EMPLOYEES' COMPENSATION COMMISSION

2017
ANNUAL REPORT

Employees' Compensation Commission
Information and Public Assistance Division
355 Sen. Gil Puyat Ave., Makati City
Tel. No. 899-4251 to 52

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Message From The Executive Director

It is my great pride and honor to present the accomplishments of the Employees' Compensation Commission for the year 2017. Encapsulated in this report are the results of the hard work and dedication of the entire ECC team regarding championing the welfare of the Filipino workers, specifically, of persons with work-related disability.

These are not just achievements of the ECC, but these things are also the triumphs for the Filipino workers. We are happy to serve as an instrument for the advancement of their social protection, as we strive to protect the hands that provide.

For 2017, we recognized the valiant effort of our uniformed personnel from the Armed Forces of the Philippines and the Philippine National Police, especially those who were wounded or killed during a military or police operations. We understood their situation that is why the Commission approved the facilitative processing of their EC benefits as soon as the System receives the necessary information from their respective organizations.

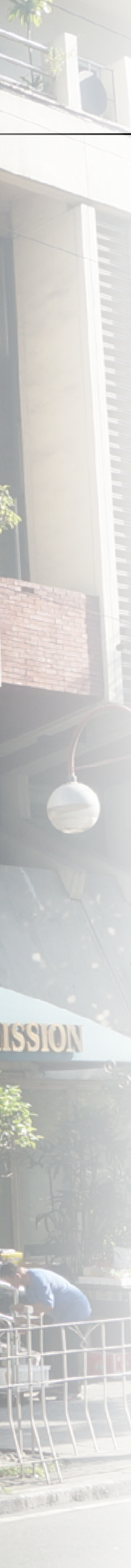
We have also been more aggressive in terms of information dissemination on the EC Program. Aside from our usual advocacy seminars, we tapped the social media to reach out to the younger generation of workers, as well as to those workers who spend most of their time online. Moreover, we used out-of-home advertising to present the benefits and services of the EC Program to the commuters.

We have been consistent in terms of serving the persons with work-related disability. The ECC's Katulong at Gabay ng Manggagawang May Kapansanan has remained steadfast in its purpose of helping the PWRDs rise from their limitations and become the kind of person they were once was. We are with them in every step of the way—we make sure that despite their disabilities, they can still provide for themselves and their families.

Indeed, the ECC has come a long way, but there is still a long way to go. Slowly but surely, we are on our way into making the EC Program a social insurance program that is relevant and responsive to the needs of the workers—the hands that provide.

STELLA ZIPAGAN-BANAWIS
Executive Director


EMPLOYEES' COMPENSATION



THE EMPLOYEES' COMPENSATION PROGRAM

A government corporation attached to the Department of Labor and Employment for policy coordination and guidance, the Employees' Compensation Commission is a quasi-judicial corporate entity created to implement the Employees' Compensation Program.

As implementer of the Employees' Compensation Program, the ECC is mandated by law to provide meaningful and appropriate compensation to workers. Its main functions are:

- To formulate policies and guidelines for the improvement of the Employees' Compensation Program;
- To review and decide on appeal all EC claims disapproved by the Social Security System and the Government Service Insurance System;
- To initiate policies and programs and toward adequate occupational health and safety and accident prevention in the working environment

Legal Mandate

The ECC was created on November 1, 1974 by virtue of Presidential Decree No. 442, or the Labor Code of the Philippines. It, however, become fully operational with the issuance of Presidential Decree No. 626, otherwise known as the Employees' Compensation and the State Insurance Fund, which took effect on January 1, 1975.

Vision

A nationally-acclaimed institution in social security promotion that is in full control of the Employees' Compensation Program, managing a sound, strong, and wisely invested State Insurance Fund and delivering promptly, effectively, and efficiently to the Filipino worker a comprehensive package of services and benefits for work-connected contingencies through pro-active, humane, and dynamic policies, programs, and activities.

Mission

The ECC champions the welfare of the Filipino worker. Its mission is to:

- Build and sustain among employees and employers a culture of safety and healthful environment in the workplace;
- Ensure at all times that workers are informed of their rights, benefits, and privileges under the Employees' Compensation Program;
- Develop and implement innovative policies, programs, and projects that meet the needs of the workers with work-connected contingencies;
- Promptly and fairly resolve all cases brought before it;
- Restore dignity and self-esteem among occupationally-disabled workers; and
- Safeguard the integrity of the State Insurance Fund.

Quality Policy Statement

Employees' Compensation Commission is committed to meeting quality requirements in order to efficiently and effectively provide benefits and services to workers and/or their beneficiaries who meet work-connected injuries, diseases, or death by:

- Ensuring adherence to rules, regulations, and policies;
- Exercising responsibility for quality in all our activities;
- Striving for continual improvement in the services provided; and
- Adapting in its strategic direction any relevant changes in the context of the organization

ECC recognizes the value of empowering its staff to achieve success in both individual performance and teamwork.

ECC employees swears oath of Loyalty Pledge of an Advocate on the Rights of PWDs during the celebration of the National Disability Prevention and Rehabilitation Week.


Cheif, Information and Public Assistance Division (IPAD) Ma. Cecilia Maulion delivers opening remarks to IPAD staff and ECC's Regional Officers during Development Communications Network Planning at Best Western Hotel Subic.

ECC employees visits some churches in the Province of Bulacan for its annual Visita Iglesia activity.

Corporate Values

We, at the ECC, are God-loving, dedicated, and steadfast professionals and public servants.

We stand for transparency, efficiency, and effectiveness in our office operations.

We deal with our clients and other publics with utmost courtesy, patience, and compassion.

We deliver excellent services promptly and fairly to all.

Most of all, we are honest, industrious, and committed to our work and to the Filipino worker.

REU-CAR Regional Officer Dennis Garret Lee pose for a camera during ECC's Tree Planting activity in Clark, Pampanga.

Regional Extension Unit Officers attends Understanding Disability, Rehabilitation and Return to Work seminar during ECC's 42nd Anniversary celebration.

Corporate Governance Confirmation Statement

- The Manual on Corporate Governance contains the policies on disclosure and transparency in adherence to the State Policy that the governance of government-owned or controlled corporations (GOCCs) is carried out in a transparent, responsible and accountable manner and with the utmost degree of professionalism and effectiveness.
- The said Manual outlines the duties of this Commission to its employees and stakeholders.
- The Manual also underlines the importance of social responsibility and integrity in all dealing with stakeholders by the officials and employees in the performance of their duties and responsibilities.

There have been no deviations from the Manual since it was adopted.

The Employees' Compensation Program

A social insurance program designed to provide workers and/or their beneficiaries with income benefits, medical, and other benefits in the event of work-connected sickness, injuries, or death, the Employees' Compensation Program covers the following:

- All compulsory members of SSS, including seafarers, however, voluntary and self-employed members are excluded;
- All GSIS members; and
- Uniformed personnel from the Armed Forces of the Philippines, Philippine National Police, Bureau of Fire Protection, and the Bureau of Jail Management and Penology.

It provides the following benefits in the event of work-related diseases, injuries, or death;

a. Loss of Income Benefit

The ECP compensates the worker's disability or incapacity to work, as a result of a work-related disease or injuries.

b. Medical Services

This benefit includes reimbursement of the cost of medicines for the illness or injury, payment to providers of medical care, hospital care, surgical expenses, and the costs of rehabilitation appliances and supplies.

c. Carer's Allowance

This is a supplemental pension of P575/month for pensioners in the private and public sector who suffer from work-connected permanent partial and permanent total disabilities.

d. Rehabilitation Services

This includes physical restoration services by partner hospitals, skills training for re-employment or new employment, and entrepreneurship training to enable persons with work-related disabilities (PWRDs) to once again become productive or active members of our workforce.

e. Death Benefits

Death benefit in a form of monthly pension is granted to beneficiaries of an employee who died as a result of an illness or injury arising out of or in the course of employment. It also includes a funeral benefit of P30,000.

Skills training for re-employment or new employment, and entrepreneurship training to enable persons with work-related disabilities (PWRDs) to once again become productive or active members of our workforce.

WCPRD staffs facilitates the livelihood training for Persons with Work-Related Disabilities at Ultima Entrepinoy Forum Center, Quezon City.

Deputy Executive Director Atty. Jonathan T. Villasoto together with REU 1 Regional Officer Randy Ponciano visits Marissa Ordoño, an EC beneficiary in La Union.

ANNUAL REPORT 2017

Executive Director Stella Z. Banawis and Deputy Director Atty. Jonathan T. Villasoto led the ECC's Mid-Year Planning at ECC Multi-Purpose Hall.

Executive Summary

The year 2017 has been a productive year for the Employees' Compensation Commission in providing meaningful and appropriate compensation to workers and/or their families in the event of work-related injuries, diseases, or death.

ECP Policy Review and Development

In 2017, the Commission has approved 13 policy issuances, in line with the efficient and effective implementation of the ECP and the delivery of its services. The policies issued this year are geared towards increasing the amount of specific benefits and simplifying previous issuances.

1. **Prescribing the Guidelines in Providing Immediate Assistance to the Victims of the Fire Incident at House Technology Industries (BR No. 17-02-05)**

   Recognizing the need for extending immediate assistance to the families of workers who died and for those who were injured after a fire hit a PEZA locator, House Technology Industries in General Trias, Cavite, the Commission prescribed the necessary guidelines in order to facilitate immediate processing and release of benefits to the affected workers.

2. **Prescribing the Policy on the Minimum Amount of EC Monthly Survivorship Pension for the Private Sector (BR No. 17-02-06)**

   The Commission resolved to prescribe the minimum amount of EC monthly survivorship pension in the private sector at P2,000 after an actuarial study conducted by the SSS confirmed that the State Insurance Fund will remain viable after setting such amount of the minimum monthly pension. The resolution has been transmitted to the Office of the President of the Republic of the Philippines for approval.

3. **Prescribing the Guidelines in the Implementation of Art. 206 (formerly 200) of P.D. No. 626, as Amended, Amending for this purpose Rule XX, Section 1 of the Amended Rules on Employees' Compensation (BR No. 17-02-08)**

   Article 206 of PD 626 provides that in the case of employee's injury or death was due to the failure of the employer to comply with any law, or to install and maintain safety devices, or take other precautions for the prevention of injury, said employer shall pay to the State Insurance Fund a penalty of twenty-five percent of the lump sum equivalent of the income benefit payable by the System to the employee.
   As there has been an increase in the number of accidents in the workplace, the Commission found the need to strengthen measures to ensure the safety and health of workers by providing guidelines, through this Board Resolution, to properly implement Article 206 (formerly 200) of PD No. 626

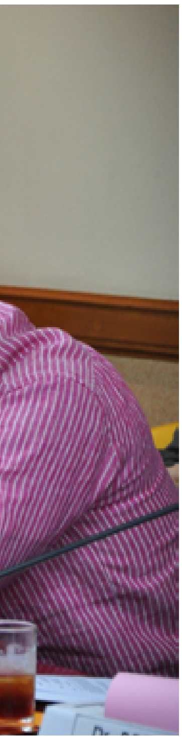
4. **Prescribing the Policy on the Minimum Amount of EC Monthly Disability Pension in the Private Sector (B.R. 17-04-14)**

   The Commission resolved to prescribe that the minimum amount of EC disability pension in the private sector shall, in no case, be less

than two thousand pesos (P2,000). An actuarial study conducted by the SSS has confirmed that setting the minimum amount of EC monthly disability pension will keep the life of the EC SIF in perpetuity.

5. **Approving the Facilitative Processing of the Employees' Compensation Benefits for the Members of the Armed Forces of the Philippines (AFP) and the Philippine National Police Who Were Killed-in-Action (KIA) and Wounded-in-Action (WIA) in the Battle of the Islamic City of Marawi (BR No. 17-06-22)**

   The Government Service Insurance System (GSIS), as the fund manager of the State Insurance Fund for the public sector, to immediately process and release the corresponding EC disability benefits to the wounded-in-action (WIA) and the initial EC death benefits to the qualified beneficiaries of those who were killed-in-action (KIA) in the Battle of Islamic City of Marawi, upon receipt of the names of the immediate families of the casualties from the AFP and the PNP.



6. **Prescribing the Policy of Facilitating the Provision of Employees' Compensation (EC) Benefits for the AFP and PNP Who Are Wounded or Killed in Military and Police Operations (BR No. 17-06-23)**

As part of the agreement forged under the Comprehensive Social Benefits Program (CSBP) for AFP and PNP battle or duty casualties and their dependents, the Commission has resolved to implement facilitative processing of EC disability or death with funeral benefits for the AFP and the PNP battle or duty casualties and their dependents and their immediate enrollment under the ECC' Katulong at Gabay ng Manggagawang May Kapansanan (KaGabay) Program.

Deputy Executive Director Atty. Jonathan T. Villasoto, together with the ECC-Quick Response Team post for posterity during ECC-QRP visit at PNP General Hospital, Camp Crame, Quezon City.

WCPRD Social Worker Veronica Curimao assisting two military personnel who were wounded in-action during the Marawi Siege.

7. **Revising the Conditions for Compensability of CVA under Annex A of the Amended Rules on the Employees' Compensation**

   Pursuant to its policy of continuous enhancement of the ECP benefit structure, through the updating of the conditions for compensability of occupational diseases and work-related illnesses under Annex "A" of the Amended Rules on Employees' Compensation, the Commission amended the prevailing conditions for the compensability of the Cerebrovascular Accident (CVA). Such initiative was done to make way for faster and clearer determination of work-relatedness of CVA.

A person with work-related disability receives transportation and meal allowance as part of the ECC's KaGabay Program.

8. **Upgrading the Amount of Reimbursement for Physical Therapy Sessions in the Private Sector (BR No. 17-10-37)**

   As part of the continuous enhancement of benefits under the ECP and taking into consideration the adequacy indicator for social insurance benefits, the Commission resolved to increase the amount of reimbursement for physical therapy sessions from P45 to a maximum of P500 per sessions. This move is also supported by the result of an actuarial study conducted by the SSS that the SIF life will remain viable and will last beyond 2080, even after implementation of the increase in the amount of reimbursement for physical therapy.

9. **Approving the Across-the-Board Increase in Monthly Pension of EC Permanent Disability Pensioners and Qualified Beneficiaries in the Private Sector (BR No. 17-10-38)**

   Letter of Instruction No. 1286, dated January 30, 1983, mandates that there shall be an automatic and simultaneous increase in the monthly income benefit under Presidential Decree No. 626, as amended, every time the SSS increases its monthly income benefit to maintain the fifteen percent (15%) difference between the SSS and the EC pension. As there has been a P1, 000 increase in the monthly pension of qualified SSS retirees, survivors, and permanent disability pensioners effective on January 1, 2017, the Commission has agreed to increase the amount of monthly pension of existing and future EC permanent disability pensioners and qualified beneficiaries in the private sector effective January 1, 2017, to coincide with the previously mentioned increase in SS pension.

This increase has been supported by the result of an SSS actuarial study which revealed that SIF for the private sector will remain viable and will last beyond 2080, even after the implementation of an across-the-board increase in EC pension at the amount of P1,150 per month without requiring additional contribution from the employers and notwithstanding the other simultaneous increases in EC benefits.

Once the resolution is signed by the President, there shall be a retroactive application of the said increase effective January 1, 2017.

10. Increasing the Amount of Carer's Allowance in the Private Sector

Carer's allowance is a supplemental pension provided to pensioners in the private and public sector who suffer from work-connected permanent partial and permanent total disabilities.

Aligned with the enhancement of ECP benefits, the Commission also resolved to increase the amount of Carer's Allowance from P575 to P1,000 per month for the private sector workers who were afflicted with work-related accidents or illness. This is also supported by an actuarial study that the private sector SIF will remain viable and will last beyond 2080 even after the said increase.

Deputy Executive Director Atty. Jonathan T. Villasoto orients the AFP personnel who were wounded in action to the benefits and services of the Employees' Compensation Program during the quick response visit at V. Luna Medical Center, Quezon City.

A copy of the said resolution has been transmitted to the Office of the President for his approval and the subsequent issuance of an Executive Order.

11. Increasing the Amount of Employees' Compensation (EC) Monthly Pension of Primary Beneficiaries of Deceased Permanent Total Disability (PTD) Pensioners in the Private Sector (BR No. 17-10-40)

One of the provisions of P.D. No. 626, as amended, states that upon the death of the permanent total disability pensioner, his primary beneficiaries, as of the date of disability, shall be entitle dot receive 80% of his monthly EC pension. However, Social Security Commission (SSC) Resolution No. 604, Series of 1990, approved the increase in the monthly pension of qualified beneficiaries of a deceased SSS PTD pensioners from 80% to 100% of his monthly pension effective September 1, 1990 and applied the same for EC pensioners.

To formalize such practice, the Commission resolved to upgrade the amount of EC monthly pension of qualified beneficiaries of deceased PTD pensioners in the private sector from 80% to 100%. This move was supported by the results of the latest EC valuation of the SSS which confirmed that the 100% monthly pension of primary beneficiaries of a deceased EC PTD pensioner is already being applied and that despite its application, the State Insurance Fund (SIF) in the private sector is still in perpetuity and remains viable.

