

**Updates/Status of Actions Taken/Management Comments/Compliance/Implementation
On the CY 2021 COA Annual Audit Report and Prior Years Audit Findings and Recommendations
As of December 30, 2022**

Regional Office/Attached Agency: **Employees Compensation Commission**

Auditor's Opinion: Unmodified/Unqualified

[illegible]

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
2	The Accounts Payable (AP) account includes liabilities amounting to P1.540 million that have remained outstanding in the books for three to 16 years, which casts doubt on the validity of the payables, contrary to Paragraphs 3.2 and 3.4 of the Conceptual Framework for GPFR by Public Sector Entities.	<p>a. Verify each payable account to determine if the long outstanding balances were merely caused by coding errors;</p> <p>b. Scrutinize the agreements/ contracts with the creditors, particularly on the expiry provisions within which the creditors can file for the claims;</p> <p>c. Record appropriate accounting entries for recommendations (a) and (b);</p> <p>d. After conducting recommendations (a) and (b), send notices to payees of valid payables, have them file their claims with EC and immediately pay the amounts due them; and</p> <p>e. Set target dues within which to clear the books of these long outstanding payables.</p>	<p>Continuing. Some accounts are still for verification especially those related to the provision of prosthesis. All appropriate adjustments of AP will be reflected in the Books</p> <p>Continuing.</p> <p>Continuing.</p> <p>Continuing.</p> <p>Completed.</p>	EO Dec 2022

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
3	<p>Management was still unable to come up with one Restructuring Plan (RP) 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 are not properly defined. Such delay in the finalization of the RP entails higher administrative cost amounting to P12.594 million.</p>	<p>We strongly reiterated our previous years' recommendations that Management:</p> <p>a. Fast track the preparation and submission to GCG of the required RP 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</p> <p>b. In the meantime, that the RP is not yet available, the ECC Board has to revisit the current organizational set up of the ECC and Center and to come up with appropriate guidelines to ensure proper check and balance in all of its transactions. The same should be considered in the proposed RP.</p>	<p>Continuing compliance. The ECC Governing Board (GB) approved the Board Resolution No. 22-12-38 <i>Approving the Commencement of the Reorganization of the ECC and the OSHC and Providing its Guiding Principles and Governance Structure</i></p> <p>Continuing compliance. The ECC Governing Board (GB) approved the Board Resolution No. 22-12-39 <i>Approving the Timelines in the Reorganization of the ECC and the OSHC</i></p>	<p>16 December 2022</p> <p>16 December 2022</p>

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
4	<p>The continuous inability of the ECC to enforce the audit recommendation to revoke/terminate the authority granting the Employers' Confederation of the Philippines (ECOP), a private organization, free occupancy of ECC's office space resulted in opportunity loss estimated at P8.163 million in rental income from CYs 2019 to 2021, thereby depriving the ECC of the much - needed funds for the benefits of its members. Likewise, ECC's mandate to manage a sound, strong, and wisely invested State Insurance Fund was not appropriately executed.</p>	<p>We reiterated with modification our previous years' recommendations that Management:</p> <ul style="list-style-type: none"> a. Recommend to the ECC Board of Directors the revocation/termination of the board resolution granting ECOP the free occupancy of ECC's office space; b. Have ECOP enter a lease contract with ECC with rental rates based on the prevailing rate of the other leases of the ECC building; c. Determine applicable rental rates for the years 2019 to 2021 for the office space occupied by ECOP and issue billing statements/statement of accounts to collect the rents from ECOP; and d. If a lease agreement is not reached, offer the space to tenants through public bidding. 	<p>Continuing compliance. ECOP sent reply on November 24, 2022 re ECC's communication dated August 16, 2022 forwarding OP's opinion on the issue of ECOP's free occupancy of the portion of the ECC building</p> <p>ECC will draft the Contract of Lease for ECOP, subject to discussion with them</p>	<p>1st Q 2023</p>

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5	Other non-current assets account includes unserviceable properties amounting to P216,051 that remained undisposed due to non-determination of the property mode of disposal, contrary to COA Circular No. 89-296, which may result in the further deterioration, decline in recoverable value and incurrence of additional cost of maintaining the properties including the storage space.	<p>a. Facilitate the immediate disposal of the unserviceable properties through the appropriate mode of disposal and submit the relevant reports to the Audit Team; and</p> <p>b. Submit to the Audit Team the Inventory and Inspection Report on Unserviceable Property (IIRUP).</p> <p>This will be submitted to the ECC Bids and Awards Committee for disposal in order to determine the proper mode of disposition of said unserviceable properties. The target date to dispose these unserviceable properties is by the first semester of CY 2022.</p> <p>However, even prior to the pandemic, Management did not take action in determining the proper mode of disposal for these unserviceable assets. The division in charge could at least had an inventory count to properly account the assets for disposal .</p>	<p>Continuing compliance. (Please see also 2020 Obs.3)</p> <p>Continuing compliance. The Inventory and Inspection Report (IIR) will be submitted to COA upon completion of computation of appraised value</p> <p>Not yet disposed. The delay was due to retrieval of other unserviceable items from the REUs</p>	1 st Q 2023

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
6	The amount of time consumed on the evaluation of applications for cash assistance up to the issuance of the corresponding checks took longer than eight (8) days and 30 minutes as prescribed in the ECC Citizen's Charter, and longer than 20 working days as required under Section 9(b) of Republic Act (R.A.) No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act (EODB Act) due to shortage on manpower and other technical issues that affected the efficiency of the process resulting in the delayed receipt of cash assistance by ECC members and their dependents.	<p>a. Be more aggressive in hiring permanent staffs to be trained in handling processes that are usually handled by senior employees who are due for retirement in the coming years;</p> <p>b. Invest on heavy-duty office equipment to hasten office tasks and upgrade the cash assistance online application system for fast and accurate data processing and to meet the demands;</p> <p>c. Practice resiliency by temporarily delegating tasks to other divisions; and</p> <p>d. Strictly comply with the prescribed processing time in the ECC Citizen's Charter and Section 9 of the Republic Act (RA) No. 11032 or the EODB Act.</p>	<p>Completed. WCPRD coordinated with the Administrative Division for the hiring of needed staff - four (4) Medical Officers, one (1) Nurse III, two (2) Social Workers II and two (2) Administrative Staff – all of them have permanent items; Notification of Appointment issued Nurse II (permanent item)</p> <p>Completed.</p> <p>Complied.</p> <p>Complied.</p>	

