



# ANNUAL REPORT 2023







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# THE EMPLOYEES' COMPENSATION COMMISSION

The ECC is a government corporation. It is attached to the Department of Labor and Employment for policy coordination and guidance.

It is a quasi-judicial corporate entity created to implement the Employees' Compensation Program (ECP). The ECP provides a package of benefits for public and private sector employees and their dependents in the event of work-connected sickness, injury, disability or death.

As implementor of the ECP, ECC is mandated by law to provide meaningful and appropriate compensation and services to persons with work-related disability (PWRDs). Its main functions are:

To formulate policies and guidelines for the improvement of the ECP;

To review and decide on all EC-appealed claims disapproved by the Systems; and

To initiate policies and programs toward adequate occupational safety and health and accident prevention in the working environment.

# VISION

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

# MISSION

To develop and implement effective occupational safety and health 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 services in the event of work-connected sickness, injury, or death.

To manage a sound, strong, and wisely invested State Insurance Fund.

# CORE VALUES

We are God-loving, dedicated and steadfast professionals and public servants;

We stand for transparency, integrity, 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.

# 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.







MALACAÑAN PALACE  
MANILA

## MESSAGE

The **Employees' Compensation Commission (ECC)**—a vital institution established during the time of my father, President Ferdinand E. Marcos—holds a special place in my heart and in our nation's history as it serves as a pillar of support for our dedicated workers.

With the core mission of advocating for the rights and welfare of the labor force, the ECC ensures that our workers receive the care and compensation they rightfully deserve in the event of work-related contingencies. Its drive aligns with the administration's **8-Point Socioeconomic Agenda**, which seeks to reinvigorate job creation and accelerate poverty reduction while enabling Filipinos to attain a "*Matatag, Maginhawa, at Panatag na Buhay*."

This **2023 Annual Report** then is a powerful testament to your staunchness to uphold workers' rights by providing financial relief to employees who have endured work-related injuries or illnesses. While these accomplishments speak volumes of your hard work and tireless efforts, I hope that you will continue to enhance and expand the ECC's support for our workers by strengthening the safety net you provide for them, and by introducing a more seamless, digitalized, and simplified processing of claims.

I firmly believe that it is imperative not only to preserve the ECC's legacy, but also to ensure its adaptability to the changing needs of our society. Together, let us stand united in safeguarding our people as we work for the *Bagong Pilipinas* that we all long to achieve.

*Nawa'y patuloy tayong maglingkod sa bawat manggagawang Pilipino.*

*Mabuhay ang ECC!*

  
FERDINAND R. MARCOS JR.

MANILA  
January 2024

THE PRESIDENT OF THE PHILIPPINES





## PROPOSED MESSAGE OF THE DOLE SECRETARY

I am pleased to extend my sincerest appreciation as we reflect on the accomplishments and achievements mirrored in the Employees' Compensation Commission's (ECC) 2023 Annual Report. As the Department of Labor and Employment (DOLE) celebrates its remarkable 90th year, and the ECC marks its 48th year in service, this report serves as a testament to our collective commitment to promote the welfare of our nation's workforce.

The dedication of the Commission to serve persons with work-related disabilities (PWRDs) remains at the forefront of our mission. The thrust in pushing for a more comprehensive and inclusive social protection coverage to ensure that the workers' rights and well-being are safeguarded, speaks volumes about the vital role of the Commission plays in our society.

In the face of unprecedented challenges brought about by the global pandemic, the Commission's resilience and responsiveness have been truly commendable. The Commission's commitment to providing support and assistance under the EC Program has undoubtedly made a significant difference in the lives of our PWRDs.

As we acknowledge the Commission's achievements in this report, it is important to remember that our work must always be inspired by the DOLE's 90th-anniversary theme, "Serbisyong Mabilis at Matapat sa Bagong Pilipinas." May this theme be a beacon for us to always provide honest and efficient services that align with the aspirations of Filipino workers.

I laud the members of the Board and the ECC Secretariat for its shared dedication, hard work, and meaningful contributions for the betterment of the lives of our PWRDs. Together, aligned with President Ferdinand Romualdez Marcos Jr.'s vision, let's keep building a future where every Filipino worker can enjoy a strongly rooted, comfortable, and secure life.



**BIENVENIDO E. LAGUESMA**  
Secretary

**Department of Labor and Employment**



# MESSAGE OF THE ECC EXECUTIVE DIRECTOR



For the Employees' Compensation Commission, 2023 was a year marked by a revved-up reinforcement of its programs and services in the pursuit of its vision – to be a nationally recognized social insurance government institution committed to protecting all workers.

As the previous managements had effectively built momentum throughout ECC's 48 years in service, the goal was to keep the ball rolling and improve from there upon my appointment in August 2023. While it has not been an easy undertaking, it was one made attainable by the Commission's all out support and the collective efforts of the ECC Secretariat.

As with the previous years, providing meaningful and appropriate compensation to our workers who suffered from work-related contingencies ranked on top of ECC's priorities. This year alone, the ECP released a total of almost ₱1.5B EC benefits to more than 200,000 claims in the public and private sectors through our partner agencies, the Social Security System (SSS) and the Government Service Insurance System (GSIS).

At the ECC, on the other hand, we served a total of more than 10,000 claims, amounting to more than ₱125M to persons with work-related disability (PWRDs) by granting various assistance and services like occupational therapy or physical therapy, livelihood assistance, complementary kit grants, transportation and meal allowances (TMA), and cash assistance.

