



Empowering PWRDs with Inclusive and Compassionate Public Service

ANNUAL REPORT 2019 EMPLOYEES' COMPENSATION COMMISSION



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EMPLOYEES' COMPENSATION COMMISSION



LEGAL MANDATE

The ECC is a government corporation. It is attached to the Department of Labor and Employment for policy coordination and guidance.

It is a quasi-judicial corporate entity created to implement the Employees' Compensation Program (ECP). The ECP provides a package of benefits for public and private sector employees and their dependents in the event of work-connected contingencies such as sickness, injury, disability or death.

As implementor of the Employees Compensation Program, ECC is mandated by law to provide meaningful and appropriate compensation to workers.

MISSION

To develop and implement effective OSH policies and programs for the promotion of a healthy working population and prevention of work related contingencies.

To promptly provide workers and/or their dependents with adequate benefits and rehabilitation and other related services in the event of work-connected accident, injury, illness and death.

To manage a sound, strong, and wisely invested State Insurance Fund.

VISION

By 2022, ECC is a nationally-acclaimed institution fully committed to ensuring a well-protected working population through sound, responsive and sustainable policies, programs and services on occupational safety and health (OSH), employees' compensation and rehabilitation of persons with work related disability.

CORE VALUES

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

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

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

We deliver excellent services promptly and fairly to all.

Message from the Secretary



SILVESTRE H. BELLO III

Department of Labor and Employment

The ECC, for more than 4 decades now, has been championing the welfare of Filipino workers through continuous development and implementation of innovative policies, programs and projects that meet the needs of persons with work-related disabilities (PWRDs).

The recent inclusion of the Self-Employed (SE) compulsory members of the Social Security System (SSS) in the coverage of the Employees' Compensation Program is a clear manifestation of the eagerness of the ECC management to improve and provide more relevant benefits and services to workers who suffered from work-related contingencies such as injury, sickness, and/or death. This resonates well with one of the president's priorities which is to drive the economy thru a strong Philippine workforce. I am grateful to be part of this initiative of the Commission.

The year 2019 has been a great year not just for the ECC but for the entire Department of Labor and Employment as well. But, we cannot rest on our laurels as much still remains to be done to provide a decent and productive lives to our workers, more particularly to our PWRDs.

I hope that we continue to work together and may you keep the reform process moving to be able to harvest highly motivated workforce; relevant and innovative policies and

programs for all persons with work-related disabilities.

Mabuhay ang ECC at ang manggagawang Filipino!

Message from the Executive Director

The year 2019 witnessed the fruits of the efforts of the Employees' Compensation Commission (ECC) as we continue to provide a package of benefits to Filipino workers and their families in the event of work-related contingency and work towards the realization of our vision to be a nationally-recognized social insurance institution dedicated to championing the welfare of the Filipino workers. This Annual Report outlines our triumphs for the Filipino workers in 2019.

We strived harder to formulate policies and guidelines for the enhancement of the Employees' Compensation Program (ECP) and respond to the growing needs of our workforce through the issuance and approval of five policies that expanded the coverage of the program to self-employed compulsory members of the Social Security System (SSS) and land-based overseas Filipino workers (OFW) and increased the benefits under the ECP.

Our commitment for improving the lives of our persons with work-related disability (PWRD) goes beyond the monetary benefits as we help them rebuild their lives and start anew through an intensified Katulong at Gabay sa Mangagawang may Kapansanan (KaGabay) Program.

We afforded PWRDs with free physical and occupational therapy, provided assistive devices, and granted entrepreneurial training and livelihood starter kit. We also persevered to give immediate assistance under the Quick Response Program.

ECC continues to deliver 100 percent case disposition rate on all appealed EC claims within the prescribed process cycle time of 20 working days.

We also made aggressive efforts in raising the awareness of the Filipino workers on the ECP by reinforcing our advocacy programs and seminars nationwide thru both traditional and digital marketing campaigns.

As we close another year, we move forward and keep the passion and commitment in fighting for the welfare of every Filipino worker, especially, of persons with work-related disability.

Mabuhay tayong lahat!



STELLA ZIPAGAN-BANAWIS
Employees' Compensation Commission



THE EMPLOYEES' COMPENSATION PROGRAM

ECC is 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, its main functions are:

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

2019 YEAR IN REVIEW

A Summary of ECC's Accomplishments

EPIC 2019: *Empowering PWRDs with Inclusive and Compassionate Public Service*



The year 2019 has been another prolific year for the ECC as it continues to make reforms and developments for a better implementation of the EC Program.

With the unceasing hardwork and support of the members of the Commission, the following five (5) policy issuances that are geared towards a more holistic and responsive employment injury benefits to all Filipino workers have been issued:

1. Expanding the Coverage of the Employees Compensation Program (ECP) to the Self-Employed Compulsory Members of the SSS (BR No. 19-03-05 approved on March 6, 2019)
2. Adopting the Penalties for Failure to Remit SSS and GSIS Contributions as provided under Republic Act (RA) No. 11199 and Republic Act No. 8291 Amending for this Purpose Rule V, Sec. 3 (4) of the Amended

Rules on Employees' Compensation (BR No. 19-06-21 approved on March 27, 2019)

3. Approving the Continuous Application of the Manner of Computing EC Pension in Relation to the New MSC Schedule under the Social Security Act of 2018 (BR No. 19-08-27 approved on August 22, 2019)
4. Approving the Increase in the Maximum Daily Income Benefit for Temporary Total Disability (TTD) in the Private Sector from Php480 to Php600 in Relation to the new MSC Schedule under the Social Security Act of 2018 (BR No. 19-08-28 approved on August 22, 2019)
5. Promulgating the Policy on Expanding the coverage of the Employees' Compensation Program (ECP) to Land-based Overseas Filipino Workers (BR No. 19-11-19 approved on November 19, 2019)

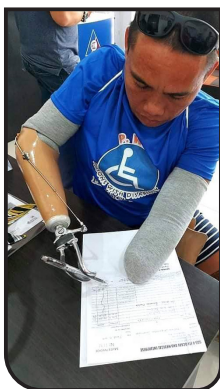
PROVISION OF REHABILITATION SERVICES



Aside from these, the Commission also ensures that all persons with work-related disabilities (PWRDs) are provided with the necessary rehabilitation services they need to fully recover. In CY 2019, 350 PWRDs were provided with either free physical or occupational therapy. Sixty-nine PWRDs were given prosthesis which amounted to P5.1 million.

In addition, the ECC facilitated the skills and entrepreneurial training of 423 PWRDs who were provided with starter kits amounting to P20,000 – P30,000 per worker under the Katulong at Gabay sa Manggagawang may Kapansanan (KaGabay) Program.

In total, more than P8.7 million was granted to PWRDs who successfully qualified for the KaGabay Program.



FEATURE STORY

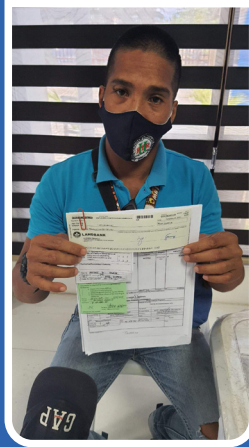
“We would like to extend our gratitude to ECC and other government agencies for without their initiative to introduce and immerse us to other life opportunities, we wouldn’t be here today. Marami pong salamat.”

- ERNESTO BERMUNDO, ECC Beneficiary



QUICK RESPONSE PROGRAM

Another flagship project under the EC Program is the Quick Response Program (QRP), a project that provides immediate help to workers who suffer from work-related families in the form of psychosocial support and a cash assistance ranging from P10,000 to P15,000 per worker. So far, the ECC was able to provide cash assistance to 1194 workers and their beneficiaries in the amount of P12.7 million.



ECC APPEALS AND CASE DISPOSITION

Another mandate of the ECC is the speedy disposition of EC appealed claims where it achieved a 91.46% case disposition rate or 75 out of 82 cases handled. 100% of the 75 cases received were resolved within the prescribed process cycle time (PCT) of 20 working days.



INFORMATION DISSEMINATION

For the advocacy programs, the ECC has conducted 752 ECP orientation seminars reaching a total of 40,306 participants from 19,161 companies nationwide.

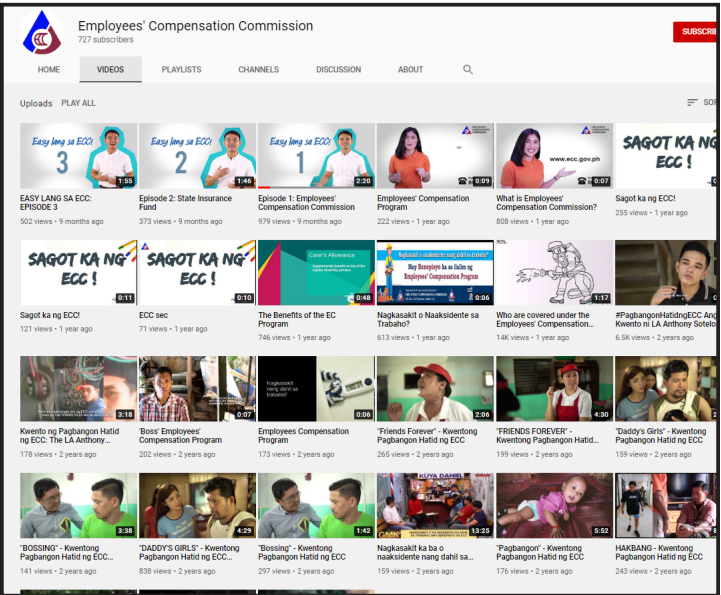
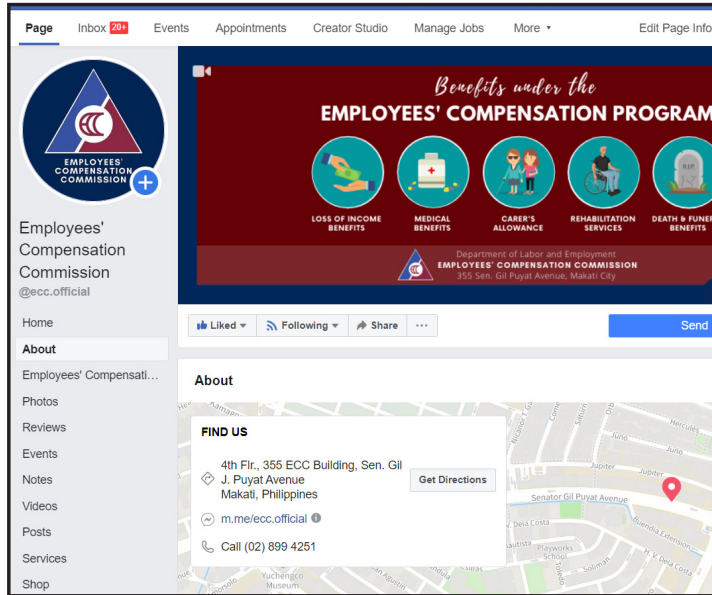
Further, the ECC continues to improve its communication plan and implement new marketing campaigns such as the LRT Train Wrap, Bus Rear Advertisement and placement of ECC Roll up banners to all SSS, GSIS and DOLE field offices nationwide.



SOCIAL MEDIA PRESENCE

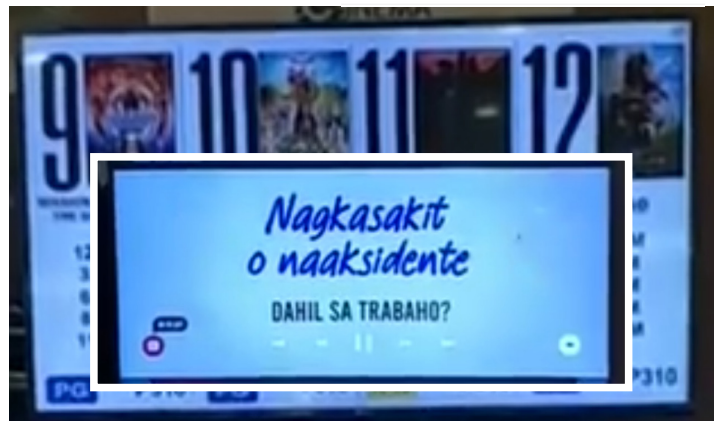
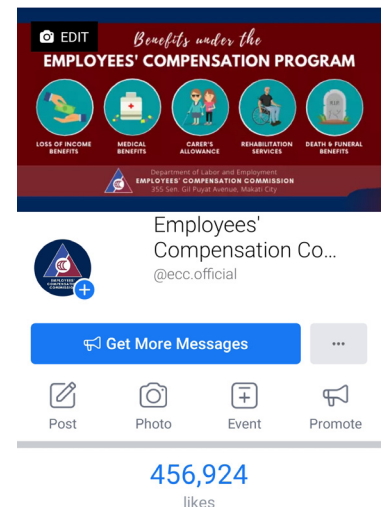
The ECC has also strengthened its digital online presence by continuously uploading relevant contents and materials in the Facebook page and Youtube channel. Records show that in 2016, the ECC FB page has only 1,758 likes and followers, but with the online campaigns and activities the ECC regularly executes, ECC's FB page now has almost 361,000 likes and followers and counting.

The ECC also implemented a nationwide cinema ads campaign and an online lecture series in 2019 and now ready set to execute its SMS textblast program, TV ads, radio ads, radio program and jeepney topper ads in the first quarter of 2020.



← Employees' Compensation...

#ProteksyonsaManggagawangFilipino
#KwentongECC
#ANGATangmayALAM
#WorkRelatedAccident
#WorkRelatedSickness



AWARDS AND RECOGNITIONS

With all these efforts, the ECC received the following citations from its partners and other award giving bodies:

1. Continuous Improvement Award from the ASEAN Social Security Association award in recognition of ECC's never ending effort to expose and eliminate causes of problems thru many incremental steps towards improvements rather than one overwhelming innovation on 17 September 2019 at The Rizqun International Hotel, Brunei Darussalam
2. Stakeholder Awardee from the Philippine National Police Finance Service in recognition of ECC's unceasing support and ardent services rendered to PNP personnel on 07 June 2019 at the PNP Multi-Purpose Center, Camp BGen Rafael Crame, Quezon City
3. Most Outstanding Accounting Office for CY 2018 from the Association of Government Accountants of the Philippines on 23 October 2019 at the Atrium Limketkai Center, Limketkai Drive, Cagayan De Oro City
4. Plaque of Appreciation from the Philippine Information Agency in recognition of the partnership between the two agencies aimed at communicating ECC's programs and ensure an informed and empowered citizenry on 15 November 2019 at the Sequoia Hotel, Quezon City
5. PEZA Commendation to ECC Regional Extension Unit in Cordillera Administrative Region from the Baguio City Economic Zone in recognition of its contributions and partnership to the projects and programs of PEZA on 25 March 2019 in Baguio City.



ECC AWARDS AND RECOGNITION

ECC bags ASEAN Social Security Association award



The Employees' Compensation Commission (ECC) is one of the recipients of the ASSA Award during the 36th ASEAN Social Security Association (ASSA) Board Meeting and Seminar hosted by the Tabung Amanah Pekerja (TAP) or Employee Trust Fund (ETF) of Brunei Darussalam held at The Rizqun International Hotel, Bandar Seri Begawan, Brunei Darussalam on September 17-18 2019.

ECC was recognized with this year's award under the Continuous Improvement Recognition Category, for its project, the 3Es – Reform Agenda of the ECC: Equalize, Enhance and Expand.



The 3Es—Reform Agenda of the ECC: Equalize, Enhance and Expand is a framework adopted by the ECC geared towards providing a more holistic and responsive employment compensation benefits to all Filipino workers and/or their dependents in the event of work-connected sickness, injury, disability and/or death. It aims to equalize the benefits between the covered workers-employees in the public and private sectors, enhance and upgrade EC benefits and expand the coverage and access to social protection for workers in the informal economy.

ECC Executive Director Stella Zipagan-Banawis accepted the award from TAP Chairman, Yang Berhormat, Major General (Ret) Dato Paduka Seri Awang Haji Aminuddin Ihsan bin Pehin Orang Kaya Saiful Mulok Dato Seri Paduka Haji Abidin, Minister of Culture, Youth and Sports of Brunei Darussalam, and Ms. Nguyen Thi Minh, ASSA Chairman, Vice Minister, Director General of Vietnam Social Security.

ASSA's recognition ceremony was attended by representatives of the 20 member institutions from ASEAN countries namely Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam. These countries share viewpoints and desire towards a united, stable and strong social security in the region.

ASSA seeks to promote the development of social security among its member countries in line with their aspirations, laws and regulations and on the basis of consensus that would grow for the best interest of the people and growth in the region.

According to Executive Director Banawis, it is thru ECC's 3Es project that the agency is able to reach more Filipino workers who met work-related contingencies. "For the past years, we have extended package of benefits to millions of fellow Filipinos. And to see them start new lives thru our programs gives us more reasons to perform our mandate and go beyond what is expected of us," said Banawis.

With the recent recognition, Banawis is more determined to improve the ECC's programs for the betterment of persons with work-related disabilities.

ISO CERTIFICATION

The ECC also maintained its ISO certification after passing its second surveillance audit on December 11, 2019 conducted by TÜV Rheinland Philippines (TUV) in accordance with the requirements of the ISO 9001:2015 standards in 2016.

Much has been accomplished in 2019 and the past years but the ECC recognize that much still remains to be done. The ECC thanks all its partners and stakeholders for their unceasing guide and support. Rest assured that the ECC will continue to step up its program implementation and awareness campaign to reach and assist more Filipino workers.



CORPORATE GOVERNANCE CONFIRMATION STATEMENT

The Employees' Compensation Commission strictly adheres to the principles of good corporate governance. As one of the government owned or controlled corporations under the oversight of the Governance Commission for Government or Controlled Corporations (GCG), the ECC, its Governing

Board and all of its officials and employees fully comply with the Code of Corporate Governance issued by the GCG which was made operational through the Manual of Corporate Governance

ECC NEWS

ECC joins ILO's Stakeholders' Forum on Sustaining Actions on OSH for Young Workers

The Employees' Compensation Commission (ECC) represented by Public Relations Officer IV Alvin Garcia and Planning Officer III Ryza Mae Daguplo joined the stakeholders' forum on sustaining actions on Occupational Safety and Health (OSH) for Young Workers on February 21, 2019 at The Peninsula Manila.

The event was organized by the International Labour Organization (ILO) through its SafeYouth@Work project funded by the United States Department of Labor and which Philippines is one of its pilot countries for the application of building a generation of safe and healthy workers alongside Vietnam and Myanmar.

The ECC has been part of the steering committee and one of the active partners of the ILO for the project since its implementation in 2015.

The forum aimed to solicit inputs from stakeholders and potential partners on how to sustain and strengthen the promotion of OSH, identify key issues relating to OSH vulnerabilities among young workers



in the country and generate solutions that may possibly address the challenges identified.

During the morning session, participants were divided into four small groups to discuss the key elements of the project such as the data, research and legislation on OSH and young workers, institutional framework addressing OSH and education, information and awareness raising for young workers.

ILO Enterprise Development Specialist Kagosashi welcomed the participants during the afternoon session and reminded everybody that OSH is a responsibility of everyone.

Other officials present during the forum include Department of Labor and Employment Undersecretary Ciriaco Lagunzad III, Assistant Secretary Benjo Benavidez, Federation of Free Workers President Atty. Jose Sonny Matula and Employers Confederation of the Philippines Director General Roland Moya.

ECC NEWS

ECC, PMAP tie-up for EC program orientation



To increase the level of awareness and understanding of workers iECC-REU 1, in collaboration with PMAP-Pangasinan Chapter, conducts an ECP In-house seminar at the City Museum, Dagupan City on February 6, 2019. In relation to their rights and benefits under the Employees' Compensation Program (ECP), the Employees' Compensation Commission Regional Extension Unit 1 (ECC-REU1) conducted an in-house seminar to the officers and members of the People Management Association of the Philippines (PMAP) – Pangasinan chapter during their General Membership Meeting and Election of Officers at the City Museum, Dagupan City on February 6, 2019.

A total of 30 participants composed of owners and human resource officers from different private companies, local government units and some Public Employment Services Office (PESO) managers in Pangasinan attended the seminar. ECC REU 1 Regional Officer Dexter Dupagan oriented the participants about the EC Program and discussed the benefits and services employees' may avail if a worker suffers from a work-related contingency.

Dupagan highlighted the recent reform programs of the ECC anchored on the "3Es – Equalize, Enhance, and Expand" strategy in response to the challenges facing the EC Program.

"Even if there is ECC, it is still more important that we develop and sustain a culture of safety and healthy environment in the workplace", said Dupagan.

The participants were also urged to support ECC's different activities and become active partners and advocates of the ECP by sharing the information to their clients, family, friends and fellow workers.

The Employees' Compensation Commission is a government corporation attached to the Department of Labor and Employment for policy coordination and guidance. It was created by virtue of Presidential Decree No. 626, as amended and as embodied in Title II of Book IV of the Labor Code of the Philippines. The 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.



ECC NEWS

ECC orients members of the AHRM in the Hospitality Industry

The Employees' Compensation Commission (ECC) continues to build up its information awareness campaign about the EC Program as it reaches to more organizations across the country.

On February 21, 2019, the ECC attended and oriented more than 30 members of the Association of Human Resource Managers (AHRM) in the Hospitality Industry during their monthly membership assembly at the Hotel Benilde Maison De La Salle.

Some of the AHRM members who were present during the meeting were human resource managers from Microtel Hotels, Holiday Inn Manila Galleria, Crowne Plaza Manila Galleria, Pan Pacific Manila, SM Hotels and Conventions Corporation, Seda Hotel, Green Sun, Hotel, New World Makati Hotel, Hotel H2O, Century Park Hotel, Acuatico Beach Resort and Hotel, The Manila Hotel, Luxent Hotel, and the Heritage Hotel Manila.

The orientation aimed to empower and strengthen the awareness of workers especially HR managers about the benefits and privileges employees' who meet work connected contingencies may avail under the EC Program. Further, they were urged to become ECP advocates by sharing the information to their families, friends and fellow workers.

"We thank the ECC for enlightening us in the



hospitality industry of our rights under the EC Program.

The AHRM in the Hospitality Industry was founded in 1974 by four HR practitioners of major international hotels in the Philippines. The Hilton, the Hyatt, The Inter Continental and Philippine Village Hotel. Today, the association grew to more than 60 members with provincial chapters in Cebu and Davao that has around 50 members.

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ECC NEWS

ECC employees participate on VAWC orientation



In line with the campaign to end violence against women and children, the Employees' Compensation Commission (ECC) employees, thru the initiative of the Appeals Chief Atty. E. Patrice Jamaine T. Barron, conducted a seminar on Violence Against Women and Children on December 09, 2019 at the ECC Multi-Purpose Hall.

Eighty-six (86) personnel of ECC's six divisions attended the seminar and participated in an interactive discussion.

Atty. Barron discussed and elaborated the legal definitions of R.A. 9262 also known as the Anti-Violence against Women and their Children, its scope and coverage.

