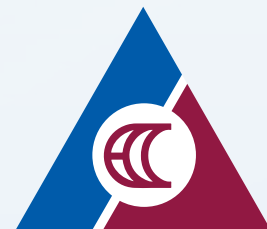




# EMPLOYEES' COMPENSATION COMMISSION

ANNUAL REPORT 2018

**43** Genuine Public Service...  
Changing Lives of Filipino Workers...  
YEARS OF Making A Difference!



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EMPLOYEES' COMPENSATION COMMISSION

## 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 became fully operational with the issuance of Presidential Decree No. 626, otherwise known as the Employees' Compensation and the State Insurance Fund, which took effect on January 1, 1975.





## THE EMPLOYEES' COMPENSATION PROGRAM

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

As implementer of the Employees' Compensation Program, its main functions are:

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

## MISSION

To provide a package of benefits to employees and/or their dependents in the event of work-connected sickness, injury, disability and/or death

## VISION

By 2022, ECC is a nationally-recognized social insurance institution committed to protect workers who meet work-connected sickness, injury, disability and/or death





## GOALS

1. To initiate policies and programs towards adequate occupational health and safety;
2. To review and decide EC appealed cases;
3. To restore the dignity and self-esteem among persons with work-related disabilities;
4. To ensure awareness of workers' rights and employers' responsibilities on the Employees' Compensation Program;
5. To manage a sound, strong, and wisely invested 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:

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

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





# MESSAGE

## RODRIGO ROA DUTERTE

THE PRESIDENT OF THE PHILIPPINES



My warmest greetings to the Employees' Compensation Commission (ECC) as it publishes its 2018 Annual Report.

Over the years, the ECC has upheld the improved welfare of our workforce through benefits and programs that address work related contingencies. I acknowledge its important role in enabling our people to lead dignified and productive lives both in and outside of the work environment.

May this report serve as a chronicle of the agency's milestones in providing just and appropriate compensation to our workers. I trust that this document will inspire the organization to continue fostering a productive labor force that contributes to our national development.

Your duty is crucial to our efforts in strengthening our industries and uplifting the condition of our countrymen. Together, let us work to achieve our shared aspirations for a more inclusive and progressive Philippines.

Congratulations and I wish you a meaningful event.

A handwritten signature in black ink, appearing to read "Rodrigo Roa Duterte".

RODRIGO ROA DUTERTE

MANILA  
27 March 2019

THE PRESIDENT OF THE PHILIPPINES





## MESSAGE

**SILVESTRE H. BELLO III**  
SECRETARY  
DEPARTMENT OF LABOR AND EMPLOYMENT



Congratulations to the Employees' Compensation Commission (ECC) for a productive year!

In over four decades, the ECC has championed the welfare of the Filipino workers with the implementation of innovative policies, programs and projects to address the needs of workers and employees with work-related disability.

Executive Order No. 54-18, signed by President Rodrigo Roa-Duterte in May 2018, is a demonstration of the government's readiness, through the ECC, to improve and provide more relevant benefits and services to workers who sustained incapacities while at work. And this is well among the Duterte Administration's priorities in pushing the economy forward with a strong Filipino workforce.

I laud the Commission for the continuing efforts to enhance worker benefits, making ECC program more responsive to the welfare needs of impaired salaried workers and employees. The year 2018 has been a great period not just for ECC but for the whole nation. While we pursue reforms in helping workers confront economic challenges, much have to be done in promoting their welfare.

May you keep the reform process dynamic and timely to serve the evolving needs of our workers towards a highly motivated and more productive workforce.

Mabuhay ang Employees Compensation Commission!



## MESSAGE

**STELLA ZIPAGAN-BANAWIS**  
EXECUTIVE DIRECTOR  
EMPLOYEES' COMPENSATION COMMISSION



It is in 2018 that the Employees Compensation Commission has again been triumphant in its efforts to provide a more meaningful and relevant package of benefits to persons with work-related disabilities (PWRDs) and their families. Inside the pages of this Annual Report are the narratives of how we enriched the Employees' Compensation Program and made it more accessible and significant to those who need it the most.

This year, we recognized that the provision of assistance to PWRDs should be immediate; that is why we expedited the processing of EC claims for victims of large-scale obvious work-related accidents. We have also enhanced the EC Program's rehabilitation services through the grant of a higher amount for starter kit and transportation and meal allowance for the PWRD-rehabilitees.

We are in high spirits with the signing of Executive Order No. 54 by President Rodrigo Duterte in May 2018 granting an increase in the EC pension, temporary total disability and medical benefits for the private sector and carer's allowance for the private and government sectors.

The EC Program is steadily gaining ground in terms of Filipino workers' awareness of the program. We have established our presence and made the ECC more accessible to the public through the various media.

On the other hand, the ECC was able to dispose all appealed EC claims within the process cycle time of 20 working days.

These developments are the results of the hard work of every ECC personnel who envisioned a capable and well-equipped EC Program – one that responds to their needs.

And to enable them to become the best at what we do, each ECC personnel were trained and equipped with the necessary skills and competencies through various trainings and workshop.

As duty-bearers, we, at the ECC, are responsible for taking care of the hands that provide—those who earn for their families, those who work to send their siblings to school, those who work so that others may lead a comfortable life—in times of work-related sickness and injuries. We take this responsibility seriously, and after championing our cause in 2018, it is not the time to stop. ECC has more in store in the coming years!



# 2018 IN REVIEW

## A SUMMARY OF ECC'S ACCOMPLISHMENTS

2018 has been a great and productive year for the Employees' Compensation Commission as it continues to provide a more meaningful, responsive and relevant package of benefits and services to workers and/or their beneficiaries who meet work-connected injuries, diseases or death.

With the unceasing hardwork and support of the members of the ECC Board, the Commission passed and approved 8 policy issuances in 2018 that geared towards providing a more holistic and responsive employment compensation benefits to all Filipino workers.



1. Prescribing the policy on the minimum amount of EC monthly survivorship and disability pension in the public sector. (BR No. 18-10-36)
2. Approving the retroactive payment of suspended EC death benefits in the public sector from April 2006 to July 2012. (BR No. 18-04-15)
3. Increasing the amount of reimbursement for physical therapy session in the public sector. (BR No. 18-10-35)
4. Expediting the processing of EC claims for victims of large scale obvious work-related accidents. (BR No. 18-02-04)
5. Increasing the amount of carer's allowance in the public sector. (BR No. 18-02-03)
6. Prescribing the amount of assistance for the ECC Quick Response Program (QRP) at an amount ranging from P10,000.00 to P15,000.00 per worker. (BR No. 18-02-07)
7. Increasing the transportation and meal allowance of persons with work-related disabilities (PWRDs) in relation to their availment of the KaGabay program from P250.00 per day to P500.00 per day. (BR No. 18-02-05)
8. Prescribing the amount of starter kits provided with persons with work-related disabilities (PWRDs) as part of their skills/entrepreneurial training at an amount ranging from P20,000.00 to P30,000.00 per worker. (BR No. 18-02-06)



## 2010 - 2019

### THE THREE E'S OF ECP REFORM

To meet the challenge of providing adequate and fair EC benefits, the ECP's platform for reform and development for EC benefits is summarized in three key areas - Equalization, Enhancement, and Expansion of EC benefits.

#### PRIVATE SECTOR

#### PUBLIC SECTOR





**JUNWIL CARMELO,  
SECURITY GUARD AT  
ARMORED TRUCK DRIVER  
NAAKSIDENTE, NAPUTULAN,  
AT BUMABANGON DAHIL  
SA ECC.**

## PROVISION OF REHABILITATION SERVICES

Aside from formulating policies for the improvement of the the EC Program, the Commission also ensures that persons with work-related disabilities (PWRDs) are provided with the necessary rehabilitation services they need to fully recover from the contingency that happened to them.

In 2018, the ECC spent more than P10 million for the provision of rehabilitation services to PWRDs nationwide.

A total of 269 PWRDs were provided with either physical or occupational therapy. Out of the 269, 248 received transportation and meal allowances amounting to P2.1 million while 76 of them received rehabilitation appliances which amounted to P6.9 million.

The ECC also facilitated the skills and entrepreneurial training of 348 PWRDs in 2018 under its Katulong at Gabay sa Manggagawang may Kapansanan (KaGabay) Program.

Of the 348 PWRDs, 228 were provided with a starter kit amounting to P20,000.00 - P30,000.00 per worker. In total, more than P4.4 million was granted to PWRDs who successfully qualified for the KaGabay Program of the ECC.

Another flagship project under the EC Program is the Quick Response Program (QRP), a project that provides immediate help to workers who suffer from work-related contingencies, or their families in the form of psychosocial support and assistance in the filing of EC claim and a cash assistance ranging from P10,000 to P15,000 per worker. In 2018, the ECC was able to provide cash assistance to 254 victims and beneficiaries of work-related contingencies amounting to P2.6 million.

ECC's ultimate goal for PWRDs is for them to go back to the economic mainstream, thus, making them productive and active citizens again of the country.





Executive Director Stella Zipagan-Banawis and Work Contingency Prevention and Rehabilitation Chief Dra. Melba Sacro pose with Ronilo Sorreda, hand prosthesis beneficiary.



Deputy Executive Director Atty. Jonathan Villasoto, Medical Officer IV Dra. Sarah Concepcion and Information Officer IV Alice Borres with Joven Carelo, an above knee prosthesis beneficiary

## DISPOSITION OF EC APPEALED CASES

Another mandate of the ECC is the speedy disposition of EC appealed claims and other legal actions. This involves the evaluation and adjudication of all EC claims elevated to the Commission after denial by the Systems. A system of monitoring/tracking every action taken on the case has been installed to ensure prompt disposition of appealed EC claims. Among noteworthy projects to promptly and judiciously

evaluate EC appealed claims and to ensure that EC claimants are served promptly, efficiently and effectively.

In 2018, the ECC, through its Technical Review Committee, was able to achieve a 100% case disposition rate for the 103 cases it received and handled. These cases were also disposed within the prescribed process cycle time of 20 working days.





## INFORMATION DISSEMINATION

In the attainment of the ECC's mission to ensure at all times that workers are informed of their rights, benefits and privileges under the Employees' Compensation Program, the ECC has strengthened its conduct of information dissemination nationwide thru the implementation of Project ECCconnects which aims to increase recognition, enhance organization's image and intensify EC Program awareness to all Filipino workers, make the EC Program a household name, and make ECC's presence in multimedia widespread across multiple platforms.

The ECC understands the need to design strategic and innovative programs to realize its mission, thus, Project ECCconnects was introduced. Activities under the project include the creation of 14 Regional Extension Units, extensive ECP orientation, launching of ECC's Facebook Page, TV and radio ad campaign, and pervasive merchandising across the country.

To address the low level of awareness on the ECP, the ECC explores all possible means to make the EC Program a household name. Thus, the ECC introduced the fusion of traditional and modern technology in reaching to its stakeholders.