Our accomplishments serve as a testament of our commitment to excellence and progress in delivering social security to Filipino workers and give life to our tagline #ECCWorkRelated – Ang pag-aalaga sa manggagawang Pilipino ay pag-aalaga sa bayan.

Rest assured that ECC will aim for a much stronger 2024 and will always champion an EC Program that is effective, relevant, and responsive to the needs of our PWRDs.

A handwritten signature in black ink, appearing to read 'Kaima Velasquez', written in a cursive style.

**ATTY. KAIMA VIA B. VELASQUEZ**  
Executive Director  
Employees' Compensation Commission

# ECC IN 2023: PUSHING THE BOUNDARIES FOR A MORE RESPONSIVE, INCLUSIVE, AND EFFECTIVE EMPLOYEES' COMPENSATION PROGRAM



Secretary of Labor and Employment Bienvenido Laguesma (leftmost), ECC Chairperson, leads the ECC Governing Board meeting held at Echikawa Hall, Occupational Health and Safety Center, Quezon City.

**I**n 2023, the Employees' Compensation Commission (ECC) stepped up its efforts to put workers' rights and interests at the center of its advocacy, programs and services.

The ECC was steadfast in its dedication to working with partners to discover workable solutions that would propel the EC Program onto a stable upward trajectory, mitigating vulnerabilities and bolstering beneficiaries' resilience. Through reforms that will guarantee the delivery of a larger range of development solutions in response to persons with work-related disability needs, the ECC has continued to work and evolve to meet the shifting and increasingly complicated needs and expectations of work in 2023.

The ECC is delving deeply into identifying strategies for making the most of its resources and developing fresh initiatives that may open up many opportunities for delivering results. With the support of its committed employees, it boosted its aspirations to meet the present and prepare for the future. It will keep bolstering accountability and coordination in these challenging times because the ECC's work is more important than ever.

The following are some of the notable actions collectively taken by the ECC in 2023.

## ISSUANCE OF RELEVANT EC POLICIES

**T**he Commission immediately came out with several policies tailored to the present and evolving needs of the workers.

Approving the Progressive Increase in the Minimum Daily Income Benefit for EC Temporary Total Disability (TTD) in the Private Sector from Php110 to Php120 and Php150 in 2023 and 2025, respectively (BR No. 23-02-02 dated 16 February 2023).

Prescribing a new EC logbook template to facilitate the recording of sickness, injury, or death of employees within the prescribed period (BR No. 23-05-12 dated 18 May 2023).



ECC Governing Board Meeting headed by Secretary of Labor and Employment Bienvenido Laguesma (rightmost), with him, is the Executive Director of ECC Atty. Kaima Via B. Velasquez (leftmost), and DOLE Undersecretary Atty. Benjo Santos M. Benavidez (center) together with the ECC officials at the back.

On February 21, 2023, ECC created a Technical Policy Oversight Committee to develop and review policies and procedures for the improvement of the EC Program. This committee ensures that policies developed are monitored, evaluated, and aligned with the Commission's long-term goals and meet short-term needs.



## DISPOSITION OF EC APPEALED CASES



DOLE Usec. Benjo Santos M. Benavidez (rightmost) Chairperson-Designate of the ECC Governing Board, leads in the deliberation of cases elevated by the SSS and GSIS.

**A**s a quasi-judicial body, mandated to review cases elevated by the Social Security System (SSS) and the Government Service Insurance System (GSIS), the ECC was able to dispose 94% or 32 out of 34 appealed cases.

These cases were examined and studied thoroughly by medical and legal experts to ensure that all cases are resolved effectively.



**ECC SIGNS MOA WITH THE SSS.** The Employees' Compensation Commission (ECC) represented by Executive Director Atty. Kaima Via B. Velasquez (4th from left) signed a Memorandum of Agreement with the Social Security System (SSS) toward providing social security coverage for the job order or contract of service workers at the ECC on September 8, 2023 at the SSS Main Office, Quezon City.

## EC BENEFITS CLAIMS AND PAYMENTS

**A** ccording to the September 2023 data from ECC's administering agencies, the Social Security System (SSS) and the Government Service Insurance System (GSIS), a total of 182, 555 EC benefit claims were approved and released to claimants in the amount of 1.48 billion pesos.

Of the said claims granted to workers, 29,285 were due to sickness; 15,854 due to disability; 130,521 under death and pension claims; 542 for funeral benefits; 6,102 for medical services including medical reimbursements; and 153 for rehabilitation services.

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*In 2023, the SSS and GSIS approved and released 182,555 EC benefit claims, totaling 1.48 billion pesos.*



## EC KATULONG AT GABAY SA MANGGAGAWANG MAY KAPANSANAN (KAGABAY PROGRAM)



**E**CC continues to provide rehabilitation programs such as free physical, psychosocial, and occupational therapy, provision of prosthesis and other rehabilitation appliances, enrolment of PWRDs in entrepreneurship programs, distribution of livelihood starter kit worth P20,000.00, and an additional P10,000.00 complementary kit.



This year, 230 PWRDs received physical and occupational therapy services. Of this, 78 PWRDs were given prosthesis or assistive devices. Aside from the free therapy sessions, ECC also provided the PWRDs with transportation and meal allowances (TMA) for PT/OT sessions.

To ensure that they are equipped with new knowledge and skills after sustaining physical disabilities, ECC facilitated the enrollment of 305 PWRDs in livelihood skills trainings, which is a pre-qualifying requirement for the grant of an EC livelihood starter kit. In fact, 41 EC complimentary kits were awarded to PWRDs who sustained their previously provided EC livelihood starter kits.

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The KaGabay Program remains committed to its mission of not only providing guidance to PWRDs but also reintegrating them into the economic mainstream.