Upon approval of the Office of the President, the said increase will have a prospective application and shall cover all current and future beneficiaries.

12. Upgrading the Amount of Reimbursement for Professional Fees of Physicians for EC Medical Benefit Claims in the Private Sector (B.R. No. 17-10-41)

Still in line with its mandate of continually enhancing ECP benefits and considering the continuous rising costs of health care, the Commission increased the amount of reimbursement for professional fees of physicians for EC medical claims in the private sector.

Once approved by the President, an Executive Order will be issued for the implementation of the said increase.

Photo taken during the ECC and OSHC consultation meeting.

Championing the Welfare of Persons with Work-Related Disabilities

With its proactive approach in reaching out to workers who were victims of work-related diseases or injuries, the ECC, through its Work Contingency Prevention and Rehabilitation Division (WCPRD) and the Regional Extension Units (REUs), was able to extend its rehabilitation services to 733 persons with work-related disabilities (PWRDs) in 2017.

Katulong at Gabay ng Manggagawang May Kapansanan (KaGabay) Program

The ECC, through its KaGabay Program, provides special economic assistance to PWRDs in the form of physical restoration and skills or entrepreneurship training with the purpose of facilitating their integration into the economic mainstream and to provide them access to income opportunities.

- Two hundred eighty-four (284) PWRDs were provided with vocational/entrepreneurship training with appropriate start up kits;
- Fifty-eight (58) PWRDs out of the 284 who have undergone skills/entrepreneurial training were monitored through home visits;
- Forty-five (45) children of PWRDs were enrolled under Special Program of Employment for Students (SPES) of the Department of Labor and Employment-National Capital Region (DOLE-NCR);
- Two hundred seventy-one (271) PWRDs were provided with free physical/ occupational therapy (PT/OT) services while 159 of them were provided with transportation and meal allowance, as they complete their PT/OT sessions;
- The status and development of seventy-four (74) PWRDs who have undergone physical/ occupational therapy in 2016 and first semester of 2017 were monitored through home visits;
- Fifty-three (53) PWRDs were provided with free prosthesis; and
- Nine (9) PWRDs were successfully able to land a job under the ECC's Return to Work program

Quick Response Program (QRP)

The ECC extends assistance to private and public sector employees or their dependents in the event of work-related sickness, injury, or death through it Quick Response Program. The program provides immediate help to workers who suffer from work-connected contingencies, including their families, in the form of psycho-social counselling and assistance in the filing of EC benefits claim.

In 2017, the ECC QRP team responded to 161 work-related incidences monitored. From these QRP visits, 395 PWRDs were counseled and provided with information on the ECP by the team.

The QRP team also helped in the facilitation of EC benefits to 36 victims/beneficiaries.

Ensuring that all Filipino Workers are informed of their rights under the Employees' Compensation Program

One of the mandates of the ECC is to ensure the awareness of the Filipino workers on their rights under the ECP. In order to achieve this goal, the Commission, through its Information and Public Assistance Division (IPAD), with the assistance of 14 regional extension units were able to achieve the following:

- Conduct of 815 ECP advocacy seminars nationwide participated in by 43,650 workers from 18,540 companies;
- Establishment and maintenance of ECC's social media presence wherein the Commission's Facebook page were able to accrue 188,449 page 'likes' as of December 22, 2017;
- Through the ECC Facebook page, the Commission was able to address 5,094 queries and assist 1,947 clients;

IPAD Chief Ma. Cecilia E. Maulion discusses the Employees' Compensation Program to some 60 employees during its monthly In-house seminar.

Information Officer IV Alicia S. Borres explains the ECP to the participants of the Advocacy Seminar in Bacagang Business Center Hotel & Resorts in Camarines Sur.

- Produced a 30-seconder TV commercial and four videos through its partnership with the Philippine Information Agency (PIA). The TVC and the said videos were scheduled to be aired and broadcast in 2018;
- Promoted the ECP using an LED billboard located along Makati Avenue corner Buendia Avenue in Makati City with the ECP advertisement appearing 100 times a day within a 30-day period; and
- Using transit advertising, 28 city buses traversing Metro Manila were wrapped with ECP advertisements with the aim of advancing the Filipino commuters' awareness on the program

The presence of the ECC—Central Office and the Regional Extension Units (REUs)—in the areas where they hold office were established through the use of signage and billboards so the public would know where to go, if ever they will need assistance from the Commission.

ECC produced a 30-seconder TV commercial and four videos of success stories through its partnership with the Philippine Information Agency (PIA).

One of ECC's bus ads project that aims to promote the ECP to the public.

Official facebook page of the Employees' Compensation Commissiion

LED electronic billboard at Gil Puyat Avenue corner Makati Avenue, Makati City

Disposition of EC appealed cases

One of the functions of the ECC is to evaluate and adjudicate all EC benefits claims elevated to the Commission after the claim was denied by either the Social Security System (SSS) or the Government Service Insurance System (GSIS).

In 2017, the ECC, through its Appeals Division, was able to establish a 100% case disposition rate from the 118 cases it received and handled. These cases were also disposed within the prescribed process cycle time of 20 working days.

Photos taken during the Technical Review Committee (TRC) meetings.

In-House Seminars

Jan. 2017	
March 13, 2017	Learning Session: RA 6656 –
An Act to Protect the Security of	
Tenure of Civil Service Officers and	
Employees in the Implementation of	
Government Reorganization –	
55 participants	
April 5-6,17 2017	Developing an Attitude of
Professionalism – 52 participants	
April 24, 2017	Setting up of Provident Fund,
Liquidation of Cooperative and	
Orientation on Early Retirement	
Incentive (ERIP) – 53 participants	
May 8-10	Training on Disability Management in
Relation to Return to Work- 26	
participants	
May 11-12, 2017	Developing an Attitude of
Professionalism – 13 participants	
(Administrative Officers- REUs)	
May 18, 2017	Competency Framework
-	26 participants
May 22, 2017	Earthquake preparedness seminar
by Phivolcs – 77 participants	
July 24, 2017	Nutrition Month Seminar- “Food as
Medicine - 50 participants	
Aug 02, 2017	Red Cross Seminar
Aug. 25, 2017	Financial Wellness
Sept. 11-15, 2017	Social Media seminar-workshop –
25 participants	
Sept. 18, 2017	Compliance to Data Privacy – 47 pax
Sept. 19, 2017	Right to Write Seminar – 18 pax

External Trainings

Jan. 26, 2017	Effective Corporate Communications: Building Relationship with Media – L. Galicia/R. Navarro/J.Cañedo
Jan. 23-27, 2017	COSH Training – D. Lee
Jan. 26-27, 2017	AMSWPI 17TH Lecture Series –N. Bonto/V. Curimao
Feb. 20-24, 2017	BOSH – Atty. Quiambao/R. Daguplo/J. Casalme
Feb. 21-22, 2017	Finance Management – A. Villonez
Feb. 22-24, 2017	COSH Training – C. Ahmad
Feb. 25-26, 2017	Advanced Illustrator – A. Abanilla
Feb. 28,- March 02,2017	Communication Planning Workshop – R. Navarro/L. Galicia
March 1-2, 2017	Ergonomics on the Workplace-S. Barredo/ M.Flores
March 6-10, 2017	COSH –S. Obice
Mar. 8-9, 2017	Mentoring and Coaching- Dr. M.Sacro
Mar 12-Apr. 09, 2017	Information Technology Security Analysis- J. Galasinao/ G. Sarsonas
March 16-18, 2017	National Convention of the Philippine College of Occupational Medicine – Dr. Sacro
Mar. 16-17, 2017	Records Information andManagement – A. Fernandez/ C. Bundalian/ A. Belino
Mar. 21-24, 2017	Updates on the 2016 Revised IRR of R.A. 9184 . Preparation of 2017 PPMP, Consolidation of 2017 APP and Conduct of Self-Assessment on APCPI – Atty. Recto/R. Panlaqui
Mar. 21-24, 2017	Cost Benefit and Labor Policy Analyses: Gateway Onwards Evidence-based Policy Evaluation- Atty. Quiambao/R.Daguplo
Mar. 24, 2017	Neurological Cases in the Workplace: What an Occupational Health Nurse Should know,,,
Mar. 28-29, 2017	Effective Business Writing – M. Tagalog/S. Pascual
April 6-7, 2017	Transformational Leadership – DED Villasoto
April 6-7, 2017	Moral Recovery Seminar – Y. Bonavente/R. Agustin

April 18-21,2017	Supervisory Development (Track I) - Atty. Quiambao, J. Galasinao/R.Campugan
April 24-28, 2017	Statistics for Policy Analysis – R. Daguplo
May 5, 2017	High Impact Presentation Through Power Dressings & Social Graces – C. Gamboa
May 6-7, 2017	Digital Video Production- G. Quimpo
May 9-10, 2017	Effective Writing: Writing with Impact -M. Lomenario
May 10-12, 2017	Construction Cost Estimating And Analysis - A. Urbano
May 16-17, 2017	Records and Information Management - M. Vicencio/ E. Ibe
May 24-25, 2017	Manager's role in Capacity Building - A. Quilandrino/M. Maulion/ M. Oliveros/ M.Urbano
May 29,-31, 2017	Managing Records With The Law in Mind - E. Palanca
June 7-9, 2017	Employee Relations Program - N. Monteros
June 7-9, 2017	Government Procurement Reform Act (R.A.9184) -DED Villasoto & J. Galasinao
June 21-23, 2017	Recruitment, Selection and Placement - J. Garces
June 21-23, 2017	Basic Accounting and Internal Control for Non- Accountants- Z. Lardizabal
June 28, 2017	WAHP Launching- J. Galasinao
June 29, 2017	COSH Training- E. Salcedo
June 29- 30, 2017	Training on Work Relatedness of Diseases - R. Ponciano & W. Salada
July 3-7, 2017	BOSH – J. Eria
July 3, 2017	Return to Work Survey-ECC Survey Team – c/o PPSMD
July 20, 2017	Seminar on Drug Awareness - C. Curimao/ A. Misa
July 13, 2017	Capacity Building for Return to Work Survery Team – c/o PPSMD
July 21, 2017	Data Privacy Act – OSHC – 19 participants
July 24-28, 2017	COSH – R. Andrada
Aug. 4-7, 2017	BOSH – C. Rodriguez
Aug. 05, 2017	Underchassis Mechanic – R. Alcober
Aug. 7—8, 2017	BOSH Journalism – D. Dupagan

Aug. 7-11, 2017	BOSH Training – G. Elorde S. Villarta
Aug. 08, 2017	Autobody Elec. – R. Punla
Aug. 13-18, 2017	BOSH training – D. Dupagan
Aug. 15-18, 2017	HRMO Managing for result – J. Garces
SEPT. 7-8, 2017	OHNAP – a. Misa/J. Go
	Project Proposal Business Planning workshop – R. vVillonez
Sept. 11-15, 2017	Workshop on the review of Inspection Tools – Dr. Sacro
	19th PCOM Mid year convention - Dr. Sacro/Dr. Law
Oct. 03-10, 2017	Electrical – I. Yamson
Oct. 03-7, 2017	PAGBA seminar – N. Ibesate/ N. Monteros
Oct. 4-5, 2017	LLCO Workshop- J. Castillo/ Atty. Ygnacio
Oct. 4-6, 2017	PASWI- N. Bonto/V. Curimao
Oct. 8-10, 2017	Basic Management Course – J. Galasinao
Oct. 10-11. 2017	International Conference on Public Sector Productivity-Dr. Sacro/ C. Maulion/ J. Garces M.Lomenario/R.Daguplo
Oct. 11-13, 2017	COSH – J. Go
Oct.	Auto Body – I. Yamson
Oct. 16-19, 2017	11th Annual Workshop (APRV) -J. Castillo
Oct. 18-21, 2017	AGAP convention – Oct. 18-21
Oct. 19-20, 2017	Training on Work-relatedness – M. Urbano/E. Peregrino C. Garcia/A.Garcia
	ECC-UCAT.me Work Accident Reporting System
Oct. 23-24, 2017	Beginners Training for Internal Auditors – M. Ygnacio/S.Pascual
Oct. 23-27, 2017	COSH – D. Dupagan
Oct. 25-26, 2017	7th Annual Auditors Forum – M. Urbano/M.Ygancio/C.Rodriguez
Nov. 7-10,2017	Training of DOLE Group of Internal Auditors –M. Ygnacio/ S. Pascual
Nov. 9-10, 2017	GAD planning and Budgeting – C. Rodrigues/ G. bobis/N. Ibesate
Nov. 10, 2017	Orient Work Contry Program – A. Quilandrino
Nov. 27-29, 2017	Disaster Risk Reduction and Management for Public Sector – M. Flores
Dec. 19-21,2017	RA 9184 – Atty. J. Qiambao/ H. Penolio


Puerto Del Sol


Task Force 1 Million Trees

43
Years in Service

Your EC

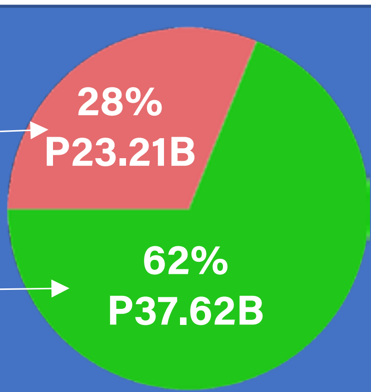
Members:

GSIS:
2,048,063 (201

SSS:
26,052,653 (as

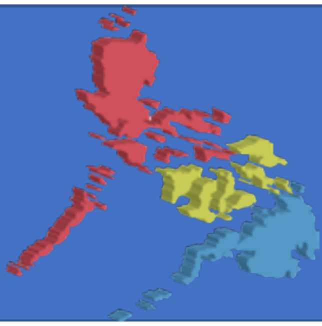
Total Assets
(as of Dec. 2017)
P60.82B

GSIS
SSS



GSIS
2067
50 Years

Numbers of EC Claims	
2016 290,200	2017 285,516



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Employees' Compensation Commission

7)

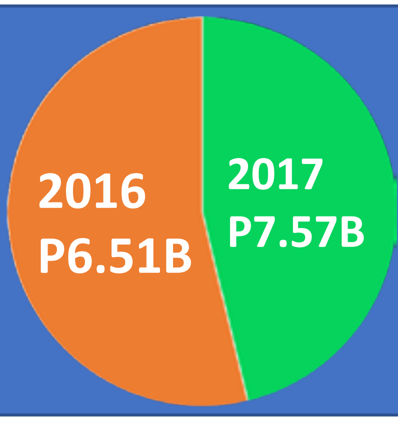
of Oct. 2017)

ECP-SIF Fund Life

SSS
2080
63 Years

Revenues

Contributions
Investment/
Other Income



Amount of Benefits Paid

2016	2017
P1,318.378B	P1,370.814B

ional Extension Units

Regional Officers Nationwide

ANNUAL AUDIT REPORT

on the

EMPLOYEES' COMPENSATION COMMISSION

For the Year Ended December 31, 2017 and 2016

Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Ave., Quezon City

ANNUAL AUDIT REPORT

on the

EMPLOYEES' COMPENSATION COMMISSION

For the Years Ended December 31, 2017 and 2016

EXECUTIVE SUMMARY

INTRODUCTION

The Employees' Compensation Commission (ECC) and the State Insurance Fund (SIF) were created by virtue of Presidential Decree (PD) No. 626, dated December 27, 1974, as amended and as embodied in Title II of Book IV of the Labor Code of the Philippines. Said PD took effect on January 1, 1975 and the ECC became fully operational by March 17, 1975. Under PD No. 626, ECC is mandated to provide meaningful and appropriate compensation to workers and their dependents in the event of work-related contingencies such as sickness, injury, disability or death. These benefits are being processed by the Government Service Insurance System (GSIS) and the Social Security System (SSS) for the public and the private sectors, respectively.

The ECC is a quasi-judicial corporate entity attached to the Department of Labor and Employment (DOLE) for policy coordination and guidance. As an appellate body, it decides cases denied by GSIS and SSS which are elevated to it for resolution. Cases denied by ECC are appealable to the Court of Appeals.

The governing body of the ECC is the Board of Commissioners composed of (a) six ex-officio members, namely: The Secretary of DOLE, the GSIS General Manager, the SSS President, the Chairman of Philippine Health Insurance Corporation, the Chairman of Civil Service Commission and the Executive Director of ECC; and (b) two appointive members, representing the employees and the employers, to be appointed by the President of the Philippines for a term of six years. The Board is assisted by the ECC Secretariat in discharging its functions.

As at December 31, 2017, ECC has 64 regular employees, 27 casual employees and six co-terminus employees assigned in the Office of the Board of Commissioners.

The registered office of the Commission is located at the 4th and 5th floors of ECC Building, Sen. Gil J. Puyat Avenue, Makati City. It has 13 regional offices throughout the country.

