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EMPLOYEES' COMPENSATION COMMISSION

ANNUAL REPORT 2021

21





CONTENTS



THE EMPLOYEES' COMPENSATION COMMISSION.....	IV
LEGAL MANDATE.....	V
MISSION	
VISION	
CORE VALUES	
MESSAGE FROM THE PRESIDENT.....	VI
MESSAGE FROM THE SECRETARY.....	VII
MESSAGE FROM THE EXECUTIVE DIRECTOR.....	VIII
2021 IN REVIEW.....	1
AWARDS AND RECOGNITIONS.....	9
ISO CERTIFICATIONS.....	10
ECC NEWS.....	14-24
COA'S OPINION.....	25
ANNUAL AUDIT REPORT.....	26
WHISTLE BLOWING POLICY.....	113
ECC GOVERNING BOARD.....	119
ECC SECRETARIAT.....	124

THE EMPLOYEES' COMPENSATION COMMISSION

The Employees' Compensation Commission (ECC) is a government corporation attached to the Department of Labor and Employment for policy coordination and guidance.

It is a quasi-judicial corporate identity created to implement the Employees' Compensation Program.

As implementer of the ECP, the ECC is mandated by law to provide meaningful and appropriate compensation to workers in time of work-related injuries, sickness, disability, or death.

Its main functions are:

- formulate policies and guidelines for the improvement of the ECP;
- review and decide on appeal all EC claims disapproved by the Systems; and
- initiate policies and programs toward adequate occupational health and safety and accident prevention in the workplace.

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.

MISSION

1. To develop and implement effective OSH policies and programs for the promotion of a healthy working population, safe working environment and prevention of work-related contingencies;
2. To promptly provide workers and/or their dependents with adequate benefits and services in the event of work-connected injury, illness and death;
3. To manage a sound, strong, viable, and wisely invested State Insurance Fund.

VISION

By 2025, ECC is a nationally-recognized social insurance government institution committed to protect all workers through effective programs and excellent services.

CORE VALUES

We are God-loving, dedicated and steadfast professionals and public servants; We stand for integrity, transparency, efficiency, and effectiveness in our office operations; We deal with our clients and other publics with utmost courtesy, patience, compassion and dedication; We deliver excellent services promptly and fairly to all.

Message from the President



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

Two years into the COVID-19 Pandemic, the ECC's mandate has become even more relevant and pronounced as we mobilize our workforce for the imminent reopening of our economy. With thousands of employees both from government and private sectors receiving benefits from the Employees' Compensation Program, the money will not only help our labor force get back on their feet, but also spur economic activity in various sectors of society.

I thus laud the competence and resilience that the ECC has shown during this difficult time. It

has not only been proactive in instituting several landmark policies and programs, but has also expedited the processing of claims and made sure that the concerns of the everyday working man are thoroughly addressed.

It is my hope that the ECC will continue to foster and promote health and safety in the workplace and enhance its compensation packages to fit the needs of the ever evolving Philippine workforce.

I wish you all the best and more power in the years ahead.

RODRIGO ROA DUTERTE
President, Republic of the Philippines

Message from the Labor Secretary



It is with great pleasure that I convey my heartfelt greetings to the Employees' Compensation Commission (ECC) for a tremendous job well done for the year 2021.

These days, not only employers and employees are informed of the ECC's programs and services but also people from all walks of life. This is evident in the latest number of workers who joined our ECC's advocacy webinars reaching 47,754 from 27,422 in 2020, not to mention the number of individuals reached through social media platforms which garnered 552 thousand followers on Facebook alone.

This year, we have managed to deliver prompt services through the recent programs and policies despite all the challenges. Such initiatives include the

official inclusion of CoVID-19 in the list of ECC's occupational and work-related diseases; coverage of members and/or their beneficiaries in the event of disability or death due to CoVID-19 inoculation; compensation of injuries sustained while in the performance of duties in their residences or dwelling places; approval of a one-time EC top-up cash assistance of P30,000.00 for all approved claims due to CoVID-19; grant of a one-time EC financial assistance amounting to P20,000.00 for all EC pensioners; and, the easing of prescriptive period in the filing of EC claims nationwide.

ECC has touched many lives in 2021, true to DOLE's commitment to provide social protection to all workers in order to achieve the country's vision of a matatag, maginhawa at panatag na buhay para sa lahat, including ECC clients, the Persons with Work-related Disabilities.

Congratulations to ECC! May God continue to shower more blessings on you.

SILVESTRE H. BELLO III
Secretary

MESSAGE OF THE EXECUTIVE DIRECTOR

For many years now, the Commission has put a premium on the welfare and interest of the Filipino workers by constantly working toward a responsive and efficient Employees' Compensation Program (ECP). The essence of which had never held more weight than the past two years amidst the pandemic.

These unprecedented challenges gave birth to the formulation of new policies to address the needs of the Filipino workers who met other work-related contingencies in this time of the "new normal", most particularly CoViD-19.

Among said policies is the official inclusion of CoViD-19 in ECC's list of occupational and work-related diseases, thereby providing much-needed insurance to millions of Filipino workers who continue to risk contracting the virus from the very moment they step out of their homes for work.

As various industries shifted to alternative work arrangements, especially remote work, we recognize that employees in both public and private sectors who are in the performance of their duties at home are not exempt from the possible occurrence of work-related contingencies such as accidents and its resulting injuries. With this, we also issued the guidelines covering work-from-home accidents and its resulting disability or death under the ECP.

Through all these, we were able to provide a total of P2,619,356,536.00 EC benefits for 379,642 EC claims since the start of the pandemic thru the Social Security System (SSS) and Government Service Insurance System (GSIS) –ECC's administering agencies in the private and public sectors. Of these claims, a total of P450,912,678.96 were provided to 77,310 workers who contracted work-related CoViD-19.

Likewise, a sum of P120,615,000.00 of EC Cash Assistance were paid to 12,018 workers and/or their beneficiaries as a top up benefit for those who have approved EC claims at the Systems. From this amount, P116,245,000.00 were extended to 11,612 workers who have approved EC claims due to CoViD-19.

Moreover, a total of P541,714,000.00 of one-time EC Financial Assistance were granted to 27,087 qualified EC pensioners and/or their beneficiaries who received at least one month of EC pension between the period of January 2020 to May 2021.

While most of our efforts were realigned with the nation's pandemic response, our collective experiences fueled our



passion for a more compassionate public service and reinforced our dedication to provide better EC benefits and services to all Filipino workers.

True to our long-standing commitment to serve our persons with work-related disabilities, ECC has developed a stronger sense of purpose coupled with concrete and prompt actions.

Rest assured that we will keep our momentum going and seek to improve in areas where we are needed most, especially by our clients, the persons with work-related disabilities. The testimonials of our beneficiaries will always drive our pursuit in ensuring that our programs will remain responsive, efficient, and relevant to the ever-changing needs of the Filipino workers.

STELLA ZIPAGAN-BANAWIS
Executive Director

2021 IN REVIEW

A SUMMARY OF ECC'S ACCOMPLISHMENTS

The Employees' Compensation Commission (ECC), in its forty-six years, continues to thrive to champion protection and compensation for workers against employment contingencies.

ECC, as the prime implementing agency of the Employees' Compensation Program (ECP) attached to the Department of Labor and Employment, has two corporate objectives or commitments in relation to its mandate, under Presidential Decree No. 626, as amended. The two corporate objectives that the agency is committed to fulfill are as follows: improved and expanded benefits and appealed cases disposition, being a policy making and quasi-judicial institution.

I. IMPROVED AND EXPANDED BENEFITS AND SERVICES

There are two programs under this commitment:

- Development and Review of Policies on the Employees' Compensation Program or ECP
- Rehabilitation of Persons with Work-Related Disabilities (PWRDs)

A. Development and Review of Policies on the ECP

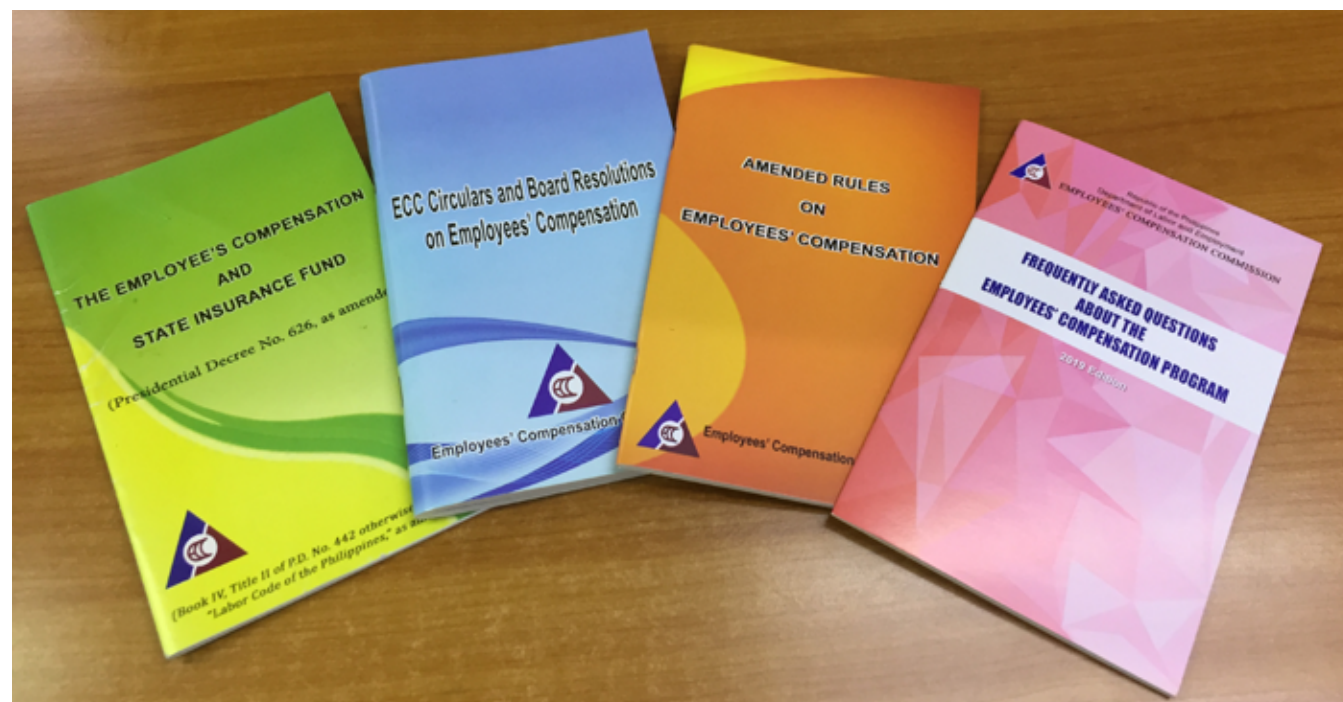
This program aims to develop and review policies and procedures for the improvement of the ECP such as the increase of benefits and expansion of coverage of the ECP.

In 2021, the ECC ensured that members are provided with benefits that will safeguard them and their families from financial difficulties especially in the onslaught of the COVID-19 pandemic. The Commission passed 8 policies, foremost of which is the inclusion of COVID-19 in the ECC List of Occupational and Work-Related Diseases. Other policies relate to additional benefits to workers who acquired COVID-19, facilitation in the filing of claims during the pandemic and the provision of guidelines in the disbursement of the P20,000.00 cash assistance benefit to EC pensioners which was approved through a Board Resolution in 2020 and approved by the President of the Republic of the Philippines through the issuance of Administrative Order No. 39 on 19 April 2021.



The list of the policy issuances in 2021 are as follows:

1. Granting of Compensation under P.D. No. 626, as amended, to all Covered Members and/or their Qualified Beneficiaries in the Event of Disability or Death Due to Inoculation under Republic Act (R.A.) No. 11525 ("COVID19 Vaccination Program Act of 2021") (ECC BR No. 21-03-08 dated 11 March 2021)
 2. Policy on the Compensability of Disability or Death under P.D. No. 626, as amended, due to Injuries Sustained by Employees in the Public and Private Sectors while in the Performance of their Duties or Assigned Tasks in their Residences or Dwelling Places (ECC BR No. 21-03-09 dated 11 March 2021)
 3. Approving a One-Time EC Top Up Cash Assistance of Php30,000 for Claimants in the Private Sector with Approved EC Benefits Because of Work-Related COVID-19 (ECC BR No. 21-04-13 dated 06 April 2021)
 4. Conditions for the Compensability of COVID-19 under the ECC List of Occupational and Work-Related Diseases or Annex A of the Amended Rules on Employees' Compensation (EC) (ECC BR No. 21-04-14 dated 06 April 2021)
 5. Guidelines on the Implementation of Administrative Order No. 39 of the Office of the President Authorizing the Grant of a One-Time Financial Assistance of P20,000 to Employees' Compensation Pensioners in the Public Sector (ECC BR No. 21-04-15 dated 28 April 2021)
 6. Further Ease the Prescriptive Period in the Filing of EC Claims Under P.D. No. 626, As Amended, in All Provinces, Highly Urbanized Cities and Independent Component Cities During the Entire Duration of State of Public Health Emergency Due to COVID19 Pandemic Amending for This Purpose B.R. No. 20-07-12 ("Prescribing Guidelines on The Interruption of The Prescriptive Period for The Filing Of Employees' Compensation [EC] Claims During Pandemic, Epidemic Or Public Health Emergency And Other Fortuitous Events") (ECC BR No. 21-05-17 dated 20 May 2021)
 7. Guidelines on the Implementation of Administrative Order No. 39 of the Office of the President Authorizing the Grant of a One-Time Financial Assistance of P20,000 to Employees' Compensation Pensioners in the Private Sector (ECC BR No. 21-05-19 dated 21 May 2021)
 8. Approving a One-Time EC Top Up Cash Assistance of P30,000 for Claimants in the Public Sector with Approved EC Benefits Because of Work-Related COVID-19 (ECC BR No. 21-08-22 dated 05 August 2021)
- The number of policies issued by the Commission in 2021 is 14% higher than in 2020.



B. Rehabilitation of Persons with Work-Related Disabilities (PWRDs)

This program facilitates the integration of PWRDs into the economic mainstream of society through the following:

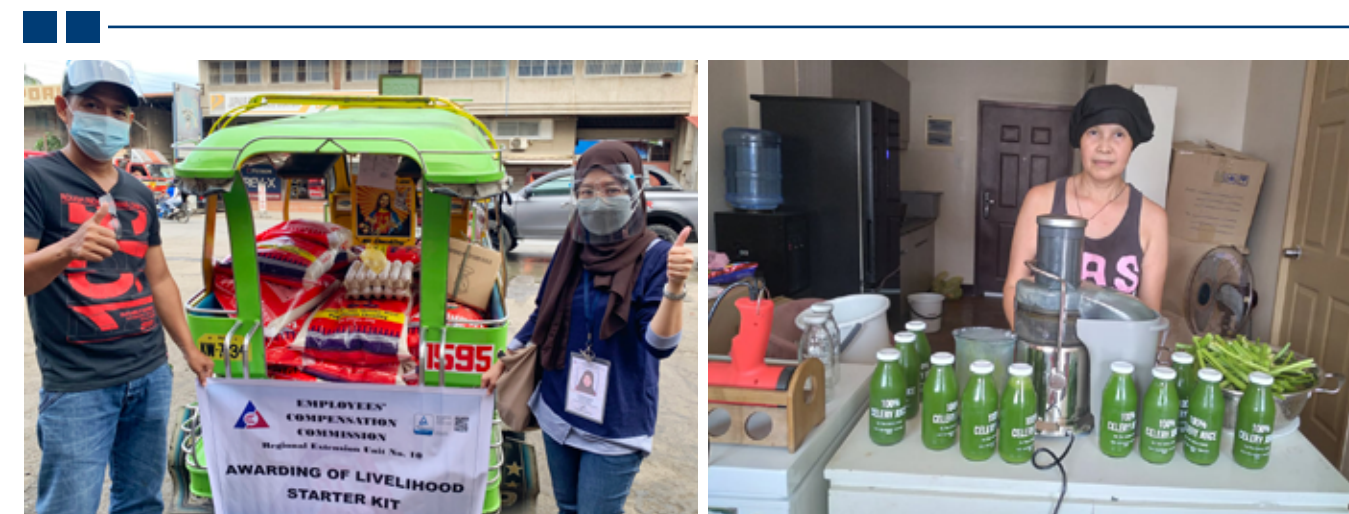
1. ECC-Quick Response to PWRDs

The quick response program (QRP) provides psycho-social support to PWRDs through information sharing on ECP and how to avail of ECP benefits and services. In 2021, there were a total of 109 work-related contingencies that were attended through phone calls or site visits.

The QRP-Cash Assistance, originally given to uniformed personnel and other PWRDs with approved EC claims at the Social Security System (SSS) and Government Service Insurance System (GSIS) – ECC's administering agencies, was extended to workers who acquired work-related COVID-19.

Through said partner agencies, ECC has paid a total of P2,056,865,855.29 EC benefits for 263,305 claims. Of the said amount, P1,662,773,909 was paid by SSS to private sector employees while P394,091,946.29 was paid by GSIS to government employees. Of these, claims related to CoVID-19 amounted to P450,912,678.96.

A total of P541,440,000 was likewise granted to 27,072 EC pensioners following the issuance of the policy which provides a P20,000 financial assistance during the pandemic in order to augment their existing EC pension.



2. Katulong at Gabay sa Mangagawang May Kapansanan (KAGABAY)

The KAGABAY Program includes physical restoration and vocational rehabilitation which aims to provide the PWRDs with continuous or return to gainful economic activity.

Under vocational rehabilitation, ECC provided 253 PWRDs or 90% of the total applications approved in 2021 with starter kits worth P20,000 each, for a total of P5.06 million worth of livelihood benefits. ECC was also able to provide P830 thousand pesos worth of complementary kits to 83 PWRDs who were provided with starter kits in 2020 and were able to sustain their livelihood upon monitoring by the program focal.

Moreover, 100% of the targeted 150 PWRDs availed of livelihood training seminars conducted by ECC's partner government agencies.



3. Return to Work Program

Prelude to the institutionalization of a return-to-work program in the Philippine context, ECC aims to provide PWRDs with unrestricted access to labor market through collaborative efforts with established disability network whilst ensuring technical capability building of its personnel who will be in charge of disability and case management.

This year, the ECC concluded the signing of a Memorandum of Understanding (MOU) with Project Inclusion Network or PIN, of the Philippine Business and Disability Network, an employment advocate for persons with disabilities.

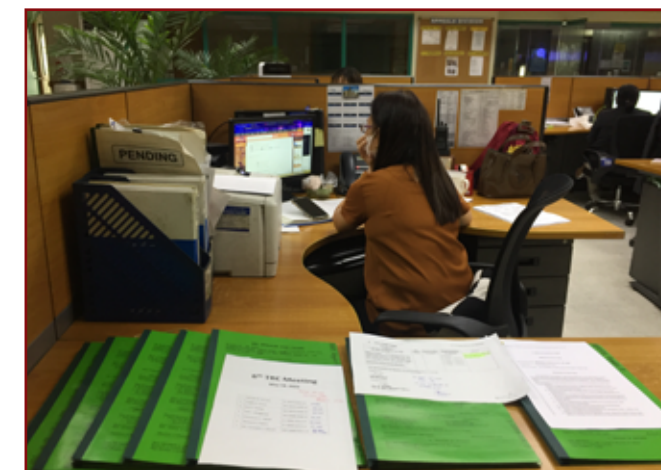
The MOU allows collaboration between ECC and the PIN in disseminating awareness on ECP benefits, conduct of livelihood and skills training for PWRDs, and networking with employers with strong advocacy on PWD employment and welfare.



II. APPEALED CASES DISPOSITION

This mandate involves the evaluation and adjudication of all EC claims elevated to the Commission after denial by the Systems. A monitoring and tracking mechanism for every action taken on the case has been installed to ensure prompt disposition of appealed EC claims within the prescribed process cycle time of 20 working days. In addition, the following activities and procedures are maintained to ensure that EC claimants are served promptly, efficiently and effectively:

- Evaluation and Disposition of EC Appealed Claims through a Technical Review Committee (TRC)



During the pandemic, the TRC conducts online meetings to review and evaluate EC appealed cases once or twice every month. With the increase in the number of appealed cases in 2021, the Technical Review Committee was able to conduct 18 TRC meetings to be able to dispose claims within the process cycle time.

- Consultations with the Systems

To ensure that processors and evaluators at the Systems and even the ECC legal team are abreast with latest issuances, policies and guidelines with respect to the processing and evaluation of EC claims, as well as the prevailing laws at the Systems, the ECC, through its Appeals Division, conducted a webinar series attended by 138 Medical Officers, Legal Officers, Processors and Evaluators of GSIS on 20 October 2021 and 295 Medical Officers, Legal Officers and Processors and Evaluators of SSS, on the 21 October 2021.

- Monitoring Mechanism for the Process Cycle Time

The disposition of EC appealed cases is monitored closely in compliance with Republic Act No. 9485 or commonly known as the Anti-Red Tape Act of 2007. In 2021, the ECC disposed 115 (87%) cases out of the 131 appealed cases received from 21 November 2020 to 20 November 2021. Seventy-six percent (76%) or 87 of the 115 cases were disposed within the process cycle time of 20 working days.

To assess the performance of the ECC as an appellate body, one of its performance measures is the affirmation rate of the cases disposed by the higher courts, the Court of Appeals and Supreme Court. In 2021, the higher courts affirmed 71% of ECC's decisions elevated to the higher courts, a 6% higher affirmation rate than in 2020.

REVIEW OF THE EMPLOYEES' COMPENSATION AND STATE INSURANCE FUND LAW (Presidential Decree No. 626, as amended)

The ECC also kicked off the year 2021 with a series of executive meetings and consultations with partner agencies and labor sector for the proposed amendments on P.D. 626, as amended, which created the Employees' Compensation Commission.



Among the objectives of the proposed amendments are as follows:

- First, to create a more responsive program for workers' occupational safety, rehabilitation and compensation
- Second, to promote occupational safety and health and to prevent work-related illnesses and accidents in workplaces
- Third, to bolster the rehabilitation services and institutionalization of the Return-to-Work Program
- Fourth, to facilitate the approval of the new and enhanced benefits and processing of claims

And last, to push for a more unified implementation of the EC Program by the SSS and GSIS

After numerous sessions, the Commission is now set to endorse the amendments to the Congress. Should they approve the revisions and the Office of the president ratifies it, the ECC can potentially cover a significant number of Filipino workers with a much better and more innovative EC Program.



ECP INFORMATION CAMPAIGN

To further increase public awareness on the ECP, the information team in the Central Office and Regional Extension Units continued to make ECC a recognizable social insurance organization through traditional and modern information dissemination approaches.

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

Press Interviews

The traditional media helped ECC establish and maintain its presence through radio and television. In 2021, it has appeared in 172 press interviews and made four public briefings to augment and facilitate its information drive.

Facebook / Viber / Instagram / Youtube

For online activities, ECC was able to successfully distribute a total of 601,706 information education and communication materials via its social media accounts on Facebook, Viber, Instagram and YouTube.

ECC's Facebook page has already gained more than 550,000 followers from more than 482,000 in 2020. In connection with this, a total of 597 clients rated ECC's Facebook page an average rating of 4.9 with 5 being the highest.

In July 2021, ECC created a Viber account to establish another online community which provides direct and additional information to niche clients with regard to EC benefits, services and relevant advisories.

Although relatively young, ECC's YouTube account now offers asynchronous type of learning for our online and offline clients who opt to watch ECC's lecture materials as an alternative to actual attendance to ECC's live lectures. All audio-visual materials of ECC are now up on ECC account and viewable anytime.



Ma. Eunice De Guzman of IPAD facilitating the ECC's webinar on the Employees' Compensation Program.

EccAI – ECC Chatbot

To reinforce its existing information campaigns, ECC relaunched in May 2021 a chatbot named ECCAI, a form of artificial intelligence (AI). This was integrated to its Facebook account and website with the ECC information officers sitting as its own live agents. Through the chatbot, the Commission provided a more efficient, effective, systematic and round-the-clock online public assistance. During its initial six-month run, it has already catered to more than 50,000 clients who coursed thru their queries via chatbot. The flexibility and efficiency of the said application pushed ECC to continue employing the AI in assisting the general public 24/7.

SMS Text Blast

There were also 4 distinct short message services (SMS) sent to approximately 1.5 million GSIS members or a total of 6,463,869 SMS sent to the public sector workers. While 40 distinct SMS were sent to 3,133 cash assistance applicants for a total of 6,266 SMS in support of the cash assistance program process. A total of 198,963 SMS or 3 distinct SMS were likewise sent to 66,305 individuals as part of ECC's contribution to the DOLE Mission Race Project.

2. Intensification of Information Dissemination on the ECP through Seminars

Correspondingly, part of its efforts to intensify information dissemination on the ECP, the IPAD conducted 1,017 seminars and webinars with 47,754 participants from 27,422 companies. These are 203%, 159% and 183% higher, respectively, from the previous year.