On the other hand, ECC created the Return-to-Work Assistance Program (RTWAP) on February 28, 2023. This Program is a more comprehensive KaGabay Program that lessen the negative effects of injuries or impairments on workers by providing them chances to return to safe and productive work activities as soon as medically practicable or when maximal medical recovery is achieved.



Dr. Christine Marquez, OIC-Chief of Work Contingency Prevention and Rehabilitation Division, outlines the Return-to-Work Assistance Program at Hotel Marciano, Calamba Laguna, on February 28, 2028.



These ECC services are an evident recognition of PWRDs' full and equal rights as vital members of society. It emphasizes their contribution to the country's workforce, which is a major driver of economic activity.

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*Since the launch of RTWAP, 74 PWRDs have returned to the economic mainstream as productive citizens.*

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**ECP Advocacy Seminar.** More than 150 participants attended the Employees' Compensation Program Advocacy Seminar held at Mayor Hotel, Bongao, Tawi-Tawi in October 2023.

## EMPLOYEES' COMPENSATION PROGRAM INFORMATION DISSEMINATION CAMPAIGN

In 2023, ECC was able to organize and facilitate 810 ECP advocacy seminars and webinars. These seminars were attended by 35,616 workers and 21,393 companies nationwide.

The ECC has also reignited the Employees' Compensation Program (ECP) advocacy seminars, which were organized in different regions this year in order to launch a stronger and more vigorous information dissemination campaign. A total of seven advocacy seminars were conducted in Pampanga, Iloilo, CDO, Pangasinan, Tawi-Tawi, Puerto Princesa, and Bohol.

Also noteworthy, ECC continues to boost its online presence by creating and uploading timely and informative contents and materials on Facebook, Instagram, and YouTube.





**#ECCWORKRELATED.** With Karen Ow-Yong and ECC Executive Director Atty. Kaima Velasquez Guests from left to right: DOLE Undersecretary Atty. Felipe Egargo Jr.; Undersecretary Benjo Benavidez, and Asec. Lennard Serrano on the Radio Program of ECC aired on DZRH every Saturday at 8:30 AM.

**#ECCWORKRELATED.** ECC Executive Director Atty. Kaima Via Velasquez with OSHC Executive Director Engr. Jomar Batino and Karen Ow-Yong of DZRH

**T**HE ECC also implemented traditional and blended marketing campaigns and explored different platforms to amplify the public's awareness on the ECP. The placement of ECC radio ads and programs sustained and boosted further the previous efforts of the ECC's information and marketing communication initiatives.

For CY 2023, we have launched two marketing campaigns. One is the traditional, or "classic" out-of-home advertisement through our store dress-up, where businesses of fourteen (14) PWRDs were amply provided with signages by the ECC.

Second is through podcast. The Commission launched and created the ECC Podcast with five episodes in CY 2023, the ECC Podcast was able to expound on topics like the EC Program, compensable diseases, and injuries, ECP benefits and services, how to file an EC claim and EC claims processing and requirements.





## WAY TO GO

**D**espite the challenges and unpredictability, the ECC will continue to provide utmost services to Filipino workers. The Commission will persistently be enhancing its existing programs and developing new ones that will bring an immediate, direct, and significant impact on the lives of the workers and all employers as well.

ECC will strictly monitor the disposition of appealed cases, and facilitate the integration of PWRDs into the economic mainstream as productive and self-reliant members of society through the provision of various rehabilitation services.



# Certificate

Standard **ISO 9001:2015**

Certificate Registr. No. **01 100 1432634**

Certificate Holder:



**Employees' Compensation Commission**  
4th & 5th Floor, ECC Building,  
355 Sen. Gil Puyat Avenue,  
Makati City, Philippines

including the locations according to annex

Scope:


Public Administration that provides social services such as Development and Review of Policy on Employees' Compensation Program, Disposition of Employees' Compensation appealed cases, and 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 from 2024-02-04 until 2027-02-03.  
First certification 2015

2024-02-06

  
TÜV Rheinland Cert GmbH  
Am Grauen Stein · 51105 Köln

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## ECC, ISO RE-CERTIFIED

**E**CC maintained its Quality Management System (QMS) ISO certification and passed the re-certification audit of TÜV Rheinland. Such certification covers core processes of ECC such as development and review of policy on EC program, disposition of EC-appealed cases and rehabilitation of PWRDs.



# 2023 TRAININGS AND SEMINARS

TITLE	DATE
Employee Orientation	January 3, 2023 February 6, 2023 February 7, 2023 March 1, 2023 May 3, 2023 May 8, 2023 June 6, 2023 September 18, 2023 November 17, 2023 December 21, 2023
Budget for the FY 2024 Budget Preparation	January 27, 2023
Echo Session on 2022 - Asian Worker's Compensation Association Technical Seminar	January 30, 2023
Users' Training for the Deployment and Implementation of the New Case Docket Management System	February 2, 2023
Critical Thinking and Decision Making	February 2-3, 2023
Manager's Role in Capacity Building	February 7 & 9, 2023
QMS Audit Using 9001:2015 Standard based on 19011:2018 Audit Guidelines	February 20-21, 2023
Quality Manage System	February 20-21, 2023
40-Hour BOSH Training	Februar 20-24, 2023
The Basics of GAD and Sexual Orientation, Gender Identity and Expression, and Sex Characteristics (SOGIESC)	February 22, 2023
Disaster Emergency Preparedness Seminar	February 27, 2023
Return to Work Assistance Program (RTWAP) Pilot Project Meeting with Stakeholders in REU 4A	February 28, 2023
National Consultation Workshop	March 6, 2023
Fire Preparedness Seminar	March 14, 2023
Common Work-Related Muscoskeletal Disorders	March 23, 2023
44th PCOM Annual Convention	March 22-25, 2023
Government Procurement Reform Act (R.A. 9184) and its Revised IRR and Updates	March 27-31, 2023
8th Forum for Heads of Internal Service/Office for Public Sector	April 20, 2023
HRDS Learning Session 1: Establishing Records Management in Public Office: Its Operation and Best Practices	April 24, 2023
Competency-Based Behavioral Event Interview	May 2 & 4, 2023
Effective Coaching and Mentoring	May 3, 2023
Effective Communication Skills	May 4, 2023
Facilities Management Training	May 8, 2023
Seminar on Code of Conduct and Ethical Standard of Public Officials and Employees (RA No. 6713)	May 9, 2023
Seminar on RA 6713 and 2017 RACCS	May 9, 2023