She explained the different kinds of abuses that usually happen in relationships such as physical, sexual, psychological and economic abuses which all constitute a violation of R.A. 9262. And to better explain its forms, she cited some of the most notable news involving high profile personalities who filed cases for violation of R.A. 9262 against abusive husbands and partners.

She encouraged the participants specifically the women to act on the abuses that they have experienced, are experiencing and will experience should similar situations happen and call for immediate actions. "It is very important for us women to know our rights, so that we know

how to protect ourselves from all forms of abuses. Be brave, act on it," said Barron who has been doing the lecture on R.A. 9262 even before she joined the ECC.

Likewise, Barron reminded the men participants to show more respect for women especially those who are in relationships. "To all the gentlemen here, value your wives and children or your partners. Maintain high respect for them. If you have problems, never ever inflict physical and emotional harm to your partners," she said.

Furthermore, R.A. 8972 also known as the Solo Parents' Welfare Act was also highlighted so employees who are solo parents may also be aware of their rights under the law.

Mary Ann Tagalog, one of the employees said "This seminar reminds me of my rights and the limitations in a relationship. This did not only equip me with knowledge and information on my rights but also the ways on how to defend and fight for myself should similar situations happen in the future."

ECC Executive Director Stella Zipagan-Banawis also expressed her thoughts on the seminar. "It is very empowering for us women, and [I think] also for men, to know our rights not just as women but also as human beings who rightfully deserve respect more than anything else," said Banawis.

ECC NEWS

ECC introduces EC Program in Bangued, Abra

The Employees' Compensation Commission, as part of its mission to ensure at all times that workers are informed of their rights and benefits under PD 626, as amended, otherwise known as the Employees' Compensation and State Insurance Fund, will hold its first ever EC Program Advocacy Seminar in Bangued, Abra on December 04, 2019 at the Lucky Hotel and Restaurant.

About 100 human resource officers, company representatives, employees from private enterprises and government agencies including uniformed personnel from the Armed Forces of the Philippines, Philippine National Police, Bureau of Fire Protection and Bureau of Jail Management and Penology from nearby areas in Bangued, Abra are expected to attend this one-day, free of charge seminar.

The ECC Team will be at the Kapehan sa PIA, Vigan from 10:00 am to 11:00 am to set the tone for the next day's advocacy seminar. Radio interviews are also arranged on December 02, 2019 at Bombo Radyo, La Union and on December 03, 2019 over Radyo ng Bayan, Vigan.

Topics to be discussed are the three components of the EC Program namely – prevention, compensation and rehabilitation services and the recent EC Program reforms anchored on the "3Es" – Equalize, Enhance and Expand strategies, in response to the challenges facing the EC Program.

The EC Program Advocacy Seminar in Bangued, Abra is made possible in coordination with the Department of Labor and Employment – Cordillera Administrative Region (DOLE-CAR).

Employees' Compensation Commission is an attached agency of DOLE mandated by law to provide meaningful and appropriate compensation benefits and services to workers in the event of work-related contingencies.



ECC NEWS



Photo from Goat Sale Philippines Facebook Page



ECC lights hope to a teacher in South Cotabato

"Employees' Compensation Commission is a blessing to us, persons with work-related disabilities, who thought that it's impossible to rise again after encountering a life-threatening incident," said Melyn Lapido, an elementary school teacher of Norala Central Elementary School, South Cotabato.

In 2016, the Norala Central Elementary School hosted the Provincial Boy Scout of the Philippines Jamborette. As a teacher of the host school, Lapido actively engaged herself as one of the facilitators of the event.

Lapido, while attending the popularity canvassing of the event on November 24, 2016, suddenly felt her knees weakened and leaned towards their school principal who was standing behind her. She was immediately brought to the hospital and was diagnosed to have a stroke.

In April 2017, she filed for EC disability claim at GSIS-General Santos branch. Upon evaluation, Lapido was granted cash benefits amounting to P30,500.00 for EC Permanent Total Disability.

To help her recuperate faster, the ECC, through its Regional Extension Unit Region 12 endorsed Lapido at Dr. Arturo P. Pingoy Medical Center for a series of physical therapy sessions. After the therapy sessions, ECC also granted Lapido with shoulders and foot support, and arms splint. Further, she was also given a livelihood starter kit amounting to P20,000.00 under the Katulong at Gabay sa Manggagawang May Kapansanan (KaGabay) Program of the ECC.

"I suddenly felt alive again. I thought there is no hope for me since I no longer earn for my family and the treatments I need to fully recover are expensive. I'm indeed grateful to the ECC for all the help they've given me," Lapido added.

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ECC NEWS

Former machine operator awarded with P160k-worth of prosthesis; now owns bigasan

Butuan City – Employees' Compensation Commission (ECC), thru its Regional Extension Unit 13 awarded Ceriaco S. Tello with arm prosthesis worth P160, 000 on November 14, 2019.

Tello was a former hot press machine operator at Butuan Esperanza Corporation in Butuan City, Agusan del Norte. On 13 February 2013, while feeding plywood to the hot press machine, his right arm was swallowed by the machine which caused its amputation.

On top of the prosthesis received by Tello, he also received a livelihood starter kit amounting to P20, 000 on June 11, 2019 under ECC's Katulong at Gaby sa Manggagawang may Kapansanan (KaGabay) Program. He used the money to put up a Bigasan or a rice retailing business.

Tello said he is grateful for all of ECC's help in his road to recovery as well as for the bigasan business which is a big help to his family's income. And though he is yet to get used to having an artificial arm, he said the bigasan motivates and inspires him to focus more in life.

"Nagpapasalamat talaga ako kay Executive Director Stella Zipagan Banawis at sa ECC sa lahat ng ibinigay niyong tulong—[gamot, assistive device, trainings at seminar at financial assistance] para makapagsimula ako ng bagong negosyo at bagong buhay," said Tello.

Banawis extended her support to Ceriaco saying, "Our goal here in ECC is not just to help our PWRDs with financial assistance, but also to assist them with all the trainings they need for them to get back to the economic mainstream."



ECC NEWS

ECC hosts PHILSSA summit 2019



The Employees' Compensation Commission (ECC) hosted this year's Philippine Social Security Association (PHILSSA) Summit with the theme "Future of Work and Social Security Talk" at the Marco Polo Hotel in Ortigas City on November 15, 2019.

Officials and employees from ECC and other members of the PHILSSA composed of the Government Service Insurance System, the Home Development Mutual Fund, the Philippine Health Insurance Corporation, the Philippine Charity Sweepstake Office and the Social Security System participated in a one-day summit tackling the challenges faced by the social security institutions in the Philippines given the future of work.

International Labor Organization (ILO) Director for Country Office for the Philippines Khalid Hassan shared that worldwide social security faces technological and climate changes. He said that industrial robots have already replaced employees in some sectors worldwide. "Jobs will be lost because of these forces transforming the world of work," Hassan said.

Meanwhile, Joseline P. Niwane, Assistant Secretary for Policy and Plans of the Department of Social Welfare and Development (DSWD) explained enhanced social protection operational framework for the Philippines. She elaborated the principles of social protection in the Philippines as one that is universal and transformative. "All Filipinos must be able to access the programs that will respond to the various lifetime risks as the government should address concerns of social exclusions," said Niwane.

The talks continued with additional discussions on exploring the possibility of a basic income guarantee in the Philippines by Dr. Fernando T. Aldaba of the Ateneo De Manila University while Girlie Grace Casimiro-Igtiben of the National Economic Development Authority discussed the Social Development Goals and the social protection chapter of the Philippine Development Plan.

Ahmma Charisma Lobrin-Staumba, Executive Director of DOLE Institute for Labor Studies, on the other hand, talked about the unemployment insurance emphasizing the need to link unemployment insurance with labor market policies on training and job search.

ECC Executive Director Stella Zipagawan-Banawis, who also chairs the PHILSSA presented an overview of the Social Protection Floor (SPF). She highlighted the Assessment-Based National Dialogue's recommendations such as subsidizing PhilHealth premiums for the poor and informal sectors, introducing an employment insurance scheme, subsidizing SSS premiums, increasing the benefit in the social pensions and providing a universal subsistence allowance to persons with disabilities.

ECC GOOD NEWS

With ECC's help, lineman's leg scheduled for amputation saved

Tuguegarao City—"Hanggang ngayon, hindi pa rin ako makapaniwala sa natatanggap kong mga benepisyo sa ECC. Sobra-sobra na po ang naitulong nila sa akin," said Leon Villaspin.

Villaspin was working as a lineman for the National Grid Corporation of the Philippines when he met an accident on the way to work on April 12, 2018. It has caused him severe right leg fracture and damaged tendons and ligaments. He was scheduled for leg amputation. But he was not ready for it, mentally and financially.



Though he received benefits from the Social Security System (SSS), he said, it still was not enough to cover the medical expenses needed for the additional medical procedures. Thus, Villaspin needed additional help.

According to him, he filed for EC claim at the SSS and was paid with Php 47, 240 for his Temporary Total Disability (TTD). Meantime, he just wanted to go on medication until the Employees Compensation Commission (ECC) learned of his case.

The ECC, thru the Regional Office Unit in Region III, immediately reached out to him and facilitated the benefits and services that he could avail under the EC Program.

He was sent by ECC to Tuguegarao Physical Rehabilitation Center, a partner center where he underwent a series of medical examinations for a second opinion. He was again diagnosed with the same result. He immediately underwent physical therapy sessions worth Php 27, 652 plus Php 12,500 payment for his meal and transportation allowance under the EC Katulong at Gabay sa Manggagawang may Kapansanan (KaGabay) Program. A pair of crutches worth Php 2, 000 was also given by ECC.

After completing the therapy, Villaspin said that his leg had recovered enough to discontinue the amputation. "Yong pagkasalba po ng paa ko mula sa pagkaputol ay napakalaking bagay na po para sa akin at sa aking pamilya," said teary-eyed Villaspin.

And to help him be economically stable, ECC awarded him with five (5) piglets amounting to Php 20,000 as part of ECC Livelihood Assistance on September 20, 2019.

ECC Executive Director Stella Zipagan-Banawis said, "We are happy to know that Mr. Villaspin appreciates our efforts in assisting, providing and transforming his life with all the benefits and services under the EC Program."

ECC GOOD NEWS

ECC turns driver-helper into a bigasan owner

CALABARZON—The Employees' Compensation Commission (ECC) granted P20,000 worth of Bigasan livelihood assistance to Errol Hermosa at ECC REU-4A Office, Halang, Calamba City on September 23, 2019.

Hermosa, a 36-year-old former water delivery driver-helper suddenly felt pain in the back when he was about to carry a full tank water container for his routine delivery in November 2017.

He went to see doctors who advised him to undergo immediate examination. "Pina-check kaagad and kidney, ureter, and bladder ko, pero walang nakita sa 'kin. Ni-refer ako sa Orthopedics at pina-MRI ako. Doon nakita na severe ang basag ng spine, at naiipit ang ugat ko," he said.

He tried to get back to work but the incident took a toll on his health as he couldn't perform his usual tasks. Meantime, he decided to buy his own tricycle for rental of services. However, his daily earnings still, were not enough.

He then filed for EC claim and was granted with 120 days Temporary Total Disability (TTD) and Permanent Partial Disability (PPD) pension for 15 months. He later availed the EC Rehabilitation Services where he underwent physical therapy sessions under the Katulong at Gabay sa Manggagawang May Kapansanan (KaGabay) Program.

Subsequently, he attended EC livelihood training and entrepreneurship seminar where he learned the basics in running a small scale business. He also pitched a Bigasan business plan which was approved by ECC.

"Ako'y lubos na nagpapasalamat sa ECC dahil hindi kami pinapabayaan. Masayang-masaya po ako dahil may pang hanap-buhay na ulit ako. Nakikita ko pong lalago ito, dahil sa mga naituro sa amin sa seminar, natutunan ko ang mga posibleng strategy sa bago kong negosyo," Hermosa said.

ECC Executive Director Stella Zipagan-Banawis extended support to Hermosa saying, "We are happy with all the help that we gave to Mr. Hermosa. Months ago, he was working for someone to make a living. After the accident and the benefits and services provided by the EC Program, he is now his own boss running a bigasan business," said Banawis.

As of now, Hermosa is manning his bigasan business with the help of a family member. The ECC will be monitoring his business from time to time. And if he sustains it after a year, he will be entitled to receive an additional financial assistance under the ECC Program to enhance it.

ECC's KaGabay Program is a special economic assistance program for persons with work-related disability (PWRDs) who lost employment by reason of work-related sickness or injury.



ECC NEWS

ECC, PMHA sign MOA for free EC Psychological Services to PWRDs



CALABARZON—The Employees' Compensation Commission (ECC) and the Philippine Mental Health Association (PMHA) –Lipa City Batangas Chapter inked service partnership in providing psychotherapy and counseling to persons with work-related disabilities (PWRDs) in Monte Vista Hotsprings and Conference Resort, Pansol, Calamba City on July 1, 2019.

The partnership is the first successful initiative in the region in providing easy access to free clinical and diagnostic services such as psychological and psychiatric assessment, psychotherapy and counseling, and consultation to PWRDs with approved EC claims.

Executive Director Stella Banawis said, "ECC already partners with hospitals for physical therapies and rehabilitation. This time, as we constantly aim to better our services, we give equal importance to the mental health of our clients, especially that most of our clients are suffering from depression after experiencing work-related injuries or illnesses."

PMHA Chapter Executive Manager, Hazel Magpantay said, "This is a very good opportunity for the Filipino workers to know that a government agency like ECC is spearheading such programs especially for work-related cases."

"People, who are suffering from this type of disorder do not know where and how to seek help. Most are afraid to talk to us. They commonly say that nothing is wrong with them, or if they recognized the need, they don't know who to talk to and how much cost is needed to pay for the professional fee of the doctor," Magpantay added.

Banawis said, "We stand firmly with our thrust of providing services to PWRDs and help them become productive members of our society. And we believe that through this partnership, we'll be able to bridge the gap and help them work productively and fruitfully."

She added that having this partnership will provide access to PWRDs an early detection of possible mental disorder. "We'd like to become more proactive in such circumstances and focus to our mission of providing protection to our Filipino workers," Banawis added.

Mental health disorders, although not listed in the ECC 32 Occupational and Work-related Diseases, may also be filed under the EC program subject to the determination of its compensability under PD 626 as amended and it must be filed at the SSS for private sector employees and GSIS for government employees.

ECC continues advocacy seminar in Kidapawan City



After the success of the Employees' Compensation Advocacy Seminar in seven regions nationwide, the Employees' Compensation Commission (ECC) will continue its awareness campaign in Region 12, particularly at the Hotel Micah, Barangay Lanao in Kidapawan City on 16 October 2019.

More than 120 company representatives from various private establishments and government agencies including uniformed personnel from the Armed Forces of the Philippines, Philippine National Police, Bureau of Jail Management and the Bureau of Fire Protection and their civilian personnel from North Cotabato and nearby provinces are expected to attend this one-day, free of charge seminar.

The ECP Advocacy Seminar aims to ensure that workers are informed of their rights, benefits and privileges under PD 626,

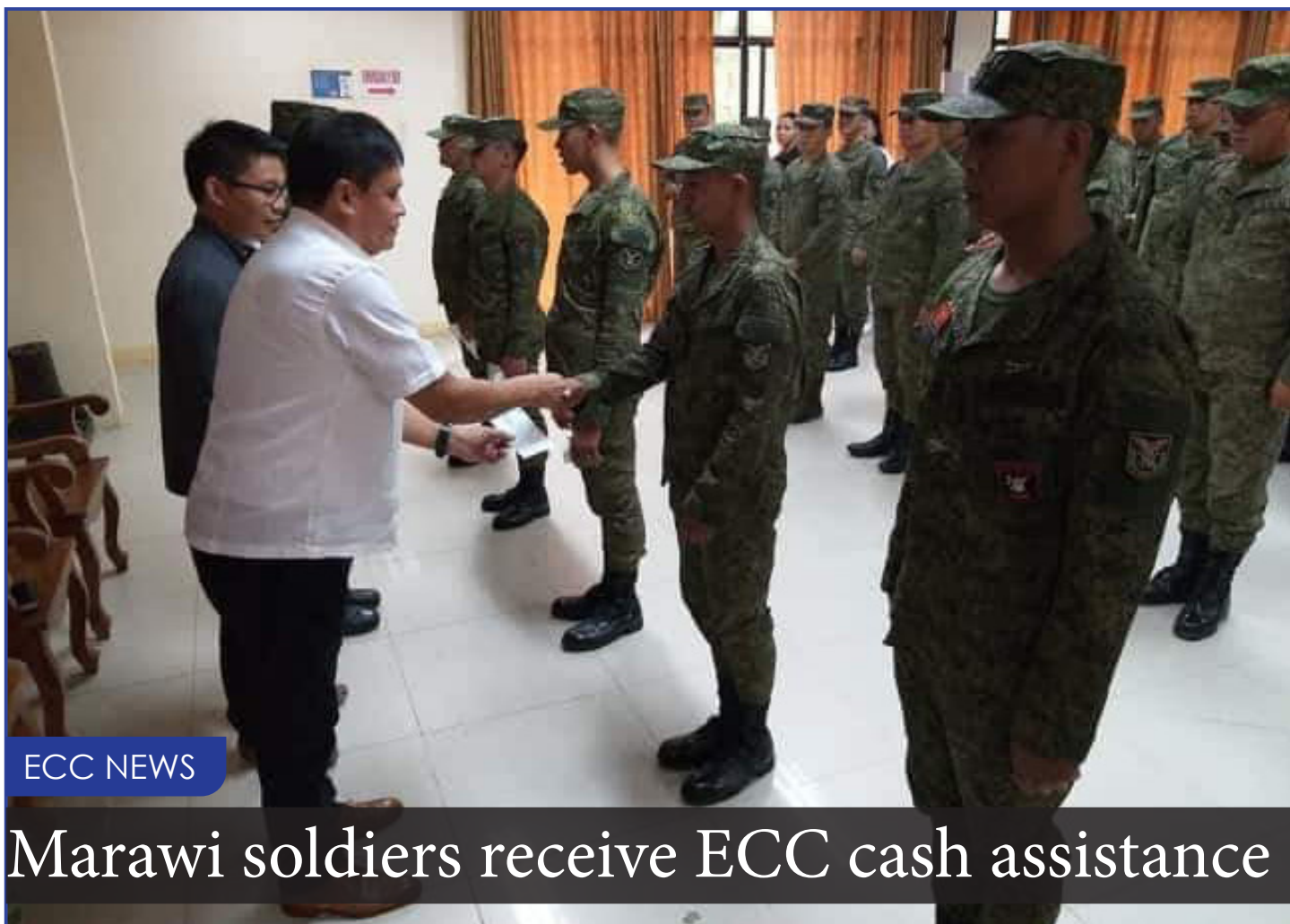


as amended, also known as the Employees' Compensation and the State Insurance Fund.

To set the tone for the said activity, radio interviews were scheduled over NDBC and Brigada Kidapawan in coordination with the Department of Labor and Employment 12 Kidapawan Field Office.

Topics to be discussed are the three components of the EC Program namely prevention, compensation and rehabilitation services and the recent EC Program reforms anchored on the "3Es" – Equalize, Enhance and Expand strategies, in response to the challenges facing the EC Program.

Employees' Compensation Commission is an attached agency of the Department of Labor and Employment mandated by law to provide meaningful and appropriate compensation benefits and services to workers in the event of work-related contingencies.



ECC NEWS

Marawi soldiers receive ECC cash assistance

Davao City – The Employees' Compensation Commission (ECC) extended cash assistance to twelve (12) wounded-in-action (WIA) members of the 4th Scout Ranger Company, at 2nd Scout Ranger Battalion of the First Scout Ranger Regiment, Philippine Army Unit in Barangay San Agustin, Davao Del Norte, Tagum City, on September 14, 2019.

The twelve (12) WIA Scout Rangers each received 10,000 pesos cash assistance under the ECC's Quick Response Program (QRP). These soldiers were among those who fought during the Marawi Siege led by the ISIS-inspired Maute and Abu Sayyaf groups.

On May 23, 2017, a bloody war erupted when the Maute and Abu Sayyaf groups attacked and occupied several places in Marawi City. The war lasted for nearly five months and claimed hundreds of lives among government forces.

First Lieutenant Reymal Lopez, platoon leader of the 4th Scout Ranger Company said, "The cash assistance extended to us by the Employees' Compensation Commission indicated the government's appreciation of the sacrifices that we put in performing our sworn duties for the country." He added that they are grateful not only for the amount granted by the EC Programs but also for the thought that their service to the country is valued.

EC Program grants 10,000 pesos for every WIA and 15,000 pesos for the families of the killed-in-action personnel (KIA). This is in addition to the various EC benefits that can be claimed from ECC thru GSIS. The cash assistance is in accordance with the provision under the ECC Quick Response Program.

ECC Executive Director Stella Zipagan-Banawis, explained that through the EC Program, the men and women in uniform or their families are assured of immediate assistance in case a work-related contingency arises. "ECC financial assistance signifies the government's appreciation of the imperative contribution of the military to the country's peace, progress and national security."

ECC-GSIS heightens awareness

Davao City – Employees' Compensation Commission XI and GSIS Davao jointly held an orientation on the EC Program in the region on 26 July 2019 at the Activity Center, DOLE XI, Davao City, to boost public sector awareness on the Employees' Compensation Program.

Fifty-six delegates from 46 government agencies in the region attended the event. They were apprised on the Prevention, Compensation and Rehabilitation aspects of the EC Program. Dr. Jose Ray Ramirez, Medical Officer of GSIS Davao, explained the distinctions between the programs of GSIS and ECC along with the procedures in the institution of claims under both agencies.

"This collaborative effort of ECC and GSIS seek to intensify our quest for higher level of awareness on our respective programs in the entire region," Dr. Ramirez said. He also exhorted the agencies to propagate the information which they have obtained from the activity so that every government worker knows not only their entitlements under GSIS



but also under the ECP.

Atty. Suseyline M. Bakino-Abtarul, OIC Public Attorney of PAO XI, expressed her appreciation to the ECC in advancing the welfare of every worker in the private and public sector.

Executive Director Stella Zipagan-Banawis also commended the above ECC-GSIS collaboration and emphasized that, other than the benefits available under EC Program, the ECC gives primordial importance in instilling a culture of safety so as to prevent any work-related contingencies that may adversely affect the life of a worker and his family.

ECC NEWS



ECC joins ABS-CBN Caravan

In the interest of the promoting the Employees' Compensation Program (ECP), the Employees' Compensation Commission (ECC) partnered with ABS-CBN on their Kapamilya Love Weekend Caravan held at Youngstown Village Covered Court, San Juan, Cainta, Rizal on September 21.

Despite the rainy weather, ECC's Information and Public Assistance Division oriented the attendees about the ECP, attended to those with queries thru a one-on-one consultation, and gave away flyers and tokens to those residents-attendees who found time to visit the ECC booth.