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7	The absence of a guideline to implement the Katulong at Gabay ng Manggagawang may Kapansanan (KAGABAY) Program may result in the payment of the starter/ complimentary kit to unqualified ECC members, therefore not aligned with the objectives of the KAGABAY Program and contradicts Section 2 of P.D. No. 1445.	We recommended that Management formulate and immediately issue a guideline/policy on the implementation of the KAGABAY Program to comply with Section 2 of P.D. No. 1445.	Complied. The following guidelines were approved and issued on FY2022: <ol style="list-style-type: none">1. Guidelines for the Provision of Starter Kits/ Complimentary Kits (SK/CK);2. Guidelines for the Provision of Physical Therapy / Occupational Therapy (PT/OT) – new;3. Guidelines for the Provision of Prosthesis;4. Guidelines for the Replenishment of Cash Advances for SK/CK; and5. Guidelines for the Facilitation of Skills Training for PWRDs - new																															
8	The absence of a property or inventory card to monitor the movement of Information, Education and Communication (IEC) materials may result in overstocking, obsolescence, damage and/or loss and uncertainty of the correctness of the quantity on hand, contrary to Section 2 of P.D. No. 1445.	<ol style="list-style-type: none">a. Conduct physical inventory count of the IEC materials and submit to the Audit Team the corresponding Inventory Report;b. Prepare and maintain property or inventory cards to monitor the stock movement of each IEC material;c. Consider the current stock level of IEC materials in succeeding procurement, development and or printing; andd. Study the possibility of distributing the old IEC materials which are still usable.	Complied. <table><tr><td></td><td>4th Q distribution</td><td>Balance 4th Q</td></tr><tr><td>ECP A Guide for Employees</td><td>0</td><td>6,055</td></tr><tr><td>An Employer's Guide on ECP</td><td>0</td><td>13,566</td></tr><tr><td>FAQ ECP</td><td>0</td><td>0</td></tr><tr><td>ECC Infocomics</td><td>0</td><td>0</td></tr><tr><td>ECP Occupational and Work-related</td><td>0</td><td>1,733</td></tr><tr><td>Board Resolution</td><td>0</td><td>310</td></tr><tr><td>PD 626, as amended</td><td>0</td><td>565</td></tr><tr><td>PD 626 (version March 15, 2022)</td><td>0</td><td>948</td></tr><tr><td>KAGABAY</td><td>0</td><td>0</td></tr></table>		4 th Q distribution	Balance 4 th Q	ECP A Guide for Employees	0	6,055	An Employer's Guide on ECP	0	13,566	FAQ ECP	0	0	ECC Infocomics	0	0	ECP Occupational and Work-related	0	1,733	Board Resolution	0	310	PD 626, as amended	0	565	PD 626 (version March 15, 2022)	0	948	KAGABAY	0	0	
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9	Lack of policy/guideline setting the estimated travel time for the routes taken by drivers providing shuttle services to employees hampered the determination of the reasonableness of billed hours beyond the scheduled working hours that may result in excessive overtime payments/ charges.	<p>Establish a policy/guidelines on overtime services which should include, among others, a provision on the estimated travel time for the different routes/destinations of service drivers; and</p> <p>Require the Administrative Division to monitor the overtime services rendered by the ECC employees and their compliance to existing rules and regulations.</p>	<p>Complied.</p> <p>Complied.</p>	
10	The Daily Time Records of ECC employees who were assigned at the Department of Health (DOH) were not supported with the biometric/ machine - stamped Bundy time cards or a log book as required under Section 2, Rule XVII of the Omnibus Rule Implementing Book V of EO 292 and Civil Service Commission Memorandum Circular (CSC -MC) No. 21, s. 1991, in relation to Section 13.b.6. of CSC MC No. 24, s. 2017, thus, the validity of the reported attendance and	<p>a. Comply with Section 2, Rule XVII of the Omnibus Rule on Implementing Book V of EO 292 and CSC MC No. 21 s. 1991, on the use of Bundy clock and other records of attendance; and</p> <p>b. In the absence of the Office Order as an exemption on the use of Bundy clock, require the employees to submit to ECC and to the Audit Team either of the three: (1) photocopy of attendance of book; (2) machine-stamped Bundy clock card or; (3) extracted attendance from biometric time clock.</p>	<p>Complied.</p> <p>Complied.</p>	

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	accuracy of the salaries and benefits paid to these employees cannot be ascertained.			
11	The DVs and supporting documents covering the period January 1 to December 31, 2021 were not submitted to the Audit Team within the prescribed period, contrary to Sections 100 and 107 of P.D. No. 1445, which prevented the timely disclosure of any deficiencies and issuance of corresponding audit action.	<p>a. Install measures that will facilitate the timely submission of DVs not later than the fifth day of the ensuing month in compliance with Sections 100 and 107 of P.D. No. 1445; and</p> <p>b. Submit immediately the DVs and supporting documents not yet submitted as of February 18, 2022.</p>	<p>Continuing compliance.</p> <p>Continuing compliance. 96.53% or 12,145 processed 2021 DVs submitted to COA on December 2022 Remaining DVs are for submission pending release to payees and completion of supporting document</p>	
CY 2020 AAR				
1	Management was still unable to come up with one 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	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;	<p>Not implemented. Reiterated in 2021 Obs. 3</p>	

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
	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 are not properly defined. Such delay in the finalization of the restructuring plan entails higher administrative cost	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.	Continuing compliance. Reiterated in 2021 Obs. 3	
2	The inability of the Employees' Compensation Commission (ECC) to revoke/terminate the authority granting the Employers' Confederation of the Philippines (ECOP), a private organization, free occupancy of ECC's office space, contrary to Section 4(2) of P.D. No. 1445, resulted in opportunity loss estimated at P5.398 million in rental income for CYs 2019 and 2020.	a. Revoke/terminate the authority granting ECOP a free occupancy of ECC's office space; b. Have ECOP enter a lease contract with ECC with rental rates based on the prevailing rate of the other leases of ECC building; and c. If a lease agreement is not reached, offer the space to other tenants through public bidding.	Continuing compliance. Reiterated in 2021 Obs. 3	

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3	The ECC did not conduct physical inventory or submit an Inventory Report on Property and Equipment (PE), contrary to Sections IV and V of COA Circular No. 80 -124. Also, the PE accounts include unserviceable PEs with carrying amount of P94,557, contrary to Paragraph 82 of International Public Sector Accounting Standards (IPSAS) 17.	Immediately dispose the unserviceable properties in accordance with COA Circular No. 89 -296 and require the Accounting Department to derecognize from the books of accounts the carrying amounts of the unserviceable properties after their disposal.	Not implemented for CY 2020. Reiterated with modification in Obs. No. 4	
CY 2019 AAR				
1	The EC 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 P302,858.00 for CY 2019.	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.	Not acted by DICT. The ECC opted to procure new ISP due to non-action of DICT despite follow-ups Complied.	