# 2023 TRAININGS AND SEMINARS

TITLE	DATE
Work Attitude and Value Enhancement Program	May 10, 2023
Risk Identification and Prioritization	May 12, 2023
Online Refresher Course in the Creation and Control of Documents Information	May 15, 2023
HRDS Learning Session 2: Service Quality Improvement Program (SQIP)	May 29, 2023
Revised Philippine Internal Audit Manual	May 29 - June 30, 2023
Information Security and Cybersecurity	May 31, 2023
Supervisory Development Course Track I and II	June 6-9, 2023
Appraisal and Disposal of Government Properties	June 13-15, 2023
Online Workers and Employees Program Round the Table Discussions on the Revised Labor Code	July 8,22,29, 2023
Disability Sensitivity Training	July 22, 2023
Risktalks 2023: Sharing of Risk Management Best Practices and Strategies	July 25, 2023
Effective Conflict Resolution and Solving Employee Performance Issues thru Mediation	July 26-27, 2023
Productivity Challenge Workshop: Discovering and Designing Productivity Solutions	August 9, 2023
Management Succession Development Program	August 15-16, 2023
Management Succession Development Program Roll-Out	August 15-16, 2023
Master Class in Writing of Minutes of Meeting	August 24-25, 2023
Project Development	August 30, 2023
Basic Project Management	August 30, 2023
GAD Orientation & HG DG	September 5-8, 2023
Corporate Governance	September 6-7, 2023
53rd OHNAP National Annual Convention	September 6-8, 2023
FOI	September 18, 2023
Orientation on the Harmonized Client Satisfaction Measurement	September 19, 2023
Google Workspace Orientation	September 26, 2023
Public Sector HR Symposium	September 26-27, 2023
Echo Session on Technical Writing on Statistical Report	September 27, 2023
Public Procurement Specialist Certification Course Level 1	October 10-13 & 17-20, 2023
Basic Records and Archives Management	October 17-18, 2023
Organization Innovation Towards Digital Transformation	October 25-27, 2023
2023 Occupational Safety, Health, and Rehabilitation International Conference	November 10-11, 2023
40th ASEAN Social Security Association (ASSA) Board Meeting and International Seminar	November 20-22, 2023
Certification Examination for Certified Disability Management Professionals (CDMP)	November 20 - December 1, 2023
Echo Session on Employment Insurance and Employment Injury Insurance	November 22, 2023
Professionalism in the Workplace	December 5, 2023

# ECC CORPORATE ACTIVITIES



**BFP Fire Prevention Training**  
March 2023



**Earthquake Drill**  
March 2023



**Musculoskeletal Seminar**  
March 2023



**Annual Physical Examination**  
March 2023



**Vibes Massage**  
March 2023



**Health and Wellness Program**  
March 2023



# ECC CORPORATE ACTIVITIES



**R. Bañaga - Pasasalamat**  
March 2023



**Buwan ng Wika**  
August 2023



**Tree-Planting Activity**  
June 2023



**Zumba Session**  
Every Thursday



**Nutrition Month**  
September 2023



## ECC TEAMS UP WITH DENR: 600 TREES PLANTED IN MARIKINA BASIN



**NATURE** is the art of God. In partnership with the Department of Environment and Natural

Resources (DENR), more than 600 Narra and other tree seedlings were planted by the employees of the Employees' Compensation Commission (ECC) on June 01, 2023 at the Upper Marikina Basin Protected Landscape in Sitio San Isidro, San Jose, Antipolo City.

The said activity was joined by the rank-and-file employees as well as members of the top management. Clad in their farming shirts, the more than 60 ECC employees proceeded to Antipolo and participated in the annual activity as part of its corporate social responsibility.

Despite being greeted by the muddy trails caused by the bad weather, the employees were not discouraged to climb up the steep hills not only to fulfill a commitment but also to connect with the "Mother Nature".

OIC-Executive Director Engr. Jose Maria S. Batino said, "This is more than just a plain compliance. Rather, this is another creative way to break free from work even just for hours, connect with nature and release our stress."

The said activity was adopted by the ECC from the Department of Labor and Employment's (DOLE) "Green Our DOLE Program." Yearly, ECC commits to plant trees in areas designated by the DENR.







## FORMER MINER WITH BACK INJURY RECEIVES EC LIVELIHOOD ASSISTANCE



*“Maraming salamat sa lahat ng tulong ng ECC. Napakalaking tulong na ito sa aking pamilya.”*

*- Marcelino Baraña  
EC Beneficiary*

**T**HE Employees' Compensation Commission Regional Extension Unit 1 (ECC-REU 1) awarded a starter kit amounting to P20, 000.00, on May 3, 2023, to Marcelino Baraña, resident of Balaoan, La Union.