The ECC 2017 Corporate Operating Budget (COB) amounting to P180.481 million as approved by the Department of Budget and Management (DBM) were sourced from the remittances of GSIS and SSS as mandated under PD No. 626 and from its income/retained earnings. The budget utilization of the ECC is shown below:

	DBM Approved Budget	Utilization	Variance
Personal services	66,436,000	64,508,927	1,927,073
Maintenance and other operating expense/Financial cost	83,509,000	75,866,580	7,642,420
Capital outlay	30,536,000	6,481,020	24,054,980
	180,481,000	**146,856,527**	**33,624,473**

FINANCIAL HIGHLIGHTS (In Philippine Peso)

I. Comparative Financial Position

	2017	2016	Increase (Decrease)
Assets	474,429,331	485,087,947	(10,658,616)
Liabilities	50,119,746	43,125,334	6,994,412
Equity	**424,309,585**	**441,962,613**	**(17,653,028)**

II. Comparative Results of Operations

	2017	2016	Increase (Decrease)
Income/Finance income	125,962,834	133,537,735	(7,574,901)
Expenses/Finance costs	143,615,862	106,494,316	37,121,546
Net (Deficit)/Surplus	**(17,653,028)**	**27,043,419**	**(44,696,447)**

OPERATIONAL HIGHLIGHTS

Activities	Targets	Accomplishments	Variance
1. Development and Review of Policies and Issuances on the Employees' Compensation Program (ECP)	5	13	8
2. Rehabilitation Services to PWRDs	853	794	(59)
3. ECP Advocacy Seminar	506	815	309
4. Development and Production of IEC Materials	5	4	(1)
5. ECP Dissemination through Quad-Media	50	57	7
6. Disposition of EC Appealed Cases	118	118	-

SCOPE OF AUDIT

Our audits covered the significant accounts and operations of the ECC for calendar years 2017 and 2016. Our audits were aimed to ascertain the accuracy of financial records and reports and the fairness of the presentation of the financial statements in accordance with the provisions of Philippine Public Sector Accounting Standards (PPSAS) 33, *First-time Adoption of Accrual Basis Financial Statements IPSASs*, and were also made to assess the propriety of the financial transactions and compliance of ECC with laws, rules and regulations.

AUDITOR'S OPINION

We rendered an unmodified opinion on the fairness of the presentation of the financial statements of the ECC for the years ended December 31, 2017 and 2016.

SUMMARY OF SIGNIFICANT AUDIT OBSERVATIONS AND RECOMMENDATIONS

1. Accounts payable totaling to P817,589 remained dormant for more than five years and not supported with documents to prove the validity of the obligations, contrary to Section 4 (6) of P.D. 1445.

1.1 We recommended that Management:

a. Strictly comply with Section 4 (6) of P.D. 1445 on recognition of Accounts payable based on valid obligations duly supported with documents;

b. Require the Accountant to exert best efforts to analyze and review the accounts and to locate the documents to substantiate the accounts payable balance; and

c. Revert all Accounts payable that are not supported with valid obligations and documents to the Retained earnings.

2. The ECC utilized and attributed P8.829 million or 88.76 per cent of its CY 2017 Gender and Development (GAD) Budget of P9.947 million, which is 5.81 per cent of its original Corporate Operating Budget (COB), making the Commission a gender-responsive agency. The GAD Plan and Budget (GPB) was submitted to the DOLE on October 7, 2015, however, the said GPB was not submitted by DOLE to the Philippine Commission on Women (PCW) on time, hence, not endorsed to the DBM for approval, contrary to Joint Circular No. 2012-01 of PCW-National Economic Development Authority (NEDA)-DBM.

2.1 We recommended and Management agreed to coordinate with DOLE for the submission of GAD Plan and Budget to PCW within the deadline for its approval and endorsement to DBM, in order to comply with the guidelines of Joint Circular No. 2012-01 of PCW-NEDA-DBM.

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of the six prior years' audit recommendations, three were fully implemented, two were partially implemented and one was not implemented. Details are presented in Part III of this Report.

PART I

AUDITED FINANCIAL STATEMENTS

TABLE OF CONTENTS

Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF COMMISSIONERS
Employees' Compensation Commission
355 Sen. Gil J. Puyat Avenue, Makati City

Report on the Financial Statements

Opinion

We have audited the financial statements of Employees' Compensation Commission (ECC), which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of financial performance, statements of changes in net assets/equity, statements of cash flows, statement of comparison of budget and actual amounts for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the ECC as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with Philippine Public Sector Accounting Standards (PPSAS).

Basis for Opinion

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the ECC in accordance with the Code of Ethics for Government Auditors in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PPSAS, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, Management is responsible for assessing the ECC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the ECC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ECC's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ECC's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ECC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ECC to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2017 required by the Bureau of Internal Revenue as disclosed in Note 25 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PPSAS. Such supplementary information is the responsibility of Management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements.

COMMISSION ON AUDIT

ELIZABETH M. SAVELLA
Supervising Auditor

June 25, 2018

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

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of EMPLOYEES' COMPENSATION COMMISSION (ECC) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2017 and December 31, 2016 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the EMPLOYEES' COMPENSATION COMMISSION's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate EMPLOYEES' COMPENSATION COMMISSION or to cease operations, or has no realistic alternative to do so.

The Board of Commissioners is responsible for overseeing the EMPLOYEES' COMPENSATION COMMISSION's financial reporting process.

The Board of Commissioners reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders or members.

The Commission on Audit, through its authorized representative, has examined the financial statements of the ECC pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 28 of the Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions and the auditor, in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

CIRIACO A. LAGUNZAD III
Chairperson – Designate
Department of Labor and Employment

STELLA ZIPAGAN-BANAWIS
Executive Director

MARIA TERESA M. URBANO
Chief, Finance Division

Signed this 22nd day of June 2018

EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2017 and 2016
(In Philippine Peso)

	Note	2017	2016 (As restated)	Jan. 1, 2016 (As restated)
ASSETS				
Current Assets				
Cash and cash equivalents	4	**11,881,874**	26,039,342	392,027,962
Other investments	5	**405,607,324**	411,954,246	-
Receivables - net	6	**15,985,520**	9,366,977	19,025,062
Inventories	7	**217,273**	222,832	298,400
Other current assets	8	**1,324,156**	1,332,030	1,333,055
		435,016,147	448,915,427	412,684,479
Non-current Assets				
Investment property	10	**167,483**	167,483	167,483
Property and equipment - net	11	**36,529,649**	33,288,985	37,491,420
Other non-current assets - net	9	**2,716,052**	2,716,052	3,380,395
		39,413,184	36,172,520	41,039,298
TOTAL ASSETS		**474,429,331**	485,087,947	453,723,777
LIABILITIES				
Current Liabilities				
Financial liabilities	12	**24,928,100**	28,052,699	28,939,770
Inter-agency payables	13	**661,894**	1,082,783	78,822
Trust liabilities	14	**186,433**	186,433	272,573
Other payables	15	**6,886,163**	-	-
		32,662,590	29,321,915	29,291,165
Non-current Liabilities				
Financial liabilities	12	**17,457,156**	13,803,419	13,361,258
		17,457,156	13,803,419	13,361,258
TOTAL LIABILITIES		**50,119,746**	43,125,334	42,652,423
TOTAL ASSETS LESS TOTAL LIABILITIES		**424,309,585**	441,962,613	411,071,354
NET ASSETS/EQUITY				
Government equity				
Government equity		**441,962,613**	414,919,194	396,299,689
Add: Net surplus/(deficit)		**(17,653,028)**	27,043,419	14,771,665
TOTAL NET ASSETS/EQUITY		**424,309,585**	441,962,613	411,071,354

The Notes on pages 10 to 47 form part of these financial statements.

EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF FINANCIAL PERFORMANCE
For the Years Ended December 31, 2017 and 2016
(In Philippine Peso)

	Note	2017	2016
REVENUE	16		
Transfer from other government entities		**110,566,000**	118,749,000
Other revenue		**11,048,491**	10,502,298
		121,614,491	129,251,298
CURRENT OPERATING EXPENSES			
Personal services	17	**64,508,927**	53,729,090
Maintenance and other operating expenses	18	**75,856,356**	48,792,761
Non-cash expenses	19	**3,240,355**	3,972,465
		143,605,638	106,494,316
SURPLUS FROM CURRENT OPERATION		**(21,991,147)**	22,756,982
FINANCE INCOME (COSTS)			
Finance income	20	**4,348,343**	4,286,437
Finance costs	21	**(10,224)**	-
		4,338,119	4,286,437
NET SURPLUS/(DEFICIT) FOR THE PERIOD		**(17,653,028)**	27,043,419

The Notes on pages 10 to 47 form part of these financial statements.

EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
For the Years Ended December 31, 2017 and 2016
(In Philippine Peso)

		Accumulated Surplus/(Deficit)	
	Note	**2017**	2016
BALANCE AT JANUARY 1		**441,962,613**	411,071,354
Prior period adjustments	22	-	3,847,840
ADJUSTED BALANCE AT JANUARY 1		**441,962,613**	414,919,194
Add:			
Changes in Net Assets/Equity for the Calendar Year			
Surplus/(Deficit) for the period		**(17,653,028)**	27,043,419
BALANCE AT DECEMBER 31		**424,309,585**	441,962,613

The Notes on pages 10 to 47 form part of these financial statements.

EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2017 and 2016
(In Philippine Peso)

	Note	2017	2016 (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt of loading fund from the SSS and GSIS		**102,273,550**	126,372,267
Collection of receivables from tenants		**16,392,653**	14,333,260
Return of cash advance		**1,379,582**	1,448,791
Cash receipts from International Labor Organization		**613,418**	-
Cash receipts from overpayments/disallowances		**128,492**	157,385
Collection from sale of bid forms		**23,000**	20,000
Interest earned on savings deposits		**20,727**	17,730
Rebates from remittance NHMFC		**313**	313
Miscellaneous cash receipts		**59,982**	143,662
Payments to suppliers and employees		**(139,262,519)**	(99,774,570)
Net cash flows from operating activities		**(18,370,802)**	42,718,838
CASH FLOWS FROM INVESTING ACTIVITIES			
Transfer from investment in time deposit		**434,922,589**	-
Interest earned on time deposits		**3,268,311**	4,166,254
Collection of receivables - LOI 1401		**-**	148,452
Transfer to investment in time deposit		**(427,496,546)**	(411,954,246)
Purchase of furniture, fixture and equipment		**(6,481,020)**	(1,067,918)
Net cash used in investing activities		**4,213,334**	(408,707,458)
NET INCREASE IN CASH		**(14,157,468)**	(365,988,620)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**26,039,342**	392,027,962
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	**11,881,874**	26,039,342

The Notes on pages 10 to 47 form part of these financial statements.

EMPLOYEES' COMPENSATION COMMISSION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the Year Ended December 31, 2017
(In Philippine Peso)

	Note	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
		Original	Final		
SOURCES OF FUNDS					
Corporate Funds	23				
State Insurance Fund		114,695,000	114,695,000	110,566,000	4,129,000
Income/Retained Earnings		76,527,000	92,518,000	69,915,000	22,603,000
		191,222,000	**207,213,000**	**180,481,000**	**26,732,000**
USES OF FUNDS					
Personal Services	23				
State Insurance Fund		57,057,000	57,057,000	57,057,000	-
Retained Earnings		-	9,379,000	7,451,927	1,927,073
		57,057,000	66,436,000	64,508,927	1,927,073
Maintenance and Other Operating Expenses/Finance Costs	23				
State Insurance Fund		83,509,000	53,509,000	46,495,003	7,013,997
Retained Earnings		-	30,000,000	29,371,577	628,423
		83,509,000	83,509,000	75,866,580	7,642,420
Capital Outlays	23	30,536,000	30,536,000	6,481,020	24,054,980
		171,102,000	**180,481,000**	**146,856,527**	**33,624,473**
NET FUND SOURCES/USES		**20,120,000**	**26,732,000**	**33,624,473**	**(6,892,473)**

The Notes on pages 10 to 47 form part of these financial statements.

EMPLOYEES' COMPENSATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
(All amounts in Philippine Peso unless otherwise stated)

1. GENERAL INFORMATION

The Employees' Compensation Commission (ECC) is a government corporation created by virtue of Presidential Decree (PD) No. 626, dated December 27, 1974, as amended and as embodied in Title II of Book IV on Employees' Compensation and State Insurance Fund of the Labor Code of the Philippines. Said PD took effect on January 1, 1975 and the ECC became fully operational by March 17, 1975. Under PD No. 626, ECC is mandated to provide meaningful and appropriate compensation to workers and their dependents in the event of work-related contingencies such as sickness, injury, disability or death. These benefits are being processed by the Government Service Insurance System (GSIS) and the Social Security System (SSS) for the public and the private sectors, respectively. Its registered office address is at the 4th and 5th floors of ECC Building, Sen. Gil J. Puyat Avenue, Makati City.

The ECC is a quasi-judicial corporate entity attached to the Department of Labor and Employment (DOLE) for policy coordination and guidance. As an appellate body, it decides cases denied by GSIS and SSS which are elevated to the Commission for resolution. Cases denied by ECC are appealable to the Court of Appeals.

The ECC is mandated by law to provide a complete and comprehensive package of benefits and services for workers and their dependents in the event of work-related contingencies. Its mission is to build and sustain among employees and employers a culture of safety and healthful environment in the workplace; ensure at all times that workers are informed of their rights, benefits and privileges under the Employees' Compensation Program; develop and implement innovative policies, programs and projects that meet the needs of workers with work-related contingencies; promptly and fairly resolve all cases brought before it; restore dignity and self-esteem among occupationally disabled workers; and safeguard the integrity of the State Insurance Fund (SIF). All revenues that are not needed to meet the current operational expenses shall be accumulated in a fund to be known as the SIF. Under PD No. 626, the Government Service Insurance System (GSIS) and the Social Security System (SSS) shall manage the ECC funds.

The ECC is exempted from levy and other taxes pursuant to Article 204 of PD No. 626 as amended on December 27, 1974, which is hereunder quoted:

> *"All laws to the contrary notwithstanding, the State Insurance Fund and all its assets shall be exempt from any tax, fee, charge, levy or customs or import duty, and no law hereafter enacted shall apply to the State Insurance Fund unless it is provided therein that the same is applicable by expressly stating its name."*

The governing body of the ECC is the Board of Commissioners composed of (a) six ex-officio members, namely: the Secretary of DOLE, the GSIS General Manager, the SSS President, the Chairman of Philippine Health Insurance Corporation, the Chairman of Civil Service Commission and the Executive Director of ECC; and (b) two appointive members, representing the employees and the employers, to be appointed by the President of the Philippines for a term of six years.

Presently, Ms. Stella Zipagan-Banawis and Mr. Jonathan T. Villasoto are the Executive Director and Deputy Executive Director, respectively, of the Commission. They are supported by six Divisions, namely: Appeals Division, Work Contingency Prevention and Rehabilitation (WCPRD) Division, Policy, Programs and System Management (PPSMD) Division, Information and Public Assistance (IPAD) Division, Finance Division and Administrative Division. As at December 31, 2017, ECC has 64 regular employees, 27 casual employees and six co-terminus employees assigned in the Office of the Board of Commissioners.

The financial statements of ECC were authorized for issue on April 11, 2018 in Board Resolution No. 18-04-23 dated April 11, 2018 and were signed by the Chairperson-Designate on June 22, 2018 as shown in the Statement of Management Responsibility for Financial Statements.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Public Sector Accounting Standards

The ECC financial statements for the year ended December 31, 2017 are prepared for the first time on an accrual basis in accordance with Philippine Public Sector Accounting Standards (PPSAS), in accordance with PPSAS 33 and as prescribed by the Commission on Audit through the following COA Resolutions:

COA Resolution Number/Date	Particulars
2014 – 003 January 24, 2014	Prescribed the adoption of 25 Philippine Public Sector Accounting Standards (PPSASs) effective January 1, 2014 by Non - Government Business Entities (Non-GBEs) These PPSASs were based on the International Public Sector Accounting Standards (IPSASs) which were published in the 2012 Handbook of International Public Sector Accounting Pronouncements (HIPSAP) of the International Public Sector Accounting Standards Board.
2015 – 040 December 01, 2015	Amended the effectivity of the adoption of the PPSAs to January 1, 2016.

COA Resolution Number/Date	Particulars
2017 – 006 April 26, 2017	Adoption of additional six PPSASs and updates on the PPSAS prescribed through COA Resolution No. 2014-003 dated January 24, 2014 in accordance with the 2016 Edition of the handbook of International Public Sector Accounting Pronouncements published by the International Federation of Accountants.

For the periods up to and including the year ended December 31, 2016, the financial statements have been prepared in accordance with the generally accepted accounting principles.

(b) Presentation of Financial Statements

COA Circular No. 2015-003 dated April 16, 2015 classified ECC as a Non-Government Business Enterprise. Pursuant to COA Circular No. 2015-010 dated December 1, 2015, ECC has adopted the Revised Chart of Account (RCA) for government owned and controlled corporation.

The preparation of the financial statements is also in accordance with COA Circular No. 2017-004 dated December 13, 2017 on the guidelines on the preparation of the financial statements and other financial reports and implementation of PPSAS by Non-Government Business Enterprises.