3. Public Assistance Center (PAC). Assistance to 16,644 clients across the county was provided in 2021. This is almost twice the number of clients catered to in the previous year. More than 1 in every 4 clients are walk-in clients while most are through telephone calls, given the current pandemic situation.

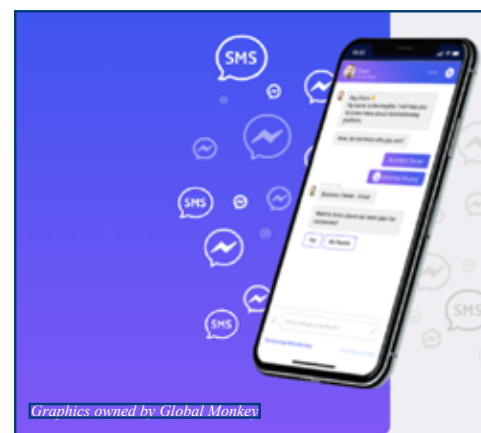
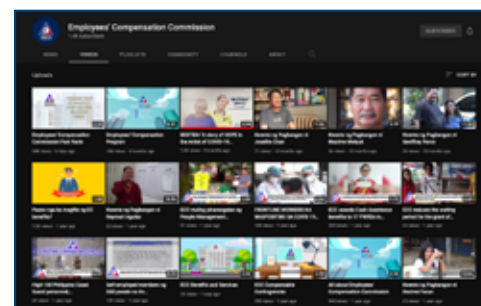
4. Development/Updating/Reproduction of IEC Materials

This 2021, the Information and Public Assistance Division (IPAD) was able to prepare 76 Press Releases and/or Good News on ECP or 211% of their target for the year.

They were also able to develop, produce, and publish 100% of the target number of online newsletter, the ECC e-Reporter

Lastly, 7 Information, Education, and Communication (IEC) materials, 140% of the target, were developed, updated and produced. Specifically, these materials are about:

1. PWRDs Testimonial Videos
 2. Bestida, short drama video
 3. Self-Employed coverage animated video
 4. Filing process animated video
 5. Digital media infographics
 6. Radio drama recording of EC reversed cases
- ECC milestone video



AWARDS AND RECOGNITION

Despite the many challenges in the past years, the ECC remained steadfast in its commitment to deliver prompt and efficient programs and service. True to its commitment, the ECC grabbed 9 local and international awards and recognition in 2021, as follows:

1. ASSA Recognition Award Customer Service Recognition Award – ASEAN Social Security Association, 25-26 November 2021
2. Recipient of the 2021 Freedom of Information Award from the Presidential Communications Operations Office
3. BESTIDA: A story of HOPE in the midst of COVID-19 Pandemic - Winner: Disability Management Video Competition 2021 “Rebuilding Lives, Reimagining the Future” Southeast Asia Region Edition – Perkeso Malaysia, 13 September 2021
4. Citation of Active Government Partner awarded in Appreciation for ECC's support and excellence in public service in promoting safety and health – Western Visayas Occupational Safety and Health Network, Inc. (WVOSHNET, Inc.), 15 July 2021
5. Certificate of Appreciation in consistent Promotion of Occupational Safety and Health – 1Sheperd Corporation, 12 July 2021
6. Certificate of Appreciation for the unparalleled support and service in bringing awareness about the government's COVID-19 response – Bombo Radyo Philippines Tuguegarao, 2 June 2021
7. Certificate of Recognition as regular partner in disseminating timely, accurate and relevant information to the public – Philippine Information Agency-Ilocos Sur Information Center, 28 May 2021
8. Certificate of Recognition as Partner in the conduct of all programs and advocacies of the organization – Pangasinan Government Information Officers' Association, 27 May 2021
9. Presidential Special Recognition Award as partner to achieve the goals and plans of PMAP-CDO 2020 - People Management Association of the Philippines – Cagayan de Oro Chapter, 10 February 2021
10. Certificate of Recognition for ECC's active support to all trainings since 2014 that benefit the workers in private and public sectors in whole Negros Island - Safety Organization of Negros Occidental, Inc., 20 January 2021



ISO 9001:2015 Certifications

Certificate

Standard: **ISO 9001:2015**
Certificate Registr. No.: 01 100 1432634

Certificate Holder: Employees Compensation Commission
Central Office – 4th-5th Floor, ECC Bldg., 355 Sen. Gil Puyat Ave., Makati City 1200 Philippines

including the locations according to annex

Scope: Public Administration that provides social services such as Development and Review of Policies on Employees' Compensation Program, Disposition of Employees' Compensation appealed cases, Rehabilitation of Persons with Work Related Disability (PWRDs) and Information Dissemination

Validity: Proof has been furnished by means of an audit that the requirements of ISO 9001:2015 are met.
The certificate is valid from 2021-12-22 until 2024-02-03.
First certification 2015

2021-12-23

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Annex to certificate

Standard: **ISO 9001:2015**
Certificate Registr. No.: 01 100 1432634

No.	Location	Scope
/01	c/o Employees Compensation Commission Central Office – 4th-5th Floor, ECC Bldg., 355 Sen. Gil Puyat Ave., Makati City 1200 Philippines	Public Administration that provides social services such as Development and Review of Policies on Employees' Compensation Program, Disposition of Employees' Compensation appealed cases, Rehabilitation of Persons with Work Related Disability (PWRDs) and Information Dissemination
/02	c/o Employees Compensation Commission Unit 109 Ground Floor Milan Prestige Building, National Highway, Barangay Haling, Calamba City, Laguna 4027 Philippines	Public Administration that provides social services such as Rehabilitation of Persons with Work Related Disability (PWRDs)
/03	c/o Employees Compensation Commission ECC Regional Extension Unit VI (WESTERN VISAYAS) - M.E. Building, Dugong B, Jaro, Iloilo City 5000 Philippines	Public Administration that provides social services such as Rehabilitation of Persons with Work Related Disability (PWRDs) and Information Dissemination

Page 1 of 2

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Certificate

Standard: **ISO 9001:2015**
Certificate Registr. No.: 01 100 143263402

Organization: Employees Compensation Commission
Central Office – 4th-5th Floor, ECC Bldg., 355 Sen. Gil Puyat Ave., Makati City 1200 Philippines

Site: c/o Employees Compensation Commission
Unit 109 Ground Floor Milan Prestige Building, National Highway, Barangay Haling, Calamba City, Laguna 4027 Philippines

Scope: Public Administration that provides social services such as Rehabilitation of Persons with Work Related Disability (PWRDs)

Validity: Proof has been furnished by means of an audit that the requirements of ISO 9001:2015 are met.
The certificate is valid in conjunction with the main certificate 01 100 1432634 from 2021-12-22 until 2024-02-03.

2021-12-23

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Annex to certificate

Standard: **ISO 9001:2015**
Certificate Registr. No.: 01 100 1432634

No.	Location	Scope
/04	c/o Employees Compensation Commission ECC Regional Extension Unit XIII (CARAGA) – Department of Labor and Employment (DOLE), Ninda Tau Building, J.P. Rosales Avenue, Butuan City, Agusan del Norte 8600 Philippines	Public Administration that provides social services such as Rehabilitation of Persons with Work Related Disability (PWRDs) and Information Dissemination

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Page 2 of 2

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Certificate

Standard: **ISO 9001:2015**
Certificate Registr. No.: 01 100 143263403

Organization: Employees Compensation Commission
Central Office – 4th-5th Floor, ECC Bldg., 355 Sen. Gil Puyat Ave., Makati City 1200 Philippines

Site: c/o Employees Compensation Commission
ECC Regional Extension Unit VI (WESTERN VISAYAS) - M.E. Building, Dugong B, Jaro, Iloilo City 5000 Philippines

Scope: Public Administration that provides social services such as Rehabilitation of Persons with Work Related Disability (PWRDs) and Information Dissemination

Validity: Proof has been furnished by means of an audit that the requirements of ISO 9001:2015 are met.
The certificate is valid in conjunction with the main certificate 01 100 1432634 from 2021-12-22 until 2024-02-03.

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Certificate

Standard: **ISO 9001:2015**
Certificate Registr. No.: 01 100 143263404

Organization: Employees Compensation Commission
Central Office – 4th-5th Floor, ECC Bldg., 355 Sen. Gil Puyat Ave., Makati City 1200 Philippines

Site: c/o Employees Compensation Commission
ECC Regional Extension Unit XIII (CARAGA) – Department of Labor and Employment (DOLE), Ninda Tau Building, J.P. Rosales Avenue, Butuan City, Agusan del Norte 8600 Philippines

Scope: Public Administration that provides social services such as Rehabilitation of Persons with Work Related Disability (PWRDs) and Information Dissemination

Validity: Proof has been furnished by means of an audit that the requirements of ISO 9001:2015 are met.
The certificate is valid in conjunction with the main certificate 01 100 1432634 from 2021-12-22 until 2024-02-03.

2021-12-23

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2021 LIST OF TRAININGS PROVIDED

TITLE OF THE TRAINING	DATE	CONDUCTED BY
Public Service Values in Times of Adversities	“Feb. 2,4,9,11,16,18, 2021 & Apr. 13, 15,20,22,27, 29, 2020”	CSC
Introduction to Legal Writing	Feb. 13, 2021	CFS Creative Training and Management
News and Feature Writing	Feb. 5 & 12, 2021	Asian Institute of Journalism and Communication
Basic Occupational & Health Training for the Public Sector	Feb. 15-19, 2021	OSHC
Designing & Delivering Online Course	Feb. 22 & 23, 2021	Inquirer Academy
Disaster Preparedness and Emergency Seminar	Feb. 24, 2021	PhiVolcs
Creating Content and Building Connections	Mar. 15-16, 2021	Inquirer Academy
Fire Preparedness Seminar	Mar. 18, 2021	Makati Fire Station
Recruitment, Selection and Placement for PRIME-HRM Level 2	Mar. 15, 17,19,22,24,26,29, 2021	Civil Service Institute
QMS Auditing ISO 9001:2015 (Module 1 and 2)	Mar. 23 & 24, 2021	Rosehall Management Consultants, Inc.
Basic Social Work Methodologies in Planning and Implementing Livelihood Programs	Mar. 26, 2021	REU-WCPRD
Internal Control System for Property and Supply Management (Appraisal and Disposal)	“Mar. 29-31, 2021 & May 3-5, 2021”	Association of Government Internal Auditors, Inc.
Mindfulness at Work	Apr. 26, 2021	Inquirer Academy
Basic Records and Archives Management	Apr. 12-16, 2021	National Archives of the Philippines
How to Become an Effective ISO 9001:2015 Document Controller	May 5, 2021	Philippine Trade Training Center
The Law and IRR of the Safe Spaces Act	May 18, 2021	Center for Global Best Practices Foundation, Inc.
Risk Identification and Prioritization	May 19, 2021	Rosehall Management Consultants, Inc.
4th National Data Privacy Awareness Week	May 27-28, 2021	National Privacy Commission
Strategic and Operations Planning	May 25-28, 2021	Association of Government Internal Auditors, Inc.
How to Ace your First Media Interview	May 31, 2021	Asian Institute of Journalism and Communication
BOSH	June 14-18, 2021	OSHC
Supervisory Development Course Module 1	June 10-11, 2021	CSC
Roll-out Electronics Records Management Policy	June 22, 2021	National Archives of the Philippines
Supervisory Development Course Module 3	June 24-25, 2021	CSC
42nd Annual National Convention & Webinar (ANC)	June 24-25, 2021	GACPA
Process Orientation	July 8, 2021	Rosehall Management Consultants, Inc.

TITLE OF THE TRAINING	DATE	CONDUCTED BY
Nutrition Month Webinar	July 19, 2021	Nona Andaya-Castillo
Cash Management and Its Internal Control System by Association of Government Internal Auditors, Inc.	July 19-21	AGIA
L & D for PRIME-HRM Level 2	July 6-23, 2021	CSC
Digital Multi-Country Conference on Public-Sector Productivity with the theme Ensuring Public Service in the New Normal	Aug. 25, 2021	DAP and APO Secretariat
Online Learning: Facilitating Learning Through Technology	Aug. 11-27,2021	CSC
SOCISO’s Regional Return to Work Digimos Symposium	Sept. 6-7, 2021	SOCISO
Urban Gardening 101: Tips for Plantitos/Plantitas	Sept. 13, 2021	Atty. Glo De Castro
Meat Processing and Pandemic Recipes	Sept. 14, 2021	Rogelio Prospero and Sheila Pajarillaga
Finance for Decision Making	Sept. 14-15, 2021	Inquirer Academy
Mental Health During the Pandemic	Sept. 20, 2021	Marlon Molmisa
HR Symposium	Sept. 15-17, 2021	CSC
Supervisory Development Course Module 2	Sept. 20-23, 2021	CSC
NOSH	Sept. 28-30, 2021	OSHC
Leave Administration Course for Effectiveness	Oct. 14-15, 2021	CSC
Developing and Designing Microlearning	Nov. 3,5,9,12, 2021	CSC
Assistive Technology	Nov. 26, 2021	Dr. Josephine Bundoc



ECC NEWS

ECC extends cash assistance to AFP personnel and beneficiary



“
Laking pasasalamat ko po na nabigyan ako ng cash assistance ng ECC, dagdag capital din po ito sa gusto kong simulan na negosyo. Malaking tulong po ito. sa amin ng anak ko. ”

ECC **NEWS**
EMPLOYEES' COMPENSATION COMMISSION



KORONADAL CITY – The Employees' Compensation Commission (ECC) granted a total of ₱95,000.00 cash assistance to eight wounded-in-action (WIA) personnel of the Armed Forces of the Philippines (AFP) and one beneficiary of a killed-in-action (KIA) personnel in Region 12.

The recipients include Private First Class (PFC) officers Loney Seville, Jay-ar Embangan, Khier Hyler Mosquera, Angel Rey Migue, Ronnie Bucana, Ardel John Cajara, John Rey Amistas, and Van Rhuzzin Nohi of 57IB, 6ID, Philippine Army (PA). They were injured during a military operation in July 2020 in Barangay Inaladan, Maguindanao.

Beverly Bustamante, the surviving spouse of the Sgt. John Eric Bustamante, received ₱15,000.00 EC Cash Assistance. Sgt. Bustamante was killed during an encounter with the Abu Sayaf Group (ASG) in June 2020 in Barangay Kan-Ague, Patikul, Sulu. Aside from the cash benefit, Bustamante may also file for EC survivorship pension with funeral benefits through the Government Service Insurance System.

Uniformed personnel who were wounded in action and beneficiaries of uniformed personnel who were killed in action are entitled to the benefits under the Employees' Compensation Program (ECP). Aside from the cash assistance of ₱10,000.00 for WIA personnel and ₱15,000.00 for qualified beneficiaries of KIA personnel, the latter would also receive funeral benefit in the amount of ₱30,000.00 and a monthly survivorship pension from ECC through the GSIS. The GSIS and the SSS are the administering agencies of ECC for the public and private sectors, respectively.

ECC-REU 12 intensifies its information dissemination to wounded or killed PNP and AFP personnel in coordination with the Regional Working Group for the Comprehensive Social Benefits Program (CSBP) which is being spearheaded by the Department of Interior and Local Government Region 12. Through the CSBP, ECC aims to reach the uniformed personnel in Region 12, including some areas of Bangsamoro Autonomous Region in Muslim Mindanao, such as Maguindanao and Cotabato City.

ECC NEWS

Kawani ng gobyerno tumanggap ng EC benefit matapos makarekober sa COVID-19

“Kulang ang salitang ‘salamat’ sa ECC. Kahit gaano pa kalaki o kaliit ang benepisyong, sobrang nagpapasalamat talaga ako.”



Nitong Hulyo 2020, nagsagawa ang isang ahensya ng gobyerno ng swab test para sa kanilang mga empleyado, clerks, janitorial staff at security personnel. Ilan sa kanilang mga empleyado ang nagpositibo at naitala na asymptomatic o mild COVID-19 cases.

Agad na pinaigting ng ahensyang ito ang health at safety protocols sa kanilang opisina, pati na rin sa mga empleyado na nagpositibo sa COVID-19 at mga empleyadong nakasalamuha nila.

Ayon sa isa sa mga nagpositibo sa COVID-19, habang naka-quarantine ay napanood niya sa telebisyon ang tungkol sa Employees' Compensation Program (ECP). Agad niyang tinawagan ang kanilang ahensya para maasikaso ang mga dokumento na kailangan sa pag-file ng EC claim.

Dagdag pa ng kawani na naging mabilis lang ang proseso ng kanyang application at natanggap ang halaga ng EC Medical Reimbursement benefit.

Ang EC Reimbursement benefit ay isa sa mga benepisyong maaaring maipagkaloob sa mga empleyadong nagkaroon ng personal na kagastusan habang nagpapagaling sa ospital dahil sa sakit or aksidente na natamo mula sa trabaho.

Sa ilalim ng ECP, ang mga manggagawa na nagkasakit, naaksidente o namatay nang dahil sa trabaho ay makakatanggap ng EC benefit. Sa kaso ng mga nagpositibo sa COVID-19 (asymptomatic, mild, moderate, severe and critical), maaari silang makakuha ng EC sickness benefit, medical benefits at EC cash assistance.

ECC NEWS

ECC eases prescriptive period due to COVID-19 pandemic



The Employees' Compensation Commission (ECC) eases the prescriptive period in the filing of Employees' Compensation claims nationwide as the country continues to face the threat and challenges brought by the CoViD-19 pandemic.

On May 20, 2021, ECC issued Board Resolution No. 21-05-17 further easing the prescriptive period in the filing of EC claims through suspension of the counting of the three-year prescriptive period in all provinces, highly urbanized cities, and independent component cities regardless of its community quarantine status, during the entire duration of the state of public health emergency due to CoViD-19 pandemic until lifted by the Office of the President.

ECC Executive Director Stella Zipagan-Banawis emphasized the provision in Article 207 of Presidential Decree No. 626 which provides that EC claim shall be filed with the Social Security System (SSS) or Government Service Insurance System (GSIS) within three years from the time of sickness, injury, or death. However, she said that the said board resolution as provided, will ease the period of filing to accommodate the applications as measures to alleviate the burden

on employees or workers in this time of difficulty, while ensuring their safety.

By virtue of Presidential Proclamation No. 929, series of 2020, President Rodrigo Duterte declared a state of calamity throughout the Philippines for a period of six months starting March 16, 2020. The state of calamity was then extended for a period of one year from September 13, 2020 until September 12, 2021, following the promulgation of Presidential Proclamation No. 1081, series of 2020.

The pandemic has also pushed the government to implement risk-level classifications of community quarantine, restricting movement of people and activities in accordance with the community quarantine status.

Last year, the ECC issued B.R. No. 20-07-12 on July 17, prescribed the guidelines on the interruption of the prescriptive period in the filing of EC claims during pandemic, epidemic, or public health emergency, and other fortuitous events in areas under the Enhanced Community Quarantine (ECQ) and Modified Enhanced Community Quarantine (MECQ).

ECC NEWS

Dating latero, carinderia at 'baboyan' owner na sa tulong ng ECC



“*Lubos akong nagpapasalamat sa ECC dahil hindi nila pinabayaan ang tulad naming persons with work-related disability (PWRDs).*”

Hindi hadlang ang kapansanan sa pag-abot ng pangarap, ito ang pinatunayan ni Jessie Aprecio, dating latero, mula sa San Fernando City, La Union.

Ang aksidenteng inakala na magpapahirap sa kanya simula noong 2009 ay naging daan pa upang umasenso ang kanyang buhay.

Simula noong matanggap ni Aprecio ang tulong pangkabuhayan ng Employees' Compensation Commission (ECC) na nagkakahalagang ₱20,000.00 noong Setyembre 2019 bilang dagdag puhunan sa kanyang maliit na karinderya. Tuloy-tuloy na ang ganda ng buhay niya.

Ayon kay Aprecio, dati silang nangungupahan sa puwesto. Pero mula nang makatanggap sila ng tulong pangkabuhayan mula sa ECC, dumami ang kanilang paninda at kagamitan sa kusina. Di nagtagal ay naging sa kanila na ang puwesto at pinangalanan nila itong Chato's Carinderia.

Sa kanyang pagsusumikap katuwang ang kanyang

maybahay, nakapagpundar na rin siya ng kanyang sariling tricycle na gamit sa pagbabayahe para sa kanyang panindang frozen products.

Dagdag pa niya na nagkaroon na rin sila ng karagdagang negosyo. Meron na rin silang sinu-supplyan ng mga frozen product dito sa San Fernando City at nakabili na rin ng bagong cellphone para pangkontak sa kanilang mga kliyente.

Mula sa mga kita sa naipundar na karinderya, nakapagpatayo na rin siya ng kanyang maliit na baboyan. Mula sa dalawang baboy, mayroon na siyang anim na baboy na inaalagaan sa kasalukuyan.

Kwento pa ni Parecio, nakapagbukas na rin sila ng savings account kaya lubos siyang nagpapasalamat sa ECC dahil sap ag-alalay sa kagaya niya.

Ang kuwento ni Jessie ay isa lamang sa maraming kuwento ng pagbangon ng mga benepisyaryo ng ECC. Mula sa dating latero (welder), ngayon ay isa ng ganap na negosyante at nakabangon dahil sa tulong ng ECC.

ECC NEWS

Workers with work-related CoVID-19, may reimburse medical expenses under the EC Program



Workers who contracted CoVID-19 because of work or their working environment may avail reimbursement of medical expenses based on their out-of-pocket expenses under the Employees' Compensation Program (ECP).

Stella Zipagan-Banawis, ECC Executive Director said that CoVID-19 pandemic has significantly affected the country as we saw increase in the number of cases every day. She further said that many of those who got infected by the virus are workers who are now faced with financial burdens, on top of their health problems. With this, she said that the Employees' Compensation Commission (ECC), through the ECP is extending every assistance to minimize the financial burden they are experiencing.

Covid19 is now listed under the Employees' Compensation Commission's (ECC) list of compensable disease through the issuance of Board Resolution No. 21-04-14 in April of this year. Through the ECP, CoViD-19 positive workers may avail disability benefits which is at a maximum amount of P480 for the private sector workers and P200 for the public sector workers.

On top of the disability benefits, the ECC provides medical benefits to workers who suffer from work-connected sickness, injury, or death. EC medical benefits include reimbursement of the cost of medicines, payment to providers of medical care and hospital care. Workers who have approved EC sickness claim are entitled to the medical reimbursement for their out-of-pocket expenses after the deduction of their PhilHealth and/or HMO benefits.

Workers who tested positive for CoVID-19 may file their EC claims and medical reimbursement with the Social Security System (SSS) for the private sector and with the Government Service Insurance System (GSIS) for the public sector. The SSS and GSIS are ECC's administering agencies for the processing of EC claims. Besides said benefits, ECC also grants death benefit with funeral benefit and EC Cash Assistance. Upon approval of EC claim from the SSS or GSIS, ECC provides cash assistance worth P10,000 for approved disability or sickness claims and P15,000 for approved death claims.

ECC NEWS

ECC wins Malaysia's Disability Management Video Competition



The Employee's Compensation Commission (ECC) took home the grand prize in the recently concluded 2021 Disability Management Video (DMV) Competition organized by the Social Security Organization of Malaysia (SOCSO) with the theme "Rebuilding Lives, Reimagining the Future".

The competition was participated by countries in the South East Asian Region which include Malaysia, Singapore, Thailand, Brunei, Indonesia, Vietnam, Myanmar, Laos, Cambodia. The announcement of winners was made during the SOCSO's Regional Return to Work Digimos Symposium on 07 September 2021 live via Cisco Webex. Entries from Indonesia got the second and third prize.

ECC's entry entitled "Bestida" is a story of hope of a single dad who will endure anything to ensure that his son will have a life that is worthy of living even with the disability he sustained because of a work-related accident.

In her acceptance speech, ECC Executive Director Stella Zipagan-Banawis expressed her thanks and congratulated the Social Security Organization of Malaysia through its Return To Work Department for organizing the activity amidst the CoVID-19 pandemic and for providing the platform to share the stories of hope and success of Persons with Work-Related Disabilities (PWRDs) in the Philippines.

ECC NEWS

Technician gets EC benefits and services



Devie Aquino, a QA technician, fits an orthosis for his fractured left ankle on 22 November 2021 at the Employees' Compensation Commission Regional Office in Calamba, Laguna

On November 22, 2021, the Employees' Compensation Commission (ECC) through its Regional Office in Calamba, Laguna, granted a left ankle orthosis to Devie Aquino, a 41-year-old who has been employed as quality assurance technician in a roofing distribution company.

On March 23, 2019, Aquino provided assistance in roofing manufacturing. While doing the said task, he sustained fracture on his left ankle when a slitted coil fell on his feet. He underwent three operations for the said injury and a metal was implanted in his left ankle.