The ECC, thru its Information and Public Assistance Division, also organizes Advocacy Seminars in at least ten regions every year. In-house seminars and on-site lectures are likewise conducted regularly across the country. Traditional approach as it may seem, but through this, the ECC has been able to reach not only its stakeholders in the metropolis, but workers as well in the far-flung areas who do not have access to the Internet.

In 2018, the ECC have recorded 645 ECP orientation seminars, reaching 39,052 participants from 17,316 companies nationwide.

Taking advantage of the modern technology, the ECC launched its Facebook page in 2015 with the aim of strengthening its online presence. Records show that in 2016, the ECC FB page has only 1,758 likes and followers, but with the online activities the ECC executes, ECC's page now has more than 300,000 likes and followers with a 100% response rate.

In addition, the ECC, in partnership with the Philippine Information Agency recently launched a TV ad commercial which was aired in big TV network stations in the country to increase the public's engagement and awareness about the existence of the Employees' Compensation Program. TV appearances and radio guesting are also continuously done both in the national and regional level.

ECC also executed billboard and bus wrap advertisement and partnered with the Manila Light Rail Transit management in dressing up one of its trains with an ECC wrap to capture their 579,000 transient passengers daily.

With all the developments and new ways to communicate, the ECC have step up its program implementation and awareness campaign to reach and assist more Filipino workers thru instituting a rock solid multimedia strategy.

### 2018 ADVOCACY SEMINARS

Region	Venue	Date
7	Bethel Guest House, Dumaguete City	January 16, 2018
2	Provincial Government Training Center, Basco, Batanes	February 8, 2018
1	Candon, Ilocos Sur	February 22, 2018
6	Sampaguita Gardens, Kalibo, Aklan	April 26, 2018
10	Bahay Bakasyon, Camiguin	May 23, 2018
3	Best Western Plus Hotel, Subic Bay Freeport Zone, Zambales	August 30, 2018
2	Highlander Hotel and Resort, Solano, Nueva Vizcaya	September 27, 2018
11	Big 8 Corporate Hotel, Tagum, Davao	October 23, 2018
6	Zaycoland Resort and Hotel, Kabankalan City, Negros Occidental	November 8, 2018
4B	Odiangan Sato Hotel, Odiangan, Romblon	



# ADVOCACY SEMINARS







## MANILA LIGHT RAIL TRANSIT 2 TRAIN WRAP



The ECC's train wrap project utilized one of the trains traversing the LRT Line 2 to promote the ECP to the public, most especially the workers, and inform them of their benefits under the program in the event of work-related injuries, diseases or death.





ECC CAR WRAP PROJECT



BUS ADS PROJECT @ EDSA



ECC BILLBOARD PROJECT



INSTALLATION OF ECC SIGNAGES NATIONWIDE

## OTHER INFO CAMPAIGN ACTIVITIES

In today's digital era, ECC is maximizing various forms of communication to successfully reach all Filipino workers. The activities above are just some of ECC's innovative ways in living out its commitment of making sure that all Filipino workers are informed of their rights and benefits under the Employees Compensation Program.

# THE STATE INSURANCE FUND

The State Insurance Fund (SIF) remains strong and stable despite the implementation of Executive Order No. 54, increasing the employees' compensation benefits.

Total assets of the SIF as of December 31, 2018 now amounts to P60.18 billion. The 64 percent or P37.60 billion of the SIF is lodged at the Social Security System (SSS) and the remaining 36 percent or P22.60 billion is with the Government Service Insurance System (GSIS), both implementing agencies for the employees' compensation program for private and public sectors, respectively.

Increases in EC benefits undergo a thorough review and careful analysis by the members of the Commission prior to the issuance of the policy to ensure that the longevity and sustainability of the SIF is not put at risk.

Based on the actuarial study conducted by the SSS and GSIS in September 2017, ECC's administering agencies, the fund life of the SIF at the SSS will last beyond 2080 while the SIF at the GSIS has a fund life of 2057.

ECC also guarantees the public that the recent increases in benefits will not require any increase in contributions from the employers.

One of ECC's mandate is to continually improve the benefits provided under the Employees' Compensation Program to make it more responsive and relevant to the welfare and development needs of persons with work-related disabilities (PWRDs).

**NAGKASAKIT o NAAKSIDENTE** nang dahil sa **trabaho**?  
May **BENEPISYO** ka sa **EMPLOYEES COMPENSATION PROGRAM**



**LOSS OF  
INCOME**



**MEDICAL  
BENEFIT**



**CARER'S  
ALLOWANCE**



**REHABILITATION  
SERVICES**



**DEATH AND  
FUNERAL**



**43**  
YEARS IN SERVICE

# ECC FAST FACTS



## Members:

GSIS:  
2 Million (2018)  
SSS:  
26 Million (2018)

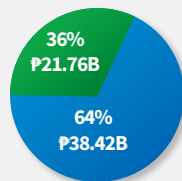


## Total Assets

(as of Dec. 31 2018)

**₱60.18B**

GSIS



SSS

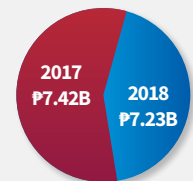


ECP-SIF  
Fund Life



## Revenue

Contributions  
Investment/  
Other Income



## Numbers of EC Claims

2017: 285,516

2018: 304,331

## Amount of Benefits Paid

2017: ₱1.37B

2018: ₱2.16B



**14 Regional Extension Units**  
with 28 Regional Officers Nationwide

The Commission is committed in implementing effective long term financial goals to secure the stability of EC SIF. The careful management of the EC SIF has been one of our priorities ever since and the investments made were thoroughly reviewed and approved by the ECC.

# AWARDS AND RECOGNITIONS



Executive Director Stella Zipagan-Banawis receives the Strategic Communications award from Dr. Suradej Waleeetikul, ASSA Chairman



Philippine delegates for the 35th ASEAN Social Security Association. From Left to Right: GSIS Executive Vice President Atty. Nora Malubay, ECC Executive Director Stella Z. Banawis, DOLE Undersecretary Jacinto V. Paras and PhilHealth Board Member Dr. Joan Cristine Lareza-Liban.



## ECC attends 35th ASSA conference and board meeting, receives strategic communication award in Vietnam

The Employees Compensation Commission (ECC) bagged the strategic communication award at the 35th ASEAN Social Security Association (ASSA) Conference and Board Meeting in Nha Trang, the resort city of Khanh Hoa Province in Vietnam on September 19, 2018.

With the theme, “Challenges and Opportunities of ASEAN Social Security Institutions in the Context of the 4th Industrial Revolution and Free Flow of Labour”, the event aimed to gather all social institutions across South East Asia to promote regional cooperation in all areas of social security activities and it aspires to harness and maximize all efforts to achieve progressive and sustainable social security protection within the region. The event also coincided with the celebration of the 20th year of ASSA's establishment.

The ECC, represented by ECC Chairperson-Alternate and DOLE Undersecretary Jacinto V. Paras and ECC Executive Director Stella Zipagan-Banawis received the award from Dr. Suradej Waleeitikul, ASSA Chairman.

The award is in recognition of the ECC's commendable efforts in keeping Filipino workers informed of their rights, benefits and privileges under the Employees' Compensation Program (ECP) thru an intensive and innovative information campaign.

The event was also attended by other ASSA member-institutions from the Philippines namely, the Government Service Insurance System (GSIS) and the Philippine Health Insurance Corporation.

The ASSA was established in 1998 following the signing of a Memorandum of Agreement in Bangkok, Thailand on February 1998 involving heads of social security institutions from five countries – the Philippines, Indonesia, Malaysia, Singapore and Thailand. It was formed to set-up regional cooperation for social security development and to provide a forum for member institutions to exchange views and experiences on social security issues. The ASSA has been the premier association for regional social security cooperation in the ASEAN region. As of today, the ASSA has 20 member institutions from 10 ASEAN countries.

The ECC will continue to step up its program implementation and awareness campaign to reach and assist more Filipino workers thru instituting a rock solid multimedia strategy.

This award will serve as a reminder for us to continually serve the public with utmost sincerity and efficiency.



DENR recognizes ECC's acts of volunteerism. ECC-IPAD Chief Ma. Cecilia E. Maulion receives a plaque of recognition for the ECC's invaluable support for DENR's pursuits of sustainable development on 5 December 2018 at SEAMEO Infotech in Quezon City.



ECC receives a Certificate of Recognition from the TV show Linya ng Pagbabago in recognition of ECC's impeccable aid to complaints resolved in the show which were filed at the Presidential Complaint Center and Hotline 8888.



ECC receives a special citation from the Department of Labor and Employment on December 5, 2018 in recognition of the establishment of the Occupationally Disabled Workers Association of the Philippines, Inc. (ODWAPI) which has over 300 members with sustained self-employment and livelihood trainings.



# Certificate

Standard **ISO 9001:2015**

Certificate Registr. No. 01 100 1432634

Certificate Holder:



**Employees' Compensation Commission**

4th and 5th Floors ECC Building  
355 Sen. Gil Puyat Ave., Makati City 1200, Philippines

Scope:

Public administration that provides social services such as development and review of policy on ECP\* Disposition of EC appealed cases, Rehabilitation of PWRDs\*\* and Information Dissemination

Proof has been furnished by means of an audit that the requirements of ISO 9001:2015 are met.

Validity:

The certificate is valid from 2018-02-04 until 2021-02-03.  
First certification 2015

2018-01-10

  
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# ECC NEWS

## ECC's 3Es strategy, a great help in the advancement of the Employees' Compensation (EC) Program

The Employees' Compensation Commission (ECC) continues to soar high with the implementation of its recent reform policies and programs anchored on a strategic framework aptly called '3Es' - Equalize, Enhance, and Expand in response to the challenges facing the EC Program.

The 3Es strategy is aimed at improving the Commission's existing EC policies and programs, thus, staying true to its mandate to upgrade and make relevant the benefits that employees may avail if they suffer from work-related contingencies.

In 2018, President Rodrigo Duterte signed Executive Order (EO) No. 54 which increased EC benefits that employees and/or their beneficiaries may avail. This is in addition to the earlier prescription of speedy processing of EC claims both at the GSIS

and SSS, and the reduced process cycle time of EC appealed cases from 40 working days to 20 working days.

The ECC continues to make reforms that will better serve Filipino workers who meet work-related contingencies and at the same time educating everyone that though there is an EC program, the primacy of safety and health in the workplace should still be recognized and promoted by all stakeholders.

Recently, the ECC and the SSS have been working closely in preparing the guidelines for the coverage of self-employed workers under the ECP as an actuarial study showed that the State Insurance Fund has the capacity to finance this new initiative towards universal coverage of all workers under the EC Program.

The 3Es – Equalize, Enhance, and Expand strategy has been a relevant framework and guide in living out our commitment of providing a more responsive package of benefits and services to persons with work-related disabilities (PWRDs).





The ECC is also pursuing the adoption of a case rate system for EC medical benefits similar to the Philhealth system. Further, the ECC thru its Work Contingency Prevention and Rehabilitation Division is working to advance its Return to Work Program for PWRDs, its primary stakeholder.

