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*Pinakusap na Benepisyo at Serbisyo
hatid sa Manggagawang
Naaksidente o Nagkasakit Nang
Dahil sa Trabaho*

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EMPLOYEES'
COMPENSATION
COMMISSION
ANNUAL
REPORT



Table of Contents

- i Brief History
- ii Our Vision, Mission
- iii Quality Policy Statement, Corporate Values, and Corporate Objectives
- iv Message of the DOLE Secretary
- v Message of the Executive Director

The ECC in 2015

I 2015 in figures

- On Improved and Expanded Benefits Services, and Coverage
- Development and Review of Policies
- Provision of Rehabilitation Services
- Physical Restoration
- Livelihood and Vocational Training
- Quick Response Program
- ECP Dissemination through Quad-Media

II Support to Operations

- Gender and Development
- Establishment of a Quality Management System
- Web Maintenance
- Information System
- Human Resource Management

III The State Insurance Fund

EMPLOYEES' COMPENSATION COMMISSION

The ECC is a government corporation 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. Its main functions are:

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

LEGAL MANDATE

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

VISION

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

MISSION

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

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

QUALITY POLICY STATEMENT

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

- Ensuring adherence to rules, regulations, and policies;
- Exercising responsibility for quality in all our activities; and
- Striving for continual improvement in the services provided.

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

CORPORATE VALUES

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

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

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

We deliver excellent services promptly and fairly to all.

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

CORPORATE GOVERNANCE CONFIRMATION STATEMENT

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

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

Message from the Secretary

The year 2015 is indeed a memorable year for the Employees' Compensation Commission. This year not only marked the Commission's 40 years of providing benefits and services to Filipino worker, but it is also the fifth year of continued reforms in the Employees' Compensation Program.

For the past 6 years until 2015, ECC put to heart President Benigno S. Aquino III's labor agenda on enhancing social protection programs such as social security and workmen's compensation so people can still have income to spend for their basic needs. In 2015, I am happy that ECC again enhanced the employees' compensation package through a 10% across the board increase in EC pension for the public sector and an increase in daily minimum and maximum sickness benefit for the private sector.

Significantly, services were also enhanced through the adoption of a 20 working day process cycle time (PCT) for deciding EC appealed cases, a major improvement from the earlier 40 working days PCT.

As Chairman of the Commission, the decrease in the number of claims and amount of benefits released, though small, this year compared to last year, is noteworthy. We saw a two percent decrease in the number of EC claims and .65 percent decrease in amount of claims paid in 2015. The intensified prevention programs undertaken through the DOLE Labor Law Compliance System and the OSHC trainings and advocacies have contributed to this.

Indeed, the importance of safe and healthy workplaces are priorities that DOLE and ECC values. In the coming years, we will continue to intensify programs to prevent workplace accidents and injuries while enhancing the employees' compensation package.

Mabuhay ang ECC! God bless.


ROSALINDA DIMAPILIS-BALDOZ

Secretary, Department of Labor and Employment
Chairman, Employees' Compensation Commission



Message from the Executive Director

As the Employees' Compensation Commission celebrated its 40th founding anniversary in 2015, we made the commitment to make this year a memorable one in terms of policy reforms and enhanced benefits and services under the Employees Compensation Program (ECP). These reforms, summarized into three key areas—enhancement, equalization, and expansion—started taking place since 2011 in accordance with Agenda No. 8 of President Benigno S. Aquino III's 22-point agenda on Labor and Employment which states, "... work with relevant government agencies in enhancing social protection programs such as social security, workmen's compensation, health insurance... so people can still have income to spend for their basic needs".

Together with our partner agencies the Government Service Insurance System (GSIS) and Social Security System (SSS), we were able to improve EC benefits and services with the issuance and development of new policies. We posted a 100 percent case disposition rate for EC appealed cases within the process cycle time of 20 working days. We were also able to ensure the viability of the State Insurance Fund as it remained healthy and stable as of the end of 2015, with a fund life of 62 years at the SSS and 49 years at the GSIS.

We have also been working hand in hand with the Occupational Safety and Health Center in spreading awareness and importance of safety and health in the workplace.

In 2015, we have conquered the cyber space in an effort to bring the ECP closer to the Filipino workers. Public assistance have become more interactive and prompt, thanks to our online presence through our Facebook and Twitter accounts. We successfully reached out to more workers and employers nationwide through the perseverance of our regional extension units staff.

We are proud of how we are able to serve the persons with work-related disabilities through the various rehabilitation services that we provided them to facilitate their reintegration to the society.

For 2015 we successfully passed the first surveillance audit under our ISO 9001:2008 certification. DOLE likewise commended our organization for the timely settlement of cash advances of officers and employees and for sustaining a record of 100 percent disposition rate of cases within the process cycle time.

The hard working ECC staff is thankful to our God and to all our stakeholders who have made 2015 a memorable milestone year for ECC.



STELLA ZIPAGAN-BANAWIS
Executive Director
Employees' Compensation Commission



2015 IN FIGURES

ON POLICY DEVELOPMENT

13

approved policy issuances in line with the efficient and effective implementation of the Employees' Compensation Program (ECP)

100% disposition rate at appealed comes within the Process Cycle Time (PCT)

ON INFORMATION DISSEMINATION

- **648** ECP advocacy seminars conducted
- **26,707** participants reached
- **12,203** companies reached

ON REHABILITATION SERVICES FOR PERSONS WITH WORK-RELATED DISABILITIES (PWRD)

- **284** PWRDs availed of the skills and entrepreneurial training
- **219** PWRDs provided with physical/occupational therapy services
- **36** PWRDs provided with rehabilitation appliances/prosthesis

285,093

EC claims paid by Social Security System (SSS) and Government Service Insurance System (GSIS) to workers who met work-related injury, diseases, or death which amounted to

P1,257,117,557.00



The Employees' Compensation Program (ECP)



The ECP is a social insurance program designed to provide workers with protection from income loss as a result of work-connected sickness, disability, or death. It covers both private and public sector workers with employer-employee relationship.

The Social Security System (SSS) administers the ECP for private sector workers while the Government Service Insurance System (GSIS) administers the ECP for state workers including uniformed personnel of the Armed Forces of the Philippines (AFP), Philippine National Police (PNP), Bureau of Jail Management and Penology (BJMP), and Bureau of Fire Protection (BFP), members of the judiciary and constitutional commissions.

It provides not only income security but other critical services during a trying moment in the worker's life. As a key social protection program in the Philippines, it contributes in the over-all effort to prevent or alleviate poverty, vulnerability, and social exclusion towards improving the quality of life of workers and their families as part of our roadmap to achieving decent work and competitiveness.



Accomplishments in 2015

In 2015, thirteen policy issuances were approved by the ECC. As implementer of the ECP, one of the main functions of the Commission is to formulate policies and guidelines for its improvement taking into consideration the best interest of persons with work-related disabilities (PWRDs).



Development and Review of Policies on the Employees' Compensation Program

A review of EC benefits have been made in 2015 where EC benefits have been increased or rationalized. Most of the benefits have not been reviewed or increased since the 1980's and 1990's. Increases were particularly focused on the public sector EC benefits given that benefits for this sector have not been increased for many years.

Equalized Benefits

1. Adopting a Uniform Schedule of Reimbursement Rates for Laboratory, X-Ray and other Diagnostic Examinations under the Medical Services Policy of the Employees' Compensation Program. **(BR No. 15-02-07)**

Enhanced Benefits

Coupled with equalization, enhancement of EC benefits is critical towards our goal of having adequate income security for our beneficiaries. Following the equalization of a number of benefits, the ECC has embarked on further enhancing these.

2. Approving a Ten Percent (10%) Across-the-Board Increase in EC Pension Effective May 1, 2015 for the Public Sector **(BR No. 15-01-01)**
3. Guidelines in the Implementation of Executive Order 188 ("Imposing a Ten Percent (10%) Across-the Board Increase in EC Pension for Employees in the Public Sector") **(BR No. 15-09-42)**

The last increase in EC pension for the public sector was made in 1982 or 33 years ago when ECC issued Board Resolution No. 2166 dated September 1982 providing for a 20% across the board increase in EC pension for both the public and private sector.

4. Approving the Adoption of the Manner of Computing SS Pension under the SS Law, Particularly the Pension Formula and the Definitions of AMSC and CYS, in the Prospective Computation of EC Pension **(BR No. 15-06-30)**

The formula for computing EC and SS pension were the same prior to 1 September 1990 when SSS adopted a new monthly pension policy or formula for determining the



monthly pension (MP). In 1997, SSS further adopted new definitions of the factors affecting the MP namely the average monthly salary credit and the credited years of service.

The adoption, prospectively, of the SS formula for determining the SS monthly pension and the definitions of AMSC and CYS consequently increased the amount of EC pension and promotes the effective implementation of LOI 1286 which provides that pension for work-related contingencies (EC) shall maintain a 15% increment over pension for non work-related contingencies (SS).

5. Declaring the Compensability of Injuries Sustained by Employees at Places of Recreation within the Employer's Premises **(BR No. 15-04-15)**

This Resolution clarified the guidelines on acts relating to personal comfort which are considered compensable, amending the same to include acts performed by an employee while on places of recreation within the employers' premises.

6. Approving the Increase in EC Temporary Total Disability (TTD) Benefit for the Private Sector from a Minimum Daily Income Benefit of Php 10.00 to PHP 110.00 and from a Maximum Daily Income Benefit of Php 200.00 to an amount Computed Based on the Highest Possible Total Monthly Salary Credit as per SSS Law or Php 480.00 **(BR No. 15-05-22)**

The last increase for EC TTD benefits for the private sector was in 1987 for the minimum daily income benefit and in 1997 for the maximum benefit. The increase in TTD benefit makes it more responsive as an income replacement.

7. Revising the Conditions for the Compensability of Hernia under Annex A of the Amended Rules on Employees' Compensation (EC) **(BR No. 15-07-34)**

The revision of the conditions for compensability of "Hernia" as an occupational/ work-related disease is consistent with ECC's aim to upgrade the EC benefit structure. The revised conditions are based on medical developments and agreed through consultations with stakeholders.



Enhanced Services

8. Commending the Bravery of the PNP-Special Action Force (SAF) Troopers in the Mamasapano Incident and Providing them with Utmost Assistance on their Employees Compensation Benefit Claims **(BR No. 15-02-05)**
9. Expressing Sympathy to the Survivors and Bereaved Families of the Workers who were Victims of the Fire Incident at Kentex Manufacturing Corporation and Directing SSS to Facilitate the Processing of their Employees' Compensation Benefits. **(BR No. 15-05-21)**

In response to the call to provide utmost assistance to victims and their dependents in these two high-profile work-related contingencies, the Board directed the Systems to immediately process their EC benefits with minimal documentary requirements.

10. Approving the Process Cycle Time (PCT) for Processing the Claims for Employees' Compensation at the GSIS and SSS
11. Approving the Process Cycle Time (PCT) for the processing of claim for Employees' Compensation at the SSS **(BR No. 15-11-48)**

The dream to have faster processing of EC claims for benefits to be served quickly will hopefully be a dream no more. Before the year ended, ECC signed an agreement with SSS and GSIS prescribing the process cycle time for EC claims and the mechanism to monitor this through data sharing.

The prescription of definite PCTs for processing of EC claims at GSIS and SSS reflects the strengthened coordination of ECC with the Systems towards a more efficient implementation of the Employees' Compensation Program.

12. Directing the Systems to Adopt a System of Paying EC Medical Benefit for Dialysis of Persons with Work-Related Disabilities (PWRDs) Taking Into Consideration Their Philhealth Coverage

To ensure the stability of the SIF and promote Philhealth coverage of our clients, this Resolution aimed at ensuring that Philhealth benefits are availed prior to payment of EC benefits.