Due to the said incident, Aquino was granted EC disability benefits by the SSS.

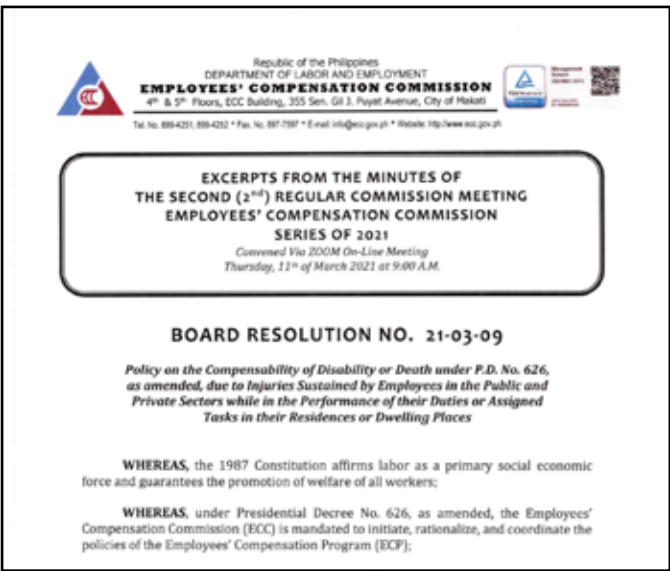
In accordance with Katulong at Gabay sa Manggagawang may Kapansanan (KaGabay) Program, Aquino was provided with free consultation and physical therapy sessions at the Calamba Medical Center from June to August 2019. After 10 sessions, he was able to return to employment in September 2019 but was temporarily assigned to perform menial or light duties.

On July 29, 2019, he was granted EC cash assistance worth ₱10,000. On November 13, 2019, ECC also awarded him with a ₱20,000.00 livelihood starter kit for his rice retail business.



ECC NEWS

WFH injuries now compensable, says ECC



Employees who suffer from disability or death due to injuries sustained while working from home may now avail benefits under the Employees' Compensation Program (ECP) after the Employees' Compensation Commission (ECC) approved Board Resolution No. 21-03-09.

The board resolution, which was approved on March 11 by the ECC governing board, creates a policy on the compensability of disability or death due to injuries sustained by the employees in the public and private sector while in the performance of their duties or assigned tasks in their residences or dwelling places.

ECC's Executive Director Stella Zipagan-Banawis believes it is high time for the Commission to issue the policy in recognition of the new and alternative avenues employees carry out their work.

She added that as the policy arm of the ECP, ECC wants to make sure that its programs remain relevant and responsive to the needs of the workers and the demands of their working environment. She further explained that the ECC saw a need to initiate this policy in response to the changing landscape of work and definition of workplace,

propelled by the development in telecommunications and innovations in computer technology.

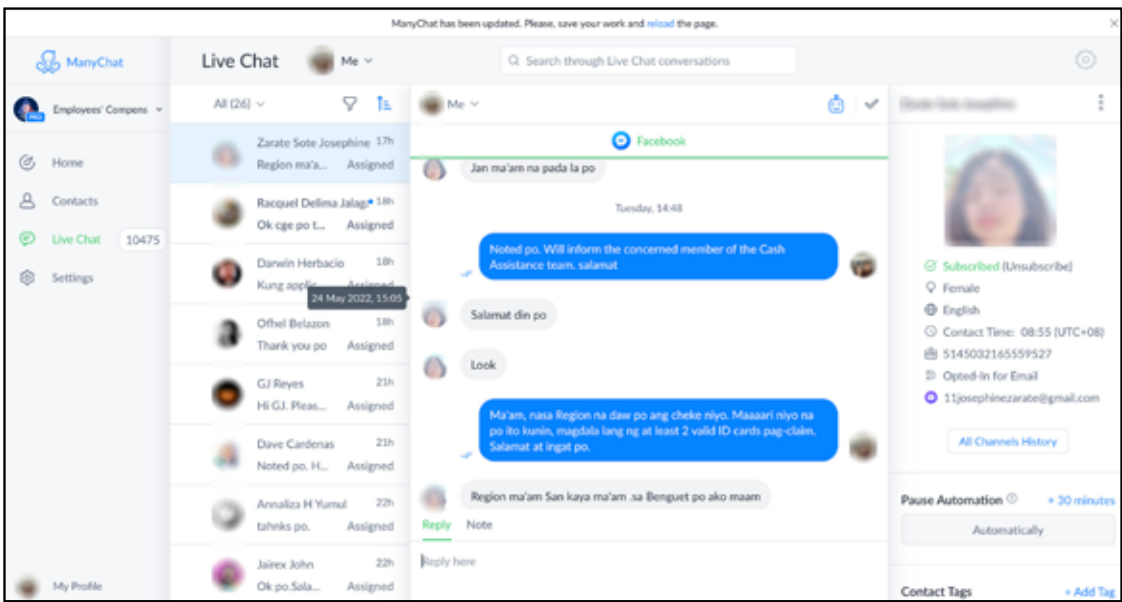
On another note, she said that the CoViD-19 pandemic has pushed industries to rethink their work arrangements. Right now, she furthered, both public and private sectors have adopted work-from-home arrangement to safeguard the health of their employees and minimize the transmission of the virus. As such, many workers are performing their duties and tasks at home.

Under Board Resolution No. 21-03-09, disability or death due to injuries sustained by the employees while working from home will be compensable under the ECP, provided that there is a written directive or order from his or her employer requiring a work-from-home arrangement or the performance of a specific tasks within a specified period at the residence or dwelling place of the employee.

Despite the benefits provided to workers under the ECP, ECC continues to urge the public to practice safety precautions through proper wearing of face masks and face shield, regular hand washing, and staying home as much as possible to prevent the spread of CoViD-19.

ECC NEWS

ECC gears for 24/7 online public assistance via chatbot



The Employees' Compensation Commission (ECC) strengthens its public assistance service starting this May 26 with the introduction of a chatbot facility with a live agent on its Facebook page and the ECC website.

The ECC chatbot stimulates and processes human conversation and allows ECC clients to interact with digital devices as if they are communicating with a real ECC employee. It provides a more efficient and systematic 24/7 online public assistance to ECC clients and the public. The chatbot is programmed to answer frequently asked questions (FAQs) about the ECC and the Employees' Compensation Program (ECP).

ECC Executive Director Stella Zipagan-Banawis said that ECC understands the value of information to the public and recognizes the important role social media plays in information dissemination. Hence, it launched its Facebook page in 2015 with the aim of amplifying the awareness of the public on the benefits and services the ECC provides.

From a little over 1,000 likes in its first year, the Facebook page has now accumulated more than 500,000 likes. Along with the significant growth in its following comes the surge of messages received. To ensure that public assistance is timely provided and queries are answered efficiently, the ECC tapped the use of a chatbot to help in capturing and answering all queries sent on its Facebook page.

Banawis added that ECC wants to make sure that it delivers excellent service to them by being responsive to their needs. Through the chatbot, ECC can provide 24/7 online public assistance. This will also enable the public to have their basic questions on the ECC and the ECP answered immediately.

As the chatbot is automated and self-operating, it provides a direct and faster assistance and requires lesser manpower in comparison to the regular customer service operation that is limited to the regular work operations and subject to the availability of manpower. The chatbot is set up with a menu of questions that are instantly answered except for complex questions where a live agent or ECC representative takes charge.

In addition to its efforts in strengthening its online presence, the Employees' Compensation Commission continues to increase public awareness on the Employees' Compensation Program through its information dissemination campaign which includes radio programs, SMS text blast, press interviews and publication of press releases in multi-media platforms. Despite the challenges presented by the CoViD-19 pandemic and the restrictions due to the community quarantine, the ECC also remains committed in making its benefits and services known to the public through the conduct of webinars, in place of the usual face-to-face seminars.



ECC NEWS

Empleyadong naaksidente habang lunch break, aprubado ang benepisyo sa ECC

Inaprubahan ng Employees' Compensation Commission (ECC) ang disability benefits sa isang hotel canvasser sa Iloilo City na naaksidente habang nasa kalagitnaan ng lunch break.

Ayon sa ulat ng pulisya, sa ganap na ika-12:35 ng hapon noong Setyember 5, 2017, isang aksidente ang nangyari sa pagitan ng isang pampasaherong jeep at ang minamanehong motorsiklo ng canvasser sa kahabaan ng Brgy. San Nicolas, Oton, Iloilo. Dahil sa banggaan, agad isinugod sa ospital ang canvasser dahil sa natamong pinsala at bali sa kanyang kanang tuhod.

Dahil sa nangyari, naghain ang canvasser ng EC and SSS benefits applications sa Social Security System (SSS) Iloilo Central branch. Naaprubahan ang kanyang SSS sickness benefit pero na-deny ang kanyang EC sickness benefit application.

Ayon sa SSS, nabigo ang canvasser na matugunan ang mga kwalipikasyon na ibinigay sa ilalim ng panuntunang "Nangyari ang aksidente o sakit nang dahil sa trabaho o habang ginagampanan ang tungkulin sa trabaho" dahil habang siya ay nanananghalian, naisipan niyang umuwi ng bahay para kuhanin ang naiwang pitaka, habang pabalik sa trabaho ay doon na nga nangyari ang aksidente.

Nang inapela ang kaso, nagdesisyon ang ECC pabor sa empleyado. Ayon sa Komisyon, ang aksidenteng kinasangkutan ng manggagawa ay nasasaklaw ng panuntunang "Nangyari ang aksidente nang dahil sa trabaho o habang ginagampanan ang tungkulin sa trabaho."

Ipinaliwanag ng ECC na ang nangyaring insidente ay naganap sa oras ng pahinga o "lunchbreak" ng manggagawa, anumang aksidente ang mangyari sa oras na iyon ay masasabing work-related. Batay din sa imbestigasyon, malinaw ang insidente ay naganap sa loob ng animnapung (60) minuto o isang (1) oras na time-off o breaktime para sa regular na pagkain o lunchbreak at ng pabalik na sa opisina ang manggagawa nang maganap ang aksidente.

Ang ECC ay nagpasyang ipagkaloob sa hotel canvasser ang EC disability benefits kasama na ang reimbursement ng out-of-pocket na gastusing medikal alinsunod sa Presidential Decree No. 626.

May rehabilitasyon at iba pang mga serbisyo na makukuha sa Work Contingency Prevention and Rehabilitation Division (WCPRD) ng ECC ang mga naaksidente o nagkasakit nang dahil sa trabaho.

COA gives ECC highest audit rating

The Employees' Compensation Commission (ECC) received "unmodified opinion", the highest audit opinion from the Commission on Audit (COA).

In its report, the state auditors stated that the accompanying financial statements presented fairly, in all material aspects, the financial position of the ECC as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the International Public Sector Accounting Standards.





REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Employees' Compensation Commission (ECC)**, which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of financial performance, statements of changes in net assets/equity, statements of cash flows and statement of comparison of budget and actual amounts for the years then ended, and notes to 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, 2021 and 2020, 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 31 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 the Management of ECC 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 29, 2022



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

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



STATEMENT OF MANAGEMENT'S RESPONSIBILITY

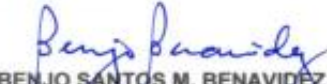
The management of the Employees' Compensation Commission (ECC) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2021 and December 31, 2020 in accordance with the prescribed financial reporting 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.

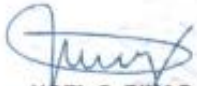
The Commission on Audit, through its authorized representative, has examined the financial statements of the ECC pursuant to Section 2, Article IX- D of the Philippine Constitution and Section 28 of the Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines. 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. BENAVIDEZ
Chairperson - Designate
Department of Labor and Employment

3/29/2022
Date Signed


STELLA ZIPAGAN-BANAWIS
Executive Director, ECC

3/29/2022
Date Signed


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

3/29/2022
Date Signed


MARIA TERESA M. URBANO
Chief, Finance Division

3/29/2022
Date Signed


PRINCE RAINER C. DOMINGO
Chief, Finance and Administrative Division

3/29/2022
Date Signed

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

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

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

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

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

On November 4, 1987, President Corazon C. Aquino issued Executive Order (EO) No. 307, establishing an Occupational Safety and Health Center (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. 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 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 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 Center's Deputy Executive Director with close coordination with DOLE Regional Directors in the implementation of OSH programs and projects.

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

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

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

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

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

The financial statements of ECC as at December 31, 2021 were approved and authorized for issue by the Board of Commissioners under Board Resolution No. 2022-03-06 dated March 29, 2022 and signed by the Chairperson-Designate as shown in the Statement of Management Responsibility for Financial Statements.

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

2.1 Statement of Compliance

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

2.2 Basis of Preparation of Financial Statements

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

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

2.3 Functional and Presentation Currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Financial Instruments

a. Financial assets

i. Initial recognition and measurement

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

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

When a financial asset or financial liability is recognized initially, an entity shall measure it at its fair value plus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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

The ECC's financial assets include: cash and cash equivalents; trade and other trade receivables and investment in time deposits as at December 31, 2021.

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 IPSAS 29-Financial Instruments: Recognition and Measurement; and either the entity has:
 - transferred substantially all the risks and rewards of ownership of the financial asset; or

- neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset but has transferred the control of the asset.

iv. Impairment of financial assets

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

Evidence of impairment may include the following indicators:

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

v. Financial assets carried at amortized cost

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

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

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

b. Financial liabilities

i. Initial recognition and measurement

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

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

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

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through surplus or deficit

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

Loans and borrowings

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

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

iii. Derecognition

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

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

3.2 Revenue from exchange transactions

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

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

3.3 Revenue from non-exchange transactions

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

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

3.4 Cash and Cash Equivalents

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

3.5 Investment Property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition,

investment property is measured using the cost model and are depreciated over their estimated useful life of [number] years.

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

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

3.6 Property and Equipment

a. Recognition

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

The characteristics of PE are as follows:

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

An item of PE is recognized as an asset if:

- i. it is probable that future economic benefits or service potential associated with the item will flow to the entity;
- ii. the cost or fair value of the item can be measured reliably; and
- iii. the cost is at least P15,000.

b. Measurement at recognition

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

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

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

- i. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- ii. expenditure that is directly attributable to the acquisition of the items; and

- iii. initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

c. Measurement after recognition

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

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

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

d. Depreciation

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

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

i. Initial recognition of depreciation

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

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

ii. Depreciation method

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

iii. Estimated useful life

The ECC uses the following life span of PE in determining the specific estimated useful life for each asset based on its experience:

Particulars	No. of years
Buildings and other structures	30

Particulars	No. of years
Machinery and equipment	5
Transportation equipment	7
Furniture and fixtures	10

iv. Residual value

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

e. Impairment

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

f. Derecognition

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

3.7 Leases

a. ECC as a lessee

i. Finance lease

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

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

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

ii. Operating lease

Operating leases are leases that do not transfer substantially all the risks and rewards incidental to ownership of the leased item to the ECC.

Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

b. ECC as a lessor

i. Finance lease

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

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

ii. Operating lease

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

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

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

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

3.8 Provisions, Contingent Liabilities and Contingent Assets

a. Provisions

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

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

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

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

b. Contingent liabilities

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

c. Contingent assets

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

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

3.9 Changes in Accounting Policies and Estimates

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

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

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

- Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- 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 ECC'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:

	2021	2020
Cash in bank – Collecting officer	173,326	152,238
Cash in bank – Savings account	3,337,257	1,317,358
Cash in bank – Current account	120,826,834	72,284,522
Cash in bank – Time deposits	142,549,745	187,488,247
Petty cash fund	15,000	0
	266,902,162	261,242,365

This account includes time deposits that are short-term, highly liquid investments maturing within 90 days or less than three months from placement. The increase on this account was due to the maturity of long-term investments in time deposits. The proceeds from the investment were reverted back to cash.

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

5. INVESTMENTS

This account represents investments in time deposits amounting to P412.025 million and P446.247 million for CYs 2021 and 2020, 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:

	2021	2020 (As restated)
Accounts receivables	67,541,460	59,100,183
Receivables – disallowances/charges	8,242,590	8,406,495
Notes receivable	456,740	456,740
Due from Government Corporation (GSIS/SSS)	127,374,593	103,884,724
Due from NGAs	3,646,259	3,597,440
Due from officers and employees	187,692	175,569
Other receivables	429,310	243,310
	207,878,644	175,864,461
Less: Allowance for impairment	18,541,690	18,189,951
	189,336,954	157,674,510

6.1 Accounts Receivables

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

Portion of the account includes receivables from tenants/miscellaneous account which consists of unpaid rentals, electric and water bills from a former tenant, MECO Enterprises, Inc. amounting to P10.308 million from 1990 to 1999. On June 14, 2000, ECC filed a case of “Collection of Sum of Money” against the former tenant.

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

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

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

The account also includes Accounts Receivable – LOI No. 1318 which consists of advances to different hospitals for the purchase of rehabilitation equipment under the lease purchase agreement pursuant to LOI No. 1318. The said accounts are past due and were provided with ten per cent allowance for impairment.

6.2 Receivables – disallowances/charges

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

	2021	2020
Emergency Subsidy Allowance for CY 2020	2,155,719	2,215,000
Longevity pay for CY 2008 and for January to June 2009 and subsistence and laundry allowance	256,850	282,047
Subsistence and laundry allowance from CY 2006 to September 2009	883,610	886,610
Equalization benefits for CY 2008	134,962	134,962
Milestone anniversary bonus for CY 2008	146,900	146,900
Collective Negotiation Agreement for CYs 2005 to 2006 and CY 2008	468,120	544,547
Rice subsidy in CY 2006	132,000	132,000
Magna Carta Benefits for CY 2005	904,461	904,461
Travel allowance of Executive Directors	120,819	120,819
Praise incentives	88,087	88,087
25 Years Incentive Award	10,000	10,000
Excess anniversary bonus	48,000	48,000
Disallowances from CYs 1994 to 1997	2,893,062	2,893,062
	8,242,590	8,406,495

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

6.3 Notes receivable

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

6.4 Due from Government Corporations (GSIS/SSS)

This account consists of the following:

	2021	2020
GSIS	47,242,972	93,522,475

	2021	2020
SSS	80,131,621	10,362,249
	127,374,593	103,884,724

This account represents Inter-agency receivables collectibles from GSIS and SSS for the unremitted SIF for the ECC 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 receivables pertaining to undelivered supplies from Procurement Service - Department of Budget and Management (PS-DBM) and prior years' receivable from resigned/separated employees totaling P429,310 and P243,310 for CYs 2021 and 2020, respectively.

6.7 Allowance for impairment

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

CY 2021

	Balance, 1/1/2021 (As restated)	Additional Provision	Adjustments	Balance, 12/31/2021
Accounts receivable	15,203,691	171,432	0	15,375,123
Notes receivable	456,740	0	0	456,740
Due from NGAs	2,529,520	180,307	0	2,709,827
	18,189,951	351,739	0	18,541,690

CY 2020

	Balance, 1/1/2020	Additional Provision	Adjustments	Balance, 12/31/2020
Accounts receivable	15,034,912	168,779	0	15,203,691
Notes receivable	456,740	0	0	456,740
Due from NGAs	2,349,648	179,872	0	2,529,520
	17,841,300	348,651	0	18,189,951

7. INVENTORIES

This account consists of the following:

	2021	2020 (As restated)
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	2021	2020 (As restated)
Office supplies inventory	1,695,693	1,715,419
Drugs and medicines inventory	33,105	58,754
Medical, dental and laboratory supplies inventory	409,775	721,199
Textbooks and instructional materials inventory	4,799,262	1,202,270
Other supplies and materials inventory	683,504	520,861
	7,621,339	4,218,503

8. OTHER CURRENT ASSETS

This account consists of the following:

	2021	2020 (As restated)
Prepaid rent	595,212	478,100
Prepaid insurance	163,714	71,996
Guaranty deposits	183,080	133,800
Prepaid registration	3,915	1,151
Other prepayments	349,400	541,341
Other assets	10,030	10,030
	1,305,351	1,236,418

9. OTHER NON-CURRENT ASSETS

	2021	2020
Land	2,500,000	2,500,000
Unserviceable equipment	216,051	216,051
Guaranty deposits	545,100	385,992
	3,261,151	3,102,043

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 is only 75 per cent completed due to the Cease and Desist Order issued on April 28, 2005 by the Department of Agrarian Reform (DAR) Regional Director for Rizal Province. Although the case was reversed on appeal by the DAR Secretary, the claimants have filed a Motion for Reconsideration. On June 18, 2007, an Order of Finality was issued by DAR declaring that the 50 hectares land holding is outside the ambit of the Comprehensive Agrarian Reform Program (CARP). The DAR categorically declared that the ECC Tanay property is not covered by CARP since the same is part of the area which was declared as Watershed Reservation.

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

10. INVESTMENT PROPERTY

This account pertains to a land in Talisay, Batangas which is a foreclosed mortgaged property in favor of the ECC from Anillo General Hospital. By virtue of the Certificate of Sale from Anillo General Hospital, the property is recorded in the books at cost equivalent to the amount of the principal loan balance of P167,483 pending transfer of title of the said property. It has a total land area of 8,466 square meters and has a market value of P12.241 million based on appraisal made by an independent appraisal company on 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	Constructi on in Progress	Total
Cost							
Jan. 1, 2021	11,019,218	282,637,540	219,849,388	38,677,739	10,418,202	25,213,560	587,815,647
Additions/	0	339,588	22,557,520	1,500,000	124,868	6,351	24,528,327
Adjustments	0	0	0	(6,608,822)	(14,180)	0	(6,623,002)
	11,019,218	282,977,128	242,406,908	33,568,917	10,528,890	25,219,911	605,720,972
Accumulated Depreciation							
Jan. 1, 2021	0	247,122,978	138,669,701	26,626,555	9,128,028	0	421,547,262
Depreciation	0	4,119,092	18,809,958	2,688,234	176,269	0	25,793,553
Adjustments	0	0	0	(6,563,795)	0	0	(6,563,795)
	0	251,242,070	157,479,659	22,750,994	9,304,297	0	440,777,020
Net book value, Dec. 31, 2021	11,019,218	31,735,058	84,927,249	10,817,923	1,224,593	25,219,911	164,943,952
Cost							
Jan. 1, 2020	11,019,218	279,880,273	186,106,941	35,488,851	10,384,702	354,240	523,234,225
Additions	0	2,757,267	33,742,447	3,188,888	33,500	24,859,320	64,581,422
	11,019,218	282,637,540	219,849,388	38,677,739	10,418,202	25,213,560	587,815,647
Accumulated Depreciation							
Jan. 1, 2020	0	243,031,935	120,827,538	24,477,055	8,917,171	0	397,253,699
Depreciation	0	4,091,043	17,961,427	2,149,500	210,857	0	24,412,827
Restatements	0	0	(119,264)	0	0	0	(119,264)
	0	247,122,978	138,669,701	26,626,555	9,128,028	0	421,547,262
As restated – Net Book value, Dec. 31, 2020	11,019,218	35,514,562	81,179,687	12,051,184	1,290,174	25,213,560	166,268,385

11.1 Land

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

11.2 Building and Other Structures

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 with net book value as of December 31, 2021 of P9.723 million and P22.012 million, respectively. The ECC building is appraised by an independent appraisal company on December 11, 2014 at a market value of P144.128 million. The OSHC building was constructed on a two-hectare lot owned by the Philippine Overseas Employment Administration (POEA) by the Japan International Cooperation Agency (JICA) and donated to the OSHC.

11.3 Machinery and Equipment, Transportation Equipment and Furniture, Fixtures and Books

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.

The bulk in the additions/acquisitions of the Machinery and Equipment in CY 2021 consists of medical equipment, technical and scientific equipment, office equipment and ICT equipment amounting to P21,603,850.

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

The adjustments of P6,608,822 and P6,563,795 under the cost and accumulated depreciation, respectively, pertain to the disposal of old vehicles through a deed of donation with Isabela School of Arts & Trades, Ilagan, Isabela, a government entity, as the donee/recipient, under Board Resolution No. 2018-06-03 dated June 21, 2018 and Journal Entry Voucher No. 2021-01-10 dated January 31, 2021.

11.4 Construction in progress

This account pertains to on-going projects being undertaken by the Center which include repainting/renovation of the OSHC's building, dormitory, training rooms and comfort rooms totaling P25.220 million. The repainting of the building is 99 per cent completed while the renovation of training rooms and comfort rooms is 91 per cent completed both as of December 31, 2021.

12. FINANCIAL LIABILITIES

This account consists of the following:

	2021	2020 (As restated)
Accounts payable	106,285,756	172,654,339
Due to officers and employees	15,292,134	14,221,146
Tax refunds payable	85,437	189,446
	121,663,327	187,064,931

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 amounts of reimbursements, living allowance, salaries and wages, social amelioration, rice allowance, other benefits and provision for Longevity Pay and PRAISE.