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CY 2015 AAR				
1	<p>Two parcels of land valued at P167,483.00 acquired through foreclosure were not consolidated in the name of the ECC notwithstanding the lapse of six years after the expiration of the one-year redemption period.</p> <p>The Subject Properties are located at Brgy. Miranda, Municipality of Talisay, Batangas, which contains a total area of Eight Thousand Four Hundred Sixty-Six (8,466) square meters, more or less, covered by TCT Nos. T-27984 and T-27985.</p>	Expedite the consolidation of titles of the foreclosed two parcels of land in the name of the ECC.	<p>Continuing compliance. There were recent changes with the list of documentary requirements for land titling based on the new list issued by the Register of Deeds-Tanauan City, Batangas. For instance, a CARP Exemption Coverage certificate is no longer required. The new list of documentary requirements was secured by one of the Appeals Division legal officers, during her personal inquiry before the said offices on 17 November 2022.</p> <p>Conversion of the two certificates of title into E-Copies by filing a Petition for conversion before the Registry of Deeds of Makati City</p> <p>Filing of DAR Clearance application before DAR MARO of Talisay, Batangas can be done</p>	<p>by EO Jan 2023</p> <p>by Feb/Mar 2023</p>

Prepared by:


CLAUDINE B. RODRIGUEZ
IAU [(D) - ECC OO 294]

19 January 2023

Noted by:


ENGR. JOSE MARIA S. BATINO, CESO IV
Acting Executive Director

**Updates/Status of Actions Taken/Management Comments/Compliance/Implementation
On the CY 2021 COA Annual Audit Report and Prior Years Audit Findings and Recommendations
As of September 30, 2022**

Regional Office/Attached Agency: **Employees Compensation Commission**
Auditor's Opinion: **Unmodified/Unqualified**

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
1	The appraised value of the ECC building amounting to P144.128 million determined in CY 2014 was not updated, and the fair values of the land where the ECC building stands and Center's building were not disclosed in the financial statements (FS), thus, complete information relevant to the understanding of the ECC's Property and Equipment (PE) account as required under Paragraphs 45 and 94 of International Public Sector Accounting Standard (IPSAS) 17 were not provided to the users of the FS	<p>a. Have a recognized and qualified member of the valuation profession to undertake the appraisal of the ECC building, ECC land located in Makati City and Center's building in Quezon City, and disclose in the FS the current/updated fair values of the said properties; and</p> <p>b. Issue a policy on appraisal or revaluation of PE to include the frequency or necessity of the appraisal in order to determine the changes in their fair values and appropriately disclose in the FS.</p>	<p>Complied. The Appraisal Report was completed and received</p> <p>Complied. Office Order No. 360 was issued re Guidelines on the Appraisal of ECC Properties</p>	<p>27 September 2022</p> <p>1 August 2022</p>

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2	The Accounts Payable (AP) account includes liabilities amounting to P1.540 million that have remained outstanding in the books for three to 16 years, which casts doubt on the validity of the payables, contrary to Paragraphs 3.2 and 3.4 of the Conceptual Framework for GPFR by Public Sector Entities.	<p>a. Verify each payable account to determine if the long outstanding balances were merely caused by coding errors;</p> <p>b. Scrutinize the agreements/contracts with the creditors, particularly on the expiry provisions within which the creditors can file for the claims;</p> <p>c. Record appropriate accounting entries for recommendations (a) and (b);</p> <p>d. After conducting recommendations (a) and (b), send notices to payees of valid payables, have them file their claims with EC and immediately pay the amounts due them; and</p> <p>e. Set target dues within which to clear the books of these long outstanding payables.</p>	<p>Continuing compliance.</p> <p>The Finance Division has started the verification of the listed accounts payable. Concerned divisions/units of the ECC have been informed and asked to provide status of the agreements/purchase orders with suppliers/creditors for the immediate processing of the payments.</p> <p>There is still an ongoing evaluation and verification of the accounts. Adjustments will be done within the year.</p>	By EO 2022

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3	<p>Management was still unable to come up with one Restructuring Plan (RP) 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 are not properly defined. Such delay in the finalization of the RP entails higher administrative cost amounting to P12.594 million.</p>	<p>We strongly reiterated our previous years' recommendations that Management:</p> <ul style="list-style-type: none"> a. Fast track the preparation and submission to GCG of the required RP 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 RP is not yet available, the ECC Board has to revisit the current organizational set up of the ECC and Center and to come up with appropriate guidelines to ensure proper check and balance in all of its transactions. The same should be considered in the proposed RP. 	<p>Continuing compliance. A Board Resolution was prepared, for presentation to the Governing Board, authorizing the commencement of reorganization of the ECC and the OSHC</p> <p>Continuing compliance. A Board Resolution was prepared, for presentation to the Governing Board, approving the timelines of the reorganization of the ECC and the OSHC</p>	

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
4	<p>The continuous inability of the ECC to enforce the audit recommendation to revoke/terminate the authority granting the Employers' Confederation of the Philippines (ECOP), a private organization, free occupancy of ECC's office space resulted in opportunity loss estimated at P8.163 million in rental income from CYs 2019 to 2021, thereby depriving the ECC of the much - needed funds for the benefits of its members. Likewise, ECC's mandate to manage a sound, strong, and wisely invested State Insurance Fund was not appropriately executed.</p>	<p>We reiterated with modification our previous years' recommendations that Management:</p> <p>a. Recommend to the ECC Board of Directors the revocation/termination of the board resolution granting ECOP the free occupancy of ECC's office space;</p> <p>b. Have ECOP enter a lease contract with ECC with rental rates based on the prevailing rate of the other leases of the ECC building;</p> <p>c. Determine applicable rental rates for the years 2019 to 2021 for the office space occupied by ECOP and issue billing statements/statement of accounts to collect the rents from ECOP; and</p> <p>d. If a lease agreement is not reached, offer the space to tenants through public bidding.</p>	<p>Continuing compliance. (Please see also 2020 Obs.2)</p> <p>Complied. Received OP reply on the issue of ECOP'S occupancy on the portion of the ECC Building that OP interposes no objection</p> <p>Forwarded the OP reply to ECOP</p>	<p>August 16, 2022</p>