Regional Program Focal Dr. Randy Angelo Ponciano personally accompanied Baraña and his wife to purchase all items needed for his chosen rolling store business.

Baraña received the said amount as one of his EC benefits under the Katulong at Gabay sa Manggagawang may Kapansanan (KaGabay) Program.

Aside from the starter kit, he also received P43,588.00 as his accrued pension for his EC Permanent Partial Disability (PPD). He also received EC monthly pension from August 2019 to July 2020. To improve his condition, Baraña underwent a series of physical therapy sessions for free provided by ECC.

These benefits were all provided to Baraña since he suffered from a work-related back injury after he slipped while on his duty as a pump tender in Philex Mining in Benguet on April 2019.



# CORPORATE RESPONSIBILITY



**ECC visits CIW.** More than two hundred persons deprived of liberty (PDLs) from the Correctional Institution for Women (CIW) benefitted from the Employees' Compensation Commission (ECC) outreach program on June 22, 2023.

**M**ANDALUYONG, Manila - More than two hundred persons deprived of liberty (PDLs) from the Correctional Institution for Women (CIW) benefitted from the Employees' Compensation Commission (ECC) outreach program on June 22, 2023.

The outreach activity is an annual project of the ECC in line with the Commission's Employees' Welfare Program and corporate social responsibility. The activity aims to promote the concept of hope for PDLs.

OIC-Executive Director Jose Maria S. Batino, along with other ECC personnel, led the distribution of packed lunch, toiletries, medical supplies, abaniko fans, and other necessary supplies.

"On behalf of Labor Secretary Bienvenido Laguesma, we, at the ECC, continue to support and provide benefits and services, lend a hand to those in need, and give hope amidst the battles one may be facing," Director Batino said in his message.

During the event, PDLs entertained everyone by showcasing their talent. There were performances from the members of the PDL's drum and lyre, followed by their soulful singers and vibrant dancers. The show ended with a group of senior citizens who wowed the crowd with some retro dance mix.

On the other hand, ECC personnel also flaunt their talent and offer a song number to the PDL community which the latter enjoys as well.

"Masaya po kami dahil nandito kayong lahat, kami po ay nagpapasalamat sa inyong mga handog at sana po ay hindi ito ang una at huli," added by one of the inmates.

Collectively, the ECC is grateful to get the chance to reach out and provide assistance to the PDLs at the CIW.

# ECC-REU 4A conducts small business management training for PWRDs



**Livelihood Training Program.** RTWPB IV-A Labor Information Officer Gener Rivera discusses the processes involved in business management to PWRDs during the small business management training organized by ECC in REU IV-A.

**I**N celebration of the Employees' Compensation Commission's (ECC) 48th founding anniversary, the ECC Regional Extension Unit (REU) IV-A awarded P10,000.00 EC cash assistance each to three qualified workers and conducted a small business management training entitled "Start your Own Business Enterprise and Productivity Improvement Training" for twelve persons with work-related disabilities (PWRDs) on March 15, 2023 at Milan Prestige Bldg., Calamba, Laguna.

The training aimed to equip the PWRDs with basic knowledge on how they could effectively manage and sustain the viability of their current or potential livelihood/businesses. Gener Rivera, Labor and Information Officer of the Regional Tripartite Wages and Productivity Boards IV-A (RTWPB 4A) discussed the processes

involved in starting or doing a small business such as organization, marketing, pricing, stock control, and bookkeeping, among others.

The PWRDs were later briefed on the succeeding steps for them to qualify for the P20,000.00 livelihood starter kit from the ECC, a benefit granted to PWRDs who are deemed unable to return to employment due to a work-related contingency.

Aside from the free training and cash assistance, some of the PWRDs already received other services under the ECC's Katulong at Gabay sa Manggagawang may Kapansanan (KaGabay) Program such as free medical consultations, physical therapy, and prosthesis in addition to the EC sickness benefit they filed at the Social Security System (SSS).



# Secretary Laguesma and DOLE Officials Support Davao EC Beneficiaries: A Gesture of Solidarity at Labor Summit

**D**AVAO CITY – Against the elegant backdrop of Acacia Hotel, Labor and Employment Secretary Bienvenido E. Laguesma, together with distinguished officials from the Department of Labor and Employment (DOLE), extendeds helping a hand to 42 EC beneficiaries hailing from the vibrant Davao Region. This touching display of solidarity unfolded during the Labor Relations Summit on April 13, 2023, which not only exemplifies governmental support but also symbolizes unity and compassion with the labor community.

Members of the Regional Tripartite Industry Peace Council (RTIPC) witnessed the handover of Cash Assistance to the EC beneficiaries whose employment was adversely affected due to their work-related contingency. The extended Cash Assistance was in addition to the other benefits previously granted under the EC Program through the SSS and GSIS.

“Despite the disabling condition I got, I am grateful for the interventions of ECC for me to remain economically productive,” Corrine R. Godin, one of the ECC beneficiaries, said during the event. She elaborated on how significant the financial assistance is to her family as it helps her make the family’s ends meet.

In his speech, Secretary Laguesma emphasized that the Government programs should trickle down to those who need them the most in view of the current administration’s whole-of-nation approach.

In light of the long-standing mandate of providing invaluable service for work-related contingencies, ECC was able to disburse 1.91 billion pesos for 316,640 EC claims in CY 2022, 105.84 million pesos of which was for EC Cash Assistance.