13. Adopting the SSS "Guidelines for Stop-Loss/Cut-Loss Program" for ECC Investments **(BR No. 15-02-11)**

**EMPLOYEES' COMPENSATION (EC) BENEFITS AND SERVICES IMPROVED IN 2015**

BENEFIT	EC POLICIES BEFORE 2010		EC POLICY REFORMS UNDER THE PNOY ADMINISTRATION
	PUBLIC SECTOR	PRIVATE SECTOR	
EQUALIZED BENEFITS			
Uniform Schedule of Reimbursement Rates for Laboratory, X-Ray and other Diagnostic Examinations	Disparity in schedule of reimbursement with SSS schedule generally higher in amount compared to GSIS		1. Adopting a Uniform Schedule of Reimbursement Rates for Laboratory, X-Ray and other Diagnostic Examinations under the Medical Services Policy of the Employees' Compensation Program (ECC Board Resolution No. 15-02-07, 2015 – for approval by the Office of the President)
ENHANCED BENEFITS			
EC Pension	Public: No across the board increase since 1983		2. Approving a 10% across the board increase in EC for the public sector (EO No. 188, 2015)
			3. Approving the Adoption of the SSS formula for computing pension SS Pension under the SS Law, Particularly the Pension Formula and the Definitions of AMSC and CYS, in the Prospective Computation of EC Pension (ECC Board Resolution No. 15-06-30, 2015)
Sickness benefit	No policy		4. Declared the Compensability of Injuries Sustained by Employees at Places of Recreation Within the Employer's Premises (ECC Board Resolution No. 15-04-15, 2015)
	Private Sector: minimum daily income benefit at Php10.00 since 1987; maximum at Php200 since 1996		5. Increased the Minimum Daily Income to Php 110.00 and Maximum Daily Income Benefit to an Amount Computed Based on Highest Possible Total Monthly Salary Credit as per SSS Law or Php 480.00 (ECC Board Resolution No. 15-05-22, 2015 – pending approval of the Office of the President)



Compensability of Occupational Diseases	Not updated since 1977	6. Revising the Conditions for the Compensability of Hernia under Annex A of the Amended Rules on Employees' Compensation (ECC Board Resolution No. 15-07-34, 2015)
ENHANCED SERVICES		
Facilitative Processing of EC Claims	No Policy	7. Directed SSS to immediately facilitate processing of EC Benefits with minimal documentary requirements through the following Board Resolutions:
		<ul style="list-style-type: none"> • Commending the Bravery of the PNP-Special Action Force (SAF) Troopers in the Mamasapano Incident and Providing them with Utmost Assistance on their Employees Compensation Benefit Claims (ECC Board Resolution No. 15-02-05, 2015) • Expressing Sympathy to the Survivors and Bereaved Families of the Workers who were Victims of the Fire Incident at Kentex Manufacturing Corporation and Directing SSS to Facilitate the Processing of their EC Benefits (ECC Board Resolution No. 15-05-21, 2015)
		8. Approving the Process Cycle Time for Processing the Claims for Employees' Compensation at the GSIS
		9. Approving the Process Cycle Time for Processing the Claims for Employees' Compensation at the SSS
	No collaborative procedure with Philhealth	10. Directing the Systems to Adopt a System of Paying EC Medical benefit for Dialysis of PWRDs Taking into Consideration their PhilHealth Coverage (ECC Board Resolution No. 15-11-51, 2015)



Expanded Benefits

Before the end of 2015, the Board approved in principle the coverage of self employed SSS members under the employees' compensation program. This policy will be a milestone contribution of ECC in the government's efforts to address social exclusion in the provision of social protection.

At the ECC, the process cycle time (PCT) for the resolution of EC appealed cases from docketing up to the final decision of the Commission was reduced from 40 working days to 20 working days.

Heroes today... Legends tomorrow...



**Philippine National Police
Special Action Force**



Special Action Force (SAF) fallen 44 troopers



Families of the Kentex tragedy victims pose for a camera shot after they received grocery bags from ECC during the ECC-QRT visit.

Through a board resolution, the ECC directed the Government Service Insurance System (GSIS), the administering agency of the ECC for the public sector, to immediately process and release the corresponding EC disability to the wounded troopers and initial death benefits to the qualified beneficiaries of the fallen 44 SAF troopers.



As an Appellate Body

ECC reviews and decides on all appealed EC claims elevated to the Commission after denial by the Systems. A system of monitoring and tracking every action taken on the case has been installed to ensure prompt disposition of appealed EC claims.

In 2015, the ECC posted a 100 percent disposition rate on EC appealed cases within the prescribed process cycle time of 30 working days for cases received prior to 6 March 2015, and 20 working days for cases received after a March 2015 from the time of docketing until the resolution of the Commission.

In 2015, the ECC posted a 100 percent disposition rate on EC appealed cases received as of November 2015.



On ECP Information Dissemination

EC benefits is not as well known as other social insurance benefits basically because employers pay for its premium contribution. In 2015, to address its concern on low awareness on the Employees' Compensation Program, higher numbers have been targeted for advocacy seminars, its participants and companies reached. Accomplishing way beyond the target has become a way of doing things in ECC.

The ECC also converged with DOLE and other government agencies to improve its info dissemination efforts. Agreements were also forged with hospitals and the PNP to promote awareness. Maximum use of social media, TV advertisements and technology based info campaign is being looked into for a better and wide-reaching information dissemination is planned for 2016.



As part of the celebration of its anniversary month, the ECC signed a Memorandum of Agreement (MOA) institutionalizing on information dissemination with the Philippine National Police (PNP). Under the MOA, the ECC and the PNP formalized areas of collaboration on the information dissemination on the ECP and exchange of information on work-related incidents involving uniformed personnel of the PNP.

Also in 2015, the Information and Public Assistance Division (IPAD) of the ECC has installed tarpaulins at the LRT and MRT promoting the program and encourage workers who were victims of work-related injuries, diseases, or death to avail of their benefits and services under the ECP.



On Rehabilitation Services for Persons with Work-Related Disabilities

In 2015, the ECC was able to provide various rehabilitation services to 1,662 PWRDs.

Of this number, 284 availed of free livelihood trainings such as Meat Processing, Start Your Own Business Enterprise, Swine/Hog/ Cattle/Goat Raising, Bread and Pastry Production, Soap Making, Mushroom Production and Swine Management Technology. Skills trainings availed of consisted of Autocad, Shielded Metal Arc Welding, Housekeeping, Bookkeeping, Computer Hardware Servicing NC II and Encoding NC II.

Twenty-eight (28) PWRDs who finished their livelihood/skills training were also provided with transportation and meal allowance.

The ECC also provided 46 children of PWRDs opportunities to earn and learn through the Special Program of Employment for Students (SPES). For 35 days, 22 male and 24 female students were deployed at the ECC Central Office in Makati, Occupational Safety and Health Center (OSHC), several branches of Social Security System (SSS), local government units and at various offices of the Department of Labor and Employment (DOLE).



Through the KaGabay Program, two hundred nineteen (219) PWRDs were able to undergo free physical and occupational therapy and other related rehabilitation services. Of this number, 177 PWRDs were also provided with meal and transportation allowance. The WCPRD monitors their progress and health condition through the conduct of home visits to these PWRDs.

Also, it is through the conduct of home visits to PWRDs that the ECC was able to find out that 47 of them were gainfully employed, thirty-three (33) of which were retained by their former companies while the other 14 have new employers.

Seventy eight (78) PWRDs were also found to be engaged in a business where twenty-three (23) PWRDs have started a business undertaking and fifty-five (55) have expanded their business.

Thirty-six (36) PWRDs were provided with free prosthesis or assistive devices.

As of 2015, the ECC-QRTP responded to 182 work-related incidences. They were also able to visit, counsel and provide information on the ECP to 496 PWRDs.



On Ensuring the Viability of the State Insurance Fund (SIF)

In 2015, the ECC took an active role in the investment of the State Insurance Fund through the regular quarterly updating of the status of investment by the Systems to the Board.

Following the approval in 2014 of Board Resolution No.14-10-43 which authorized the SSS to expand the investment portfolio of the SIF to include domestic equities and fixed income securities, the Board, in 2015, likewise approved a number of Board Resolutions relating to the investment of the SIF. Six Board Resolutions were issued specifically on initial expanded investment and authorized signatories, guidelines for stop-loss/cut-loss, general guidelines in line with the SSS investment structure by asset class following the principles of safety, good yield and liquidity. The Board likewise autho-

rized the Social Security Commission and the SSS Investment Sector to handle the management and execution of investment into equities and of fixed income instruments in the accounts under the name of SSS but assigned to EC funds. Following improvements in the investment market in the last quarter of 2015, the Board also approved the expansion of the list of investible stocks of the State Insurance Fund (SIF) and the adoption of the SSS policy on exposure limit on investments for conglomerate/group equity;

For the SIF at GSIS, the regular updating by GSIS to the Board continued in 2015 as investments followed the same prudent investment policies as the GSIS invests its own funds.



Thus, with careful investment and effective collection efforts by the Systems, total assets of the State Insurance Fund (SIF) as of 31 December 2015 amounts to Php50.71B with sixty-five percent (65%) or Php33.12B with the Social Security System (SSS) while thirty-five percent (35%) or Php 17.59B with the Government Service Insurance System (GSIS). Assets have increased by 8% or P3.55B from December 31, 2014.

From January to 31 December 2015, the SIF generated a total revenue of Php4.96B with with seventy-six percent (76%) or Php3.75B coming from the collection of members' contributions while twenty-four percent (24%) or Php1.205B from investment and other income. Php2.86B or fifty-eight percent (58%) of the total revenue came from the SSS while Php 2.103B or forty-two percent (42%) from the GSIS.

As of 31 December 2015, the GSIS has a total investment amounting to Php12.996B. Investment has increased by nine-

teen percent (19%) or P2.05B from P10.95B investment total at the end of 2014. From January to December 2015, investment income amounts to P428.16M or a decrease of four percent (4%) or Php17.84M compared to the investment income earned during same period in 2014. Return on investment is at 3.29 percent.

On the other hand, total investment of the EC SIF at SSS amounts to Php28.09B. Investment has increased by sixty-two percent or Php 10.71B from Php17.38B in 31 December 2014. Total investment income from January to December 2015 amounts to Php428.16M or a decrease of four percent or P17.84M compared to investment income earned during the same period in 2014. Return of investment is at 2.80 percent.

The EC State Insurance Fund is healthy and stable as of the end of 2015, with a fund life of the fund at SSS at 62 years and 51 years for the SIF at the GSIS.



Establishment of Social Protection Floor for the Philippines ASSESSMENT BASED NATIONAL DIALOGUE (ABND)

In 2015, the Employees' Compensation Commission (ECC) had been an active partner in the conduct of the Assessment Based National Dialogue (ABND) towards the establishment of the Social Protection Floor (SPF) for the Philippines, together with the Bureau of Workers with Special Concerns (BWSC) and the Planning Service (PS) of DOLE and with technical assistance from the International Labour Organization (ILO).

The Philippines aims to establish a nationally-defined SPF for the Filipino people, especially the poor and vulnerable. The SPF has four basic guarantees for all members of society to access and enjoy goods and services at all times, at least at a nationally defined minimum level. These guarantees ensure: (1) access to

essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability, and quality; (2) basic income security for children providing access to nutrition, education, care, and any other necessary goods and services; (3) basic income security for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity, and disability; and (4) basic income security for older persons.