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5	Other non-current assets account includes unserviceable properties amounting to P216,051 that remained undisposed due to non-determination of the property mode of disposal, contrary to COA Circular No. 89-296, which may result in the further deterioration, decline in recoverable value and incurrence of additional cost of maintaining the properties including the storage space.	<p>a. Facilitate the immediate disposal of the unserviceable properties through the appropriate mode of disposal and submit the relevant reports to the Audit Team; and</p> <p>b. Submit to the Audit Team the Inventory and Inspection Report on Unserviceable Property (IIRUP).</p> <p>This will be submitted to the ECC Bids and Awards Committee for disposal in order to determine the proper mode of disposition of said unserviceable properties. The target date to dispose these unserviceable properties is by the first semester of CY 2022.</p> <p>However, even prior to the pandemic, Management did not take action in determining the proper mode of disposal for these unserviceable assets. The division in charge could at least had an inventory count to properly account the assets for disposal.</p>	<p>Continuing compliance. (Please see also 2020 Obs.3)</p> <p>Continuing compliance. The Inventory and Inspection Report (IIR) will be submitted COA upon completion of computation of appraised value by 1st Q 2023</p> <p>Not yet disposed. Still finalizing the appraised value of the unserviceable properties; ongoing canvass of junk properties; delay was due to retrieval of other unserviceable items from the REUs</p>	

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7	The absence of a guideline to implement the Katulong at Gabay ng Manggagawang may Kapansanan (KAGABAY) Program may result in the payment of the starter/ complimentary kit to unqualified ECC members, therefore not aligned with the objectives of the KAGABAY Program and contradicts Section 2 of P.D. No. 1445.	We recommended that Management formulate and immediately issue a guideline/policy on the implementation of the KAGABAY Program to comply with Section 2 of P.D. No. 1445.	Continuing compliance. The preparation on the review of Guidelines in the Provision of Prosthesis, Orthosis, Assistive Devices; Hearing and Visual Aids is ongoing.	Ongoing																														
8	The absence of a property or inventory card to monitor the movement of Information, Education and Communication (IEC) materials may result in overstocking, obsolescence, damage and/or loss and uncertainty of the correctness of the quantity on hand, contrary to Section 2 of P.D. No. 1445.	a. Conduct physical inventory count of the IEC materials and submit to the Audit Team the corresponding Inventory Report; b. Prepare and maintain property or inventory cards to monitor the stock movement of each IEC material; c. Consider the current stock level of IEC materials in succeeding procurement, development and or printing; and d. Study the possibility of distributing the old IEC materials which are still usable.	Continuing compliance. <table><tr><td></td><td>3rd Q distribution</td><td>Balance 3rd Q</td></tr><tr><td>ECP A Guide for Employees</td><td>68,190</td><td>6,055</td></tr><tr><td>An Employer's Guide on ECP</td><td>22,032</td><td>13,566</td></tr><tr><td>FAQ ECP</td><td>0</td><td>0</td></tr><tr><td>ECC Infocomics</td><td>2,803</td><td>0</td></tr><tr><td>ECP Occupational and Work-related</td><td>20,021</td><td>1,733</td></tr><tr><td>Board Resolution</td><td>1,860</td><td>310</td></tr><tr><td>PD 626, as amended</td><td>1,260</td><td>565</td></tr><tr><td>PD 626 (version March 15, 2022)</td><td>0</td><td>948</td></tr><tr><td>KaGabay</td><td>0</td><td>0</td></tr></table>		3 rd Q distribution	Balance 3 rd Q	ECP A Guide for Employees	68,190	6,055	An Employer's Guide on ECP	22,032	13,566	FAQ ECP	0	0	ECC Infocomics	2,803	0	ECP Occupational and Work-related	20,021	1,733	Board Resolution	1,860	310	PD 626, as amended	1,260	565	PD 626 (version March 15, 2022)	0	948	KaGabay	0	0	Continuing
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	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
9	Lack of policy/guideline setting the estimated travel time for the routes taken by drivers providing shuttle services to employees hampered the determination of the reasonableness of billed hours beyond the scheduled working hours that may result in excessive overtime payments/ charges.	<p>Establish a policy/guideline on overtime services which should include, among others, a provision on the estimated travel time for the different routes/destinations of service drivers; and</p> <p>Require the Administrative Division to monitor the overtime services rendered by the ECC employees and their compliance to existing rules and regulations.</p>	<p>Complied.</p> <p>Continuing</p>	
10	The Daily Time Records of ECC employees who were assigned at the Department of Health (DOH) were not supported with the biometric/ machine - stamped Bundy time cards or a log book as required under Section 2, Rule XVII of the Omnibus Rule Implementing Book V of EO 292 and Civil Service Commission Memorandum Circular (CSC -MC) No. 21, s. 1991, in relation to Section 13.b.6. of CSC MC No. 24, s. 2017, thus, the validity of the reported attendance and	<p>a. Comply with Section 2, Rule XVII of the Omnibus Rule on Implementing Book V of EO 292 and CSC MC No. 21 s. 1991, on the use of Bundy clock and other records of attendance; and</p> <p>b. In the absence of the Office Order as an exemption on the use of Bundy clock, require the employees to submit to ECC and to the Audit Team either of the three: (1) photocopy of attendance of book; (2) machine-stamped Bundy clock card or; (3) extracted attendance from biometric time clock.</p>	<p>Complied.</p> <p>Complied.</p>	

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
	accuracy of the salaries and benefits paid to these employees cannot be ascertained.			
11	The DVs and supporting documents covering the period January 1 to December 31, 2021 were not submitted to the Audit Team within the prescribed period, contrary to Sections 100 and 107 of P.D. No. 1445, which prevented the timely disclosure of any deficiencies and issuance of corresponding audit action.	<p>a. Install measures that will facilitate the timely submission of DVs not later than the fifth day of the ensuing month in compliance with Sections 100 and 107 of P.D. No. 1445; and</p> <p>b. Submit immediately the DVs and supporting documents not yet submitted as of February 18, 2022.</p>	<p>Continuing compliance.</p> <p>Continuing compliance. 94.62% or 11,905 processed FY2021 DVs processed submitted to COA The reason for the non-submission is due to the unclaimed checks for cash assistance.</p>	
CY 2020 AAR				
1	Management was still unable to come up with one 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	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;	Not implemented for CY2020. Reiterated in 2021 Obs. 3	