For the past 43 years, the ECC has been providing support and assistance to all Filipino workers who suffered from work-related sickness, injury or death.

As of date, the ECC has already granted almost P39 billion worth of benefits to more than 6 million claims. In 2018, the ECC paid P1.72 billion for 262,383 EC claims in the private sector and P435 million for payment of 41,948 EC claims in the public sector. Based on the actuarial valuation by SSS and GSIS, workers in the private sector are assured of their benefits under the EC Program until beyond 2080 while the fund life of the EC SIF at the GSIS is until 2057.



## DUTERTE SIGNS EO INCREASING EC BENEFITS OF PERSONS WITH WORK-RELATED DISABILITIES

President Rodrigo Roa Duterte has signed Executive Order No. 54 increasing the Temporary Total Disability (TTD), Permanent Partial Disability (PPD), Permanent Total Disability (PTD) benefits, carer's allowance and reimbursement rates for professional fees of physicians and physical therapy sessions of persons with work-related disabilities (PWRDs).

Under the new EO, ECC will grant a Php1,150 increase in EC monthly disability pension to all EC permanent disability pensioners and survivorship pensioners in the private sector effective January 2017.

Carer's allowance both in the public and private sector will also be increased from Php575.00 to Php1,000.00 per month.

Other increase of benefits includes the amount of EC Temporary Total Disability or sickness benefits from a minimum daily income benefit of Php10.00 to Php110.00 and from a maximum daily income benefit of Php200.00 to Php480.00. The amount of reimbursement for physical therapy sessions under the EC medical benefits in the private sector is now increased from Php65.00 per session to a maximum of Php500.00 per session.

Meanwhile, reimbursement rates for professional fees of physicians under the EC medical benefits in the private sector

has also been increased from Php100 for a general practitioner (GP) and Php150 for a specialist during the initial visit to Php400 per day for a GP and Php600 for a specialist during the daily ward visits and a maximum of Php1600 for a GP and Php2400 for a specialist per confinement. For ICU/CCU Ward, rates per day for a GP is Php800 and Php1200 for a specialist, and a maximum of Php3200 for a GP and Php4800 for a specialist per confinement.

Out-patient consultation fee is now Php400 for a GP and Php600 for a specialist; consultation fee for routine pre-procedure and medical evaluation is now Php800 for a GP and Php1200 for a specialist; and Php1200 for a GP and Php1400 for a specialist for pre-procedure medical evaluation with medical indication; and Php1200 for a GP and Php1400 for a specialist during intra-operative monitoring.

The increase was based on the actuarial study conducted by the SSS and GSIS, ECC's administering agencies. Based on the study, the State Insurance Fund (SIF) can finance the increases without affecting the stability of the SIF and without requiring additional contributions. The SIF is sourced from the contributions paid by the government and private employers to finance the services and programs of ECC for Filipino workers who suffers from work related sickness, injury or death.

The signing of the EO is a great news for all Filipino workers.

The ECC will continue to look for ways on how we can further improve the program in the coming years.





## ECC APPROVES RETROACTIVE PAYMENT OF SUSPENDED EC BENEFITS IN THE PUBLIC SECTOR



The Employees' Compensation Commission (ECC) through Board Resolution No. 18-04-15 on April 11, 2018 approved the retroactive payment of suspended EC death benefits in the public sector for the specific period of April 2006 to July 2012 amounting to about P2.52 billion covering about 28 000 survivorship pensioners.

The ECC Board Resolution approving this payment was based on the actuarial study of the Government Service Insurance System (GSIS), administering agency of the Employees' Compensation Program (ECP) for the public sector, that showed the capacity of the State Insurance Fund (SIF) to finance the retroactive payment of accrued EC death benefits for the said period without adversely affecting its viability and without the need for an increase in EC contribution in the public sector.

The benefit may be claimed by surviving legitimate spouses of the covered members provided that they did not remarry within April 2006 to July 2012 and/or dependent children of the covered members on the condition that they remain single, unemployed, not over 21 years of age or over 21 years of age so long as the dependent child is incapable of self-support due to a physical or mental defect which is congenital or acquired within the same period.

The ECC continues to work hard not just to enhance the benefits and services provided under the EC Program but also to aptly deliver these benefits due to covered members including to their beneficiaries.

## CORPORATE GOVERNANCE CONFIRMATION STATEMENT

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

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

## ECC seals partnership with BJMP on ECP information drive



ECC continues to forge partnerships with different stakeholders in the conduct of its information dissemination efforts. On October 15, 2018, ECC executives signed a Memorandum of Agreement (MOA) with the Bureau of Jail and Management Penology (BJMP) under the leadership of Jail Director Deogracias Tapayan.

The MOA aims to further strengthen and boost the awareness of BJMP personnel across the country of their rights, benefits and privileges under the Employees' Compensation Program (ECP) and explore other possible areas of collaboration between the two agencies.

The ECC in its primary thrust to provide compensation to workers who suffered from work-related contingencies, has been formulating new policies to enhance EC benefits and facilitate its provision to our uniformed personnel in the course of their service.

One of ECC's aspirations is to partner with institutions like the BJMP in ensuring that workers are informed of the ECP.

The ECC also clarified to the BJMP executives that even with the separation of the military and other uniformed personnel from the Government Service and Insurance System (GSIS), all uniformed personnel are still covered under the EC Program, thus, in the event of work-connected contingency they are still eligible to file and claim their EC benefits.

Aside from conducting seminars on ECP in all regions of the country, the MOA also intends to provide necessary assistance to uniformed personnel and/or their beneficiaries in the completion of all documentary requirements needed for the filing of EC claims and placement of IEC materials to all BJMP offices.

Aside from BJMP, ECC has also forged partnership with the Philippine National Police, Bureau of Fire Protection and the Department of Interior and Local Government.

**"We are grateful to the ECC for initiating this partnership and for making sure that all our personnel are informed of the ECP. Rest assured that the BJMP will provide all necessary support to make this partnership a success."**

**Deogracias Tapayan**

Jail Director, Bureau of Jail and Management Penology



## ECC taps SSS, Robinsons and Waltermart for ECP information campaign

Mall goers and SSS members now have an opportunity to learn about the Employees' Compensation Program (ECP), as information materials about the program are now available at the customer service counters and at the Lingkod-Pinoy Centers of Robinson Malls, Waltermart Malls and SSS branches nationwide.

The initiative is part of the Employees' Compensation Commission's (ECC) massive information dissemination campaign on the ECP.

The ECC is thankful to the management of Robinson's Malls, Waltermart and SSS for being part of its efforts in increasing the public's awareness on the ECP. ECC also recognizes that malls and SSS are perfect venues for information campaign since a lot of people frequently visits them.

ECC is aggressively reaching out to more Filipino workers and their families to inform them about the ECP through traditional media, out-of-home advertising, and online platforms as the management would like the information about the ECP to be accessible and available to the public.

The ECP information materials available at the Robinson's Malls, Waltermart Malls, and SSS are free of charge. It provides facts about the program such as the benefits and its services, the procedures in filing for EC benefits claims, and the list of occupational and work-related diseases which are compensable under the program.

The said information materials are also available online at the website of the ECC at [www.ecc.gov.ph](http://www.ecc.gov.ph) and at selected government offices, hospitals, and commercial establishments around the country.





## TURNING DISABILITY TO ABILITY



Ernesto Bermundo happily pose for a picture with ECC Regional Officer in Region 4A Jeruz Castillo after receiving his salted egg business.

Ernesto Bermundo was a former Boson who was in-charge of the overall maintenance of one of the cargo ships of Wilhelmsen Lines. In 2016, he was diagnosed with cervical slip disk which resulted to his repatriation. Bermundo filed and received his EC benefits when he arrived back in the country. In January 2018, he was visited by the ECC team to check on his condition especially now that he is no longer employed.

The Employees Compensation Commission thru its Katulong at Gabay sa Manggagawang may Kapansanan (KaGabay) Program afforded him with 10 free physical therapy sessions to augment his rehabilitation needs on top of the monetary benefits he received under the

Employees' Compensation Program. Further, in October 2018, Bermundo was enrolled in a social preparation seminar which aims to provide persons with work-related disabilities (PWRDs) the opportunity to go back in the economic mainstream and become productive citizens again of our country. After the seminar, ECC granted him with livelihood assistance to start a salted egg business with an initial investment of 2800 eggs. Together with his wife, they started producing salted eggs by batch of 300 or 15-20 trays weekly. Due to the quality of the eggs they produced, they gained more clients which is expected to increase their production from 15-20 trays to 65-70 trays by 2019. The salted egg business has now become their primary source of income after Bermundo lost his job.

Bermundo, despite what happened to him, didn't stop from working to achieve his dreams. He made his disability an inspiration to pursue a life with a purpose.



## 6 amputated workers in Davao receive benefits and services under the ECC KaGabay Program



The Employees' Compensation Commission (ECC) through its Regional Extension Unit in Region 11 awarded assistive devices in the form of prosthesis to six persons with work-related disabilities (PWRDs) on September 21, 2018 at the Department of Labor and Employment Regional Office 11.

The said PWRDs are Jeffrey Albelda, Junekey Sinining, Joshua Bunhayag, Marlito Vital, Lenny Abarques and Flora Mae Degamon. All are Employees' Compensation Program (ECP) beneficiaries who were victims of work-related contingencies in the performance of their work.

The ECC spent more than P700,000.00 in its continuing pursuit to make every amputated worker be fully rehabilitated, thus, making them productive members of the society again.

The grant of assistive devices to ECP beneficiaries is in pursuance to the Katulong at Gabay sa Manggagawang may Kapansanan (KaGabay) Program of the ECC that seeks to restore the self-esteem that is clearly lost after a worker becomes disabled.

ECC's ultimate mission is to provide immediate aide for victims of work-related cases and provide them with the opportunity to continue being economically productive, and active again.

ECC assures all workers of their due benefits under the ECP but reminded everyone that though there is an EC Program, the primacy of safety and health in the workplace should always be recognized and promoted by all employers and workers.

**"I am thankful to the ECC for providing me this functional prosthesis that can aid me as I go back to work.. I somehow feel complete again."**

Joshua Bunhayag  
Recipient of a below the elbow prosthesis

**"There's a big difference in my feelings now that I am wearing my prosthesis because I would appear complete again in the eyes of other people. The ECC has greatly contributed in regaining my confidence."**

Jeffrey Albelda  
Former machine operator of HLPN Plastic Corporation

# CORPORATE ACTIVITIES

## ECC shares love at the GRACES Home for the Elderly



Public service is a lifetime commitment and there is no point in life at which we can finally say that we have served and that is enough was ECC's mantra during its outreach activity at the Golden Reception and Action Center for the Elderly and other Special Cases (GRACES) on October 8, 2018.

The outreach activity is an annual project of the ECC in line with the Commission's Employees' Welfare Program and Corporate Social Responsibility. The activity aims to promote the concept of respect and care for the elderly and inter-generations harmony.