In the ABND exercises, a review of the existing social protection, poverty alleviation, employment promotion and disaster management programs were conducted through a series of



island-wide consultations and meetings with (a) National Government Agencies, (b) Regional Tripartite Industrial Peace Council, (c) NEDA Regional Development Council, (d) NAPC 14 Basic Sectors, and the (e) Civil Society Organizations. Policy gaps and implementation issues were identified and recommendations were proposed on scenarios for the social protection floor. The cost of implementing the proposed recommendations were estimated using the Rapid Assessment Protocol (RAP), a cost-estimation tool developed by the ILO. The results of this cost-estimation can serve as a basis for budgetary allocations to help prioritize among the social protection policy options.

The team behind the success of the ABND exercises is the ABND Core Group which consist of different agencies co-chaired by DOLE Secretary Rosalinda Dimapilis-Baldoz and National Economic Development Authority (NEDA) Secretary Arsenio Balisacan. The Department of Social Welfare and Development

(DSWD), National Anti-Poverty Commission (NAPC), Department of Budget Management (DBM), Philippine Statistics Authority (PSA), Employers' Confederation of the Philippines (ECOP), Federation of Free Workers (FFW), and the United Nations Country Team (UNCT) completed the Core Group.

Before the end of 2015, the result of the ABND or the recommended scenarios for the Philippine SPF were presented to the Human Development and Poverty Reduction Cluster (HDPRC) and the NEDA Social Development Committee (SDC) Technical Board for the approval of the recommendations for a national Social Protection Floor. In 2016, there will be a soft-launch of the Philippine ABND country report. This report is expected to provide inputs to the Action Plan for the Philippine Social Protection Operational Framework and Strategy (SPOFS) as well as the Philippine Development Plan.



Support to Operations

On Human Resource Development

As the ECC recognizes the value of empowering its staff to achieve success in both individual performance and teamwork it has continuously provided capacity-building trainings for the ECC officers and staff. In 2015, 119 training sessions were held and attended by ECC employees.

IN-HOUSE TRAININGS

Feb. 05, 2015	Basic and Advance Training on Microsoft Office Application –25 participants
Feb. 25-26, 2015	The Excellent Customer Service Program – 60 participants
June 2-3, 2015	RA 9470 and Records Disposition Schedule – 24 participants
June 29, 2015	Echo Session on the Conduct of Lifestyle Check - 49 participants
July 01, 2015	Echo Session on QMS - 14 participants
Sept. 09-11, 2015	Business Communication –30 participants
Oct. 08-9, 2015	Learning Measurement and Evaluation - 28 participants





EXTERNAL TRAININGS

JANUARY , 2015	3 TRAININGS - 4 participants
Jan. 22,2015	Training on Internet-Based Performance For Directors (IPED)
Jan. 27-29,2015	Dole Capability Building for Livelihood Focal Person
FEBRUARY 2015	2 TRAININGS – 11 participants
Feb. 10-12,2015	Training of Trainers Workshop on Risk Assessment
Feb. 20,2015	GSIS seminar for New Employees – 9 participants
MARCH 2015	10 TRAININGS – 14participants
March 4-6,2015	RA 9184 on Procurement
Mar. 07-14,2015	Events Management
Mar. 10-14,2015	Trainers Training on Entrepreneur. For PESO Managers and DOLE Personnel
Mar. 16, 2015	GSIS- AAO and ERPF Handlers Seminar
Mar. 17, 2015	Managing Electronics Records
Mar. 19,2015	GSIS training for authorized Liaison Officers
Mar. 24-27, 2015	Trainers Training
Mar 23-26, 2015	Training workshop on the Prevention of Pneu-moconiosis
Mar. 23-26,2015	Video Documentation of the Success Stories of DOLE Programs and Services
APRIL 2015	11 TRAININGS– 19pax
Apr. 7, 2015	LEP validation workshop –
April 13, 2015	BOSH
Apr. 13-15, 2015	Strategic Human Resource Course
Apr. 14-16,2015	GACPA
Apr.. 15-16, 2015	Annual Update for Management Systems Auditors

April 15-17,2015	Training on the Use of the Agency Procurement Compliance and Performance Indicators System (APCPI) –
Apr. 20-24,2015	BOSH
Apr. 22-24,2015	Social Workers Embracing Challenges of Diversified Clientile for Quality Health Care
	Social Media Development
Apr. 28, 2015	Awareness-Raising and Capacity-building Training on Inclusive Workplace Practices and Policies
Apr. 29-30, 2015	Leave Administration Course for Effectiveness
MAY 2015 - 5 trainings - 25 participants	
May 7-8,2015	Personality Development and Basic Leadership Training for Women with Disabilities –
May 16,2015	Building and Property Management
May 16, 23, 30, 2015	Preventive Maintenance –
May 21-22, 2015	PhilGeps Buyers Training –
May 26, 2015	Leadership :Building Bridges to Excellence 21 pax
JUNE 2015	5 trainings-10 participants
June 08- 12, 2015	BOSH
June 19, 2015	Orientation on the Conduct of Random Lifestyle Check of DOLE Officials and Employees
June 22-23,2015	Technical Writing Workshop
June 23-24, 2015	Enhanced Training on Appointments Preparations (ETAP)
June 25-26, 2015	Mentoring and Coaching Program
JULY 2015	6 trainings - 6 participants
July 2-3, 2015	Servants Leader



July 6-10, 2015	BOSH
July 10, 2015	Meat Processing-livelihood Training
July 15-17, 2015	Ethical Leadership
July 21-23, 2015	GAD planning and Budgetting
July 16,2015	Labor and Employment Statistics Using CSPro
AUGUST 2015 3 trainings – 6 participants	
August 20, 2015	Emergency Preparedness
August. 20, 2015	DOST –How to start business-
August 24-26 2015	Web Accessibility Workshop
SEPTEMBER 2015	8 trainings – 14 participants
Sept. 2-3, 2015	Project Management
Sept. 7-16, 2015	Diesel Engine
Sept. 09-11, 2015	Employee Relations
Sept. 14-19, 2015	Complete Course on First Aid and Basic Life Support
Sept. 15-16,2015	Corporate Communication
Sept. 16,2015	Ethical Leadership
Sept. 17,2015	Expanded Withholding Tax :Managing your Withholding Tax Risk and Compliance
Sept. 30,2015	Conduct of 5 in 1 Strategic Approach in Enhancement of Behavioral Dimension with Gender Perspective cum Family Day Celebration
OCTOBER, 2015	4 trainings - 8 participants
Oct. 05-16, 2015	Basic Management Course
Oct. 6-8, 2015	Writing Techniques, Photography and videography
Oct. 13-14, 2015	PhilGeps Training for Phase I
Oct. 26-28, 2015	Appraisal and Disposal of Government Properties (ADGP)

NOVEMBER 2015	9 TRAININGS – 12 participants
Nov. 9-13, 16-20 2015	BOSH
Nov. 10, 2015	Project Management and Evaluation
Nov. 11-12, 2015	Managing Emerging Health Issues in the Workplace
Nov. 24, 2015	JDS Project for Tutorial Seminar for Prospective Applicants for 2016 Japanese Grant Aid for Development Scholarship
Nov. 25, 2015	YEPA and Team Building
Nov. 26-27, 2015	Public Service Ethics
Nov. 26-27,2015	News and Features Writing
Nov. 27, 2015	Gender Sensitivity and Women Empowerment Through Values-Based Approaches
DECEMBER 2015	4 Trainings – 9 participants
Dec. 01, 2015	Training on Compensation and Position Classification Systems (CPCS)for GOCC
Dec. 02, 2015	Leadership and QMS Course
Dec. 03,2015	GSIS – AAO Assembly
Dec. 9-11, 2015	Training-Workshop on the Use of E-Learning Authoring Tool
Dec. 7-12, 2015	BOSH for Nurses
Dec. 7-8, 2015	“DOLEWIDE Unified Reporting System (URS) Technical Training Cum Planning Consultation Workshop for CY 2015
Dec. 14-16,2015	Crisis Mgt. and Stress Debriefing with Consultation-Workshop on HRD Policies and Programs
Dec. 9-11 , 2015	Tell us Your Story: A Course on Scriptwriting for Video Documentaries
Dec. 9-11,2015	Basic course on Internal Auditing of a QMS using ISO:19011:2011



Believing that healthy and happy employees makes a productive workforce, the ECC promoted the health and well-being of its employees through the following activities:

- Conducted Tree Planting Activity on March 18, 2015 at La Mesa Eco Park, Quezon City with 48 participants
- Conducted Seminar on Fire Prevention for ECC employees, tenants and service provider on March 23, 2015 at ECC Multi-purpose Hall with 90 participants
- Conducted Seminar on Emergency Preparedness and Earthquake Drill for ECC employees, tenants and service provider on April 16, 2015 at ECC Multipurpose Hall with 83 participants
- Participated in the one-hour shake drill on July 30, 2015
- Attended Emergency Preparedness Seminar on August 20, 2015 conducted by the Makati Cooperative Div. Office – 4 participants.
- Conducted film showing on Earthquake Preparedness last Sept. 18, 2015
- Conducted Seminar on Nutrition and BMI relative to “Biggest Loser” on July 22, 2015 at ECC Multi-purpose Hall with 51 participants
- Mounted 13 framed Slogan on Let's use stairs! Let's try “stair-walking” instead of using an elevator on the 1st to 5th floor of ECC Building.
- Conducted seminar on Gender Health and Wellness through Integrative Approach on Sept. 16, 2015 –55 participants



- Conducted lecture on the Paths to Wellness and Healing with cooking demo for ECC employees as part of the celebration of the " Nutrition Month" on July 24, 2015 with 54 participants
- Conducted Aerobics Session starting July 2015.
- Conducted 10 minutes morning exercise during Monday flag raising ceremony
- Participated in the Heritage Tour in Bataan – 50 participants
- Participated in the 115th Anniversary of the Philippine Civil Service " R.A.C.E. to Serve II Fun Run V" on Sept. 12, 2015 at the Quirino Grandstand, Manila with 19 participants
- Conducted bowling tournament for ECC employees on Sept. 19 and 29, 2015 with 50 participants

- Participated in the Freedom Run 5th Freedom Run," on September 27, 2015, at the CCP Complex, Pasay City with 17 participants

The ECC also promoted harmony and good working relationship, not only with the public, but among its employees as well. Through the issuance of guidelines on first level grievance mechanism, misunderstanding among two or more ECC employees are dealt with while observing civility and proper office decorum.

The ECC adopted the DOLE Code of Conduct with a strong conviction that ECC employees must be equipped, not only with the core competencies expected of them, but also with the right attitude, values, and untainted credibility.



Gender and Development (GAD)

The ECC continuously advocated and fostered gender equality and women's empowerment. For 2015, several activities were implemented aimed at promoting gender mainstreaming and awareness, not only for ECC employees, but also for its program beneficiaries.

ECC employees participated in 2015 National Women's Street Dance held in Quezon City Circle, Quezon City on March 8, 2015, as part of the observance of 2015 Women's Month celebration with a theme "Juana, Desisyon Mo ay Mahalaga Tungo sa Kinabukasan ng Bawat Isa, Ikaw Na!",

The ECC also facilitated the seminar-workshop entitled "Gender on Health and Wellness through Integrative Approach" on September 16, 2015 and attended by 65 ECC employees. The workshop emphasized the importance of workplace health promotion programs in improving health and well-being of employees that will, consequently, reduce the severity of chronic illnesses. Selected ECC employees also attended awareness-raising and capacity-building training for government agencies and public sector unionism on inclusive workplace practices and policies in relation to sexual orientation and gender identity and expressions on April 28, 2015 and Seminar on Gender Sensitivity and Women



Empowerment through Values-Based Approaches conducted by The Conflict Resolution Group Foundation, Inc. on November 27, 2015.