The accounting policies have been consistently applied throughout the year presented.

(c) Functional and Presentation Currency

The financial statements are presented in peso, which is also the country's functional currency. Amounts are rounded off to the nearest peso.

2.2 Adoption of New and Amended PPSAS

The ECC's financial statements for the year ended December 31, 2017 are its first annual financial statements prepared under accounting policies that complies with PPSAS. ECC transition date is January 1, 2016 and prepared its opening PPSAS Statement of Financial Position at that date.

(a) Effective in 2017 that are relevant to ECC

The ECC adopted for the first time the following PPSAS and their amendments relevant to its operation, which are mandatorily effective for annual periods beginning on or after January 1, 2017 and 2016. ECC has complied with the related recognition, measurement, presentation and disclosure requirements and its amendments, to wit:

- Effective in January 1, 2016

  - *PPSAS 1 - Presentation of Financial Statements.* This standard prescribes the manner in which general purpose financial statements should be presented to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. This Standard sets out overall considerations for the presentation of financial statements, guidance for their structure, and minimum requirements for the content of financial statements prepared under the accrual basis of accounting. The recognition, measurement, and disclosure of specific transactions and other events are dealt with in other PPSASs.

  - *PPSAS 2 - Cash Flows Statements.* This standard requires the provision of information about the historical changes in cash and cash equivalents of an entity by means of a cash flow statement that classifies cash flows during the period from operating, investing, and financing activities. An entity that prepares and presents financial statements under the accrual basis of accounting shall prepare a cash flow statement in accordance with the requirements of this Standard, and shall present it as an integral part of its financial statements for each period for which financial statements are presented.

  - *PPSAS 3 - Accounting Policies, Changes in Accounting Estimates and Errors.* This Standard prescribes the criteria for selecting and changing accounting policies, together with the (a) accounting treatment and disclosure of changes in accounting policies, (b) changes in accounting estimates, and (c) the corrections of errors. This Standard intends to enhance the relevance and reliability of an entity's financial statements, and the comparability of those financial statements over time and with the financial statements of other entities. The disclosure requirements for accounting policies, except those for changes in accounting policies, are set out in PPSAS 1, Presentation of Financial Statements.

  - *PPSAS 9 - Revenue from Exchange Transactions.* This Standard prescribes the accounting treatment of revenue arising from exchange transactions and events. The primary issue in accounting for revenue is determining when to recognize revenue. Revenue is recognized when it is probable that (a) future economic benefits or service potential will flow to the entity, and (b) these benefits can be measured reliably. This Standard identifies the circumstances in which these criteria will be met and, therefore, revenue will be recognized. It also provides practical guidance on the application of these criteria.

  - *PPSAS 11 - Construction Contracts.* This Standard prescribes the accounting treatment of costs and revenue associated with construction contracts. The Standard: (a) identifies the arrangements that are to be classified as construction contracts, (b) provides guidance on the types of construction contracts that can arise in the public sector, and (c) specifies the basis for recognition and disclosure of contract expenses and, if relevant, contract revenues.

- *PPSAS 12 – Inventories.* This Standard prescribes the accounting treatment for inventories. A primary issue in accounting for inventories is the amount of cost to be recognized as an asset and carried forward until the related revenues are recognized. This Standard provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

- *PPSAS 13 - Leases.* This Standard prescribes, for lessees and lessors, the appropriate policies and disclosures to apply in relation to finance and operating leases. It also prescribes specific identifications of transactions which are considered as lease agreement and those which are not. Also, it presents the two specific classifications of lease agreements and how they are presented in the financial statements.

- *PPSAS 14 - Events After the Reporting Date.* This Standard prescribes: (a) when an entity should adjust its financial statements for events after the reporting date; and (b) the disclosures that an entity should give about the date when the financial statements were authorization for issue, and about events after the reporting date. The Standard also requires that an entity should not prepare its financial statements on going concern basis if events after the reporting date indicate that the going concern assumption is not appropriate.

- *PPSAS 16 - Investment Property.* This Standard prescribes the accounting treatment for investment property and related disclosure requirements. Investment property shall be measured initially at cost except when it is acquired through a non-exchange transaction such as donation, or when it pertains to a property interest held under an operating lease. After initial recognition, the entity shall choose either fair value or cost model and shall apply that valuation policy to all its investment property. At any case, the fair value shall be determined either for measurement (if the entity uses the fair value model) or disclosure (if it uses the cost model).

- *PPSAS 17, Property, Plant and Equipment.* This Standard prescribes the accounting treatment for property, plant, and equipment so that users of financial statements can discern information about an entity's investment in its property, plant, and equipment and the changes in such investment. The principal issues in accounting for property, plant and equipment are (a) the recognition of the assets, (b) the determination of their carrying amounts, and (c) the depreciation charges and impairment losses to be recognized in relation to them.

- *PPSAS 19 - Provisions, Contingent Liabilities and Contingent Assets.* This Standard defines provisions, contingent liabilities, and contingent assets, and identifies the circumstances in which provisions should be recognized, how they should be measured, and the disclosure that should be made about them. The Standard also requires that certain information be disclosed about contingent liabilities and contingent assets in the notes to the financial statements, to enable users to understand their nature, timing, and amount.

- *PPSAS 20 - Related Party Disclosures.* This Standard requires the disclosure of the existence of related party relationships where control exists, and the disclosure of information about transactions between the entity and its related parties in certain circumstances. This information is required for accountability purposes, and to facilitate a better understanding of the financial position and performance of the reporting entity. The principal issues in disclosing information about related parties are (a) identifying which parties control or significantly influence the reporting entity, and (b) determining what information should be disclosed about transactions with those parties.

- *PPSAS 23 - Revenue from Non-Exchange Transactions (Taxes and Transfers).* This Standard prescribes requirements for the financial reporting of revenue arising from non-exchange transactions, other than non-exchange transactions that give rise to an entity combination. This Standard deals with issues that need to be considered in recognizing and measuring revenue from non-exchange transactions, including the identification of contributions from owners.

- *PPSAS 24 - Presentation of Budget Information in Financial Statements.* This Standard requires a comparison of budget amounts and the actual amounts arising from execution of the budget to be included in the financial statements of entities that are to, or elect to, make publicly available their approved budget(s), and for which they are, therefore, held publicly accountable. This Standard also requires disclosure of an explanation of the reasons for material differences between the budget and actual amounts.

- *PPSAS 25 – Employee Benefits.* This Standard prescribes the accounting disclosure for employee benefits. The Standard requires an entity to recognize: (a) a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and (b) an expense when the entity consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

- *PPSAS 28 - Financial Instruments: Presentation.* This Standard establishes principles for presenting financial instruments as liabilities or net assets/equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends or similar distribution, losses and gains; and circumstances in which financial assets and financial liabilities should be offset. This Standard complements the principles for recognizing and measuring financial assets and liabilities in PPSAS 29, Financial Instruments: Recognition and Measurement, and for disclosing information about them in PPSAS 30, Financial Instruments: Disclosures.

- *PPSAS 29 - Financial Instruments: Recognition and Measurement.* This Standard establishes principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. Requirements for presenting information about financial instruments are in PPSAS 28, Financial Instruments: Presentation. Requirements for disclosing information about financial instruments are in PPSAS 30, Financial Instruments: Disclosures.

- *PPSAS 30 - Financial Instruments: Disclosures.* This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate: the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks. The principles in this Standard complement the principles for recognizing, measuring, and presenting financial assets and financial liabilities in PPSAS 28, Financial instruments: Presentation and PPSAS 29, Financial Instruments: Recognition and Measurement.

- *PPSAS 31 - Intangible Assets.* This Standard prescribes the accounting treatment for intangible assets that are not dealt with specifically in another Standard. This Standard requires an entity to recognize an intangible asset if, and only if, specified criteria are met. The Standard also specifies how to measure the carrying amount of intangible assets, and requires specified disclosures about intangible assets.

- Effective in January 1, 2017

  - *PPSAS 33 - First-time Adoption of Accrual Basis PPSASs.* This Standard provides guidance to a first-time adopter that prepares and presents financial statements following the adoption of accrual basis PPSASs, in order to present high quality information: (a) that provides transparent reporting about a first-time adopter's transition to accrual basis of PPSASs; (b) that provides a suitable starting point for accounting in accordance with accrual basis PPSASs irrespective of the basis of accounting the first-time adopter has used prior to the date of adoption; and (c) when the benefits are expected to exceed the cost.

(b) *Effective in 2017 but are not relevant to ECC*

The following new PPSAS and their amendments to existing standards are mandatorily effective for annual periods beginning on or after January 1, 2017 and 2016 but are not relevant to the ECC's financial statements:

- Effective in January 1, 2016

  - *PPSAS 4 – The Effects of Changes in Foreign Exchange Rates.* This Standard prescribes how to include foreign currency transactions and foreign operations in the financial statements of an entity, and how to translate financial statements into a presentation currency. The principal issues are (a) which exchange rate(s) to use, and (b) how to report the effects of changes in exchange rates in the financial statements.

  - *PPSAS 5 - Borrowing Costs.* This Standard prescribes the accounting treatment for borrowing costs. This Standard generally requires the immediate expensing of borrowing costs. However, the Standard permits, as an allowed alternative treatment, the capitalization of borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset.

  - *PPSAS 6 – Consolidated and Separate Financial Statements.* This Standard establishes requirements for the preparation and presentation of consolidated financial statements, and for accounting for controlled entities, jointly controlled entities, and associates in the separate financial statements of the controlling entity, the venturer, and the investor. A controlled entity is an entity controlled by another entity, known as the controlling entity. Control is the power to govern the operating and financial policies. Consolidated financial statements are financial statements of an economic entity (controlling entity and controlled entities combined) presented as those of a single entity.

  - *PPSAS 7 – Investments in Associates.* This Standard provides the basis for accounting for ownership interests in associates. That is, the investment in the other entity confers on the investor the risks and rewards incidental to an ownership interest. This Standard applies only to investments in the formal equity structure (or its equivalent) of an investee. A formal equity structure means share capital or an equivalent form of unitized capital, such as units in a property trust, but may also include other equity structures in which the investor's interest can be measured reliably. Where the equity structure is poorly defined, it may not be possible to obtain a reliable measure of the ownership interest.

- *PPSAS 8 – Interests in Joint Ventures.* This Standard sets out the principles and procedures in accounting for interests in joint ventures and reporting for joint venture assets, liabilities, revenue and expenses in the financial statements of venturers and investors, regardless of the structures or forms under which the joint venture activities take place.

- *PPSAS 10 – Financial Reporting in Hyperinflationary Economies.* This Standard prescribes the accounting treatment in the consolidated and individual financial statements of an entity whose functional currency is the currency of a hyperinflationary economy. The Standard also specifies the accounting treatment where the economy ceases to be hyperinflationary.

- *PPSAS 18 – Segment Reporting.* This Standard establishes principles for reporting financial information by segments. The disclosure of this information will: (a) help users of the financial statements to better understand the entity's past performance, and to identify the resources allocated to support the major activities of the entity; and (b) enhance the transparency of financial reporting and enable the entity to better discharge its accountability obligations.

- *PPSAS 21 – Impairment of Non-Cash-Generating Assets.* This Standard prescribes the procedures that an entity applies to determine whether a non-cash-generating asset is impaired, and to ensure that impairment losses are recognized. This Standard also specifies when an entity would reverse an impairment loss, and prescribes disclosures.

- *PPSAS 22 – Disclosure of Financial Information about the General Government Sector.* This Standard prescribes disclosure requirements for governments that elect to present information about the general government sector (GGS) in their consolidated financial statements. The disclosure of appropriate information about the GGS of a government can enhance the transparency of financial reports, and provide for a better understanding of the relationship between the market and non-market activities of the government, and between financial statements and statistical bases of financial reporting.

- *PPSAS 26 – Impairment of Cash-Generating Assets.* This Standard prescribes the procedures that an entity applies to determine whether a cash-generating asset is impaired, and to ensure that impairment losses are recognized. This Standard also specifies when an entity should reverse an impairment loss, and prescribes disclosures.

- *PPSAS 27 – Agriculture.* This Standard prescribes the accounting and disclosures for agricultural activity. This Standard is applied to agricultural produce, which is the harvested product of the entity's biological assets, only at the point of harvest. Thereafter, PPSAS 12, or another applicable Standard, is applied. Accordingly, this Standard does not deal with the processing of agricultural produce after harvest.

- *PPSAS 32 – Service Concession Arrangements: Grantor.* This Standard prescribes the accounting for service concession arrangements by the grantor, a public sector entity. This Standard also applies to an asset used in a service concession arrangement for its entire useful life (a "whole-of-life" asset) if it meets all the conditions prescribed by this Standard.

- Effective in January 1, 2017

  - *PPSAS 34 - Separate Financial Statements.* This Standard prescribes the accounting the accounting and disclosure requirements for investments in controlled entities, joint ventures and associates when an entity prepares separate financial statements. When an entity prepares separate financial statements, it shall account for similar investments in controlled entities, joint ventures and associates either: (a) at cost, (b) in accordance with PPSAS 29; or (c) using the equity method as described in PPSAS 36.

  - *PPSAS 35 - Consolidated Financial Statements.* This Standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This Standard applies to all entities, except that a controlling entity need not present consolidated financial statements if it meets all the conditions prescribed by this Standard.

  - *PPSAS 36 - Investments in Associates and Joint Ventures.* This Standard prescribes the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

  - *PPSAS 37 - Joint Arrangements.* This Standard establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e., joint arrangements). To meet the objective, this Standard defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.

- *PPSAS 38 - Disclosure of Interests in Other Equities.* This Standard requires an entity to disclose information that enables users of its financial statements to evaluate: (a) the nature of, and risks associated with, its interests in controlled entities, unconsolidated controlled entities, joint arrangements and associates, and structured entities that are not consolidated; and (b) the effects of those interests on its financial position, financial performance and cash flows.

2.3 *Transition and Reconciliation*

(a) *Reconciliation of equity and total comprehensive income*

The transition from the generally accepted accounting principles to the accrual basis of accounting to PPSAS, as well as compliance with the pertinent COA rules and regulations have no material impact on the equity of ECC. However, balances of assets and liabilities have been restated and reclassified in the Statement of Financial Position as at January 1, 2016 for consistency of application, as follows:

Reconciliation of Net Asset/Equity
As at January 1, 2016

	Previously generally accepted accounting principles (GAAP)	Effect of Transition to PPSAS, RCoA and restatement	PPSAS, As restated January 1, 2016
Current Assets			
Receivable – net	9,214,298	9,810,764	19,025,062
Inventories	-	298,400	298,400
Other current assets	1,631,455	(298,400)	1,333,055
	10,845,753	**9,810,764**	**20,656,517**
Non-current Assets			
Receivables – net	9,810,764	(9,810,764)	-
Investment property	167,483	-	167,483
Property and equipment-net	37,491,420	-	37,491,420
Other non-current asset - net	3,380,395	-	3,380,395
	50,850,062	**(9,810,764)**	**41,039,298**
Current Liabilities			
Accounts payable - trade	11,686,187	(11,686,187)	-
Financial liabilities	-	28,939,770	28,939,770
Due to officers and employees	476,260	(476,260)	-
Inter-agency payables	78,821	1	78,822
Other liabilities	7,859,880	(7,859,880)	-
Trust liabilities	-	272,573	272,573
	20,101,148	**9,190,017**	**29,291,165**

	Previously generally accepted accounting principles (GAAP)	Effect of Transition to PPSAS, RCoA and restatement	PPSAS, As restated January 1, 2016
Non-current Liabilities			
Leave benefits payable	13,361,258	(13,361,258)	-
Financial liabilities	-	13,361,258	13,361,258
Accounts payable - trade	1,518,390	(1,518,390)	-
Due to officers and employees	359,077	(359,077)	-
Other liabilities	7,312,550	(7,312,550)	-
	22,551,275	**(9,190,017)**	**13,361,258**

Likewise, for consistency of application, the accounts in the Statement of Financial Performance for January 1, 2016 were restated, as follows:

Reconciliation of Net Suplus(Deficit)
For the year ended Dec. 31, 2015 (Opening balances as at Jan. 1, 2016)

	Previously generally accepted accounting principles (GAAP)	Effect of Transition to PPSAS, RCoA and restatement	PPSAS, As restated January 1, 2016
Income			
Other service income	101,643,563	(101,643,563)	-
Transfer from other government entities	-	101,643,563	101,643,563
Other revenue	-	8,759,528	8,759,528
	101,643,563	**8,759,528**	**110,403,091**
Expenses			
Salaries and wages	30,331,008	(30,331,008)	-
Other compensation	20,746,336	(20,746,336)	-
Personnel benefits contribution	4,265,191	(4,265,191)	-
Other personnel benefits	4,074,585	(4,074,585)	-
Personal services	-	59,417,120	59,417,120
Maintenance and Other Operating Expenses	-	37,000,441	37,000,441
Non-cash expenses	-	3,119,866	3,119,866
	59,417,120	**40,120,307**	**99,537,427**
Finance income	-	**3,906,001**	**3,906,001**

(b) *Preparation of the Statement of Comparison of Budget and Actual Amounts*

The ECC has prepared for the first time its Statement of Comparison of Budget and Actual Amounts (SCBAA) as of December 31, 2017. The original Corporate Operating Budget (COB) was approved by the ECC Board of Commissioners under Resolution No. 16-07-30 and 17-01-03 dated July 28, 2016 and January 25, 2017, respectively, and was finally approved by the Department of Budget and Management (DBM) on April 4, 2017. The COB is presented on Cash basis and for the same period (from January 1 to December 31). Subsequent revisions or additional budget is made to the approved budget in accordance with specific approvals from the ECC Board of Commissioners under Resolution No. 17-09-31 dated September 6, 2017 and was finally approved by the DBM on October 18, 2017. The difference between the original and final budget was due to additional budget to cover the implementation of the compensation adjustment of ECC employees chargeable to the retained earnings.

