

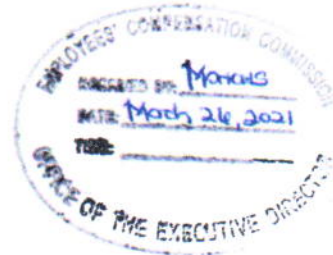


Republic of the Philippines
COMMISSION ON AUDIT
Corporate Government Sector
Cluster 2 – Social Security Services and Housing

FILE COPY

March 25, 2021

Ms. Stella Zipagan-Banawls
Executive Director
Employees' Compensation Commission
4th floor, ECC Building, Sen. Gil J. Puyat Avenue,
Makati City



Dear Ms. Banawls:

Pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines, we transmit herewith our report on the results of the audit of the accounts and transactions of the Employees' Compensation Commission (ECC) for the years ended December 31, 2020 and 2019.

The report consists of the Independent Auditor's Report, Audited Financial Statements, Observations and Recommendations and the Status of Implementation of Prior Years' Audit Recommendations.

The Auditor rendered an unmodified opinion on the fairness of presentation of the financial statements of the Commission as at December 31, 2020 and 2019.

The significant observations and recommendations that need immediate actions are as follows:

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

We reiterated our recommendations that Management:

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

2. The inability of the Employees' Compensation Commission (ECC) to revoke/terminate the authority granting the Employers' Confederation of the Philippines (ECOP), a private organization, free occupancy of ECC's office space, contrary to Section 4(2) of P.D. No. 1445, resulted in opportunity loss estimated at P5.398 million in rental income for CYs 2019 and 2020.

We reiterated our recommendations that Management:

- a. Revoke/terminate the authority granting ECOP a free occupancy of ECC's office space;
- b. Have ECOP enter a lease contract with ECC with rental rates based on the prevailing rate of the other leases of the ECC building; and
- c. If a lease agreement is not reached, offer the space to other tenants through public bidding.

The other audit observations together with the recommended courses of action which were discussed by the Audit Team with concerned Management officials and staff during the exit conference conducted on March 03, 2021, are presented in detail in Part II of the report.

We respectfully request that the recommendations contained in Parts II and III of the report be implemented and that this Commission be informed of the actions taken thereon by accomplishing the Agency Action Plan and Status of Implementation Form (copy attached) and returning the same to us within 60 days from the date of receipt hereof.

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

Very truly yours,

COMMISSION ON AUDIT

By:

re. Lisa P. Inguillo

MA. LISA P. INGUILLO

Director IV

Cluster Director

Copy furnished:

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



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, 2020 and 2019

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 on 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 (Center) in the ECC. The Center is envisioned as the national authority for research and training on matters pertaining to safety and health at work. It provides the expertise and intervention mechanism to improve workplace conditions in the Philippines.

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

In July 1991, the Center 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 the Center's Regional Extension Units (REUs) include learning sessions on Developing Occupational Safety and Health Services, Risk Assessment for the Prevention of Sexual Harassments, Industrial Hygiene, Work Environment Measurement, Mandatory Safety Trainings, and Safety Audits.

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

The governing body of the ECC is the Board of Commissioners composed of five ex-officio members, namely: the Secretary of Department of Labor and Employment as Chairman, the GSIS General Manager, the SSS Administrator, the Chairman of the Philippine Health Insurance Corporation, 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 (COB) 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 2020 COB amounting to P609.422 million as approved by the Department of Budget and Management (DBM) were sourced from the remittances of GSIS and SSS as mandated under P.D. No. 626 and from its income/retained earnings. The budget utilization of the ECC is shown below:

	DBM Approved Budget	Utilization	Variance
	In Philippine Peso		
Personnel services	171,527,000	166,974,635	4,552,365
Maintenance and other operating expense/Financial expenses	350,369,000	246,511,309	103,857,691
Capital outlay	87,526,000	54,072,346	33,453,654
	609,422,000	467,558,290	141,863,710

FINANCIAL HIGHLIGHTS (In Philippine Peso)