Fershemae Panag, one of the ABS-CBN coordinators expressed her gratitude for ECC's participation in the caravan. "We are very grateful for the ECC's active involvement in this activity. Nakakatuwa na ready ang ECC na maging partner ng ABS-CBN sa paghahatid ng tulong sa ating mga kababayan."

ECC Executive Director Stella Zipagan-Banawis also extended her desire to continue the partnership between ECC and ABS-CBN Caravan Team. "We believe that ECC and ABS-CBN have some sort of shared mission which is to help our fellow Filipinos. And, opportunities like this serves as another way to answer on-site inquiries from employees who met work-connected contingencies."

ECC provides two PWRDs with hand prostheses and cash assistance

The Employees' Compensation Commission (ECC) gears two persons with work-related disability (PWRDs) for a new start through the Employees' Compensation Program (ECP) which seeks to provide compensation benefits to workers and/or their beneficiaries in the event of work-related sickness, injury, or death.

The beneficiaries, Allen Pabia and Jayson Bustrillos, received cash assistance and monthly income benefit for a duration of 39 months after they each lost an arm due to accidents in their respective workplaces.

In addition to the loss of income benefits, ECC awarded the two PWRDs prostheses on August 5, 2019 at the ECC Building in Makati City after they completed eight sessions of occupational therapy at the Philippine General Hospital as part of the rehabilitation services under ECC's Katulong at Gabay sa Manggagawang may Kapansanan (KaGabay) Program, a special economic assistance program for PWRDs.

Pabia and Bustrillos also took part in a seminar on how to start a business and simple bookkeeping held at the ECC Multi-Purpose Hall, ECC Building on July 30 and will receive livelihood assistance under the KaGabay Program.

Pabia, a mold setter and operator at Muebles de Opisina in Bulacan, lost his right hand to a workplace accident in November 2018. According to him, he will use the assistance he received from ECC to start a hog-raising business in Sorsogon, his home province. "Maraming salamat po sa ECC dahil ngayon hindi na gaanong pansinin na putol ang kamay ko. Malaking tulong po sa aking pamilya ang mga benepisyong ito," said the father of two and the family's breadwinner.

Bustrillos, on the other hand, was a former employee of Carding Metal System in Malabon. He lost his left hand after it was caught in a machine in December 2018. He will use the assistance from ECC as additional capital for his rice store and for the everyday needs of his family especially his five-month-old child. "Malaking tulong po sa amin ang mga benepisyo ng ECC dahil magkakaroon po kami ng income. Maraming salamat po," he said.

The Employees' Compensation Commission continues to extend assistance to PWRDs and their families to empower them and restore their economic productivity through the Employees' Compensation Program and the KaGabay Program.





ECC GOOD NEWS

EC pensioner receives 220K as retro payment

TUGUEGARAO CITY – “The long wait is over” exclaimed Elvira Baingan after she received a total amount of P220,000.00 from the Employees Compensation Program as retroactive payment for her EC survivorship pension which was suspended from 2006 to April 2014. Baingan is an EC survivorship pensioner since 1997 until it was abruptly ceased in 2006.

According to Baingan, on June 7, 1997, her husband met a vehicular accident which led to his death. As a beneficiary, she regularly received a monthly pension from the EC Program in the amount of P3,240.00.

“Noong huminto po yung nakukuha kong pension mula sa Employees’ Compensation Commission, kinabahan ako dahil yun lang din ang inaasahan naming income ng pamilya ko. Nagpunta pa ako sa GSIS Bayombong para magtanong kung anong dahilan ng pagtigil ng pension ko pero ang laging sagot sa akin ay yun ang decision sa main office po,” said Baingan.

On August 29, 2018, while listening to a local radio program, Baingan heard that a representative from the ECC main office will be interviewed to discuss the benefits and services of the EC Program. She proceeded to the radio station, hoping to personally speak with the representative of the ECC.

After an on-air interview, Baingan was introduced to Atty. Jonathan Villasotto, ECC’s Deputy Executive Director. She expressed the suspension of her EC survivorship pension.

Atty. Villasotto informed Baingan that the ECC Board has already lifted the said suspension and that they just need to wait for the GSIS to credit to their account the retroactive payments.

True enough, Baingan received her EC survivorship in March 2019 pursuant to ECC Board Resolution No. 18-04-15 that provide retroactive payment of suspended EC death benefits in the public sector for the specific period of April 2006 to July 2012 amounting to about P2.52 billion covering about 28 000 survivorship pensioners.

ECC NEWS

Injured workers of Chuzon Supermarket in Pampanga receive EC cash assistance

The Employees Compensation Commission awarded P10,000 cash assistance each to five workers of Chuzon Supermarket in Porac, Pampanga who were severely injured during the magnitude 6.1 earthquake that hit Luzon on April 22.

Labor Secretary Silvestre Bello III, Pampanga Governor Lilia Pineda together with ECC Executive Director Stella Zipagan-Banawis personally distributed the cash assistance to the families of the workers at the Trabaho, Negosyo at Kabuhayan Labor Day Job Fair and Business Opportunities at the Kingsborough International Convention Center, San Fernando, Pampanga.

The cash assistance is part of ECC's Quick Response Program which aims to provide immediate financial support to workers who meet work-related contingencies, and is on top of the disability benefits and rehabilitation services that they may avail under the EC Program.



Workers also received EC grocery assistance immediately after the earthquake happened. "We hope that the financial support that you received will somehow aid you with your hospital and medical expenses. Rest assured that we will continue to help you further," said Bello, who chairs the ECC.

The Employees' Compensation Commission is a government corporation attached to the Department of Labor and Employment for policy coordination and guidance. It was created by virtue of Presidential Decree No. 626, as amended and as embodied in Title II of Book IV of the Labor Code of the Philippines. The 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.

According to Banawis, the ECC thru its Regional Extension Unit in Central Luzon will continue to monitor the conditions of the affected workers in the region especially the workers of the said supermarket whose legs were amputated.

"Aside from the monetary benefits, the Commission will also assist the workers with their rehabilitation needs. Those whose legs were amputated may undergo free therapies and provision of prosthetic legs under the Katulong at Gabay sa Manggagawang may Kapansanan (KaGabay) Program of the EC Program," Banawis said.

Two ECC beneficiaries bag 2019 Regional Productivity Olympics awards



CALABARZON—Two beneficiaries of the Employees' Compensation Commission (ECC) namely Ernesto Bermundo and Gerry Catipon were both recognized as the regional winners of the Productivity Olympics under the Micro Category Industry Sector by the Regional Tripartite Wages and Productivity Board (RTWPB) 4A on October 17, 2019 at the Alta D' Tagaytay Hotel, Tagaytay City.

RTWPB 4A is the regional extension unit of the National Wages and Productivity Commission (NWPC) in Region 4A responsible for setting minimum wages and promoting productivity improvement programs for Micro, Small, and Medium Enterprises (MSMEs.)

Bermundo and Catipon, both persons with work-related disabilities, represented the CALABARZON region in the Productivity Olympics along with six other enterprises belonging to different categories. The said event is a biennial national competition that recognizes the best enterprises who availed the productivity toolbox training for MSMEs.

Prior to this recognition, the two attended the entrepreneurial trainings and technical services on productivity facilitated by the RTWPB 4A during the Social Preparation Seminar under the Katulong at Gabay sa Manggagawang may Kapansanan (KaGabay) Program of the ECC in 2016 and 2018.

ECC provided Bermundo with P20, 000 worth of business starter kit which was used to start his salted egg production in 2018 while Catipon started his enterprising business in 2016 and is now planning to create a pasalubong center in San Pablo City, Laguna.

Bermundo said, "We would like to extend our gratitude to ECC and other government agencies for without their initiative to introduce and immerse us to other life opportunities, we wouldn't be here today. Marami pong salamat."

For her part, ECC Executive Director Stella Zipagan-Banawis said, "We hope that Ernesto and Gerry's achievements will serve as inspiration and motivation to not only our beneficiaries, but also other PWRDs who at some point, lost hopes after the unfortunate incidents that happened to them."

"We look forward to more partnerships with NWPC and other government agencies as we work hand in hand in helping our PWRDs by providing them the necessary entrepreneurial skills and trainings towards feasible business opportunities," Banawis ended.





CORPORATE ACTIVITIES





SOCIAL RESPONSIBILITY



2019 TRAININGS AND SEMINARS

TITLE	DATE	NO. OF PARTICIPANTS
Supervisory Development Course	January 25-29, 2019	1
BOSH	February 25-March 1, 2019	2
Managing Emerging Health Issues in the Workplace	February 20-21, 2019	1
MCLE	March 9, 16 and 23, 2019	1
PCOM	March 21-23, 2019	2
Planning and Delivering Public Service With Impact	March 18-19, 2019	36
Initiative, Interpersonal and Communication Skills	March 20-21, 2019	42
Developing an Attitude of Professionalism	March 22, 2019	30
Psychosocial Counseling	March 25-29, 2019	27
Photography	March 26, 2019	21
Developing Print and Visual News Stories	March 27, 2019	19
Internal/External Institutional Awareness: Orientation on RA 11199 on SSS Law of 2018 and Its Implication on the Employees' Compensation Program (ECP)	March 27, 2019	66
Strategic HR	March 26-28, 2019	1
Amputee Assessment for Provision of Prosthesis and Assistive Device.	April 3, 2019	20
Developing the WCPRD Strategic Training Plan and Initial Capacity Building On Livelihood Development.	April 1-2, 2019	20
PHILGEPS Training	April 16-17, 2019	1
AMSWI	April 24-26, 2019	2
Initiative and Interpersonal Communication Skills	April 24-25, 2019	35
Driving Innovations	May 16-17, 2019	3
Records and Information Management	May 6-7, 2019	1
Privacy Impact Assessment	08-May-19	53
ISO 9001:2015 Quality Mgt Systems Foundation Course	May 20, 2019	1
Cyber Security Essentials	May 20-23, 2019	1
ARTA Capacity Buildin on Rules Registry	May 22, 2019	2
Corporate Governance Scorecard Orientation	May 23, 2019	
Data Privacy Convention	May 23-24, 2019	1
Exec. Briefing on Digital Government Leaders	May 27-28, 2019	32
Technical Writing Course on Technical Reports	June 7-11, 2019	1
Data Visualization Using Infographics	June 12-14, 2019	1
PRIME HRM Forum	June 24, 2019	4
BOSH	June 24-28, 2019	5
Orientation on GSIS Financial Assistance Loan	June 26, 2019	2
Coaching and Mentoring for Leaders	July 4-5, 2019	1
FGD on the Proposed Manual for GAAM for Government Corporations	July 3-5, 2019	2
Managerial Leadership	July 11-12, 2019	3
Supervisory Development Course Track 1	July 16-19, 2019	5

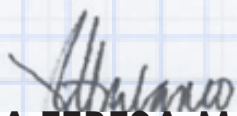
2019 TRAININGS AND SEMINARS

TITLE	DATE	NO. OF PARTICIPANTS
FOI Receiving Officers Hangout	July 18, 2019	1
GACPA Conference GACPA Conference	July 17, 2019	1
Good Governance for Better Social Security Services	July 17-18, 2019	2
ISO 9001:2015 Internal Auditing Course	July 18-19, 2019	1
Employer's Forum On Disability Inclusive Employment	July 19, 2019	2
Combatting Stress Through Lifestyle Management	July 22, 2019	48
MCLE	May 30-31/June 1, 2019	1
Disability Inclusive Governance	July 23, 2019	2
First Accessibility Summit	July 24-25, 2019	1
Financial Wellness	July 29, 2019	48
The Regional Study on Changing Nature of Employment Relationships as the Impact of the Use of ICT and adequacy of Legislations in Regulating Employment Relationships	July 29-30, 2019	1
Supervisory Development Course Track 1	July 29-31, 2019	2
Disaster Risk Reduction in the Workplace	August 2, 2019	46
Forum on Heads of Internal Audit Office for Public Sectors	August 16, 2019	1
2019 5th International Training Course on Comprehensive Rehabilitation for Workers with Physical Disability	Aug. 25-Sept. 7, 2019	1
Loss Management Control	September 2-6, 2019	1
Supervisory Development Course Track 1	September 3-6, 2019	2
QMS: ISO 9001:2015 Auditing	September 10-11, 2019	1
ASSA Board Meeting and Seminar BOSH for Nurses	Sept. 16-19, 2019	3
BOSH for Nurses	September 16-21, 2019	2
RA 9184	Sept. 25-27, 2019	1
Writing for Web	Oct. 1-2, 2019	1
Recruitment and Talent Acquisition Summit 2019	Oct. 18, 2019	1
Evergreen Strategy in Trading and Investing in the Philippine Stock Market Seminar	Oct. 21, 2019	1
Disability Orientation Workshop	Oct. 21, 2019	56
Orientation on RA 11032 An Act of Ease of Doing Business	Oct. 21, 2019	56
Training for Gov. Information Officers	Nov. 6-8, 2019	1
Fiber Optic & Networking Course	Nov. 11-13, 2019	1
Training of Trainer's	Nov. 12-14, 2019	1
Contract Review Symposium for GOCCs	Nov. 18, 2019	3
DOLE 2019 Planning Conference	Nov. 19-22, 2019	1
Gender & Dev Planning and Budgeting	Nov. 20-22, 2019	2
Learning Facilitation	Nov. 27-28, 2019	1
Briefing Session on RA 11313 or Safe Space Act	Dec. 10, 2019	1
Forum on 5S on Good Housekeeping for Line Agencies	Dec. 17, 2019	3

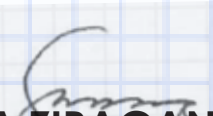
ANNUAL AUDIT REPORT

STATEMENT OF THE TRUE AND FAIR PRESENTATION FOR THE CY 2019 FINANCIAL REPORTS

The statement of financial position, and statement of changes in equity, in all material aspects, give a true and fair view of the state of the operation of the Commission as of December 31, 2019 and its financial performance, changes in equity, cash flows for the year then ended.



MARIA TERESA M. URBANO
CHIEF, FINANCE DIVISION



STELLA ZIPAGAN-BANAWIS
EXECUTIVE DIRECTOR



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

ANNUAL AUDIT REPORT
on the

EMPLOYEES' COMPENSATION COMMISSION

For the Years Ended December 31, 2019 and 2018

EXECUTIVE SUMMARY

INTRODUCTION

The Employees' Compensation Commission (ECC) is a government corporation created by virtue of Presidential Decree (P.D.) 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 P.D. took effect on January 1, 1975 and the ECC became fully operational by March 17, 1975. Under P.D. 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 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 P.D. No. 626, the 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 P.D. No. 626 as amended on December 27, 1974.

On November 4, 1987, President Corazon C. Aquino issued Executive Order (EO) No. 307, establishing an Occupational Safety and Health Center (OSHC) in the ECC. The OSHC is envisioned as the national authority for research and training on matters pertaining to safety and health at work. It provides the expertise and intervention mechanism to improve workplace conditions in the Philippines.

The Center has a dual mandate of protecting Filipino workers against accidents and illnesses and promoting worker's welfare through effective programs that enhance productivity, worker's well-being and affording social protection to its client sector. It adopts a multi-sectoral strategy with its partners – business sector, worker's group, other Government Organizations (GOs) and Non-Government Organizations (NGOs) and the academe, to fulfill its mandate.

In July 1991, the OSHC has been designated as the national CIS or Centre International d'Informations de Securite et de Sante au Travail (International Occupational Safety and Health Information Center) for the Philippines to become the focal agency which receives information matters from the CIS Center in Geneva and the Asia-Pacific Regional Program on Occupational Safety and Health based in Bangkok, which is under the International Labor Organization (ILO), and disseminates these matters of

the inter-agency committee and the other data users in the Philippines. This is consistent with its critical responsibility to provide access and improve the quality of occupational safety and health information in the Philippine workplace. CIS Center is the knowledge management arm of the InFocus Programme on Safety and Health at Work and the Environment (SafeWork).

The programmed activities of OSHC's Regional Extension Units (REUs) include learning sessions on Developing Occupational Safety and Health Services, Risk Assessment for the Prevention of Sexual Harassments, Industrial Hygiene, Work Environment Measurement, Mandatory Safety Trainings, and Safety Audits.

ECC's registered office address is at the 4th and 5th floors of ECC Building, Sen. Gil J. Puyat Avenue, Makati City, while the registered office of the OSHC is at North Avenue corner Agham Road, Diliman, Quezon City.

The governing body of the ECC is the Board of Commissioners composed of five ex-officio members, namely: the Secretary of Labor and Employment as Chairman, the GSIS General Manager, the SSS Administrator, the Chairman of the Philippine Medical Care Commission, and the Executive Director of the ECC Secretariat, and two appointive members, one of whom shall represent the employees and the other, the employers, to be appointed by the President of the Philippines for a term of six years.

The ECC's corporate operating budget is chargeable against the State Insurance Fund (SIF), which shall not exceed four per cent of the 12 per cent loading fund based on the total of the SIF and its earnings as at December 31 of the preceding year, to be shared by the SSS and GSIS on a 70 per cent and 30 per cent basis, respectively. The SSS and GSIS shall advance on a quarterly basis the remittances of allotment of the loading fund.

The ECC 2019 Corporate Operating Budget (COB) amounting to P609.834 million as approved by the Department of Budget and Management (DBM) were sourced from the remittances of GSIS and SSS as mandated under P.D. No. 626 and from its income/retained earnings. The budget utilization of the ECC is shown below:

	DBM Approved Budget	Utilization	Variance
Personal services	161,056,000	161,379,149	(323,149)
Maintenance and other operating expense/			
Financial expenses	341,997,000	213,479,831	128,517,169
Capital outlay	106,781,000	19,688,058	87,092,942
	609,834,000	394,547,038	215,286,962

FINANCIAL HIGHLIGHTS (In Philippine Peso)

I. Comparative Financial Position

	2019	2018	Increase (Decrease)
Assets	948,823,781	915,552,233	33,271,548
Liabilities	141,997,435	101,462,462	40,534,973
Equity	806,826,346	814,089,771	(7,263,425)

II. Comparative Results of Operations

	2019	2018	Increase (De-crease)
Income/Finance income	390,063,941	309,857,721	80,206,220
Expenses/Finance costs	397,327,366	319,630,460	77,696,906
Net (Deficit)/Surplus	(7,263,425)	(9,772,739)	2,509,314

OPERATIONAL HIGHLIGHTS

Activities	Targets	Accomplishments	Variance
I. ECC			
1. Development and Review of Policies and Issuances on the Employees' Compensation Program (ECP)	5	5	0
2. Rehabilitation Services to PWRDs	721	892	171
3. ECP Advocacy Seminar	693	752	59
4. Development and Production of IEC Materials	5	10	5
5. ECP Dissemination through Quad- Media	48	48	0
6. Disposition of EC Appealed Cases	75	75	0
II. OSHC			
1. Capacity building thru training and information activities:			
a. Conduct of occupational safety and health (OSH) trainings	145 batches	284 batches	(139) batches
b. Develop information materials for dissemination to partners	8	8	0
2. Technical assistance and services: work environment measurement and personnel protective equipment	Demand driven	86,027 workers; 6,489 tests; 3,358 specimens; 546 requests	
3. Research completed	3	3	0
4. Organize summits/conferences	6	7	(1)
5. Conduct of 11th Gawad Kaligtasan at Kalusugan (GKK)	1	1	0

SCOPE OF AUDIT

Our audits covered the significant accounts and operations of the ECC for the calendar years 2019 and 2018. 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 International Public Sector Accounting Standards (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, 2019 and 2018.

SUMMARY OF SIGNIFICANT AUDIT OBSERVATIONS AND RECOMMENDATIONS

A. Financial Audit

1. The existence and validity of the recorded Accounts Receivables as of December 31, 2019 cannot be ascertained due to the presence of dormant, long outstanding receivables from various entities totaling P2.973 million that are not supported with substantial records and documents which is not in conformity with Section 111 (1) of Presidential Decree (P.D.) No. 1445.

We recommended that Management require the Accountant to exhaust all measures to document the said dormant receivables to establish the existence and validity of the receivables and send demand letters to all concerned debtors to enforce collection.

B. Others

2. The ECC has not yet come up with a Restructuring Plan for approval of the Governance Commission for Government Owned or Controlled Corporations (GCG) to effect the Organizational Structure and Staffing Pattern appropriate for an integrated function and business of both ECC and OSHC which resulted in: (a) redundancy of positions and functions of ECC and OSHC and (b) accountabilities and responsibilities of ECC and OSHC's officials and employees were not properly defined. Such delay in the finalization of the restructuring plan entails higher administrative cost.

We recommended that Management:

- a. Fast track the preparation and submission to GCG of the required Restructuring Plan that considers the proper delineation of the accountabilities and responsibilities of the ECC Executive Director as well as the Center's officials and employees, the Center being a department of ECC, to avoid redundancy of positions and functions; and
- b. In the meantime, that the restructuring plan is not yet available, the ECC Board has to revisit the current organizational set up of the ECC Center and to come up with appropriate guidelines to ensure proper check and balance of all its transactions. The same should be considered in the proposed restructuring plan.

3. Occupancy for free of half of the floor of ECC building by the Employers' Confederation of the Philippines (ECOP), a private organization, since 1996, resulted in lost opportunity for ECC to earn income from rent.

We recommended that Management:

a. Strictly comply with Section 4 (2) of P.D. No. 1445. Accordingly, terminate the agreement of ECC with ECOP that granted the free occupancy of ECC's office space; and

b. Offer the space to tenants through public bidding.

The other audit observations together with the recommendations are discussed in Part II of this report.

STATUS OF SUSPENSIONS, DISALLOWANCES AND CHARGES AS AT DECEMBER 31, 2019

As at December 31, 2019, audit disallowances and charges amounted to P3.588 million and P434,400, respectively. All audit suspensions were settled during the year.

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of the 30 audit recommendations embodied in the prior years' Annual Audit Report, 21 were fully implemented, seven were partially implemented and two were not implemented. Details are presented in Part III of this Report.