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
	positions and functions of ECC and OSHC and (b) accountabilities and responsibilities of ECC and OSHC's officials and employees are not properly defined. Such delay in the finalization of the restructuring plan entails higher administrative cost	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.	Continuing compliance. Reiterated in 2021 Obs. 3 A Board Resolution was prepared, for presentation to the Governing Board, approving the timelines of the reorganization of the ECC and the OSHC	
2	The inability of the Employees' Compensation Commission (ECC) to revoke/terminate the authority granting the Employers' Confederation of the Philippines (ECOP), a private organization, free occupancy of ECC's office space, contrary to Section 4(2) of P.D. No. 1445, resulted in opportunity loss estimated at P5.398 million in rental income for CYs 2019 and 2020.	a. Revoke/terminate the authority granting ECOP a free occupancy of ECC's office space; b. Have ECOP enter a lease contract with ECC with rental rates based on the prevailing rate of the other leases of ECC building; and c. If a lease agreement is not reached, offer the space to other tenants through public bidding.	Continuing compliance. Reiterated in 2021 Obs. 4	
3	The ECC did not conduct physical inventory or submit an Inventory Report on Property and Equipment (PE), contrary to Sections IV	Immediately dispose the unserviceable properties in accordance with COA Circular No. 89 -296 and require the Accounting Department to derecognize from the	Not implemented for CY 2020. Reiterated with modification in Obs. No. 5	

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
	and V of COA Circular No. 80 -124. Also, the PE accounts include unserviceable PEs with carrying amount of P94,557, contrary to Paragraph 82 of International Public Sector Accounting Standards (IPSAS) 17.	books of accounts the carrying amounts of the unserviceable properties after their disposal.		
CY 2019 AAR				
1	The EC 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 P302,858.00 for CY 2019.	<p>a. Immediately request and closely coordinate with DICT for their availment of free internet service pursuant to RA No. 10844; and</p> <p>b. Terminate the contract with Source Telecom Inc. upon the availability of the free internet from DICT.</p>	<p>Awaiting DICT reply. No update received from DICT as of September 30, 2022</p> <p>Complied.</p>	
CY 2015 AAR				
1	Two parcels of land valued at P167,483.00 acquired through foreclosure were not consolidated in the name of the ECC notwithstanding the lapse of six years after the expiration of the one-year redemption period.	Expedite the consolidation of titles of the foreclosed two parcels of land in the name of the ECC.	<p>Continuing compliance. The Petition for the CARP Exception Order will be filed before the Municipal Agrarian Reform Office of Tanauan, Batangas, on October 2022 upon completion of the collation of the proper documentation.</p>	

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
	The Subject Properties are located at Brgy. Miranda, Municipality of Talisay, Batangas, which contains a total area of Eight Thousand Four Hundred Sixty-Six (8,466) square meters, more or less, covered by TCT Nos. T-27984 and T-27985.			

Prepared by:


CLAUDINE B. RODRIGUEZ
 IAU [(D) - ECC OO 294]

19 January 2023

Noted by:


ENGR. JOSE MARIA S. BATINO, CESO IV
 Acting Executive Director

**Updates/Status of Actions Taken/Management Comments/Compliance/Implementation
On the CY 2021 COA Annual Audit Report and Prior Years Audit Findings and Recommendations
As of June 30, 2022**

Regional Office/Attached Agency: **Employees Compensation Commission**

Auditor's Opinion: **Unmodified/Unqualified**

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
1	The appraised value of the ECC building amounting to P144.128 million determined in CY 2014 was not updated, and the fair values of the land where the ECC building stands and Center's building were not disclosed in the financial statements (FS), thus, complete information relevant to the understanding of the ECC's Property and Equipment (PE) account as required under Paragraphs 45 and 94 of International Public Sector Accounting Standard (IPSAS) 17 were not provided to the users of the FS	<p>a. Have a recognized and qualified member of the valuation profession to undertake the appraisal of the ECC building, ECC land located in Makati City and Center's building in Quezon City, and disclose in the FS the current/updated fair values of the said properties; and</p> <p>b. Issue a policy on appraisal or revaluation of PE to include the frequency or necessity of the appraisal in order to determine the changes in their fair values and appropriately disclose in the FS.</p>	<p>Admin Division has contracted the services of Cuervo Appraisers to conduct appraisal of the ECC Building.</p> <p>Drafted the policy on appraisal and revaluation of ECC building.</p> <p>The actual appraisal of the property has been done by said supplier last June 2022 and we are currently awaiting the submission of the appraisal report on current/updated fair values which will be disclosed in the ECC FS.</p>	Partially Complied

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
2	The Accounts Payable (AP) account includes liabilities amounting to P1.540 million that have remained outstanding in the books for three to 16 years, which casts doubt on the validity of the payables, contrary to Paragraphs 3.2 and 3.4 of the Conceptual Framework for GPFR by Public Sector Entities.	<p>a. Verify each payable account to determine if the long outstanding balances were merely caused by coding errors;</p> <p>b. Scrutinize the agreements/contracts with the creditors, particularly on the expiry provisions within which the creditors can file for the claims;</p> <p>c. Record appropriate accounting entries for recommendations a and b;</p> <p>d. After conducting recommendations (a) and (b), send notices to payees of valid payables, have them file their claims with EC and immediately pay the amounts due them; and</p> <p>e. Set target dues within which to clear the books of these long outstanding payables.</p>	<p>The Finance Division has started the verification of the listed accounts payable. Concerned divisions/units of the ECC have been informed and asked to provide status of the agreements/purchase orders with suppliers/creditors for the immediate processing of the payments.</p> <p>There is still an ongoing evaluation and verification of the accounts. Adjustments will be done within the year.</p>	Partially Complied