For ECC program beneficiaries, ECC Regional Extension Unit (REU) VI facilitated the awareness seminar on Anti-Violence Against Women and Children, entitled: "Preventing VAW: Sustaining a Gender Sensitive Workplace" conducted on Dec. 8, 2015 in Iloilo City attended by 52 participants composed of employees of ECC, DOLE agencies, and persons with work-related disability (PWRDs). The ECC REU IX, on the other hand, facilitated the capacity building on GAD focusing on Violence Against Women and Children, Sexual Harassment, Kasambahay law, and Rights of Persons with Disability conducted on Dec. 27, 2015 in Zamboanga City attended by 33 participants.

Corporate Social Responsibility:

As part of its CSR, ECC helped organize the Occupationally Disabled Workers Association of the Philippines Inc. (ODWAPI) in October 2012. Through the guidance of the Center for Small Entrepreneurs, the ODWAPI composed mostly of persons with work related disabilities (PWRDs) was organized with the end in view of empowering PWRDs by making them self-sufficient using the livelihood and entrepreneurial skills acquired through the Katulong at Gabay sa Manggagawang may Kapansanan (KaGabay) Program of the ECC. The members who are mostly seafarers, factory workers, security guards, among others, are encouraged to harness the skills they acquired and to utilize the resources provided to them in making their businesses grow.



The ODWAPI obtained its Security and Exchange Commission registration in April 13, 2013 and recognition by the National Council on Disability Affairs (NCDA) on April 24, 2013. Currently, the officers are completing documentation requirements to obtain recognition/ registration from the DSWD. Since its inception, the organization now counts 312 members.

With continued mentoring from ECC to date, the ODWAPI is operating a stall at the Coastal Mall bus terminal since November 2014 and is also operating a store located at the ground floor of the ECC central office in Makati selling meat products acquired through the kabuhayan package provided by DOLE-NCR to the organization and a photocopy services to various customers.

These business endeavours have helped sustain the existence of the organization up to the present.

In 2015, the ODWAPI, through the initiatives and assistance of the ECC Regional Extension Units have been able to organize three chapters located in the Cordillera Administrative Region (Luzon) in August, Iloilo (Visayas) in October, and Zamboanga Peninsula (Mindanao) in September. Other ECC Regional Extension Units will also be organizing ODWAPI chapters in 2016 as part of the expansion plans to involve other PWRDs in the regions and to empower as well as provide better services to PWRDs and therefore mainstream them to the society.



Information Technology

For the conduct of research activities/studies as inputs to policy formulation, the ECC has forged an agreement on data sharing as part of the Service Level Agreement (SLA) with GSIS and SSS.

With continuous coordination with DOST-Information and Communications Technology Office (ICTO), the ECC's Information Systems Strategic Plan, or ISSP, was finally endorsed to MITHI in September 2014 and was approved in September 2015. The MITHI is an e-Government and ICT support initiative that aims to harmonize and ensure interoperability among ICT-related resources, programs, and projects across the government. MITHI's convenor agencies include the Department of Budget and Management (DBM), Department of Science and Technology (DOST), and the National Economic Development Authority (NEDA), by virtue of their collective and complementary mandates.

For systems development, the ECC has developed and implemented the Rehabilitation Information System for effective monitoring of KaGaBay program's beneficiaries, and Budget Management System, to monitor the fund utilization in real time, online. It also enhanced the Case Docket Management System to provide real-time information on the status of EC appealed cases. The E-Learning was also developed in 2015. Although there was a DOLE-hosted ver-

sion of the E-Learning, the ECC also established a self-hosted version of the system.

In 2015 the ECC implement the Document Management Information System (DMIS), a web-based application for easy management and monitoring of the incoming and outgoing documents; and Public Assistance Reporting System for profiling of EC clients in ECC's Public Assistance Center.

Two other information systems, the Human Resource Information System and Work-Accident Reporting System were developed in 2015. Two other sub-systems namely: DMS Notification Application and Case Docket Checker were also developed to serve as sub applications of the existing information systems. The DMS Notification Application will notify DMS users if there are new documents sent to them. The Case Docket Checker will help the EC Case appellants monitor the status of their appeals online.

As part of the QMS implementation and disaster preparedness and response, the ECC has established a system of redundancy for ECC files backup. This was lodged in the Occupational Safety and Health Center (OSHC) to serve as a remote backup in case the ECC main office's backup system fails.



Quality Management System MANAGEMENT OF PROGRAMS AND PEOPLE (Good Governance)

In December 2015, ECC successfully passed its first surveillance audit under its ISO 9001:2008 certification, duplicating its earlier achievement of zero non conformities when the organization received its ISO certification from TUV Rheinland in 2014.

Thus, with its effective QMS, strict compliance to the ARTA Law and transparency seal requirements, convergence with other DOLE/government agencies, continued capacity building for staff, consistent wellness and health programs for employees including maintaining a beautiful and conducive work environment, constant mentoring from the Secretary and Cluster Undersecretary and guidance from God, the organization continue to excel in fulfilling its mandate. It has so far received some important commendations/citations for its performance as follows:



- Full settlement of cash advances of officers and employees as of December 31, 2014 (received during DOLE MYPA 2015)
- DOLE Special Citation for Sustaining Record of 100% Disposition Rate of Cases w/in PCT (given on 5 Jan. 2015)
- Sustained record of 100% disposition rate of cases within the process cycle time (letter from Seclab dated November 2015)



Management System
ISO 9001:2008

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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.

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.



On the Road to Reform

As an attached agency of the Department of Labor and Employment (DOLE), the ECC is committed to develop and implement relevant policies to strengthen social protection for both private and public sector workers by ensuring access to adequate and quality social security services.

This strategic goal is consistent with the President Benigno S. Aquino administration's 22-point Labor and Employment Agenda to enhance social protection such as social security and workmen's compensation to make it adequate as an income security program. The goal is also guided by the Philippine National Social Protection Operational Framework's component on social insurance for vulnerable workers and consistent with the national goal of the Philippine Development Plan 2011-2016 on poverty reduction and inclusive growth.

For 2015, the ECC continued its pursuit for reform, which started in 2011, with the aim of providing adequate and fair EC benefits. Summarized in three key areas such as equalization, enhancement, and expansion

of benefits, these reforms are guided by actuarial studies and the condition that increases in benefits will not require any increase in contribution and has to be approved by the President.

With different administering agencies for private and public employees, different amount of premium contributions, as well as number of target clients, the ECP is bound to have different amounts of benefits. As far as practicable, the ECC reviews and updates old policies to address disparity in benefits.

On the other hand, to enhance existing benefits, the ECC reviews existing benefits to determine its adequacy as an income replacement, taking into consideration several factors such as minimum wage and per capita or family poverty thresholds.

The ECC is likewise committed to develop new benefits or programs benchmarking on the good practices of other insurance programs both locally and in other countries.





STATEMENT OF TRUE AND FAIR REPRESENTATION For the CY 2015 Financial Reports

The statement of financial position, and statement of changes in equity, in all material respects, give a true and fair view of the state of the operation of the Commission as of December 31, 2015 and its financial performance, changes in equity, and cash flows for the year then ended.

MARIA TERESA M. URBANO
Chief, Finance Division

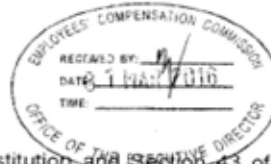
STELLA ZIPAGAN-BANAWIS
Executive Director



Republic of the Philippines
COMMISSION ON AUDIT
 Corporate Government Sector
 Cluster 2 – Social Security Services and Housing

March 30, 2016

MS. STELLA ZIPAGAN-BANAWIS
 Executive Director
 Employees' Compensation Commission
 355 Sen. Gil J. Puyat Avenue
 Makati City



Dear Ms. Banawis:

Pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines, we transmit herewith our report on the results of the audit of the accounts and operations of the Employees' Compensation Commission (ECC) for the years ended December 31, 2015 and 2014.

The attached report consists of four parts: Part I - Audited Financial Statements, Part II - Observations and Recommendations, Part III - Status of Implementation of Prior Years' Audit Recommendations and Part IV - Annex A on the Status of Disallowances, Suspensions and Charges.

We expressed an unqualified opinion on the fairness of the presentation of the financial statements of the ECC. Notwithstanding our opinion, we observed that the DBM approved annual budget for ECC has exceeded its actual expenditures by a total of P63.793 million or 14.54% over the five-year period from 2011 to 2015. The yearly excess over the years which have accumulated to P388.087 million were placed in time deposits earning minimal interest rather than utilizing them for the increase in member benefits and/or other ECC programs authorized under P.D. No. 626, as amended.

We recommended that Management:

- a. Make an actuarial study and issuance of a specific policy/implementing rules and regulations on:
 - a.1 The utilization of the excess in the loading fund derived from the State Insurance Fund for other ECC benefits, such as but not limited to increase in existing member benefits, introduction of new programs, or the enhancement of existing programs on the rehabilitation of Persons with Work-Related Disability, or the increase in the public awareness through the Employees' Compensation Program information dissemination services;
 - a.2 Use of the twelve (12) per cent loading fund as the ceiling of expenses that may be charged thereto and the return of the excess amount to the SIF at end of the year;

- b. Re-compute for the reasonable amount of cash requirement for at least one year. Utilize the accumulated surplus as the loading fund of ECC for the succeeding years until it has reached the reasonable amount of liquidity. Request for the quarterly remittances of the loading fund from the SSS and GSIS after the fund with the ECC has reached the reasonable amount of cash requirement or liquidity;
- c. Follow the specific guidelines in the preparation of the agency annual budget proposals and other budgetary items as provided in the yearly Budget Calls issued by DBM to conform closely to actual expenditure for prior years.
- d. Formulate implementing rules and guidelines on the proportionate sharing of the loading fund ceiling for SSS, GSIS, ECC and OSHC.

Other observations are discussed in detail in Part II - Observations and Recommendations portion of the report.

We therefore respectfully request that the recommendations contained in the report be implemented and that this Commission be informed of the actions taken thereon by accomplishing and submitting the attached Annex A - Agency Action Plan and Status of Implementation within 60 days from receipt thereof.

We acknowledge the support and cooperation that the Management extended to the Audit Team, thus facilitating the submission of the report.

Very truly yours,

MARY S. ADELINO
 Director IV

Copy furnished:

- The President of the Republic of the Philippines
- The Vice President
- The Speaker of the House of Representatives
- The Chairperson – Senate Finance Committee
- The Chairperson – Appropriations Committee
- The Secretary of the Department of Budget and Management
- The Governance Commission for Government-Owned and Controlled Corporations
- The Presidential Management Staff, Office of the President
- The UP Law Center
- The National Library



**Republic of the Philippines
COMMISSION ON AUDIT
Corporate Government Sector
Cluster 2 – Social Security Services and Housing**

March 30, 2016

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



Gentlemen:

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

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

Other observations are discussed in detail in Part II - Observations and Recommendations portion of the report.

In a letter of even date, we requested the Executive Director of ECC to inform this Office of the actions taken thereon by accomplishing and submitting the attached Annex A - Agency Action Plan and Status of Implementation on the audit observations and recommendations contained in the report within 60 days from the date of receipt thereof.

We acknowledge the support and cooperation that the Management extended to the Audit Team, thus facilitating the submission of the report.