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LIST OF ACRONYMS

AAR	Annual Audit Report
AFP	Armed Forces of the Philippines
AFW	Alliance of Filipino Workers
AGDB	Authorized Government Depository Bank
AO	Accountable Officer
ASSA	ASEAN Social Security Association
ATL	Audit Team Leader
BIR	Bureau of Internal Revenue
BR	Board Resolution
CARP	Comprehensive Agrarian Reform Program
CGS	Corporate Government Sector
CIS	Centre International d'informations de Securite et de Sante au Travail (International Occupational Safety and Health Information Center)
CO	Collecting Officer
COA	Commission on Audit
COB	Corporate Operating Budget
CRR	Cash Receipt Record
CY	Calendar Year
DAR	Department of Agrarian Reform
DBM	Department of Budget and Management
DICT	Department of Information and Communication Technology
DOH	Department of Health
DOLE	Department of Labor and Employment
DTI	Department of Trade and Industry
ECC	Employees' Compensation Commission
ECOP	Employers' Confederation of the Philippines
ECP	Employees' Compensation Program
EO	Executive Order
FAD	Finance and Administrative Division
FOC	Fiber Optic Cable
GAD	Gender and Development
GAR	GAD Accomplishment Report
GB	Governing Board
GBE	Government Business Entity
GCG	Governance Commission for GOCCs
GO	Government Organization
GOCCs	Government Owned or Controlled Corporations
GPB	GAD Plan and Budget
GSIS	Government Service Insurance System
HDMF	Home Development Mutual Fund
HIPSAP	Handbook of International Public Sector Accounting Pronouncements
HUDCC	Housing and Urban Development Coordinating Council

ICT	Information and Communication Technology
ICTO	Information and Communications Technology Office
IEC	Information Education Information
iGovPhil	Integrated Government Philippines
ILO	International Labor Organization
IPSAS	International Public Sector Accounting Standards
IRR	Implementing Rules and Regulations
ISSAI	International Standards of Supreme Audit Institutions
ISSP	Information Systems Strategic Plan
IT	Information Technology
JC	Joint Circular
JICA	Japan International Cooperation Agency
KMG	Kapisanan ng mga Manggagawa sa GSIS
MC	Memorandum Circular
NC	Notice of Charge
NCC	National Computer Center
ND	Notice of Disallowance
NGA	National Government Agency
NGO	Non-Government Organization
NS	Notice of Suspension
OR	Official Receipt
OSH	Occupational Safety and Health
OSHC	Occupational Safety and Health Center
PAC	Public Assistance Center
PD	Presidential Decree
PHIC	Philhealth
PHW	Public Health Worker
PIA	Philippine Information Agency
PNP	Philippine National Police
POEA	Philippine Overseas Employment Administration
PPE	Property, Plant and Equipment
PPSMD	Policy, Program and Systems Management Division
RCA	Revised Chart of Account
RCD	Report of Collection and Deposits
REU	Regional Extension Unit
RR	Revenue Regulation
RRSA	Rules and Regulations on Settlement of Accounts
SA	Supervising Auditor
SCBAA	Statement of Comparison of Budget and Actual Amounts
SIF	Social Insurance Fund
SSS	Social Security System

PART I

AUDITED FINANCIAL STATEMENT



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 Audit of 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, 2019 and 2018, 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 accompanying financial statements present fairly, in all material respects, the financial position of ECC as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of ECC in accordance with the Code of Conduct and Ethical Standards for COA Officials and Employees (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, 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 IPSASs, 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 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 ECC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing 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 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 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 communicate 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 in Note 28 to the financial statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of Management and has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

COMMISSION ON AUDIT


ELIZABETH M. SAVELLA
 Supervising Auditor

June 30, 2020



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

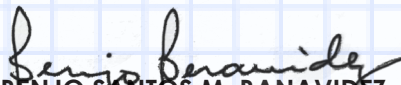
The management of the Employees' Compensation Commission (ECC) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2019 and December 31, 2018 in accordance with the prescribed financial reporting 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 the 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.


BENJO SANTOS M. BANAVIDEZ

Chairperson-Designate
Department of Labor and Employment

3/06/2019
Date Signed


STELLA ZIPAGAN-BANAWIS
Executive Director, ECC

3/06/2019
Date Signed


NOEL C. BINAG, CE
Executive Director, OSHC

3/06/2019
Date Signed


MARIA THERESA M. URBANO
Chief, Finance Division

3/06/2019
Date Signed


REY A. ESTILLO
Chief, Finance and Administrative Division

3/06/2019
Date Signed

EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018
(In Philippine Peso)

	Note	2019	2018 (As restated)
ASSETS			
Current Assets			
Cash and cash equivalents	4	220,753,454	181,688,071
Investments	5	491,990,530	531,423,290
Receivables - net	6	101,746,846	64,568,336
Inventories	7	3,924,915	4,184,677
Other current assets	8	1,141,497	2,349,236
		819,557,242	784,213,610
Non-Current Assets			
Investment property	10	167,483	167,483
Property and equipment - net	11	125,980,527	128,065,195
Other non-current assets	9	3,118,529	3,105,945
		129,266,539	131,338,623
TOTAL ASSETS		948,823,781	915,552,233
LIABILITIES			
Current Liabilities			
Financial liabilities	12	77,999,553	44,958,399
Inter-agency payables	13	4,061,158	1,915,706
Trust liabilities	14	3,111,148	911,054
Deferred credits	15	2,103,049	1,864,454
Provisions	17	9,808,724	5,017,706
Other payables	16	6,255,543	7,819,145
		103,339,175	62,486,464
Non-Current Liabilities			
Provisions	17	38,658,260	38,975,998
		38,658,260	38,975,998
TOTAL LIABILITIES		141,997,435	101,462,462
TOTAL ASSETS LESS TOTAL LIABILITIES		806,826,346	814,089,771
NET ASSETS/EQUITY			
Equity			
Government equity		249,042,285	249,042,285
Accumulated surplus		557,784,061	565,047,486
TOTAL NET ASSETS/EQUITY		806,826,346	814,089,771

The notes on pages 10 to 41 form part of these financial statements.

EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF FINANCIAL PERFORMANCE
For the Years Ended December 31, 2019 and 2018
(In Philippine Peso)

	Note	2019	2018 (As restated)
REVENUE			
Business income	18	42,337,521	45,142,942
		42,337,521	45,142,942
CURRENT OPERATING EXPENSES			
Personnel services	19	161,379,149	145,284,896
Maintenance and other operating expenses	20	213,396,313	149,996,261
Financial expenses	21	83,518	800
Non-cash expenses	22	22,468,386	24,348,503
		397,327,366	319,630,460
SURPLUS/(DEFICIT) FROM OPERATIONS		(354,989,845)	(274,487,518)
Loading fund from other government entities	27	347,726,420	264,714,779
NET SURPLUS/(DEFICIT) FOR THE PERIOD		(7,263,425)	(9,772,739)

The notes on pages 10 to 41 form part of these financial statements.

EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
For the Years Ended December 31, 2019 and 2018
(In Philippine Peso)

	Note	Government Equity	Accumulated Surplus /(Deficit)	Total
BALANCE AT JANUARY 1, 2018		249,042,285	549,923,396	798,965,681
Prior period adjustments	23	0	24,896,829	24,896,829
RESTATED BALANCE AT JANUARY 1, 2018		249,042,285	574,820,225	823,862,510
Changes in Net Assets/Equity for CY 2018				
Surplus/(Deficit) for the period		0	(9,772,739)	(9,772,739)
BALANCE AT DECEMBER 31, 2018		249,042,285	565,047,486	814,089,771
Changes in Net Assets/Equity for CY 2019				
Surplus/(Deficit) for the period		0	(7,263,425)	(7,263,425)
BALANCE AT DECEMBER 31, 2019		249,042,285	557,784,061	806,826,346

The notes on pages 10 to 41 form part of these financial statements.

**EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2019 and 2018
(In Philippine Peso)

	Note	2019	2018 (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Receipt of loading fund from the SSS and GSIS		306,071,420	263,258,246
Collection of receivables		22,717,680	19,868,041
Collection of income		20,544,830	19,374,831
Return of cash advance		2,637,616	7,078,931
Cash receipt from bid bond		2,277,793	272,775
Interest earned on savings deposits		942,140	573,602
Cash receipts from overpayments/disallowances		193,730	51,135
Collection from sale of bid forms		192,000	61,000
Rebates from remittance NHMFC		0	313
Receipt of refunds in excess of previous payments		21,183,154	56,561
Total Cash Inflows		376,760,363	310,595,435
Cash Outflows			
Payment of operating expenses		144,179,884	123,714,963
Payment of salaries and wages		113,299,269	112,227,882
Payment of payables		37,600,377	43,985,168
Remittance to GSIS/Pag-ibig/Philhealth and others		22,648,292	22,388,785
Remittance to BIR		18,290,113	17,160,450
Payment of prepaid expenses		652,832	311,827
Refund of bidders' bond/guaranty deposits		34,978	9,625
Total Cash Outflows		336,705,745	319,798,700
Net cash provided by operating activities		40,054,618	(9,203,265)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Proceeds from investment in time deposit		107,710,097	255,155,774
Interest earned on time deposits		1,717,989	2,416,122
Collections of loans - LO-1318		262,824	0
Total Cash Inflows		109,690,910	257,571,896
Cash Outflows			
Investment in time deposit		84,299,087	88,084,880
Purchase of medical equipment		8,053,000	1,250,427
Building renovations		5,386,456	7,693,175
Purchase of technical and scientific equipment		4,121,249	10,039,455
Purchase of motor vehicle		3,999,999	0
Purchase of office equipment		2,209,143	1,484,921
Purchase of IT and communication equipment		2,154,500	3,096,637
Purchase of other machineries and equipment		0	58,900
Purchase of furniture and fixtures		456,711	430,107
Total Cash Outflows		110,680,145	112,138,502
Net cash provided by (used in) investing activities		(989,235)	145,433,394
INCREASE IN CASH AND CASH EQUIVALENTS		39,065,383	136,230,129
CASH AND CASH EQUIVALENTS, JANUARY 1		181,688,071	45,457,942
CASH AND CASH EQUIVALENTS, DECEMBER 31	4	220,753,454	181,688,071

The notes on pages 10 to 41 form part of these financial statements.

EMPLOYEES' COMPENSATION COMMISSION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the Year Ended December 31, 2019
(In Philippine Peso)

	Note	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Between Budget and Actual Amounts
		Original	Final		
SOURCES OF FUNDS					
Corporate Funds	25				
State Insurance Fund /Loading Fund		395,424,000	395,424,000	347,726,420	47,697,580
Accumulated Surplus		290,036,000	290,036,000	262,107,580	27,928,420
		685,460,000	685,460,000	609,834,000	75,626,000
USES OF FUNDS					
Personnel Services	25				
State Insurance Fund /Loading Fund		166,624,000	161,056,000	161,379,149	(323,149)
		166,624,000	161,056,000	161,379,149	(323,149)
Maintenance and Other Operating Expenses	25				
State Insurance Fund		228,714,482	186,586,902	115,625,997	70,960,905
Accumulated Surplus		154,957,000	155,326,580	97,770,316	57,556,264
		383,671,482	341,913,482	213,396,313	128,517,169
Capital Outlays	25	106,781,000	106,781,000	19,688,058	87,092,942
Financial Expenses		83,518	83,518	83,518	-
		106,864,518	106,864,518	19,771,576	87,092,942
		657,160,000	609,834,000	394,547,038	215,286,962
NET FUND SOURCES/(USES)		28,300,000	75,626,000	215,286,962	(139,660,962)

The notes on pages 10 to 41 form part of these financial statements.

EMPLOYEES' COMPENSATION COMMISSION**NOTES TO FINANCIAL STATEMENTS**

December 31, 2019 and 2018

(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 (P.D.) 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.

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 GSIS and the SSS shall manage the ECC funds.

The ECC is exempted from levy and other taxes pursuant to Article 204 of P.D. 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."

On November 4, 1987, President Corazon C. Aquino issued Executive Order (EO) No. 307, establishing an Occupational Safety and Health Center (OSHC) in the ECC. The OSHC is envisioned as the national authority for research and training on matters pertaining to safety and health at work. It provides the expertise and intervention mechanism to improve workplace conditions in the Philippines.

The Center has a dual mandate of protecting Filipino workers against accidents and illnesses and promoting worker's welfare through effective programs that enhance productivity, worker's well-being and affording social protection to its client sector. It adopts a multi-sectoral strategy with its partners – business sector, worker's group, other Government Organizations (GOs) and Non-Government Organizations (NGOs) and the academe, to fulfill its mandate. Specifically, the Center is tasked to:

- Undertake continuing studies and researches on occupational safety and health;

- Plan, develop and implement occupational safety and health training programs;
- Serve as clearing house for occupational safety and health information, methods, techniques and approaches; and, institute an information dissemination mechanism;
- Monitor work environment and conduct medical examinations of workers;
- Serve as duly recognized agency for testing and setting standard specifications of personal protective equipment and other safety devices;
- Assist other GOs in policy and standards formulation on occupational safety and health matters; issue technical guidelines for prevention of occupational disease and accidents;
- Enlist assistance of GOs and NGOs in achieving the objectives of the Center; and
- Perform such other acts appropriate for the attainment of the above functions and enforcement of the provisions of EO No. 307.

In July 1991, the OSHC has been designated as the national CIS or Centre International d'Informations de Securite et de Sante au Travail (International Occupational Safety and Health Information Center) for the Philippines to become the focal agency which receives information matters from the CIS Center in Geneva and the Asia-Pacific Regional Program on Occupational Safety and Health based in Bangkok, which is under the International Labor Organization (ILO), and disseminates these matters of the inter-agency committee and the other data users in the Philippines. This is consistent with its critical responsibility to provide access and improve the quality of occupational safety and health information in the Philippine workplace. CIS Center is the knowledge management arm of the In Focus Programme on Safety and Health at Work and the Environment (SafeWork).

Pursuant to the direction of the Secretary of DOLE in bringing occupational safety and health (OSH) services closer to the provinces, the Center established Regional Extension Units (REUs) at Regions II, III, IV-A, V, VI, VII, VIII, IX, X, XI, XII, CAR and CARAGA Region during CY 2017. The REUs are under the immediate supervision of the OSHC Deputy Executive Director with close coordination with DOLE Regional Directors in the implementation of OSH programs and projects.

The programmed activities of the REUs included learning sessions on Developing Occupational Safety and Health Services, Risk Assessment for the Prevention of Sexual Harassments, Industrial Hygiene, Work Environment Measurement, Mandatory Safety Trainings, and Safety Audits. The REUs were given revolving funds to defray monthly expenses for operational supplies and materials. Recording of the transactions is centralized in the Main Office.

The Commission on Audit (COA) in its Resolution Nos. 2002-005 and 2008-012 dated May 17, 2002 and October 10, 2008, respectively, vested audit jurisdiction over the ECC and the OSHC, to two separate audit clusters of the Corporate Government Sector (CGS). Records of the COA show that even prior to Calendar Year (CY) 2002 until CY 2017, separate Annual Audit Reports (AARs) have been issued to cover separately the results of audit of the OSHC from that of ECC.

However, under COA Resolution No. 2019-001 dated January 30, 2019, OSHC was delisted as a government-owned or controlled corporation (GOCC) as it is not considered a GOCC. This is in concurrence with the position of the Governance Commission for GOCCs (GCG) in their letters dated February 10, 2017 and March 22, 2017 to ECC that OSHC is not organized as a stock or non-stock corporation as defined in RA No. 10149 and does not have operational autonomy that is separate and distinct from the ECC treating OSHC merely as part of the ECC. It further stated in said Resolution, that ECC and OSHC shall henceforth be audited as one government entity and will be issued one Annual Audit Report as ECC. Thus, the financial reports presented are the integrated accounts of ECC and OSHC.

ECC's registered office address is at the 4th and 5th floors of ECC Building, Sen. Gil J. Puyat Avenue, Makati City.

The governing body of the ECC is the Board of Commissioners composed of five ex-officio members, namely:

the Secretary of Labor and Employment as Chairman, the GSIS General Manager, the SSS Administrator, the Chairman of the Philippine Medical Care Commission now Philippine Health Insurance Corporation (PHIC), and the Executive Director of the ECC Secretariat, and two appointive members, one of whom shall represent the employees and the other, the employers, to be appointed by the President of the Philippines for a term of six years.

The financial statements of ECC as at December 31, 2019 were approved and authorized for issue by the Board of Commissioners under Board Resolution No. 20-02-04 dated June 26, 2020 and signed by the Chairperson-Designate as shown in the Statement of Management Responsibility for Financial Statements.

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

2.1 Statement of Compliance

The financial statements of ECC have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) prescribed for adoption by the public sector classified as Non-Government Business Enterprise.

2.2 Basis of Preparation of Financial Statements

The financial statements of ECC have been prepared on historical cost basis unless otherwise indicated.

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

2.3 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements on accrual basis in accordance with IPSAS requires the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies. Judgments, 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 IPSAS 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.

An entity shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

When a financial asset or financial liability is recognized initially, an entity shall measure it at its fair value

plus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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, 2019.

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 IPSAS 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 Revenue from exchange transactions

Revenue is recognized when it is probable that economic benefits or service potential associated with the transaction will flow to the Commission and the revenues can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue includes transfer or receipts of loading fund from other government entities, rental income, interest income and other business income, which are recognized on the accrual basis.

3.3 Revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

The Commission will recognize assets and revenues that will be received when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

3.4 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.

3.5 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 properties 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.

3.6 Property and Equipment

a. Recognition

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

The characteristics of PE 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 PE 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 and equipment is measured at cost.

A PE acquired through non-exchange transaction is measured at its fair value as at the date of acquisition. The cost of the PE is the cash price equivalent or, for PE 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 PE are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PE 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 PE 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 PE 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 PE is available for use on or before the 15th of the month. However, if the PE 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 following life span of PE in determining the specific estimated useful life for each asset based on its experience:

<u>Particulars</u>	<u>No. of years</u>
Buildings and other structures	30
Machinery and equipment	5
Transportation equipment	7
Furniture and fixtures	10

iv. Residual value

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

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 PE 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.

3.7 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 PE are applied to similar assets leased by the entity.

3.8 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.

3.9 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.

3.10 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.

3.11 Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

3.12 Events After the Reporting Date

Post year-end events that provide additional information about the System's financial position at the end of reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

3.13 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.

4. CASH AND CASH EQUIVALENTS

This account consists of the following:

	2019	2018
Cash in bank – current account	36,587,036	26,586,500
Cash in bank – time deposits	179,174,019	148,736,844
Cash in bank – savings account	3,929,057	6,058,501
Cash in bank – Collecting officer	904,102	151,226
Petty cash fund	159,240	155,000
	220,753,454	181,688,071

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

The increase 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.

The Cash in bank accounts earn interest at the respective bank deposit interest rates ranging from one to 1.25 per cent.

5. INVESTMENTS

This account represents investments in time deposits amounting to P491.991 million and P531.423 million for CYs 2019 and 2018, 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:

	2019	2018(As restated)
Accounts receivable	39,226,711	32,593,520
Receivables – disallowances/charges	6,599,492	7,508,093
Notes receivable	456,740	456,740
Due from Government Corporation (GSIS/SSS)	69,066,774	37,503,099
Due from NGAs	3,802,690	3,687,466
Due to officers and employees	186,350	278,248
Other receivables	250,760	247,827
	119,589,517	82,274,993
Less: Allowance for impairment	17,842,671	17,706,657
	101,746,846	64,568,336

6.1 Accounts Receivables

Accounts receivable account represents the collectibles from private entities for services rendered such as training, research, information and technical expertise, and use of the dormitory.

Portion of the account includes receivables from tenants/miscellaneous account which consists of unpaid rentals, electric and water bills from a former tenant, Meco Enterprises, Inc. amounting to P10.308 million as of December 31, 1999. On June 14, 2000, ECC filed a case of “Collection of Sum of Money” against the former tenant.

The account also includes Accounts Receivable – LOI No. 1318 which consists of advances to different hospitals for the purchase of rehabilitation equipment under the lease purchase agreement pursuant to

LOI No.1318. The said accounts are past due and were provided with ten per cent allowance. On May 31, 2013, the Regional Trial Court, 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	<u>812,764</u>
Amount due	11,120,925
Liquidated damages	<u>2,224,185</u>
	13,345,110

The P11.121 million represents the total amount of its principal obligation from 1990 to December 31, 1999 plus interest of six per cent per annum to be counted from May 26, 2000 while the P2.224 million represents 20 per cent of the amount due as liquidated damages pursuant to Paragraph 16 of the July 16, 1995 amended Contract of Lease plus interest of six per cent 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:

	2019	2018 (As restated)
Subsistence and laundry allowance from CY 2006 to September 2009	996,651	1,361,242
Magna Carta Benefits for CY 2005	904,461	904,461
Collective Negotiation Agreement for CYs 2005 to 2006 and CY 2008	653,408	735,801
Longevity pay for CY 2008 and for January to June 2009 and subsistence and laundry allowance	418,435	497,765
Milestone anniversary bonus for CY 2008	146,900	215,900
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	120,819
Praise incentives	88,087	88,087
25 Years Incentive Award	10,000	12,400
Excess anniversary bonus	48,000	48,000
Disallowances from CYs 1994 to 1997	2,945,769	3,256,656
	6,599,492	7,508,093

Pending approval of the ECC's request to the Prosecutor and Litigation Office, Legal Services Sector, COA dated August 3, 2016, settlements have been made on installment thru deductions from the salary and other benefits received by persons liable, in accordance with a schedule of proportional amount of the employees' net take home pay. The balances with no movement pertain to the remaining liable employees that are no longer connected with ECC. Others were already retired when the final action from COA was received.

6.3 Notes receivable

Notes receivable represents the principal amount of loans granted to hospitals under LOI No. 1401 which was provided with 100 per cent allowance.

6.4 Due from Government Corporations (GSIS/SSS)

This account represents Inter-agency receivables – collectibles from GSIS and SSS amounting to P58.705 million and P10.362 million respectively, for the unremitted SIF as of December 31, 2019. The receivable from SSS represents the unremitted balance for the 2017 Corporate Operating Budget.

6.5 Due from National Government Agencies (NGAs)

Due from NGAs account represents collectibles from national government agencies for services rendered such as training, research, information and technical expertise, and use of the dormitory.

6.6 Other Receivables

This account consists of receivable pertaining to undelivered supplies from Procurement Service - Department of Budget and Management (PS-DBM) and prior years' receivable from resigned/separated employees amounting to P250,760 and P247,827 for CYs 2019 and 2018, respectively.

6.7 Allowance for impairment

Movements in the allowance for impairment for loans and receivables are as follows:

	Balance, 1/1/2019 (As restated)	Additional Provision	Adjustment	Balance, 12/31/2019
Accounts receivable	15,088,029	153,660	(205,406)	15,036,283
Notes receivable	456,740	0	0	456,740
Due from NGAs	2,161,888	187,760	0	2,349,648
	17,706,657	341,420	(205,406)	17,842,671

	Balance, 1/1/2018 (As restated)	Additional Provision	Adjustment	Balance, 12/31/2018
Accounts receivable	14,907,113	180,916	0	15,088,029
Notes receivable	456,740	0	0	456,740
Due from NGAs	1,978,159	183,729	0	2,161,888
	17,342,012	364,645	0	17,706,657

7. INVENTORIES

This account consists of the following:

	2019	2018 (As restated)
Office supplies inventory	790,987	1,110,207
Drugs and medicines inventory	58,123	40,205
Medical, dental and laboratory supplies inventory	889,277	313,176
Textbooks and instructional materials inventory	1,700,508	2,154,913
Other supplies and materials inventory	486,020	566,176
	3,924,915	4,184,677

8. OTHER CURRENT ASSETS

This account consists of the following:

	2019	2018 (As restated)
Advances to officers and employees	182,180	152,757
Advances to contractors	0	1,577,012
Prepaid rent	255,586	112,787
Prepaid insurance	52,357	169,044
Guaranty deposits	133,800	3,000
Prepaid registration	2,635	5,118
Other prepayments	504,909	319,488
Other assets	10,030	10,030
	1,141,497	2,349,236

9. OTHER NON-CURRENT ASSETS

	2019	2018
Land	2,500,000	2,500,000
Unserviceable equipment	216,051	216,051
Guaranty deposits	402,478	389,894
	3,118,529	3,105,945

The parcel of land owned by ECC located at Barrio Cuyambay, Tanay, Rizal is recorded at its cost of P2,500 million. 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.

