounting to P57.928 million as at December 31, 2024, resulting in the understatement of the Leave Benefits Payable account and the overstatement of the Accumulated Surplus/(Deficit) account by the same amount, contrary to Paragraph 27 of International Public Sector Accounting Standard (IPSAS) 1, Paragraph 11(a) of IPSAS 39 and Paragraph 3.10 of the Conceptual Framework for General Purpose	We recommended, and CCP Management agreed, to require the AD to: a. Prepare the necessary adjusting entries to correct the balances of the affected accounts; b. In coordination with the Human Resource Management Department, monitor and determine the accumulated leave credits of CCP employees on a regular basis; and c. Henceforth, ensure that earned leave credits are	a. The Accounting Division (AD) has recorded the adjustment to Leave Benefits Payable and Accumulated Surplus/(Deficit) amounting to PhP60,954,357.27. b. The AD and the Human Resource Management Department (HRMD) will continue to monitor accumulated leave credits, and adjustments will be made annually before the closing of the books. c. Management will ensure compliance with	a. Accounting Division b. Accounting Division / Human Resource Management Department c. Accounting Division	April 2025 April 2025	May 2025 Dec. 2025	Implemented Implemented	n/a n/a	The adjustment was recorded in the books of account under JEV No. 05-0254-25.

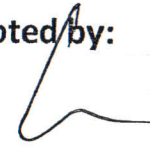
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	Financial Reporting by Public Sector Entities.	recorded at year-end, in compliance with Paragraph 27 of IPSAS 1, Paragraph 11(a) of IPSAS 39 and Paragraph 3.10 of the CFGPFR by Public Sector Entities.	Paragraph 27 of IPSAS 1, Paragraph 11(a) of IPSAS 39, and Paragraph 3.10 of the CF-GFR by Public Sector Entities.						

Reviewed by:


MS. LOURDES S. MENDOZA
 Department Manager III
 Financial Services Department


MS. TERESA S. RANCES
 Department Manager III
 Administrative Services Department

Noted by:


MS. KAYE C. TINGA
 President


<p>and Section 1, Annex F.</p> <p>These lapses undermined the principles of transparency, competitiveness, and accountability in public procurement processes. It is crucial for government agencies to strictly adhere to the guidelines set forth in RA No. 9184 to ensure fair and efficient procurement practices. Moreover, the consultants engaged under the project received irregular payments, unauthorized settlements of fees, and unjustified contract discounts, contrary to Sections 2 and 4(5) of Presidential Decree No. 1445.</p>	<p>contracts, as defined under Section 54.1 of the IRR, and require that all related project phases and deliverables be consolidated in a single procurement package whenever feasible;</p> <p>c. Institute a review mechanism within the organization to detect possible instances of contract splitting and provide early intervention prior to award or execution;</p> <p>d. Strictly require the inclusion of all projects in the APP prior to implementation, in accordance with Section 7, Rule II of the 2016 Revised IRR of RA No. 9184, to ensure alignment with agency budget and procurement timelines;</p>	<p>future consultants to be hired.</p> <p>c. Hiring of consultants should be coursed through the Procurement Management Division.</p> <p>d. Inclusion of Hiring of Consultants in the Annual Procurement Plan (APP) or Supplemental APP;</p>	<p>Management Division</p> <p>c. Procurement Management Division</p> <p>d. Procurement Management Division</p>	<p>2026</p> <p>3rd Qtr. of 2025</p>	<p>2026</p> <p>4th Qtr. of 2025</p>	<p>Not Implemented</p> <p>Implemented</p>	<p>n/a</p>	<p>of the New Government Procurement Act, this is enforced whenever possible.</p> <ul style="list-style-type: none"> - Procurement per unit, by lot or package, is allowed subject to the available budget, required quantity, product availability, delivery sites, geographical location and market capacity. <p>c. In the interim, the Vice President for Administration is looking into this matter, which will also be addressed in the Procurement Manual.</p> <p>d. For procurement activities, the Procurement Management Division will require end-users to include the hiring of consultants in the Annual Procurement Plan (APP) starting next year.</p>
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									Sec. 7.9 of the IRR of R.A. 12009 allows additional changes to the end-user PPMPs to be consolidated into the APP. The PMD will consolidated these changes and post the updated APP to the agency's website as Supplemental APP.
		<p>e. Require the early preparation and proper approval of the Project Profile and TOR, ensuring that they are signed by authorized officials and clearly reflect the scope, objectives, and budget for each procurement undertaking;</p> <p>f. Require that all procurement-related contracts be subject to review by the Legal Office prior to finalization, to ensure compliance with applicable procurement laws and circulars; and</p> <p>g. Conduct a formal internal investigation on the unauthorized fee settlements and questionable contract discounts to determine liability of the involved officials and consultants.</p>	<p>e. TORs prepared should be signed by the Implementing Units and CCP Officials (e.g. Department Manager, Vice President and President of CCP).</p> <p>f. Currently practiced by the CCP.</p> <p>g. Ongoing discussion with the Board of Trustees.</p>	<p>e. Procurement Management Division</p> <p>f. Procurement Management Division / Legal Office</p> <p>g. BOT</p>	<p>2nd Qtr. of 2025</p> <p>Jan. 2025</p> <p>3rd Qtr. of 2025</p>	<p>4th Qtr. of 2025</p> <p>Dec. 2025</p> <p>4th Qtr. of 2025</p>	<p>Not Implemented</p> <p>Implemented</p> <p>Not Implemented</p>	<p>Ongoing Implementation and Scheduling by the Vice President for Administration</p> <p>n/a</p> <p>Ongoing discussions with the Board of Trustees.</p>	<p>e. Under the current policy, all contracts are being signed by the authorized officials.</p> <p>f. Under the current policy, all contracts are being reviewed by the Legal Office.</p> <p>g. As of August 31, the Legal Office has received voluminous documents pertaining to the matter, and are in the process of</p>