13. INTER-AGENCY PAYABLES

This account consists of the following:

	2021	2020 (As restated)
Due to BIR	4,956,540	2,206,816
Due to Pag-IBIG	3,709	17,586
Due to PHIC	24,798	25,112
Due to GSIS	140,561	97,184
Others	19,449	13,598
	5,145,057	2,360,296

Due to BIR pertains to the amount of taxes withheld during the month of December 2021 from the officials/employees and suppliers/contractors which are due for remittance on the succeeding month of the following year. Amounts due to other government agencies are due for remittances every 10th and 15th day of the following month.

14. TRUST LIABILITIES

This account pertains to guaranty/security deposits payable amounting to P6.125 million and P6.174 million for CYs 2021 and 2020, respectively. This consists of security deposits paid by the suppliers/contractors for the awarded contracts during the year.

15. DEFERRED CREDITS

This account consists of unidentified deposits amounting to P2.070 million and P2.058 million for CYs 2021 and 2020, respectively. This includes bank reconciling items which will be closed once the payee/depositor is identified through its contra account, accounts receivable account.

16. OTHER PAYABLES

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

17. PROVISIONS

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

	2021	2020
Current	3,503,852	12,462,363
Non-current	49,964,598	41,553,458
	53,468,450	54,015,821

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

18. BUSINESS INCOME

This account consists of the following:

	2021	2020
Rent/lease income	12,049,609	12,846,767
Interest income	3,279,062	5,929,221
Income from printing and publication	107,950	41,450
Seminar/training fees	0	2,334,451
Income from dormitory	0	111,817
Other business income	1,550,567	1,234,500
	16,987,188	22,498,206

18.1 Rent/Lease income

This account consists of rental fees earned from rental/lease of the following:

	2021	2020
Building (Note 23)	12,001,795	12,776,420
Canteen	47,814	67,547
Training room	0	2,800
	12,049,609	12,846,767

18.2 Interest income

This account includes interests earned from time deposits placements and savings deposit with authorized depository banks amounting to P3.279 million and P5.929 million for CYs 2021 and 2020, respectively.

18.3 Income from printing and publication

This account includes income from sale of Occupational Safety and Health Standards books amounting to P107,950 and P41,450 for CYs 2021 and 2020, respectively.

18.4 Seminar/training fees

This account consists of the following:

	2021	2020
Basic Occupational Safety and Health (BOSH)	0	979,204
Construction Safety and Health (COSH)	0	1,266,147
Introduction to Industrial Hygiene/Ventilation	0	60,500
Industrial Fire Safety	0	28,600
	0	2,334,451

18.5 Income from dormitory

This account includes income earned from the rental of the three-storey dormitory.

18.6 Other business income

This account consists of the following:

	2021	2020
Technical services and laboratory fee	771,263	753,018
OSH accreditation fee	649,536	322,007
Miscellaneous	129,768	136,475
Other business income	0	23,000
	1,550,567	1,234,500

19. PERSONNEL SERVICES

This account consists of the following:

	2021	2020
Salaries and wages	82,417,954	85,934,565
Personnel benefits contribution	11,582,480	11,926,564
Other personnel benefits	19,584,942	33,402,790
Other compensation	46,915,548	35,710,716
	160,500,924	166,974,635

20. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

	2021	2020
General services	53,476,275	32,071,463
Training expenses	27,143,771	23,994,546
Professional services	15,910,727	6,736,000
Supplies and materials	11,561,053	10,743,148
Utility expenses	9,894,511	7,297,364
Repairs and maintenance	8,034,240	3,469,659
Communication expenses	5,460,314	4,746,298
Taxes, insurance premiums and other fees	1,856,840	1,132,346
Traveling expenses	1,385,691	2,495,370
Extraordinary expenses	440,218	367,750
Other MOOE	100,873,269	153,445,278
	236,036,909	246,499,222

20.1 General services

This account consists of the following:

	2021	2020
Janitorial services	42,756,504	21,652,369
Security services	10,719,771	10,419,094
	53,476,275	32,071,463

20.2 Training expenses

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



The Center was constrained to cancel all classroom occupational safety and health (OSH) training courses starting March 15, 2020 due to the corona virus disease (CoVID-19) pandemic. The Center started conducting free online OSH trainings in lieu of the face to face or classroom type training as per approved Board Resolution No. 2020-07-02, s. 2020.

This account also pertains to human resource development, in-house seminar for employees' compensation program (ECP), lectures and various seminars.

20.3 Professional services

This account consists of the following:

	2021	2020
Auditing services	4,576,892	3,979,980
Consultancy services	68,920	150,640
Legal services	57,500	65,000
Other professional services	11,207,415	2,540,380
	15,910,727	6,736,000

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

20.4 Supplies and materials expenses

This account consists of the following:

	2021	2020
Office supplies expenses	4,535,039	2,748,319
Medical/dental/laboratory supplies expenses	1,916,925	1,724,253
Semi-expendable expenses	1,013,879	2,096,792
Fuel, oil and lubricant expenses	2,070,270	1,256,740
Textbooks and instructional materials expenses	0	842,638
Drugs and medicines expenses	140,120	389,139
Accountable form expenses	7,200	0
Other supplies and materials expenses	1,877,620	1,685,267
	11,561,053	10,743,148

20.5 Utility expenses

This account consists of the following:

	2021	2020
Electricity expenses	8,276,352	5,721,245
Water expenses	1,618,159	1,576,119
	9,894,511	7,297,364

20.6 Repairs and maintenance

This account consists of the following:

	2021	2020
Repairs and maintenance-machinery and equipment	4,526,953	2,103,801
Repairs and maintenance-building and other structures	2,056,801	828,440
Repairs and maintenance-transportation equipment	1,368,086	536,468
Repairs and maintenance-land improvements	82,400	0
Repairs and maintenance-furniture and fixtures	0	950
	8,034,240	3,469,659

20.7 Communication expenses

This account consists of the following:

	2021	2020
Telephone expenses	3,262,191	2,593,970
Internet subscription expenses	1,596,182	1,834,098
Postage and courier services	601,941	318,230
	5,460,314	4,746,298

20.8 Taxes, insurance premiums and other fees

This account consists of the following:

	2021	2020
Insurance expenses	1,610,985	849,867
Fidelity bond premiums	194,988	217,329
Taxes, duties and licenses	50,867	65,150
	1,856,840	1,132,346

20.9 Traveling expenses

This account consists of the following:

	2021	2020
Traveling expenses – local	1,385,691	2,364,904
Traveling expenses – foreign	0	130,466
	1,385,691	2,495,370

The decrease in travelling expenses was due to the CoVID-19 pandemic in compliance with IATF Resolution No. 09, s. 2020, wherein the existing travel restriction shall be subjected to close monitoring and reassessment by the concerned agencies of the IATF.

20.10 Other maintenance and other operating expenses

This account consists of the following:

	2021	2020 As restated
Representation expenses	79,293,947	79,826,987
Advertising, promotional and marketing expenses	11,180,331	64,335,325
Rent/lease expenses (<i>Note 23</i>)	6,261,487	3,307,710
Printing and publication expenses	25,500	146,983
Donations	229,332	144,416
Subscription expenses	98,320	90,410
Membership dues and contributions to organizations	106,800	233,858
Transportation and delivery expenses	2,000	16,528
Other MOOE	3,675,552	5,343,061
	100,873,269	153,445,278

The representation expenses pertain to the payment of cash assistance to workers contracted with Covid 19 under the ECC's Quick Response Program (QRP). It also includes the Center's calamity fund for the provision of all necessary health and wellness support such as RT-PCR tests, face masks, face shield vitamins, alcohol, sanitizers to all Center's employees, including agency-hired personnel, regional extension units (REUs) staff, as well as security and janitorial service providers in helping combat the Corona Virus Disease.

21. FINANCIAL EXPENSES

This account includes bank charges amounting to P62,692 and P2,087 for CYs 2021 and 2020, respectively.

22. NON-CASH EXPENSES

This account consists of the following depreciation expenses:

	2021	2020
Depreciation – machinery and equipment	18,809,958	17,961,427
Depreciation – building and other structures	4,119,092	4,091,043
Depreciation – transportation equipment	2,688,234	2,149,500
Depreciation – furniture, fixtures and books	176,269	210,857
Impairment loss	351,739	348,651
	26,145,292	24,761,478

23. OPERATING LEASE

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

Name of Tenant	Lease Term	Rental income	
		2021	2020
1. Social Security System (SSS)	5 years	7,946,148	7,946,148
2. DOLE-NCR	1 year	2,552,962	2,431,412
3. National Maritime Polytechnic (NMP)	1 year	1,382,685	2,263,860
4. ECC Employees Union	1 year	120,000	120,000
5. Occupationally Disabled Workers Association of the Philippines	1 year	0	15,000
Rental income for the year		12,001,795	12,776,420

Only the SSS has a 5-year lease contract with ECC which will expire on December 31, 2024. The rest of the tenants have only a year renewable contract.

The NMP ended its lease contract with ECC on July 30, 2021.

The total future minimum rentals on the operating lease pertaining to SSS amounted to P7.946 million for CY 2021.

All leases held by ECC are classified as operating lease. Part of the building being leased is also occupied by ECC. (*Note 18.1*)

Further, the ECC as a lessee rents office space for its Regional Extension Units (REUs) staff. The lease term is for a period of one year and renewable thereafter. The related rent expense amounted to P6.261 million and P3.308 million for CYs 2021 and 2020, respectively. (*Note 20.10*)

24. BUDGET INFORMATION

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

ECC Corporate Operating Budget (COB) was submitted to the Department of Budget and Management (DBM) upon approval of the endorsement by the ECC Governing Board. The original COB of the ECC was approved by the DBM on October 26, 2021.

The DBM-approved COB consists of the original budget of P602.633 million which were sourced from the Social Insurance Fund (SIF) and Retained Earnings in the amount of P497.165 million and P105.468 million, respectively. The budget for the Capital Outlay amounting to P76.555 million included in the approved budget is chargeable to Retained Earnings.

The ECC final COB approved by the DBM for CY 2021 amounted to P580.630 million. This was sourced from the remittances of GSIS and SSS as mandated under P.D. No. 626 amounting to P497.165 million and the budget chargeable to Retained Earnings amounting to P83.465 million.

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

25. RECONCILIATION OF ACTUAL AMOUNTS ON A COMPARABLE BASIS AND ACTUAL AMOUNTS IN THE FINANCIAL STATEMENTS

A reconciliation between the actual amounts on a comparable basis as presented in the SCBAA and the actual amounts in the Statement of Cash Flows (SCF) for the year ended December 31, 2021 is presented as follows:

	SCBAA-Actual vs SCF	SCBAA- Budget vs SCF
Net cash flow	266,902,162	266,902,162
Differences in amounts and items included in SCBAA but not included in statement of cash flows		
Unappropriated accumulated surplus	0	57,111,277
State insurance fund - unutilized loading fund	0	82,636,500
Difference in payments to suppliers and employees (personal services and maintenance and other operating expenses)	0	(35,943,268)
	0	103,804,509
Differences in amounts and items included in statement of cash flows but not included in SCBAA		
Proceeds from investment in time deposits	(126,129,480)	(126,129,480)
Investment in time deposits	89,554,462	89,554,462
Interest earned on time deposits	(921,365)	(921,365)
Return of cash advance	(953,260)	(953,260)
Unutilized capital outlays	0	(49,011,663)
Cash and cash equivalents at beginning of year	(261,242,365)	(261,242,365)
	(299,692,008)	(348,703,671)
Net fund sources/uses	(32,789,846)	22,003,000

26. LOADING FUND

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

	2021	2020
Social Security System (SSS)	332,667,770	292,617,921
Government Service Insurance System (GSIS)	142,571,902	125,407,681
	475,239,672	418,025,602

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 as follows:

Particulars	SSS		GSIS	
	*As at December 31, 2021	As at December 31, 2020 (As restated)	*As at December 31, 2021	As at December 31, 2020 (As restated)
Assets	44,915,702,084	42,155,482,354	35,479,099,909	32,518,715,157
Liabilities	38,289,127,376	23,138,055,080	107,921,550	167,178,234
Reserves/Net worth	6,626,574,708	19,017,427,274	35,371,178,359	32,351,536,923
Revenues	4,477,371,888	4,131,166,147	5,463,127,400	4,039,546,595
Expenses	17,783,436,633	2,454,502,641	731,867,474	265,357,471
Net income	(13,306,064,745)	1,676,663,506	4,731,259,926	3,774,189,124
Assistance and subsidy	0	0	(107,480,779)	(97,709,799)
Other comprehensive				
Income (loss)	1,182,307,483	(116,939,029)	(1,604,137,712)	1,566,630,274
Total comprehensive income	(12,123,757,262)	1,559,724,477	3,019,641,435	5,243,109,599

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

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

Particulars	SSS		GSIS	
	As at December 31, 2021	As at December 31, 2020	As at December 31, 2021	As at December 31, 2020
ECC	176,068,900	118,958,924	38,236,797	50,982,396
OSHC	86,829,499	173,658,997	55,818,963	74,425,285
Total	262,898,399	292,617,921	94,055,760	125,407,681

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

27. PRIOR PERIOD ADJUSTMENTS

This account consists of the following adjustments in the beginning balance of CY 2020 financial statements:

	Income	Expense	Adjustments
Miscellaneous income – seminar fee	(101,450)		(101,450)
Various expenses		1,582,391	1,582,391
Depreciation expense - machinery and equipment		119,264	119,264
	(101,450)	1,701,655	1,600,205

The adjustment on various expenses pertains to payment made on co-share in customer satisfaction measure conducted by Philippine Survey Research Center (PSRC) and accounts payable for the year 2019.

28. RESTATEMENT OF ACCOUNTS

The financial statements for CY 2020 have been restated. The effect of the restatement on the financial statements is summarized below.

Particulars	Previously reported	Adjustments	Restated
Maintenance and other operating expenses (MOOE):			
Representation expenses	79,836,987	(10,000)	79,826,987
			Effect in CY 2020
Net surplus previously reported			2,276,386
Net restatements			10,000
Net surplus, as restated			2,286,386
Increase in Accounts Receivables			2,483,754
Increase in Other Current Assets			59,363
Increase in Property and Equipment - net			119,264
Increase in Assets			2,662,381
Increase in Financial Liabilities			1,162,188
Increase in Inter-Agency Payable			8,988
Increase in Deferred Credits			(119,000)
Increase in Liabilities			1,052,176
Increase in assets			2,662,381
Increase in liabilities			(1,052,176)
Net restatements			(10,000)
Increase in Net Assets/Equity			1,600,205

29. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS

	2021	2020
Net surplus for the period	69,481,043	2,286,386
Non-cash movements:		
Depreciation and impairment loss	26,145,292	24,761,478
Increase in receivables from operating activities	(28,388,378)	(51,040,529)
(Increase)/decrease in payables from operating activities	(71,531,206)	66,437,604
	(4,293,249)	42,444,939

30. RELATED PARTY DISCLOSURES

As at December 31, 2021, the composition of the ECC Board of Commissioners is as follows:

Board Position	Name	Position from other agency
1. Chairman	Silvestre H. Bello III (Represented by Benjo Santos M. Benavidez, USEC - DOLE as Chairman-Designate)	Secretary, DOLE
2. Vice-Chairman	Rolando L. Macasaet (Represented by Atty. Nora M. Malubay, SVP – GSIS)	President and General Manager, GSIS
3. Member	Aurora C. Ignacio	President and CEO, SSS
4. Member	Francisco T. Duque III (Represented by Atty. Angel L. Miranda, Acting SVP - PHIC)	Chairman, 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

30.1 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 remunerations of key management personnel during the year are as follows:

	2021	2020
Salaries	17,184,189	18,234,443

	2021	2020
Other allowances and benefits	9,100,121	9,277,722
	26,284,310	27,512,165

Meanwhile, the total remunerations received by the Board of Commissioners amounted to P70,000 and P65,000 for CY 2021 and CY 2020, respectively.

31. COMPLIANCE WITH TAX LAWS

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

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

BIR Form	Particulars	Amount
1600	VAT and Other Percentage Taxes Withheld	7,595,696
1600-4-E	Creditable IT Withheld Expanded	3,089,862
1604-CF	Taxes withheld from employees	10,960,479

Moreover, in compliance with BIR RR No. 2-2014 issued on February 4, 2014, the ECC being a corporation exempt from tax under Article 204 of P.D. No. 626 as amended, will file an Annual Income Tax Return on or before April 15, 2022 using BIR Form 1702-EX version June 2013.

OBSERVATIONS AND RECOMMENDATIONS

A. Financial Audit

- The appraised value of the ECC building amounting to P144.128 million determined in CY 2014 was not updated, and the fair values of the land where the ECC building stands and Center's building were not disclosed in the financial statements (FS), thus, complete information relevant to the understanding of the ECC's Property and Equipment (PE) account as required under Paragraphs 45 and 94 of International Public Sector Accounting Standard (IPSAS) 17 were not provided to the users of the FS.

1.1 Paragraphs 45 and 94 of IPSAS 17 provides that:

"45. The fair value of items of property is usually determined from market-based evidence by appraisal. The fair value of items of plant and equipment is usually their market value determined by appraisal. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession, who holds a recognized and relevant professional qualification. Xxx.

94. Users of financial statements may also find the following information relevant to their needs:

(a) to (c) Xxx; and

(d) When the cost model is used, the fair value of property, plant and equipment when this is materially different from the carrying amount. (Emphasis ours)."

- The PE of the ECC is measured using the cost model. As of December 31, 2021, the net book value of the ECC five-storey office building located in Makati City with an area of approximately 7,724.57 square meters is P9.723 million. The fair value of said building based on the appraisal by an independent appraisal company on December 11, 2014 is P144.128 million, which materially differs by P133.521 million or 93 per cent as compared to the net book value of the ECC building. The appraised value in CY 2014 may no longer represent the fair value of the ECC building in CY 2021.

- It was also noted that the fair value of the 2,740 square meters land located at 355 Sen. Gil J. Puyat Avenue, Makati City, and the Center building located at North Avenue corner Agham Road, Quezon City were not disclosed in the FS. As a relevant benchmark, the zonal value of commercial land located in Sen. Gil Puyat Avenue under BIR Revenue District Office No. 050 South Makati is P0.772 million per square meter, 8th revision, Department of Finance Order No. 038-2021 dated December 22, 2021. Hence, the zonal valuation of the ECC land in Makati would equal to P2.115 billion, which materially differs with the book value of the land of

P11.019 million as of December 31, 2021. The fair value of the land as of December 31, 2021 may also significantly differ with the book value.

- 1.4 The non-disclosure in the financial statements of the updated fair values of the ECC PE is contrary to IPSAS 17 and may deprive FS users of complete information on ECC’s financial position.

1.5 We recommended and Management agreed to:

- a. **Have a recognized and qualified member of the valuation profession to undertake the appraisal of the ECC building, ECC land located in Makati City and Center’s building in Quezon City, and disclose in the FS the current/updated fair values of the said properties; and**
- b. **Issue a policy on appraisal or revaluation of PE to include the frequency or necessity of the appraisal in order to determine the changes in their fair values and appropriately disclose in the FS.**

2. Other Deferred Credits–Unreceipted Deposits account amounting to P2.070 million representing receipt of collections from unidentified payors directly deposited to the Center’s bank account remained unrecorded to appropriate Accounts Receivable account, contrary to the provisions of Paragraph 3.10 of the Conceptual Framework for General Purpose Financial Reporting (GPFR) by Public Sector Entities, resulting in the overstatement of both Accounts Receivable and Other Deferred Credits–Unreceipted Deposits accounts by P2.070 million.

- 2.1 On the faithful representation of financial information, the Conceptual Framework for GPFR by Public Sector Entities provides:

“3.10 To be useful in financial reporting, information must be a faithful representation of the economic and other phenomena that it purports to represent. Faithful representation is attained when the depiction of the phenomenon is complete, neutral, and free from material error. X x x.”

- 2.2 Further, Section 111(2) of P.D. No. 1445 states that the highest standards of honesty, objectivity and consistency shall be observed in keeping of the accounts to safeguard against inaccurate or misleading information.

- 2.3 Other Deferred Credits-Unreceipted Deposits account consists of unreceipted collections directly deposited to the Center’s bank accounts by the participants of seminars, Occupational Safety and Health (OSH) Center’s practitioners/consultants and users of the Center’s facilities but the names of the payors were not identified at the time the deposits were made. These collections consist of:

- a. Training fees for Basic Occupational Safety and Health (BOSH), Construction Occupational Safety and Health, Industrial Fire Safety,

Work Environment Measurement training workshop, ergonomics in workplace; and

- b. Accreditation fees, technical services and laboratory fees.

- 2.4 This payment scheme is being adopted to facilitate and accommodate distance learners to participate in the seminars/trainings.

- 2.5 Prior to the scheduled dates of trainings/seminars, the Center issues billing statements to interested participants. Said billing statements are recorded in the books as debit and credit to Accounts Receivable and Income accounts, respectively.

- 2.6 On a monthly basis, a bank reconciliation statement is prepared for which unidentified deposits are reported as reconciling items. These unidentified deposits are debited to Cash in Bank and credited to Other Deferred Credits-Unreceipted Deposits as a temporary account, since no official receipts (ORs) have been issued yet for the payments. Inasmuch as the payors are not yet identified, collections cannot yet be matched to the particular receivable accounts.

- 2.7 This issue was raised in the CY 2018 Annual Audit Report and Management agreed that in the daily monitoring of unidentified deposits – the Cashier and his staff were required to undertake reconciliation of unidentified deposits as one of their weekly target effective March 15, 2019. However, the unreceipted collections recorded under the Other Deferred Credits-Unreceipted Deposits account for the last eight years remained unreconciled, as follows:

Year	Balance	Net Increase/ (Decrease)*
2021	P 2,069,995	P 11,829
2020	2,058,166	(44,883)
2019	2,103,049	218,595
2018	1,884,454	(636,036)
2017	2,520,490	(483,734)
2016	3,004,224	2,342,384
2015	661,840	486,093
2014	175,747	-

**From the preceding year*

- 2.8 In CY 2020, due to the COVID-19 pandemic, the Center was constrained to cancel all classroom OSH trainings. Instead, the Center conducted an on-line BOSH training for safety officer level one from small and micro enterprises for free, hence, the balance of the Other Deferred Credits account as of December 31, 2021 should have been reduced rather than increased from the balance as of December 31, 2020.

- 2.9 With the established procedures, these unreceipted collections/unidentified deposits could have been minimized or avoided had the Cashier, on a daily basis, consistently monitored and identified collections deposited to the

bank account of the Center. This could have been determined easily by coordinating with the authorized depository banks and branches where these unidentified deposits came from.

2.10 Management further stated that the unreceipted deposits also include payments from participants who were not able to attend the trainings and were not issued ORs.

2.11 We would like to emphasize that the longer these unreceipted deposits remain in the books, the more difficult it would be to reconcile them with the corresponding Accounts Receivable account, as it will continue to accumulate every year. This is contrary to the provisions of the Conceptual Framework for GPFR by Public Sector Entities resulting in the overstatement of both the Accounts Receivable and Other Deferred Credits-Unreceipted Deposits accounts by P2.070 million as at December 31, 2021.

2.12 We reiterated with modifications our previous recommendations and Management agreed to:

a. Oblige the Cashier and Accountant to:

- monitor, on a daily basis, the unidentified deposits in the Center’s savings account;
- coordinate with the depository banks for the identification of the payors/depositors; and
- coordinate with the Center’s 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 payments/deposits already identified and/or documented; and

c. Adopt measures, such as requiring the depositors to furnish the Center of a copy of the deposit slip or screenshot of the fund transfer for the account of the Center, or the participants to bring the proof of payment on the first day of the training for the Center to immediately identify and record the payments received.

3. The Accounts Payable (AP) account includes liabilities amounting to P1.540 million that have remained outstanding in the books for three to 16 years, which casts doubt on the validity of the payables, contrary to Paragraphs 3.2 and 3.4 of the Conceptual Framework for GPFR by Public Sector Entities.

3.1 Paragraphs 3.2 and 3.4 of the Conceptual Framework for GPFR by Public Sector Entities, provide that:

“3.2 The qualitative characteristics of information included in GPFRs of public sector entities are relevance, faithful representation, understandability, timeliness, comparability and verifiability.

3.4 Each of the qualitative characteristics is integral to, and works with, the other characteristics to provide in GPFRs information useful for achieving the objectives of financial reporting. Xxx.”

3.2 Records show that APs amounting to P1.540 million have remained outstanding in the books for three to 16 years as at December 31, 2021, as follows:

Period of transaction	Age of the Account	Amount
2005	16 years	338,939
2009	12 years	48,683
2014	7 years	158,200
2016	5 years	225,422
2017	4 years	254,407
2018	3 years	514,555
		1,540,206

3.3 These APs pertain to the amounts obligated for payments to various creditors for building renovations, supply/delivery of aircon units, elevator maintenance service, professional fees for services rendered to the ECC, prosthesis from various orthocare and medical hospital/clinic provided to persons with related disabilities and other miscellaneous expenses, which, as of year-end had not demanded or filed their claims against the ECC.