10. INVESTMENT PROPERTY

This account pertains to 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 million based on appraisal made by an independent appraisal company last August 4, 2017.

11. PROPERTY AND EQUIPMENT – NET

The details of the account are shown below:

	Land	Bldgs. & Other Structures	Machinery & Equipment	Transportation Equipment	Furnitures Fixtures & Books	Construction in Progress	Total
Cost							
Jan. 1, 2019 (as restated)	11,019,218	274,493,817	188,917,052	31,488,852	9,927,991	0	515,846,930
Additions/ Acquisitions	0	5,386,456	9,844,891	3,999,999	456,711	354,240	20,042,297
	11,019,218	279,880,273	198,761,943	35,488,851	10,384,702	354,240	535,889,227
Accumulated Depreciation							
Jan. 1, 2019	0	239,145,574	117,794,994	22,604,848	8,236,319	0	387,781,735
Depreciation	0	3,886,361	15,687,546	1,872,207	680,851	0	22,126,965
	0	243,031,935	133,482,540	24,477,055	8,917,170	0	409,908,700
Net book value, Dec. 31, 2019	11,019,218	36,848,338	65,279,403	11,011,796	1,467,532	354,240	125,980,527
Cost							
Dec. 31, 2018	11,019,218	274,493,817	182,224,052	31,488,852	9,927,991	0	509,153,930
Additions	0	0	6,693,000	0	0	0	6,693,000
	11,019,218	274,493,817	188,917,052	31,488,852	9,927,991	0	515,846,930
Accumulated Depreciation							
Dec. 31, 2018	0	240,688,882	117,794,994	22,604,848	8,236,319	0	389,325,043
Adjustments/ Restatements	0	(1,543,308)	0	0	0	0	(1,543,308)
	0	239,145,574	117,794,994	22,604,848	8,236,319	0	387,781,735
As restated – Net Book value, Dec. 31, 2018	11,019,218	35,348,243	71,122,058	8,884,004	1,691,672	0	128,065,195

11.1 Land

This account comprises of a parcel of land with 2,740 square meters owned by ECC since 1984 and recorded in the books at a cost of P11.019 million located at 355 Sen. Gil J. Puyat Avenue Makati City.

11.2 Building and Structure

This account comprises the ECC five-storey office building with basement located at 355 Sen. Gil J. Puyat Avenue, Makati City with approximately 7,724.57 square meters and OSHC building located at North Avenue corner Agham Road, Quezon City. The ECC building is appraised by an independent appraisal company on December 11, 2014 at a market value of P144.128 million. The OSHC building was constructed on a two-hectare lot owned by the Philippine Overseas Employment Administration (POEA) by the Japan International Cooperation Agency (JICA) and donated to the OSHC.

11.3 Machinery and Equipment, Transportation and Furniture and Fixtures

JICA also donated office equipment, furniture and fixtures, technical and scientific equipment worth P84.261 million and transportation equipment costing P12.176 million. The office equipment, furniture and fixtures and technical and scientific equipment were turned-over to OSHC in a lumpsum amount. However, these items have practically been fully depreciated and now recognized at residual value except for those considered unserviceable items recognized at scrap value.

Major repairs and improvement are added to the initial cost and depreciated 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:

	2019	2018 (As restated)
Accounts payable	67,818,809	34,631,199
Due to officers and employees	10,079,635	10,163,202
Tax refunds payable	101,109	163,998
	77,999,553	44,958,399

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

Due to officers and employees include unpaid cost of living allowance, social amelioration, rice allowance, other benefits and provision for CY 2018 performance-based bonus.

13. INTER-AGENCY PAYABLES

This account consists of the following:

	2019	2018
Due to BIR	2,675,916	1,861,343
Due to Pag-IBIG	288,297	21,420
Due to PhilHealth	110,205	17,525
Due to GSIS	985,000	12,193
Others	1,740	3,225
	4,061,158	1,915,706

Due to BIR pertains to the amount of taxes withheld during the month of December 2019 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 pertains to guaranty/security deposits payable amounting to P3.111 million and P0.911 million for CYs 2019 and 2018, respectively. The increase was due to security deposits paid by the suppliers/contractors for the awarded contracts during the year.

15. DEFERRED CREDITS

This account consists of unidentified deposits amounting to P2.103 million and P1.864 million for CYs 2019 and 2018, respectively. This includes bank reconciling items which will be closed once the payee/depositor is identified through its contra account, accounts receivable or income account.

16. OTHER PAYABLES

This account consists mainly of unclaimed hazard pay, subsistence and laundry allowance of the resigned and retired employees from CY 2005 to CY 2018. This also includes funds held in trust by OSHC for specific programs/undertakings which are being administered by the Center and the payment of loans of employees from the OSHC Union collected through payroll and the unremitted share of income from the canteen concessionaire.

17. PROVISIONS

This account consists of Leave Benefits Payable pertaining to the cash value of the accumulated earned vacation and sick leave credits of the employees as follows:

	2019	2018
Current	9,808,724	5,017,706
Non-current	38,658,260	38,975,998
	48,466,984	43,993,704

Fifty per cent of the leave credits can be amortized once a year and the balance payable upon resignation/retirement.

18. REVENUE

This account consists of the following:

	2019	2018
Business Income:		
Seminar/training fees	18,964,032	20,397,076
Rent/lease income	11,819,371	11,922,395
Interest income	6,017,335	6,602,445
Income from printing and publication	646,000	1,205,500
Income from dormitory	1,019,429	832,245
Other business income	3,871,354	4,183,281
	42,337,521	45,142,942

18.1 Seminar/training fees

This account consists of the following:

	2019	2018
Basic Occupational Safety and health (BOSH)	11,170,868	4,861,100
Construction Safety and Health (COSH)	5,839,202	3,822,657
Introduction to Industrial Hygiene/Ventilation	493,230	680,500
Work Environment Measurement (WEM)	458,500	666,000
Ergonomics in the Workplace	330,372	257,665
Safe Use of Chemicals	185,500	255,500
Drug Assessment/ Drug-free Workplace	174,860	211,400
Work Relatedness of Diseases	168,000	88,200
Industrial Fire Safety	133,500	311,100
National Occupational Safety and Health (NOSH) Congress	10,000	9,062,454
Occupational Safety and Health Orientation	0	143,500
Learning Session – Health	0	37,000
	18,964,032	20,397,076

18.2 Rent/Lease Income

This account consists of the following:

	2019	2018
Rental fee from tenants (see Note 24)	11,162,696	11,065,024
Training room	231,075	400,375
Canteen	381,550	376,847
Auditorium	40,300	71,749
Equipment	3,750	8,400
	11,819,371	11,922,395

18.3 Interest income

This account includes interest earned on time deposits placed with authorized depository banks and bank interest income amounting to P6.017 million and P6.602 million for CYs 2019 and 2018, respectively.

18.4 Income from printing and publication

This account includes income from sale of Occupational Safety and Health Standards books amounting to P0.646 million and P1.206 million for CYs 2019 and 2018, respectively.

18.5 Income from dormitory

This account includes income earned from the three-storey dormitory amounting to P1.019 million and P0.832 million for CYs 2019 and 2018, respectively.

18.6 Other business income

This account consists of the following:

	2019	2018
Technical services and laboratory fee	2,640,964	2,924,528
OSH accreditation fee	562,006	627,485
Miscellaneous	436,184	540,210
Other business income	232,200	91,058
	3,871,354	4,183,281

19. PERSONNEL SERVICES

This account consists of the following:

	2019	2018
Salaries and wages	85,179,493	77,652,163
Personnel benefits contribution	11,675,711	10,745,003
Other personnel benefits	27,656,699	23,276,819
Other compensation	36,867,246	33,610,911
	161,379,149	145,284,896

20. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

	2019	2018
Training expenses	45,034,533	40,001,661
General services	28,893,397	25,928,330
Professional services	20,584,165	18,456,387
Traveling expenses	14,836,046	10,618,656
Supplies and materials	11,693,365	12,059,821
Utility expenses	9,646,072	8,466,003
Repairs and maintenance	4,558,718	2,705,438
Communication expenses	3,824,972	4,227,188
Taxes, insurance premiums and other fees	937,080	852,382
Extraordinary expenses	573,119	929,025
Other MOOE	72,814,846	25,751,370
	213,396,313	149,996,261

20.1 Training Expenses

Beginning September 2013, income from seminar fees is recorded at gross and cost of meals is taken up as training expense. For in-house training, P700 per day is allotted for cost of meals, while for regional training, cost of meals varies based on the prevailing cost of catering service in the locality.

20.2 General services

This account consists of the following:

	2019	2018
Janitorial services	18,792,639	15,764,499
Security services	10,100,758	9,751,781
Other general services	0	412,050
	28,893,397	25,928,330

20.3 Professional Services

This account consists of the following:

	2019	2018
Auditing services	5,354,232	4,746,931
Consultancy services	393,148	559,500
Legal services	90,000	87,500
Other professional services	14,746,785	13,062,456
	20,584,165	18,456,387

Other professional services cover the expenses for the physical therapy / overtime (PT/OT), electromyography (EMG) services and other rehabilitation services provided to persons with related disabilities (PWRDs) under the ECC rehabilitation program.

20.4 Traveling expenses

This account consists of the following:

	2019	2018
Traveling expenses – local	13,061,096	9,142,501
Traveling expenses – foreign	1,774,950	1,476,155
	14,836,046	10,618,656

20.5 Supplies and materials expenses

This account consists of the following:

	2019	2018
Office supplies expenses	4,154,022	4,169,120
Medical/dental/laboratory supplies expenses	1,329,363	1,488,338
Semi-expendable expenses	1,265,733	2,766,961
Fuel, oil and lubricant expenses	1,104,069	1,036,683
Textbooks and instructional materials expenses	854,703	1,392,437
Drugs and medicines expenses	92,954	42,640
Accountable form expenses	42,500	18,400
Other supplies and materials expenses	2,850,021	1,145,242
	11,693,365	12,059,821

20.6 Utility expenses

This account consists of the following:

	2019	2018
Electricity expenses	8,599,020	7,652,548
Water expenses	1,047,052	813,455
	9,646,072	8,466,003

20.7 Repairs and maintenance

This account consists of the following:

	2019	2018
Repairs and maintenance-building and other structures	2,043,611	1,142,434
Repairs and maintenance-machinery and equipment	1,587,232	913,062
Repairs and maintenance-transportation equipment	885,275	649,942
Repairs and maintenance-furniture and fixtures	42,600	0
	4,558,718	2,705,438

20.8 Communication expenses

This account consists of the following:

	2019	2018
Telephone expenses	2,527,456	2,397,721
Internet subscription expenses	732,307	729,525
Postage and courier services	565,209	1,099,942
	3,824,972	4,227,188

20.9 Taxes, insurance premiums and other fees

This account consists of the following:

	2019	2018
Insurance expenses	671,051	500,416
Fidelity bond premiums	198,003	232,261
Taxes, duties and licenses	68,026	119,705
	937,080	852,382

20.10 Other Maintenance and Other Operating Expenses

This account consists of the following:

	2019	2018
Advertising, promotional and marketing expenses	48,824,797	10,274,907
Representation expenses	17,284,676	8,423,154
Rent/Lease expenses (see Note 24)	2,825,381	2,213,945
Printing and publication expenses	1,104,775	2,855,325
Donations	220,950	314,500
Subscription expenses	122,879	104,081
Membership dues and contributions to organizations	105,600	106,600
Transportation and delivery expenses	82,310	84,007
Other MOOE	2,243,478	1,374,851
	72,814,846	25,751,370

21. FINANCIAL EXPENSES

This account includes bank charges amounting to P83,518 and P800 for CYs 2019 and 2018, respectively.

22. NON-CASH EXPENSES

This account consists of the following depreciation expenses:

	2019	2018
Depreciation – machinery and equipment	15,687,546	15,045,733
Depreciation – building and other structures	3,886,362	6,761,565
Depreciation – transportation equipment	1,872,207	407,007
Depreciation – furniture, fixtures and books	680,851	1,769,552
Impairment loss	341,420	364,646
	22,468,386	24,348,503

23. PRIOR PERIOD ADJUSTMENTS

This account consists of the following adjustments in CY 2018:

	Asset	Liability	Income	Expense	Adjustment
Payables		(184,811)			(184,811)
Amount due to officials and employees		94,104			94,104
Rental/lease income /various income			(3,047,450)		(3,047,450)
Allowance for impairment-receivables	23,373				23,373
Depreciation				1,543,308	1,543,308
Advertising expenses /various expenses				25,880,541	25,880,541
Cancelled/stale checks				587,764	587,764
	23,373	(90,707)	(3,047,450)	28,011,613	24,896,829

24. OPERATING LEASE

ECC is a lessor under an operating lease from which rental fee was derived from the following tenants:

Name of Tenant	Lease Term	Rental income	
		2019	2018
1. Social Security System (SSS)	5 years	6,621,296	6,511,029
2. DOLE-NCR	1 year	2,205,351	2,205,351
3. National Maritime Polytechnic (NMP)	1 year	2,156,049	2,053,361
4. ECC Employees Union	1 year	120,000	120,000
5. Employers Confederation of the Philippines	1 year	0	115,283
6. Occupationally Disabled Workers Association of the Philippines	1 year	60,000	60,000
Rental income for the year		11,162,696	11,065,024

Only the SSS has a 5-year lease contract with ECC which expired on December 31, 2019. The rest of the tenants have only a year renewable contract.

The total future minimum rentals on the Commission's significant operating lease pertain to SSS which amount to P7.891 million for CY 2019.

All leases held by ECC are classified as Operating lease. Part of the building being leased is also occupied by ECC. (see Note 18.2)

ECC is a lessee consisting of rental of office space for Regional Extension Units (REUs) staff. The lease term is for a period of one year and renewable thereafter. The related rent expense amounted to P2.825 million and P2.214 million for CYs 2019 and 2018, respectively. (see Note 20.10)

25. BUDGET INFORMATION

The ECC budget submitted to the Department of Budget and Management (DBM) upon approval of the endorsement by the ECC Governing Board. The ECC budget approved by the DBM for CY 2019 amounted to P609.834 million was sourced from the remittances of GSIS and SSS as mandated under P.D. No. 626 amounting to P347.726 million and the budget chargeable to Retained Earnings amounting to P262.108 million.

The original Corporate Operating Budget (COB) of the ECC was approved by the DBM on August 19, 2019.

The DBM-approved COB consists of the original budget of P657.161 million which were sourced from the Social Insurance Fund (SIF) and Retained Earnings in the amount of P395.422 million and P154.957 million, respectively. The budget for Capital Outlay amounting to P106.781 million consists of the approved budget for CY 2019 in the amount of P106.781 million and continuing budget of prior year amounting to P223.802 million.

The ECC annual budget is co-shared by the SSS and GSIS on a 70 per cent and 30 per cent sharing basis, respectively.

26. RELATED PARTY DISCLOSURE

As at December 31, 2019, the composition of the ECC Board of Commissioners is as follows:

Board Position	Name	Position from other agency
1. Chairman	Silvestre H. Bello III (Represented by Ciriaco A. Lagunzad III, USEC - DOLE as Chairman-Designate)	Secretary, DOLE
2. Vice-Chairman GSIS	Rolando L. Macasaet (Represented by Atty. Nora M. Malubay SVP – GSIS)	President and General Manager,
3. Member	Aurora C. Ignacio	President and CEO, SSS
4. Member	Francisco T. Duque III (Represented by Dennis S. Mas,SVP, - PHIC)	Chairman, Philhealth (PHIC)
5. Member	Stella Zipagan-Banawis	Executive Director, ECC
6. Member	Carlito P. Roble National Executive Vice-President, Alliance of Filipino Workers (AFW), Representing Employees	
7. Member	Vacant	Representing Employers

26.1 Key Management Personnel Remuneration and Compensation

The key management personnel of the ECC are the two Executive Directors, two Deputy Executive Directors, and the various Division Chiefs of the operating groups. The remuneration of key management personnel during the year is as follows:

	2019	2018
Salaries	18,255,866	14,861,927
Other allowances and benefits	8,964,192	7,907,316
	27,220,058	22,769,243

Meanwhile, the total remuneration received by the Board of Commissioners amounted to P75,521 and P98,872 for CY 2019 and CY 2018, respectively.

27. LOADING FUND

The loading fund from other government entities consists of the quarterly remittance 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 SIF and approved by the DBM, breakdown as shown below:

	2019	2018
Social Security System (SSS)	243,408,494	185,300,345
Government Service Insurance System (GSIS)	104,317,926	79,414,434
	347,726,420	264,714,779

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 in the next page:

Particulars	SSS		GSIS	
	As at December 31, 2019	As at December 31, 2018 (As restated)	*As at December 31 2019	As at December 31, 2018 (As restated)
Assets	40,327,409,348	38,420,175,517	27,315,089,027	21,683,946,276
Liabilities	5,217,952	9,375,955	74,678,883	148,095,639
Reserves /Net worth	40,322,191,396	38,410,799,562	27,240,410,144	21,535,850,637
Revenues	4,448,974,968	4,100,920,011	4,055,702,905	3,191,242,527
Expenses	1,846,463,740	1,903,406,472	990,401,015	2,692,201,331
Net income	2,602,511,228	2,197,513,539	3,065,301,890	499,041,196
Other comprehensive Income (loss)	(447,710,900)	(1,203,258,960)	2,639,257,616	(1,434,683,488)
Total comprehensive Income	2,154,800,328	994,254,579	5,704,559,506	(935,642,292)

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

The total approved COB for the operational expenses of the ECC as received from SSS and GSIS chargeable to SIF, are as follows:

Particulars	SSS		GSIS	
	**As at December 31, 2019	As at December 31, 2018	**As at December 31 2019	As at December 31, 2018
ECC	84,537,194	66,459,245	67,793,901	28,482,534
OSHC	158,871,300	118,841,100	36,524,025	50,931,900
Total	243,408,494	185,300,345	104,317,926	79,414,434

**** 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 P.D. No. 626, as amended.

28. 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	5,310,300
1600-4-E	Creditable IT Withheld Expanded	2,077,844
1604-CF	Taxes withheld from employees	10,313,039

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 P.D. No. 626 as amended, will file an Annual Income Tax Return on or before April 15, 2019 using BIR Form 1702-EX version June 2013.

PART II

OBSERVATIONS AND RECOMMENDATIONS

AUDIT OBSERVATIONS AND RECOMMENDATIONS

A. Financial Audit

1. The existence and validity of the recorded Accounts Receivables as of December 31, 2019 cannot be ascertained due to the presence of dormant, long outstanding receivables from various entities totaling P2.973 million that are not supported with substantial records and documents which is not in conformity with Section 111 (1) of Presidential Decree (P.D.) No. 1445.

1.1 Section 111 (1) of P.D. No. 1445 states that:

The accounts of the agency shall be kept in such detail as is necessary to meet the needs of the agency and at the same time be adequate to furnish the information needed by fiscal or control agencies of the government.

1.2 Sound internal control requires that an Agency's policies, procedures and accountability for resources and all financial transactions shall be clearly documented and adequately supported. The documentation of transactions and other significant events should be timely, complete and accurate and facilitates tracing of a transaction or event from its occurrence until completion or recording in summary records.

1.3 The Commission on Audit issued COA Circular No. 2016-005 dated December 19, 2016 which provides the guidelines and procedures in reconciling and cleaning of the books of accounts of dormant receivable accounts, unliquidated cash advances and fund transfers for the fair presentation of accounts in the financial statements.

1.4 The said Circular defines Dormant Receivable Accounts as accounts which balances remained inactive or non-moving in the books of accounts for ten years or more and where settlement/collectability could no longer be ascertained.

1.5 The same Circular requires that all government entities conduct regular monitoring and analysis of receivable accounts to ensure that these are collected when these become due and demandable and that the Accountant shall prepare aging of dormant receivables, on a quarterly basis to support the request for write-off.

1.6 Review of Accounts Receivable and its aging schedule disclosed that accounts from various debtors totaling P2.973 million have been long outstanding or dormant for more than ten years, as detailed in the next page:

Account Title	Amount
Accounts Receivable – Trade	416,452
Accounts Receivable – Miscellaneous	2,416,969
Other Receivables	139,608
	2,973,029

1.7 Also, provision for doubtful accounts with the same amount was recognized on these long outstanding or dormant receivables.

1.8 The existence and validity of the above receivables of P2.973 million which remained dormant for more than ten years could not be ascertained due to the absence of substantial records and

documents to support the recorded receivables. The Accountant informed that when she assumed office as the OSHC Accountant III in CY 2009, only a list of these dormant receivables was turned over to her without supporting documents and other pertinent records.

1.9 The same observation was noted during the previous year's audit.

1.10 We recommended that Management require the Accountant to exhaust all measures to document the said dormant receivables to establish the existence and validity of the receivables and send demand letters to all concerned debtors to enforce collection.

1.11 Management commented that they are currently tracing the documents pertaining to the remaining dormant outstanding accounts receivables and that they are still in the process of exerting all possible means to locate the debtors concerned. The filing of the request for authority to write-off dormant receivable accounts will be made upon completion of the documentary requirements of COA circular No. 2016-005 dated December 19, 2016.

B. Others

2. The ECC has not yet come up with a Restructuring Plan for approval of the Governance Commission for Government Owned or Controlled Corporations (GCG) to effect the Organizational Structure and Staffing Pattern appropriate for an integrated function and business of both ECC and OSHC which resulted in: (a) redundancy of positions and functions of ECC and OSHC and (b) accountabilities and responsibilities of ECC and OSHC's officials and employees were not properly defined. Such delay in the finalization of the restructuring plan entails higher administrative cost.

2.1 The Employees' Compensation Commission (ECC) was created pursuant to Presidential Decree (P.D.) No. 626 specifically under Chapter III, Administration, Article 176 as quoted in the next page:

(a) xxx the Employees' Compensation Commission is hereby created to be composed of five ex-officio members, namely: the Secretary of Labor and Employment as Chairman, the GSIS General Manager, the SSS Administrator, the Chairman of the Philippine Medical Care Commission, and the Executive Director of the ECC Secretariat, and two appointive members, one of whom shall represent the employees and the other, the employers, to be appointed by the President of the Philippines for a term of six years.

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Included are the provisions regarding the functions of the ECC Board which were elaborately stated.

2.2 It was also provided in the same P.D. that the ECC Secretariat shall be headed by an Executive Director but there were no details of its functions.

2.3 On the other hand, the OSHC was established by virtue of Executive Order (E.O.) No. 307, s. 1987. Section 1 of the said EO, states that OSHC is a center within the ECC. Other pertinent provisions of the EO include the following:

a. Section 4 - the ECC Board shall be the governing body of the OSHC and the general conduct of operations and management functions of the OSHC shall be vested in the Executive Director under the immediate supervision of the ECC Board.

b. Section 5 - the technical staff and other personnel of the Center shall be appointed by the ECC Board, upon recommendation of the Executive Director.

c. Section 8 - relative to the Administrative concerns between OSHC and ECC, the OSHC shall be governed by the same financial rules as the ECC Secretariat.