The ECC recognizes the invaluable efforts of the elders during their time as active and productive citizens of the country. The help that ECC gives them today is nothing compared to the contributions they made for the betterment of the nation.

During the program, the elders and employees of the ECC enjoyed each other's company through small talks, dancing and singing of songs that are close to the hearts of our elders.

The ECC donated blankets, groceries, medical and basic supplies such as adult diapers, shavers, underpads, detergent powder, towels, toothbrushes and toothpaste. ECC employees also donated some used clothes.

GRACES is a home for the aged and is being managed and funded by the Department of Social Welfare and Development, and supported by various partners. It is a residential facility for abandoned, loss, neglected, homeless, and attached or single senior citizens who have no families to stay with. As of this date, the GRACES is home to 187 elderly men and women.







**CORPORATE TEAMBUILDING ACTIVITY**  
HANNAH'S BEACH RESORT PAGUDPUD, ILOCOS NORTE





## ECC plants 500 seedlings in Norzagaray, Bulacan

Five hundred (500) seedlings of kupang and fire trees were planted by the Employees' Compensation Commission (ECC) on August 9, 2018 in Sitio Suha, San Mateo, Norzagaray, Bulacan.

The DENR City Environment and Natural Resources Office (DENR-CENRO) of Guiguinto, Bulacan thru CENR Officer Roger V. Encarnacion assisted the 61 employees of the Commission.

Kupang and Fire Trees are species of fast-growing trees. The Kupang Tree is a very large medicinal tree growing to a height of 25 to 40 meters and common in forests at low and medium altitudes. Fire tree, on the other hand, is a large deciduous tree growing in open, free-draining, sandy or loamy soil enriched with organic matter. While kupang tree is prominent for medicinal identity, fire tree is known for ornamental value and as a shade tree.

The said tree planting activity is in pursuance of DENR Memorandum Circular No. 2011-11 on the National Greening Program, which requires all government employees to plant a minimum of 10 seedlings per year. Furthermore, the initiative promotes the ECC-Green Our DOLE Program (ECC-GODP) as part of the Commission's environmental responsibility.

More than the memorandum's mandate, the ECC promotes tree planting campaign as one of the many ways to express love for the country and in saving the future generation considering that the country is prone to different natural disasters.

The ECC continues to abide by the legal and moral responsibilities with the DENR by supporting and participating in its campaigns and programs aimed at protecting and conserving the nature.







"The Earth will not continue to offer its harvest, except with faithful stewardship. We cannot say we love the land and then take steps to destroy it for use by future generations."

—John Paul II





# ECC FAMILY DAY and YEAR-END GATHERING



**“Teamwork is the ability to work together toward a common vision. The ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results.”**

**-Andrew Carnegie**







# 2018 TRAININGS AND SEMINARS

(In-house and External Trainings)

TITLE	DATE	NO. OF PARTICIPANT
COSH	Jan. 31-Feb. 2, 2018	1
Workshop-Meeting on Hotline 8888	Feb. 13, 2018	3
BOSH	Feb. 12-16, 2018	1
Risk-Based Thinking	Feb. 26, 2018	28
Risk Management	Feb. 27-28, 2018	27
MS Access for Records Management	Feb. 27- Mar. 1, 2018	2
TRAIN LAW	Feb. 28, 2018	3
Social Media Development	March 1-2, 2018	2
2018 Labor Information Officers Communication Planning	March 8-10, 2018	2
Personality Development	March 12, 2018	
Fire Preparedness Seminar	March 12, 2018	78
Analytical Thinking	March 13, 2018	28
Moral Recovery Program (Lenten Activity)	March 14, 2018	
Demonstrating Compliance: Accountability and Assurance	March 14, 2018	2
Understanding Requirements of QMS Using ISO	March 15, 2018	36
ISO 9001:2015 Documentation Seminar-Workshop	March 16, 2018	36
Livelihood Project Development and Mgt	March 19-20, 2018	25
Korespondensiya Opisyal	March 20, 2018	35
Understanding Return-to-Work	March 21, 2018	25
Newsriting Workshop	March 21, 2018	18
Accident Investigation Training	March 21-23, 2018	2
Social Media Content Development	March 22, 2018	30
40th PCOM Convention	March 22-24, 2018	2
Agency Procurement Compliance & Performance	April 4, 2018	1
Customer Service Excellent for Government Workers	April 5, 2018	1
Analytical Thinking: Critical Thinking and Decision	April 10-12, 2018	53
Making in the Workplace	April 11-12, 2018	1
Learning and Development Planning	April 11-12, 2018	1
Basic Occupational Safety and Health (BOSH)	April 16-20, 2018	2
Basic Internal Control Concepts (Internal Auditing	April 18-20, 2018	1
Principles and Practices)	April 18-20, 2018	1
Editorial Design	April 18-20, 2018	1



# 2018 TRAININGS AND SEMINARS

(In-house and External Trainings)

TITLE	DATE	NO. OF PARTICIPANT
PASWI	April 18-20, 2018	1
Consultation Meeting on Rightsizing	May 9, 2018	3
Emergency Preparedness: Earthquake Preparedness	May 11, 2018	96
QMS: ISO 9001-2011 Auditing	May 15-17, 2018	26
Resource Scope Planning	May 21-23, 2018	3
Urban Gardening	May 23, 2018	
RISO Training	May 24, 2018	3
Prime-HRM Assessment	May 25, 2018	3
Scope and Resource Planning Validation	June 5, 2018	1
Enhancing Productivity, Quality and Safety at the Workplace - 5S	June 22, 2018	55
Records and Information Management	June 26-27, 2018	2
NGP: Thrive Through Disruption: Inclusivity, Empowerment, Sustainability	June 28, 2018	1
Maximizing Online Presence Through Social Media	October 16-17, 2018	4
Computer Literacy Program		29
National Security Plan	October 17, 2018	2
Policy Formulation and Analysis	October 23-26, 2018	4
Planning and Delivering Public Service	October 29-30, 2018	34
Digital Transformation Envisioning Workshop	November 8-10, 2018	1
ASEAN Forum on HIV AIDS in the Workplace	November 9-10, 2018	1
Basic Internal Concept	November 14-16, 2018	1
CESB Leadership Concept	November 14-16, 2018	3
Internal External Institutional Awareness: How To	November 19, 2018	19
Computer EC Benefits		
National Occupational Safety and Health Congress	November 20-21, 2018	10
RA 9184	December 4-6, 2018	1



Critical Thinking and Decision Making in the Workplace  
April 10-12, 2018



Moral Recovery Program  
March 14, 2018



Understanding Return-to-Work Program  
March 21, 2018



Korespondensya Opisyal  
March 20, 2018



News Writing and Social Media Content Development  
March 21-22, 2018



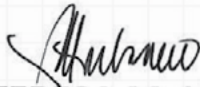
Livelihood Project Development and Management  
March 19-20, 2018



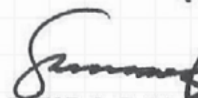
## STATEMENT OF TRUE AND FAIR PRESENTATION

For the CY 2018 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, 2018 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**  
*Commonwealth Ave., Quezon City*

## **ANNUAL AUDIT REPORT**

**on the**

## **EMPLOYEES' COMPENSATION COMMISSION**

**For the Years Ended December 31, 2018 and 2017**



## EXECUTIVE SUMMARY

### INTRODUCTION

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

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

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

The ECC is exempted from levy and other taxes pursuant to Article 204 of P.D. No. 626 as amended on December 27, 1974.

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

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

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# **PART I**

## **AUDITED FINANCIAL STATEMENTS**



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

## INDEPENDENT AUDITOR'S REPORT

### THE BOARD OF COMMISSIONERS

Employees' Compensation Commission  
355 Sen. Gil J. Puyat Avenue, Makati City

### Report on the Financial Statements

#### *Opinion*

We have audited the financial statements of Employees' Compensation Commission (ECC), which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of financial performance, statements of changes in net assets/equity, statements of cash flows, statement of comparison of budget and actual amounts for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the ECC as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with Philippine Public Sector Accounting Standards (PPSAS).

#### *Basis for Opinion*

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PPSAS, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, Management is responsible for assessing the ECC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



going concern basis of accounting unless Management either intends to liquidate the ECC or to cease operations, or has no realistic alternative but to do so.

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ECC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ECC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ECC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


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

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

#### **Report on Other Legal and Regulatory Requirements**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2018 required by the Bureau of Internal Revenue as disclosed in Note 28 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PPSAS. Such supplementary information is the responsibility of Management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements.

#### **COMMISSION ON AUDIT**



**ELIZABETH M. SAVELLA**  
Supervising Auditor

March 15, 2019





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

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



Management System  
ISO 9001:2015



## STATEMENT OF MANAGEMENT'S RESPONSIBILITY

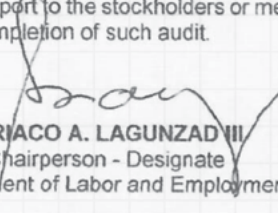
The management of the Employees' Compensation Commission (ECC) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2018 and December 31, 2017 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

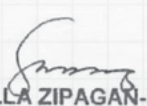
The Board of Commissioners is responsible for overseeing the Employees' Compensation Commission's financial reporting process.

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

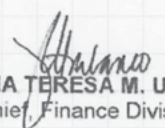
The Commission on Audit, through its authorized representative, has examined the financial statements of the ECC pursuant to Section 2, Article IX - D of the Philippine Constitution and Section 28 of the Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines.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

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

3/06/2019  
Date Signed

  
**STELLA ZIPAGAN-BANAWIS**  
Executive Director, ECC

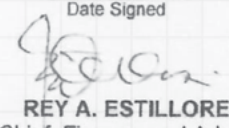
3/06/2019  
Date Signed

  
**MARIA TERESA M. URBANO**  
Chief, Finance Division

3/06/2019  
Date Signed

  
**NOEL C. BINAG, CE**  
Executive Director, OSHC

3/06/2019  
Date Signed

  
**REY A. ESTILLORE**  
Chief, Finance and Admin.

3/06/2019  
Date Signed

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

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

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

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

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

The ECC 2018 Corporate Operating Budget (COB) amounting to P532.490 million as approved by the Department of Budget and Management (DBM) were sourced from the remittances of GSIS and SSS as mandated under P.D. No. 626 and from its income/retained earnings. The budget utilization of the ECC is shown below:

	<b>DBM Approved Budget</b>	<b>Utilization</b>	<b>Variance</b>
Personal services	145,070,000	147,507,092	(2,437,092)
Maintenance and other operating expense/Financial cost	267,925,000	150,161,677	117,763,323
Capital outlay	119,495,000	24,053,621	95,441,379
	<b>532,490,000</b>	<b>321,722,390</b>	<b>210,767,610</b>



## FINANCIAL HIGHLIGHTS (In Philippine Peso)

### I. Comparative Financial Position

	2018	2017	Increase (Decrease)
Assets	889,901,193	915,088,195	(25,187,002)
Liabilities	102,975,555	116,122,514	(13,146,959)
<b>Equity</b>	<b>786,925,638</b>	<b>798,965,681</b>	<b>(12,040,043)</b>