The financial statements - Statement of financial position (Statement I), Statement of financial performance (Statement II), Statement of changes in net assets (Statement III) and Statement of cash flow (Statement IV) are prepared on an accruals basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

The reconciliation of Statement of Comparison of Budget and Actual Amounts (Statement V) with Statement II is presented as follows:

	Statement V - Actual vs Statement II	**Statement V - Budget vs Statement II**
Net Surplus/Deficit for the period	**(17,653,028)**	**(17,658,028)**
Items included in SCBAA but not included in financial performance		
Income/Retained Earnings (RE)	69,915,000	92,518,000
State Insurance Fund		
Unutilized budgeted amount	-	4,129,000
Personal Services		
Unutilized allocation of RE	-	(1,927,073)
Maintenance and Other Operating		

	Statement V - Actual vs Statement II	Statement V - Budget vs Statement II
Expenses/Finance Cost		
Unutilized loading fund	-	(7,013,997)
Unutilized allocation of RE	-	(628,423)
Capital Outlays	(6,481,020)	(30,536,000)
	63,433,980	**56,541,507**
Items included in statement of financial performance but not included in SCBAA		
Other revenue	(11,048,491)	(11,048,491)
Finance income	(4,348,343)	(4,348,343)
Non-cash expenses	3,240,355	3,240,355
	(12,156,479)	**(12,156,479)**
NET FUND SOURCES/USES	**33,624,473**	**26,732,000**

A reconciliation between the actual amounts on a comparable basis as presented in the SCBAA and the actual amounts in the statement of cash flows for the year ended 31 December 2017 is presented as follows:

	Statement V - Actual vs Statement IV	Statement V - Budget vs Statement IV
Net Cash Flow	**11,881,874**	**11,881,874**
Differences and items included in SCBAA but not included in statement of cash flow		
Income/Retained Earnings	69,915,000	92,518,000
State Insurance Fund		
Unutilized loading fund	8,292,450	12,421,450
Difference in payments to suppliers and employees (Personal Services Maintenance and Other Operating Expenses/Finance Costs)	(1,112,988)	(10,682,481)
	77,094,462	**94,256,969**
Differences and items included in statement of cash flow but not included in SCBAA		
Transfer from investment in time deposits	(434,922,589)	(434,922,589)

	Statement V - Actual vs Statement IV	Statement V - Budget vs Statement IV
Transfer to investment in time deposits	427,496,546	427,496,546
Collection of receivables from tenants	(16,392,653)	(16,392,653)
Interest earned on time deposits	(3,268,311)	(3,268,311)
Return of cash advance	(1,379,582)	(1,379,582)
Cash receipts from International Labor Organization	(613,418)	(613,418)
Cash receipts from overpayments/ disallowances	(128,492)	(128,492)
Collection from sale of bid forms	(23,000)	(23,000)
Interest earned on savings deposits	(20,727)	(20,727)
Rebates from remittance NHMFC	(313)	(313)
Miscellaneous cash receipts	(59,982)	(59,982)
Unrealized Capital Outlays	-	(24,054,980)
Cash and cash equivalents at beginning of year	(26,039,342)	(26,039,342)
	55,351,863	**(79,406,843)**
Net Fund Sources/Uses	**33,624,473**	**26,732,000**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements on accrual basis in accordance with PPSAS requires the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies. Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Financial Instruments

(a) Financial assets

i. Initial recognition and measurement

Financial assets within the scope of PPSAS 29-Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. The ECC determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the ECC commits to purchase or sell the asset.

The ECC's financial assets include: cash and cash equivalents; trade and other trade receivables and investment in time deposits as at December 31, 2017.

ii. *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification.

1. *Financial assets at fair value through surplus or deficit*

   Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus or deficit.

2. *Loans and receivables*

   Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

3. *Held-to-maturity*

   Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the ECC has the positive intention and ability to hold it to maturity.

   After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

iii. *Derecognition*

The ECC derecognizes a financial asset or, where applicable, a part of a financial asset or part of similar assets of ECC when:

1. the contractual rights to the cash flows from the financial asset expired or waived; and

2. the ECC has transferred its contractual rights to receive the cash flows of the financial assets, or retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual

obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions set forth in PPSAS 29-Financial Instruments: Recognition and Measurement; and either the entity has:

- transferred substantially all the risks and rewards of ownership of the financial asset; or

- neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset but has transferred the control of the asset.

iv. *Impairment of financial assets*

The ECC assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

1. The debtors or a group of debtors are experiencing significant financial difficulty;

2. Default or delinquency in interest or principal payments;

3. The probability that debtors will enter bankruptcy or other financial reorganization; and

4. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

v. *Financial assets carried at amortized cost*

For financial assets carried at amortized cost, the ECC first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the ECC determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the ECC. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

(b) Financial liabilities

i. Initial recognition and measurement

Financial liabilities within the scope of PPSAS 29 are classified as financial liabilities at fair value through surplus or deficit, or loans and borrowings, as appropriate. The ECC determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The ECC's financial liabilities include trade and other payables, due to officers and employees, tax refund payables, employees benefit payables and other financial liabilities.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through surplus or deficit

Financial liabilities at fair value through surplus or deficit include financial liabilities designated upon initial recognition at fair value through surplus or deficit. Subsequently, gains or losses on liabilities held for trading are recognized in surplus or deficit.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

iii. Derecognition

A financial liability is derecognized when the obligation under the liability expires or is discharged or cancelled.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

3.2 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash in bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

3.3 Investment Property

Investment property is measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment property is measured using the cost model and are depreciated over their estimated useful life of [number] years.

Investment property are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit or service potential is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use.

3.4 *Property, Plant and Equipment*

a. *Recognition*

An item is recognized as property, plant, and equipment (PPE) if it meets the characteristics and recognition criteria as a PPE.

The characteristics of PPE are as follows:

i. tangible items;
ii. are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
iii. are expected to be used during more than one reporting period.

An item of PPE is recognized as an asset if:

i. it is probable that future economic benefits or service potential associated with the item will flow to the entity;
ii. the cost or fair value of the item can be measured reliably; and
iii. the cost is at least P15,000.00.

b. *Measurement at recognition*

An item recognized as property, plant, and equipment is measured at cost.

A PPE acquired through non-exchange transaction is measured at its fair value as at the date of acquisition.

The cost of the PPE is the cash price equivalent or, for PPE acquired through non-exchange transaction, its cost is its fair value as at recognition date. Cost includes the following:

i. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;

ii. expenditure that is directly attributable to the acquisition of the items; and

iii. initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

c. *Measurement after recognition*

After recognition, all PPE are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PPE are required to be replaced at intervals, the ECC recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expense in surplus or deficit as incurred.

d. Depreciation

Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

i. Initial recognition of depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

ii. Depreciation method

The straight-line method of depreciation is adopted unless another method is more appropriate for ECC operation.

iii. Estimated useful life

The ECC uses the life span of PPE prescribed by COA in determining the specific estimated useful life for each asset based on its experience.

iv. Residual value

The ECC uses a residual value equivalent to at least five percent (5%) of the cost of the PPE.

e. Impairment

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

f. Derecognition

The ECC derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized

3.5 Leases

a. ECC as a lessee

i. Finance lease

Finance leases are leases that transfer substantially all the risks and rewards incidental to ownership of the leased item to the ECC.

Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The ECC also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured at the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

ii. Operating lease

Operating leases are leases that do not transfer substantially all the risks and rewards incidental to ownership of the leased item to the ECC. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

b. ECC as a lessor

i. Finance lease

The ECC recognizes lease payments receivable under a finance lease as assets in the statement of financial position. The assets are presented as receivable at an amount equal to the net investment in the lease.

The finance revenue is recognized based on a pattern reflecting a constant periodic rate of return on the net investment in the finance lease.

ii. *Operating lease*

Leases in which the ECC does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term.

Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

The depreciation policies for PPE are applied to similar assets leased by the entity.

3.6 Provisions, Contingent Liabilities and Contingent Assets

a. *Provisions*

Provisions are recognized when the ECC has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the ECC expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provisions are reversed.

b. *Contingent liabilities*

The ECC does not recognize a contingent liability but discloses details of any contingencies in the notes to financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

c. *Contingent assets*

The ECC does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the ECC in the notes to financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

3.7 Changes in Accounting Policies and Estimates

The ECC recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The ECC recognizes the effects of changes in accounting estimates prospectively through surplus or deficit.

The ECC corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

a. Restating the comparative amounts for prior period(s) presented in which the error occurred; or

b. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

3.8 Budget Information

The annual budget is prepared on a cash basis and is published in the government website.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) is prepared since the budget and the financial statements are not prepared on comparable basis. The SCBAA is presented showing the original and final budget and the actual amounts on comparable basis to the budget. Explanatory comments are provided in the notes to the annual financial statements.

3.9 Employee Benefits

The employees of the ECC are members of the Government Service Insurance System (GSIS) which provides life and retirement insurance coverage.

The ECC recognizes the undiscounted amount of short term employee benefits, like salaries, wages, bonuses, allowance, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

The ECC recognizes expenses for accumulating earned leaves. Non-accumulating compensated absences, like special leave privileges, are not recognized.

The significant accounting policies that have been used in the preparation of these financial statements are summarized in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

4. CASH AND CASH EQUIVALENTS

This account consists of the following:

	2017	2016
Cash in bank – Local currency	**11,881,874**	6,505,501
Cash equivalents	-	19,533,841
	11,881,874	26,039,342

This account includes time deposits that are short-term, highly liquid investments maturing within 90 days or less than three months from placement.

The significant decrease of this account was due to reclassification to other investments account for time deposits that are long-term, maturing within 180 days or more than six months from placements.

5. OTHER INVESTMENTS

This account includes investment in time deposits amounting to P405,607,324 and P411,954,246 for CY 2017 and 2016, respectively, that are long-term, maturing within 180 days or more than six months from placements.

6. RECEIVABLES-NET

This account consists of the following:

	2017	2016
Accounts receivable	**23,231,803**	14,993,018
Receivables – disallowances/charges	**5,443,925**	6,538,833
Notes receivable	**456,740**	456,740
Due to officers and employees	**256,783**	301,246
Receivable – LOI No. 1318	-	465,814
Other receivables	**35,622**	50,679
	29,424,873	22,806,330
Less: Allowance for impairment	**13,439,353**	13,439,353
	15,985,520	9,366,977

6.1 Receivables from tenants/miscellaneous

The non-current portion of the receivables from tenants/miscellaneous account includes unpaid rentals, electric and water bills from a former tenant, Meco Enterprises, Inc. amounting to P10,308,161 as at December 31, 1999. On June 14, 2000, ECC filed a case of "Collection of Sum of Money" against the former tenant.

On May 31, 2013, the RTC Makati Branch 56 ordered the issuance of Writ of Execution on Meco Enterprises, Inc. for the collection of sum of money as follows:

Principal obligation	10,308,161
Interest	812,764
Amount due	11,120,925
Liquidated damages	2,224,185
	13,345,110

The P11,120,925 represents the total amount of its principal obligation from 1990 to December 31, 1999 plus interest of 6 per cent per annum to be counted from May 26, 2000 while the P2,224,185 represents 20% of the amount due as liquidated damages pursuant to Paragraph 16 of the July 16, 1995 amended Contract of Lease plus interest of 6% per annum to be counted from May 26, 2000.

6.2 Receivables – disallowances/charges

Receivables from disallowances and charges consist of the following disallowances which have become final and executory:

	2017	2016
Subsistence and laundry allowance from CY 2006 to September 2009	**2,062,990**	2,398,820
Magna Carta Benefits for CY 2005	**1,009,106**	1,406,138
Collective Negotiation Agreement for CYs 2005 to 2006 and CY 2008	**897,919**	1,022,962
Longevity pay for CY 2008 and for January to June 2009 and subsistence and laundry allowance	**647,292**	747,345
Milestone anniversary bonus for CY 2008	**281,450**	340,300
Equalization benefits for CY 2008	**134,962**	134,962
Rice subsidy in CY 2006	**132,000**	132,000
Travel allowance of Executive Directors	**120,819**	109,323
Praise incentives	**88,087**	88,087
25 Years Incentive Award	**21,300**	36,250
Excess anniversary bonus	**48,000**	48,000
Disallowances from CYs 1992 to 1998	-	74,646
	5,443,925	6,538,833

Pending approval of the ECC request to the Office of the Prosecutor and Litigation Office, Legal Service Sector, COA dated August 3, 2016, settlements have been made on installment thru deductions from the salary and other benefits received by liable employees in accordance with a schedule of proportional to the employees' net take home pay.

6.3 Notes receivable – LOI No. 1401/Accounts receivable – LOI No. 1318

Notes receivable represents the principal amount of loans granted to hospitals under LOI No. 1401 which was provided with 100 per cent allowance. Accounts Receivable – LOI No. 1318, on the other hand, represents the advances to different hospitals for the purchase of rehabilitation equipment pursuant to LOI No.1318 under the lease purchase agreement. These receivables are past due and were provided with ten per cent allowance.

7. INVENTORIES

This account consists of the following:

	2017	2016
Office supplies inventory	**56,112**	29,172
Other supplies and materials inventory	**161,161**	193,660
	217,273	222,832

8. OTHER CURRENT ASSETS

This account consists of the following:

	2017	2016
Advances to contractors	**883,136**	883,136
Prepaid rent	**46,986**	27,908
Prepaid insurance	**34,244**	29,109
Guaranty deposits	**3,000**	3,000
Prepaid registration	**4,590**	2,443
Other prepayments	**342,170**	376,404
Other assets	**10,030**	10,030
	1,324,156	1,332,030

9. OTHER NON - CURRENT ASSETS

	Land	Equipment	Total
Cost			
Balance, January 1, 2017	2,500,000	2,143,532	4,643,532
Additions	-	-	-
Deduction/Disposal	-	-	-
Balance, December 31, 2017	2,500,000	2,143,532	4,643,532
Accumulated Depreciation			
Balance, January 1, 2017	-	1,927,480	1,927,480
Depreciation	-	-	-
Deduction/Disposal	-	-	-
Balance, December 31, 2017	-	1,927,480	1,927,480
Net Book Value, December 31, 2017	**2,500,000**	**216,052**	**2,716,052**
Net Book Value, December 31, 2016	2,500,000	216,052	2,716,052

The parcel of land owned by ECC located at Barrio Cuyambay, Tanay, Rizal is recorded at its cost of P2,500,000. The 50 hectares parcel of land was purchased as a future site of the envisioned Workers' Rehabilitation Center Complex for disabled workers pursuant to LOI No. 856. The Tanay property is presently occupied by squatters in some portions. Construction of concrete posts to fence the property was only 75 per cent completed due to the Cease and Desist Order issued on April 28, 2005 by the Department of Agrarian Reform (DAR) Regional Director for Rizal Province. Although the case was reversed on appeal by the DAR Secretary, the claimants have filed a Motion for Reconsideration. On June 18, 2007, an Order of Finality was issued by DAR declaring that the 50 hectares land, holding is outside the ambit of the Comprehensive Agrarian Reform Program (CARP). The DAR categorically declared that the ECC Tanay property is not covered by CARP since the same is part of the area which was declared as Watershed Reservation.

With the reserved status of the Tanay property under Presidential Proclamation No. 573, the inherent power of Eminent Domain of the State shall prevail. The ECC will have to wait until the commencement of the expropriation proceedings or the taking of property for public use or purpose upon payment of just compensation. In view of said status, the cost of the land previously recorded as Investment Property was reclassified to Other Assets in 2011. This account also includes unserviceable property and equipment not yet disposed as at December 31, 2017.

10. INVESTMENT PROPERTY

This account includes a land in Talisay, Batangas which is a foreclosed mortgaged property in favor of the ECC from Anillo General Hospital. By virtue of the Certificate of Sale from Anillo General Hospital, the property is recorded in the books at cost equivalent to the amount of the principal loan balance of P167,483 pending transfer of title of the said property. It has a total land area of 8,466 square meters and has a market value of P12,241,000 based on appraisal made by an independent appraisal company last August 4, 2017.

11. PROPERTY AND EQUIPMENT – NET

The property and equipment of ECC are presented in the financial statements in accordance with PPSAS 17 – Property, Plant and Equipment.