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
3	<p>Management was still unable to come up with one Restructuring Plan (RP) 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 are not properly defined. Such delay in the finalization of the RP entails higher administrative cost amounting to P12.594 million.</p>	<p>We strongly reiterated our previous years' recommendations that Management:</p> <ul style="list-style-type: none"> a. Fast track the preparation and submission to GCG of the required RP 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 RP is not yet available, the ECC Board has to revisit the current organizational set up of the ECC and Center and to come up with appropriate guidelines to ensure proper check and balance in all of its transactions. The same should be considered in the proposed RP. 	<p>The ECC and OSHC Admin-HR teams agreed on the possible identification and hiring of a consultant. A draft terms of reference (TOR) for the hiring of a consultant has been outlined and awaiting response from possible/interested service providers. It was also agreed that OSHC come up with positions/job titles in the draft reorganized divisions to determine redundant positions.</p> <p>A CMT composed of ECC-OSHC will conduct a meeting for the finalization of TOR and profiling of possible consultants to do the project.</p>	Ongoing

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
4	<p>The continuous inability of the ECC to enforce the audit recommendation to revoke/terminate the authority granting the Employers' Confederation of the Philippines (ECOP), a private organization, free occupancy of ECC's office space resulted in opportunity loss estimated at P8.163 million in rental income from CYs 2019 to 2021, thereby depriving the ECC of the much - needed funds for the benefits of its members. Likewise, ECC's mandate to manage a sound, strong, and wisely invested State Insurance Fund was not appropriately executed.</p>	<p>We reiterated with modification our previous years' recommendations that Management:</p> <p>a. Recommend to the ECC Board of Directors the revocation/termination of the board resolution granting ECOP the free occupancy of ECC's office space;</p> <p>b. Have ECOP enter a lease contract with ECC with rental rates based on the prevailing rate of the other leases of the ECC building;</p> <p>c. Determine applicable rental rates for the years 2019 to 2021 for the office space occupied by ECOP and issue billing statements/statement of accounts to collect the rents from ECOP; and</p> <p>d. If a lease agreement is not reached, offer the space to tenants through public bidding.</p>	<p>On 24 March 2022, ECOP wrote to Department of Finance Secretary Carlos Dominguez to seek for assistance regarding their request to OP for a written approval of the continued free use of their present office space at the ECC Building.</p> <p>The said letter was endorsed to DOLE by OP for which ECC drafted a reply reiterating the DOLE Secretary's earlier support for the continued free use of the present office space at the ECC Building.</p> <p>On May 20, 2022 a letter from the Office of the President signed by Executive Secretary Salvador C. Medialdea was received by the ECC. It stated that the Office of the President interposes no objection to the continued provision by the ECC to ECOP of free use and occupancy of the Subject Property, subject to existing and applicable, laws, rules, and regulations.</p> <p>ECC sent a copy of the letter from OP to COA for information. COA is awaiting for the position of their legal office on the matter.</p>	<p>Partially implemented</p> <p>(Please see also 2020 Obs.2 on page 11)</p>

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
5	Other non-current assets account includes unserviceable properties amounting to P216,051 that remained undisposed due to non-determination of the property mode of disposal, contrary to COA Circular No. 89-296, which may result in the further deterioration, decline in recoverable value and incurrence of additional cost of maintaining the properties including the storage space.	<p>a.Facilitate the immediate disposal of the unserviceable properties through the appropriate mode of disposal and submit the relevant reports to the Audit Team; and</p> <p>b.Submit to the Audit Team the Inventory and Inspection Report on Unserviceable Property (IIRUP).</p> <p>This will be submitted to the ECC Bids and Awards Committee for disposal in order to determine the proper mode of disposition of said unserviceable properties. The target date to dispose these unserviceable properties is by the first semester of CY 2022.</p> <p>However, even prior to the pandemic, Management did not take action in determining the proper mode of disposal for these unserviceable assets. The division in charge could at least had an inventory count to properly account the assets for disposal .</p>	<p>The following activities are currently being undertaken by the Supply Section:</p> <ul style="list-style-type: none"> • Inventory of ECC Central Office and REUs to retrieve unserviceable PPE/SX; • Taking photos of unserviceable properties; • Preparation of IIR 	<p>Ongoing</p> <p>(Please see also 2020 Obs.3 on page 13)</p>

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
6	<p>The amount of time consumed on the evaluation of applications for cash assistance up to the issuance of the corresponding checks took longer than eight (8) days and 30 minutes as prescribed in the ECC Citizen's Charter, and longer than 20 working days as required under Section 9(b) of Republic Act (R.A.) No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act (EODB Act) due to shortage on manpower and other technical issues that affected the efficiency of the process resulting in the delayed receipt of cash assistance by ECC members and their dependents.</p>	<p>a. Be more aggressive in hiring permanent staffs to be trained in handling processes that are usually handled by senior employees who are due for retirement in the coming years;</p> <p>b. Invest on heavy-duty office equipment to hasten office tasks and upgrade the cash assistance online application system for fast</p>	<p>The Cash Assistance (CA) program of WCPRD has 6 permanent staff and 3 job order (JO) clerical staff who processed the massive volume of applications.</p> <p>Due to delays in the delivery of benefits, the management hired additional staff in July 2021 via Contract of Service (CoS) - one medical officer and one nurse, and two JO clericals to augment the CA program.</p> <p>However, as the volume of applications continued to overwhelm the staff, additional JOs were hired in November 2021 (three clericals), December 2021 (one clerical) and January 2022 (three clericals) to augment the processing of Cash Assistance for work-related Covid19 illness.</p> <p>A CoS employee (PT) was hired on March 2022 to assist in the PT-OT services handled by senior employees. Remaining vacant items to date are Medical Officer III, SW II and Nurse II.</p> <p>Refurbished office equipment i.e. desktops, laptops, printers and mobile phones were provided to the Cash Assistance Team. A new scanner was purchased for faster processing of documents.</p>	Partially Complied