### II. Comparative Results of Operations

	2018	2017	Increase (Decrease)
Income/Finance income	309,977,228	311,798,734	(1,821,506)
Expenses/Finance costs	322,017,271	296,210,356	25,806,915
<b>Net (Deficit)/Surplus</b>	<b>(12,040,043)</b>	<b>15,588,378</b>	<b>(27,628,421)</b>

## OPERATIONAL HIGHLIGHTS

Activities	Targets	Accomplishments	Variance
<b>I. ECC</b>			
1. Development and Review of Policies and Issuances on the Employees' Compensation Program (ECP)	8	8	-
2. Rehabilitation Services to PWRDs	806	1,385	579
3. ECP Advocacy Seminar	556	645	89
4. Development and Production of IEC Materials	5	5	-
5. ECP Dissemination through Quad- Media	50	78	28
6. Disposition of EC Appealed Cases	103	103	-
<b>II. OSHC</b>			
1. Capacity building thru training and information activities:			
a. Conduct of occupational safety and health (OSH) trainings	130 batches	225 batches	(95) batches
b. Develop information materials for dissemination to partners	8	8	-
2. Technical assistance and services	Demand driven	104,716 workers; 3,475 tests; 1,870 specimen; 547 requests	
3. Research completed	7	7	
4. OSH Networking	As requested	11 pax; 9 meetings	-
5. Organize summits/conferences	6	6	-
6. Conduct of 16th NOSH Congress	1 congress	1 congress with 1,711 pax @ PICC	

## SCOPE OF AUDIT

Our audits covered the significant accounts and operations of the ECC for the calendar years 2018 and 2017. Our audits were aimed to ascertain the accuracy of financial records and reports and the fairness of the presentation of the financial statements in accordance with the provisions of Philippine Public Sector Accounting Standards (PPSAS) and were also made to assess the propriety of the financial transactions and compliance of ECC with laws, rules and regulations.

## AUDITOR'S OPINION

We rendered an unmodified opinion on the fairness of the presentation of the financial statements of the ECC for the years ended December 31, 2018 and 2017.

## SUMMARY OF SIGNIFICANT AUDIT OBSERVATIONS AND RECOMMENDATIONS

### A. Financial Audit

1. Due to Officers and Employees account totaling P5.640 million or 54 per cent of the account balance as at December 31, 2018, consists of payables which are no longer valid obligations and/or not supported with documents to prove the validity of the obligations, contrary to Section 4 (6) of Presidential Decree No. 1445.

We recommended that Management require the Accountant to:

- a. Strictly comply with Section 4 (6) of P.D. 1445 on the recognition of payables affecting the Due to Officers and Employees account; and
  - b. Exert more efforts to locate the related documents to be able to analyze and review the validity of the payables recorded as Due to officers and employees; and
  - c. Revert to Surplus account specifically the accrual of PBB amounting to P5.133 million which has been disapproved by the GCG and those accounts that require adjustments.
2. Other Deferred Credits–Unreceipted Deposits account amounting to P1.884 million representing receipt of collection from unidentified payors directly deposited to OSHC bank account remained unreconciled with the appropriate Accounts Receivable account, contrary to the provision of Section 111(2) of P.D. No. 1445, thereby casting doubt on the accuracy, reliability and verifiability of the year-end balances of said account by the same amount and Accounts Receivable account of P9.880 million.



We recommended that Management to:

- a. Oblige the Cashier to monitor, on a daily basis, the unidentified deposits under the OSHC savings account and exert effort to coordinate with offices/personnel concerned to reconcile the same;
- b. Require the Accountant to prepare immediately the appropriate accounting entries to adjust the accounts affected for any items already identified and/or documented;
- c. Adopt measures to avoid, if not eliminate, the recurrence of reconciling items of this nature; and
- d. Require the Cashier and Accountant to work closely together in monitoring payments thru bank and the recording and to coordinate with the bank for the possibility of gathering depositor's information.

## **B. Compliance Audit**

3. The ECC has not yet complied with the Governance Commission for Government Owned or Controlled Corporations' (GCG) requirement for the submission of proposed Restructuring Plan (RP) to effect the Organizational Structure and Staffing Pattern appropriate for an integrated function and business of both ECC and OSHC, placing the OSHC under the immediate supervision of the ECC, as contained in GCG's letter dated February 10, 2017. Hence, overall responsibility for the executive function and accountabilities and responsibilities of officials and employees for operations and transactions are not defined.

We recommended that the Board of Commissioners require the ECC Officials to prioritize the preparation and submission of the proposed Restructuring Plan of ECC, incorporating OSHC's functions, projects, programs and activities and to come up with only one set of Financial Reports.

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

## **STATUS OF SUSPENSIONS, DISALLOWANCES AND CHARGES AS AT DECEMBER 31, 2018**

As at December 31, 2018, audit disallowances and charges amounted to P4.003 million and P175,500, respectively. All audit suspensions were settled during the year.

## **STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS**

Out of the 22 audit recommendations embodied in the prior years' Annual Audit Report, 12 were fully implemented and 10 were partially implemented. Details are presented in Part III of this Report.

**EMPLOYEES' COMPENSATION COMMISSION**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
For the Year Ended December 31, 2018  
(In Philippine Peso)

	Note	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
		Original	Final		
<b>SOURCES OF FUNDS</b>					
<b>Corporate Funds</b>	25				
State Insurance Fund		278,513,000	278,513,000	264,714,779	13,798,221
Income/Retained Earnings		335,625,000	335,625,000	267,775,221	67,849,779
		<b>614,138,000</b>	<b>614,138,000</b>	<b>532,490,000</b>	<b>81,648,000</b>
<b>Personnel Services</b>	25				
State Insurance Fund		137,394,820	129,288,820	131,165,725	(1,876,905)
Retained Earnings		15,781,435	15,781,180	16,341,367	(560,187)
		153,176,255	145,070,000	147,507,092	(2,437,092)
<b>Maintenance and Other Operating Expenses</b>	25				
State Insurance Fund		139,621,618	135,425,959	103,596,904	31,829,055
Retained Earnings		150,719,235	132,499,041	46,564,773	85,934,268
		290,340,853	267,925,000	150,161,677	117,763,323
<b>Capital Outlays</b>	25	130,650,000	119,495,000	24,053,621	95,441,379
		<b>574,167,108</b>	<b>532,490,000</b>	<b>321,722,390</b>	<b>210,767,610</b>
<b>NET FUND SOURCES/USES</b>		<b>39,970,892</b>	<b>81,648,000</b>	<b>210,767,610</b>	<b>(129,119,610)</b>

The Notes on pages 10 to 42 form part of these financial statements.



## EMPLOYEES' COMPENSATION COMMISSION NOTES TO FINANCIAL STATEMENTS

(All amounts in Philippine Peso unless otherwise stated)

### 1. GENERAL INFORMATION

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

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

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

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

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

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

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

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

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

The Commission on Audit (COA) in its Resolution Nos. 2002-005 and 2008-012 dated May 17, 2002 and October 10, 2008, respectively, vested audit jurisdiction over the ECC and the OSHC, to two separate audit clusters of the Corporate Government Sector (CGS).



Records of the COA show that even prior to Calendar Year (CY) 2002 until CY 2017, separate Annual Audit Reports (AARs) have been issued to cover separately the results of audit of the OSHC from that of ECC.

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

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

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

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

The financial statements of ECC as at December 31, 2018 were approved and authorized for issue by the Board of Commissioners under Board Resolution No. 19-03-03 dated March 6, 2019 and signed by the Chairperson-Designate as shown in the Statement of Management Responsibility for Financial Statements.

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

### *a. Statement of Compliance with Philippine Public Sector Accounting Standards*

The ECC financial statements for the year ended December 31, 2018 are prepared on an accrual basis in accordance with Philippine Public Sector Accounting Standards (PPSAS), and as prescribed by the Commission on Audit through the following COA Resolutions:

COA Resolution Number/Date	Particulars
2014 – 003 January 24, 2014	<p>Prescribed the adoption of 25 Philippine Public Sector Accounting Standards (PPSASs) effective January 1, 2014 by Non - Government Business Entities (Non-GBEs)</p> <p>These PPSASs were based on the International Public Sector Accounting Standards (IPSASs) which were published in the 2012 Handbook of International Public Sector Accounting Pronouncements (HIPSAP) of the International Public Sector Accounting Standards Board.</p>
2015 – 040 December 01, 2015	Amended the effectivity of the adoption of the PPSAs to January 1, 2016.
2017 – 006 April 26, 2017	Adoption of additional six PPSASs and updates on the PPSAS prescribed through COA Resolution No. 2014-003 dated January 24, 2014 in accordance with the 2016 Edition of the Handbook of International Public Sector Accounting Pronouncements published by the International Federation of Accountants.

*b. Presentation of Financial Statements*

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

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

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

*c. Functional and Presentation Currency*

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



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 3.1 Financial Instruments

##### a. Financial assets

##### i. Initial recognition and measurement

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

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

The ECC's financial assets include: cash and cash equivalents; trade and other trade receivables and investment in time deposits as at December 31, 2018.

##### ii. Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

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

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

##### 2. Loans and receivables

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

the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

### 3. *Held-to-maturity*

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

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

### iii. *Derecognition*

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

1. the contractual rights to the cash flows from the financial asset expired or waived; and
2. the ECC has transferred its contractual rights to receive the cash flows of the financial assets, or retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions set forth in PPSAS 29-Financial Instruments: Recognition and Measurement; and either the entity has:
  - transferred substantially all the risks and rewards of ownership of the financial asset; or
  - neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset but has transferred the control of the asset.

### iv. *Impairment of financial assets*

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



Evidence of impairment may include the following indicators:

1. The debtors or a group of debtors are experiencing significant financial difficulty;
2. Default or delinquency in interest or principal payments;
3. The probability that debtors will enter bankruptcy or other financial reorganization; and
4. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

*v. Financial assets carried at amortized cost*

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

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

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

*b. Financial liabilities*

*i. Initial recognition and measurement*

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

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

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

*ii. Subsequent measurement*

The measurement of financial liabilities depends on their classification.

