



**EMPLOYEES' COMPENSATION COMMISSION**  
**4<sup>th</sup> & 5<sup>th</sup> Floor, ECC Building, Gil J. Puyat Avenue, Makati City**

**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
Audit Observations and Recommendations  
For the Calendar Year 2015  
As of May 2016

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	Person/ Dept. Responsible	Target Recommendation Date				
					From	To			
1	<b>Re: excess budget</b>  The Department of Budget and Management (DBM) approved annual budget exceeded the actual expenditures by a total of P63.793 million or 14.54 per cent over the five-year period from 2011-	a. Make an actuarial study and issuance of a specific policy/implementing rules and regulations on:  a.1 The utilization of the excess in the loading fund derived from the SIF for other ECC benefits.					<b>Not Implemented</b>	An actuarial study may not be necessary for the actions needed to be taken re:excess budget.	



20150

a.2 Use of the 12 per cent loading fund as the ceiling of expenses that may be charged thereto and the return of the excess amount to the SIF at the end of the year;

b. Re-compute for the reasonable amount of cash requirement for at least one year. Utilize the accumulated surplus as the loading fund of the ECC for the succeeding years until it has reached the reasonable amount of liquidity.

Re-computation of the reasonable amounts and restructuring of the budget delineation in order to utilize the funds;

The ECC shall utilize such accumulated surplus for the 2017 budget.

Finance Division

2016

2017

*Ongoing (O)*

The Finance Division is currently conducting the re-computation which will be accomplished once all variables have been correctly counter-checked.

c. Follow the specific guidelines in the preparation of the agency annual budget proposal and other budgetary items as provided in the yearly Budget Calls issued by DBM to conform closely to actual expenditure for prior

For stricter compliance on the next budget proposal.

Finance Division

2017

2017

*Ongoing (O)*

The budget proposal has already been submitted. However, the divisions concerned have, in its submission, abided by the guidelines



years; and

herein mentioned. The surplus in the current budget has been made attributable to the variance of variables considered in the implementation of the projects of the Commission including, but not limited to, the actions of the claimants, and the approval of joint/coordinated projects, among others.

d. Formulate implementing rules and guidelines on the proportionate sharing of the loading fund ceiling for SSS, GSIS, ECC and OSHC.

Study of the feasibility of the creation of such joint rules.

Finance Division, in coordination with the Appeals Division

2016

2017

*Ongoing (O)*

It is hereby raised that there are existing rules and regulations pertaining to and relevant to such matters. All other amendments found necessary shall be rectified through resolutions.

The ECC is engaged in a continuous effort to create rules, policies and joint resolutions with its coordinating agencies in order to fully utilize its resources. It is currently studying the



feasibility of creating a joint resolution and issuing such recommended rules and recommendations, subject to the input and approval of its coordinating agencies.

2

<b>Re: Land Consolidation</b>  Two parcels of land valued at Php167,483.00 acquired through foreclosure were not consolidated in the name of the ECC notwithstanding the lapse of six years after the expiration of the one-year redemption period. Moreover, the appraisal of the land was not updated in deviation from Philippine Public Sector Accounting Standards (PPSAS) 16 and 21.	a. Expedite the consolidation of titles of the foreclosed two parcels of land in the name of the ECC;	Expedite the proceedings on the application and confirmation of CARP exemption.	Admin Division	2016	2017	Ongoing (O)	The application is still pending due to its evaluation. The application process was also attended with extra ordinary circumstances, with the inaccessibility of the Register of Deeds due to natural calamities, among others. The height of the elections similarly contributed to the hampering of the process.	The divisions concerned are currently engaged in expediting the application process.  This process is essential before any of the other recommendations under this audit observation may be implemented.
	b. Comply with the requirements of PPSAS 16 and 21 on the measurement and the impairment of	Comply with the requirements upon the accomplishment of	Admin Division	2016	2017	Ongoing (O)		Compliance upon the accomplishment of Recommendation



		Investment Property, respectively, to ensure fair presentation of the Investment Property account in the financial statement; and	recommendation 2(a) and after the appraisal of the property as a requirement <i>sine qua non</i> ;						on 2(a), and once a budget has been allocated in the next budget proposal.
		c. Put up fence around the property and signage as government property to avoid informal settlers.	Comply with the requirements upon the accomplishment of recommendation 2(b) and upon the dedication of a budget. At the very least, a signage shall be posted in the property.	Admin Division	2016	2017	<b><i>Not Implemented (NI)</i></b>		Comply with the requirements upon the accomplishment of recommendation 2(b).



**Re: Settlement of Disallowances**

The settlements on the audit disallowances on the instalment basis totalling to Php1.162 million were not approved by the Commission on Audit (CoA), hence contrary to CoA Resolution No. 2015-031 dated August 20, 2015.

a. Prepare a request on the settlement of audit disallowances on installment basis and submit the said request to CoA Prosecution and Litigation Office of the Legal Services Sector (PLO, LSS) for approval pursuant to COA Resolution No. 2015-031 dated August 20, 2015; and

Prepare the request to be submitted to the appropriate office.

Under discussion

2016

2016

*Ongoing (O)*

It was clarified that the request should be prepared individually. As of submission, the employees, through their Union, are discussing the courses of action to be taken in the preparation of such request.

b. Comply with the schedule of payments provided under COA Resolution No. 2015-031 dated August 20, 2015.

Payment of all pending amounts due upon the approval of the schedule request.

Finance Division

2016

*pending*

*Ongoing (O)*

The Finance Division has already prepared a schedule of payments, subject to the approval of the Commission. Compliance with the current mandated schedule has proven to be difficult given the amounts required to be paid and the actual remunerations received by the



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*Note: Status of Implementation may either be (a) **Fully Implemented (FI)**, (b) **Ongoing (O)**, (c) **Not Implemented (NI)**, (d) **Partially Implemented (PI)**, or (e) **Delayed (D)***

**Full Disclosure:**

*All relevant facts have been fully disclosed to reflect the true and accurate status of implementation of the recommended actions to be taken herein.*