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
		<p>and accurate data processing and to meet the demands;</p> <p>c. Practice resiliency by temporarily delegating tasks to other divisions; and</p> <p>d. Strictly comply with the prescribed processing time in the ECC Citizen's Charter and Section 9 of the Republic Act (RA) No. 11032 or the EODB Act.</p>	<p>Ongoing talks with Maya, a digital financial solution that empowers consumers and businesses by providing payment solutions for all their e-Commerce needs, for possible tie-up and partnership, for the release and payment of cash assistance due for Covid claimants.</p> <p>ECC published the revised Citizen's Charter with some streamlined PCTs, specifically on Cash Assistance Procedure on May 2022, to wit:</p> <ul style="list-style-type: none"> - Applying for cash assistance online (1 hour and 30 mins); - Applying for cash assistance manual (1 hour and 45 mins); and - Releasing of cash assistance (1 hour). 	
7	The absence of a guideline to implement the Katulong at Gabay ng Manggagawang may Kapansanan (KAGABAY) Program may result in the payment of the starter/ complimentary kit to unqualified ECC members, therefore not aligned with the	We recommended that Management formulate and immediately issue a guideline/policy on the implementation of the KAGABAY Program to comply with Section 2 of P.D. No. 1445.	On March 15, 2022, the WCPRD Chief was instructed by the Executive Director to review and update the different existing guidelines relating to ECC rehabilitation services under KAGABAY which were prepared and issued in 2018. These include the Guidelines on Skills/ Livelihood Training and Provision of Starter and Complementary Kits.	Ongoing

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline																																				
	objectives of the KAGABAY Program and contradicts Section 2 of P.D. No. 1445.		<p>The revised guidelines were approved in April 2022.</p> <p>The preparation on the review of Guidelines in the Provision of Prosthesis, Orthosis, Assistive Devices; Hearing and Visual Aids is ongoing</p>																																					
8	The absence of a property or inventory card to monitor the movement of Information, Education and Communication (IEC) materials may result in overstocking, obsolescence, damage and/or loss and uncertainty of the correctness of the quantity on hand, contrary to Section 2 of P.D. No. 1445.	a. Conduct physical inventory count of the IEC materials and submit to the Audit Team the corresponding Inventory Report; b. Prepare and maintain property or inventory cards to monitor the stock movement of each IEC material; c. Consider the current stock level of IEC materials in succeeding procurement, development and or printing; and d. Study the possibility of distributing the old IEC materials which are still usable.	<p>Continuing compliance.</p> <table><tr><th></th><th>2nd Q distribution</th><th>Balance as of 2nd Q</th><th>Remarks</th></tr><tr><td colspan="4">IEC materials</td></tr><tr><td>ECP A Guide for Employees</td><td>84,860</td><td>31,820</td><td rowspan="9">for printing</td></tr><tr><td>An Employer's Guide on ECP</td><td>12,445</td><td>35,563</td></tr><tr><td>FAQ ECP</td><td>9,435</td><td>0</td></tr><tr><td>ECC Infocomics</td><td>28,145</td><td>0</td></tr><tr><td>ECP Occupational and Work-related</td><td>32,285</td><td>3,603</td></tr><tr><td>Board Resolution</td><td>1,345</td><td>295</td></tr><tr><td>PD 626, as amended</td><td>3,415</td><td>565</td></tr><tr><td>PD 626 (version March 15, 2022)</td><td>-</td><td>948</td></tr><tr><td>KAGABAY</td><td>-</td><td>-</td></tr></table>		2 nd Q distribution	Balance as of 2 nd Q	Remarks	IEC materials				ECP A Guide for Employees	84,860	31,820	for printing	An Employer's Guide on ECP	12,445	35,563	FAQ ECP	9,435	0	ECC Infocomics	28,145	0	ECP Occupational and Work-related	32,285	3,603	Board Resolution	1,345	295	PD 626, as amended	3,415	565	PD 626 (version March 15, 2022)	-	948	KAGABAY	-	-	Partially Complied
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9	Lack of policy/guideline setting the estimated travel time for the routes taken by drivers providing shuttle services to employees	Establish a policy/guidelines on overtime services which should include, among others, a provision on the estimated travel time for the	There is an existing ECC policy/guideline, Office Order No. 16-551 S.2016, which is also in consonance with Joint Circular no. 1, S.2015 entitled "Policies and ordinances on	Complied																																				

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
	hampered the determination of the reasonableness of billed hours beyond the scheduled working hours that may result in excessive overtime payments/ charges.	different routes/destinations of service drivers; and Require the Administrative Division to monitor the overtime services rendered by the ECC employees and their compliance to existing rules and regulations.	OT service & OT Pay for Government Employees. Done and continuing	
10	The Daily Time Records of ECC employees who were assigned at the Department of Health (DOH) were not supported with the biometric/ machine - stamped bundy time cards or a log book as required under Section 2, Rule XVII of the Omnibus Rule Implementing Book V of EO 292 and Civil Service Commission Memorandum Circular (CSC -MC) No. 21, s. 1991, in relation to Section 13.b.6. of CSC MC No. 24, s. 2017, thus, the validity of the reported attendance and accuracy of the salaries and benefits paid to these employees cannot be ascertained.	a. Comply with Section 2, Rule XVII of the Omnibus Rule on Implementing Book V of EO 292 and CSC MC No. 21 s. 1991, on the use of bundy clock and other records of attendance; and b. In the absence of the Office Order as an exemption on the use of bundy clock, require the employees to submit to ECC and to the Audit Team either of the three: (1) photocopy of attendance of book; (2) machine-stamped bundy clock card or; (3) extracted attendance from biometric time clock.	Sent letter request to the Office of the Secretary (OSEC) DOH thru Atty. Fatima P. Laperal, Head EA, to submit to certified true copy of the attendance logbook of Ms. Jenny Casupanan and Daniel S. Fajardo to the ECC HR Admin Division and the ECC-COA. Concerned/identified employees assigned in DOH submitted the photocopy of their DTRs. A memo on actions taken by ECC on the AOM was sent to COA OIC Supervising Auditor thru Ms. Eleonor Navarro and Ms. Daphne Traboc on February 16, 2022. Another memo on monitoring and submission on Monthly Attendance to ECC –Admin Division dated March 2, 2022 was disseminated to all EAs	Complied