Very truly yours,

Mary Stadelino
MARY STADELINO
Director IV

Copy furnished:

- The President of the Republic of the Philippines
- The Vice President
- The Speaker of the House of Representatives
- The Chairperson – Senate Finance Committee
- The Chairperson – Appropriations Committee
- The Secretary of the Department of Budget and Management
- The Governance Commission for Government-Owned and Controlled Corporations
- The Presidential Management Staff, Office of the President
- The UP Law Center
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**EXECUTIVE SUMMARY****INTRODUCTION**

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

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

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

As at December 31, 2015, ECC has 71 regular employees, 27 casual employees and ten co-terminus employees assigned in the Office of the Board of Commissioners.

The funds of ECC approved by the Department of Budget and Management (DBM) for CY 2015 amounted to P105.856 million, of which P101.644 million for personal services and maintenance and other operating expenses was sourced from the remittances of GSIS and SSS as mandated under PD No. 626. Budget for capital outlay amounting to P4.212 million was obtained from the ECC's accumulated earnings. The budget utilization is shown below:

	DBM Approved Budget	Utilization	Variance
Personal services	60,701,000	59,417,120	1,283,880
Maintenance and other operating expense	40,943,000	40,120,307	822,693
Capital outlay	4,212,000	4,771,618	(559,618)
	105,856,000	104,309,045	1,546,955

The excess in the utilization for Capital Outlay of P559,618 was covered by the budget for CY 2014.

FINANCIAL HIGHLIGHTS (In Philippine Peso)**I. Comparative Financial Position**

	2015	2014	Increase (Decrease)
Assets	453,723,777	424,732,305	28,991,472
Liabilities	42,652,423	52,786,695	(10,134,272)
Equity	411,071,354	371,945,610	39,125,744

II. Comparative Results of Operations

	2015	2014	Increase (Decrease)
Income	114,309,092	109,941,973	4,367,119
Expenses	99,537,427	91,379,623	8,157,804
Net profit	14,771,665	18,562,350	(3,790,685)

OPERATIONAL HIGHLIGHTS

Activities	Targets	Accomplishments	Variance
1. Development and Review of Policies and Issuances on the Employees' Compensation Program (ECP)	10	13	3
2. ECC – Quick Response Program (QRP) <ul style="list-style-type: none"> Monitored contingencies responded to/extended with services within 7 days from date of contingency All EC claims of ECC-QRP beneficiaries facilitated within 30 days upon completion of requirements 	182	182	-
	199	199	-
3. Kagabay Project <ul style="list-style-type: none"> Person with Work-related Disabilities (PWRDs) referred for vocational skills/entrepreneurial training and provided with start-up kits, as appropriate Home/Company visits conducted 	155	284	129
	55	121	66
4. Job Placement Facilitation <ul style="list-style-type: none"> PWRDs referral for job placement facilitated Children of PWRDs enrolled under the Special Program of Employment for Students (SPES) 	85	2	(83)
	45	46	1



Activities	Targets	Accomplishments	Variance
5. Physical Restoration of PWRDs Project			
• PWRDs provided with physical/ occupational therapy services	130	219	89
• PWRDs provided with rehabilitation appliances/prosthesis	35	36	1
• Memorandum of Agreements with program partners on physical restoration and training of PWRDs signed	13	38	25
• Home/Company visits conducted	55	151	96
6. Intensification of ECP Information Campaign (ECP Advocacy)	350	648	298

SCOPE OF AUDIT

Our audits covered the significant accounts and operations of the ECC for calendar years 2015 and 2014. 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 generally accepted accounting principles in the Philippines, and were also made to assess the propriety of the financial transactions and compliance of ECC with laws, rules and regulations.

INDEPENDENT AUDITOR'S OPINION

We rendered an unqualified opinion on the fairness of the presentation of the financial statements of the ECC for the years ended December 31, 2015 and 2014.

SUMMARY OF SIGNIFICANT AUDIT OBSERVATIONS AND RECOMMENDATIONS

1. The Department of Budget and Management (DBM) approved annual budget exceeded the actual expenditures by a total of P63.793 million or 14.54 per cent over the five-year period from 2011 to 2015. The yearly excess over the years which have accumulated to P388.087 million were placed in time deposits earning minimal interest rather than utilizing them for the increase in member benefits and/or other ECC programs authorized under PD No. 626, as amended.

1.1 We recommended that Management:

a. Make an actuarial study and issuance of a specific policy/implementing rules and regulations on:

a.1 The utilization of the excess in the loading fund derived from the State Insurance Fund (SIF) for other ECC benefits, such as but not limited to increase in existing member benefits, introduction of new programs, or the enhancement of existing programs on the rehabilitation

of PWRDs, or the increase in the public awareness through the ECP information dissemination services;

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

b. Re-compute for the reasonable amount of cash requirement for at least one year. Utilize the accumulated surplus as the loading fund of ECC for the succeeding years until it has reached the reasonable amount of liquidity. Request for the quarterly remittances of the loading fund from the SSS and GSIS after the fund with the ECC has reached the reasonable amount of cash requirement or liquidity;

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

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

2. Two parcels of land valued at P167,483 acquired through foreclosure were not consolidated in the name of the ECC notwithstanding the lapse of six years after the expiration of the one-year redemption period. Moreover, the appraisal of the land was not updated in deviation from Philippine Public Sector Accounting Standards (PPSAS) 16 and 21.

2.1 We recommended that Management:

a. Expedite the consolidation of titles of the foreclosed two parcels of land in the name of ECC;

b. Comply with the requirements of PPSAS 16 and 21 on the measurement and the impairment of Investment Property, respectively, to ensure fair presentation of the Investment Property account in the financial statements; and

c. Put up fence around the property and signage as government property to avoid illegal settlers.

3. The settlements on the audit disallowances on installment basis totaling to P1.162 million were not approved by the Commission on Audit (COA), hence, contrary to COA Resolution No. 2015-031 dated August 20, 2015.

3.1 We recommended that Management:

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



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

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of the 16 prior years' audit recommendations, nine were fully implemented, four were partially implemented and three were not implemented. Details are presented in Part III of this Report.



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

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners

Employees' Compensation Commission
4th & 5th Floors, ECC Building
355 Sen. Gil J. Puyat Avenue, City of Makati

Report on the Financial Statements

We have audited the accompanying financial statements of the Employees' Compensation Commission (ECC), which comprise the statements of financial position as at December 31, 2015 and 2014, and the statements of profit and loss, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in the Philippines, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Public Sector Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of ECC as at December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with generally accepted accounting principles in the Philippines.

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 required under Revenue Regulation Nos. 15-2010 and 19-2011 in Note 15 to the financial statements is presented for purposes 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 the Management of ECC. The information 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

ROCHIE J. FELICES
Supervising Auditor

March 15, 2016



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of the Employees' Compensation Commission (ECC) is responsible for the preparation and fair presentation of all information and representations contained in the Financial Statements for Calendar Years 2015 and 2014. The financial statements have been prepared in conformity with generally accepted state accounting principles and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate considerations to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities recognized.

The Board of Commissioners authorizes the issuance of the financial statements to the regulators and other users.

The Commission on Audit has examined the financial statements of the ECC in accordance with the Philippine Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such audit in its report to the Board of Commissioners.

MARIA TERESA M. URBANO
Chief, Finance Division

STELLA ZIPAGAN-BANAWIS
Executive Director

February 1, 2016



EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF FINANCIAL POSITION
December 31, 2015 and 2014
(In Philippine Peso)

	Note	2015	2014
ASSETS			
Current Assets			
Cash and cash equivalents	3	392,027,962	364,427,283
Receivables	4	9,214,298	9,416,064
Other current assets	5	1,631,455	625,853
		402,873,715	374,469,200
Non-current Assets			
Receivables, net	4	9,810,764	10,826,759
Investment property	6	167,483	167,483
Property and equipment, net	7	37,491,420	36,180,299
Other assets, net	8	3,380,395	3,088,564
		50,850,062	50,263,105
TOTAL ASSETS		453,723,777	424,732,305
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable - trade	9	11,686,187	6,306,322
Due to officers and employees		476,260	833,494
Inter-agency payables		78,821	65,713
Other liabilities		7,859,880	7,074,239
		20,101,148	14,279,768
Non-current Liabilities			
Leave benefits payable	9	13,361,258	12,124,269
Accounts payable - trade		1,518,390	1,165,833
Due to officers and employees		359,077	202,442
Other liabilities		7,312,550	25,014,383
		22,551,275	38,506,927
TOTAL LIABILITIES		42,652,423	52,786,695
EQUITY		411,071,354	371,945,610
TOTAL LIABILITIES AND EQUITY		453,723,777	424,732,305

The Notes on pages 8 to 20 form part of these financial statements.



EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF PROFIT AND LOSS

For the Years Ended December 31, 2015 and 2014
(In Philippine Peso)

	Note	2015	2014
INCOME			
Other service income	10	101,643,563	99,823,000
Rent income	11	8,701,715	7,323,827
Interest income	12	3,906,001	2,779,773
Miscellaneous income		57,813	15,373
		114,309,092	109,941,973
EXPENSES			
Personal Services			
Salaries and wages		30,331,008	27,190,962
Other compensation		20,746,336	15,629,238
Personnel benefits contribution		4,265,191	3,848,615
Other personnel benefits		4,074,585	4,922,477
		59,417,120	51,591,292
Maintenance and Other Operating Expenses			
Professional/other services		17,126,278	12,123,453
Training expenses		5,477,334	6,003,009
Depreciation expense		3,119,866	5,169,553
Travelling expenses		2,546,208	2,940,261
Communications expenses		2,422,996	2,077,573
Supplies and materials expenses		1,924,578	1,760,056
Utilities expenses		1,505,810	3,322,134
Repairs and maintenance		1,127,252	1,531,399
Representation expenses		987,210	890,133
Advertising expenses		885,118	838,274
Printing and binding expenses		671,384	585,195
Extraordinary and miscellaneous expenses		626,668	427,054
Rent expense		173,900	446,400
Subsidies and donations		115,300	53,499
Membership dues and contribution to organizations		100,000	115,500
Taxes, insurance premiums and other fees		94,454	91,459
Transportation and delivery expenses		87,797	104,767
Subscription expenses		42,742	42,302
Bad debt expense		-	544,382
Other maintenance and other operating expenses		1,085,412	721,928
		40,120,307	39,788,331
TOTAL EXPENSES		99,537,427	91,379,623
NET PROFIT		14,771,665	18,562,350

The Notes on pages 8 to 20 form part of these financial statements.



EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2015 and 2014
(In Philippine Peso)

	Note	2015	2014
ACCUMULATED SURPLUS			
Balance, January 1		371,945,610	343,910,690
Prior period adjustments	13	24,354,079	9,472,570
Net income		14,771,665	18,562,350
Balance, December 31		411,071,354	371,945,610

The Notes on pages 8 to 20 form part of these financial statements.



EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014
(In Philippine Peso)

	Note	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt of loading fund from the SSS and GSIS		101,507,021	101,238,025
Collection of receivables from tenants		14,774,273	13,190,967
Cash receipts from International Labor Organization		1,636,624	-
Return of cash advance		733,012	939,197
Cash receipts from overpayments/disallowance		250,794	43,803
Cash receipts from bidders		160,140	231,620
Collection from sale of bid forms		57,500	15,000
Rebates from remittance NHMFC		313	313
Miscellaneous cash receipts		13,742	151,421
Payments to suppliers and employees		(90,667,123)	(78,461,776)
Net cash provided by operating activities		28,466,296	37,348,570
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earned on time deposits		3,890,239	2,762,773
Interest earned on savings deposits		15,762	17,000
Collection of receivables - LOI 1318		-	11,186
Purchase of furniture, fixture and equipment		(3,300,020)	(4,997,261)
Purchase of motor vehicle		(1,471,598)	(1,445,533)
Net cash used in investing activities		(865,617)	(3,651,835)
NET INCREASE IN CASH		27,600,679	33,696,735
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		364,427,283	330,730,548
CASH AND CASH EQUIVALENTS AT END OF YEAR	3	392,027,962	364,427,283

The Notes on pages 8 to 20 form part of these financial statements.