I. Comparative Financial Position

	2020	2019	Increase
Assets	1,037,494,582	948,825,152	88,669,430
Liabilities	254,776,412	168,383,368	86,393,044
Equity	782,718,170	780,441,784	2,276,386

II. Comparative Results of Operations

	2020	2019	Increase
Income/Finance income	440,523,808	389,933,812	50,589,996
Expenses/Finance costs	438,247,422	423,583,171	14,664,251
Net Surplus/(Deficit)	2,276,386	(33,649,359)	35,925,745

OPERATIONAL HIGHLIGHTS

Activities	Targets	Accomplishments	Variance
I. ECC			
1. Development and Review of Policies and Issuances on the Employees' Compensation Program (ECP)	7	7	0
2. Rehabilitation Services to PWRDs	330	394	64
3. ECP Advocacy Seminar	300	414	114
4. Development and Production of IEC Materials	10	50	40
5. ECP Dissemination through Quad-Media	15	21	6
6. Disposition of EC Appealed Cases	58	56	2
II. OSHC			
1. Capacity building thru training and information activities:			
a. Conduct of occupational safety and health (OSH) trainings	76 batches	86 batches	10 batches
b. Develop information materials for dissemination to partners	8	8	0
2. Technical assistance and services: work environment measurement and personnel protective equipment	Demand driven	17,682 workers; 3,667 tests; 2,108 specimens; 388 requests	

Activities	Targets	Accomplishments	Variance
3. Research completed	6	6	0
4. Organize summits/conferences	1	1	0
5. Conduct of 11th Gawad Kaligtasan at Kalusugan (GKK)	1	Cancelled	0

SCOPE OF AUDIT

Our audits covered the significant accounts and operations of the ECC for the calendar years 2020 and 2019. Our audits were aimed to ascertain the accuracy of financial records and reports and the fairness of the presentation of the financial statements in accordance with the provisions of International Public Sector Accounting Standards (IPSASs) and were also made to assess the propriety of the financial transactions and compliance of ECC with laws, rules and regulations.

AUDITOR'S OPINION

We rendered an unmodified opinion on the fairness of the presentation of the financial statements of the ECC for the years ended December 31, 2020 and 2019.

SUMMARY OF SIGNIFICANT AUDIT OBSERVATIONS AND RECOMMENDATIONS

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

We reiterated our recommendations that Management:

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

2. The inability of the ECC to revoke/terminate the authority granting the Employers' Confederation of the Philippines (ECOP), a private organization, free occupancy of ECC's office space, contrary to Section 4(2) of P.D. No. 1445, resulted in opportunity loss estimated at P5.398 million in rental income for CYs 2019 and 2020.

We reiterated our recommendations that Management:

- a. Revoke/terminate the authority granting ECOP a free occupancy of ECC's office space;
- b. Have ECOP enter a lease contract with ECC with rental rates based on the prevailing rate of the other leases of the ECC building; and
- c. If a lease agreement is not reached, offer the space to other tenants through public bidding.

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

STATUS OF SUSPENSIONS, DISALLOWANCES AND CHARGES AS AT DECEMBER 31, 2020

As at December 31, 2020, audit disallowances and charges amounted to P4.380 million and P376,350, respectively. All audit suspensions were settled during the year.

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of the 31 audit recommendations embodied in the prior years' Annual Audit Report, 17 were fully implemented, nine were partially implemented and five were not implemented. Details are presented in Part III of this Report.



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

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF COMMISSIONERS

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Employees' Compensation Commission (ECC), which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of financial performance, statements of changes in net assets/equity, statements of cash flows, statement of comparison of budget and actual amounts for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ECC as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 30 to the financial statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of Management and has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

COMMISSION ON AUDIT


ANGELITA R. MANGABAT
OIC-Supervising Auditor

March 25, 2021



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



Management
System
ISO 9001:2015



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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

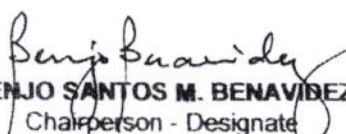
The management of the Employees' Compensation Commission (ECC) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2020 and December 31, 2019 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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