3.4 Inquiries from Management disclosed that the said payables are valid and they are expecting that these payees/creditors may file their claim anytime.

3.5 Reporting standards dictate that the liability of an entity cannot be extinguished by the mere passage of time. However, it is unlikely for creditors not to file for claims on due dates or immediately after their accounts are due for collection from ECC. These outstanding liabilities for more than three years to as long as 16 years may have been caused by coding errors of related transactions.

3.6 The presence of long outstanding APs in the books of accounts, which includes among others, APs without proper verification/reconciliation and scrutiny of agreement/contract, contrary to paragraphs 3.2 and 3.4 of the Conceptual Framework for GPFR, casts doubt on the validity of the payables.

3.7 We recommended that Management:

- a. Verify each payable account to determine if the long outstanding balances were merely caused by coding errors;

- b. Scrutinize the agreements/contracts with the creditors, particularly on the expiry provisions within which the creditors can file for their claims;
- c. Record appropriate accounting entries for recommendations a and b;
- d. After conducting recommendations a and b, send notices to payees of valid payables, have them file their claims with ECC and immediately pay the amounts due them; and
- e. Set target dates within which to clear the books of these long outstanding payables.

3.8 Management commented that the Finance Division will check and verify each account and record appropriate accounting entries as may be necessary. Proper communication will also be sent to the concerned Division that requested the set-up of accounts payables, with supporting documents.

B. Others

4. Management was still unable to come up with one Restructuring Plan (RP) for approval of the Governance Commission for Government Owned or Controlled Corporations (GCG) to effect the Organizational Structure and Staffing Pattern appropriate for an integrated function and business of both ECC and OSHC which resulted in: (a) redundancy of positions and functions of ECC and OSHC and (b) accountabilities and responsibilities of ECC and OSHC's officials and employees are not properly defined. Such delay in the finalization of the RP entails higher administrative cost amounting to P12.594 million.

4.1 The Employees' Compensation Commission (ECC) was created pursuant to P.D. No. 626 specifically under Chapter III, Administration, Article 176, as quoted:

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

xxx

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

4.2 It was also provided in the same P.D. that the ECC Secretariat shall be headed by an Executive Director (ED) but there are no details of its functions.

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

- a. Section 4 - the ECC Board shall be the governing body of the OSHC, and the general conduct of operations and management functions of the OSHC shall be vested in the Executive Director under the immediate supervision of the ECC Board.
- b. Section 5 - the technical staff and other personnel of the Center shall be appointed by the ECC Board, upon recommendation of the Executive Director.
- c. Section 8 - relative to the administrative concerns between OSHC and ECC, the OSHC shall be governed by the same financial rules as the ECC Secretariat.

4.4 Relative thereto, on September 04, 2014, the GCG in its letter to OSHC clarified that OSHC is not a Government Owned or Controlled Corporation (GOCC) but an autonomous division/department of the ECC Board. This issue has already been raised in the CYs 2018 to 2020 Annual Audit Reports. It was recommended therein that the ECC prepare and submit to the GCG the proposed RP that will integrate OSHC's structure and functions in the Organizational Structure and Staffing Pattern of ECC.

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

- a. Approving/signing authority of the COB, contracts, bank accounts, disbursement vouchers (DVs) and checks, office orders and appointment of personnel, financial reports and other mandatory regular reports required for audit purposes, and proposed training activities/programs on occupational safety to be conducted by OSHC;
- b. Procurement of goods and services;
- c. Hiring of personnel;
- d. Validity of the approval and authorization made by the OSHC's Executive Director; and
- e. The existence of two Executive Directors (EDs) since the ED is both mentioned in Article 176 of P.D. No. 626 and Section 4 of Executive Order No. 307.



- 4.6 The GCG in its reply stated that: "In view of the GCG's opinion that OSHC should be treated only as a Center/Department of ECC, the final approving authority for OSHC transactions, including disbursements of funds must be the ECC Executive Director. However, since there was no approved reorganization yet, the current set-up for OSHC as regards disbursements of funds is still done by the officials of OSHC. Considering ECC has no approved RP yet, the Governance Commission is constrained for the meantime to acknowledge the organizational status quo of ECC and OSHC, as far as auditing and operations is concerned."
- 4.7 As of report date, ECC's Governing Board (GB) approved the preparation of a separate RP of both the ECC and OSHC. The Board approved the plan for the ECC Secretariat only and as for the Center, they have to ensure that appropriate internal control mechanism will be strengthened for check and balance purposes on all transactions and continue to review their Organizational Structure and Staffing Pattern to craft a harmonized RP. This is, however, contrary to what the GCG requires which is to come up with one RP integrating OSHC as a Division/Department of ECC. Upon review of the proposed plan of the ECC, the GCG emphasized and added Specific Measure - 11 (SM-11) Integration of ECC and OSHC Structure, Operations, Systems and Procedures in the ECC-OSHC Performance Scorecard, with a 2021 target to submit the complete documentary requirements for the Proposed Restructuring Plan for both ECC and OSHC as identified per GCG Memorandum Circular No. 2015-04 and the Guidebook for Reorganization of GOCCs.
- 4.8 It has been more than seven years since the GCG clarified that OSHC is not a GOCC. However, the proposed RP required by the GCG, to properly define the function of the ECC ED in relation to OSHC, being a department of ECC, has not yet been prepared and implemented.
- 4.9 Currently, the organizational structure of the ECC shows that it has a separate accounting and administrative divisions headed by different division chiefs while the Center has one division chief for Finance and Administrative Division (FAD).
- 4.10 Considering that OSHC is not a GOCC but an autonomous division/department of the ECC Board as clarified in the letter dated September 04, 2014 of the GCG, having separate finance and administrative divisions resulted in redundancy of positions and functions which entails higher administrative cost. This amounted to P12.594 million for CY 2021. Also, the approving and certifying officers of transactions are not properly defined.
- 4.11 We strongly reiterated our previous years' recommendations that Management:**
- a. **Fast track the preparation and submission to GCG of the required RP that considers the proper delineation of the accountabilities and responsibilities of the ECC Executive Director as well as the Center's officials and employees, the**

Center being a department of ECC, to avoid redundancy of positions and functions; and

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

- 4.12 Management commented that in a meeting with the GCG on the matter of submission of complete documentary requirements of the proposed RP for both ECC and OSHC, they have requested for more time to comply with the requirements because of the ongoing review of P.D. No. 626, as amended. The functional roles of both agencies will be addressed in the ongoing review of the law.
- 4.13 Presently, the ECC and the OSHC are working together to comply with the documentary requirements under SM 11. The ECC has furnished OSHC with an editable copy of the proposed ECC-OSHC Integrated Structure that ECC presented to the Board. As of date, the ECC Secretariat is awaiting OSHC's comments on the said integrated organizational structure. A Change Management Team (CMT) for both agencies have also been reconstituted. The CMT will be submitting updates on the proposed restructuring from time to time.
- 4.14 By way of audit rejoinder, we appreciate Management's commitments on the proposed Restructuring Plan as required by the GCG, but this should be prioritized to avoid redundancy of positions and save on administrative costs.

5. The continuous inability of the ECC to enforce the audit recommendation to revoke/terminate the authority granting the Employers' Confederation of the Philippines (ECOP), a private organization, free occupancy of ECC's office space resulted in opportunity loss estimated at P8.163 million in rental income from CYs 2019 to 2021, thereby depriving the ECC of the much-needed funds for the benefits of its members. Likewise, ECC's mandate to manage a sound, strong, and wisely invested State Insurance Fund was not appropriately executed.

- 5.1 The mission of ECC are as follows:
- To develop and implement effective OSH policies and programs for the promotion of a healthy working population and prevention of work-related contingencies.
 - To promptly provide workers and/or their dependents with adequate benefits and rehabilitation and other related services in the event of work-connected accident, injury, illness and death.
 - To manage a sound, strong, and wisely invested State Insurance Fund.

- 5.2 ECC owns a building used as their Office and portions are leased to other government agencies and a private organization. The ECOP occupies a portion of the building for free, as authorized under ECC Board Resolution No. 96-06-0291 dated May 9, 1996 on the basis of an instruction of then President Fidel V. Ramos. ECOP is an organization registered with the Securities and Exchange Commission on September 10, 1975 that represents Philippine employers in various tripartite bodies and government agencies.
- 5.3 This issue has been raised in the previous years and it was recommended that Management: a) terminate the agreement of ECC with ECOP stipulating the free occupancy of ECC's office space; b) have ECOP enter a lease contract with ECC with rental rates based on the prevailing rate of the other leases of the ECC building; and c) if a lease agreement is not reached, offer the space to tenants through public bidding.
- 5.4 As of report date, the latest information from ECOP is that they are still pursuing further with the Office of President of the Philippines (OP) of a positive response to their earlier request to continually locate their office at the ECC Building at no rental fee. This is despite the earlier OP action of referring back the request of ECOP, thru DOLE, to ECC for appropriate coordination with COA. Hence, there is no action by the Board yet and seemingly giving favor to ECOP.
- 5.5 It is worth mentioning that other government agencies with offices at the ECC building are paying monthly rentals like DOLE-NCR that has paid a total of P2.431 million in CY 2021. Free use of half of the 3rd floor of the ECC building granted ECOP undue advantage over these government agencies, and based on the prevailing rental rate, ECC could have earned an estimated P8.163 million rent income from CY 2019 (year the audit observation was first raised) to CY 2021.
- 5.6 Rent income from the space occupied by the ECOP could have been granted as cash assistance to lowly workers and their beneficiaries in the event of work-related accident, illness and death or may be added to ECC's reserves for the payment of benefits to its members.
- 5.7 ECC is mandated by law to provide meaningful and appropriate compensation to workers. To attain that mandate, sound fiscal policies have to be adopted to maintain, if not improve, its financial position and performance. One of which is to ensure that its assets or properties are properly utilized either for operations or to generate income.
- 5.8 That said mandate has not been effectively discharged with by allowing entities/companies or organizations free use of its property. Likewise, this is contrary to Section 4(2) of P.D. No. 1445 which provides that government funds or property shall be spent or used solely for public purposes.

5.9 We reiterated with modification our previous years' recommendations that Management:

- a. **Recommend to the ECC Board of Directors the revocation/termination of the board resolution granting ECOP the free occupancy of ECC's office space;**
 - b. **Have ECOP enter a lease contract with ECC with rental rates based on the prevailing rate of the other leases of the ECC building;**
 - c. **Determine applicable rental rates for the years 2019 to 2021 for the office space occupied by ECOP and issue billing statements/statement of accounts to collect the rents from ECOP; and**
 - d. **If a lease agreement is not reached, offer the space to tenants through public bidding.**
- 5.10 Management reiterated their previous comments that on January 6, 2021, the ECOP, through its Chairman and President, wrote the President of the Philippines, requesting for a written approval for ECOP's continued free occupancy of the office space at the ECC Building. On January 12, 2021, the office of the Executive Secretary referred the matter to DOLE Secretary for comment and recommendation. In response, the DOLE Secretary wrote a letter, dated January 18, 2021, supporting the continued occupancy by the ECOP of the office space at the ECC building. The recommendation/comment of the DOLE Secretary was referred by the Office of the Executive Secretary to the ECC on January 28, 2021. The dispositive part of the subject letter states in part that "While we defer to the DOLE Secretary and ECC to resolve the matter, we strongly encourage said offices to consult the COA to ensure any action taken is within existing laws, rules and regulations". The letters of the DOLE Secretary and Assistant Secretary were in turn referred by ECC to COA.
- 5.11 The action taken by the Office of the President (OP), through the Executive Secretary was presented to the Board, who instructed the ECC Secretariat to refer the same to the ECOP. Despite several follow-ups by ECC with ECOP, no official response by the ECOP Board on the matter to ECC as of date.
- 5.12 Management will refer the latest COA Audit Observation Memorandum to ECOP. They will inform the Audit Team of any action being undertaken by ECC Board on the matter.
- 5.13 As an audit rejoinder, since, there is still no action by the Board for almost three years now and seemingly giving favor to ECOP, we maintain our position that government properties shall be used solely for public purposes.

6. **Other non-current assets account includes unserviceable properties amounting to P216,051 that remained undisposed due to non-determination of the proper mode of disposal, contrary to COA Circular No. 89-296, which may result in the further deterioration, decline in recoverable value and incurrence of additional cost of maintaining the properties including the storage space.**

- 6.1 Section IV of COA Circular No. 89-296 dated January 27, 1989 provides that the authority or responsibility to dispose property lies on the heads of departments, bureaus, and offices of the national government, the local government units, and the governing bodies or managing heads of government-owned or controlled corporations and their subsidiaries, who shall constitute the appropriate committee to undertake the disposal activity.
- 6.2 One of the functions of the disposal committee is the determination of the proper mode of disposal deemed most advantageous to the government.
- 6.3 The ECC unserviceable properties which are mostly air conditioners, heavy-duty printers and other heavy equipment are stored in the stock room located at the 3rd floor of the ECC building. These properties have been stored there for years.
- 6.4 If not disposed of immediately, the condition of the unserviceable properties will further deteriorate, resulting in the decline in recoverable value. ECC is also incurring additional expenses for the maintenance of these properties including the storage space occupied.
- 6.5 We reiterated with modifications our prior year's recommendations that Management:**
- a. **Facilitate the immediate disposal of the unserviceable properties through the appropriate mode of disposal and submit the relevant reports to the Audit Team; and**
- b. **Submit to the Audit Team the Inventory and Inspection Report on Unserviceable Property (IIRUP).**
- 6.6 Management acknowledged the audit observation. However, the occurrence of the pandemic and the subsequent declaration of a national health emergency is the main reason for the non-compliance with the said COA Circular. The irregular work schedule has greatly affected the inventory and inspection of ECC's unserviceable properties because the physical presence of staff in the ECC premises to do the inventory is a critical factor in the attainment of this particular task.
- 6.7 As recommended by the Audit Team, the Supply Section has been instructed to prepare the Inventory and Inspection Report of Unserviceable Properties (IIRUP) and other supporting documents for disposal. This will be submitted to the ECC Bids and Awards Committee for disposal in order to determine the proper mode of disposition of said unserviceable

properties. The target date to dispose these unserviceable properties is by the first semester of CY 2022.

- 6.8 As an audit rejoinder, we understand the difficulties faced by the Management in these times, however, even prior to the pandemic, Management did not take action in determining the proper mode of disposal for these unserviceable assets. The division in charge could at least had an inventory count to properly account the assets for disposal.

7. **The amount of time consumed on the evaluation of applications for cash assistance up to the issuance of the corresponding checks took longer than eight (8) days and 30 minutes as prescribed in the ECC Citizen's Charter, and longer than 20 working days as required under Section 9 (b) of Republic Act (R.A.) No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act (EODB Act) due to shortage on manpower and other technical issues that affected the efficiency of the process resulting in the delayed receipt of cash assistance by ECC members and their dependents.**

- 7.1 ECC Citizen's Charter prescribes that the processing time for applying cash assistance is eight (8) days and 30 minutes.

- 7.2 Section 9 (b) of R.A. No. 11032 provides that:

"(b) Action of Offices

Xxx

For application or requests involving activities which pose danger to public health, public safety, public morals, public policy, and highly technical application, the prescribed processing time shall in no case be longer than twenty (20) working days or as determined by the government agency or instrumentality concerned, whichever is shorter.

Xxx."

- 7.3 Cash assistance (CA) is provided to workers (and their families) for illness or death resulting from work-related contingencies to augment the income (disability) benefits provided under P.D. No. 626 as amended, in order to cope with increasing cost of living expenditures.
- 7.4 The CA is part of the Quick Response Program (QRP) of the ECC. An initiative wherein beneficiaries of the Employee Compensation (EC) benefits can apply for an additional financial assistance that amounts to P10,000, if still living, and P15,000 in case of death.
- 7.5 On April 6, 2021, Board Resolution No. 21-04-14 was approved to include the conditions for the compensability of COVID-19 under the ECC list of occupational and work-related disease.

- 7.6 The Board also approved the acceptance of applications for cash assistance in 2021 with the submission of the proof of approval of EC claims for COVID-19 contingencies by the Systems (either GSIS or SSS). Such that, if the applicant is qualified for EC claim, an EC Claim Voucher will be given to him by the System. The said voucher together with the other required documents will be submitted to ECC for the granting of CA.
- 7.7 Our review of the 1,568 DVs and its attachments for the payment of cash assistance for victims of work-related contingencies under the QRP amounting to P15.715 million, from May to September 2021, disclosed that applications were processed more than 20 days after its receipt. Further verification revealed that it took an average of almost 29 days for an application to be initially evaluated and an average of almost 31 days from the date of the initial evaluation to issuance of check.
- 7.8 Per observation and interview with the Management, the manpower shortage is one of the main reasons for the delay. Considering that the community quarantine is still in effect, employees are still required to report on skeletal workforce in order to prevent further spread of the COVID-19 in the workplace. Although clerical employees on contractual basis are present most of the time, the workload are still overwhelming for them to immediately accommodate numerous applications.
- 7.9 The lack of heavy-duty computers and scanners also contributed to the delay as computer applications such as Excel tends to hang up and slow down when it can no longer process large amount of data. Scanning of documents is also time consuming, therefore, can be overwhelming for only one person to do the task.
- 7.10 Evaluators such as ECC doctors could not immediately sign applications as they were also required to report on skeletal basis. The ECC did not also look into the possibility of using electronic signature when the signatories are working from home, in order to hasten the process. Item D of Section 9 of R.A. No. 11032 also mentioned that:
- “Xxx. Electronic signatures or pre-signed license, clearance, permit, certification or authorization with adequate security and control mechanism may be used.”
- 7.11 The Audit Team have also performed a walkthrough of the process and observed that most of the processes on cash assistance are being done by the Work Contingency Prevention and Rehabilitation Division (WCPRD) including the drafting of the budget utilization request and disbursement voucher which also contributes to the overwhelming workload of the division and further prolong the processing time.
- 7.12 Other divisions in the ECC are also facing a problem on manpower shortage since many permanent employees are already in their senior years and therefore classified as high risk in contracting COVID-19. Also, other employees whose tasks can be practically accomplished at home were allowed not to report to office physically.

- 7.13 The processing of the CA could have been facilitated and done in a more efficient manner if other tasks such as receiving of CA applications, contacting applicants of incomplete documents, drafting of DV and BUR, releasing/delivery of check to the payee, scanning and encoding were temporarily delegated to other divisions.
- 7.14 The feedback of the applicants waiting for more than 20 days for their cash assistance to be released are expressed publicly on ECC's Facebook account. We have observed that many of them have expressed dismay on the delay and the Audit Team had further verified that most of the applications are indeed processed longer than the required time. This is not in conformity of Section 9 (b) of R.A. No. 11032, and longer than the prescribed processing time in applying cash assistance of eight (8) days and 30 minutes under the ECC Citizen's Charter.
- 7.15 We commend the bravery and perseverance of the employees who reported to work despite the health risks brought about by the COVID-19 pandemic. The Audit Team also fully understand the challenges that the ECC is facing in order to provide quality service to the public. In view of this, we support the ECC for innovating strategies in order to get things done more effectively and efficiently to provide prompt assistance to ECC members and their beneficiaries.
- 7.16 We recommended that Management:**
- a. **Be more aggressive in hiring permanent staffs to be trained in handling processes that are usually handled by senior employees who are due for retirement in the coming years;**
 - b. **Invest on heavy-duty office equipment to hasten office tasks and upgrade the cash assistance online application system for fast and accurate data processing and to meet the demands;**
 - c. **Practice resiliency by temporarily delegating tasks to other divisions; and**
 - d. **Strictly comply with the prescribed processing time in the ECC Citizen's Charter and Section 9 (b) of the Republic Act (RA) No. 11032 or the EODB Act.**
- 7.17 Management commented the following:
- a. The Chief of WCPRD has attended promptly the interviews and deliberations scheduled by the Admin/HR Division in the selection of certain personnel for the vacant plantilla positions which were vacated by retirement or promotion.
 - b. Other divisions such as Appeals Division (AD) and Information and Public Assistance Division (IPAD) are already involved in the Cash Assistance process such as responding to 8888, CSC, DOLE and

individual complaints as well as communicating the Cash Assistance process to various stakeholders.

- c. The ECC is limited by its mandate to implement a proper structure and allocate the corresponding budget to administer a cash benefit program in order to be consistent in complying with the Citizen's Charter and RA No. 11032 with the growing number of applications.
- d. The solution is to transfer the administration of the Cash Assistance to the Systems since they have the appropriate structure, personnel and source of funding. This can be effected as an urgent measure through issuance of an appropriate Board Resolution by the Commission. The administration of the Cash Assistance by the Systems synchronized the cash benefit processing with other EC-related benefits thereby avoiding filing of applications at different agencies for cash related EC benefits and ensuring availability of funding. The ECC can also concentrate more on its main programs such as appealed claims adjudication and the implementation of the KAGABAY program.

7.18 By way of audit rejoinder, we agree on the Management's response, however the Management could still delegate or ask for assistance from other divisions for tasks that do not require expertise such as encoding/scanning until the proposed transfer of the Cash Assistance program to the Systems is approved by the Board.

8. The absence of a guideline to implement the Katulong at Gabay ng Manggagawang may Kapansanan (KAGABAY) Program may result in the payment of the starter/complimentary kit to unqualified ECC members, therefore not aligned with the objectives of the KAGABAY Program and contradicts Section 2 of P.D. No. 1445.

8.1 Section 2 of P.D. No. 1445 provides that:

"Declaration of Policy. It is declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguard against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The responsibility to take care that such policy is faithfully adhered to rests directly with the chief or head of the government agency concerned."

- 8.2 The ECC, through its Katulong at Gabay ng Manggagawang may Kapansanan also known as KAGABAY Program is a special economic assistance program for occupationally-disabled workers (ODWs) who lost employment by reason of work-related sickness or injury.
- 8.3 The objectives of the KAGABAY Program are: a) to facilitate integration of ODWs into the economic mainstream through physical restoration, training for re-employment or self-entrepreneurship, and b) to provide ODWs equal

access to livelihood opportunities and assist them in setting-up their own self-managed micro-enterprises or home-based business.

- 8.4 Workers covered by the KAGABAY Program are: (a) workers who are compulsory members of the SSS or GSIS with approved EC disability benefits, and (b) Sea-based Overseas Filipino Workers (OFWs) with approved EC disability (with manning agency based in the Philippines).
- 8.5 The benefits and services offered by the program to ODWs are: a) physical or occupational therapy services including assistive devices (legs/arm prosthesis); b) skills training for re-employment to enable ODWs to acquire skills depending on their potentials and residual functional capacity; and c) entrepreneurship training to enable ODW to set up home-based business.
- 8.6 Audit of the payment for the grant of starter/complimentary kit, disclosed that a permanent employee of the ECC, previously employed in the private sector, claimed EC Partial Permanent Disability caused by an accident that happened on August 8, 2008. Released through the Social Security System, he was paid disability benefit of P10,300 initial benefit and a pension of P2,000 per month for four months, from August to November 2008.
- 8.7 After more than a decade, the employee who is now permanently employed by the ECC applied for a starter/complimentary kit on October 18, 2021 after undergoing entrepreneurship training on October 15, 2021. Such training is in preparation for the livelihood cash assistance of P20,000, which will be provided to the beneficiary/ies after complying with the requirements. He was then granted P20,000 to start up a poultry business in Guiguinto, Bulacan.
- 8.8 Since the claimant is already gainfully employed by the ECC and has been integrated into the economic mainstream, the grant of P20,000 for a poultry business is not necessary. There was no information, however, if he was already granted the other services offered by the program.
- 8.9 The ECC did not issue a guideline on the implementation of the KAGABAY Program to set clear criteria and information on: a) who should qualify for the assistance; b) what are the covered expenses (medical/therapy, training, etc.); and c) the prescriptive period for filing of claims, among others.
- 8.10 Without an implementing guideline, anyone who have been previously qualified for EC benefits could be granted starter/complimentary kit even if the claimant has fully recovered and is already gainfully employed which defeats the purpose of the KAGABAY Program.
- 8.11 **We recommended that Management formulate and immediately issue a guideline/policy on the implementation of the KAGABAY Program to comply with Section 2 of P.D. No. 1445.**

8.12 Management commented the following:

- a. The KAGABAY Program implements Chapter V (Medical Benefits) Article 190 (Rehabilitation Services).
- b. They agree with the audit recommendation that urgent guidelines be issued but there is a need to be careful in disallowing/limiting entitlement to EC benefits without violating P.D. No. 626 as amended. Article 190 of P.D. No. 626 can be interpreted that the rehabilitation program is a continuing process and is not limited to helping restore an injured employee to sustainable employment but also includes assistance to develop his vocational or social potential. ECC Board Resolution No. 14-07-19 defines entitlement to Rehabilitation services upon approval of the EC claim for disability benefits by the Systems and can be only suspended or terminated upon refusal of the Person with Work Related Disability (PWRD) to continue rehabilitation.
- c. The KAGABAY program does not mention limitation of entitlement of only those who are not gainfully employed. Further the term “gainfully employed” is not defined under P.D. No. 626. To note, under P.D. No. 626, a person qualified to receive EC Permanent Partial Disability (PPD) benefit may be unemployed or still be employed. Also, prescriptive period only applies to the filing of EC Income benefits. Accessory benefits such as Medical and Rehabilitation do not have prescriptive periods under P.D. No. 626.
- d. The ECC does not have its own Physical Rehabilitation or Prosthesis fabrication facility and relies on 3rd party suppliers in providing physical therapy/occupational therapy services and prosthesis supplies to its PWRDs. The rates for basic therapy are agreed upon in a Memorandum of Agreement (MOA). Additional modalities or diagnostics are subject to the approval of the ECC. Procurement of prosthesis can be either thru a MOA with a partner hospital which can provide the device or through bidding participated by PhilGEPS suppliers. Conduct of entrepreneurial training is only approved upon submission of itinerary, canvassing of venue/food and laying of proposed budgets for venue/material/food/honoraria for speakers by the focal person in-charge and within allowed procedures and regulations.
- e. The WCPRD has initiated/will initiate the following to improve the implementation of the Kagabay Program:
 - MOA with partner hospitals; and
 - Expense limitation for Physical Rehabilitation Services

However, amendments to P.D. No. 626 relative to the following are necessary which should be discussed with the ECC Appeals (Legal) Division:

- Article 190 of P.D. No. 626;

- Provide definition of “Gainful Employment” and set legal parameters;
- Issue new qualifications criteria to Entitlement for Rehabilitation Services (Amendment to Board Resolution No. 14-07-19); and
- Study application of a prescriptive period to accessory benefits without prejudice to the intent of the Law (P.D. No. 626) in providing continuous benefits as the progress of the PWRDs sickness or injury requires.