The details of the account are shown below:

	Land	Buildings and Other Structures	Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Books	Total
Cost						
Balance, January 1, 2017	11,019,218	87,536,252	22,011,650	7,129,970	5,897,499	133,594,589
Additions	-	-	5,582,020	899,000	-	6,481,020
Balance, December 31, 2017	**11,019,218**	**87,536,252**	**27,593,670**	**8,028,970**	**5,897,499**	**140,075,609**
Accumulated Depreciation						
Balance, January 1, 2017	-	76,109,627	15,295,387	3,713,512	5,187,079	100,305,605
Depreciation	-	486,000	2,003,232	726,613	24,510	3,240,355
Balance, December 31, 2017	-	**76,595,627**	**17,298,619**	**4,440,125**	**5,211,589**	**103,545,960**
Net book value, December 31, 2017	**11,019,218**	**10,940,625**	**10,295,051**	**3,588,845**	**685,910**	**36,529,649**

The details of the account as at December 31, 2016 are shown below:

	Land and Building	Office/IT Equipment/ Furniture and Fixtures and Others	Motor Vehicles	Total
Cost				
Balance, December 31, 2016	98,555,470	27,909,149	7,129,969	133,594,588
Accumulated Depreciation				
Balance, December 31, 2016	76,109,626	20,482,465	3,713,512	100,305,603
Net book value, December 31, 2016	**22,445,844**	**7,426,684**	**3,416,457**	**33,288,985**

11.1 Land

This account comprises of a parcel of land with 2,740 square meters owned by ECC in 1984 and recorded in the books at a cost P8,519,218 located at 355 Sen. Gil J. Puyat Avenue Makati City.

11.2 Building and Structure

This account comprises the five-storey office building with basement located at 355 Sen. Gil J. Puyat Avenue, Makati City with approximately 7,724.57 square meters. The ECC building is appraised by an independent appraisal company in December 11, 2014 at a market value of P144,128,000.

Major repairs and improvement are added to the initial cost and amortized for the remaining life of the property. Minor repairs and maintenance are charged against the proper expense accounts during the period in which they are incurred.

12. FINANCIAL LIABILITIES

This account consists of the following:

	2017	2016
Current portion		
Accounts payable	**19,396,304**	19,454,422
Due to officers and employees	**5,298,989**	1,185,108
Tax refunds payable	**232,807**	193,051
Other financial liabilities	-	7,220,118
	24,928,100	28,052,699
Non-current portion		
Accrued benefits payable	**17,457,156**	13,803,419
	42,385,256	41,856,118

The Accounts payable account consists of amounts owing to various suppliers for goods and services purchased on account.

Accrued benefits payable pertains to the cash value of the accumulated earned vacation and sick leave credits of the employees as at December 31, 2017. Fifty per cent of which can be amortized once a year and the balance payable upon resignation/retirement.

There is a pending lawsuit of Veterans Security versus ECC for the unpaid obligation amounting to P256,374 under the Accounts Payable account. The amount due was withheld by ECC pending resolution of the case for the two laptop computers lost in a robbery that took place at the ECC premises in December 2002.

13. INTER-AGENCY PAYABLES

This account consists of the following:

	2017	2016
Due to BIR	**593,641**	1,049,312
Due to Pag-IBIG	**10,540**	15,250
Due to PhilHealth	**37,217**	11,179
Due to GSIS	**17,296**	3,867
Others	**3,200**	3,175
	661,894	1,082,783

Due to BIR pertains to the amount of taxes withheld during the month of December, 2017 from the officials/employees and suppliers/contractors which are due for remittance on the succeeding month of the following year. Amounts due to other government agencies are due for remittances every 10th and 15th day of the following month.

14. TRUST LIABILITIES

This account includes Guaranty/Security deposits payable amounting to P186,433 both for CY 2017 and 2016.

15. OTHER PAYABLES

The other payables pertain to the unclaimed hazard pay, subsistence and laundry allowance of the resigned and retired employees of ECC from 2005 to 2017 amounting to P6,886,163.

16. REVENUE

This account consists of the following:

	2017	2016
Transfer from other government entities		
Subsidy from other fund	**110,566,000**	118,749,000
Other Revenue		
Rent/lease income	**10,970,156**	9,946,903
Interest income	**20,728**	17,730
Other business income	**57,607**	537,665
	11,048,491	10,502,298
	121,614,491	129,251,298

The subsidy from other fund account consists of the quarterly remittance of the loading fund from the SSS and GSIS on a 70 per cent and 30 per cent sharing basis, respectively, based on the ECC's annual budget chargeable to the State Insurance Fund (SIF) approved by the Department of Budget and Management, breakdown as shown below:

	2017	2016
Social Security System (SSS)	**77,396,200**	83,124,300
Government Service Insurance System (GSIS)	**33,169,800**	35,624,700
	110,566,000	118,749,000

The rent/lease income account consists of the rentals derived from the tenants, such as the SSS, National Maritime Corporation, DOLE-NCR, Employers' Confederation of the Philippines, ECC Employees Union and the Occupationally Disabled Workers Association of the Philippines. While the interest income account represents the interest earned on time deposits placed with authorized depository banks.

17. PERSONAL SERVICES

This account consists of the following:

	2017	2016
Salaries and wages	**34,996,557**	29,936,492
Personnel benefits contribution	**4,801,077**	4,179,393
Other personnel benefits	**8,013,116**	4,265,145
Other compensation	**16,698,177**	15,348,060
	64,508,927	53,729,090

18. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

	2017	2016
Professional services	**10,611,867**	7,946,411
Training expenses	**9,415,105**	6,538,918
General Services	**7,243,666**	6,845,658
Traveling expenses	**3,544,730**	3,287,599
Supplies and materials	**2,342,559**	3,019,830
Communication expenses	**2,160,739**	2,198,904
Utilities expenses	**2,107,439**	2,057,840
Repairs and maintenance	**1,932,872**	1,606,517
Extraordinary expenses	**739,682**	414,183

	2017	2016
Taxes, insurance premiums and other fees	**114,005**	103,125
Other MOOE	**35,643,692**	14,773,776
	75,856,356	48,792,761

18.1 Professional Services

This account consists of the following:

	2017	2016
Auditing services	**2,511,410**	2,439,104
Other professional services	**8,100,457**	5,507,307
	10,611,867	7,946,411

18.2 General services

This account consists of the following:

	2017	2016
Security services	**3,526,479**	3,512,609
Janitorial services	**3,297,225**	2,947,045
Other general services	**419,962**	386,004
	7,243,666	6,845,658

18.3 Traveling expenses

This account consists of the following:

	2017	2016
Traveling expenses - local	**3,128,697**	2,591,171
Traveling expenses - foreign	**416,033**	696,428
	3,544,730	3,287,599

18.4 Supplies and materials expenses

This account consists of the following:

	2017	2016
Office supplies expenses	**619,185**	900,233
Semi-expendable expenses	**597,038**	921,721
Fuel, oil and lubricant expenses	**278,335**	267,107
Textbooks and instructional materials expenses	**-**	2,800
Other supplies and materials expenses	**848,001**	927,969
	2,342,559	3,019,830

18.5 Communication expenses

This account consists of the following:

	2017	2016
Telephone expenses	**1,452,633**	1,553,724
Postage and courier services	**360,906**	303,304
Internet subscription expenses	**347,200**	341,876
	2,160,739	2,198,904

18.6 Utility expenses

This account consists of the following:

	2017	2016
Electricity expenses	**1,585,120**	1,630,628
Water expenses	**522,319**	427,212
	2,107,439	2,057,840

18.7 Repairs and maintenance

This account consists of the following:

	2017	2016
Repairs and maintenance-building and other structure	**1,163,443**	1,135,628
Repairs and maintenance-transportation equipment	**497,597**	273,773
Repairs and maintenance-machinery and equipment	**271,832**	197,116
	1,932,872	1,606,517

18.8 OTHER MOOE

This account consists of the following:

	2017	2016
Advertising, promotional and marketing expenses	**30,868,472**	10,892,902
Printing and publication expenses	**1,427,325**	1,289,450
Representation expenses	**752,621**	706,082
Donations	**619,800**	395,247
Rent/lease expenses	**521,685**	373,132
Membership dues and contributions to organizations	**100,000**	100,000
Subscription expenses	**49,438**	43,474
Transportation and delivery expenses	**38,534**	54,230
Other MOOE	**1,265,817**	919,259
	35,643,692	14,773,776

19. NON-CASH EXPENSES

This account consists of the following depreciation expenses:

	2017	2016
Depreciation – machinery and equipment	**2,003,232**	1,841,907
Depreciation – transportation equipment	**726,613**	693,253
Depreciation – building and other structures	**486,000**	486,000
Depreciation – furniture, fixtures and books	**24,510**	21,349
Bad debts expense	-	929,956
	3,240,355	3,972,465

20. FINANCE INCOME

This account includes bank interest income earned amounting to P4,348,343 and P4,286,437 for CY 2017 and 2016.

21. FINANCE COST

This account includes bank charges amounting to P10,224 for CY 2017.

22. PRIOR PERIOD ADJUSTMENTS

This account consists of the following adjustments:

	2017	2016
Adjustments on COA disallowances	-	4,972,437
Adjustment on notes receivables impairment allowance	-	41,060
Adjustments on Semi expendable expenses/depreciation	-	(953,637)
Various adjustments on payables	-	(212,020)
	-	3,847,840

23. BUDGET INFORMATION

The ECC submits an annual COB to the Department of Budget and Management (DBM) upon approval of the endorsement by ECC Governing Board. The ECC budget approved by the DBM for CY 2017 amounted to P180.481 million was sourced from the remittances of GSIS and SSS as mandated under PD No. 626 amounting to P110.566 million and the budget chargeable to Retained earnings amounting to P69.915 million, with the details shown in the Statement of Comparison of Budget and Actual Amounts, summarized as follows:

	DBM Approved Budget	Utilization	Variance
Personal services	66,436,000	64,508,927	1,927,073
Maintenance and other operating expense/Financial cost	83,509,000	75,866,580	7,642,420
Capital outlay	30,536,000	6,481,020	24,054,980
	180,481,000	**146,856,527**	**33,624,473**

The original and supplemental Corporate Operating Budget of the ECC was approved by the DBM on April 04, 2017 and October 18, 2017 respectively.

The DBM-approved COB in the total amount of P180.481 million consists of the original budget of P171.102 million and a supplemental budget of P9.379 million. The budgeted amount of P180.481 million was sourced from the SIF and ECC Retained Earnings, in the amount of P141.102 million and P39.379 million, respectively. The budget for Capital outlay consist of the approved budget for CY 2017 in the amount of P7.145 million and continuing budget of prior year amounting to P23.391 million.

The ECC annual budget is co-shared by the SSS and GSIS on a 70 percent and 30 percent sharing basis respectively. However, in compliance with a Commission on Audit recommendation to utilize the unexpended portion/savings of the prior years' budget in the Retained Earnings, 30 per cent of the 2017 Board-approved COB is charged to Retained Earning. The CY 2017 DBM-approved COB is sourced from the State Insurance Fund (SIF) and Retained Earnings.

24. LOADING FUND AND RELATED PARTY TRANSACTIONS

Under PD No. 626, the ECC and the SIF were created to provide meaningful and appropriate compensation to workers in the event of work-related contingencies through the implementation of the employees' compensation program. As provided by PD No. 626, GSIS and SSS shall collect all revenues, deposit, invest, administer and disburse these funds in accordance with the same conditions, requirements and safeguards as provided under the Social Security Act of 1997. As administrators, all funds not needed for current operations are accumulated to the SIF which shall be deposited with an authorized depository bank approved by ECC or invested for liquidity needs. The fund under the administration of the GSIS and SSS are shown as follows:

Particulars	SSS*		GSIS*	
	*As at December 31, 2017	As at December 31, 2016	*As at December 31, 2017	As at December 31, 2016
Assets	37,616,923,572	34,563,004,693	23,207,701,369	20,214,971,785
Liabilities	378,240	12,365,396	38,402,083	17,597,650
Net worth			**23,169,299,286**	**20,197,374,135**
Reserves	**37,616,545,332**	**34,550,639,297**		
Revenues	4,214,666,429	3,492,107,169	3,360,234,334	3,028,607,674
Expenses	1,213,722,485	1,172,819,928	371,215,015	421,702,588
Net income	3,000,943,944	2,319,287,241	2,989,019,319	2,606,905,086
Other comprehensive Income (loss)	225,626,966	(504,811,127)	(17,094,169)	(15,905,075)
Total comprehensive Income	**3,226,570,910**	**1,814,476,114**	**2,971,925,150**	**2,591,000,011**

**Based on the unaudited financial statement submitted by the GSIS and the SSS.*

Total expenses include the loading funds for the operational expenses of the ECC and OSHC as follows:

Particulars	SSS**		GSIS**	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
ECC	77,396,200	83,124,300	33,169,800	35,624,700
OSHC	111,024,900	65,816,800	47,582,100	37,155,600
Total	**188,421,100**	**148,941,100**	**80,751,900**	**72,780,300**

*** Based on the unaudited financial statements submitted by the GSIS and SSS to ECC.*

ECC's significant influence on the administration of the employees' compensation program are the policies and guidelines formulated for the effective implementation of its program and the review of employees' compensation claims denied by both Systems

(GSIS and SSS). ECC also approves rules and regulations governing the processing of claims and the settlement of disputes, also as provided under PD No. 626, as amended.

25. COMPLIANCE WITH TAX LAWS

The Commission is withholding and remitting to the Bureau of Internal Revenue (BIR) applicable taxes withheld imposed under the National Internal Revenue Code and its implementing rules and regulations.

In compliance with the requirements set forth under BIR Revenue Regulation (RR) Nos. 15-2010 and 19-2011, as amended, hereunder are the taxes paid/remitted by ECC during the taxable year:

BIR Form	Particulars	Amount
1600	VAT and Other Percentage Taxes Withheld	1,622,868
1600-4-E	Creditable IT Withheld Expanded	646,778
1604-CF	Taxes withheld from employees	6,881,868

Moreover, in compliance with BIR RR No. 2-2014 issued on February 4, 2014, the Commission being a corporation exempt from tax under Article 204 of PD No. 626 as amended, will file an Annual Income Tax Return on or before April 15, 2017 using the BIR Form 1702-EX version June 2013.

PART II

OBSERVATIONS AND RECOMMENDATIONS

OBSERVATIONS AND RECOMMENDATIONS

FINANCIAL AUDIT

1. Accounts Payable totaling to P 817,589 remained dormant for more than five years and not supported with documents to prove the validity of the obligations, contrary to Section 4 (6) of P. D. 1445.

1.1 Section 4 (6) of P.D. 1445 provides that:

"Claims against government funds shall be supported with complete documentation."

1.2 Contrary to the above-cited provisions, audit disclosed that Accounts payable balance of P19.396 million as of year-end included accounts in the total amount of P817,589 which are already dormant and not supported with documents consisting of the following:

Year	Payee	Particulars	Amount
2002	Veterans Philippine Scouts	Additional Security/Manpower	P 256,473
2005	FLB Construction	Building renovations	311,939
	Coldpoint AirSystem	Delivery of airconditioning units	27,000
2009	International Labour Organization (ILO)	ILO share in WCPRD Project	48,683
2013	VIGILANT Security Service Corporation	Differential Oct. 4 - Dec.31, 2013	11,794
	Philippine Orthopedic Center	Replenishment of prepayments	11,700
	Occupational Safety and Health Center (OSHC)	Cost sharing with OSHC	150,000
			P 817,589

1.3 While the Payable of P150,000 has a corresponding Accounts receivable with Occupational Safety and Health Center (OSHC), there are no available documents to support its validity, thus, contrary to Section 4 (6) of P.D. 1445.

1.4 The inclusion of accounts that remained dormant for more than five years which are not supported with documents casted doubt on the validity of said ECC obligations.

1.5 We recommended that Management:

a. **Strictly comply with Section 4 (6) of P.D. 1445 on recognition of Accounts payable based on valid obligations duly supported with documents;**

b. **Require the accountant to exert more effort to analyze and review the accounts and to locate the documents to substantiate the accounts payable balance; and**

c. **Revert all Accounts payable that are not supported with valid obligations and documents to the Retained earnings.**

1.6 Management replied that the Commission will strictly comply with the guidelines relative to dormant accounts and will prepare appropriate adjustments in the books as maybe necessary.