**Awarding of EC cash assistance in Davao City.** DOLE Secretary Bienvenido E. Laguesma (6th from right), along with Usec. Felipe N. Egargo, Jr. (3rd from right), Usec. Benedicto Ernesto R. Bitonio, Jr. (4th from right), Usec. Benjo Santos M. Benavidez (3rd from left), Asec. Lennard Constantine Serrano and Asec. Dominique Tutay, hand over the EC cash assistance checks to EC beneficiaries in Davao City during the Labor Relations Summit on April 13, 2023 at the Acacia Hotel Davao.



## ECC, MEGH 1st rehab tie-up in MIMAROPA



**T**HE Employees' Compensation Commission (ECC), an attached agency of the Department of Labor and Employment (DOLE), recently established a partnership with Maria Estrella General Hospital (MEGH), by signing a Memorandum of Agreement (MOA) to provide free physical and occupational therapy to workers who suffered from disabilities due to work-related contingencies, otherwise known as persons with work-related disability (PWRD).

MEGH is the first partner hospital of ECC in Mindoro to attend to the rehabilitation

needs of PWRDS residing in Region 4B.

Officials of MEGH headed by Medical Director Melinda Corazon N. Goco, as well as Chief of Clinics, Rehabilitation Physiatrist Ma. Rhoda C. Goco and Accounting Department Head Augusto M. Saguid signed the agreement. ECC, on the other hand, was represented by Information Officer Ruth Calinao.

ECC's KaGabay Program can only be availed by qualified workers with approved EC disability benefits from administering agencies, the SSS for the private sector and the GSIS for the public sector.

## ECC GAD Committee preps FY 2023-2024 budget



**T**O rev up the Employees' Compensation Commissions' (ECC) knowledge on Gender and Development (GAD), the ECC Committee on GAD has undergone an extensive training for its agency's Programs and Projects (PAPs) on September 21 and 22 at Novotel Manila, Quezon City.

The two-day training on Harmonized Gender and Development Guidelines (HGDDG) aims to ensure that the proposed PAPs undertaken by the agency in its various stages are gender responsive and have a proper budget allocation. The formulation and development of HGDDG was initiated in order to guide companies and various agencies in conceptualizing gender-sensitive programs and projects.

Philippine Commission on Women (PCW) Undersecretary and Chairperson Sandra

Sanchez-Montano led the group in the discussion on Gender Sensitivity and Gender Audit. She also guided the ECC team in aligning its GAD Agenda with its budget proposal for the remaining months of 2023 and for the Fiscal Year 2024. The said preparation and submission of GAD Plans and Budget was recapitulated by Commissioner Amielyn M. Limbona of PCW in a separate discussion. The training/workshop appraised the ECC GAD Committee of technicalities that may be encountered, especially with the budget allotment.

To ensure inclusiveness in all aspects of GAD PAPs process, the ECC GAD Committee Head, Atty. Jane E. Baron, vowed to involve all ECC employees in its GAD Planning and Budgeting process.



# On-site ECP Advocacy Seminar to uniformed personnel



**ECP for Philippine Army (PA).** Employees' Compensation Commission Regional Extension Unit Information Officers explain the EC Program to the 53rd Engineer Brigade, Philippine Army on November 22, 2022, at Camp Lapulapu, Cebu City.





# ECC, MGTRI ink partnership for Return-to-Work Assistance Program

**T**HE Employees' Compensation Commission Regional Extension Unit 12 recently signed an agreement with Mommy Gina Tuna Resources Inc. (MGTRI) to help assist persons with work-related disabilities (PWRDs) in General Santos and other neighboring provinces.

The Memorandum of Agreement (MOA) was the first-ever partnership forged by ECC-REU 12 with a private company in

the implementation of its RTWAP. The MGTRI is a large-scale fishing company that also manufactures tuna products in General Santos City. They are also a major supplier of tuna goods to Japan and the US.

In accordance with the partnership, MGTRI shall assist with the re-employment or immersion of the qualified ECC client and determine their possible job placement in the company. The ECC, on the other hand, shall identify prospective PWRDs in the company who are eligible for rehabilitation services, livelihood, and skills training.

"Through this Return-to-Work program of ECC, we continue to uphold the PWRDs' welfare by giving them opportunities for re-employment or new job placement," ECC OIC-Executive Director Jose Maria S. Batino said.



The Employees' Compensation Commission Regional Extension Unit 12 and the Mommy Gina Tuna Resources, Inc. show the Memorandum of Agreement for the Return-to-Work Program (RTWAP) at CMPHI Business Compound, Purok, Ngilay, Banisil, Tamber, General Santos City. IN PHOTO: (L-R) Administrative Officer Exequiel K. Salcedo III, Mommy Gina Tuna Resources, Inc. Human Resource Manager Gilanie T. Buenafe, and Information Officer Kaye L. Daga.

Director Batino also added that ECC will carry on fostering healthy relationship with different institutions in order to efficiently and effectively provide timely services to PWRDs.

The ECC's Return-to-Work Assistance Program is an interdisciplinary approach to rehabilitation, services, and support that goes beyond traditional medical treatment for the worker who suffered from work-related contingency. This comprises the provision of medical and surgical treatment, rehabilitation, job and workplace modification, job placement, and vocational retraining.

## ECC launches 'ECC Podcast'



**A**S part of the increasing demand to inform the workers of the benefits and services under the Employees' Compensation Law, the Employees' Compensation Commission (ECC) launched a self-produced podcast.

The self-titled show, "ECC Podcast" was conceptualized by the Information and Public Assistance Division as part of its 'Microlearning' program which aims to provide short, concise yet comprehensive information material that tackles the Employees' Compensation Program (ECP) in bits and pieces with only singular subject matter as its topic.