*Financial liabilities at fair value through surplus or deficit*

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

*Loans and borrowings*

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

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

*iii. Derecognition*

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

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



**3.2 Revenue from exchange transactions**

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

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

**3.3 Revenue from non-exchange transactions**

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

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

**3.4 Cash and Cash Equivalents**

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

**3.5 Investment Property**

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

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

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

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

### **3.6 Property, Plant and Equipment**

#### **a. Recognition**

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

The characteristics of PPE are as follows:

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

An item of PPE is recognized as an asset if:

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

#### **b. Measurement at recognition**

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

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

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

- i. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- ii. expenditure that is directly attributable to the acquisition of the items; and
- iii. initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

#### **c. Measurement after recognition**

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



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

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

*d. Depreciation*

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

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

*i. Initial recognition of depreciation*

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

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

*ii. Depreciation method*

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

*iii. Estimated useful life*

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

*iv. Residual value*

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

*e. Impairment*

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

*f. Derecognition*

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

**3.7 Leases**

*a. ECC as a lessee*

*i. Finance lease*

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

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

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

*ii. Operating lease*

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

*b. ECC as a lessor*

*i. Finance lease*

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



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

*ii. Operating lease*

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

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

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

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

### **3.8 Provisions, Contingent Liabilities and Contingent Assets**

*a. Provisions*

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

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

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

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

*b. Contingent liabilities*

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

*c. Contingent assets*

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

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

### **3.9 Changes in Accounting Policies and Estimates**

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

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

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

- a. Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- b. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

### **3.10 Budget Information**

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

### **3.11 Related Parties**

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



**3.12 Events After the Reporting Date**

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

**3.13 Employee Benefits**

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

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

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

**4. CASH AND CASH EQUIVALENTS**

This account consists of the following:

	2018	2017
Cash in bank – current account	<b>26,586,500</b>	27,669,889
Cash in bank – time deposits	<b>148,736,844</b>	15,753,675
Cash in bank – savings account	<b>6,058,501</b>	1,760,692
Cash in bank – Collecting officer	<b>151,226</b>	128,137
Petty cash fund	<b>155,000</b>	145,549
	<b>181,688,071</b>	45,457,942

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

The significant increase in the time deposits was due to reclassification from other investments account amounting to P166.665 million for time deposits that are short-term, maturing within 90 days or less from placements and earns interest at the respective short-term deposit interest rates.

## 5. OTHER INVESTMENTS

This account includes investment in time deposits amounting to P510.354 million and P671.616 million for CY 2018 and 2017, respectively, that are long-term, maturing within 180 days or more than six months from placements.

## 6. RECEIVABLES-NET

This account consists of the following:

	2018	2017
Accounts receivable	35,370,689	29,732,632
Receivables – disallowances/charges	7,208,500	8,611,676
Notes receivable	456,740	456,740
Due from Government Corporation (GSIS/SSS)	37,503,099	39,651,750
Due from NGAs	3,706,665	3,674,706
Due to officers and employees	278,248	2,988,038
Other receivables	247,827	175,231
	84,771,768	85,290,773
Less: Allowance for impairment	17,730,030	17,365,385
	67,041,738	67,925,388

### 6.1 Accounts Receivables

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

Portion of the accounts receivables includes receivables from tenants/miscellaneous account which consists of unpaid rentals, electric and water bills from a former tenant, Meco Enterprises, Inc. amounting to P10.308 million as 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
	<b>13,345,110</b>

The P11.121 million represents the total amount of its principal obligation from 1990 to December 31, 1999 plus interest of six per cent per annum to be counted from May 26, 2000 while the P2,224,185 represents 20% of the amount due as liquidated damages



pursuant to Paragraph 16 of the July 16, 1995 amended Contract of Lease plus interest of 6% per annum to be counted from May 26, 2000.

## 6.2 Receivables – disallowances/charges

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

	2018	2017
Subsistence and laundry allowance from CY 2006 to September 2009	1,361,242	2,062,990
Magna Carta Benefits for CY 2005	904,461	1,009,106
Collective Negotiation Agreement for CYs 2005 to 2006 and CY 2008	735,801	897,919
Longevity pay for CY 2008 and for January to June 2009 and subsistence and laundry allowance	497,765	647,292
Milestone anniversary bonus for CY 2008	215,900	281,450
Equalization benefits for CY 2008	134,962	134,962
Rice subsidy in CY 2006	132,000	132,000
Travel allowance of Executive Directors	120,819	120,819
Praise incentives	88,087	88,087
25 Years Incentive Award	12,400	21,300
Excess anniversary bonus	48,000	48,000
Disallowances from CYs 1994 to 1997	2,957,063	3,167,751
	<b>7,208,500</b>	<b>8,611,676</b>

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

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

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

## 6.4 Due from Government Corporations (GSIS/SSS)

This account represents Inter-agency receivables – collectibles from GSIS and SSS amounting to P27.141 million and P10.362 million respectively, for the unremitted SIF as at December 31, 2018. The receivable from SSS represents the unremitted balance for the 2017 Corporate Operating Budget.

## 6.5 Due from National Government Agencies (NGAs)

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

## 6.6 Other Receivables

This account consists of receivable pertaining to undelivered supplies from PS-DBM and prior years' receivable from resigned/separated employees amounting to P247,827 and P175,231 for CY 2018 and 2017, respectively.

## 6.7 Allowance for doubtful accounts

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

	Balance, 1/1/2018	Additional Provision	Recoveries/ Write-offs/ Adjustments	Balance, 12/31/2018
Accounts receivable – clients	15,338,232	180,916	-	15,519,148
Notes receivable	456,740			456,740
Due from NGAs	1,570,413	183,729	-	1,754,142
	<b>17,365,385</b>	<b>364,645</b>	<b>-</b>	<b>17,730,030</b>

	Balance, 1/1/2017	Additional Provision	Recoveries/ Write-offs/ Adjustments	Balance, 12/31/2017
Accounts receivable – clients	15,179,006	159,226	-	15,338,232
Notes receivable	456,740			456,740
Due from NGAs	1,398,640	171,773	-	1,570,413
	<b>17,034,386</b>	<b>330,999</b>	<b>-</b>	<b>17,365,385</b>

## 7. INVENTORIES

This account consists of the following:

	2018	2017
Office supplies inventory	<b>1,110,207</b>	1,716,092
Drugs and medicines inventory	<b>40,205</b>	61,302
Medical, dental and laboratory supplies inventory	<b>314,266</b>	291,923
Textbooks and instructional materials inventory	<b>2,154,913</b>	349,909



	2018	2017
Other supplies and materials inventory	1,248,176	347,268
	<b>4,867,767</b>	<b>2,766,494</b>

## 8. OTHER CURRENT ASSETS

This account consists of the following:

	2018	2017
Advances to officers and employees	152,757	669,013
Advances to contractors	1,577,012	883,136
Prepaid rent	112,787	46,986
Prepaid insurance	169,044	142,569
Guaranty deposits	392,895	472,769
Prepaid registration	5,118	4,590
Other prepayments	319,487	385,389
Other assets	10,030	10,030
	<b>2,739,130</b>	<b>2,614,482</b>

## 9. OTHER NON - CURRENT ASSETS

	2018	2017
Land	2,500,000	2,500,000
Unserviceable equipment	714,291	494,825
	<b>3,214,291</b>	<b>2,994,825</b>

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

With the reserved status of the Tanay property under Presidential Proclamation No. 573, the inherent power of Eminent Domain of the State shall prevail. The ECC will have to wait until the commencement of the expropriation proceedings or the taking of property for public use or purpose upon payment of just compensation. In view of said status, the cost

of the land previously recorded as Investment Property was reclassified to Other Assets in 2011.

The unserviceable property and equipment account was not yet disposed as at December 31, 2018.

## 10. INVESTMENT PROPERTY

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

## 11. PROPERTY AND EQUIPMENT – NET

The details of the account are shown below:

	Land	Bldgs. & Other Structures	Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Books	Total
Cost						
Jan. 1, 2018	11,019,218	266,800,642	155,119,640	31,488,852	9,830,990	474,259,342
Additions/Acquisitions	-	7,693,175	15,955,983	-	404,463	24,053,621
Adjustments	-	-	11,148,429	-	(307,462)	10,840,967
	11,019,218	274,493,817	182,224,052	31,488,852	9,927,991	509,153,930
Accumulated Depreciation						
Jan. 1, 2018	-	233,927,317	90,121,607	20,835,296	7,829,312	352,713,532
Adjustments	-	-	12,627,654	-	-	12,627,654
Depreciation	-	6,761,565	15,045,733	1,769,552	407,007	23,983,857
	-	240,688,882	117,794,994	22,604,848	8,236,319	389,325,043
<b>Net book value, Dec. 31, 2018</b>	<b>11,019,218</b>	<b>33,804,935</b>	<b>64,429,058</b>	<b>8,884,004</b>	<b>1,691,672</b>	<b>119,828,887</b>
Cost						
Dec. 31, 2017	11,019,218	266,800,642	154,996,021	31,488,852	9,523,526	473,828,259
Adjustments	-	-	123,619	-	307,464	431,083
	11,019,218	266,800,642	155,119,640	31,488,852	9,830,990	474,259,342
Accumulated Depreciation						
Dec. 31, 2017	-	229,691,759	88,481,292	20,656,521	7,524,604	346,354,176
Adjustments	-	4,235,558	1,640,315	178,775	304,708	6,359,356
	-	233,927,317	90,121,607	20,835,296	7,829,312	352,713,532
<b>As restated - Net book value, Dec. 31, 2017</b>	<b>11,019,218</b>	<b>32,873,325</b>	<b>64,998,033</b>	<b>10,653,556</b>	<b>2,001,678</b>	<b>121,545,810</b>



### 11.1 Land

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

### 11.2 Building and Structure

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

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

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

## 12. FINANCIAL LIABILITIES

This account consists of the following:

	2018	2017
<b>Current portion</b>		
Accounts payable	<b>28,586,959</b>	45,305,065
Due to officers and employees	<b>17,828,397</b>	17,306,742
Tax refunds payable	<b>163,998</b>	232,807
	<b>46,579,354</b>	62,844,614

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

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

### 13. INTER-AGENCY PAYABLES

This account consists of the following:

	2018	2017
Due to BIR	1,731,073	1,068,758
Due to Pag-IBIG	21,419	9,540
Due to PhilHealth	17,526	37,217
Due to GSIS	12,193	21,521
Others	3,225	3,200
	<b>1,785,436</b>	<b>1,140,236</b>

Due to BIR pertains to the amount of taxes withheld during the month of December, 2018 from the officials/employees and suppliers/contractors which are due for remittance on the succeeding month of the following year. Amounts due to other government agencies are due for remittances every 10<sup>th</sup> and 15<sup>th</sup> day of the following month.

### 14. TRUST LIABILITIES

This account includes guaranty/security deposits payable amounting to P911,054 and P679,755 for CY 2018 and 2017, respectively.

### 15. DEFERRED CREDITS

This account consists of unidentified deposits amounting to P1.884 million and P2.520 million for CY 2018 and 2017, respectively.

### 16. OTHER PAYABLES

This account consists of the following:

	2018	2017
Due to SAMA-OSHC (Loans/Canteen)	945,143	964,392
Other payables	6,876,410	5,935,345
	<b>7,821,553</b>	<b>6,899,737</b>

The other payables include funds held-in trust by OSHC for specific programs/undertakings which are being administered by the Center and the payment of loans of employees from the OSHC Union collected through payroll and the unremitted share of income from the canteen concessionaire as at December 31, 2018.



This also includes the unclaimed hazard pay, subsistence and laundry allowance of the resigned and retired employees of ECC from 2005 to 2018 amounting to P6.874 million for CY 2018.