2.4 Relative thereto, on September 04, 2014, the GCG in its letter to OSHC clarified that OSHC is not a Government Owned or Controlled Corporation (GOCC) but an autonomous division/department of the ECC Board. This issue was raised in the CY 2018 Annual Audit Report. It was recommended therein that the ECC prepare and submit to the GCG the proposed Restructuring Plan that will integrate OSHC's structure and functions in the Organizational Structure and Staffing Pattern of ECC.

2.5 In the letter of the Audit Team to GCG dated September 10 2019, clarification was sought on the following :

a. Who will be the approving signatory/signing authority of the following:

- Proposed Corporate Operating Budget;
 - All types of Contracts including procurement contracts;
 - Bank accounts of ECC and OSHC;
 - Disbursement vouchers and check payments;
 - Office orders and appointment of personnel;
 - Proposed training activities/programs on occupational safety to be conducted by OSHC; and
 - Financial reports and other mandatory regular reports required for audit purposes.
- b. On the procurement of goods and services which entails the conduct of procurement processes, who will perform the processes of procurement?
- c. Who will process the hiring of personnel?
- d. Is the approval and authorization made by the OSHC's Executive Director still valid?
- e. Would it be redundant if there are two Executive Directors (EDs) since ED is both mentioned in Art 176 of Presidential Decree (PD) 626 and Section 4 of Executive Order 307.

2.6 The GCG in its reply stated that: "In view of the GCG's opinion that OSHC should be treated only as a Center/Department of ECC, the final approving authority for OSHC transactions, including disbursements of funds must be the ECC Executive Director. However, since there was no approved reorganization yet, the current set-up for OSHC as regards disbursements of funds is still done by the officials of OSHC. Considering ECC has no approved Restructuring Plan yet, the Governance Commission is constrained for the meantime to acknowledge the organizational status quo of ECC and OSHC, as far as auditing and operations is concerned."

2.7 During the Board Meeting on April 24, 2019, it was clarified that the OSHC is under the ECC Board and not under the ECC Secretariat, so there is no need to merge their operations. The ECC submits GCG requirements as one government entity governing two agencies, ECC and OSHC. As mentioned above, the Executive Directors of ECC and OSHC are both under the Supervision of the ECC Board.

2.8 On the contrary, ECC was created as a GOCC pursuant to P.D. No. 626, and it clearly stated that the ECC shall be headed by the ED of the ECC Secretariat. Being the ECC Secretariat, it is an alter ego of the ECC Board and since the Center is merely a part or a department of ECC, actions of the OSHC through the recommendations of its ED are for approval of the Board, through the ECC Secretariat who is also the ED of the ECC.

2.9 It has been more than five years since the GCG clarified that OSHC is not a GOCC. However, the proposed Restructuring Plan required by the GCG, to properly define the function of the ECC ED in relation to OSHC, being a department of ECC, is not yet finalized.

2.10 Currently, the organizational structure of the ECC shows that it has a separate accounting and administrative divisions headed by different division chiefs while the Center has one division chief for Finance and Administrative Division (FAD).

2.11 Considering that in the letter dated September 04, 2014 of the GCG, it was clarified that OSHC is not a Government Owned or Controlled Corporation (GOCC) but an autonomous division/department of the ECC Board, having separate finance and administrative divisions resulted in redundancy of positions and functions which entailed higher administrative cost. Also, the approving and certifying officers of transactions are not properly defined.

2.12 We recommended that Management:

a. Fast track the preparation and submission to GCG of the required Restructuring Plan that considers the proper delineation of the accountabilities and responsibilities of the ECC Executive Director as well as the Center's officials and employees, the Center being a department of ECC, to avoid redundancy of positions and functions; and

b. In the meantime, that the restructuring plan is not yet available, the ECC Board has to revisit the current organizational set up of the ECC Center and to come up with appropriate guidelines to ensure proper check and balance of all its transactions. The same should be considered in the proposed restructuring plan.

2.13 Management commented that the Governing Board (GB) instructed the ECC and the Center to submit their Reorganization/Restructuring Plan during the 2nd Commission meeting.

2.14 By way of audit rejoinder, as of date, there was no Commission meeting yet such that the proposed Reorganization/Restructuring Plan was not discussed by the Board.

3. Occupancy for free of half of the floor of ECC building by the Employers' Confederation of the Philippines (ECOP), a private organization, since 1996, resulted in lost opportunity for ECC to earn income from rent.

3.1 Section 4 (2) of P.D. No. 1445, provides that

Government funds or property shall be spent or used solely for public purposes.

3.2 ECC Board Resolution (BR) No. 96-06-0291 dated May 9, 1996, the basis for the grant of free use of office space measuring half of a floor in the ECC building to ECOP is anchored on the following:

a. The occupancy of ECOP was pursuant to a directive of the then President of the Philippines Fidel V. Ramos; and

b. Under the Employees' Compensation Program (ECP), the payment of claims arising from work-connected injuries, sickness or death is sourced from the State Insurance Fund which is derived solely from contributions of employers. ECOP is one of the biggest employer organization in the country and a program partner of the ECC in the implementation of the ECP.

3.3 Since 1996, the ECOP has been occupying for their office space, half of the 3rd floor of the ECC building for free. It is worth mentioning that government agencies, such as the Social Security System (SSS) and the DOLE-NCR, among others, are tenants of the ECC who are dutifully paying monthly rental fees.

3.4 Considering the lapse of time that ECOP has enjoyed the privilege of free occupancy, the Management should have taken appropriate action in pursuance of sound management and fiscal administration, such as revisiting existing policies and strategies. This is in observance of the provisions of Section 8 of GCG Memorandum Circular (MC) No. 2012-07 regarding Specific Functions of the Board which provides:

Section 8. Specific Functions of the Board

x x x

(c) Monitor and evaluate on a regular basis the implementation of corporate strategies and policies, business plans and operating budgets, as well as Management's over-all performance to ensure optimum results;

x x x

(f) Implement a system of internal checks and balances, which may be applied in the first instance to the Board; and ensure that such systems are reviewed and updated on a regular basis; and

(g) Ensure the integrity of the GOCC's accounting and financial reporting systems, including independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

3.5 Consequently, ECC lost the opportunity to earn income from rent.

3.6 We recommended that Management:

a. Strictly comply with Section 4 (2) of P.D. No. 1445. Accordingly, terminate the agreement of ECC with ECOP that granted the free occupancy of ECC's office space; and

b. Offer the space to tenants through public bidding.

3.7 Management commented that they were instructed by the GB to discuss the matter with ECOP and the other options that can be looked into.

3.8 As an audit rejoinder, we maintain our position that public funds and properties shall not be used for private purposes.

4. Payments for Magna Carta benefits in the form of hazard pay, laundry and subsistence allowance totaling P1.142 million for the period January to December 2019 by the Center to its personnel detailed at Regional Extension Units (REUs) are not compliant with Republic Act (RA) No. 7305, also known as The Magna Carta for Public Health Workers (PHWs).

4.1 Pursuant to Section 3 of RA No. 7305, "health workers" shall mean all persons who are engaged in health and health-related work, and all persons employed in all hospitals, sanitarium, health infirmaries, health centers, rural health units, barangay health stations, clinics and other health-related establishments owned and operated by the Government or its political subdivisions with original charters and shall include medical, allied health professional, administrative and support personnel employed regardless of employment status.

4.2 Item 3.1 of the Department of Budget and Management (DBM) and Department of Health (DOH) Joint Circular (JC) No. 1 s. 2016 dated July 15, 2016 provides that as a general compensation policy, and in line with Section 21 of RA No. 7305, Hazard Pay may be granted to PHWs if the nature of their duties and responsibilities, their actual services, and location of work expose them to great danger, occupational risks, perils to life, and physical hardships, as determined by the Secretary of Health, or by the Head of the Agency or the Local Chief Executive, with the approval of the Secretary of Health.

4.3 Also, Item 3.2. of the same JC identifies the areas and circumstances when Hazard Pay may be granted to PHWs who are exposed to danger, perils to life and physical hardships. Stated among others the following that work areas in the health offices of the DOH Central Office, DOH Regional Offices and attached agencies, as well as in other national government agencies and local government units where PHWs are exposed to occupational risks, perils to life or physical hardships while performing administrative support services.

4.4 The Center granted Magna Carta benefits to its REU personnel by virtue of the Certification dated February 23, 2000 issued by the former Secretary of Health, which certified that the personnel of the OSHC of the DOLE with official address at North Avenue Corner Agham Road, Diliman, Quezon City, engaged in health and health-related works are covered by the provisions of RA No. 7305 known as The Magna Carta of PHWs and its Revised Implementing Rules and Regulations (RIRR).

4.5 Audit of the report of disbursements by disbursing officer (RDDO) for the period January to December 2019, disclosed that the personnel detailed in the following REUs were paid Magna Carta benefits totaling P1.142 million:

Regional Extension Unit	Amount Received
2	112,627
3	111,393
4A	121,800
5	92,407
6	113,005
7	124,341
8	111,676
10	111,487
11	121,800
CARAGA	121,800
	1,142,336

4.6 In reference to the definition of PHWs stated above, the personnel detailed in the ten REUs cannot be considered PHWs and are therefore not qualified to receive the benefits under RA No. 7305. Our position is anchored on the Decision of the Supreme Court in the case of *Kapisanan ng mga Manggagawa sa Government Service Insurance System (KMG), Petitioner vs. Commission on Audit, Guillermo N. Carague, in his capacity as Chairman, Commission on Audit, et.al., Respondents*, under GR No. 150769 dated August 31, 2004. The Court explained and the Decision reads in part:

xxx. To be included within the coverage of RA No. 7305, a government employee must be principally tasked to render health or health-related services. Otherwise put, an employee performing functions not directly connected with the delivery of health services is not a public health worker within the contemplation of the law.

The same conclusion is reached when the principle of *ejusdem generis* is used to ascertain the meaning of the term "public health worker" under RA No. 7305 and its Implementing Rules. Under the principle of *ejusdem generis*, where a statute describes things of particular class or kind accompanied by words of a generic character, the generic word will usually be limited to things of a similar nature with those

particularly enumerated, unless there be something in the context of the state which would repel such inference.

Applying the principle of ejusdem generis, the inescapable conclusion is that a mere incidental or slight connection between the employee's work and delivery of health or health-related services is not sufficient to make a government employee a public health worker with the meaning of RA No. 7305. The employee must be principally engaged in the delivery of health or health-related services to be deemed a public health worker.

xxx.

In this regard, the Implementing Rules define a "health-related establishment" as a health service facility or unit which performs health service delivery functions within an agency whose legal mandate is not primarily the delivery of health services. Health-related establishments include clinics and medical departments of government corporations, medical corps and hospitals of the Armed Forces of the Philippines (AFP), and the specific health service section, division or bureau of a government agency not primarily engaged in health services.

4.7 Further verification showed that the general functions of a Center employee assigned in the REU are the following:

- a. Requests, canvasses and procures supplies and safekeeps office materials, equipment etc.;
- b. Facilitates the payment of office rentals and bills for utilities such as electric, telephone, internet, water, etc.;
- c. Acts as Special Disbursing and Collecting Officer;
- d. Acts as Chairperson of the Inspection and Acceptance Committee;
- e. Coordinates with the Center Main Office for the conduct of activities in their particular REU;
- f. Prepares monthly accomplishment report of the REU; and
- g. Acts as resource person on OSH-related topics.

4.8 Clearly, these functions are not similar to those working in health-related establishments such as clinics or medical departments of government corporations, medical corps and hospitals of the AFP, and the specific health service units of government agencies performing services for the diagnosis, treatment of disease and maintenance of health. Thus, the Center employees in the REUs cannot be considered PHWs and are not entitled to receive Magna Carta benefits in the form of hazard pay, laundry and subsistence allowance.

4.9 We recommended that Management:

- a. Ensure strict compliance with RA No. 7305 and other existing rules and regulations in the grant of benefits and allowances;
- b. Require personnel assigned in REUs who received subject benefits to refund the same; and
- c. Discontinue the grant of PHWs' benefit to the REU personnel.

4.10 Management commented that:

a. Under Section 3 of RA 7305, PHWs shall include medical, allied health professionals, administrative and support personnel employed regardless of employment status. Thus, all personnel employed by the Center are covered by such definition.

b. Item 3.1 of the DBM and DOH Joint Circular (JC) No. 1 s. 2016 provides instances on the grant of hazard pay to PHWs to be determined by the Secretary of Health or Head of the Agency or the Local Chief Executive, with the approval of the Secretary of Health.

c. OSHC is the national authority for research, training, and technical assistance on matters pertaining to safety and health at work. Specifically, the functions of the agency carried out by the REU's in their assigned region, among others, are the following:

- Undertake continuing studies and researches on occupational safety and health;
- Plan, develop and implement occupational safety and health training programs;
- Serve as clearing house for occupational safety and health information, methods, techniques and approaches and institute an information dissemination mechanism;
- Monitor work environment and conduct medical examinations of workers;
- Serve as duly recognized agency for testing and setting standard specifications of Personal Protective Equipment and other safety devices;
- Assist other Government Offices (GO's) in policy and standards formulation on occupational safety and health matters, issue technical guidelines for prevention of occupational disease and accidents; and
- Perform such other acts appropriate for attainment of the above functions and enforcement of the provisions of Executive Order No. 307.

d. The legal mandate and functions of the Center, pursuant to the provisions of E.O. No. 307, strongly associates with the definition of health workers of government entity covered by RA No. 7305, that is all persons who are engaged in health and health-related work, and those who are employed in all hospitals, sanitarium, health infirmaries, health centers, rural health units, barangays health stations, clinics and other health-related establishments owned and operated by the government or its political subdivisions with original charters and shall include medical, allied health professional, administrative and support personnel employed regardless of employment status.

e. Regional Extension Units (REUs) composed of medical, allied health professional, administrative and support personnel, act as extension offices of the Center and undertake the Center's abovementioned technical programs and services in the region. Both employees in the Central Office and in REU's share similar directives and are exposed to great danger, radiation, occupation risks or other factors perils to life or physical hardships while performing administrative support services.

f. In the past when REUs were non-existent, staff from the Center goes to the Regions to perform the same tasks and activities which the REUs are presently doing. Those previous undertakings entailed huge expenses and hardships to the staff on travel. With the advent of the operations of REUs, travels of staff from the Center to the Regions were minimized as well as the travel expense but with more accomplishments for the Center.

g. OSHC-REUs perform health and health-related technical and administrative and support functions which includes but not limited to the conduct of plant visits during occupational safety and health-related trainings, assistance in the conduct of health-related technical activities as stated above, research of various hazards in the workplaces, and accident investigation during occupational accidents, and man-made calamities such as fire and chemical spills in the region.

- h. Management further commented that the working conditions of the REU personnel and OSHC mandates justify their entitlement to hazard pay authorized under RA No. 7305 and its implementing rules.
- i. Numerous Certifications were issued by the Secretary of Health since October 29, 1993, followed by another on November 14, 1996, and on February 23, 2000, declaring personnel of the Center as covered by the provisions of the said RA.
- j. As affirmed by COA, the staff in REUs are detailed personnel. Further quoted, Item 3.5 of the same JC provides that the Hazard Pay of officials and employees who are on detail with another agency shall be paid by the parent agency, while those on secondment shall be paid by the recipient agency. Thus, it is only fair and appropriate that staff detailed in REUs who are performing the same hazardous tasks and activities as an extended arm of the Center shall be entitled to the provisions of RA No. 7305.
- k. Health worker as defined in RA 7305, shall mean all persons who are engaged in health and health-related work, and all persons employed in all hospitals, sanitariums, health infirmaries, health centers, rural health units, barangays health stations, clinics and other health-related establishments owned and operated by the government or its political subdivisions with original charters and shall include medical, allied health professional, administrative and support personnel employed regardless of employment status.
- l. Regional Extension Units (REUs), composed of medical, allied health professional, administrative and support personnel, act as extension offices of the Center and conduct abovementioned technical Center's programs and services in the region. Both employees in the Central Office and in REU's share similar directives and likewise expose them to great danger, radiation, occupation risks or other factors perils to life or physical hardships while performing administrative support services.
- m. Discontinuing the grant of Magna Carta granted to REUs will be very prejudicial to the best interest of the service and to the concerned employees because the Center will be forced to recall the REU staff back to the Center as their base.
- n. The Center cannot be compared to GSIS since the Supreme Court ruled that GSIS is considered as an administrator of the funds for the pension and retirement funds of government employees and obviously not a health or health related establishment. On the other hand, no such judicial rulings declared that OSHC is similar with the GSIS as not a health or health-related establishment.
- o. Personnel assigned in the ten REUs, as part of the general functions, coordinates with the Center Main Office for the conduct of safety and health-related activities. Thus, the personnel assigned in the ten REUs be deemed as public health workers.
- p. OSHC-REUs perform health and health-related technical and administrative and support functions which includes but not limited to the conduct of plant visits during occupational safety and health-related trainings, assistance in the conduct of health-related technical activities as stated above, research of various hazards in the workplaces, and accident investigation during occupational accidents, and man-made calamities such as fire and chemical spills in the region.
- q. Finally, under RA No. 7305 and its implementing rules, the nature of the working conditions of the REU personnel and the Center mandates do justify their entitlement to hazard pay.

4.11 By way of rejoinder, we would like to emphasize that:

a. The issuance of DBM-DOH JC No. 1 s. 2016 dated July 15, 2016, amended pertinent rules and regulations on the grant of Magna Carta Benefits to PHWs. The administrative and support personnel referred to in Item No. 3.2.14 of the said JC are those employees exposed to occupational risks, perils to life or physical hardships while performing administrative support services.

b. The staff in the REUs cannot be considered as PHWs under RA No. 7305, as amended, because the nature of their duties and responsibilities are purely administrative in nature. Their actual services and location of work do not expose them to great danger, occupational risks, perils to life, and physical hardships.

c. Nevertheless, during the exit conference conducted on February 28, 2020, Management was instructed to submit the actual accomplishments of the ten REUs for CY 2019 that will show that they are performing health and health related works to justify their entitlement to Magna Carta benefits. Instead, Management submitted the Technical, Administrative and Support Functions which were accomplished/ performed from CYs 2015 to 2018 by REUs assigned in Region 4, 5 and 11 only.

d. Verification of the updated functions carried out by the REUs showed the following activities being undertaken by the personnel in the Head Office of the Center as shown in the documents supporting their travelling expenses and fees/ income generated from said activities:

- The conduct of Work Environment Measurement (WEM) and basic and practical researches to determine the presence of harmful environment is primarily being performed by the personnel of the Environmental Control Division (ECD), particularly by the Industrial Hygienist since the equipment are in the custody of the said division and are being brought whenever there are WEM requests in the regions.
- The Health Control Division (HCD) carries out research and consultations in close cooperation with sectoral organizations, agencies and individuals and conducts medical surveillance programs necessary for early detection of occupational diseases, medical examination and biological monitoring of workers exposed to different hazards.
- The Safety Control Division (SCD) conducts continuing studies, researches, safety audits and technical inspections in worksites particularly on hazardous machines, processes and operations, testing on the safe use of personnel protective equipment (PPE) and sets standard specifications for the production of PPE and other safety device.

e. Finally, when the DOH Certifications were issued in CY 1993, 1996 and 2000, only personnel of the OSHC with official address/station at North Avenue Corner Agham Road, Diliman, Quezon City, are covered by the provisions of RA No. 7305 known as the Magna Carta for Public Health Workers and its revised implementing rules and regulations (RIRR). The personnel in the REUs were not considered PHWs when these DOH certifications were issued and therefore not covered by the said Certifications.

f. Thus, we maintain our position that the personnel assigned in the REUs of the Center are not considered PHWs under RA 7305. Likewise, we further recommend to request from the DOH, a Certification that said personnel in the REUs are PHWs.

5. The ECC did not avail of the free internet service of the Department of Information and Communication Technology (DICT) which could have reduced the ECC's Communication expenses by P302,858 for CY 2019.

5.1 RA No. 10844 states that the DICT shall be the primary policy, planning, coordinating,

implementing, and administrative entity of the Executive Branch of the government that will plan, develop, and promote the national Information and Communication Technology (ICT) development agenda. Among the powers and functions of DICT is to harmonize and coordinate all national ICT plans and initiatives to ensure knowledge, information and resource-sharing, database-building and agency networking linkages among government agencies, consistent with E-government objectives in particular, and national objectives in general.

5.2 To effectively implement the tasks laid out in the E-Government Master Plan, a fast and efficient network is needed to interconnect government offices for coordinated and simplified public service. Among the services offered for free by DICT is GovNet. The GovNet was established to interconnect government agencies in the country to enable faster communication, better coordination, easier access to online services, and simplified processes. This is done through the aggregation of common government ICT resources and sharing of common services. Agencies connected to the GovNet through a redundant fiber optic backbone are able to reap the benefits of an effective ICT infrastructure, such as a more efficient internet service. The main benefit of GovNet to government agencies is the lower cost of internet services and faster data transfer of government-to-government communications.

5.3 The Integrated Government Philippines (iGovPhil) Program is an essential element in the implementation of the E-Government Master Plan, which aims to improve processes in government to provide better services to both citizens and businesses, as well as promote public participation. The primary purpose of the project is to use and maximize the benefits from already developed applications, to install and operate secure government email system, and to develop and to deploy common applications and shared services.

5.4 The above-mentioned projects of DICT are not mandatory but government agencies are encouraged to participate and cooperate to minimize cost and to achieve harmonization among government agencies.

5.5 The Audit Team's interview on October 3, 2019 with the personnel of DICT in charge of the GovNet project disclosed that if ECC avails of the free internet service, the DICT shall serve as the Project Owner and lead agency responsible for the overall planning, implementation and project management of the free Wi-Fi Internet access service. The DICT will also evaluate and conduct periodic monitoring of the Internet connectivity and provide framework for governance of the free Wi-Fi internet access service.

5.6 The internet service to be provided by DICT comes with one (1) Gbps connection access to iGovPhil network, Fiber Optic Cores and other peripherals which are necessary for establishing connection between iGovPhil network and the government agency. The DICT shall also provide personnel to install and set up the network equipment and who shall be ready to visit, inspect, and repair the network equipment installed by the DICT in case of technical difficulties, emergencies, and damage not caused by the ECC.

5.7 Review of the contract entered into by ECC with Source Telecom Inc. on May 4, 2018 for the procurement of dedicated internet access with an annual contract amount of P330,480, provides the following:

- a. 30 Mbps Guaranteed Dedicated Internet Connection (CIR 1:1);
- b. Provide /28 IP Block, Public IP Addresses;
- c. Remote system monitoring and reporting (MRTG);
- d. 24 x 7 Help desk support services;
- e. Immediate problem isolation and resolution;
- f. Provide corrective service information and configuration; and
- g. Service Restoration and Quality of Service (QoS) Levels.