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

(All amounts in Philippine Peso unless otherwise stated)

1. GENERAL INFORMATION

The Employees' Compensation Commission (ECC) is a government corporation created under Presidential Decree (PD) No. 626, 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. Its registered office address is at the 4th and 5th floors of ECC Building, Sen. Gil J. Puyat Avenue, Makati City.

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

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

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

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

The financial statements of ECC for CY 2015 were authorized for issue in accordance with a resolution of the Board of Commissioners on February 1, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

(a) Statement of compliance

In the preparation of the financial statements, the ECC has adopted certain provisions of the Philippine Public Sector Accounting Standards (PPSAS) issued by the Commission on Audit (COA). PPSAS are adopted from and harmonized with the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB).

(b) Presentation of financial statements

The financial statements are presented in accordance with PPSAS 1 – Presentation of Financial Statements. The ECC presents all items of income and expenses in the statement of profit and loss while items in the statement of financial position are presented in the order of liquidity. The Statement of Comparison of Budget and Actual Amounts shall be prepared upon full implementation of the PPSAS.

(c) Estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions regarding the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

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.

2.2 Standards and amendments to published standards

ECC was classified as a Non-Government Business Enterprise pursuant to COA Circular No. 2015-003 dated April 16, 2015 and shall accordingly adopt the PPSAS in the preparation of the financial statements. Full adoption of the PPSAS will be implemented for the reporting period ending December 31, 2016 after the proper conversion of the financial statements and reconciliation of the accounts.

2.3 Financial assets

In consonance with PPSAS 29 – Financial assets: Recognition and Measurements, financial assets are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial asset are classified into (a) financial assets at fair value through profit or loss (FVTPL); (b) loans and receivables; (c) held-to-maturity (HTM) investments; or (d) available-for-sale (AFS) financial assets. Financial assets are assigned to the different categories by management, depending on the purpose and intention for which the investments were acquired.



Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and transaction costs related to it are recognized in profit or loss.

The ECC's financial assets include cash and cash equivalents and receivables as of December 31, 2015.

2.4 Cash and cash equivalents

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

2.5 Receivables/Impairment loss

In compliance with PPSAS 29 – Financial assets: Recognition and Measurements, receivables are recognized initially at fair value and subsequently, at amortized cost using Management's best estimate on collectability or net realizable value. Impairment is recognized for accounts which have been uncollected for more than a year. The recorded provisions have been measured at the present value based on Management's best estimate of the expenditure. Impairment is not recognized for on-going lease contracts.

The Management provided 100 per cent allowance on receivables for 2001 and below representing unpaid utilities consumption from tenants who vacated the ECC premises, except those collectible under Letter of Implementation (LOI) No. 1318.

2.6 Supplies inventory

Supplies and materials are recorded under the appropriate inventory accounts following the Perpetual Inventory Method. The cost of the inventory as at December 31, 2015 was based on the moving average method in accordance with PPSAS 12 – Inventories.

2.7 Investment property

Investment properties are initially measured at its cost including transaction costs in compliance with PPSAS 16 – Investment Property. This also includes properties acquired in exchange for an asset such as from defaulting borrowers not held for sale in the next 12 months.

2.8 Property, plant and equipment

The property, plant and equipment (PPE) are initially recorded at cost and carried in the financial statements at cost less accumulated depreciation in compliance with PPSAS 17 – Property, Plant and Equipment. Major repairs and improvement are added to the initial cost and amortized for the remaining life of the property. Minor repairs and maintenance are charged to proper expense accounts during the period in which they are incurred.

The provision for depreciation on PPEs, except for land, is calculated using the straight-line method based on the estimated life of the assets with the residual or scrap value set at ten per cent, to wit:

Asset Type	Estimated Useful Life
Office building	30 years
Office equipment	5 years
Furniture and fixture	10 years
IT and software	5 years
Library books	5 years
Technical and scientific equipment	10 years
Motor vehicle	7 years

Any gain and loss on disposal of some PPEs, determined by comparing proceeds with the carrying amount, are reported in the statement of profit or loss.

2.9 Financial liabilities

The financial liabilities are measured at fair value in compliance with PPSAS 29 – Financial Instrument: Recognition and Measurement. Financial liabilities are also recognized when, and only when, the entity becomes a party to the contractual provisions of the financial instrument. The Management determines the classification of its financial liabilities at initial recognition.

Financial liabilities are derecognized from the statement of financial position when, and only when, the obligations specified in the contracts are extinguished either through discharge, cancellation or expiration.

Financial liabilities of ECC include mainly accounts payable – trade, leave benefits payable, inter-agency payable and other liabilities.

2.10 Revenue recognition

In compliance with PPSAS 9 – Revenues from Exchange Transactions, revenue is recognized when it is probable that economic benefits or service potential associated with the transaction will flow to the entity and the revenues can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue includes the loading fund from the GSIS and SSS and all other sources of revenue such as income from tenants and interest from short term investments, which are recognized on the accrual basis.

2.11 Expense recognition

All expenses are recorded under the accrual basis. Expenses are recognized in the statement of profit or loss on the basis of a direct association between the costs incurred and the earning of specific items of income. Hence, expenses are recognized when incurred regardless of when payments for them are made.

**3. CASH AND CASH EQUIVALENTS**

This account consists of the following:

	2015	2014
Cash in Bank – Time deposits	388,087,475	354,678,687
Cash in Bank – Local Currency-Current Account	3,940,487	9,691,334
Cash – Collecting Officer	-	57,262
	392,027,962	364,427,283

The time deposits with the Land Bank of the Philippines are all short-term highly liquid investments maturing within 90 day or less than three months from date of placements.

4. RECEIVABLES – NET

This account consists of the following:

	2015	2014
Current portion		
Receivables from GSIS loading fund	7,623,267	7,486,725
Receivables from tenants/miscellaneous	1,538,712	1,709,019
Due from officers and employees	2,734	782
Receivables – others	49,585	219,538
Sub-total	9,214,298	9,416,064
Non-current portion		
Receivables from tenants/miscellaneous	13,345,110	13,345,110
Receivables from disallowance and charges	8,711,628	9,727,623
Notes receivable – LOI No. 1401	497,800	497,800
Receivables – LOI No. 1318	465,814	465,814
Due from officers and employees	256,784	256,784
Receivables – others	14,042	14,042
	23,291,178	24,307,173
Less: Allowance for doubtful accounts	13,480,414	13,480,414
Sub-total	9,810,764	10,826,759
	19,025,062	20,242,823

4.1 Receivable from GSIS loading fund

The receivable of P7,623,267 from GSIS represents the loading fund for the last quarter of CY 2015 which was remitted to ECC on January 6, 2016.

12

4.2 Receivables from tenants/miscellaneous

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

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

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

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

4.3 Receivables from disallowance and charges

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

	2015	2014
Magna Carta Benefits for CY 2005	1,833,254	2,375,875
Subsistence and laundry allowance for CY 2006	981,000	1,032,800
Subsistence and laundry allowance for CY 2007	1,041,280	1,091,430
Longevity pay for CY 2008 and for January to June 2009 and subsistence and laundry allowance	980,873	1,010,945
Subsistence and laundry allowance for CY 2008	1,028,750	1,047,800
Subsistence and laundry allowance for July to September 2009	264,300	274,150
Travel allowance of Executive Director Evelyn Tablang	109,323	-
Milestone anniversary bonus for CY 2008	501,900	-
Praise incentives	106,617	249,131
Equalization benefits for CY 2008	134,962	134,962
Rice subsidy in CY 2006	201,930	299,870
Collective Negotiation Agreement (CNA) for CY 2008	1,310,847	-
CNA from CYs 2005 to 2006	93,946	1,517,014
Disallowances from CYs 1992 to 1998	74,646	74,646
Excess anniversary bonus	48,000	619,000
	8,711,628	9,727,623

13



4.4 Notes receivables – LOI No. 1401/Accounts receivables – LOI No. 1318

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

5. OTHER CURRENT ASSETS

This account consists of the following:

	2015	2014
Advances to contractor	883,136	-
Prepaid expenses	436,889	431,086
Supplies inventory	298,400	181,737
Others	13,030	13,030
	1,631,455	625,853

6. INVESTMENT PROPERTY

This account includes a land in Talisay, Batangas which is a foreclosed mortgaged property in favor of the ECC from Anillo General Hospital. By virtue of the Certificate of Sale from Anillo General Hospital, the property is recorded in the books at cost equivalent to the amount of the principal loan balance of P167,483 pending transfer of title of the said property.

7. PROPERTY AND EQUIPMENT – NET

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

	Land and Building	Office/IT Equipment/ Furniture and Fixtures and Others	Motor Vehicles	Total
Cost				
Balance, January 1, 2015	98,798,603	35,378,576	6,146,371	140,323,550
Additions	-	3,300,020	1,471,598	4,771,618
Adjustments	-	(2,900,726)	(488,000)	(3,388,726)
Balance, December 31, 2015	98,798,603	35,777,870	7,129,969	141,706,442

	Land and Building	Office/IT Equipment/ Furniture and Fixtures and Others	Motor Vehicles	Total
Accumulated Depreciation				
Balance, January 1, 2015	75,356,447	25,831,394	2,955,411	104,143,252
Depreciation	485,999	2,129,818	504,048	3,119,865
Adjustments	-	(2,608,895)	(439,200)	(3,048,095)
Balance, December 31, 2015	75,842,446	25,352,317	3,020,259	104,215,022
Net book value, December 31, 2015	22,956,157	10,425,553	4,109,710	37,491,420
Net book value, December 31, 2014	23,442,156	9,547,182	3,190,961	36,180,299

8. OTHER ASSETS – NET

This account consists of the following:

	Land	Equipment	Total
Cost			
Balance, January 1, 2015	2,500,000	5,746,835	8,246,835
Additions	-	2,900,726	2,900,726
Balance, December 31, 2015	2,500,000	8,647,561	11,147,561
Accumulated depreciation			
Balance, January 1, 2015	-	5,158,270	5,158,270
Depreciation	-	2,608,895	1,333,989
Balance, December 31, 2015	-	7,767,166	6,492,260
Net book value, December 31, 2015	2,500,000	880,395	3,380,395
Net book value, December 31, 2014	2,500,000	588,564	3,088,564

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



With the reserved status of the Tanay property under Presidential Proclamation No. 573, the inherent power of Eminent Domain of the State shall prevail. The ECC will have to wait until the commencement of the expropriation proceedings or the taking of property for public use or purpose upon payment of just compensation. In view of said status, the cost of the land previously recorded as Investment Property was reclassified to Other Assets in 2011.

This account also includes unserviceable property and equipment not yet disposed as of December 31, 2015.

9. LIABILITIES

The liabilities of ECC consist of the following:

	2015	2014
Current portion		
Accounts payable – trade	11,686,187	6,306,322
Due to officers and employees	476,260	833,494
Inter-agency payables	78,821	65,713
Other liabilities	7,859,880	7,074,239
Sub-total	20,101,148	14,279,768
Non-current portion		
Leave benefits payable	13,361,258	12,124,269
Accounts payable – trade	1,518,390	1,165,833
Due to officers and employees	359,077	202,442
Other liabilities	7,312,550	25,014,383
Sub-total	22,551,275	38,506,927
	42,652,423	52,786,695

The Accounts payable – trade account consists of amounts owing to various suppliers for goods and services purchased on account. The account also includes accrual of unpaid obligations in CY 2015 for consultancy service for ECC's reorganization and 15 per cent mobilization fee for the renovation of ECC building amounting to P4,090,000 and P883,136, respectively.