## 17. PROVISIONS

This account consists of accrued benefits payable which pertains to the cash value of the accumulated earned vacation and sick leave credits of the employees amounting to P43.994 million and P42.038 million for CY 2018 and CY 2017, respectively. Fifty per cent of which can be amortized once a year and the balance payable upon resignation/retirement.

## 18. REVENUE

This account consists of the following:

	2018	2017
<b>Business Income:</b>		
Seminar/training fees	20,397,076	13,622,394
Rent/lease income	12,041,903	12,175,806
Interest income	6,602,445	7,172,582
Income from printing and publication	1,205,500	1,009,809
Income from dormitory	832,245	620,470
Other business income	4,183,280	8,024,673
	<b>45,262,449</b>	<b>42,625,734</b>

### 18.1 Seminar/training fees

This account consists of the following:

	2018	2017
National Occupational Safety and Health (NOSH) Congress	9,062,454	69,375
Basic Occupational Safety and health (BOSH)	4,861,100	6,624,409
Construction Safety and Health (COSH)	3,822,657	4,355,410
Introduction to Industrial Hygiene/Ventilation	680,500	199,500
Work Environment Measurement (WEM)	666,000	1,219,500
Industrial Fire Safety	311,100	288,400
Ergonomics in the Workplace	257,665	155,400
Safe Use of Chemicals	255,500	196,000
Drug Assessment/ Drug-free Workplace	211,400	320,600
Occupational Safety and Health Orientation	143,500	30,000
Work Relatedness of Diseases	88,200	163,800

	2018	2017
Learning Session – Health	37,000	-
	<b>20,397,076</b>	13,622,394

## 18.2 Rent/Lease Income

This account consists of the following:

	2018	2017
Rental fee from tenants	11,184,531	10,970,156
Training room	400,375	205,906
Canteen	376,847	496,639
Auditorium	71,750	490,955
Equipment	8,400	12,150
	<b>12,041,903</b>	12,175,806

The rent/lease income account consists of the rentals derived from the tenants, such as the SSS, DOLE-NCR, National Maritime Polytechnic, Employers' Confederation of the Philippines, ECC-Employees Union and the Occupationally Disabled Workers Association of the Philippines. (see Note 24)

## 18.3 Interest income

This account includes interest earned on time deposits placed with authorized depository banks and bank interest income amounting to P6.602 million and P7.173 million for CY 2018 and 2017, respectively.

## 18.4 Income from Printing and Publication

This account includes income from sale of Occupational Safety and Health Standards books amounting to P1.206 million and P1.010 million for CY 2018 and 2017, respectively.

## 18.5 Income from dormitory

This account includes income earned from the three-storey dormitory amounting to P832,245 and P620,470 for CY 2018 and 2017, respectively.

## 18.6 Other business income

This account consists of the following:

	2018	2017
Technical services and laboratory fee	2,924,528	3,249,033
OSH accreditation fee	627,485	136,830
Miscellaneous	540,209	4,581,203



	2018	2017
Other income	91,058	57,607
	<b>4,183,280</b>	8,024,673

## 19. PERSONAL SERVICES

This account consists of the following:

	2018	2017
Salaries and wages	77,652,308	70,645,528
Personnel benefits contribution	10,745,003	9,660,863
Other personnel benefits	23,568,739	18,297,980
Other compensation	35,541,042	38,360,946
	<b>147,507,092</b>	136,965,317

## 20. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

	2018	2017
Training expenses	40,005,189	28,638,568
General Services	25,931,644	20,727,542
Professional services	18,497,262	12,686,898
Supplies and materials	12,059,821	16,701,262
Traveling expenses	10,619,407	8,352,543
Utility expenses	8,466,003	6,955,808
Communication expenses	4,236,236	4,218,029
Repairs and maintenance	2,705,438	3,889,169
Extraordinary expenses	996,225	844,566
Taxes, insurance premiums and other fees	852,382	718,756
Other MOOE	25,791,269	38,922,319
	<b>150,160,876</b>	142,655,460

### 20.1 Training Expenses

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

## 20.2 General services

This account consists of the following:

	2018	2017
Janitorial services	15,764,499	11,186,743
Security services	9,751,781	9,120,837
Other general services	415,364	419,962
	<b>25,931,644</b>	<b>20,727,542</b>

## 20.3 Professional Services

This account consists of the following:

	2018	2017
Auditing services	4,746,931	4,246,958
Consultancy Services	559,500	197,000
Legal Services	87,500	90,000
Other professional services	13,103,331	8,152,940
	<b>18,497,262</b>	<b>12,686,898</b>

## 20.4 Supplies and materials expenses

This account consists of the following:

	2018	2017
Office supplies expenses	4,169,120	2,823,544
Semi-expendable expenses	2,766,961	4,518,631
Medical/dental/laboratory supplies expenses	1,488,338	2,246,490
Textbooks and instructional materials expenses	1,392,437	1,809,090
Fuel, oil and lubricant expenses	1,036,683	1,472,701
Drugs and medicines expenses	42,640	98,405
Accountable form expenses	18,400	7,000
Other supplies and materials expenses	1,145,242	3,725,401
	<b>12,059,821</b>	<b>16,701,262</b>



## 20.5 Traveling expenses

This account consists of the following:

	2018	2017
Traveling expenses - local	9,143,252	6,832,878
Traveling expenses - foreign	1,476,155	1,519,665
	10,619,407	8,352,543

## 20.6 Utility expenses

This account consists of the following:

	2018	2017
Electricity expenses	7,652,548	5,967,898
Water expenses	813,455	987,910
	8,466,003	6,955,808

## 20.7 Communication expenses

This account consists of the following:

	2018	2017
Telephone expenses	2,397,721	2,656,798
Postage and courier services	1,099,942	490,427
Internet subscription expenses	738,573	1,070,804
	4,236,236	4,218,029

## 20.8 Repairs and maintenance

This account consists of the following:

	2018	2017
Repairs and maintenance-building and other structures	1,142,434	1,730,594
Repairs and maintenance-machinery and equipment	913,062	1,172,346
Repairs and maintenance-transportation equipment	649,942	921,277
Repairs and maintenance-furniture and fixtures	-	64,952
	2,705,438	3,889,169

## 20.9 Taxes, insurance premiums and other fees

This account consists of the following:

	2018	2017
Insurance expenses	585,129	559,736
Fidelity bond premiums	147,548	99,838
Taxes, duties and licenses	119,705	59,182
	<b>852,382</b>	<b>718,756</b>

## 20.10 Other MOOE

This account consists of the following:

	2018	2017
Advertising, promotional and marketing expenses	10,284,807	31,193,119
Representation expenses	8,453,154	2,340,160
Printing and publication expenses	2,855,325	1,379,342
Rent/lease expenses (see Note 24)	2,213,945	1,320,487
Donations	314,500	674,400
Membership dues and contributions to organizations	106,600	100,000
Subscription expenses	104,080	111,383
Transportation and delivery expenses	84,007	96,191
Other MOOE	1,374,851	1,707,237
	<b>25,791,269</b>	<b>38,922,319</b>

## 21. FINANCIAL EXPENSES

This account includes bank charges amounting to P800 and P10,224 for CY 2018 and 2017, respectively.

## 22. NON-CASH EXPENSES

This account consists of the following depreciation expenses:

	2018	2017
Depreciation – machinery and equipment	15,045,733	9,637,741
Depreciation – building and other structures	6,761,565	5,249,924
Depreciation – transportation equipment	1,769,552	1,028,898
Depreciation – furniture, fixtures and books	407,007	331,793
Impairment loss	364,646	330,999
	<b>24,348,503</b>	<b>16,579,355</b>



**23. PRIOR PERIOD ADJUSTMENTS**

This account consists of the following adjustments:

	2017
Adjustments on COA disallowances	96,514
Adjustment on amount due to officials and employees	3,310,329
Adjustment in the rental/lease income	1,902,946
Adjustments on depreciation, adoption of 5% salvage value	(6,355,890)
Various adjustments on payables	4,234,711
Adjustments on office equipment, furniture and fixtures	(832,141)
Adjustment on various expenses	74,621
	<b>2,431,090</b>
<b>Accumulated Surplus</b>	2017
Balance at beginning of year as previously reported	780,946,213
Correction/adjustment of prior years' errors	2,431,090
Other adjustments/reclassification	(249,042,285)
<b>Restated balance at January 1, 2017</b>	<b>534,335,018</b>

**24. OPERATING LEASE**

ECC is a lessee consisting of rental of office space for Regional Extension Units (REUs) staff. The lease term is for a period of one year and renewable thereafter. The related rent expense amounted to P2.214 million and P1.320 million for the year ended December 31, 2018 and December 31, 2017 (see Note 20.10).

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

Name of Tenant	Lease Term	Rental income	
		2018	2017
1. Social Security System (SSS)	5 years	6,630,536	6,521,741
2. DOLE-NCR	1 year	2,205,351	2,100,318
3. National Maritime Polytechnic (NMP)	1 year	2,053,361	1,948,512
4. ECC Employees Union	1 year	120,000	120,000
5. Employers Confederation of the Philippines	1 year	115,283	219,586
6. Occupationally Disabled Workers Association of the Philippines	1 year	60,000	60,000
<b>Rental income for the year (see Note 18.2)</b>		<b>11,184,531</b>	<b>10,970,156</b>

The total future minimum rentals on the Commission's significant operating lease pertains to SSS which amount to P7.891 million for CY2019.

## 25. BUDGET INFORMATION

The ECC budget submitted to the Department of Budget and Management (DBM) upon approval of the endorsement by the ECC Governing Board. The ECC budget approved by the DBM for CY 2018 amounted to P532.490 million was sourced from the remittances of GSIS and SSS as mandated under P.D. No. 626 amounting to P264.715 million and the budget chargeable to Retained Earnings amounting to P267.775 million, with the details shown in the Statement of Comparison of Budget and Actual Amounts, summarized as follows:

	<b>DBM Approved Budget</b>	<b>Utilization</b>	<b>Variance</b>
Personal services	145,070,000	147,507,092	(2,437,092)
Maintenance and other operating expense/Financial cost	267,925,000	150,161,677	117,763,323
Capital outlay	119,495,000	24,053,621	95,441,379
	<b>532,490,000</b>	<b>321,722,390</b>	<b>210,767,610</b>

The original Corporate Operating Budget of the OSHC was approved by the DBM on July 4, 2018.

The DBM-approved COB consists of the original budget of P468.810 million which were sourced from the Social Insurance Fund (SIF) and Retained Earnings in the amount of P264.715 million and P204.095 million, respectively. The budget for Capital Outlay amounting to P119.495 million consists of the approved budget for CY 2018 in the amount of P55.815 million and continuing budget of prior year amounting to P63.680 million.