5.8 ECC's internet expenses for CY 2019 totaled P302,858. This could have been saved and ECC could have enjoyed the one (1) Gbps internet connection instead of 30 Mbps had it availed of the free internet service of the DICT. Further, its own department, the Center, already availed of the service. Inquiry with the Management of the Center disclosed that the free internet service provides fast internet access and no major outage has been experienced that could affect the operation of the agency.

5.9 Currently, 160 government agencies have already availed of the DICT's free internet service. Among these are neighboring agencies of the ECC such as the Department of Trade and Industry (DTI) and Housing and Urban Development Coordinating Council (HUDCC).

5.10 Management explained that they did not avail of the DICT's free internet service because of the risk of unforeseen events that could disrupt internet connectivity and eventually hamper the performance of ECC's mandates. However, the nature of ECC's operation is not solely dependent on internet connections, therefore such risk will have no major impact on the performance of the ECC's mandate.

5.11 We recommended that Management:

- a. Immediately request and closely coordinate with DICT for their availment of free internet service pursuant to RA No. 10844; and
- b. Terminate the contract with Source Telecom Inc. upon the availability of the free internet from DICT.

5.12 Management commented that:

- a. ECC is not part of the 160 agencies initially identified by the iGovPhil Fiber Optic Cable (FOC) Core team to be connected to the GovNet. The HUDCC, DTI, OSHC and DOLE were able to avail of the GovNet and eventually the free internet because they were part of the 160 priority agencies of the DICT.
- b. The DICT installed fiber optic cables through the MRT and LRT lines and selected the above-mentioned agencies due to their proximity to these lines. These agencies are called Points of Presence (PoPs) and they are the backbone of the GovNet infrastructure.
- c. ECC was informed by the DICT that in CY 2019, they prioritized the repair of the infrastructure and not the installation of new lines for the non-priority agencies due to their difficulty in renewing the contract with their maintenance provider.
- d. A letter request dated January 8, 2020 has been sent to the DICT for approval on the installation of Fiber Optic Cable and free internet to the ECC.

5.13 As an audit rejoinder, interview with the personnel of DICT in charge of the GovNet project, disclosed that the DICT did not prioritize any agency to be connected to the GovNet. They are only waiting for the government agencies to inquire about the service before they will evaluate the feasibility of the project in the agencies' locations. The 160 agencies posted in the DICT website do not pertain to the agencies prioritized by the DICT, instead these are the agencies who took the initiative to avail of the service.

5.14 It was also mentioned in the interview that it will be easy for the ECC to avail of the service since DICT has already installed a hub in its neighboring agency, the DTI.

5.15 We would like to emphasize that the HUDCC is located on the 9th and 15th floors of BDO Plaza in Paseo de Roxas, which is too far from the Buendia and Makati MRT Stations.

6. Absence of adequate internal control measures in the handling of collections and deposits of the REUs resulted in: (a) collections not deposited daily and intact; (b) delayed submission of monthly report of collections and deposits; and (c) non-sequential issuance of official receipts. Such practices expose the collected funds to risk of loss by misappropriation, theft or robbery.

6.1 Sections 69 (1), 123 and 124 of P.D. No. 1445, specifically provide that:

Section 69 (1). Public officers authorized to receive and collect moneys arising from taxes, revenues, or receipts of any kind shall remit or deposit intact the full amounts so received and collected by them to the treasury of the agency concerned and credited to the particular accounts to which the said moneys belong. xxx.

Section 123. Definition of internal control. Internal control is the plan of organization and all the coordinate methods and measures adopted within an organization or agency to safeguard its assets, check the accuracy and reliability of its accounting data, and encourage adherence to prescribed managerial policies.

Section 124. Installation. It shall be the direct responsibility of the agency head to install, implement, and monitor a sound system of internal control.

6.2 For purposes of internal control pre-numbered ORs must be issued in strict numerical sequence. All copies of each receipt shall be exact copies or carbon reproduction on all respect of the original. Under Section 69 of P.D. No. 1445, public officers authorized to receive and collect moneys arising from taxes, revenues, or receipts of any kind shall remit or deposit intact the full amounts received and collected by them to the treasury of the agency concerned.

6.3 Review of collections and deposits of the Accountable Officers (AOs) at the REUs disclosed the following:

a. Total daily to weekly collections ranging from P450 to P236,000 remained undeposited for two to 45 calendar days which resulted in the accumulation of big amounts of cash in the possession of the AOs. This practice exposes the funds to risk of loss by misappropriation, theft or robbery, considering also that the concerned AOs of the REUs do not have safe/vault for safekeeping of the collections. When collections are minimal and daily deposit thereof becomes costly and impractical, the AOs may deposit their collection at least once a week with the authorized government depository bank.

b. There were constant delays in the submission of the Report of Collections and Deposits (RCDs) by the REUs ranging from 10 to 174 days such that RCDs were not submitted within the prescribed period for audit. Section 2. 1(a) of COA Circular No. 2009-006 dated September 15, 2009 provides that the Chief Accountant, Bookkeeper and other authorized official performing accounting and/or bookkeeping functions of the audited agency shall ensure that the reports and other supporting documents submitted by the AOs are immediately recorded in the books of accounts and submitted to the Auditor within the first ten days of the ensuing month.

Consequently, it hampers the timely verification of accounts and immediate implementation of actions for deficiencies, if any.

Management did not take appropriate action on the said delays despite COA's constant verbal and/or written reminder on the timely submission of the RCD.

c. Official receipts were not sequentially issued particularly in REU Nos. III, IV-A and XI, resulting in difficulty of determining the accountability not only for accountable forms but also for the collected funds. The details are as follows:

REU No.	CY 2019	OR Issued
3	Region III	March April May
		5349026 – 5349043
		5349051 – 5349055
		5349044 - 5349069
		294401 – 3294415
	June	5349070 – 5349100
		3294416 – 3294500
	August	3295794 – 3295797
	September	7467651 – 7467659
	October	7467101 – 7467117
		7467660 – 7467700
		7467118 – 7467133
	Region IV-A	July
		3293666 – 3293690
		3293601 – 3293622
		3293691 – 3293700
	August	3293623 – 3293634
	September & May	3293635 – 3293649
	October	7466801 - 7466805
	Region VIII	July
		Missing OR - 3294101
	Region XI	September
		7467701 - 7467732
		7467751 - 7467800
	October	7467733 - 7467750

The above table shows that there were instances wherein official receipts were used/issued alternately and not in numerical sequence. This happens when the AOs issue new booklets of ORs even if other booklets are not yet fully used/issued.

Our audit also disclosed that there is still missing OR No. 3294101 in Region VIII.

6.4 The deficiencies noted only show that the AOs were not given appropriate briefings on their duties and responsibilities before they assumed their designations as Collecting Officers. Also, this is an indication that the Management of the Center does not strictly impose compliance to applicable laws and regulations for the discharge of functions of designated collecting officers.

6.5 We recommended that Management:

- a. Adopt appropriate control measures in the handling of collections;**
- b. Require the AOs of REUs to strictly comply with the following:**
 - **deposit intact all collections with the authorized depository bank daily or not later than the next banking day;**
 - **submit within a specific number of days the RCDs to enable the Accountant to prepare the Financial Reports and submit the same with supporting documents for audit within 10 days after the end of the month;**
 - **issue official receipts strictly in numerical sequence**
- c. Account for the missing OR.**
- d. Prepare internal guidelines or manual of procedures for the guidance of the REUs in the discharge of their duties; and**
- e. Impose disciplinary actions against AOs who do not comply with the rules and regulations in the handling of cash.**

6.6 Management commented that they have issued Memorandum No. 116, series of 2020 dated March 4, 2020 re: Guidelines in the issuance of OR, deposit of collections and submission of monthly report of collections and deposits to conform with the recommendations. Also, failure to comply with the said guidelines and repetition of the same violation by the REUs will be dealt with accordingly. As to the missing OR, Management already issued a demand letter to the concerned region.

7. ECC has no Information Systems Strategic Plan (ISSP) for CY 2020-2022 that will secure Management's commitment to effectively implement the same. This condition exposes ECC to risks of procuring expensive information technology (IT) resources and the non-improvement of the existing business processes.

7.1 One of the best IT practices on governance dictates the need for an approved ISSP which directs and manages all IT resources in line with the business strategy and priorities. An ISSP refers to a three to five-year computerization framework of an agency which describes how the organization intends to strategically use information communication technology (ICT) in the pursuit of its mission and functions. It is a written expression of how an agency intends to use ICT to support its data and decision-making processing, and a blueprint of the organization's technological direction. The existence of an approved ISSP would clearly guide management in the adoption of a structured planning framework/methodology in leveraging information technology for improving business processes. Moreover, the National Computer Center's (NCC) Memorandum Order No. 237 (s. 1989) requires all government agencies to submit an ISSP which embodies an agency's overall strategic plan for the development and implementation of information systems and the corresponding resource requirements over a three-year period.

7.2 Review of the documents submitted to the Audit Team showed that Management has an ISSP for CYs 2015-2017, a three-year plan which aims to identify the critical information systems that will support and address the Agency's major final outputs. Also, it identifies the current environment, the vision for IT and the building blocks required to achieve the end goal of a fully integrated IT system. However, the Audit Team noted that the implementation of the said ISSP was moved to CYs 2016-2018, due to the late approval/endorsement by the then Information and Communications Technology Office (ICTO).

7.3 The Audit Team also noted that the ISSP for CYs 2019-2021 was not prepared and approved by the concerned officials. Hence, ECC cannot procure IT equipment and other accessories which is not within the DICT-ICT-endorsed ISSP containing ICT budget proposals except for items that will be classified as semi-expendables.

7.4 Further inquiry with the Policy, Programs and Systems Management Division (PPSMD) personnel disclosed that the ECC is still in the process of finalizing the ISSP for CYs 2020-2022 before submission to the DICT for approval. To date, even the ISSP for CYs 2021-2023, which was due on June 30, 2019 has not been submitted yet for evaluation and endorsement. Inquiry with the DICT personnel disclosed that in case of late submission of ISSP by the agency, the DICT will still accept the same for review. The three-year ISSP should be implemented within the said period, otherwise, this should be revised/updated and duly signed by the Board for transmittal to DICT for approval.

7.5 While the Audit Team recognizes the efforts of Management in crafting and finalizing the proposed ISSP for CYs 2020-2022, the absence of an approved ISSP may result in ineffective decision making leading to investments in IT that have insufficient return, the risk of procuring expensive IT resources, IT which is not compliant with governance requirements, and the non-improvement of the existing business processes.

7.6 We recommended that Management:

- a. Obtain soonest the DICT's approval of the proposed ECC ISSP for CYs 2020-2022;
- b. Ensure that procurement of IT equipment (hardware and software) and other accessories is within the endorsed ISSP; and
- c. In case there is a revision on the approved ISSP, transmit to DICT for further review and approval, the revised ISSP duly signed by the Board.

7.7 Management commented that the crafting of the ISSP was delayed due to various reasons including the delayed implementation of the ISSP for CYs 2015-2017 as this was approved by DOST-ICTO only on September 14, 2018. The delay affected the study on the benefits of the current ISSP, ICT gaps and current technologies and trends. Nonetheless, the proposed ISSP for CYs 2020-2022 has been presented to the ECC Governing Board on November 19, 2019 and will be transmitted to the DICT after the completion of the Board Members' signature.

7.8 Management also replied that the delay in the implementation of the ECC-ISSP will not result in the wastage of expensive IT resources and non-improvement of the existing business processes as they are continuously computerizing its operations to ensure that ICT efforts are aligned with and prioritized according to the ECC's vision, mission, goals and strategies. Management will take into account COA's observations as well as recommendations and will closely coordinate with the DICT on the approval of the ISSP.

8. Submission of 11 contracts with incomplete documentation, with total contract price of P53.707 million, was delayed for periods ranging from one to 41 days. Also, two contracts as well as its supporting documents, with total contract price of P11.997 million, were not submitted for review, thereby preventing the implementation of remedial actions by Management had deficiencies been noted in the conduct of auditorial review.

8.1 Section 4 (6) of P.D. No. 1445 states that claims against government funds shall be supported with complete documentation. Also, Section 39 of the same P.D. states that the Commission on Audit shall have the power, for the purpose of inspection, to require the submission of the original of any order, deed, contract, or other document under which any collection of, or payment from, government

funds may be made, together with any certificate, receipt, or other evidence in connection therewith. It shall be the duty of the officials under audit or employees concerned to comply promptly with the requirements imposed in this Code. Section 127 of the same Code further provides that any unjustified failure or refusal of the officials and employees concerned to comply with said requirements shall be subject to administrative disciplinary action.

8.2 Our audit disclosed that although Management was able to submit copies of approved or notarized contracts together with all the documents forming part thereof, these were not submitted promptly, contrary to COA Circular No. 2009-001 which requires that within five (5) working days from the execution of a contract by the agency, a copy of said contract and each of all the documents forming part thereof shall be furnished to the Auditor of the agency concerned for auditorial review.

8.3 For projects completed in 2019, 11 contracts amounting to P53.707 million were submitted beyond the required five-day period of submission, resulting in considerable delays ranging from one to 41 days. The same were found lacking with documentary requirements, with the details shown in the next page:

No.	Particulars	Amount	Date of Contract	Date received by COA	No. of Days Delayed / with deficiencies in documents
A. ECC Secretariat					
1.	Procurement of Five (5) units of Window-type and Six (6) units of Floor Mounted Package-type aircons	1,366,326	7/19/2019	8/29/2019	36 CDs delayed / documents submitted not authenticated
2.	Procurement of One (1) unit Mini-Bus	3,999,999	9/27/2019	9/30/2019	None/only notarized contract submitted
3.	Procurement of transit Advertisement Jeepney Top Ads	2,397,600	12/5/2019	1/16/2020	35 CDs delayed / only notarized contract submitted
4.	Procurement of Security Services for CY 2019-2020	3,922,750	10/3/2019	10/9/2019	None / only notarized contract submitted
5.	Procurement for Janitorial and Clerical Support Services for CY 2019-2020	6,225,613	10/14/2019	10/14/2019	None / only notarized contract submitted

No.	Particulars	Amount	Date of Contract	Date received by COA	No. of Days Delayed / with deficiencies in documents
B. Center					
6.	Supply and Delivery of Vibration Level Meter with Accelerometer	1,488,000	9/10/2019	10/21/2019	36 CDs delayed / documents submitted not authenticated
7.	Procurement of Janitorial/Manpower Services	14,374,371	8/1/2019	8/16/2019	0 CDs delayed / documents submitted not authenticated
8.	Procurement of Security Services	5,659,671	8/1/2019	8/16/2019	10 CDs delayed / documents submitted not authenticated
9.	Supply, delivery, installation and commissioning of Two (2) Brand New Airconditioning Units for OSHC Auditorium	2,888,888	9/5/2019	10/21/2019	41 CDs delayed / documents submitted not authenticated
10.	Supply, Delivery, Installation and Commissioning of Floor-Mounted Digital Radiography System with PACS, RIS and Complete Accessories	10,277,000	9/11/2019	10/21/2019	35 CDs delayed / documents submitted not authenticated
11.	Supply, Delivery, Installation of One Unit Hematology Analyzer	1,107,000	9/10/2019	10/21/2019	41 CDs delayed / documents submitted not authenticated
		53,707,218			

8.4 Moreover, the following two awarded contracts totaling P11.997 million together with their supporting documents were not submitted for review:

No.	Project	Contract Price
Center		
1.	Supply, delivery, installation and commissioning of One (1) Unit Respirator Testing Equipment	9,500,000
2.	Supply, delivery, installation and commissioning of ICT Equipment	2,497,000
		11,997,000

8.5 The delayed submission of awarded contracts and their supporting documents hindered the timely evaluation of compliance with the requirements of applicable laws, rules and regulations and an initial evaluation that the contractual covenants are not disadvantageous to the government. Corrective measures as are appropriate and warranted could have been made for any noted defects and deficiencies in the contract/s.

8.6 **We recommended and Management agreed to:**

a. **Require the Finance and Administration Division to strictly comply with the prescribed period in the submission of copy of contracts and each of all the documents forming part thereof; and**

b. **Subject to administrative disciplinary action all officials and employees concerned who fail to comply with the requirements of the law and regulation.**

9. ECC's accomplishments for Employees' Compensation Program (ECP) as specified in the ECC's Major Final Output exceeded its performance targets, thereby, increasing public awareness regarding the provision of a meaningful social security protection for GSIS and SSS members and their beneficiaries on work-connected disability, sickness or death.

9.1 P.D. No. 626 provides that the State shall promote and develop a tax-exempt ECP whereby employees and their dependents, in the event of work-connected disability or death, may promptly secure adequate income benefit, and medical or related benefits.

9.2 To carry out such policy, ECC implements the ECP through the ECP Information Dissemination Services which is designed to increase public awareness on the program of the Agency so that more SSS and GSIS members can enjoy the benefits being offered by ECC. For this purpose, ECC implements the following projects:

a. **Development/Updating/Reproduction of IEC Materials**

This project ensures that reader-friendly ECP materials are continually developed. This involves three important activities, namely: (1) development and printing of information materials such as flyers, posters, ads, audio visual presentation materials and other related information; (2) publication of the ECC Reporter designed to inform ECC publics of the latest on employees' compensation policies, case decisions, OSH research findings on work contingency prevention and others; and (3) re-printing and distribution of existing information education communication (IEC) materials.

b. Intensification of Information Dissemination on the ECP through Quad-Media

This project includes publication of press releases in broadsheets, tabloids and regional papers, airing of infomercials on radio, television and the like as well as linkages with radio and TV networks for participation in public affairs programs/interviews, distribution of IEC materials to ECC clients (notably flyers explaining the ECP, how to file EC claims at the SSS and GSIS, various projects of the ECC such as the KaGaBay Program) and the publication of The ECC Reporter.

c. Intensification of Information Dissemination on the ECP through Seminars, Training and One-on-One Services

This involves the conduct of seminars/lectures on the ECP and OSH right at the workplaces in coordination with the employers and the employees' unions. Target participants of ECP seminars/lectures are rank and file workers, labor union representatives and human resource officers. Another important project is the Public Assistance Center (PAC) which is designed to provide personalized assistance/information to walk-in clients on how and where to file EC claim or to follow-up the status of their claims pending at the SSS or GSIS or at the ECC and other related matters. PAC is located at the ECC ground floor and has been in operation since 2005.

9.3 The Audit Team examined and evaluated the related program and projects in relation to the development, updating and reproduction of IEC materials and intensification of information dissemination through media, seminars and trainings. The existing performance indicators, targets and program results such as the number of seminars conducted, the number of participants or workers reached and the companies that participated were reviewed and considered to assess the extent of the attainment of the program's goals and objectives. Likewise, the Audit Team validated the reports and assessed program implementation taking into consideration feedbacks/citations related thereto.

9.4 Our audit disclosed that the ECP's expenditures are within the funds allocated and the validated accomplishments in the National Capital Region and Regions 1 to 13 exceeded the performance targets specified in the ECC's Major Final Output, as shown in the following table:

ECP Funding and Expenditures for CYs 2016-2019

Particulars	2019	2018	2017	2016	Total
		Amount (in million pesos)			
ECP funding	61.646	58.807	38.386	17.199	176.038
ECP expenditures	54.508	18.069	37.008	15.215	124.800

Note: The balance of CY 2018 ECP funding was re-budgeted in CY 2019.

ECP Targets and Actual Accomplishments

Project	Target	Actual	Excess over target
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CY 2016

Development, Production and Distribution of ECP-IEC materials

• Developed/produced/ reproduced/ simplified EC materials	181,350	188,421	7,071
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ECP Targets and Actual Accomplishments

Project	Target	Actual	Excess over target
ECP Dissemination through Quad-Media			
• Published advertisements (ads)/ info booth/ads on building/ TV commercials:			
Ads published	30 ads	31 ads	1
Press conference	10	14	4
ECP Advocacy			
• Conducted ECP advocacy seminars which includes in-house and on-site seminars	460	569	109
• No. of companies covered by ECP advocacy seminars	11, 500	12, 103	603
• No. of workers reached	26, 000	29, 373	3,373
CY 2017			
Development, Production and Distribution of ECP-IEC materials			
• Developed/produced/ reproduced/ simplified EC materials	181,350	265,383	84,033
ECP Dissemination through Quad-Media			
• Published advertisements (ads) /info booth/ads on building/TV commercials:			
Ads published	30 ads	34 ads	4
Press conference	6	11	5
ECP Advocacy			
• Conducted ECP advocacy seminars which includes in-house and on-site seminars	506	815	309
• No. of companies covered by ECP advocacy seminars	12,650	18540	5,890
• No. of workers reached	29,700	43, 650	13, 950
CY 2018			
Development, Production and Distribution of ECP-IEC materials			
• Developed/produced/ reproduced/ simplified EC materials	181,350	234,110	52,760
ECP Dissemination through Quad-Media			
• Published advertisements (ads) /info booth/ads on building/TV commercials:			
Ads published	50 ads	53 ads	3
Press conference	10	16	6

ECP Targets and Actual Accomplishments

Project	Target	Actual	Excess over target
ECP Advocacy			
• Conducted ECP advocacy seminars which includes in-house and on-site seminars	556	645	89
• No. of companies covered by ECP advocacy seminars	13, 915	17,316	3,401
• No. of workers reached	32,670	39,052	6,382
CY 2019			
Development, Production and Distribution of ECP-IEC materials			
• Developed/produced/ reproduced/ simplified EC materials	184,500	208,247	23,747
ECP Dissemination through Quad-Media			
• Published advertisements (ads) /info booth/ads on building /TV commercials:			
Ads published	48 ads	48 ads	0
Press conference	10	10	0
ECP Advocacy			
• Conducted ECP advocacy seminars which includes in-house and on-site seminars	693	752	59
• No. of companies covered by ECP advocacy seminars	15, 000	19,031	4, 031
• No. of workers reached	36, 000	40, 191	4, 191

9.5 While the target set for the development, production and distribution of ECP-IEC materials from CYs 2016-2018 is pegged at 181,350, data for the other projects show that the Commission was efficient in the forecasting and implementation of its program.

9.6 Relative thereto, it was noted that ECC received citations from different award giving bodies such as Continuous Improvement Recognition Category 3Es – Reform Agenda of the ECC: Equalize, Enhance and Expand award from the ASEAN Social Security Association (ASSA), Stakeholder Awardee from the Philippine National Police (PNP) Finance Service and Plaque of Appreciation from the Philippine Information Agency (PIA) in recognition of the partnership between the two agencies aimed at communicating ECC's programs and ensure an informed and empowered citizenry.

9.7 It can then be concluded that ECC was able to implement its Advocacy to increase public awareness that in the event of work-connected disability or death, GSIS and SSS members and their dependents are secured of adequate income benefit, and medical or related benefits.

9.8 We recognize the Commission's efforts on the realization/awareness of its mandate particularly on ECP Advocacy for exceeding its target. We then encourage Management to continue to intensify aggressive information drive on public awareness of the EC benefits.