GENDER AND DEVELOPMENT (GAD)

2. **The ECC utilized and attributed P8.829 million or 88.76 per cent of its CY 2017 Gender and Development (GAD) Budget of P9.947 million, which is 5.81 per cent of its original Corporate Operating Budget (COB), making the Commission a gender-responsive agency. The GAD Plan and Budget (GPB) was submitted to the Department of Labor and Employment (DOLE) on October 7, 2015. However, the said GPB was not submitted by DOLE to the Philippine Commission on Women (PCW) on time, hence, not endorsed to the Department of Budget and Management (DBM) for approval, contrary to Joint Circular No. 2012-01 of PCW-National Economic Development Authority (NEDA)-DBM.**

2.1 The Guidelines for the preparation of Annual GAD Plans and Budgets and Accomplishment Reports to Implement the Magna Carta of Women under PCW-NEDA-DBM Joint Circular No. 2012-001 provide the following:

> *"6.1 At least five percent (5%) of the total agency budget appropriations authorized under the GAA shall correspond to activities supporting GAD plans and programs. The GAD budget shall be drawn from the agency's maintenance and other operating expenses (MOOE), capital outlay (CO) and personal services (PS). It is understood that the GAD budget does not constitute an additional budget over an agency's total budget appropriations.*
>
> *xxx*
>
> *7.0 Schedule to be observed in GAD planning and budgeting*
>
> *v. January (1 year before budget year) – Submission of reviewed GPBs and ARs to PCW.*
>
> *vii. March – Line departments or central offices submit revised GPBs to PCW. PCW approves and endorses all revised GPBs and returns them to the concerned offices for submission to DBM in time for the budget submission.*
>
> *8.2 The GFPS of the agency shall review all submitted GPBs and as needed, provide comments or recommendations for revision. Agency review*

of GPBs shall focus on the alignment of the GAD plan with the GAD agenda and the correctness and alignment of the entries in each column of the GPB template, e.g. if the proposed activities respond to the identified gender issue or cause of the issue, the issues are correctly identified or formulated, if there are clear indicators and targets, if the proposed budget is realistic, if the number of proposed activities are doable within the year, among others. The GFPS shall then submit the final GPBs and the corresponding GAD accomplishment reports (ARs) to PCW for review and endorsement to DBM.

xxx

8.5 PCW shall acknowledge in writing receipt of the GPBs within two (2) working days. It shall then review and inform the agency of its comments or action on the GAD plans within fifteen (15) working days. If there are revisions to be made or questions to be answered about the submissions, the agency shall be given thirty (30) days to resubmit the GPB. Upon receipt and acceptance of the revised GPBs, PCW shall endorse all revised GPBs and return these to the different line departments or central agencies for their submission to DBM.

2.2 The CY 2017 GAD Plan and Budget was submitted by the Commission to DOLE on October 7, 2015 which was ahead of the deadline of October 31, 2015. The ECC Division Chief of PPSMD was informed through email that the said GAD Plan and Budget was submitted by DOLE to PCW for review on April 21, 2016, which was beyond the deadline.

2.3 Out of the total approved budget per Corporate Operating Budget (COB) of P171.102 million, the amount of P9.947 million or 5.81 per cent, was allocated to the following GAD Programs, Activities and Projects to comply with Section 6.1 of PCW-NEDA-DBM Joint Circular No. 2012-01, details as follows:

Programs, Activities and Projects	Amount
Client-Focused	
• Facilitation of the provision of PT/OT, prosthesis, vocational skills/entrepreneurial courses	P7,446,720
• Conduct of advocacy seminars on ECC/Employees' Compensation Program (ECP) nationwide	2,400,000
Client Administration and Support to Human Resources Development	
• Conduct of seminar-workshop on women's empowerment, development and gender equality; facilitate film showing and attend and participate activities during National Women's Day	99,950
	P9,946,670

2.4 Review of the GAD Annual Accomplishment Report showed that the actual GAD expenses utilized and related attributions amounted to P8.829 million or 88.76

per cent of the allocated budget of P9.947 million. Hence, the Commission was able to comply with the requirement of at least five per cent of the approved COB for CY 2017 as shown in ***Annex 1***.

2.5 We recommended and Management agreed to coordinate with DOLE for the submission of GAD Plan and Budget to PCW within the deadline for its approval and endorsement to DBM, in order to comply with the guidelines of Joint Circular No. 2012-01 of PCW-NEDA-DBM.

3. STATUS OF SUSPENSIONS, DISALLOWANCES AND CHARGES

3.1 For CY 2017, we have issued one Notice of Suspension (NS) in the amount of P3,558.81 and ten Notices of Settlement of Suspension/Disallowance/Charge (NSSDC) amounting to P1.126 million. Details are shown in the following Summary of Audit Suspensions, Disallowances and Charges as at December 31, 2017:

Particulars	Balance as at January 1, 2017	Issued/Settlements (Jan. 1 to Dec. 31, 2017)		Balance as at December 31, 2017
		NS/ND/NC	NSSDC	
Notice of Suspension	P -	P3,558.81	P 3,558.81	P -
Notice of Disallowance	5,512,901.75	-	1,126,451.10	4,386,450.65
Notice of Charge	-	-	-	-
	P5,512,901.75	**P3,558.81**	**P1,130,009.91**	**P4,386,450.65**

3.2 The unsettled Notices of Disallowance (NDs) amounting to P16.461 million and Notices of Charge (NCs) in the total amount of P212,447 which were issued prior to the effectivity of the 2009 RRSA were not included in the reported balance but were deemed disallowances/charges and continue to be enforced in accordance with Section 28 of the same RRSA.

PART III

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of the 6 prior years' audit recommendations, three were fully implemented, two were partially implemented and one was not implemented. The partially and unimplemented recommendations are presented below:

OBSERVATIONS	RECOMMENDATIONS	ACTIONS TAKEN/COMMENTS
2016		
1. Accounts Receivable totaling to P13.811 million remained long outstanding or dormant for more than ten years depriving the Commission of additional funds for its operation and further affecting the fair presentation of the account in the financial statements.	Exert more effort to collect the outstanding receivables and consider requesting from the Commission on Audit authority to write-off dormant receivables for more than ten years in accordance with the COA Circular No. 2016-005 dated December 19, 2016.	Not Implemented Management informed that the Commission will request authority for the write-off of dormant receivables after completion of the documentation requirements.
2015		
2. Two parcels of land valued at P167,483.00 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.	Expedite the consolidation of titles of the foreclosed two parcels of land in the name of the ECC.	Partially Implemented The Commission has coordinated with the CAR regional and main office to confirm the exemption of the subject property from the coverage of the CARP.
3. The settlements on the audit disallowances on the installment basis totaling to P1.162 million were not approved by the Commission on Audit (COA), hence contrary to COA Resolution No. 2015-031 dated August 20, 2015.	Comply with the schedule of payments provided under COA Resolution No. 2015-031 dated August 20, 2015.	Partially Implemented The Commission increased the deductions from salaries and allowances of employees for the

OBSERVATIONS	RECOMMENDATIONS	ACTIONS TAKEN/COMMENTS
		settlement of disallowances. 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. ECC's letter-request to COA-Prosecution and Litigation Services Sector was submitted on August 4, 2016. If requested for the approval on the settlement of the disallowances with Notices of Finality and COA Order of Execution on installment basis, in accordance with the schedule proportionate to the employees' net take home pay. As of date, ECC is waiting for the reply on said request.

PART IV

ANNEX 1

Annex 1

Employees' Compensation Commission
Actual GAD Expenses
For CY 2017

GAD Programs/Activities/Projects	Accomplishment	Amount	Percentage
Client-Focused			
• Facilitation of 598 Persons with Work-Related Disabilities (PWRDs) for the provision of Physical Therapy (PT)/Occupational Therapy (OT), prosthesis, vocational skills/entrepreneurial courses	608 Persons with PWRDs facilitated for the provision of PT/OT, prosthesis, vocational skills and entrepreneurial courses	P 7,415,355	74.55
• Conduct 10 Advocacy seminars on ECC/Employees' Compensation Program (ECP) nationwide	10 ECP Advocacy seminars conducted with 1,574 participants from 1,127 companies	1,356,477	13.64
Client Administration and Support to Human Resources Development			
• Conduct of seminar-workshop on women's empowerment, development and gender equality; facilitate film showing and attend and participate activities during National Women's Day	• 15 ECC employees attended and participated the 2017 National Women's Month Celebration • 14 ECC employees and 12 ODWAPI attended and participated 13th Women with Disability Day Celebration • 2 ECC employees attended and participated presentation of OFW statistics film showing	56,771	00.57

GAD Programs/Activities/Projects	Accomplishment	Amount	Percentage
	• 43 ECC employees and 22 service provider attended and participated Documentary Film showing • Hanging of the 2017 National Women's Month Celebration streamer • 1 ECC employee attended the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), Beijing Platform for Action (BPIA) and Sustainable Development Goals (SDGs) • 6 ECC employees and 15 REUs staff attended the Basic Gender Sensitivity Training • 2 ECC employees attended the Training/Conference on Transforming Research on Gender and Development • 33 ECC employees attended the Seminar-Workshop on Gender Mainstreaming Evaluation Framework and Harmonized Gender		

GAD Programs/Activities/Projects	Accomplishment	Amount	Percentage
	and Development Guidelines • 124 (55 and 69) ECC employees attended the Film showing on women empowerment • 3 ECC employees attended and participated on the 6th GAD Planning and Budgeting (GPB) • 2017 ECC GAD Accomplishment Report prepared and submitted on January 15, 2018		
		P 8,828,603	**88.76**

FINANCIAL STATUS
STATE INSURANCE FUND
As of December 31, 2017

A. ASSETS

	As at Dec. 31, 2017	% of Total	As at Dec. 31, 2016	% of Total	Peso Inc(dec)	% Inc (dec)
SSS	37,616,545,332.00	62%	34,563,004,693.00	63%	3,053,540,639.00	9%
GSIS	23,207,701,369.00	38%	20,214,971,785.00	37%	2,992,729,584.00	15%
Total	60,824,246,701.00	100%	54,777,976,478.00	100%	6,046,270,223.00	11%

*Data based on the unaudited FS submitted by the SSS and the GSIS. GSIS at restated 2016 FS

As of December 31, 2017, total assets of the State Insurance Fund (SIF) amounts to Php60.82B; sixty-two percent (62%) or Php37.62B under the Social Security System (SSS) while thirty-eight percent (38%) or Php23.21B is under the Government Service Insurance System (GSIS). Assets have 11% or Php6.05 billion increase from December 31, 2016 to December 31, 2017.

B. RESERVES/NETWORTH

	As at Dec. 31, 2017	% of Total	As at Dec. 31, 2016	% of Total	Peso Inc(dec)	% Inc (dec)
SSS	37,616,545,332.00	62%	34,550,639,297.00	63%	3,065,906,035.00	9%
GSIS	23,169,299,287.00	38%	20,197,334,559.00	37%	2,971,964,728.00	15%
Total	60,785,844,619.00	100%	54,747,973,856.00	100%	6,037,870,763.00	11%

* Data based on the unaudited FS submitted by the SSS and the GSIS

*Reserves

** Net worth

Total Reserves for future payment of EC claims in both private and public sector amounts to Php60.79B which has eleven percent (11%) or Php6.04 billion increase from December 31, 2016 to December 31, 2017.

As of December 31, 2017, total reserves of the SSS-managed SIF for future payment of EC claims in private sector amounted to Php37.62B. Total reserve is increased by 9% or Php3.07 billion from December 31, 2016 to December 31, 2017.

The GSIS SIF-managed fund total Net worth amounts to Php23.17B is broken down as follows:

Appropriated Surplus – ECIF	8,989,000,000.00
Unappropriated Surplus	14,180,299,287.00
Total Networth	23,169,299,287.00

From Php20.197B in December 31, 2016 to Php23.17B as of December 31, 2017, the GSIS-ECIF total Net worth was increased by 15% or Php2.97B.

From the GSIS ECIF Net worth of Php23.17B as of December 31, 2017, a total amount of Ph8.99B is appropriated for payment of future claims, claims pending settlement, rehabilitation services, ECC and OSHC operating fund and for contingencies. Appropriations for years are as follows:

Years	Amount (in millions)
2010	613.96
2011	633.40
2012	1,095.95
2013	6,125.00
2014	7,045.00
2015	7,780.00
2016	8,678.00
2017	8,989.00

C. REVENUE

Table C-1 Revenue Collected from January to December 31 2017

Particulars	SSS	% of Total	GSIS	% of Total	TOTAL	% of Total
Members Contribution	2,107,491,325.00	50%	2,632,199,790.00	78%	4,739,691,115.00	63%
Investment and Other Income	2,107,175,104.00	50%	728,148,864.00	22%	2,835,323,968.00	37%
Total	4,214,666,429.00	100%	3,360,348,654.00	100%	7,575,015,083.00	100%
		55.6%		44.4%		

From January to December 31, 2017, SIF generated total revenue of Php7.58B: sixty-three percent (63%) or Php4.74B came from the collection of members' contributions while thirty-seven percent (37%) or Php2.835B from investment and other income.

Php4.21 billion or 56% of the total revenue came from the SSS while Php3.36 billion or 44% came from the GSIS.

The table below shows the details of the members Contribution and Investment and other income.

Table C-2 Revenue Collected from January to December, 2016

Particulars	SSS	% of Total	GSIS (Restated)	% of Total	TOTAL	% of Total
Members Contribution	1,913,619,552.00	55%	2,901,184,254.00	96%	4,814,803,806.00	74%
Investment and Other Income	1,578,487,617.00	45%	127,423,420.00	4%	1,705,911,037.00	26%
Total	3,492,107,169.00	100%	3,028,607,674.00	100%	6,520,714,843.00	100%

Table C-3 Comparative Net increase (decrease) in Revenues (December 31, 2017 and 2016

Partic-ulars	Ph Increase (Decrease)	%	Ph Increase (De-crease)	%	TOTAL	%
	Members' Con-tributions	Inc(dec)	Investment & Other Income	Inc (dec)		Inc (dec)
SSS	193,871,773.00	9%	528,687,487.00	13%	(722,559,260.00)	-17%
GSIS	(268,984,464.00)	-37%	600,725,444.00	18%	331,740,980.00	10%
TOTAL	(75,112,691.00)	-1%	1,129,412,931.00	15%	(390,818,280.00)	-5%

Total Combined Revenue from January to December, 2017 has gone down by 5% or a net decrease of Php390.82 million compared to same period in 2016. The total decrease in collection of members' contribution amounts to Php75.11 million while Investment and Other Income has a net increase of Php1.13 billion..

Total SSS revenue from January to December, 2017 has gone done by 17% or Php722.56 million. However, the total GSIS revenue has gone up by 10% or Php331.74 M compared to the same period in 2016.

D. INVESTMENT

I. Investment and Investment Income of Public Sector SIF

As at December 31, 2017, the Government Service Insurance System (GSIS) has a total investment amounting to Php18.34B with an investment income of Php871.25 million. Investment has increase by 16% or Php2.53 billion from the Php15.81B investment total at the end of 2016.

The table below shows the comparative details of investment as at December 31, 2017 and 2016

	Jan. to Dec.	Jan. to Dec.	Ph	%
Particulars	2017	2016	Inc (dec)	Inc (dec)
CURRENT INVESTMENT				
Held to Maturity Investment				
High Yield Short-term placement	727,683,853.00	212,079,778.00	515,604,075.00	243%
NON-CURRENT INVESTMENT				
Fair Value Through Profit or Loss (FVPL)				
ROP Notes & Bonds AFS-Peso	11,024,396,000.00	11,424,123,214.00	(399,727,214.00)	-3%
Corporate Bonds	3,095,599,962.00	2,750,868,670.00	344,731,292.00	100%
Stocks Traded	3,494,368,934.00	1,426,693,479.00	2,067,675,455.00	100%
Total Non-current Investments	17,614,364,896.00	15,601,685,363.00	2,012,679,533.00	13%
TOTAL INVESTMENT	18,342,048,749.00	15,813,765,141.00	2,528,283,608.00	16%
Return of Investment	3.97%	1.34%		

*Data based on the unaudited FS submitted by the GSIS.

Of the total investment as at December 31, 2017, 96% or Php17.61B is placed under non-current investment particularly in ROP Notes and Bonds AFS, Stocks Traded and Corporate Bonds while Php727.68 million is placed under the Held to Maturity Investment particularly on High Yield Short-term Placement. Return of Investment is at 3.97%.

The table below shows the comparative details of the investment income from January to December 31, 2017 and 2016.

	Jan. to Dec.	Jan. to Dec.	Ph	%
PARTICULARS	2017	2016 (Restated)	Inc (dec)	Inc (dec)
CURRENT INVESTMENT				
Held to Maturity Investment				
High Yield Short-term placement	6,700,937.00	36,407,033.00	(29,706,096.00)	-82%
NON-CURRENT INVESTMENT				
Available for Sale Financial Assets				
Gain (Loss) on Valuation - Stocks	478,387,557.00	(101,099,298.00)	579,486,855.00	-573%
Gain (Loss) on Valuation - ROP Notes	(476,479,658.00)	(234,215,070.00)	(242,264,588.00)	103%
Gain (Loss) on Valuation - Corporate Bonds	(10,068,709.00)	(96,864,630.00)	86,795,921.00	-90%
Gain on Sale of Stocks	5,785,924.00	-	5,785,924.00	100%
Dividend on Stocks	47,893,632.00	28,623,016.00	19,270,616.00	67%
Interest on ROP Notes & Bonds AFS-Peso	529,699,502.00	426,966,859.00	102,732,643.00	24%
Gain(Loss) on Sale of Bonds	(212,192.00)	(42,143,003.00)	41,930,811.00	-99%
Interest on Corporate Bonds - AFS	146,416,610.00	110,007,067.00	36,409,543.00	33%
Total Investment Income	728,123,603.00	127,681,974.00	600,441,629.00	470%

*Data based on the unaudited FS submitted by the GSIS.

