



Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
EMPLOYEES' COMPENSATION COMMISSION
4th & 5th Floors, ECC Building, 355 Sen. Gil J. Puyat Avenue, City of Makati



Management
System
ISO 9001:2008
www.tuv.com
ID 9105081530

Tel. No. 899-4251; 899-4252 • Fax. No. 897-7597 • E-mail: info@ecc.gov.ph • Website: http://www.ecc.gov.ph

EMPLOYEES' COMPENSATION COMMISSION
4th & 5th 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 December 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	Re: excess budget The Department of Budget and Management (DBM) approved annual budget exceeded the actual expenditures by a total of P63.793 million or	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					Not Implemented	Based on the meeting between the ECC and the COA dated 26 May 2016, it was raised and agreed upon that an actuarial study is unnecessary for the actions needed	



14.54 per cent over the five-year period from 2011-20150

from the SIF for other ECC benefits.

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;

to be taken re:excess budget. It was clarified that the ECC may proceed with the re-computation without an actuarial study.

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)

Budget for Capital Outlay since 2014 was sourced from the Retained Earnings and not included in the request from the System's loading fund for ECC.

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

For stricter compliance on the next budget proposal.

Finance Division

2017

2017

Ongoing (O)

Specific guidelines in the preparation of the agency annual budget has been followed. Should there



2		DBM to conform closely to actual expenditure for prior years; and							be excess in the budget proposal, the DBM slashed such amount.
		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 has been rectified through resolutions.	Board Resolution # 16-10-3 has been approved. Herein attached as "Annex A"
	Re: Land Consolidation 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	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)		As of December 2016, the Secretariat initiated the process of confirming the exemption of the property from CARA.
		b. Comply with the requirements of PPSAS 16 and 21 on	Comply with the requirements upon the	Admin Division	2016	2017	Ongoing (O)		The Administrative Division has



3	Public Sector Accounting Standards (PPSAS) 16 and 21.	the measurement and the impairment of Investment Property, respectively, to ensure fair presentation of the Investment Property account in the financial statement; and	accomplishment of recommendation 2(a) and after the appraisal of the property as a requirement <i>sine qua non</i> ;						initiated the process of securing appraisal services.
		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	Not Implemented (NI)		Procurement on the fencing project has been completed. Notice to proceed has been sent to the contractor.
	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.	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-	Prepare the request to be submitted to the appropriate office.	Under discussion	2016	2016	Ongoing (O)		Response to ECC letter-request to COA-Prosecution and Litigation Services Sector was submitted on August 4, 2016 still pending.



2015-031 dated August 20, 2015.

031 dated August 20, 2015; and

ECC requested for the approval of the instalment basis of settling disallowances with finality and COA order of execution in accordance with the schedule proportionate to the employees' net take home pay.

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 parties concerned, hence the request.

Prepared by:


ATTY. MICHELLE ANNE B. RECTO
OIC Internal Audit Unit

Approved by:


STELLA ZIPAGAN-BANAWIS
Executive Director

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,