9.9 The Management appreciated the audit observation and assured that they will continue to work with vigor and aggressively pursue initiatives to bolster awareness of the EC benefits and services.

Gender and Development (GAD)

10. As required by the Philippine Commission on Women, National Economic Development Authority and Department of Budget and Management (PCW-NEDA-DBM) Joint Circular No. 2012-01, the ECC has implemented and accomplished its GAD Plans and Budgets (GPB) and prepared the GAD Accomplishment Reports (GAR) for CY 2019.

10.1 For CY 2019, ECC and its Center were able to attribute and utilize the total amount of P67.179 million for its client and organization-focused related activities as well as its client administration and support to Human Resources Development activities.

10.2 Review of the GAR showed that ECC and its Center were able to implement the related programs/activities, thereby making the Commission gender-responsive. Details of the GAD activities are the following:

Programs, Activities and Projects	Output		Amount
	Target	Actual	
ECC			
I. Client-Focused			
• Facilitation of the provision of PT/OT, prosthesis, vocational skills / entrepreneurial courses	721 persons with work-related disabilities PWRDs	874 PWRDs Female-98 (11%) Male-776 (89%)	40, 609, 150
• Conduct of advocacy seminars on ECC/Employees" Compensation Program (ECP) nationwide	693 ECP Advocacy seminars conducted with 36, 000 participants	752 ECP Advocacy seminars conducted with 40, 191 participants Female-19, 167 (48%) Male-21, 024 (52%)	4, 410,004

Programs, Activities and Projects	Output		Amount
	Target	Actual	
II. Client administration and support to Human Resources Development			
<ul style="list-style-type: none">Conduct of seminar on women's empowerment, Development and Gender activity	3-day GAD training and workshop facilitated by an independent GAD consultant from PCW pool on February 6-8, 2019 at the ECC Multi-purpose Hall. Female-21 (72%) Male-8 (28%)		173, 128
<ul style="list-style-type: none">Facilitate film showing	GMA - documentaries on women held on March 08, 2019		
<ul style="list-style-type: none">Attend and participate in the PCW-prescribed activities for the celebration of women's month and VAWC	National Women's Month activities – for the whole month of March; 18-day campaign to end violence against women-Nov. 25 to December 12, 2019. In-house lecture on VAWCon December 9, 2019 at the ECC Multi-purpose Hall		
			45, 192, 282
The Center			
I. Client-Focused			
<ul style="list-style-type: none">Basic occupational safety and health training conducted 20 batches 35 batches/ 1,756 workers, 627 females			8,635,099
<ul style="list-style-type: none">Construction safety training – implemented policy training 20 batches 21 batches/ 1,060 workers, 215 females			2,426,385
<ul style="list-style-type: none">Health related training: managing emerging issues in the workplace; work related diseases; ergonomics in the workplace; and drug assessment team training9 batches9 batches/ 497 workers, 254 females			439,469
<ul style="list-style-type: none">Working environment related training: safe use of chemicals at work; work environment measurement training; and industrial ventilation training 5 batches 5 batches/ 278 workers,108 females			816,691

Programs, Activities and Projects	Output		Amount
	Target	Actual	
<ul style="list-style-type: none"> • OSH orientation for the informal sector 16 batches 17 batches/ 2,844 students, 1,448 female/ 1,215 workers, 666 females 			204,195
<ul style="list-style-type: none"> • Fire safety training/orientation 6 batches 6 batches/ 279 workers, 62 females 			150,152
<ul style="list-style-type: none"> • Scaffolds training 2 batches 2 batches/ 59 workers, 3 females 			162,250
<ul style="list-style-type: none"> • Conducted work environment measurement (WEM) for companies /specialized medical examinations for workers in all industries 1,500 workers OH-502 workers/ 125 female WEM 86,027 workers, 42,173 females 			3,035,711
<ul style="list-style-type: none"> • Conducted OSH researches and eventually the development of related policies 3 researches; 3 researches 			398,595
II. Organization-focused <ul style="list-style-type: none"> • Conducted gender sensitivity training for OSHC new employees; participated in moral and religious activities and family welfare programs 30 OSHC staff learning and development programs employees 			2,040,028
<ul style="list-style-type: none"> • Capital outlay - construction of elevator (compliance to BP 344 Accessibility Law); conducted regular safety and health committee meetings; drug assessment team training and drug testing for all employees including outsourced OSHC staff and clients Regular safety and health committee meetings, safety program audit trainings, drug assessment team training, etc. 			3,678,480
			21,987,055
			67,179,337

Compliance with Tax Laws

11. For CY 2019, the ECC has complied with the requirement of Executive Order No. 651 as implemented by BIR Revenue Regulation No. 1-87 dated April 2, 1987 for income taxes, and BIR Revenue Regulation No. 10-93 dated June 16, 1993 for Value Added Tax (VAT), by regularly withholding taxes on salaries of government officials and employees, as well as on the services and goods delivered and/or rendered by contractors and suppliers and in remitting the same to the BIR. As of December 31, 2019, the balance of unremitted taxes withheld amounted to P2.676 million which was accordingly remitted in the ensuing month.

Remittance of Mandatory GSIS, Pag-IBIG and Philhealth Contributions

12. For CY 2019, the ECC has complied with the mandatory contributions required under the Implementing Rules and Regulations (IRR) of RA No. 8291, otherwise known as the GSIS Act of 1997, IRR of RA No. 7875, as amended, otherwise known as the National Health Insurance Act of 2013, and IRR of RA No. 9679 or the Home Development Mutual Fund (HDMF) Law of 2009. Further, the ECC also deducted amortizations due from their employees/members and diligently remitted the same including the employer's share to the respective agencies within the prescribed period.

13. Status of Suspensions, Disallowances and Charges

13.1 As at year-end, the status of audit suspensions, disallowances and charges issued is as follows:

Audit Action	Beginning balance 01/01/2019	Issued	Settled	Ending Balance 12/31/2019
Suspensions	P 0	P 861,089	P 861,089	P 0
Disallowances	4,003,386	448,677	864,172	3,587,891
Charges	175,500	315,600	56,700	434,400
	P 4,178,886	P 1,625,366	P 1,781,961	P 4,022,291

13.2 The beginning balances reflected in the preceding table are the integrated amount for ECC and its Center detailed as follows:

Name	Disallowances
ECC	P 3,821,861
OSHC	181,525
Balance, 01/01/2019	P4,003,386

13.3 The balance of P3.707 million as of December 31, 2019 does not include the Notices of Disallowance (NDs) and Notices of Charge (NCs) issued prior to the effectivity of the 2009 Revised Rules and Settlement of Accounts (RRSA) but were deemed disallowances/charges and continue to be enforced in accordance with Section 28 of the same RRSA. The details are as follows:

Name	Disallowance	Charges	Settled	Ending Balance
ECC	P 15,907,294	P 212,447	P 604,796	P 15,514,945
OSHC	2,893,062	0	0	2,893,062
	P 18,800,356	P 212,447	P 604,796	P 18,408,007

PART III

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMENDATIONS

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of the 30 audit recommendations embodied in the 2018 Annual Audit Report, 21 were fully implemented, seven were partially implemented and two were not implemented, as shown below:

I. ECC

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
CY 2018 AAR			
Observation No. 1, page 43		a. Strictly comply with Section 4 (6) of P.D. No. 1445 on the recognition of payables affecting the Due to Officers and Employees account; and	Fully implemented
		b. Exert more efforts to locate the related documents to be able to analyze and review the validity of the payables recorded as Due to officers and employees; and	Fully implemented
		c. Revert to Surplus account specifically the accrual of PBB amounting to P5.133 million which has been disapproved by the GCG and those accounts that require adjustments.	Fully implemented

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
Observation No. 2, page 44			Partially implemented
			The Cashier is continuously verifying the identity of payors making the direct deposits to eliminate unreceipted collections.
			Fully implemented
		a. Oblige the Cashier to monitor, on a daily basis, the	Fully implemented
			Partially implemented
			The monitoring of collections by the Cashier and the Accountant is on-going.

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
Observation No. 3, page 47			Fully implemented
			Partially implemented
		a. Strictly	Management already issued demand letters to the occupants who were already separated for the remaining unpaid rental fees of P45,900. COA Order of Execution (COE) was served to the concerned liable persons for them to pay their accountabilities.
			Not implemented
Observation No. 4, page 52		The Board of Commissioners require the ECC officials to prioritize the preparation and submission of the proposed Restructuring Plan of ECC, to integrate OSHC's functions, projects, programs and activities and to come up with only one set of Financial Reports.	Partially implemented Reiterated with modification in Observation No. 2, Part II of this Report.

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
Observation No. 5, page 54		a. Require the Chief of the	Fully implemented
			Fully implemented
Observation No. 6, page 57		Require the REUs to submit within a specific number of days the DVs to enable the Accountant to prepare the Financial Reports and submit the same with supporting documents for audit within 10 days after the end of the month pursuant to COA Circular No. 2009-006.	<p>Partially implemented</p> <p>Management hired additional personnel to assist the Cashier Unit to comply on the timely submission of DVs, Reports of Collections and Deposits and payrolls for audit.</p> <p>For the submission of the journal entry voucher, the books shall be closed on the 9th day of the ensuing month for the timely preparation of Financial Reports. Any adjustment submitted beyond the deadline will be taken/recorded in the following month.</p>

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
Observation No. 7, page 60			Fully implemented
			Fully implemented
			Fully implemented
Observation No. 8, page 63		Strictly comply with the timelines set in the PCW MC No. 2016-05 and other related MCs for the timely submission of required reports.	Not implemented Fully implemented
Observation No. 9, page 66		Adhere to COA Circular No. 2014-001 on the timely submission of the said reports to the COA Audit Team.	Fully implemented
CY 2016 AAR			

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
Observation No. 1, page 22		Exert more effort to collect the outstanding receivables and consider requesting from the Commission on Audit (COA) authority to write-off dormant receivables for more than ten years in accordance with COA Circular No. 2016-005 dated December 19, 2016.	Partially implemented Reiterated with modification in Observation No. 1, Part II of this Report.
CY 2015 AAR			
Observation No. 2, page 26		Expedite the consolidation of titles of the foreclosed two parcels of land in the name of the ECC.	Partially implemented As of audit date, the Department of Agrarian Reform's (DAR) letter-reply dated September 24, 2019 to ECC regarding inquiry on application for DAR exemption coverage and processing of transfer of title disclosed that: (1) ECC is not required to secure DAR Transfer Clearance for the transfer of title of the two parcels of land; and (2) ECC is not exempt from securing DAR Exemption Order since exemption on the Comprehensive Agrarian Reform Program (CARP) coverage is not automatic. ECC will apply for exemption.

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
Observation No. 3, page 28		Comply with the schedule of payments provided under COA Resolution No. 2015-031 dated August 20, 2015.	<p>Fully implemented</p> <p>The ECC increased the deductions from salaries and allowances of employees for the immediate settlement of disallowances.</p>

I. OSHC

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
CY 2017 AAR			
Observation No. 1, page 47		a. Strictly comply with Section 74 of P.D 1445.	Fully implemented
			Fully implemented
Observation No. 2, page 48		Strictly comply with Sections 4.1.2, 4.1.3, and 5.8 of COA Circular No. 97-002 on the granting, utilization and liquidation of cash advances.	Fully implemented
Observation No. 4, page 54		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.	Fully implemented

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
CY 2016 AAR			
Observation No. 2, page 25		Ensure that the Property Custodian and the Chief Accountant regularly reconcile their respective records for the fair presentation of the PPE account in the financial statements and to comply with COA Circular No. 80-12A dated January 18, 1980.	Fully implemented
Observation No. 3, page 28		Collect immediately from the DOLE and the concerned Center's occupants who failed to pay the dormitory fees in CY 2016.	Fully implemented
CY 2015 AAR			
Observation No. 2, page 28		Establish proper procedures for handling of direct deposits to avoid accumulation of unidentified deposits.	Fully implemented

WHISTLE BLOWING POLICY

The Employees' Compensation Commission adopted the Department of Labor and Employment's Code of Conduct which contains the following Whistle Blowing Policy:

Rule X. Encouraging Reporting of Malpractice, Corruption, and Other Protected Disclosures

Section 1 Coverage:

This Rule shall cover a whistleblower as defined in this Code and other officials and employees with protected disclosures on any graft and corruption related activities.

Section 2. Conditions for Whistleblower and Protected Disclosure:

- a. The disclosure is made voluntarily, in writing and under oath;
- b. The disclosure is related to conduct constituting graft and corruption;
- c. The disclosure pertains to a matter not yet the subject of a complaint already filed with, or investigated by the Department, or by any other concerned office or pending before any court of justice or quasi-judicial body;
- d. The whistleblower assists and/or participates in the acts or omission subject matter of the disclosure provided that he or she is the least guilty;
- e. The whistleblower should have personal knowledge of the existing facts and information covered by the disclosure;
- f. The information given by the whistleblower can be supported by other material evidence.

Section 3. Procedure for Protected Disclosures:

- a. The Agency-Level Efficiency and Integrity Board shall evaluate the written disclosure in ten (10) working days upon its receipt. If upon evaluation, the disclosure meets the conditions specified in Sec. 2, the appropriate complaint shall then be numbered and the whistleblower shall enjoy the rights under this Code.
- b. The Board shall conduct an investigation which should be completed not more than forty-five days reckoned from receipt of the complaint, including the submission of the complete investigation report and recommendation which shall be endorsed to the DOLE EIB.
- c. The Uniform Rules on Administrative Cases in the Civil Service (URACC) shall be observed in all proceedings involving whistleblowers and protected disclosures.

EMPLOYEES' COMPENSATION COMMISSION

5 things you (probably) do not know about the

EMPLOYEES' COMPENSATION PROGRAM



1.) A WORKER CAN CLAIM BENEFITS UNDER THE EC PROGRAM IF HE HAS A WORK-RELATED SICKNESS OR INJURY.

2.) A WORKER DOES NOT PAY FOR HIS EC CONTRIBUTION. HIS EMPLOYER PAYS THE EC CONTRIBUTION FOR HIM



3.) A WORKER CAN STILL CLAIM BENEFITS EVEN IF HE IS ON A SICK LEAVE BECAUSE OF A WORK-RELATED SICKNESS OR INJURY.

4.) A WORKER'S COVERAGE UNDER THE PROGRAM STARTS ON HIS FIRST DAY OF WORK.



5.) POLICE, SOLDIERS, FIREFIGHTERS, AND JAIL OFFICERS ARE ALSO ENTITLED TO THE EC PROGRAM BENEFITS

WANNA KNOW MORE?
LIKE AND FOLLOW ECC ON SOCIAL MEDIA

facebook.com/ecc.official
twitter.com/ecc_dole
youtube.com/c/EmployeesCompensationCommission

Section 4. Other Protected Disclosures:

- a. The disclosure is made by an official or employee who is not part of the anomaly, collusion, or offense but meets Sec. 2 Conditions a, b, c, and e.
- b. Such qualified person in the preceding statement (a) shall also be entitled to the rights, protection, and incentives of a whistleblower.

Section 5. Rights and Protection of Whistleblower:

- a. A person who has made or is believed or suspected to have made a protected disclosure under this Code is not liable to disciplinary action for making such protected disclosure. Any whistleblower or any official or employee with protected disclosure who refuses to follow orders of his/her immediate superior/supervisor outside his/her regular functions that would cause him/her to violate provision of this Code shall likewise be protected from reprisals and retaliatory action in the workplace, such as punitive transfer; undue performance reviews; obstruction of the investigation; withdrawal of essential resources; adverse reports; attachment of adverse notes in the personnel file; ostracism; questions and attacks on motives; accusations of disloyalty and dysfunction; public humiliation; and the denial of work necessary for promotion.
- b. All information received shall be treated with strict confidentiality and every effort shall be made not to reveal the identity of the whistleblower or any official or employee with protected disclosure if he/she so wishes. At the appropriate time, however, he/she may need to come as a primary or state witness.
- c. A whistleblower will be provided with security officers from start of disclosure.
- d. He/she may be reassigned and shall be provided with relocation allowance of P20,000.00, monthly living quarter of P12,000.00 (computed as P400.00 x 30 days), and monthly food allowance of P7,200.00 (computed as P80.00 per meal x 3 x 30 days).
- e. A whistleblower shall also be applied for coverage/admission under the Republic Act 6981 "The Witness Protection Security and Benefit Act" provided they shall qualify.

Section 6. Incentives for Whistleblower:

- a. Provision of a healthcard with P100,000 coverage for the whistleblower for any harm, injury, and illness incurred or suffered in relation with the protected disclosure.
- b. He/she shall be provided with legal counsel, provided the EIB has evaluated and certified the complaint as "protected disclosure".
- c. A whistleblower shall be entitled to other rights, privileges, and protection that may benefit him/her pursuant to future laws which may be passed regarding protection of whistleblowers.
- d. DOLE shall allocate yearly budgetary requirements, to be sourced from 1% of the MOOE net of fixed expenses, for the payment of the benefits of the protected whistleblower covered by this Code effective 2012 and thereafter.

Section 7. Unprotected Disclosures are as follows:

- a. Disclosure made by an official or employee in connection with a matter subject of his/her official investigation;
- b. Disclosure which late found to be without basis;
- c. False and misleading disclosures; and
- d. Disclosures that are later retracted by the whistleblower for any reason. Such "whistleblower" shall lose the right to claim protection under this Code for future disclosures.

ECC GOVERNING BOARD

SILVESTRE H. BELLO III

Chairman

Department of Labor and Employment

ALTERNATE: HON. JOJI V. ARAGON

Undersecretary

Department of Labor and Employment

RIZALDY T. CAPULONG

Member-Designate

Social Security System

CARILITO P. ROBLE

Member

Employers' Sector

DENNIS S. MAS

Member-Designate

Philippine Health Insurance Corporation

NORA M. MALUMBAY

Member-Designate

Government Services Insurance System

VACANT

Member

Employers' Sector

STELLA ZIPAGAN-BANAWIS

Member

Employees' Compensation Commission

NOEL C. BUNAG

Non-voting Member

Occupational Safety and Health Center





Name: **JOJI V. ARAGON**
 Position: Undersecretary, Department of Labor and Employment
 Age: N/A
 Educational Attainment: N/A
 Date of Appointment: N/A
 Trainings Attended: N/A



Name: **RIZALDY T. CAPULONG**
 Position: Executive Vice President, Investments Sector, Social Security
 System
 Age: N/A
 Educational Attainment: N/A
 Date of Appointment: N/A
 Trainings Attended:

London, United Kingdom (1997) and actuarial practice in Wilmington, Delaware, U.S.A. (1993); international social security study visits in Baltimore, Maryland, U.S.A. (1993), Kuala Lumpur, Malaysia (1998), Singapore (2004) and Jakarta, Indonesia (2005); and international conference of social security actuaries and statisticians in Quebec, Canada (2000), Mexico City, Mexico (2003), Helsinki Finland (2007) and Berlin, Germany (2012). Training programs of the Asian Institute of Management (2007) in financial risk management program and enterprise-wide risk management program and the Trust Institute Foundation of the Philippines (2012 – 2013) one-year course on trust operations and investment management



Name: **Atty. NORA M. MALUBAY**
 Position: Executive Vice President, Government Service Insurance System
 Age: 61
 Educational Attainment: Bachelor of Laws, San Beda College of Law (1995) Bachelor of Science in Accountancy, Pamantasan ng Lungsod ng Maynila (1979)
 Date of Appointment: September 10, 2018
 Trainings Attended: Continuing Professional Development for CPAs (December 10-14, 2018) Risk Management and Loss Seminar (October 24-26, 2018) ASEAN Social Security Association Conference (September 18-20, 2018) Influencing for Impact for Executives (July 27, August 2, 2018) Seminar on Train Law (July 30, 2018)



Name: **CARLITO P. ROBLE**
 Position: Commissioner – Employees' Sector, Employees' Compensation Commission
 Age: 60
 Educational Attainment: Electrical Vocational Course, Samson Technical School (1981)
 Date of Appointment: January 4, 2013
 Trainings Attended: Risk Based Thinking in ISO 9001-2015 (February 26-28, 2018)



Name: DENNIS S. MAS, DIPHRM, MMPM, DIPURP, MAURP, PHDURP
Position: Senior Vice-President, Management Services Sector, PhilHealth
Age: 44
Educational Attainment: Doctorate of Philosophy, University of the Philippines (2010)
 Master of Management (Public Mgt), University of the Philippines (1998) Master of Arts in Urban and Regional Planning, University of the Philippines (2007)
Date of Appointment: September 13, 2018
Trainings Attended: Gender Sensitivity Training for Executive and Managerial Officers (September 20-21, 2018) Transformational Leadership Training Program for Executive and Managerial Officers (September 4-5, 2018) Supervisory Development Course II (August 7-10, 2018) ISMS Introductory and Basic Awareness Training for Top Management (March 19, 2018)



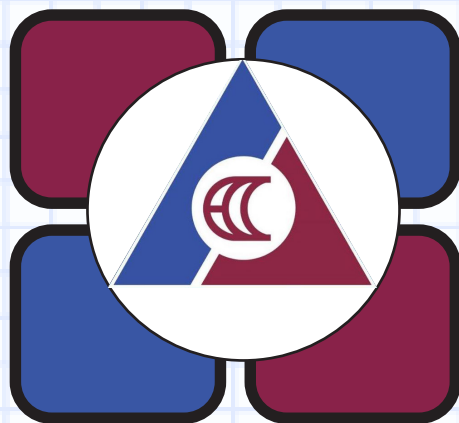
Name: STELLA ZIPAGAN-BANAWIS
Position: Executive Director
Age: 57
Educational Attainment: Masters in National Security Administration, National Defense College of the Phils (1997) Bachelor of Arts in Economics, University of the Philippines Diliman
Date of Appointment: January 4, 2013
Trainings Attended: ASEAN Social Security Association Conference (September 18-20, 2018) CES Annual Conference (September 15-16, 2018) High Level Conference on Enhancing the Philippine Social Protection Operational Framework (April 11-12, 2018)



Name: NOEL C. BINAG
Position: Executive Director
Age: 61
Educational Attainment: Civil Engineering, Araullo University (1980)
Trainings Attended: International Symposium on Occupational Safety and Health (April 15-19, 2018) 107th Session of the International Labor (May 27-June 9, 2018)



Name: DIANE LILIBETH S. BAUTISTA
Position: Board Secretary, Employees' Compensation Commission
Age: 42
Educational Attainment: Bachelor of Laws, Arellano School of Law (2004)
 BS Medical Technology, University of Santo Tomas (1998)
Date of Appointment: March 16, 2012
Trainings Attended: Planning and Delivering Public Service with Impact (October 29-30, 2018) Seminar Workshop on Effective Technical Writing and Editing (July 9-10, 2018) Enhancing Productivity, Quality and Safety at Workplace -5S (June 22, 2018) Critical Thinking and Decision Making in the Workplace (April 10, 2018)



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EMPLOYEES' COMPENSATION COMMISSION