8.13 By way of audit rejoinder, establishing a clearer guideline/policy other than the general rule in P.D. No. 626 could be more effective and efficient in implementing the mandate of the KAGABAY Program as more PWRDs, who are most in need of help, will be accommodated and assisted. This could also prevent shortage in fund which could hinder help to PWRDs that need immediate assistance.

8.14 In addition, we used the phrase “gainfully employed” only to put emphasis on the beneficiary whose contingency happened more than a decade ago and is now employed by the ECC. Apparently, the employee has already recovered from the accident and is no longer in need of further assistance, physically and financially. Although, we don’t dispute the grant of assistance to the employee as there are no established specific guideline/policy yet, we reiterate our recommendation that Management issue a more specific criteria on the grant of assistance in order to efficiently make use of the fund and to reach more PWRDs who are currently in need.

8.15 Moreso, we agree on the rest of the Management’s response.

9. **The absence of a property or inventory card to monitor the movement of Information, Education and Communication (IEC) materials may result in overstocking, obsolescence, damage and/or loss and uncertainty of the correctness of the quantity on hand, contrary to Section 2 of P.D. No. 1445.**

9.1 Section 2 of P.D. No. 1445 provides that:

“Declaration of Policy. It is declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguard against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The responsibility to take care that such policy is faithfully adhered to rests directly with the chief or head of the government agency concerned.”

9.2 The Commission has been procuring, developing and producing IEC materials composed of pamphlets, booklets and tokens that are being distributed to different agencies and to employers and workers during various activities/seminars to properly inform the public of the Employees’ Compensation (EC) benefits and to strengthen relationships with various

stakeholders. The pamphlets and booklets about ECC are helpful in disseminating information that could be useful to workers in both the private and government sectors.

9.3 The Audit Team has conducted an ocular inspection and counted the following stored IEC materials in the storage area located at the 3rd Floor of the ECC building:

Item	Quantity	Remarks
1. Employer's Guide on ECP booklet	at least 220 packs	200 pcs. per pack
2. FAQ ECP	at least 160 packs	400 pcs. per pack
3. ECC Circulars booklet	at least 5 packs	200 pcs. per pack
4. Folded umbrella	at least 13 boxes	60 pcs. per box
5. Straight umbrella	open boxes	less than 200 pcs.
6. ECC sunshield	at least 3 boxes	less than 200 pcs.
7. Mirror table top	less than 70 pcs.	
8. Fan	at least 3 boxes	plastic and board type
9. Pull-out banner	at least 29 boxes	14 boxes at 6 pcs. per box and 15 boxes at 10 pcs. per box

9.4 The following are the Audit Team's observations:

- The IEC materials were properly stored and checked regularly by a staff from the IPAD.
- Property or inventory cards are not maintained to monitor the movement of the IEC materials from procurement or development/printing to distribution, therefore, the correctness of the quantity on hand cannot be determined.
- According to the staff in charge, some of the IEC materials on hand were procured in the previous years, even way back CY 2014 but remained undistributed.
- The stocking of 44,000 pieces employer's guides, 64,000 pieces FAQs and 1,000 circulars' booklet may be justifiable but if not distributed at once, some information contained therein may no longer be up to date or may have been superseded by recent issuances, thus, they are no longer useful and may even lead to misinformation. Tokens such as umbrellas and desk mirrors could easily be stolen and the quality of these tokens depreciates over time.
- The distribution of the IEC materials was temporarily suspended due to community quarantines during the COVID-19 pandemic, which further resulted in the accumulation or overstocking of IEC items.

9.5 Lack of a monitoring system to track the movement of IEC materials may result in overstocking, obsolescence, damage and/or loss, and the correctness of the balance on hand of the IEC materials could not be determined.

9.6 We recommended and Management agreed to:

- Conduct physical inventory count of the IEC materials and submit to the Audit Team the corresponding Inventory Report;
- Prepare and maintain property or inventory cards to monitor the stock movement of each IEC material;
- Consider the current stock level of IEC materials in succeeding procurement, development and or printing; and
- Study the possibility of distributing the old IEC materials which are still usable.

9.7 Management further commented that in their zealous effort to pursue their mission to ensure that workers are informed of their rights, privileges and benefits under the EC program, sometimes they overlook matters like this. Management assured that in the future, they will be more conscientious in the management, monitoring and distribution of their IEC materials to ensure efficiency and effectiveness in the pursuit of the said IPAD's activity.

9.8 We appreciate the Management's response and cooperation in improving the system.

10. **Lack of policy/guideline setting the estimated travel time for the routes taken by drivers providing shuttle services to employees hampered the determination of the reasonableness of billed hours beyond the scheduled working hours that may result in excessive overtime payments/charges.**

10.1 Item 3.1 of CSC and DBM Joint Circular (JC) No. 1, series of 2015, dated November 25, 2015 provides that:

"The rendition of overtime services shall be authorized only when extremely necessary, such as when a particular work of activity cannot be completed within the regular work hours and that non-completion of the same will; a) cause financial loss to the government or its instrumentalities; b) embarrass the government due to its inability to meet its commitments or c) negate the purposes for which the work or activity was conceived."

10.2 Due to various imposition of community quarantines in the National Capital Region (NCR) in combating the COVID-19 and mitigate the spread of the disease in the country up to the present, ECC has been providing various supports to its employees. One of the provisions is the free shuttle/carpool service in order to minimize the risk of being infected by COVID-19 that could be acquired during commute. In view of this, there is an increase in demand of the drivers' services to accommodate the employees' transportation needs.

10.3 Audit of the DVs for the payment of overtime services rendered by the drivers showed the following:

- a. Travel time spent in some routes by the driver of one of the service vehicles is longer than the estimated travel time based on the Radio Frequency Identification (RFID) statement of account. The estimated travel time is based on Google's estimation and conservative approach.
- b. The said driver did not submit justification on the longer travel time spent to get back to the office through the same routes considering that the departure time from the office is already adjusted for the traffic to be encountered along the way. This happened especially in going to Susana Heights Subdivision. Research disclosed that the route is through expressway hence, not susceptible to traffic, which made it unusual for the 16-minute drive route turned into three-hour. In comparison, the driver of another service vehicle took the MCX Daang Hari - Susana Heights Nor/Sth Ent/Ext route in 25 minutes' drive only but it took him one (1) hour and 23 minutes.
- c. Although external factors such as traffic is unavoidable, the ECC has not instituted a policy or guidelines on overtime services of drivers, which should include among others, the setting of estimated travel time of the different service routes that could help in ascertaining reasonableness of excess hours billed as overtime services by drivers to avoid unnecessary charging and overpayment of overtime.

10.4 Aside from being prone to abuse, the continuous payment of unnecessary overtime services could exceed the allowable Overtime Pay which is 50 per cent of the total basic salary of an employee for the year and 5 per cent of the ECCs' total annual budget for Personnel Services (PS). If the limit has been exceeded, ECC could be put in a difficult situation when the need for extended services arises as the employees could no longer be compensated which is contrary to the specific provision of CSC and DBM JC No. 1. Likewise, approval by the DBM of overtime pay in excess of 5 per cent of the PS budget is required under paragraph 10.7 of the same Joint Circular.

10.5 Overall, we commend the contribution and dedication of the drivers in picking up and bringing home safely each employee during this pandemic by providing extra assistance and service to the agency despite the threat of COVID-19.

10.6 We recommended that Management:

- a. **Establish a policy/guidelines on overtime services which should include, among others, a provision on the estimated travel time for the different routes/destinations of service drivers; and**

- b. **Require the Administrative Division to monitor the overtime services rendered by the ECC employees and their compliance to existing rules and regulations.**

10.7 Management commented the following:

- a. First, upon the recommendation of the Audit Team, they have instructed the subject ECC driver to submit his justification for his unusual long travel time from ECC to Lipa, which sometimes also includes providing transport services to employees from the South (Dasmariñas, Daang Hari, Molino, Parañaque, Las Piñas, and Bicutan). They have attached the justification submitted which showed almost the same number of hours or even longer number of hours of drivers who have earlier been assigned in the same routes. This however, is not a reliable assumption since dismissal time varies and depends on curfew hours imposed by government. Also, because of varying alternative work arrangements (AWA), the number of passengers assigned per vehicle also change. The AWA is adjusted based on developments in the status of the health emergency and subsequent government pronouncements.
- b. Second, they have assigned another driver to take up this route to avoid the recurrence of the incident.
- c. Lastly, they are currently reviewing Office Order No. 16-551, s. 2016, to address the aforementioned issues.

10.8 By way of audit rejoinder, based on the justification submitted, the comparison of overtime charges of drivers cannot be established due to difference in years. There was no RFID installed yet in 2020, therefore only the logbooks and bundy cards were used to substantiate the audit. The Audit Team was also not able to investigate deeper on the overtime charges as there was no way yet to check the specific routes the driver had taken in CY 2020 and so validation was made only in the logbooks and bundy cards. Unlike in CY 2021, with the RFID Statement of Account, the Audit Team was able to establish the specific routes where the driver spent most of his overtime.

10.9 We commend the driver for their services during the pandemic and therefore one of the objectives of our audit is to make sure that they are compensated for their sacrifices. However, in terms of payment of per diem, as attached in the justification submitted by Management in view of E.O. No. 77, s 2019, the drivers are not authorized to claim per diem as their services were rendered during the normal course of operations, hence cannot be considered as an official travel needing per diem.

10.10 Further, item 4.2 of ECC Office Order No. 16-551, s. 2016, provides that:

"One-hour breaks shall be observed for breakfast, lunch or supper and rest, and every 3 hours of continuous overtime service, or as may be necessary."

10.11 Office hours were already adjusted in order for the drivers to get back early to the office.

11. The Daily Time Records of ECC employees who were assigned at the Department of Health (DOH) were not supported with the biometric/machine-stamped bundy time cards or a log book as required under Section 2, Rule XVII of the Omnibus Rule Implementing Book V of EO 292 and Civil Service Commission Memorandum Circular (CSC-MC) No. 21, s. 1991, in relation to Section 13.b.6. of CSC MC No. 24, s. 2017, thus, the validity of the reported attendance and accuracy of the salaries and benefits paid to these employees cannot be ascertained.

11.1 Section 2, Rule XVII of the Omnibus Rules Implementing Book V of EO 292, provides that:

"Each head of department or agency shall require a daily record of attendance of all the officers and employees under him including those serving in the field or on the water, to be kept on the proper form and, whenever possible, registered on the bundy clock."

11.2 Civil Service Commission Memorandum Circular (CSC-MC) No. 21, s. 1991, specifically provides as follows:

"C. Use of Bundy Clock and Other records of Attendance

"1. All officers and employees shall record their daily attendance on the proper form or, whenever possible, have them registered on the bundy clock. Any other means of recording attendance maybe allowed provided their respective names and signatures as well as the time of their arrival to and departure from the office are indicated, subject to verification x x x. The record of Attendance which shall be kept in a conspicuous place, shall be in the custody of a responsible officer who shall monitor arrival and departure of officials and employees." (Underscoring supplied)

11.3 As a general rule, record of attendance must be registered on the biometric/bundy clock card and in the absence thereof, a log book or locator must be maintained and shall be validated by the immediate supervisors. Also, attendance and all absences of officers exempted from keeping their daily record of attendance through the use of bundy clock must be recorded.

11.4 This is further stressed in Memorandum Circular (MC) No. 3 dated August 8, 2016, issued by the Office of the President, enjoining all government officials and employees to strictly observe and comply with the required work hours. In line thereof, the CSC urged all government agencies to adopt appropriate mechanisms to strictly monitor and record attendance of employees such as the use of biometric time clocks and other forms of attendance systems.

11.5 On the temporary detail of employees from one department or agency, Section 13.b.6. of CSC MC No. 24, s. 2017, or the 2017 Omnibus Rules on Appointments and Other Human Resource Actions provides:

During the period of detail, the parent agency relinquishes administrative supervision and control over the detailed employee to the receiving agency. In this regard, the receiving agency has the following responsibilities: to monitor the punctuality and attendance of the employee, approve requests for leave, evaluate the employee's performance, grant authority to travel and exercise other acts necessary to effectively supervise the employee; provided, a report on said matters is submitted to the parent agency for record purposes.

11.6 In our review of the DVs for the payment of salaries and benefits of the hereunder listed employees of ECC assigned at the Office of the Secretary of the DOH, based on the letter dated January 10, 2019 of the DOH Secretary to the Executive Director of ECC, we have observed the following:

Name	Position	Salary Grade	Status of employment
Employee 1	Executive Assistant II	17	Permanent
Employee 2	Executive Assistant I	14	Permanent

- a. The attached Daily Time Record (DTR) of the said employees were handwritten.
- b. The Audit Team were informed that the above-named employees were given access to log book and bundy/biometric time clock but neither the photocopy of the log book nor the machine-stamped bundy clock card/extracted data from biometric time clock was submitted to ECC.
- c. No Office Order was issued by the Executive Director permitting the officers and employees of the ECC to be exempted from the use of log book or bundy/biometric time clock to record their work hours.
- d. The DOH did not provide the ECC with reports on monitoring the punctuality and attendance, approval of requests for leave, evaluation of the employee's performance, grant of authority to travel and other acts necessary to effectively supervise the employees as mentioned in Section 13.b.6. of CSC MC No. 24, s. 2017, for record purposes. Only the Individual Performance Commitment and Review (IPCR) Forms were submitted by the employees and no reports from the DOH.

- e. The handwritten DTR entries could not be validated to support the payment of salaries and allowances such as the Magna Carta benefits, which are also dependent on reports of attendance.

11.7 Thus, in the absence of bundy/biometric time clock or other forms of attendance systems to support the handwritten entries in the DTRs of the two employees detailed at the DOH, the reliability of the reported attendance was not determined, as well as the correctness of the salaries and allowances paid to them by the ECC.

11.8 We recommended that Management:

- Comply with Section 2, Rule XVII of the Omnibus Rule on Implementing Book V of EO 292 and CSC MC No. 21, s. 1991, on the use of bundy clock and other records of attendance; and**
- In the absence of the Office Order as an exemption on the use of bundy clock, require the employees to submit to ECC and to the Audit Team either of the three: (1) photocopy of attendance log book; (2) machine-stamped bundy clock card or; (3) extracted attendance from biometric time clock.**

11.9 Management commented that they have sent a communication to the DOH requesting a certified true photocopy of the attendance logbook of their employees detailed at the DOH. They acknowledged the Audit Team's concern on the loose rules on attendance of their Commissioners' offices to their staff. Further, they will strictly monitor regular submission of attendance records, logbook and other documents of these employees to the ECC-HR.

11.10 As an audit rejoinder, we further recommend that the documents required to be submitted be validated by the ECC.

12. The DVs and supporting documents covering the period January 1 to December 31, 2021 were not submitted to the Audit Team within the prescribed period, contrary to Sections 100 and 107 of P.D. No. 1445, which prevented the timely disclosure of any deficiencies and issuance of corresponding audit action.

12.1 Section 100 of P.D. No. 1445, otherwise known as the "State Audit Code of the Philippines provides:

"Reports of disbursing officers in a government agency - disbursing officers in any government agency shall render monthly reports of their transactions pursuant to regulations of the Commission to be submitted not later than the fifth day of the ensuing month to the auditor concerned who shall conduct the necessary examination and audit within thirty days from receipt thereof."

12.2 Likewise, Section 107 of the same decree states:

"Time and mode of rendering account – in the absence of specific provision of law, all accountable officers shall render their accounts, submit their vouchers, and make deposits of money collected or held them at such times and in such manner as shall be prescribed in the regulations of the Commission."

12.3 The following are the details of the submitted DVs and supporting documents for audit for CY 2021:

Month/ CY 2021	Submitted w/in the 5 th day of the ensuing month (upon receipt)	Days Delay in the Submission			Amount
		Less than & equal to 30 days	31 to 60 days	61 days or more	
January	-	-	13,873,985	13,133,103	27,007,088
February	-	4,969	1,000,218	25,227,760	26,232,947
March	-	109,461	3,502,589	18,339,292	21,951,342
April	11,407	402,760	1,070,634	5,035,401	6,520,202
May	1,375,985	5,618,286	10,442,439	436,873	17,873,583
June	5,777,660	4,024,752	6,258,266	3,198,813	19,259,491
July	2,606,279	5,136,462	2,536,937	1,826,408	12,106,086
August	2,903,555	319,553	16,964,793	7,606,515	27,794,416
September	2,312,996	1,250,898	6,519,988	202,774	10,286,656
October	575,481	15,691,802	15,409,338	-	31,676,621
November	-	532,106	12,054,346	14,786,798	27,373,250
	15,563,363	33,091,049	89,633,533	89,793,737	228,081,682
Number of DVs submitted	321	719	1,346	3,204	5,590

Note: For the ECC Secretariat and its Center - no DVs transmitted for the month of December 2021 as of report date.

12.4 Out of the 5,590 DVs, only 321 DVs or six per cent amounting to P15.563 million were submitted within the 5th day of the ensuing month. The remaining 5,269 DVs totaling P212.518 million or 94 per cent were submitted beyond the required reglementary period contrary to Section 100 of P.D. No. 1445. Also, among the 3,204 DVs submitted after 61 days or more, 258 DVs have no date of receipt by payees, hence, the exact number of days from receipt up to the submission cannot be determined.

12.5 According to Management, the delay of submission was caused by the implementation of the community quarantine wherein employees are required to work on alternative work arrangement in order to prevent the spread of the COVID-19 in the workplace. However, we would like to point out that there are clerical employees on contractual basis who are present most of the time, hence, Management may delegate the submission of the DVs to the Audit Team within the prescribed period.

12.6 Likewise, there are still 3,769 DVs amounting to P53.783 million, and undetermined number of DVs and corresponding amounts for the month of

December 2021, that are not yet submitted as of February 18, 2022, as shown below:

Month/CY 2021	Number of DVs	Amount
January	208	4,190,491
February	910	12,427,802
March	117	1,141,929
April	73	1,174,249
May	255	4,574,497
June	336	4,173,299
July	236	3,536,736
August	173	2,106,236
September	226	5,108,927
October	582	8,741,297
November	653	6,607,797
December	undetermined	-
	3,769	53,783,260

12.7 The delay and non-submission of DVs precluded the Audit Team from conducting timely audit of recorded disbursements and promptly informing Management of the deficiencies through an appropriate audit action.

12.8 We recommended that Management:

- Install measures that will facilitate the timely submission of DVs not later than the fifth day of the ensuing month in compliance with Sections 100 and 107 of P.D. No. 1445; and**
- Submit immediately the DVs and supporting documents not yet submitted as of February 18, 2022.**

12.9 Management commented that the Center agreed on the audit recommendations, while the ECC Secretariat reiterated their comment on some of the causes of delay in the submission of DVs within the prescribed period.

12.10 Management clarified that the three clerical employees on contractual basis assigned at the Finance Division and who are present most of the time have different duties and functions to perform which are also related to the processing of voluminous DVs such as DV preparation, checks preparation and check releasing. Consequently, the management approved the hiring of additional clerical staff at Finance Division to help in the arrangements/segregation, checking of supporting documents, stamping of "PAID" and numbering of all the pages of the supporting documents, and providing all the needed information on the face of the DVs and submission of the processed DVs to the Audit Team. In addition, they also accepted the assistance offered by the staff from other division and even from the janitor to assist the Finance Division in order to facilitate the submission of the processed DVs.

12.11 Further, the Finance staffs are doing their best to comply with the said requirement as their attention has been called in previous year's audit. The delay is due to unavoidable circumstances during the pandemic. Now that pandemic alert level has been lowered to level 1, they will be reporting regularly at ECC and can comply already on the timely submission of the processed DVs to the Audit Team.

13. Inspection and Acceptance Report (IAR) of property and supplies deliveries under 297 purchase orders (POs)/sales invoices (SIs) amounting to P18.702 million or 87 per cent of the total POs/SIs were not submitted within 24 hours from acceptance, contrary to Section 6.7 of COA Circular No. 89-299A, thereby precluding the Audit Team from the timely conduct of a careful and thorough check and audit of property or supplies delivered as required under Section 44 of P.D. No. 1445.

13.1 Section 6.7 of Commission on Audit (COA) Circular No. 89-299A dated September 8, 1989, provides that:

"Inspection of consumable items shall be conducted by Management. A copy of the report or its equivalent shall be submitted to the Auditor within 24 hours from acceptance of the items delivered."

13.2 Section 44 of P.D. No. 1445 states that:

"Check and audit of property or supplies - the auditor shall from time to time conduct a careful and thorough check and audit of all property or supplies of the agency to which he is assigned. Such check and audit shall not be confined to a mere inspection and examination of the pertinent vouchers, inventories, and other papers but shall include an ocular verification of the existence and condition of the property or supplies. Xxx."

13.3 Management prepares IAR for every property or supplies delivered which are found to be in accordance with the specifications stipulated in the PO and then submits the same to the Audit Team for audit.

13.4 Review of the IARs provided to the Audit Team during the year showed that as at December 31, 2021, out of the total IARs for 341 POs or SIs amounting to P20.875 million, only 44 IARs or 13 per cent with a total amount of P2.174 million were received within 24 hours. The remaining 87 per cent amounting to P18.702 million consisting of IARs for 297 POs/SIs were not submitted within the prescribed period, which is not consistent with Section 6.7 of COA Circular No. 89-299A, presented as follows:

Month	Submitted within 24 hours	Period of Delays		Total
		More than 2 days but not more than 30 days	More than 30 days	
January	172,701	372,657	1,135,710	1,681,068
February	21,742	595,460	87,129	704,331

Month	Submitted within 24 hours	Period of Delays		Total
		More than 2 days but not more than 30 days	More than 30 days	
March	700	394,729	597,432	992,861
April	-	254,278	431,697	685,975
May	-	289,443	1,291,918	1,581,361
June	-	220,195	338,000	558,195
July	-	520,519	755,525	1,276,044
August	2,414	403,575	1,645,217	2,051,206
September	-	593,120	411,359	1,004,479
October	679,687	1,974,635	259,054	2,913,376
November	445,552	3,366,606	1,290,000	5,102,158
December	850,725	1,473,406	-	2,324,131
	2,173,521	10,458,623	8,243,041	20,875,185
Number of POs/Sales Invoice	44	178	119	341

13.5 Non-observance by Management of the reglementary period within which to submit the IAR to the Auditor prevented the timely review and validation thru ocular verification of the existence and condition of the delivered property or supplies.

13.6 We recommended that Management comply strictly with the provisions of COA Circular No. 89-299A on the submission of IARs.

13.7 Management commented that the Center agreed on the audit recommendation, while the ECC Secretariat, commented that due to the COVID-19 pandemic and the implementation of an alternative work arrangement (AWA), there were instances when the delivery of goods was already completed and the corresponding IAR/IRR were likewise prepared, but the signatories were either working from home or on quarantine. Thus, the delay in the submission of the subject documents to the Audit Team.