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
11	The DVs and supporting documents covering the period January 1 to December 31, 2021 were not submitted to the Audit Team within the prescribed period, contrary to Sections 100 and 107 of P.D. No. 1445, which prevented the timely disclosure of any deficiencies and issuance of corresponding audit action.	a. Install measures that will facilitate the timely submission of DVs not later than the fifth day of the ensuing month in compliance with Sections 100 and 107 of P.D. No. 1445; and b. Submit immediately the DVs and supporting documents not yet submitted as of February 18, 2022.	The Finance Division is doing its best effort to comply with the COA requirement on the submission of processed DVs. 88.09% or 11,075 out of the 12,572 Disbursement Vouchers (DV) processed in 2021 were already submitted to COA as of June 30, 2022. The reason for the non-submission is due to the unclaimed checks for cash assistance. To date the Finance Division is in compliance with the monthly submission requirement of COA of the processed DVs.	Partially Complied
CY 2020 AAR				
1	Management was still unable to come up with one 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)	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; b. In the meantime, that the restructuring plan is not yet available, the ECC Board has to	A Board Resolution approving the separate Restructuring Plan of ECC was initially signed by the Members of the Board of Commission, except for the Chairman, (BR 20-11-32) who requested for further discussion A CMT composed of ECC-OSHC will conduct a meeting for the finalization of	Not implemented. Reiterated in 2021 Obs. 4 Partially implemented

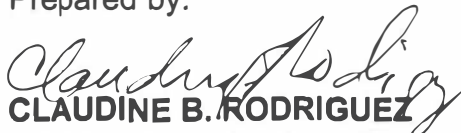
	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
	accountabilities and responsibilities of ECC and OSHC's officials and employees are not properly defined. Such delay in the finalization of the restructuring plan entails higher administrative cost	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.	TOR and profiling of possible consultants to do the project.	Reiterated in 2021 Obs. 4
2	The inability of the Employees' Compensation Commission (ECC) to revoke/terminate the authority granting the Employers' Confederation of the Philippines (ECOP), a private organization, free occupancy of ECC's office space, contrary to Section 4(2) of P.D. No. 1445, resulted in opportunity loss estimated at P5.398 million in rental income for CYs 2019 and 2020.	<p>a.Revoke/terminate the authority granting ECOP a free occupancy of ECC's office space;</p> <p>b.Have ECOP enter a lease contract with ECC with rental rates based on the prevailing rate of the other leases of ECC building; and</p> <p>c.If a lease agreement is not reached, offer the space to other tenants through public bidding.</p>	<p>The matter was discussed during the March 11 Board meeting considering that the Presidential authority granted to the ECOP was confirmed by the Board through a Board Resolution.</p> <p>The latest AOM was referred to ECOP for info, as instructed by the Board.</p> <p>As per latest information from ECOP, they are still further pursuing with OP a positive response to their earlier request to continually locate their office at the ECC Building at no rental fee. This despite the earlier OP action of referring back the request of ECOP, thru DOLE, to ECC for appropriate coordination with COA.</p> <p>On 24 March 22, ECOP wrote to Department of Finance Secretary Carlos Dominguez to seek for assistance regarding their request to OP for a written</p>	<p>Reiterated with modification</p> <p>Reiterated in 2021 Obs. 4 in page 4</p>

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
			<p>approval of the continued free use of their present office space at the ECC Building. The said letter was endorsed to DOLE by OP for which ECC drafted a reply reiterating the DOLE Secretary's earlier support for the continued free use of the present office space at the ECC Building.</p> <p>On May 20, 2022 a letter from the Office of the President signed by Executive Secretary Salvador C. Medialdea was received by the ECC. It stated that the Office of the President interposes no objection to the continued provision by the ECC to ECOP of free use and occupancy of the Subject Property, subject to existing and applicable, laws, rules, and regulations.</p> <p>ECC sent a copy of the letter from OP to COA for information. COA is awaiting for the position of their legal office on the matter.</p>	
3	The ECC did not conduct physical inventory or submit an Inventory Report on Property and Equipment (PE), contrary to Sections IV and V of COA Circular No. 80 -124. Also, the PE accounts	Immediately dispose the unserviceable properties in accordance with COA Circular No. 89 -296 and require the Accounting Department to derecognize from the books of accounts the carrying		<p>Not implemented</p> <p>Reiterated with modification in Obs. No. 5 in page 5</p>

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
	include unserviceable PEs with carrying amount of P94,557, contrary to Paragraph 82 of International Public Sector Accounting Standards (IPSAS) 17.	amounts of the unserviceable properties after their disposal.		
CY 2019 AAR				
1	The EC 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 P302,858.00 for CY 2019.	<p>a. Immediately request and closely coordinate with DICT for their availment of free internet service pursuant to RA No. 10844; and</p> <p>b. Terminate the contract with Source Telecom Inc. upon the availability of the free internet from DICT.</p>	<p>No update received from DICT as of June 30, 2022</p> <p>Due to the increasing demand of internet bandwidth and the non-action of the DICT to the request and follow-up, the ECC resorted to upgrading the internet bandwidth via third-party service provider. A new contract for upgraded internet service was signed and took effect in April 2022.</p>	<p>Partially implemented</p> <p>Implemented</p>
CY 2015 AAR				
1	Two parcels of land valued at P167,483.00 acquired through foreclosure were not consolidated in the name of the ECC notwithstanding the lapse of six years after the expiration of the one-year redemption period.	Expedite the consolidation of titles of the foreclosed two parcels of land in the name of the ECC.	<p>The following were the actions taken by Appeals Division:</p> <ol style="list-style-type: none"> 1. In order to consolidate the title in the name of ECC, an exemption from the CARP coverage is necessary. 2. The ECC wrote a Letter of Inquiry to the Department of Agrarian Reform (DAR) for further clarification regarding 	<p>Partially Implemented</p> <p>Petition for the CARP Exception Order will be filed before the Municipal Agrarian</p>

	COA Audit Findings	COA Audit Recommendations	Actions Taken/Management Comments/Compliance/Implementation	Timeline
	The Subject Properties are located at Brgy. Miranda, Municipality of Talisay, Batangas, which contains a total area of Eight Thousand Four Hundred Sixty-Six (8,466) square meters, more or less, covered by TCT Nos. T-27984 and T-27985.		<p>Comprehensive Agrarian Reform Program (CARP) policy on relation to Government Owned Lands on 28 February 2018.</p> <p>3. In its letter-reply dated 24 September 2019, the DAR replied that it incumbent upon the land owner to prove that his land is exempt from CARP coverage; the ECC must file for an Exemption Order or Clearance because the exemption is not automatic.</p> <p>4. The Appeals Division has prepared the draft of the Petition for CARP Exemption or Exclusion of the subject properties.</p>	Reform Office of Tanauan, Batangas, on October 2022 upon completion of the collation of the proper documentation.

Prepared by:


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 IAU [(D) -ECC OO 294]

2 August 2022

Noted by:


STELLA ZIPAGAN-BANAWIS
 Executive Director