									going over the said documents in order to make a report for the appreciation of Management and the Board.
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Reviewed by:


MS. VANESSA A. DELA TORRE
Officer-in-Charge
Procurement Management Division


ATTY. HENCY L. TANBENGCO
Attorney V
Legal Office


Noted by:


MS. KAYE C. TINGA
President

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AAR 2024 AO No. 4 o. 72	The CCP was unable to submit its Gender and Development (GAD) Plan and Budget, as well as the GAD Accomplishment Report, to the Audit Team within the prescribed deadline, contrary to COA Circular No. 2014-01, thus precluding the Audit Team from assessing CCP's GAD-related programs, projects, and programs, thereby affecting the evaluation of gender-responsive initiatives within the organization.	We recommend that CCP Management ensure the timely preparation and submission, the GPB and GAD AR to the PCW for review and endorsement in accordance with the deadlines set forth in the applicable Memorandum Circulars issued by the PCW, and provide the Audit Team with copies of the GPB and GAD AR within the timelines prescribed under COA Circular No. 2014-001, to enable the conduct of audit on the CCP's GAD-related Programs and Activities.	Formulation and Submission of the approved CCP Gender Plan and Budget (GPB) 2025 and related GAD initiatives on or before July 10, 2025	GAD Committee	May 1, 2025	July 10, 2025	Not Implemented	The CCP is making an effort to review and update the agency's GAD Agenda to be align with the agency's revised agency Strategy Map.	The Technical Working Group (TWG) of the GAD Committee is currently working on the GAD Plan and Budget (GPB) of 2025, as recommended. On August 31, 2025, the GPB was sent to a resource person from the Philippine Commission on Women's (PCW) pool of resource persons for her feedback. Therefore, the TWG revised the 2025 GPB last 17 September 2025 based on the most recent feedback. The GPB is currently undergoing final revisions prior to being submitted to the GAD Committee for approval.

Noted by:


MR. DENNIS N. MARASIGAN
Gender and Development - Chairperson
Vice President – Office of the Artistic Director


MR. JOSE VICTOR GAITE
Gender and Development – Co Chairperson
Vice President for Administration


MS. KAYE C. TINGA
President