13.8 With the decreasing number of COVID-19 cases and the lowering of the Alert Level to 1, the Supply Section will now strictly adhere to the submission of the required documents within the reglementary period.

13.9 As an audit rejoinder, we look forward to the commitment of the Management to strictly adhere to the submission of the required documents within the reglementary period.

Gender and Development (GAD)

14. As required by the Philippine Commission on Women, National Economic Development Authority and Department of Budget and Management (PCW-NEDA-DBM) Joint Circular No. 2012-01, the ECC has implemented and accomplished its GAD Plans and Budgets (GPB) and prepared the GAD Accomplishment Reports (GAR) for CY 2021.

14.1 For CY 2021, ECC and its Center were able to attribute and utilize the total amount of P121.730 million for its client and organization-focused related

activities as well as its client administration and support to Human Resources Development activities.

14.2 Review of the CY 2021 GAR showed that ECC and its Center were able to implement the GAD-related programs and activities as follows:

Programs, Activities and Projects	Output		Amount
	Target	Actual	
ECC			
I. Client-focused			
• Facilitation of the provision of: livelihood/skills training with appropriate start-up kits; physical therapy (PT)/ occupational therapy (OT); provision of prosthesis to PWRDs	250 livelihood/ skills training; 125 Persons with Work-Related Disabilities (PWRDs); 64 prostheses to PWRDs	233, 53 and 20 PWRDS availed of livelihood training with starter kits and complimentary kits, facilitated for PT/OT, and provided with prosthesis, respectively. Female- 41 (13%) Male- 265 (87%)	13,332,351
• Provision of cash assistance to Covid-19 patients		8,925 workers received cash assistance for Covid-19 and 382 workers received cash assistance for work-related illness Female- 5,065 (54%) Male- 4,242 (46%)	76,076,930
• Conduct of Employees Compensation Program (ECP) advocacy seminars and intensification of ECP Information thru multi-media	500 ECP Advocacy seminars with 30,000 participants from 15,000 companies	1,017 ECP Advocacy seminars conducted with 47,754 participants reached and 27,422 companies covered Female-20,081 (42%) Male- 27,673 (58%)	10,246,206
II. Organization- focused			
• Facilitate attendance of GFPS members and program managers to training/orientation on GAD mainstreaming and institutionalization; facilitate the conduct of lecture/seminar on MCW for both new and old employees and participate in the PCW-prescribed activities on National Women's Month celebration		10% of GFPS members attended the online training/ orientation on "The Law and IRR of the Safe Spaces Act" on May 18, 2021 organized by the Center for Global Best Practices; 100% of the employees (permanent and agency-based) attended the PCW-led online lecture/seminar on MCW on March 8, 2021 – Online Forum series: "Juana Nangunguna Laban sa Pandemya	11,260
			99,666,747
The Center			
I. Client-focused			
• Basic occupational safety and health training conducted	36 batches	643 batches/25,879 workers, 14,032 females	4,772,067



Programs, Activities and Projects	Output		Amount
	Target	Actual	
• Construction safety training – implemented policy training	10 batches	16 batches/793 workers, 251 females	296,060
• Health related training: managing emerging issues in the workplace; work-related diseases; ergonomics in the workplace; and drug assessment team training	8 batches	8 batches/307 workers, 116 females	178,684
• Working environment related training: safe use of chemicals at work; work environment measurement training; industrial ventilation training and 40-hour industrial hygiene training course	7 batches	7 batches/355 workers, 113 females	208,395
• Safety audits/personal protective equipment (PPE) testing of companies - Scaffolds assessment - OSH accreditation		1,788 specimens; 2,964 tests 93 workers, 7 females 161 consultants, 21 females 1,064 OSH practitioners; 169 females	44,000
• Conducted OSH researches and eventually the development of related policies	4 researches	Completed 4 OSH researches	77,336
• Completed printing of IEC materials	25 types of IEC	Printed 25 types of posters and 4 IEC packages on OSH and Covid-19 related materials	1,014,150
II. Organization-focused			
• Conducted ASEAN meetings/ forum and other OSH related conferences and safety and health of Center's employees	Enhanced linkages to other ASEAN countries; Covid-19 response	Attended ASEAN workshops on the prevention and control of Covid-19 at the workplace for sustainable business; international occupational hygiene association (IOHA); International Scientific Conference; UNITAR; GHS Classifying and Labelling Chemicals; XXII World Congress on Safety and Health; ASEAN Regulatory Cooperation Project (ARCP) Workshop on Globally harmonized System (GHS) of classification and labeling of Chemicals.	5,916,943

Programs, Activities and Projects	Output		Amount
	Target	Actual	
		Participated in safety and health programs - programs and procurement of supplies in relation with Covid-19; provided shuttle services to employees and outsourced personnel and free use of the OSHC dormitory.	2,586,843
• Safety and health of Center's employees: preventive maintenance of elevator, medical equipment and vehicles (compliance to BP 344 Accessibility Law); and participation in related GAD activities for advocacy	For OSHC staff and clients; and number of gender programs conducted/ attended	Conducted regular safety and health committee meetings, participated in Metro Shake drills, distributed emergency go bag with basic supplies, purchased of hardhats for emergency preparedness and set-up of isolation tent and transaction window to avoid outside clients going to divisions, and purchased of first aid equipment such as Automated Extended Defibrillator (AED)	6,968,908
			22,063,386
			121,730,133

14.1 We commend the Management in implementing its GAD programs, activities and projects as planned.

15. Compliance with Tax Laws

15.1 For CY 2021, the ECC has complied with the requirement of Executive Order No. 651 as implemented under BIR Revenue Regulation No. 1-87 dated April 2, 1987 for income taxes, and BIR Revenue Regulation No. 10-93 dated June 16, 1993 for Value Added Tax (VAT), by regularly withholding taxes on salaries of government officials and employees, as well as on the services and goods delivered and/or rendered by contractors and suppliers and in remitting the same to the BIR. The balance of the unremitted taxes withheld amounting to P3.456 million as of December 31, 2021, was accordingly remitted in the ensuing month.

16. Remittance of Mandatory GSIS, Pag-IBIG and Philhealth Contributions

16.1 For CY 2021, the ECC has complied with the mandatory contributions required under the Implementing Rules and Regulations (IRR) of RA No. 8291, otherwise known as the GSIS Act of 1997, IRR of RA No. 7875, as amended, otherwise known as the National Health Insurance Act of 2013, and IRR of RA No. 9679 or the Home Development Mutual Fund (HDMF) Law of 2009. Further, the ECC also deducted loan amortizations due from their employees/members and diligently remitted the same, including the employer's share to the respective agencies within the prescribed period.

17. Status of Suspensions, Disallowances and Charges

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

Audit Action	Beginning balance 01/01/2021	Issued	Settled	Ending balance 12/31/2021
	(In Philippine Peso)			
Suspensions	0	4,603,952	4,603,952	0
Disallowances	4,379,637	3,663,576	1,568,092	6,475,121
Charges	376,350	0	3,600	372,750
	4,755,987	8,267,528	6,175,644	6,847,871

- 17.2 The beginning balances reflected in the preceding table are the integrated amounts for ECC and its Center detailed as follows:

Name	Disallowances	Charges
	(In Philippine Peso)	
ECC	3,308,095	0
Center	1,071,542	376,350
Balance, 01/01/2021	4,379,637	376,350

- 17.3 The balance of P6.848 million as of December 31, 2021 does not include the Notices of Disallowance (NDs) and Notices of Charge (NCs) issued prior to the effectivity of the 2009 Revised Rules on the Settlement of Accounts (RRSA) but were deemed disallowances/charges and shall continue to be enforced in accordance with Section 28 of the RRSA. The details are as follows:

Name	Disallowance	Charges	Settled	Ending Balance
	(In Philippine Peso)			
ECC	15,223,374	212,447	0	15,435,821
OSHC	2,893,062	0	0	2,893,062
	18,116,436	212,447	0	18,328,883

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of the 26 audit recommendations embodied in the 2020 Annual Audit Report, 10 were fully implemented, nine were partially implemented and seven were not implemented. Of the partially and not implemented recommendations, eight were reiterated in Part II of this Report. The details are as follows:

Reference	Audit Observations	Recommendations	Status/Actions Taken
CY 2020 AAR			
Observation No. 1, page 44	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.	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.	Not implemented Reiterated in Observation No. 4, Part II of this report. Partially implemented Reiterated in Observation No. 4, Part II of this report.

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
		Inventory Report of Unserviceable Property for inspection and review of the appraisal of the items for disposal; and	
		c. Immediately dispose the unserviceable properties in accordance with COA Circular No. 89-296 and require the Accounting Department to derecognize from the books of accounts the carrying amounts of the unserviceable properties after their disposal.	Not implemented Reiterated with modification in Observation No. 6, Part II of this report.
Observation No. 4, page 52	4. Payments for Magna Carta benefits in the form of hazard pay, laundry and subsistence allowance totaling P1.436 million for the period April to May 2020 by the Center during the period of implementation of the Enhanced Community Quarantine (ECQ) are contrary to the provisions of RA No. 7305 and Department of Budget and Management (DBM) and Department of Health (DOH) Joint Circular No. 1, s. 2016, dated July 15, 2016.	a. Require the voluntary refund of the Magna Carta benefits received by the Center's personnel; and b. Ensure strict compliance with existing rules and regulations in the grant of benefits and allowances.	Not implemented A Notice of Disallowance (ND) was already issued to Management on September 7, 2021. There being no appeal filed within the reglementary period, the said ND shall become final and executory, hence, a Notice of Finality of Decision will be issued. Fully implemented

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
Observation No. 5, page 56	5. The payment of Emergency Subsidy Allowance by the Center to its regular officers and employees including contract of service employees (COS) totaling P2.215 million has no approval from the President of the Philippines, contrary to Item 4.0 of Civil Service Commission (CSC) Memorandum Circular (MC) No. 10 and Item IV.1 of COA Circular No. 2013-003 dated January 30, 2013, thus, deemed without legal basis.	a. Submit approval from the Office of the President for the payment of ESA during pandemic as required under CSC MC No. 10 dated May 7, 2020 and COA Circular No. 2013-003 dated January 30, 2013; and	Not implemented
		b. If none, require the personnel who received the subject allowance to refund the same.	Partially implemented The notice of disallowance was issued to Management on May 11, 2021. Subsequently, Management enforced collection of refunds thru payroll deduction and will be settled within CY 2022.
Observation No. 6, page 60	6. The promotion of good governance through transparency and accountability was not fully achieved by the Center due to the failure to post the prescribed notification of the essential information in the location of the PPAs totaling P27.740 million, contrary to COA Circular No. 2013-004 dated January 30, 2013, thus, depriving the people of the right to information on matters of public concern.	a. Display/post the prescribed signboards containing the required information/data at the place where the PPAs are located to adhere to the provisions of COA Circular No. 2013-004; and	Fully implemented
		b. Submit the required list of all on-going PPAs and those that are to be implemented during the year and to fully accomplish the provided columns of the CQRGPPA to	Fully implemented

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
	Further, the required list of all PPAs and the quarterly monitoring report on the status of the said PPAs were not submitted to the Audit Team for timely validation and monitoring of their implementation.	ensure the availability of the required data/information.	
Observation No. 7, page 62	7. The appropriate Construction in Progress Ledger Card is not maintained for the on-going projects such as the repainting/renovation of the Center's building, dormitory, training rooms and comfort rooms which may hinder the monitoring of costs incurred during construction that already accumulated to P25.214 million as of December 31, 2020	Have the Accounting Staff in charge to prepare and maintain CIPLCs for all the on-going projects of the Center.	Fully implemented
Observation No. 8, page 62	8. Numerous checks were either cancelled or voided due to the errors in writing checks and processing of vouchers resulting in waste/loss of government resources.	Require the Cashier's Office to institute necessary measures to minimize cases of frequent cancellation of checks in order to avoid wastage of government resources.	Fully implemented
Observation No. 9, page 64	9. ECC and its Center's implementation of the leave privileges for absences incurred by employees due to the required period of quarantine and/or treatment relative to	Continue the efforts in helping the government to prevent and control the spread of the COVID-19 by adopting the minimum health standards prescribed by the	Fully implemented

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
	the COVID-19 pursuant to the provisions of Department of Health (DOH) Department Memorandum No. 0220 dated May 11, 2020 and CSC Memorandum Circular (CSC-MC) No. 8, s. 2020, contributed to the prevention and control of COVID-19 in the workplace, thereby helping the government in its fight against the disease, while maintaining work efficiency to fulfill their mandates.	DOH and ensuring the safety of their personnel by allowing them to avail of Quarantine Leave in accordance with the guidelines of the CSC.	

CY 2019 AAR

Observation No. 1, page 42	10. The existence and validity of the recorded Accounts Receivables as of December 31, 2019 cannot be ascertained due to the presence of dormant, long outstanding receivables from various entities totaling P2.973 million that are not supported with substantial records and documents which is not in conformity with Section 111 (1) of Presidential Decree (P.D.) No. 1445.	Require the Accountant to exhaust all measures to document the said dormant receivables to establish the existence and validity of the receivables and send demand letters to all concerned debtors to enforce collection.	Partially implemented The tracing of documents pertaining to the remaining dormant outstanding Accounts Receivable and the process of exerting all possible means to locate the debtors concerned are on-going. Certification on the existence of the listed companies/individual is being secured from the Department of Trade and Industry (DTI) as well as from the Securities and Exchange Commission (SEC). Partial collections have been made
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Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
			from some individual/company. The Center's request for write-off is being returned for completion of the required documents.
Observation No. 5, page 55	11. The ECC did not avail of the free internet service of the Department of Information and Communication Technology (DICT) which could have reduced the ECC's Communication expenses by P302,858 for CY 2019.	a. Immediately request and closely coordinate with DICT for their availment of free internet service pursuant to RA No. 10844; and b. Terminate the contract with Source Telecom Inc. upon the availability of the free internet from DICT.	Partially implemented for the two (2) recommendations. ECC's most recent follow-up disclosed that the MOA prepared by the DICT-IMB is still with their legal office for review. The DICT has been in the process of procuring equipment to be used in GovNet connection as per advice dated May 19, 2021 from the DICT personnel. A follow-up letter was sent on July 6, 2021 to the Infostructure Management Bureau of the DICT, but no reply was received. Follow up was made again last September 24, 2021 and the MOA is already being finalized. As of December 31, 2021, no update was received. Due to the increasing demand of internet bandwidth and the non-action of the

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
			DICT to the request and follow-up, the ECC resorted to upgrading the internet bandwidth via third-party service provider. Procurement is ongoing as of 1st week of January 2022.
Observation No. 7, page 60	12. ECC has no Information Systems Strategic Plan (ISSP) for CY 2020-2022 that will secure Management's commitment to effectively implement the same. This condition exposes ECC to risks of procuring expensive information technology (IT) resources and the non-improvement of the existing business processes.	a. Obtain soonest the DICT's approval of the proposed ECC ISSP for CYs 2020-2022;	Fully implemented
CY 2018 AAR			
Observation No. 2, page 44	13. 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	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; and b. Require the Cashier and Accountant to work closely together in monitoring payments	The two recommendations were partially implemented. Reiterated with modifications in Observation No. 2, Part II of this report.

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
	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.	thru bank and the recording and to coordinate with the bank for the possibility of gathering depositor's information.	
Observation No. 3, page 47	14. Not all occupants of the OSHC dormitory were properly billed or assessed for occupying the dormitory rooms. There were lapses in monitoring the occupancies that resulted in under-collection/non-payment of rental fees, i.e. absence of records/reports on occupancies and even the occupant's use of various electric home appliances, among others which casts doubt on the accuracy and reliability of the Rent income account as of December 31, 2018. Non preparation of reports is contrary to Section 122 of P.D. No. 1445 which is subject to penalty under the same provision.	a. Collect from the dormitory occupants the underpaid/unpaid rental fees as computed per audit; and b. Require the Dormitory Manager to submit the report on dormitory occupancy for CY 2018.	Partially implemented Management already issued demand letters to the occupants who were already separated from the service for the remaining unpaid rental fees of P45,900. COA Order of Execution (COE) was served to the concerned liable persons for them to pay their accountabilities. As of audit date, collection is yet to be received. Fully implemented
CY 2015 AAR			
Observation No. 2, page 26	15. Two parcels of land valued at P167,483 acquired through foreclosure were not consolidated in the name of the ECC notwithstanding the	Expedite the consolidation of titles of the foreclosed two parcels of land in the name of the ECC.	Partially implemented As of audit date, the ECC still needs to secure DAR Transfer Clearance for the transfer of Title.



Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
	lapse of six years after the expiration of the one-year redemption period.		Management is currently taking action to comply with the substantive and procedural requisites based on pertinent Administrative Orders of the DAR for the issuance of Transfer Clearance.

EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2021 and 2020
(In Philippine Peso)

	Note	2021	2020 (As restated)
ASSETS			
Current Assets			
Cash and cash equivalents	4	266,902,162	261,242,365
Investments	5	412,025,142	446,247,256
Receivables - net	6	189,336,954	157,674,510
Inventories	7	7,621,339	4,218,503
Other current assets	8	1,305,351	1,236,418
		877,190,948	870,619,052
Non-Current Assets			
Investment property	10	167,483	167,483
Property and equipment - net	11	164,943,952	166,268,385
Other non-current assets	9	3,261,151	3,102,043
		168,372,586	169,537,911
TOTAL ASSETS		1,045,563,534	1,040,156,963
LIABILITIES			
Current Liabilities			
Financial liabilities	12	121,663,327	187,064,931
Inter-agency payables	13	5,145,057	2,360,296
Trust liabilities	14	6,125,091	6,173,553
Deferred credits	15	2,069,995	2,058,166
Provisions	17	3,503,852	12,462,363
Other payables	16	3,282,196	4,155,821
		141,789,518	214,275,130
Non-Current Liabilities			
Provisions	17	49,964,598	41,553,458
		49,964,598	41,553,458
TOTAL LIABILITIES		191,754,116	255,828,588
TOTAL ASSETS LESS TOTAL LIABILITIES		853,809,418	784,328,375
NET ASSETS/EQUITY			
Equity			
Government equity		249,042,285	249,042,285
Accumulated surplus		604,767,133	535,286,090
TOTAL NET ASSETS/EQUITY		853,809,418	784,328,375

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



**EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF FINANCIAL PERFORMANCE**

For the Years Ended December 31, 2021 and 2020
(In Philippine Peso)

	Note	2021	2020 (As restated)
REVENUE			
Business income	18	16,987,188	22,498,206
		16,987,188	22,498,206
CURRENT OPERATING EXPENSES			
Personnel services	19	160,500,924	166,974,635
Maintenance and other operating expenses	20	236,036,909	246,499,222
Financial expenses	21	62,692	2,087
Non-cash expenses	22	26,145,292	24,761,478
		422,745,817	438,237,422
SURPLUS/(DEFICIT) FROM OPERATIONS		(405,758,629)	(415,739,216)
Loading fund from other government entities	26	475,239,672	418,025,602
NET SURPLUS FOR THE PERIOD		69,481,043	2,286,386

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

**EMPLOYEES' COMPENSATION COMMISSION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

For the Year Ended December 31, 2021

(In Philippine Peso)

	Note	Budgeted Amounts		Actual Amounts on a Comparable Basis	Difference Between Budget and Actual Amounts
		Original	Final		
SOURCES OF FUNDS	24				
Corporate Funds					
State Insurance Fund/Loading Fund		497,165,000	497,165,000	414,528,500	82,636,500
Accumulated Surplus		105,468,000	105,468,000	48,356,723	57,111,277
		602,633,000	602,633,000	462,885,223	139,747,777
USES OF FUNDS	24				
Personnel Services					
State Insurance Fund/Loading Fund		178,648,000	173,517,000	153,805,170	19,711,830
		178,648,000	173,517,000	153,805,170	19,711,830
Maintenance and Other Operating Expenses					
State Insurance Fund		318,517,000	323,648,000	260,723,330	62,924,670
Accumulated Surplus		28,850,308	6,847,308	53,540,540	(46,693,232)
		347,367,308	330,495,308	314,263,870	16,231,438
Capital Outlays		76,555,000	76,555,000	27,543,337	49,011,663
Financial Expenses		62,692	62,692	62,692	0
		76,617,692	76,617,692	27,606,029	49,011,663
		602,633,000	580,630,000	495,675,069	84,954,931
NET FUND SOURCES/(USES)		0	22,003,000	(32,789,846)	54,792,846

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



EMPLOYEES' COMPENSATION COMMISSION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the Year Ended December 31, 2021
(In Philippine Peso)

	Note	Budgeted Amounts		Actual Amounts on a Comparable Basis	Difference Between Budget and Actual Amounts
		Original	Final		
SOURCES OF FUNDS	24				
Corporate Funds					
State Insurance Fund/Loading Fund		497,165,000	497,165,000	414,528,500	82,636,500
Accumulated Surplus		105,468,000	105,468,000	48,356,723	57,111,277
		602,633,000	602,633,000	462,885,223	139,747,777
USES OF FUNDS	24				
Personnel Services					
State Insurance Fund/Loading Fund		178,648,000	173,517,000	153,805,170	19,711,830
		178,648,000	173,517,000	153,805,170	19,711,830
Maintenance and Other Operating Expenses					
State Insurance Fund		318,517,000	323,648,000	260,723,330	62,924,670
Accumulated Surplus		28,850,308	6,847,308	53,540,540	(46,693,232)
		347,367,308	330,495,308	314,263,870	16,231,438
Capital Outlays		76,555,000	76,555,000	27,543,337	49,011,663
Financial Expenses		62,692	62,692	62,692	0
		76,617,692	76,617,692	27,606,029	49,011,663
		602,633,000	580,630,000	495,675,069	84,954,931
NET FUND SOURCES/(USES)		0	22,003,000	(32,789,846)	54,792,846

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



EMPLOYEES' COMPENSATION COMMISSION
STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
For the Years Ended December 31, 2021 and 2020
(In Philippine Peso)

	Note	Government Equity	Accumulated Surplus/(Deficit)	Total
BALANCE AT DECEMBER 31, 2020		249,042,285	535,286,090	784,328,375
Changes in Net Assets/Equity for CY 2021				
Surplus for the period		0	69,481,043	69,481,043
BALANCE AT DECEMBER 31, 2021		249,042,285	604,767,133	853,809,418
BALANCE AT JANUARY 1, 2020		249,042,285	531,399,499	780,441,784
Prior period adjustments	27	0	1,600,205	1,600,205
RESTATED BALANCE AT JANUARY 1, 2020		249,042,285	532,999,704	782,041,989
Changes in Net Assets/Equity for CY 2020				
Surplus for the period		0	2,286,386	2,286,386
BALANCE AT DECEMBER 31, 2020		249,042,285	535,286,090	784,328,375

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



EMPLOYEES' COMPENSATION COMMISSION

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020
(In Philippine Peso)

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Receipt of loading fund from the SSS and GSIS		444,268,231	364,609,943
Collection of receivables		16,612,077	17,804,683
Collection of income		896,327	3,313,482
Cash receipt from bid bond		639,799	1,507,632
Interest earned on savings deposits		29,201	1,250,708
Return of cash advance		953,260	701,571
Cash receipts from overpayments/disallowances		0	227,829
Receipt of refunds in excess of previous payments		351,587	44,431
Collection from sale of bid forms		88,000	23,000
Total Cash Inflows		463,838,482	389,483,279
Cash Outflows			
Payment of operating expenses		294,280,520	172,933,561
Payment of salaries and wages		127,143,775	127,596,630
Remittance to GSIS/Pag-ibig/Philhealth and others		23,313,334	21,700,939
Remittance to BIR		17,791,446	19,682,598
Payment of leave benefits payables		3,348,060	3,872,268
Refund of bidders' bond/guaranty deposits		1,724,775	761,029
Payment of prepaid expenses		529,821	491,315
Total Cash Outflows		468,131,731	347,038,340
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		(4,293,249)	42,444,939
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Proceeds from investment in time deposit		126,129,480	110,421,788
Interest earned on time deposits		921,365	1,694,530
Total Cash Inflows		127,050,845	112,116,318
Cash Outflows			
Investment in time deposit		89,554,462	60,000,000
Purchase of medical equipment		0	21,552,779
Renovation/repainting of the Center's building		8,176,853	15,973,374
Purchase of office equipment		1,689,507	7,586,734
Purchase of technical and scientific equipment		0	4,952,082
Purchase of other structures		0	2,750,236
Purchase of IT and communication equipment		14,173,624	1,142,053
Purchase of other machineries and equipment		0	81,588
Purchase of furniture and fixtures		3,503,353	33,500
Total Cash Outflows		117,097,799	114,072,346
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		9,953,046	(1,956,028)
NET INCREASE IN CASH AND CASH EQUIVALENTS		5,659,797	40,488,911
CASH AND CASH EQUIVALENTS, JANUARY 1		261,242,365	220,753,454
CASH AND CASH EQUIVALENTS, DECEMBER 31	4	266,902,162	261,242,365

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



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

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



OFFICE ORDER NO. 22 - 276
Series of 2022

ECC WHISTLEBLOWING POLICY

In the interest of the service and pursuant to **GCG Memorandum Circular No. 2016-02 dated April 22, 2016 on Revised Whistleblowing Policy for the GOCC Sector**, the following guidelines shall be implemented in the Employees' Compensation Commission (ECC).