BENJO SANTOS M. BENAIDEZ
Chairperson - Designate
Department of Labor and Employment


March 24, 2021
Date Signed


STELLA ZPAGAN-BANAWIS
Executive Director, ECC

March 24, 2021
Date Signed


MARIA TERESA M. URBANO
Chief, Finance Division

March 24, 2021
Date Signed


NOEL C. BINAG, CE
Executive Director, OSHC

March 24, 2021
Date Signed


PRINCE RAINER C. DOMINGO
OIC, Finance and Administrative Division

March 24, 2021
Date Signed

EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2020 and 2019
(In Philippine Peso)

	Note	2020	2019 (As restated)
ASSETS			
Current Assets			
Cash and cash equivalents	4	261,242,365	220,753,454
Investments	5	446,247,256	491,990,530
Receivables - net	6	155,190,756	101,748,217
Inventories	7	4,218,503	3,924,915
Other current assets	8	1,177,055	1,141,497
		868,075,935	819,558,613
Non-Current Assets			
Investment property	10	167,483	167,483
Property and equipment - net	11	166,149,121	125,980,527
Other non-current assets	9	3,102,043	3,118,529
		169,418,647	129,266,539
TOTAL ASSETS		1,037,494,582	948,825,152
LIABILITIES			
Current Liabilities			
Financial liabilities	12	185,902,743	104,385,413
Inter-agency payables	13	2,351,307	4,061,231
Trust liabilities	14	6,173,553	3,111,148
Deferred credits	15	2,177,167	2,103,049
Provisions	17	12,462,363	8,454,487
Other payables	16	4,155,821	6,255,543
		213,222,954	128,370,871
Non-Current Liabilities			
Provisions	17	41,553,458	40,012,497
		41,553,458	40,012,497
TOTAL LIABILITIES		254,776,412	168,383,368
TOTAL ASSETS LESS TOTAL LIABILITIES		782,718,170	780,441,784
NET ASSETS/EQUITY			
Equity			
Government equity		249,042,285	249,042,285
Accumulated surplus		533,675,885	531,399,499
TOTAL NET ASSETS/EQUITY		782,718,170	780,441,784

The notes on pages 10 to 43 form part of these financial statements.

EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF FINANCIAL PERFORMANCE
For the Years Ended December 31, 2020 and 2019
(In Philippine Peso)

	Note	2020	2019 (As restated)
REVENUE			
Business income	18	22,498,206	42,207,392
		22,498,206	42,207,392
CURRENT OPERATING EXPENSES			
Personnel services	19	166,974,635	161,186,150
Maintenance and other operating expenses	20	246,509,222	239,845,117
Financial expenses	21	2,087	83,518
Non-cash expenses	22	24,761,478	22,468,386
		438,247,422	423,583,171
SURPLUS/(DEFICIT) FROM OPERATIONS		(415,749,216)	(381,375,779)
Loading fund from other government entities	29	418,025,602	347,726,420
NET SURPLUS/(DEFICIT) FOR THE PERIOD		2,276,386	(33,649,359)

The notes on pages 10 to 43 form part of these financial statements.

EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
For the Years Ended December 31, 2020 and 2019
(In Philippine Peso)

	Note	Government Equity	Accumulated Surplus/(Deficit)	Total
BALANCE AT JANUARY 1, 2019		249,042,285	565,047,487	814,089,772
Prior period adjustments	23	0	1,371	1,371
RESTATED BALANCE AT JANUARY 1, 2019		249,042,285	565,048,858	814,091,143
Changes in Net Assets/Equity for CY 2019				
Surplus/(Deficit) for the period		0	(33,649,359)	(33,649,359)
BALANCE AT DECEMBER 31, 2019		249,042,285	531,399,499	780,441,784
Changes in Net Assets/Equity for CY 2020				
Surplus/(Deficit) for the period		0	2,276,386	2,276,386
BALANCE AT DECEMBER 31, 2020		249,042,285	533,675,885	782,718,170

The notes on pages 10 to 43 form part of these financial statements.

EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019
(In Philippine Peso)

	Note	2020	2019 (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Receipt of loading fund from the SSS and GSIS		364,609,943	306,071,420
Collection of receivables		17,804,683	22,717,680
Collection of income		3,313,482	20,544,830
Cash receipt from bid bond		1,507,632	2,277,793
Interest earned on savings deposits		1,250,708	942,140
Return of cash advance		701,571	2,637,616
Cash receipts from overpayments/disallowances		227,829	193,730
Receipt of refunds in excess of previous payments		44,431	21,183,154
Collection from sale of bid forms		23,000	192,000
Total Cash Inflows		389,483,279	376,760,363
Cash Outflows			
Payment of operating expenses		172,933,561	168,911,678
Payment of salaries and wages		127,596,630	121,798,537
Remittance to GSIS/Pag-ibig/Philhealth and others		21,700,939	22,648,292
Remittance to BIR		19,682,598	18,290,113
Payment of leave benefits payables		3,872,268	3,981,207
Refund of bidders' bond/guaranty deposits		761,029	423,086
Payment of prepaid expenses		491,315	652,832
Total Cash Outflows		347,038,340	336,705,745
Net cash generated from operating activities		42,444,939	40,054,618
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Proceeds from investment in time deposit		110,421,788	107,710,097
Interest earned on time deposits		1,694,530	1,717,989
Collections of loans - LO-1318		0	262,824
Total Cash Inflows		112,116,318	109,690,910
Cash Outflows			
Investment in time deposit		60,000,000	84,299,087
Purchase of medical equipment		21,552,779	8,053,000
Construction in progress - buildings and other structures		15,973,374	0
Purchase of office equipment		7,586,734	2,209,143
Purchase of technical and scientific equipment		4,952,082	4,121,249
Purchase of other structures		2,750,236	0
Purchase of IT and communication equipment		1,142,053	2,154,500
Purchase of other machineries and equipment		81,588	0
Purchase of furniture and fixtures		33,500	456,711
Purchase of motor vehicle		0	3,999,999
Building renovations		0	5,386,456
Total Cash Outflows		114,072,346	110,680,145
Net cash used in investing activities		(1,956,028)	(989,235)
INCREASE IN CASH AND CASH EQUIVALENTS		40,488,911	39,065,383
CASH AND CASH EQUIVALENTS, JANUARY 1		220,753,454	181,688,071
CASH AND CASH EQUIVALENTS, DECEMBER 31	4	261,242,365	220,753,454

The notes on pages 10 to 43 form part of these financial statements.

EMPLOYEES' COMPENSATION COMMISSION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the Year Ended December 31, 2020
(In Philippine Peso)

	Note	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Between Budget and Actual Amounts
		Original	Final		
SOURCES OF FUNDS					
Corporate Funds	25				
State Insurance Fund / Loading Fund		439,772,000	439,772,000	303,013,648	136,758,352
Accumulated Surplus		212,821,000	212,821,000	115,270,331	97,550,669
		652,593,000	652,593,000	418,283,979	234,309,021
USES OF FUNDS					
Personnel Services	25				
State Insurance Fund / Loading Fund		184,546,000	171,527,000	153,169,837	18,357,163
		184,546,000	171,527,000	153,169,837	18,357,163
Maintenance and Other Operating Expenses	25				
State Insurance Fund		281,897,234	246,496,195	146,613,968	99,882,227
Accumulated Surplus		95,192,679	103,870,718	47,252,448	56,618,270
		377,089,913	350,366,913	193,866,416	156,500,497
Capital Outlays	25	87,526,000	87,526,000	54,072,346	33,453,654
Financial Expenses		2,087	2,087	2,087	-
		87,528,087	87,528,087	54,074,433	33,453,654
		649,164,000	609,422,000	401,110,686	208,311,314
NET FUND SOURCES/(USES)		3,429,000	43,171,000	17,173,293	25,997,707

The notes on pages 10 to 43 form part of these financial statements.