Ma. Cecilia E. Maulion, chief of the Information and Public Assistance Division said, "To avoid loading our clients with too much information about the EC Program, we came up with a project 'ECC Podcast' which directly provides a single information on our

programs. It is more laser-focused and easier to comprehend."

ECC Executive Director Atty. Kaima Via Velasquez said, "This new project is a good opportunity for ECC to capture niche market segment—the yuppies, for instance, which, normally, are the listeners of podcast shows. This will also widen our reach in terms of information dissemination on the EC Program."

With 'ECC Podcast', ECC will have its own platform which is free and available anytime, anywhere with the aid of the Internet.

Currently, ECC podcast has two episodes which are available on ECC's Facebook page, YouTube channel, and ECC website. It is expected to air more episodes that cover the benefits and services provided under the EC Program.



## ECC conducts seminar on Work-Related Musculoskeletal Disorders



Dr. Marian Michelle M. Marquez, Medical Officer III of the ECC covered work-related musculoskeletal disorders (WRMSDs), discussing their causes, risk factors, and prevention strategies.

**T**HE Employees' Compensation Commission (ECC) has conducted a seminar on Work-Related Musculoskeletal Disorders (WRMSDs) at the ECC Main Office Multi-purpose Hall, Makati City on March 23, 2023.

The hybrid seminar was attended by 139 employees from ECC Central and Regional Offices, including on-the job trainees and utility service workers. It aimed to educate all personnel of ECC on the prevention and management of WRMSDs through interactive activities.

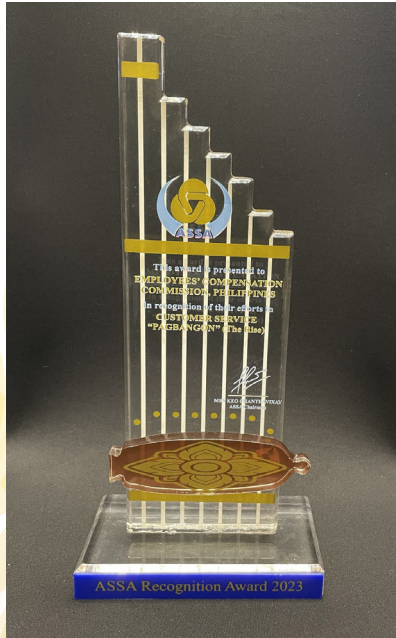
Dr. Marian Michelle M. Marquez, Medical Officer III of the ECC served as the resource speaker where participants learned about what are considered work-connected musculoskeletal disorders, the causes and risk factors of WRMSDs, as well as practical strategies for preventing and managing these conditions. An interactive workshops, on the other hand, provided attendees with hands-on experience in ergonomics, proper posture, and safe work practices.

OIC-Executive Director Jose Maria Batino said that, "We are thrilled with the success of our WRMSD seminar and grateful for the support of our personnel and expert speaker. Worthy to note, that musculoskeletal disorders are considered work-related diseases. Thus, it is compensable under the Employees' Compensation Program."

"The prevention and management of WRMSDs are critical to reduce the burden of these disorders on workers and employers. Prevention efforts should focus on identifying and addressing workplace hazards through ergonomics, which involves designing workspaces, tools, and equipment to fit the worker," added Director Batino.

To cap the event, Director Batino finally said that, "Training and education for workers and supervisors on ergonomic principles, proper posture, and safe work practices can also help to prevent WRMSDs. By working together to address these issues, we can create safer and healthier workplaces for everyone."

# Recognitions and Awards



Executive Director Atty. Kaima Via B. Velasquez receives a Plaque of Recognition under the Customer Service Category for "Pagbangon" (The Rise) from the ASEAN Social Security Association (ASSA) given on November 21, 2023 in Malaysia.

**The tremendous effort and dedication of the members of the ECC secretariat have allowed us to move past the challenges of today and deliver prompt and efficient services to all Filipino workers through a more responsive and relevant Employees' Compensation Program. Through the hard work of the members of the Commission, ECC received the following recognitions from various local and international award-giving bodies:**

1. Plaque of Recognition: Gantimpala sa Adbokasiyang Wasto at Angkop ng DOLE Labor Information Officers (GAWAD LIO 2023) for #ECCWorkRelated sa Special on Saturday (SOS) and ECC O-PA! (Online Public Assistance) for its sustainable, cost-efficient, innovative, and mass media-based DOLE public awareness program given on May 26, 2023 at the Hotel Casiana, Tagaytay City.
2. Gold Award from the Department of Labor and Employment (DOLE) in recognition of ECC's commendable implementation of DOLE Communication Program for FY 2022 awarded on May 26, 2023 at the Hotel Casiana, Tagaytay City.
3. Certificates of Recognition from PESO Managers' Association of the Philippine (PESOMAP) - Western Visayas Inc. for active partnership extended to the DOLE and PESOMAP Western Visayas Inc. on September 5, 2023 in Iloilo City.



# Recognitions and Awards



ECC Executive Director Atty. Kaima Via B. Velasquez (2nd from left), together with Chief Policy, Programs and Systems Management Division Grace B. David (left), and Planning Office III Riza B. Mae Daguplo, receives Plaque of Recognition under the "Customer Service" category from the ASEAN Social Security Association (ASSA) on November 21, 2023 in Malaysia.