The January to December, 2017 investment income is Php600.44M higher compared to the investment income earned during same period in 2016. (Based on 2016 Restated amount per Financial Statement)

I. Investment and Investment Income of Public Sector SIF

As at December 31, 2017, total investment of Private Sector SIF amounts to Ph34.56B. Investment is increased by 2.61% or Php879.33 million from Php33.68B in December, 2016. Total Investment Income from January to December 31, 2017 amounts to Php2.03 billion. Investment Income has 32% or Php489.16 increase from Ph1.54B investment Income in the same period in 2016. Return of Investment is at 5.86%

Ninety-nine percent (99%) of the total Investment is placed under the Non-Current Investment. The table below shows the details of these non-current investments.

Total investment in Held on Maturity Investment in the amount of Ph19.08B comprised the highest rate (56%) of its investment under the Non-current Investment and generates total investment income in the amount of Php794.36M from January to December, 2017. Total investment in Members' Loan in the amount of Php6.82B comprised the highest rate (20%) of the investment under loans and receivables and contributed Php569.19M investment income.

Cash Equivalent and Interest Income

From January to December 31, 2017, the SIF at SSS has a total Cash and Cash Equivalent of Php2.71 billion which is placed under a savings and term deposits. Such cash and cash equivalent generates a total interest income of Php39.86M.

Investment and other Income

Investment and other Income from January to December 31, 2017 amounts to Php80.34 million is broken down as follows:

Particulars	**AMOUNT**
Investment Income	2,026,838,028.95
Other Income	
Interest Income –Cash in Bank/term deposits	
Miscellaneous Income	
Recovery of impairment loss	
39,864,242.13	
2,841,012.64	
37,631,820.65	
Total Investment and Other Income	80,337,075,42

INVESTMENT AND INVESTMENT INCOME OF THE PRIVATE SECTOR SIF

Particulars	INVESTMENT as of Dec. 2017	% of total	Income from Investmen
CURRENT INVESTMENT			
Held to Maturity investments			
-Short term money placement	-		-
-Corporate Bonds	225,000,000.00		
-Corporate Note	-		
Held for Trading Financial Assets (FV)	-		9,434,545.59
Loans and Receivables			
-NHMFC	-		
-Commercial and Industrial loans			
-Dormitory/apartment loan program	-		
Total Current Investments	225,000,000.00	1%	9,434,545.59
NON-CURRENT INVESTMENTS			
Non-current Financial assets			
Available-for-Sale financial assets			
- Marketable securities at FV net	7,025,300,459.44	20%	728,080,053.14
Held on Maturity Investments			
-Corporate Notes	387,500,000.00		36,414,956.95
-Corporate Bonds	2,182,000,000.00		107,325,243.93
-Government Bonds	16,511,341,179.86		650,616,063.66
Total	19,080,841,179.86	55%	794,356,264.54
Loans and Receivables			
Members Loan			
- Salary/education/calamity	6,560,586,244.22		335,694,820.06
- Separated member loan	19,645,213.60		144,121,708.89
- Emergency loan	237,231,147.04		89,375,088.83
- Student Assistance loan	4,515.69		632.86
- Loan to Voc/tech students	15,748.06		184.51
Total	6,817,482,868.61	20%	569,192,435.15
National Home Mortgage			
Finance Corporation	1,262,991,156.44	4%	(11,775,602.54)
Home Development Mutual Fund	-		-
Housing loans			
- Real Estate loan	143,751,859.08	0%	(62,697,258.29)
Commercial and Industrial loans			
- Hospital financing program	-		-
- Dormitory/apartment loan program.	4,267,471.93		247,591.06
Total	4,267,471.93	0%	247,591.06
Total Loans and Receivables	8,228,493,356.06	24%	494,967,165.38
Total Non-Current Investments	34,334,634,995.36	99%	2,017,403,483.06
TOTAL INVESTMENT/ INCOME	34,559,634,995.36	100%	2,026,838,028.65
Return on Investment			5.86%

*Data based on the unaudited FS submitted by the SSS.

t Jan. to Dec. 2017	INVESTMENT as of Dec. 2016	% Inc. /-Dec. Investment	Income from Investment Jan. to Dec. 2016
	-	0%	10,581,100.28
	-	100%	
	2,489,305,568.05	-100%	-
	66,778,188.00	100%	20,893,514.25
	72,344,685.78	-100%	-
	128,565.34	-100%	-
	2,628,557,007.17	-91%	31,474,614.53
	5,449,528,829.90	29%	543,071,800.37
	387,500,000.00	0%	81,648,059.44
	2,204,112,000.00	-1%	106,910,444.90
	14,710,994,017.29	12%	609,179,434.44
	17,302,606,017.29	10%	797,737,938.78
	6,505,924,550.57	1%	323,070,226.95
	29,967,392.54	-34%	11,693,901.92
	256,740,303.01	-8%	79,221,397.71
	-	0.00%	231.00
	16,397.16	-4%	-
	6,792,648,643.28	0%	413,985,757.58
	1,222,860,421.41	3%	(255,311,793.65)
	-	0%	-
	279,787,159.59	-49%	6,138,590.43
	-	0%	-
	4,315,350.17	-1%	582,061.41
	4,315,350.17	-1%	582,061.41
	8,299,611,574.45	-46%	165,394,615.77
	31,051,746,421.64	11%	1,506,204,354.92
	33,680,303,428.81	3%	1,537,678,969.45
			4.57%

E. EXPENDITURES

Particulars	SSS	% of Total	GSIS	% of Total	TOTAL	% of Total
Benefits Payments	1,149,968,292.00	95%	220,846,378.00	72%	1,370,814,670.00	90%
Operating Expenses	63,754,194.00	5%	69,616,736.00	23%	133,370,930.00	9%
Management fees	-		17,094,168.00	6%	17,094,168.00	1%
Total	**1,213,722,486.00**	**100%**	**307,557,282.00**	**100%**	**1,521,279,768.00**	**100%**
		80%		**20%**		

*GSIS Operating Expenses – refer to Investment Fees and Other Expenses and Impairment Loss

Total expenditures as of December 31, 2017 amounting to Php1.52 billion was spent by the Systems for benefits payments and operating expenses/management fee; Eighty percent (80%) or Php1,213 billion by the SSS while twenty percent (20%) or 307.56 million by the GSIS.

SSS spent Php1.15 billion for the payment of 244,528 EC benefits claims in the private sector and Php63.75 million for its operating expenses. The Operating Expenses is computed using the Benefit Payment Ratio formula re the percentage of the total ECC benefit payments over the combined SSS and ECC benefit payments from the total PS and MOOE of the entire SSS.

The **GSIS spent Php220.85 million for payment of 40,998 benefits claims in the public sector and Management fee charged by the GSIS to SIF amounts to Php17.09M** computed also using the Benefit Payment ratio. The GSIS adopted the Benefit Payment Ratio formula in the computation of its management fee since 2015.

F. EC BENEFITS CLAIMS AND PAYMENTS

The table below shows the breakdown of the number of claims and benefits payments made by the Systems from January to December 31, 2017:

	SSS		GSIS	
Particulars	**NO. OF CLAIMS**	**AMOUNT**	**NO. OF CLAIMS**	**AMOUNT**
DEATH AND PENSION	193,731	851,189,751.00	35,135	161,339,631.00
DISABILITY	19,739	154,958,847.00	1,930	15,252,383.00
SICKNESS	28,924	121,294,959.00	1062	16,724,591.00
MEDICAL SERVICES	1,327	12,221,131.00	2553	21,369,506.00
FUNERAL BENEFITS	452	8,540,000.00	281	6,067,236.00
REHABILITATION SERVICES	355	1,763,604.00	27	93,031.00
TOTAL	**244,528**	**1,149,968,292.00**	**40,988**	**220,846,378.00**

Death and pension benefits comprised the highest share in the EC benefit payments made both by the SSS in the private sector and the GSIS (survivorship pension) in the public sector.

G. Loading Fund

Particulars	SSS	GSIS	TOTAL
Members Contribution	2,107,491,325.00	2,632,199,790.00	4,739,691,115.00
Investment Income	2,026,838,028.95	728,123,604.00	2,754,961,632.95
Total	4,134,329,353.95	3,360,323,394.00	7,494,652,747.95
12% Loading Fund Ceiling	496,119,522.47	403,238,807.28	899,358,329.75
OPERATING EXPENSES			
AGENCIES	SSS	GSIS	TOTAL
ECC*	77,396,200.00	33,169,800.00	110,566,000.00
OSHC*	111,024,900.00	47,582,100.00	158,607,000.00
GSIS - Management fee		17,094,168.00	86,710,904.00
Investment fees and others	69,616,736.00		
SSS	63,754,194.00		63,754,194.00
TOTAL	**252,175,294.00**	**167,462,804.00**	**419,638,098.00**

* ECC and OSHC approved COB co-shared at 70:30 by the SSS and the GSIS

The total operating expenses for CY 2017 is at Php419.64 million which is forty-seven percent (47%) of the allowable 12% loading fund ceiling.

COMPARATIVE FINANCIAL POSITION:

	SSS		GSIS	
	At December 31, 2017	**At December 31, 2016**	**At December 31, 2017**	**At December 31, 2016**
				(Restated)
ASSETS	37,616,923,572.00	345,563,004,693.00	23,207,701,369.00	20,214,971,785.00
LIABILITIES	376,240.00	12,365,396.00	38,402,083.00	17,597,650.00
RESERVES	37,616,545,332.00	34,550,639,297.00		-
NETWORTH *	-	-	23,169,299,287.00	20,197,374,135.00
	At December 31, 2017	At December 31, 2016	At December 31, 2017	At December 31, 2016
				(Restated)
REVENUES	4,214,666,429.00	2,947,040,399.00	3,360,234,334.00	3,028,607,674.00
EXPENSES *	1,213,722,485.00	1,172,819,928.00	388,309,183.00	437,607,663.00
NET REVENUES	3,000,943,944.00	2,319,287,241.00	2,971,925,151.00	2,591,000,011.00
Total Comprehensive income**	3,226,570,910.00	1,652,547,564.00	-	-
* GSIS - Networth -Surplus				
- Surplus Appropriated			8,989,000,000.00	8,678,000,000.00
- Surplus Unappropriated			14,180,299,287.00	11,519,374,135.00
*GSIS- expenses inclusive of Management fee				
**SSS- Net Gain(Loss) on FV adjustment	₱225,626,966.00	₱(504,811,127.00)		

The ECC Commissioners and their Designates

ALTERNATE

CIRIACO A. LAGUNZAD III
Undersecretary
Department of Labor and Employment

Age: 63 years old

Date of First Appointment - March 18, 2013
Chairman-Alternate Ciriaco A. Lagunzad was appointed as Department of Labor and Employment Undersecretary for Workers' Welfare and Social Protection on 18 March 2013.
He first served as a Deputy Executive Director IV of the National Wages and Productivity Commission from 1990 up to 1997 until his appointment as Executive Director in 1997.
He was deployed in Brussels, Belgium as Labor Attache II as part of DOLE's Cross Posting Program.
In the private sector, he served as the Assistant Vice President of City Emporium Corporation from 1979-1980 and as an Assistant Manager for Filinvest Credit Corporation from 1976-1979.
He took up Masters in Public Management in National University of Singapore under the Joint Program of NUS, Singapore and Kennedy School of Government. He was also a recipient of Lee Kuan Yew Fellowship during the said stint in Singapore.

STELLA ZIPAGAN-BANAWIS

Executive Director
Employees' Compensation Commission

Age: 55 years old

Date of First Appointment - January 4, 2013

Executive Director Stella Zipagan-Banawis served as the Head of the Employees' Compensation Commission from December 2011 up to the present. Before she became the Executive Director of the ECC, she rose from the ranks at the Philippine Overseas Employment Administration (POEA) starting as an Overseas Employment Officer at the Market Development Department, a Senior Overseas Employment Officer and later became the Division Chief of POEA's Market Research and Standards Division.

Later on, she became the Director II of the Marketing Branch of the POEA before transferring to the Pre-employment Services Office. She held the position of a Deputy Administrator for Licensing and Adjudication Office before she was appointed to lead the Employees' Compensation Commission.

She took up Masters in National Security Administration at the National Defense College of the Philippines from 1996 to 1997. She graduated from the University of the Philippines, Diliman with a bachelor of Arts Degree major in Economics.

ATTY. JOSEFINA O. FORNILOS, CPA

Senior Vice President
Central Processing Group
Social Security System

Age: 55 years old

Atty Fornilos earned her Bachelor of Science degree in Commerce, Major in Accounting from Ortanez University in Quezon City. After graduation, she started working for Social Security System as a contractual employees until she was able to secure a permanent position as a Clerk for various units.

In 1987, she became one of the pioneer Internal Auditors who set up the SSS Internal Audit Service Office. After several years, she rose from the ranks and became a Department Manager before she became an Assistant Vice President for the Northern Mindanao Division. One of her notable achievements while serving the Northern Mindanao Division is her effective management of the SSS operations in the area during the onslaught of Typhoon Sendong in 2011.

As the Senior Vice President of the Central Processing Group, she oversees the implementation of the new electronic system in the payment of death, disability, and retirement benefits, or the Benefits Workflow System.

MEMBER-DESIGNATE:

ATTY. DIONISIO C. EBDANE, JR.

SVP, VisMin Group
Government Service Insurance System

Age: 53 years old

Date of First Appointment - October 18, 2010

He currently seats as member-designate in the Governing Board of Employees' Compensation Commission (ECC) and Occupational Safety and Health Commission (OSHC).

In 1995, he transferred to the Philippine Postal Corporation as Manager for its Investment Management Department and left in July 1998 to join a promising career with the Government Service Insurance System.

Shortly after he joined the GSIS, he was designated as team leader for different special projects, and was soon promoted as Manager for the Housing Finance Services Department in 2001.

He was promoted as Vice President for the Housing Finance Services in 2006, and was eventually transferred to the Operations Sector in 2007. He is now the Senior Vice President for GSIS' Visayas and Mindanao Operations Group.

He is a Certified Public Accountant, a Lawyer, and a Career Executive Service Officer IV.

He took up Bachelor of Law while working as Internal Auditor of the United Coconut Planters Bank in Makati City.

Dr. Celestina Ma. Jude P. Dela Serna

OIC-President and Chief Executive Officer
Philippine Health Insurance Corporation

A graduate from the College of Medicine from the Dela Salle University in Dasmarinas, Cavite, Commissioner Dela Serna has served as a Medical Doctor and as Chief of different hospitals before becoming a Commissioner of the Employees' Compensation Commission.

She first served as a Resident Physician in Healthway Medical Clinics in Alabang, Muntinlupa. When she returned to her native homeland in Bohol, she worked in a private health clinic before serving as the Chief of Maribojoc Community Hospital from 2003-2005.

Afterwards, she transferred to the Cong. Natalio P. Castillo,
Sr. Memorial Hospital and served as the Chief of Hospital until the time she was appointed as PhilHealth Board Member.

CARLITO P. ROBLE

National Executive Vice-President
Alliance of Filipino Workers

Age: 58 years old

Date of First Appointment - January 4, 2013
For 26 years of service in the Alliance of Filipino Workers, Commissioner Carlito P. Roble provided an undying commitment to the members of the union in the health sector. He served as the National Vice President of the Alliance of Filipino Workers and Union President of the San Juan De Dios Educational Foundation Inc., Hospital (SJDEFIH) Employees Association. He is actively involved with various programs of the union such as empowering the health workers movement, enriching members' skills and knowledge on the rights given by the law and improving the working conditions and life of the health workers. Under his leadership, Comm. Roble continuously participated in organizing and building alliances with other non-member hospitals to strengthen the internal solidarity and cohesiveness among the health workers in our country.
He attended the following seminars and conferences NAPC 1st Sectoral and Council Meeting held on April 15-17, 2015 at San Mateo, Rizal; ASETUC Regional Training and Regional Conference (held on June 10-12, 2015 in Kuala Lumpur, Malaysia; NAPC All Forman Labor and
Migrant Workers Sector Council Members 2nd Sectoral Council Meeting held on June 15-17, 2015 at Robbinsdale Residences, Araneta Avenue, Quezon City; and PSI Financing Trends in Health Sector, Inputs on Health Workers in Asia and Pacific (held on September 7-8, 2015 at Astoria Plaza, Ortigas, Pasig City.

ATTY. JONATHAN T. VILLASOTO

Deputy Executive Director
Concurrent Chief, Appeals Division

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DIANNE LILIBETH S. BAUTISTA

Board Secretary III

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The ECC Management a

STELLA ZIPAGAN-BANAWIS
Executive Director
Employees' Compensation Commission
(ECC

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and the Division Heads

MA. CECILIA E. MAULION
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Tel. No. (049) 545-7360 / Fax. No. (049) 545-7357
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66 2016 Annual Report Employees' Compensation Commission

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