The Inter-agency accounts payable consists of the following:

	2015	2014
BIR	40,265	32,625
Philhealth	14,949	14,337
Pag-ibig	13,156	9,440
GSIS	6,276	5,161
Other GOCCs	4,175	4,150
	78,821	65,713

Other liabilities account consists of the following:

	2015	2014
Current portion		
Performance/bidders/bail bonds payable	86,140	157,620
Guaranty deposits payable	77,500	77,500
Tax refund payable	27,545	34,782
Other payables	7,668,695	6,804,337
Sub-total	7,859,880	7,074,239
Non-current portion		
Tax refund payable	108,933	93,813
Performance/bidders/bail bonds payable	97,049	201,230
Other payables	7,106,568	24,719,340
Sub-total	7,312,550	25,014,383
	15,172,430	32,088,622

Leave benefits payable pertains to the earned leave credits of the employees as at December 31, 2015.

There is a pending lawsuit of Veterans Security versus ECC for the unpaid obligation amounting to P256,374 recorded under the non-current account Accounts Payable – trade. 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.

The Other payable account pertains to the hazard pay, subsistence and laundry allowance set-up from CYs 2005 to 2014. The material decrease in the non-current portion of Other Payables pertains to the reversal of amount appropriated for the payment of Magna Carta from CY 2005 to 2014 for those employees who were not entitled to receive such benefits due to the Supreme Court Decision affirming COA Decision No. 2011-063 dated October 17, 2011. It also includes reversal of amount appropriated for the payment of Subsistence and Laundry Allowance for CYs 2006 and 2009 per COA Decision Nos. 2013-040 and 2014-448 dated January 30, 2013 and December 29, 2014, respectively.

10. OTHER SERVICE INCOME

This account consists of the quarterly remittance of the loading fund from the SSS and GSIS on a 70 per cent and 30 per cent sharing basis, respectively, based on ECC's annual budget approved by the Department of Budget and Management, breakdown as shown on the next page:



	2015	2014
GSIS	30,493,069	29,946,900
SSS	71,150,494	69,876,100
	101,643,563	99,823,000

11. RENT INCOME

This account consists of the rentals derived from the tenants, such as the SSS, National Maritime Corporation, DOLE, Employers' Confederation of the Philippines and the ECC Employees Union, totaling P8,701,715 and P7,323,827 as at December 31, 2015 and 2014, respectively.

12. INTEREST INCOME

This account represents the interest earned on time deposits placed with authorized depository banks, amounting to P3,906,001 and P2,779,773, as at December 31, 2015 and 2014, respectively.

13. PRIOR PERIOD ADJUSTMENTS

This account consists of the following adjustments:

	2015	2014
Adjustments on COA Disallowances (Note 9)	24,044,163	6,597,537
Depreciation on building	-	2,915,999
Various adjustments on payables	309,916	42,356
Rental income	-	(83,322)
	24,354,079	9,472,570

14. SEGMENT INFORMATION AND RELATED PARTY TRANSACTIONS

The related party transactions of ECC with GSIS and SSS are described below:

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

18

invested for liquidity needs. The fund under the administration of the GSIS and SSS are shown as follows:

Particulars	SSS*		GSIS*	
	As at September 30, 2015	As at December 31, 2014	*As at September 30, 2015	As at December 31, 2014
Assets	32,554,851,694	31,414,482,160	17,215,783,119	15,749,262,071
Liabilities	59,645,395	53,147	22,513,848	38,691,352
Net worth			17,193,269,271	15,710,570,719
Reserves	32,495,206,299	31,414,429,013	7,044,670,000	7,044,670,000
Revenues	2,086,010,725	2,465,293,640	1,686,139,914	2,501,704,376
Expenses	877,784,525	1,183,713,331	203,441,361	442,080,797
Net income	1,208,226,200	1,281,580,309	1,482,698,553	2,059,623,579
Other comprehensive income (loss)	(11,447,014)	-	-	-
Total comprehensive income	1,196,779,186	1,281,580,309	1,482,698,553	2,059,623,579

*As of this writing, only the financial statements as at September 30, 2015 of SSS and GSIS were available.

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

Particulars	SSS**		GSIS**	
	As at December 31, 2015	As at December 31, 2014	As at December 31, 2015	As at December 31, 2014
ECC	71,150,494	69,876,100	22,869,802	22,460,175
OSHC	83,518,400	82,543,300	26,845,200	25,582,080
Total	154,668,894	152,419,400	49,715,002	48,042,255

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

ECC's significant influence on the administration of the employees' compensation program are the policies and guidelines formulated for the effective implementation of its program and the review of employees compensation claims denied by both Systems (GSIS and SSS). ECC also approves rules and regulations governing the processing of claims and the settlement of disputes, also as provided under PD No. 626, as amended.

15. 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.

19



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

Period Covered	BIR Form 1600 (VAT and Other Percentage Taxes Withheld)	BIR Form 1604-E (Creditable IT Withheld Expanded)	BIR Form 1604-CF (Taxes withheld from employees)
January to December 2015	1,202,224.90	504,092.78	5,116,550.82

Moreover, in compliance with BIR RR No. 2-2014 issued on February 4, 2014, the Commission being a corporation exempt from tax under Article 204 of PD No. 626 as amended, will file an Annual Income Tax Return on or before April 15, 2016 using the BIR Form 1702-EX version June 2013.



THE ECC Commissioners and their Designates

CHAIRMAN

HON. ROSALINDA DIMAPILIS-BALDOZ

Secretary
Department of Labor and Employment

ALTERNATE

HON. CIRIACO A. LAGUNZAD III

Undersecretary
Department of Labor and Employment

COMMISSIONERS

HON. EMILIO S. DE QUIROS, JR.

President and CEO
Social Security System

DESIGNATE:

DR. BRENDA P. VIOLA

Assist. Vice President, Medical Services Division
Social Security System

HON. ROBERT G. VERGARA

President and General Manager
Government Service Insurance System

DESIGNATE:

HON. DIONISIO C. EBDANE, JR.

SVP, VisMin Group
Government Service Insurance System

HON. JANETTE P. LORETO-GARIN

Secretary
Department of Health

DESIGNATE:

HON. ALEXANDER A. PADILLA

President and CEO
Philippine Health Insurance Corporation

HON. CARLITO P. ROBLE

National Executive Vice-President
Alliance of Filipino Workers

HON. MIGUEL B. VARELA

Chairman
Employers' Confederation of the Philippines

HON. STELLA ZIPAGAN-BANAWIS

Executive Director
Employees' Compensation Commission



The Commissioners



CARLITO P. ROBLE
National Executive Vice-President
Alliance of Filipino Workers

MIGUEL B. VARELA (not in photo)
Chairman
Employers' Confederation of the Philippines

MA. TERESITA S. CUCUECO, M.D.
Executive Director
Occupational Safety and Health Center

CIRIACO A. LAGUNZAD III
Undersecretary
Department of Labor and Employment

ROSALINDA DIMAPILIS-BALDOZ
Secretary
Department of Labor and Employment

STELLA ZIPAGAN-BANAWIS
Executive Director
Employees' Compensation Commission

ALEXANDER A. PADILLA
President and CEO
Philippine Health Insurance Corporation

DR. BRENDA P. VIOLA
Assist. Vice President, Medical Services Division
Social Security System

DIONISIO C. EBDANE, JR.
SVP, VisMin Group
Government Service Insurance System



**CHAIRMAN
HON. ROSALINDA DIMAPILIS-BALDOZ**

Secretary
Department of Labor and Employment

Age: 65 years old

Date of First Appointment - June 30, 2010

Appointed member of the Cabinet of President Benigno S. Aquino III in July 2010 as Secretary of Labor and Employment, she has a distinguished career as a public official, spanning 41 years in the area of public policy and governance, labor administration, labor diplomacy, international relations and co-operation, and migration management.

She served as the Undersecretary, Department of Labor and Employment; Administrator, Philippine Overseas Employment Administration; Administrator of the National Conciliation and Mediation Board; Labor Arbiter, National Labor Relations Commission; and Mediator Arbiter, Bureau of Labor Relations.

Recognised and respected for her competence and leadership in international relations and international negotiations, she is a recipient of National Awards for Service Excellence and for strategic reforms in the area of labor relations and overseas workers' protection.

She is a Member of the Integrated Bar of the Philippines; holds a Masters Degree in National Security Administration; and graduated with degrees in Bachelor of Science and Arts and Bachelor of Laws.



ALTERNATE
HON. CIRIACO A. LAGUNZAD III
Undersecretary
Department of Labor and Employment

Age: 61 years old

Date of First Appointment - March 18, 2013

Chairman-Alternate Ciriaco A. Lagunzad was appointed as Department of Labor and Employment Undersecretary for Workers' Welfare and Social Protection on 18 March 2013.

He first served as a Deputy Executive Director IV of the National Wages and Productivity Commission from 1990 up to 1997 until his appointment as Executive Director in 1997.

He was deployed in Brussels, Belgium as Labor Attache II as part of DOLE's Cross Posting Program.

In the private sector, he served as the Assistant Vice President of City Emporium Corporation from 1979-1980 and as an Assistant Manager for Filinvest Credit Corporation from 1976-1979.

He took up Masters in Public Management in National University of Singapore under the Joint Program of NUS, Singapore and Kennedy School of Government. He was also a recipient of Lee Kuan Yew Fellowship during the said stint in Singapore.



HON. STELLA ZIPAGAN-BANAWIS

Executive Director
Employees' Compensation Commission

Age: 53 years old

Date of First Appointment - January 4, 2013

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

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

She took up Masters in National Security Administration at the National Defense College of the Philippines from 1996 to 1997. She also attended the University of the Philippines, Diliman taking up AB Economics.



MEMBER-DESIGNATE:

DR. BRENDA P. VIOLA

Assist. Vice President, Medical Services Division
Social Security System

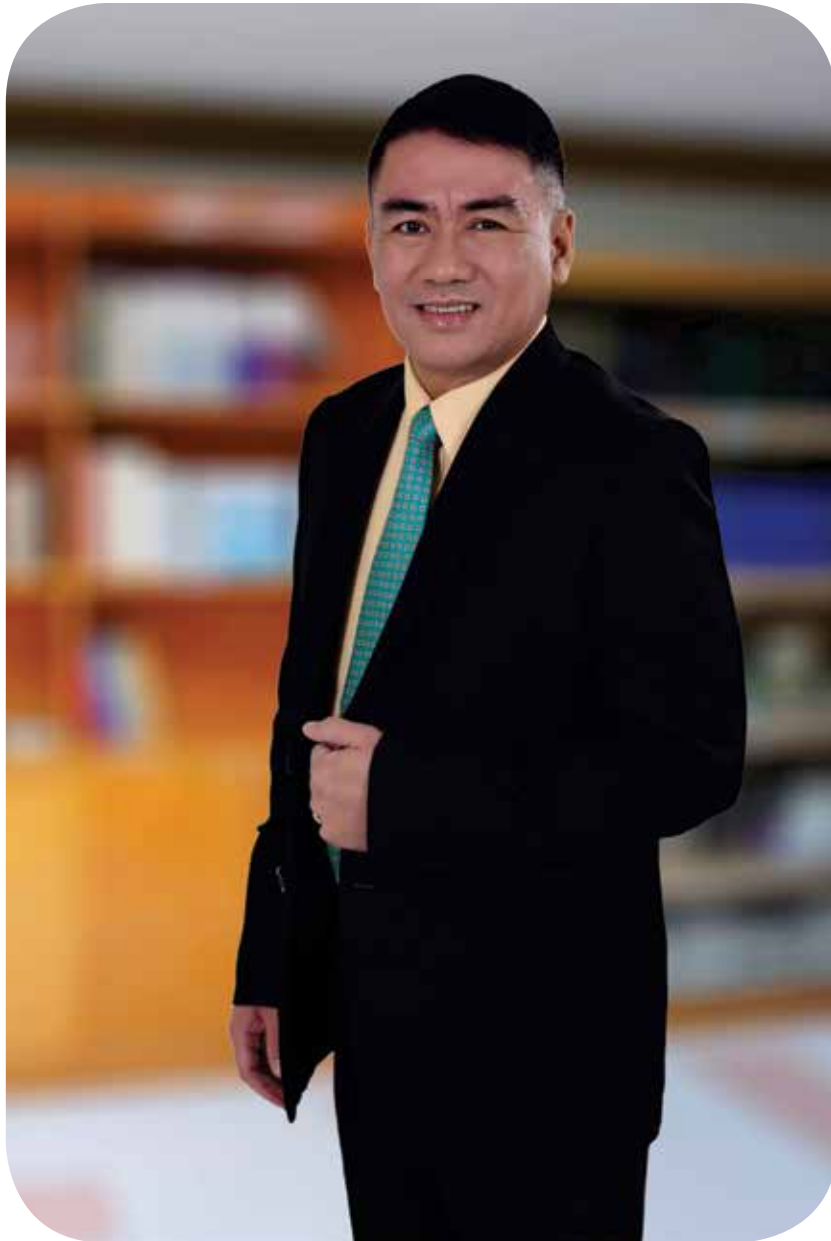
Age: 60 years old

Date of First Appointment - February 5, 2015

Currently the Department Manager III of the Medical Program Department and the Officer-in-Charge of the Medical Services Division in a concurrent capacity, Dra. Viola rose from the ranks and occupied different positions in the 3 departments of the Medical Division and started her career as a Medical Examiner at the Social Security Systems in 1983.

She is also a member of the following: Philippine College of Occupational Medicine; Philippine Medical Association; SSS Record Management Improvement Committee, SSS Gender and Development Committee, ECC Technical Review Panel on Amending the Criteria for the Compensability of Musculoskeletal Disorders (MSD); ECC Technical Review Panel to Study/Review Update the Medical Benefits Policy; Committee on Decorum and Investigation on Sexual Harassment Cases; SSS Benefits Review Committee; and the SSS Medical Review Committee.

She earned the title Doctor of Medicine in 1983 and finished her Master in Public Administration on March 2013. She also completed the following courses: 1st International Postgraduate Course in Occupational Health and Safety at the University of the Philippines-College of Public Health in 2008; Diplomate Course in Occupational Medicine in 2013 and Basic Program Management at the De La Salle University in 2013.



MEMBER-DESIGNATE:

HON. ATTY. DIONISIO C. EBDANE, JR.

SVP, VisMin Group

Government Service Insurance System

Age: 52 years old

Date of First Appointment - October 18, 2010

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

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

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

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

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

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



MEMBER-DESIGNATE:

HON. ALEXANDER A. PADILLA

President and CEO

Philippine Health Insurance Corporation

Age: 59 years old

Date of First Appointment - June 24, 2013

From 2013 up to the present, Commissioner Alexander Padilla has served as the President and Chief Executive Officer of the Philippine Health Insurance Corporation. He also served as Undersecretary for External Affairs and Regulations at the Department of Health from May 2003 up to November 2010 where among his outstanding accomplishments include the crafting of the Philippine Milk Code, Tobacco Reform Act, and Cheaper Medicines Act, and institutionalization of the 2002 Procurement Reform Act.

He also served as Senior State Prosecutor at the Department of Justice, Special Prosecutor at the Office of the Ombudsman, Assistant Secretary at the Department of Interior and Local Government, Commissioner at the Housing and Land Use Regulatory Board and Commissioner at the Bureau of Customs, among others.

He took up Bachelor of Arts in History from De La Salle University. He was a Council President of the Law Student Government during his post-graduate studies at the University of the Philippines College of Law where he also finished eighth of Batch 1981 and subsequently passed and accepted in the Rolls of Bar in the same year.



HON. CARLITO P. ROBLE

National Executive Vice-President
Alliance of Filipino Workers

Age: 56 years old

Date of First Appointment - January 4, 2013

For 26 years of service in the Alliance of Filipino Workers, Commissioner Carlito P. Roble provided an undying commitment to the members of the union in the health sector. He served as the National Vice President of the Alliance of Filipino Workers and Union President of the San Juan De Dios Educational Foundation Inc., Hospital (SJDEFIH) Employees Association. He is actively involved with various programs of the union such as empowering the health workers movement, enriching members' skills and knowledge on the rights given by the law and improving the working conditions and life of the health workers. Under his leadership, Comm. Roble continuously participated on organizing and building alliances with other non-member hospitals to strengthen the internal solidarity and cohesiveness among the health workers in our country.

He attended the following seminars and conferences NAPC 1st Sectoral and Council Meeting held on April 15-17, 2015 at San Mateo, Rizal; ASETUC Regional Training and Regional Conference (held on June 10-12, 2015 in Kuala Lumpur, Malaysia; NAPC All Forman Labor and Migrant Workers Sector Council Members 2nd Sectoral Council Meeting held on June 15-17, 2015 at Robbinsdale Residences, Araneta Avenue, Quezon City; and PSI Financing Trends in Health Sector, Inputs on Health Workers in Asia and Pacific (held on September 7-8, 2015 at Astoria Plaza, Ortigas, Pasig City.



HON. MIGUEL B. VARELA

Chairman
Employers' Confederation of the Philippines

Age: 75 years old

Date of First Appointment - January 4, 2013

Mr. Varela has been Commissioner of the Employees' Compensation Commission (ECC) and Member of the Board of the Occupational Safety and Health Center (OSHC), as Employers Representative, since 1990. He is presently Vice-Chairman of Megaworld Corporation and has been a member of the company's Board of Directors since June 2006; Chairman, Employers Confederation of the Philippines (ECOP); Chairman, Philippine Chamber of Commerce and Industry (PCCI); Chairman, Torche Global Marketing, Inc.; Chairman, MVV Synergy, Incorporated; Chairman, GSI Philippines; Vice Chairman, Emperador, Inc.; Vice Chairman, Richmonde Hotel; Director, Global Ferronickel Holding, Inc.; Director, Ausphil Tollways Corporation; Director, NPC Alliance Corporation; Director, Global Estates, Inc.; Director, Global Estates, Inc.; Director, Philippine Estate Realty; Director, Wellex Industries, Inc.; Board of Trustee of Philippines Trade Foundation, Inc.; and Chairman, Philippine Dispute Resolution Center, Inc. (PDRCI).

A member of the Philippine Bar, he pursued his Bachelor of Laws in the Ateneo de Manila Law School and his Associate in Liberal Arts from San Beda College.



MA. TERESITA S. CUCUECO, M.D.

Executive Director
Occupational Safety and Health Center

Age: 57 years old

Dr. Ma. Teresita S. Cucueco was appointed in October 11, 2010 as Executive Director of the Occupational Safety and Health Center (OSHC) a specialized attached agency of the Department of Labor and Employment (DOLE). Her work involves managing the national preventive program on occupational safety and health, mobilizing resources and expanding network on OSH.

Prior to her appointment as Executive Director, she has worked with the OSHC in various capacities i.e. Occupational Health Officer from September 1988 to December 1989; Senior Occupational Health Officer from December 1989 to September 1998; Division Chief, Health Control Division from September 1998 to April 7, 2009 and Deputy Executive Director in April 7, 2009. Last February 14, 2012, she received her appointment as Career Executive Service Officer (CESO) Rank III from the Career Executive Service Board (CESB).



ATTY. JONATHAN T. VILLASOTO
Acting-Deputy Executive Director
Concurrent Chief, Appeals Division &
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DIANNE LILIBETH S. BAUTISTA
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THE EMPLOYEES' COMPENSATION COMMISSION'S DIVISION HEADS



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THE EMPLOYEES' COMPENSATION COMMISSION MANAGEMENT AND STAFF



OFFICE OF THE EXECUTIVE DIRECTOR





DEPUTY EXECUTIVE DIRECTOR'S OFFICE AND APPEALS DIVISION





WORK CONTINGENCY PREVENTION & REHABILITATION DIVISION





INFORMATION AND PUBLIC ASSISTANCE DIVISION





ADMINISTRATIVE DIVISION





FINANCE DIVISION





POLICY, PROGRAM & SYSTEMS MANAGEMENT DIVISION





COMMISSIONER'S STAFF





REGIONAL INFORMATION OFFICERS





REGIONAL ADMIN. OFFICERS





Main Office

STELLA ZIPAGAN-BANAWIS

Executive Director

Employees' Compensation Commission

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Trunkline No.: 899-4251 – loc. 208

Email Address: szban@ymail.com

Regional Extension Units:

ECC-REU CAR

Address: Department of Labor and Employment (DOLE)

Cabinet Hill, Baguio City

Tel. No. (074) 442-2447

Fax. No. (074) 443-5339

Email: car@ecc.gov.ph

ECC REU REGION 1

Address: Department of Labor and Employment (DOLE)

Arnel Bldg., Mabini Street

Catbangan, San Fernando, La Union

Tel. No. (072) 607-8114

Fax. No. (072) 700-2520

Email: reu1@ecc.gov.ph

ECC REU REGION II

Address: Department of Labor and Employment (DOLE), Turingan building Campos St. , Caritan Centro Tuguegarao City, Cagayan

TeleFax: (078) 8442728

Email: reu2@ecc.gov.ph

ECC-REU REGION III

Address: Department of Labor and Employment (DOLE)

Diosdado Macapagal Regional

Government Center

Brgy. Maimpis, City of San Fernando Pampanga

Tel. No. (045) 455-1613

Email: reu3@ecc.gov.ph

ECC REU REGION IV-A

Address: Department of Labor and Employment (DOLE)

3rd and 4rth floor Anderson Bldg. II

Brgy. Parian, Calamba, Laguna

Tel. No. (049) 545-7360

Fax. No. (049) 545-7357

Email: reu4a@ecc.gov.ph

ECC- REU REGION V

Address: Department of Labor and Employment (DOLE)

Dona Aurora. Old Albay, Legaspi City

Tel. No. (052) 481-0768

Email: reu5@ecc.gov.ph

ECC REU VI

Address: Department of Labor and Employment (DOLE)

Swan Rose Building Commission

Civil Street, Jaro, Iloilo

TeleFax.: (033) 3208026/(033) 509-0400

Email: reu6@ecc.gov.ph

ECC-REU No. VII

Address: Department of Labor and Employment (DOLE)

Gorordo Avenue, cor. Gen. Maxilom Avenue, Cebu City

Tel. No. (032) 266-9722

Email: reu7@ecc.gov.ph

ECC REU No. VIII

Address: Department of Labor and Employment, DOLE Compound, Trese Martires Street, Tacloban City

Tel. No. 053-3255236

Fax. No. 053-5234220

Email: reu8@ecc.gov.ph

ECC-REU No. IX

Address: Department of Labor and Employment (DOLE)

3/F QNS Bldg., Vet. Avenue Extension Tumaga Road, Zamboanga City

Tel. No. (062) 991-2673

Email: reu9@ecc.gov.ph

ECC-REU NO. X

Address: Department of Labor and Employment (DOLE)

3/F Gonzalo Go Bldg., Corrales Ave. Cagayan de Oro City

Tel. No. (082) 727-682

Fax. no. (088) 231-2041

Email: reu10@ecc.gov.ph



EMPLOYEES' COMPENSATION COMMISSION