I. Purpose and Coverage

1. This Whistleblowing policy shall serve as a tool for early detection of issues related to fraud, corruption and harassment.
2. This will enable any concerned individual to report and provide information, anonymously or even testify on matters involving the actions or omissions of the Officers and Employees of the ECC as well as its Chairman and Commissioners.

II. Reportable Conditions

Whistleblowers may report to the ECC Whistleblowing Committee such acts or omissions that are illegal, unethical, violate good governance principles, are against public policy and morals, promote unsound and unhealthy business practices, are grossly disadvantageous to the public and/or Government, such as but not limited to:

- a. Abuse of Authority;
- b. Bribery;
- c. Conflict of Interest;
- d. Destruction/Manipulation of Records;
- e. Fixing;
- f. Inefficiency;
- g. Making False Statements;
- h. Malversation;

- i. Misappropriation of Assets;
- j. Misconduct;
- k. Money Laundering;
- l. Negligence of Duty;
- m. Nepotism;
- n. Plunder;
- o. Receiving a Commission;
- p. Solicitation of Gifts;
- q. Taking Advantage of Corporate Opportunities;
- r. Undue Delay in Rendition of Service;
- s. Undue Influence;
- t. Violation of Procurement Laws;

Whistleblowers may also report such other acts or omissions that otherwise involve violations of the following laws, rules and regulations:

- a. R.A. No. 6713. "Code of Conduct and Ethical Standards for Public Officials and Employees";
- b. R.A. No. 3019, "Anti-Graft and Corrupt Practices Act";
- c. R.A. No. 7080, as amended, "The Plunder Law";
- d. Book II, Title VII, Crimes Committed by Public Officers, The Revised Penal Code;
- e. Executive Order (E.O) No. 292, s. 1987, "Administrative Code of 1987";
- f. R.A. No. 10149, the "GOCC Governance Act of 2011";
- g. GCG M.C. No. 2012-05, "Fit and Proper Rule".
- h. GCG M.C. No. 2012-06, "Ownership and Operations Manual Governing the GOCC Sector;
- i. GCG M.C. No. 2012-07, "Code of Corporate Governance for GOCCs";
- j. Violations of the Charter of the GOCC; and

- k. Other GCG Circulars and Orders, and applicable laws and regulations.

I. Whistleblowing Committee and Reporting Channels

1. All whistleblowing reports and investigation shall be handled by the ECC Administrative Complaints Committee which shall be composed of the following:

a. Composition

DESIGNATION	RESPONSIBLE PERSONS
Chairperson	Deputy Executive Director
Members	Chief, Appeals Division
	Chief, Admin Division
	ECC – EU Representatives
Secretariat	Attorney III
	HR Staff

b. The committee shall have the following Duties and Responsibilities:

1. Receives written report from the whistleblowers;
2. Conducts investigation of the case, submit recommendation to the Head of Office;
3. Ensures and promotes confidentiality of reports and information of the whistleblower and the person complained of;
4. Encourages safe, thorough, timely and independent investigation of the reports and the person complained of;
5. Establishes adequate enforcement and follow-up mechanisms;
6. Establishes robust and comprehensive protection for whistleblowers, securing their rights and ensuring a safe alternative to silence;
7. The committee may create an independent body (or appoint an existing one) to receive and investigate complaints of retaliation and/or improper investigation.

2. ECC Reporting Channels

- a. If the report or a complaint is against any members of the Board of Directors and ECC Officials, the whistleblowers may submit a written report addressed to the ECC Chairman of the Board:

Office of the Secretary
Department of Labor and Employment

- b. If the report or a complaint is against any ECC employees, the whistleblowers may submit a written report via our various easy-to-use hotline reporting tools such as:

CHANNELS	HOTLINE REPORTING TOOLS
E-mail	complaints@ecc.gov.ph
Postage Mail	Chairperson ECC Administrative Complaints Committee Employees' Compensation Commission 4 th & 5 th Flrs., ECC Building 355 Sen. Gil Puyat Avenue Makati City
Fax	(632)8897-7997

IV. Procedures

1. Handling and Evaluation of the Written Report

- The whistleblower shall submit a written report addressed to the ECC reporting channels;
- A proper written report shall include the following information:
 - Full name and position of the person complained of
 - Specification of charge/s
 - Statement of the relevant and material facts, including the approximate time and place of commission of act being reported
 - All supporting evidence including affidavits of witnesses, if any
 - Contact details of the whistleblower (email address, mobile number, etc.)
- All written reports shall be evaluated by the ECC Administrative Complaints Committee within 20 working days from receipt thereof (GCG MC No. 2019-002, s. 2019, RA 11032). This period may be extended for such time that the papers or documents required from the office/department are not submitted.
- In the course of the evaluation, the committee may proceed with the investigative process;
 - evidence gathering tasks to information analysis
 - theory development and validation to forming reasonable grounds to believe
- The result of the investigation and the recommendation of the Investigating Committee shall be submitted to the disciplining authority for approval, within fifteen (15) working days after the formal investigation has been

terminated. The disciplining authority shall render a decision within thirty (30) working days from receipt thereof.

2. Motion for Reconsideration

A motion for reconsideration of the decision may be filed by the party adversely affected thereby within fifteen (15) days from receipt of a copy thereof.

In resolving the motion for reconsideration, the disciplining authority should require the comment of the other party and within thirty (30) days from receipt of said comment, resolve the same.

3. Appeal

The party affected by the decision on the motion for reconsideration may file within fifteen (15) days from receipt of a copy thereof to the proper appellate bodies.

4. Prescriptive Period

The whistleblower may still submit a written report within one (1) year from the time the incident happened.

5. Confidentiality

- The ECC Administrative Complaints Committee shall ensure confidentiality of all information arising from whistleblowing written reports submitted pursuant to this Office Order. It shall treat all reports, including the identity of the whistleblower and the person/s complained of, in a confidential and sensitive manner, unless compelled by law or the Courts to be revealed, or unless the whistleblower authorized the release of his/her identity.
- The committee shall ensure that the identity of the whistleblower may not be disclosed without the individual's consent.
- The whistleblower may remain anonymous. The whistleblower can only be contacted if he/she decides to create an anonymous account. This allows the ECC Administrative Complaints Committee to contact the whistleblower if necessary, without exposing him/her to any risk of retaliation

6. Protection of a Whistleblower Against Retaliation

- The committee shall protect the whistleblower against retaliatory acts or any disadvantage suffered as a result of whistleblowing. Such retaliatory acts may include:
 - Discrimination or harassment in the workplace;
 - Demotion;
 - Reduction in salary or benefits;

- Termination of contract;
- Evident bias in performance evaluation; or
- Any acts or threats that adversely affect the rights and interests of the whistleblower.

b. Any whistleblower who believes he or she has suffered injury to his or her rights shall be entitled to a fair hearing before an impartial forum with full rights of appeal.

7. Untrue Allegations

Whistleblowers who shall make false, fabricated or malicious allegations against ECC officials and employees shall be filed a legal action.

V. SEPARABILITY CLAUSE

If any provision of this Order is held unconstitutional or invalid, other provisions not affected thereby shall remain valid and binding.

VI. SUSTAINABILITY OF IMPLEMENTATION AND AMENDMENTS

This policy and its implementation shall be regularly reviewed and monitored and its evaluation shall be conducted on an annual basis.

Please be guided accordingly.


STELLA Z. BANAWIS
Executive Director

17 June 2022
City of Makati

ECC Governing Board



(L-R) Engr. Noel C. Binag | Carlito P Roble | Atty. Angel L. Miranda, Jr. | Atty. Benjo Santos M. Benavidez
Rizaldy T. Capulong | Atty. Nora M. Malubay | Stella Zipagan-Banawis

ECC Governing Board

SILVESTRE H. BELLO III

Chairperson

Secretary, Department of Labor and Employment

BENJO SANTOS M. BENAVIDEZ

Chairman-Designate

Undersecretary, Department of Labor and Employment

AURORA C. IGNACIO

Member

Social Security System

RIZALDY T. CAPULONG

Member-Alternate

Social Security System

NORA M. MALUBAY

Member-Designate

Government Services Insurance System

ANGEL L. MIRANDA, JR.

Member-Alternate

Philippine Health Insurance Corporation

CARLITO P. ROBLE

Member

Employers' Sector

STELLA ZIPAGAN-BANAWIS

Member

Employees' Compensation Commission

NOEL C. BINAG

Non-voting Member

Occupational Safety and Health Center

VACANT

Member

Employers' Sector



Name: AURORA C. IGNACIO
Position: President and Chief Executive Officer, Social Security System
Age: 66
Educational Attainment: Bachelor of Science in Commerce, Banking and Finance, Centro Escolar University
Date of Appointment: March 28, 2019
Trainings Attended:

Corporate Governance Orientation Program for GOCCs (2018); Finance for Directors; Professional Directors Program (2018-2019); Regional Seminar on the Portability of Social Security Rights Between ASEAN (2019); MAP International CEO Conference (2019); World Social Security Forum (2019); Risk Management in the Age of CoVID-19; Future-Ready Boards a Deep Drive (2020); Customized Capability training on Selected PFRS and IFRS for Potential Accounting for Agency's Liabilities (2020); IFRS Capacity Building Workshop (2020); Seminar on Corporate Governance (2020); Webinar on Islamic Finance (2021); Executive Master Class in Digital Transformation (2021); 2019 Revised Corporation Code of the Philippines (2021); Refresher Course for Directors on Anti-Money Laundering, Countering the Financing of Terrorism and Countering Proliferation Financing

Name: RIZALDY T. CAPULONG
Position: Executive Vice President, Investments Sector, Social Security System
Age: 53
Educational Attainment: B.S. Mathematics – (magna cum laude), University of the Philippines, Diliman
M.S. Mathematics – Actuarial Science
University of Connecticut, Storrs, Connecticut, United States of America (U.S.A.)

Date of Appointment: July 17, 2019

Trainings Attended:

Building on Strong Foundation, 2005 ASP Convention (2005); The Professional Responsibilities of the Actuary (2006); PQA: Managing Business Processes, A Key to Performance Excellence (2007); Asian Investment Summit - Hong Kong (2007); 15th International Conference of Social Security Actuaries (2007); Enhancing Board Oversight and Senior Management Functions from the Financial and Risk Management Perspective (2007); Enterprise - Wide Risk Management Program (2007); 10th National Convention on Statistics (2007); Financial Risk Management Program (2007); Advanced Course on Technical Analysis (2008); Southeast Asian Institutional Investment Forum - Bangkok (2009); Manila Dialogue - Regional Capacity Development technical Assistance to Strengthen the Pension Fund Industry in Asia-Pacific Region (2011); 3rd Annual Southeast Asian Institutional Investment Forum - Kuala Lumpur, Malaysia (2011); 2nd Asia Institutional Investment Forum - Seoul, Korea (2012); 17th International Conference of Security Actuaries and Statisticians - Berlin, Germany (2012); 4th Annual Southeast Asia International Investment Forum - Marina Bay Sands, Singapore (2012); One Year Course in trust Operation (2012); Asia Dialogue Manila - Managing Risks, Portfolio and Governance (2013); Rethinking Strategies in a Rising Economy, 2013 ASP Convention, SMX Davao City (2013); The 5th Annual Global ARC London (2014); The 12th Annual Global Absolute Return Congress Boston (2014); A Primer Into Technical Analysis (2014); Corporate Governance Training Program for Government-Controlled (2014); Financial Market Outlook Seminar (2014); Private Equity latin America Forum - New York City, United States (2015); Investment Banking (2015); International Social Security Association Academy Workshop on Investment of Social Security Funds – Kuala Lumpur, Malaysia (2015); 2016 Investment Conference - Boston, U.S. (2016); Treasury Certification Program (2016); 2016 APIC ASEAN + JAPAN Pension Funds and Social Security Systems Summit - Manila (2016); Investor's Forum 2016: Does the Philippines Need Stewardship Code (2016); Crisis Management and Communications Training (2016); Project Finance Credit Risk Analysis for Public Private Partnership (2017); 2017 APIC - JAPAN Pension Funds and Social Security Systems Summit - Tokyo, Japan (2017); 19th ISSA International Conference of Social Security Actuaries, Statisticians and Investments Specialists - Kuwait City (2018); ICD's Professional Directors' and Finance for Directors Program (2018); International Social Security Association Academy Workshop on Actuarial Work for Social Security - New Delhi, India (2019); Executive Mentor Development Program and Mentoring Workshop (2019); 61st Annual Convention of the Actuarial Society of the Philippines (2020); Webinar on Completed Staff Work for Executives (2020); Webinar on Philippine National Public Key Infrastructure (2020); Costumized Capability on Selected PRFS and IFRS for Potential Accounting for Agency's Liabilities (2020); Executive Briefing on the SSS organizational Restructing Plan (2021); Webinar on Islamic Finance (2021); 2019 Revised Corporation Code of the Philippines (2021); 62nd Annual Convention of the Actuarial Society of the Philippines (2021); ISO Revised 9001: 2015 Awareness Course: Focused on Leadership (2021)



Name: ATTY. BENJO SANTOS M. BENAVIDEZ
Position: Undersecretary, Department of Labor and Employment
Age: 40
Educational Attainment: Bachelor of Arts in Political Science, Bicol University (1980)
Bachelor of Laws, University of Nueva Caceres
Date of Appointment: January 31, 2020
Trainings Attended: Global Dialogue Forum on Decent Work in the World of Sport, Geneva, Switzerland
108th & 106th Sessions of the International Labor Conference, Geneva, Switzerland
Symposium on Strategic Labor Law Compliance, Jakarta, Indonesia
9th Meeting of the Senior Labor Officials Meeting's Working Group on Progressive Labor Practices to Enhance the Competitiveness of ASEAN, Laos, PDR
7th Tripartite Regional Seminar on Industrial Relations in the ASEAN Region Makuhari International Training Center, Chiba Prefecture, Japan
105th Session of the International Labor Conference, Geneva, Switzerland
International Forum on Tripartism and Social Dialogue for Sustainable Growth and Development, Singapore
Development of National Legislation for the Implementation of the Maritime Labor Convention 2006, Turin, Italy
2010 Annual Mediator Arbiters National Consultation
Training on Employment Regulation Program and Anti-Illegal Recruitment
Trainors Training for Case Docketing and Monitoring Systems Focal Persons
Capacity Building Seminar on Freedom of Association and Collective Bargaining Labor Law Implementation in the Philippine Economic Zones



Name: **ATTY. NORA M. MALUBAY**
Position: Executive Vice President, Government Service Insurance System
Age: 63
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); Assessing your Own Leadership Performance (2019); Revised Corporation Code (2019); ISO 9004: 2018 Awareness (2020); SEADRIF Summer Webinar on Financial protection on Public Assets: Featuring the Experience of Indonesua and the Philip-pines (2020); Nat Re Webinar: Advanced Topics on the How, Why, and When of Life Reinsurance (2021); PICPA EMMC-Money Laundering Risk in the Accounting Prodesion and Precenttive Measures (2021); PICPA WMMC Mastering Withholding Tax (2021); Building Better Bankers: Fostering a Stronger KYE Program (2021); Credit Information Corporation Expo 2021 (2021) 76th PICPA Annual National Convention (2021)



Name: **STELLA ZIPAGAN-BANAWIS**
Position: Executive Director, Employees' Compensation Commission
Age: 60

Educational Attainment: Masters in National Security Administration, National Defense College of the Philippines (1997) Bachelor of Arts in Economics, University of the Philippines Diliman

Date of Appointment: January 4, 2013

Trainings Attended:

36 th ASSA Board Meeting and Seminar, Bandar Seri Begawan, Brunei Darrusalam (2018); International Seminar of the 55th Anniversary of Workers' Compensation Insurance and the Asian Worker's Compensation Association (AWCA) South Korea (2019); Actuarial Valuation Workshop and Follow-up Session (2020); Implementation Road Map Workshop Customized Capability Training Covering PFRS 17 (2020); Implementation Road Map Workshop (2020); Basic Orientation on the Application of Marketing Principles and Social Analysis for POEA Market Specialists (2020);



Name: **ATTY. ANGEL L. MIRANDA, JR.**
Position: Senior Vice President, Philippine Health Insurance Corporation
Age: 51
Educational Attainment: Bachelor of Arts major in Philosophy and Letters - San Beda College Manila (1991)
Bachelor of Laws, University of teh East College of Law (1998)

Date of Appointment: August 12, 2021

Date of Appointment: N/A
Trainings Attended: N/A



Name: **ENGR. NOEL C. BINAG**
Position: Executive Director, Occupational Safety and Health Center
Age: 63

Educational Attainment: Civil Engineering, Araullo University (1980)

Date of Appointment: January 16, 2017

Trainings Attended:

ASEAN 22nd Coordinating Board Meeting; Development and Monitoring and Evaluation Mechanism for the ASEAN Labour Ministers Work Programme; 10th Session of the International Labor; International Symposium on OSH; ASEAN 21st Coordinating Board Meeting; 6th ASEAN Business Coalition on HIV and AIDS; ASEAN OSHNet Workshop on the Prevention and Control of CoVID-19 at the Workplace



Name: **CARLITO P. ROBLE**
Position: Union President, San Juan De Dios Educational Foundation Inc.
National Executive Vice President, Alliance of Filipino Workers
Age: 63

Educational Attainment: Samson Technical School (1981)

Date of Appointment: January 4, 2013

Trainings Attended: Basic Trade Unionism
Basic Course on Organizing Trade Unions
Grievance Handling
Paralegal
Integrated Course on Collective Bargaining
Risk-based Thinking on ISO 9001:2015



Name: **DIANNE LILIBETH S. BAUTISTA**
Position: Board Secretary, Employees' Compensation Commission
Age: 44
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)

THE EMPLOYEES' COMPENSATION COMMISSION SECRETARIAT



Appeals Division



(L-R) Atty. Klarence D. Orjalo | Atty. Astrid Beryl T. Depasucat | Atty. Riva Marie C. Piezas | Atty. E. Patrice Jamaine T. Barron | Mary Ann B. Tagalog | Catherine N. Bigcal | Atty. Jeffrey D.j. Quiambao

Work Contingency Prevention & Rehabilitation Division



(Seated 1st Row L-R) Ellenalyn D. Salorio | Prescilla C. Panila | Dexter L. Orilly | Alfred G. Melgar | Lucky Mae Sibuyo | Janice D. Berlan

(Seated 2nd Row L-R) Dr. Christine C. Marquez | Dr. Raymond C. Banaga | Dr. Kriselle Law-Quinlog | Nancy L. Bonto

(3rd Row L-R) Angela C. Ferrera | Clairewin A. Garcia | Aniceta E. Misa | Gloria Teresa V. Bobis | Ma. Theresa R. Bordeos | Edelweiss Keith P. Minoza | Albert Casalme | Dr. Edward Marquez | Nikka B. Valencia | Ellen Grace B. Maligaya | Bernadette Grace R. Tee | Elshalyn N. Lumabao | Reyna Lou S. Enero

Information and Public Assistance Division



(Seated L-R) Alvin C. Garcia | Allan G. Abanilla | Ma. Cecilia E. Maulion | Gene A. Quimpo | Carlo A. Katigbak |

(2nd Row L-R) Exequiel Ivan Uriel Marinas | Leslie Baluyan | Jayrezze O. Canedo | Ma. Eunice D. De Guzman | Kevin Mark C. Porras

Policy, Programs and Systems Management Division



(1st Row L-R) Miguel Angelo Zuasola | Grace C. David | Claudine B. Rodriguez

(2nd Row L-R) Elmer R. Cruz | Apolo L. Montes Jr. | Julito C. Sanchez

Administrative Division



(Seated L-R) Raquel E. Campugan | Maribel S.T. Oliveros | Analiza C. Chua | Necita A. Monteros
(2nd Row L-R) Maria Cristina P. Vicencio | Kenne Carla A. Lecheco

(3rd Row L-R) Rommel F. Punla | Roel M. Aguilar | Mary Grace G. Aniscal | Ailyn Z. Anasarias | Dexter Relatos | Budoy A. Banahao | Reymond B. Gangoso | Ricky F. Alcober | George D.C. Eria | Augustus Ceasar P. Urbano | Isidro U. Yamson | Benjie L. Deang | Judy A. Rebuyon | Mariel Joy S. Siaboc | Ronaldo E. Bumagat | Inocencio M. Astorga

Finance Division



(1st Row L-R) Novelina C. Ibesate | Maria Teresa Miranda Urbano | Zenaida A. Lardizabal
(2nd Row L-R) Jerico Miranda Dagman | Leanne Phoebe C. Panis | Kristine Joy M. Repasa
| Marseille Rose B. Prestin | Ralph Anthony S. Servino | Jennifer F. Carpio | Elayne Mae A.
Bactol | Ella Khryss R. Del Rosario | Leandro L. Libang

Office of the Executive Director



(L-R) Yolanda G. Yamson | Stella Zipagan-Banawis | Atty. Jonathan T. Villasoto | Ruby D. Rimando

Employees' Compensation Commission
REGIONAL EXTENSION UNITS



Region I



(L-R) Randy Angelo Ponciano | Dexter J. Dupagan

Region II



(L-R) Remedios V. Andrada | Jessica B. Tumanguil | Shanina C. Batung

Region III



(L-R) Jerraldyn Garcia | Reagan Madriaga | Danica Mae M. Lacson

Region IV



(L-R) Jonah M. Romasanta | Jeruz Castillo | Rhealyn Andes

Region V



(L-R) Krisia B. Banares | Cindy B. Molenilla | Ma. Yvette C. Bonavente

Region VII



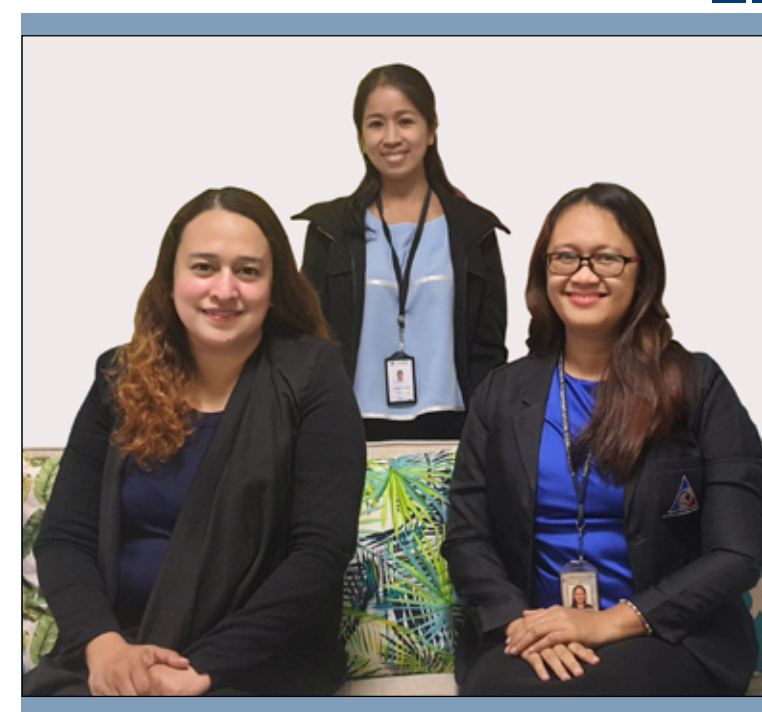
(L-R) Lleane B. Estrella | Ingrid Z. Yumang

Region VI



(L-R) Mark Lester R. Flores | Lea Mae Brazas | Stephen S. Barredo

Region VIII



(L-R) Atty. Michelle C. Basal | Keren-Beth P. Engcoy
(2nd Row) Angelica B. Gagbo

Region IX



(L-R) Desiree Jill B. Apostol | Fausiyyah S. Jumdail | Cerna I Ahmad-Ayub

Region XI



(L-R) Milda Moredeno | Albert A. Bantan | Franscheline Orvette D. Loayon

Region X



(L-R) Stella Mae D. Obice | Jannah D. Batara
(2nd Row) Dannieca Jazz A. Dubria

Region XII



(L-R) Kaye L. Daga | Exequiel K. Salcedo | Cristal Faith B. Ayroso



Region XIII



(L-R) Sandee Angeli V. Mocorro | Nick P. Dela Cruz | Genevieve E. Uson

CAR



(L-R) Cezanne B. Panay | Dennis Garret R. Lee



Department of Labor and Employment
EMPLOYEES' COMPENSATION COMMISSION
355 Sen. Gil Puyat Avenue, Makati City

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Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
EMPLOYEES' COMPENSATION COMMISSION

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