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

## 26. RELATED PARTY DISCLOSURE

As of December 31, 2018, the composition of the ECC Board of Commissioners is as follows:

<b>Board Position</b>	<b>Name</b>	<b>Position from other agency</b>
1. Chairman	Silvestre H. Bello III (Represented by Ciriaco A. Lagunzad III, USEC - DOLE as Chairman-Designate)	Secretary, DOLE
2. Vice-Chairman	Jesus Clint O. Aranas (Represented by Atty. Dionisio Ebdane, Jr., SVP – GSIS)	President and General Manager, GSIS
3. Member	Emmanuel F. Dooc (Represented by Josefina O. Fornillos, SVP - SSS)	President and CEO, SSS



Board Position	Name	Position from other agency
4. Member	Francisco T. Duque III (Represented by Vicente Roy Ferrer, MD, MSc, Acting President - PHIC)	Chairman, Philhealth (PHIC)
5. Member	Stella Zipagan-Banawis	Executive Director, ECC
6. Member	Carlito P. Roble	National Executive Vice- President, Alliance of Filipino Workers (AFW), Representing Employees
7. Member	Vacant	Representing Employers

## 26.1 Key Management Personnel Remuneration and Compensation

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

	2018	2017
Salaries	14,861,927	12,555,775
Other allowances and benefits	7,907,316	6,409,394
	<b>22,769,243</b>	<b>18,965,169</b>

Meanwhile, the total remuneration received by the Board of Commissioners is as follows:

	2018	2017
Remuneration	98,872	56,250

## 27. LOADING FUND

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

	2018	2017
Social Security System (SSS)	<b>185,300,345</b>	188,421,100
Government Service Insurance System (GSIS)	<b>79,414,434</b>	80,751,900
	<b>264,714,779</b>	269,173,000

Under PD No. 626, the ECC and the SIF were created to provide meaningful and appropriate compensation to workers in the event of work-related contingencies through the implementation of the employees' compensation program. As provided by PD No. 626, GSIS and SSS shall collect all revenues, deposit, invest, administer and disburse these funds in accordance with the same conditions, requirements and safeguards as

provided under the Social Security Act of 1997. As administrators, all funds not needed for current operations are accumulated to the SIF which shall be deposited with an authorized depository bank approved by ECC or invested for liquidity needs. The fund under the administration of the GSIS and SSS are shown as follows:

Particulars	SSS*		GSIS*	
	*As at December 31, 2018	As at December 31, 2017	**As at December 31, 2018	As at December 31, 2017
Assets	38,416,905,489	37,616,923,572	21,758,166,721	22,582,109,882
Liabilities	9,375,955	378,240	148,118,756	38,402,083
<b>Net worth</b>			<b>21,610,047,966</b>	<b>22,543,707,800</b>
<b>Reserves</b>	<b>38,407,529,534</b>	<b>37,616,545,332</b>		
Revenues	4,100,194,620	4,316,632,659	3,222,466,050	3,208,345,770
Expenses	1,903,257,137	1,315,688,716	2,689,717,642	385,274,791
Net income	2,196,937,483	3,000,943,944	532,748,408	2,823,070,979
Other comprehensive Income (loss)	(1,203,258,960)	225,626,966	(1,466,408,242)	-
<b>Total comprehensive Income</b>	<b>993,678,523</b>	<b>3,226,570,910</b>	<b>(933,659,834)</b>	<b>2,823,070,979</b>

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

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

Particulars	SSS**		GSIS**	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
ECC	66,459,245	77,396,200	28,482,534	33,169,800
OSHC	118,841,100	111,024,900	50,931,900	47,582,100
<b>Total</b>	<b>185,300,345</b>	<b>188,421,100</b>	<b>79,414,434</b>	<b>80,751,900</b>

\*\* 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.

## 28. COMPLIANCE WITH TAX LAWS

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



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

<b>BIR Form</b>	<b>Particulars</b>	<b>Amount</b>
1600	VAT and Other Percentage Taxes Withheld	5,784,916
1600-4-E	Creditable IT Withheld Expanded	2,149,590
1604-CF	Taxes withheld from employees	9,095,422

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, 2019 using BIR Form 1702-EX version June 2013.

## 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:

- The disclosure is made voluntarily, in writing and under oath;
- The disclosure is related to conduct constituting graft and corruption;
- 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;
- 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;
- The whistleblower should have personal knowledge of the existing facts and information covered by the disclosure;
- The information given by the whistleblower can be supported by other material evidence.

#### Section 3. Procedure for Protected Disclosures:

- 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.
- 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.
- The Uniform Rules on Administrative Cases in the Civil Service (URACC) shall be observed in all proceedings involving whistleblowers and protected disclosures.

EMPLOYEES' COMPENSATION COMMISSION

*5 things you (probably) do not know about the*

### EMPLOYEES' COMPENSATION PROGRAM



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

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



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

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



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

WANNA KNOW MORE?  
LIKE AND FOLLOW ECC ON SOCIAL MEDIA

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[twitter.com/ecc\\_dole](https://twitter.com/ecc_dole)  
[youtube.com/c/EmployeesCompensationCommission](https://youtube.com/c/EmployeesCompensationCommission)



#### Section 4. Other Protected Disclosures:

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

#### Section 5. Rights and Protection of Whistleblower:

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

#### Section 6. Incentives for Whistleblower:

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

#### Section 7, Unprotected Disclosures are as follows:

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

## ECC-OSHC GOVERNING BOARD

**SILVESTRE H. BELLO III**

Chairperson  
*Department of Labor and Employment*

**ALTERNATE: HON. CIRIACO A. LAGUNZAD III**

Undersecretary  
*Department of Labor and Employment*

**JOSEFINA O. FORNILLOS**

Member - Designate  
*Social Security System*

**NORA M. MALUMBAY**

Member - Designate  
*Government Service Insurance System*

**CARLITO P. ROBLE**

Member  
*Employees' Sector*

**VACANT**

Member  
*Employers' Sector*

**Dennis S. Mas**

Member - Designate  
*Philippine Health Insurance Corporation*

**STELLA ZIPAGAN-BANAWIS**

Member  
*Employees' Compensation Commission Secretariat*

**NOEL C. BINAG**

Non-voting member  
*Occupational Safety and Health Center*







Name: **CIRIACO A. LAGUNZAD III, CESO I**  
 Position: Undersecretary, Department of Labor and Employment  
 Age: 64  
 Educational Attainment: Master in Public Management, National University of Singapore (2001)  
 MS Economics, De La Salle University (1986)  
 Bachelor of Arts in Economics, San Beda College (1976)  
 Date of Appointment: March 18, 2013



Name: **JOSEFINA O. FORNILLOS**  
 Position: Senior Vice-President, Central Processing Group, SSS  
 Age: 56  
 Educational Attainment: Bachelor of Laws, Far Eastern University (1993)  
 BSC Major in Accounting, Ortanez University (1983)  
 Date of Appointment: November 8, 2017  
 Trainings Attended: Crisis Communication Planning Workshop for SSS Executives (January 16-17, 2018)  
 New Leadership Style for the 21st Century (March 14-16, 2018)



Name: **Atty. NORA M. MALUBAY**  
 Position: Executive Vice President, Government Service Insurance System  
 Age: 60  
 Educational Attainment: Bachelor of Laws, San Beda College of Law (1995)  
 Bachelor of Science in Accountancy, Pamantasan ng Lungsod ng Maynila (1979)  
 Date of Appointment: September 10, 2018  
 Trainings Attended: Continuing Professional Development for CPAs (December 10-14, 2018)  
 Risk Management and Loss Seminar (October 24-26, 2018)  
 ASEAN Social Security Association Conference (September 18-20, 2018)  
 Influencing for Impact for Executives (July 27, August 2, 2018)  
 Seminar on Train Law (July 30, 2018)



Name: **CARLITO P. ROBLE**  
 Position: Commissioner – Employees' Sector, Employees' Compensation Commission  
 Age: 59  
 Educational Attainment: Electrical Vocational Course, Samson Technical School (1981)  
 Date of Appointment: January 4, 2013  
 Trainings Attended: Risk Based Thinking in ISO 9001-2015 (February 26-28, 2018)



Name: **DENNIS S. MAS, DIPHRM, MMPM, DIPURP, MAURP, PHDURP**  
 Position: Senior Vice-President, Management Services Sector, PhilHealth  
 Age: 43  
 Educational Attainment: Doctorate of Philosophy, University of the Philippines (2010)  
 Master of Management (Public Mgt), University of the Philippines (1998)  
 Master of Arts in Urban and Regional Planning, University of the Philippines (2007)  
 Date of Appointment: September 13, 2018  
 Trainings Attended: Gender Sensitivity Training for Executive and Managerial Officers (September 20-21, 2018)  
 Transformational Leadership Training Program for Executive and Managerial Officers (September 4-5, 2018)  
 Supervisory Development Course II (August 7-10, 2018)  
 ISMS Introductory and Basic Awareness Training for Top Management (March 19, 2018)



Name: **STELLA ZIPAGAN-BANAWIS**  
 Position: Executive Director  
 Age: 56  
 Educational Attainment: Masters in National Security Administration, National Defense College of the Phils (1997)  
 Bachelor of Arts in Economics, University of the Philippines Diliman  
 Date of Appointment: January 4, 2013  
 Trainings Attended: ASEAN Social Security Association Conference (September 18-20, 2018)  
 CES Annual Conference (September 15-16, 2018)  
 High Level Conference on Enhancing the Philippine Social Protection Operational Framework (April 11-12, 2018)



Name: **NOEL C. BINAG**  
 Position: Executive Director  
 Age: 60  
 Educational Attainment: Civil Engineering, Araullo University (1980)  
 Trainings Attended: International Symposium on Occupational Safety and Health (April 15-19, 2018)  
 107th Session of the International Labor (May 27-June 9, 2018)



Name: **DIANE LILIBETH S. BAUTISTA**  
 Position: Board Secretary, Employees' Compensation Commission  
 Age: 41  
 Educational Attainment: Bachelor of Laws, Arellano School of Law (2004)  
 BS Medical Technology, University of Santo Tomas (1998)  
 Date of Appointment: March 16, 2012  
 Trainings Attended: Planning and Delivering Public Service with Impact (October 29-30, 2018)  
 Seminar Workshop on Effective Technical Writing and Editing (July 9-10, 2018)  
 Enhancing Productivity, Quality and Safety at Workplace -5S (June 22, 2018)  
 Critical Thinking and Decision Making in the Workplace (April 10, 2018)





**ECC MANAGEMENT**



**OFFICE OF THE EXECUTIVE DIRECTOR, OFFICE OF THE DEPUTY EXECUTIVE  
DIRECTOR and BOARD SECRETARY**



**INFORMATION AND PUBLIC ASSISTANCE DIVISION**



**WORK CONTINGENCY PREVENTION AND REHABILITATION DIVISION**





**APPEALS DIVISION**



**FINANCE DIVISION**



## ADMINISTRATIVE DIVISION



## POLICY PLANNING AND SYSTEMS MANAGEMENT DIVISION





## REGIONAL INFORMATION OFFICERS



## REGIONAL ADMINISTRATIVE OFFICERS





## **EMPLOYEES' COMPENSATION COMMISSION**

4<sup>th</sup> & 5<sup>th</sup> Flrs., ECC Building, 355 Sen. Gil J. Puyat Avenue  
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