4. Plaque of Recognition in recognition of ECC's efforts in Customer Service "Pagbangon" (The Rise) from the ASEAN Social Security Association (ASSA) given on November 21, 2023 in Malaysia.
5. Certificate of Commendation in recognition of ECC's efforts to ensure that Muslim Filipinos, regardless of gender, are able to execute their religious duties by providing a Musallah (Prayer Room) in the ECC premises.
6. 2023 Oregon Awards - Special Citation for Convergence Stakeholders in TAV Implementation, December 12, 2023.
7. Special Citation from DOLE-Region X, Regional Coordinating Committee – The 2023 Search for the Best Productivity Improvement Program for ECC's unwavering commitment and outstanding performance with the project entitled: Elevating Workplace: ECC & OSHC's 7S Program given on December 6, 2023 in Cagayan de Oro City.
8. Certificate of Recognition for the strong partnership provided to the Western Visayas Occupational Safety and Health Network, Inc. (WVOSH) awarded on November 19, 2023 in Iloilo City.
9. Certificate of Recognition from the Council for the Welfare of Children for establishing a partnership in disseminating the EC Program on October 12, 2023 in Quezon City.

# WHISTLE BLOWING POLICY



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



Management  
System  
ISO 9001:2015



Tel. No. 899-4251; 899-4252 \* Fax. No. 897-7597 \* E-mail: [info@ecc.gov.ph](mailto: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.

**III. 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  
Intramuros, Manila



- 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	<a href="mailto:complaints@ecc.gov.ph">complaints@ecc.gov.ph</a>
Postage Mail	Chairperson ECC Administrative Complaints Committee Employees' Compensation Commission 4 <sup>th</sup> & 5 <sup>th</sup> Flrs., ECC Building 355 Sen. Gil Puyat Avenue Makati City
Fax	(632)8897-7997

#### IV. Procedures

##### 1. Handling and Evaluation of the Written Report

- a. The whistleblower shall submit a written report addressed to the ECC reporting channels;
- b. 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.)
- c. 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.
- d. 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
- e. 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**

- a. 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.
- b. The committee shall ensure that the identity of the whistleblower may not be disclosed without the individual's consent.
- c. 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**

- a. 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

# Annual Audit Report

## STATEMENT OF THE TRUE AND FAIR PRESENTATION FOR THE CY 2023 FINANCIAL REPORTS

The statement of financial position, and statement of changes in equity, in all material aspects, give a true and fair view of the state of the operation of the Commission as of December 31, 2023 and its financial performance, changes in equity, cash flows for the year then ended.

  
MARIA TERESA M. URBANO  
CHIEF, FINANCE DIVISION

  
ATTY. KAIMA VIA B. VELASQUEZ  
EXECUTIVE DIRECTOR





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

**CORPORATE GOVERNMENT AUDIT SECTOR**  
**CLUSTER 2 - SOCIAL SECURITY**

April 5, 2024

**Atty. Kaima Via B. Velasquez**  
Executive Director  
Employees' Compensation Commission  
4th floor, ECC Building, Sen. Gil J. Puyat Avenue,  
Makati City



**Dear Atty. Velasquez:**

Pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines, we transmit herewith our report on the results of the audit of the accounts and transactions of the Employees' Compensation Commission (ECC) for the years ended December 31, 2023 and 2022.

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

The Auditor rendered an unmodified opinion on the fairness of presentation of the financial statements of the ECC as at December 31, 2023 and 2022.

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

1. The rental income derived from the leasing facilities of the Center (OSHC) cannot be verified due to the absence of a document which shows the Center's validation of the external transactions of the canteen concessionaire, casting doubt on the balance of the Rent Income account amounting to P11.348 million as at December 31, 2023.

We recommended that Management instruct the Finance and Administrative Division to:

- a. Instruct the Samahan ng Manggagawa ng OSHC (SaMa-OSHC) to require the concessionaire to comply with the contract, particularly on the submission of the Monthly Sales Report;
- b. Instruct the SaMa-OSHC to adopt measures to properly monitor the catering services carried out by the canteen concessionaire; and
- c. Demand from the concessionaire the remittance of the Center's share in the net sales generated from external transactions, if any.



2. Expenses incurred for the electricity and water on the ongoing building construction of National Labor Relations Commission (NLRC) by a private contractor is being charged to the utility expense of the Center, which is not in accordance with Section 4 (b) of Presidential Decree (PD) 1445.

We recommended that Management instruct the Finance and Administrative Division to:

- a. Send billing to NLRC for the utilities consumed during the construction; and
  - b. Execute an agreement with the NLRC stipulating the terms and conditions on the settlement of the utilities provided by the Center.
3. Unpaid and overdue accounts, along with interest and actual damages owed by a Lessee amounting to P 13.597 million, remain uncollectible due to Management's inaction over the past four years in enforcing the Regional Trial Court (RTC) Decision, contrary to Section 2 of PD No. 1445, resulting in the dormancy of the receivable account.

We recommended that Management instruct the Finance Division to:

- a. Exert all possible means including legal action to recover the outstanding amount owed by the former lessee; and
- b. Consider requesting authority to write-off if the collection of the outstanding amount from the former lessee becomes impracticable or unfeasible.

The other audit observations together with the recommended courses of action which were discussed by the Audit Team with concerned Management officials and staff during the exit conference conducted on March 06, 2024, are presented in detail in Part II of the report.

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

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

Very truly yours,

COMMISSION ON AUDIT

By:

  
**DIGNA CRESCENCIA G. FILLER**  
Officer-in-Charge



Copy furnished:

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



**EMPLOYEES' COMPENSATION COMMISSION**  
4<sup>th</sup> & 5<sup>th</sup> Floor, ECC Building, 355 Sen. Gil J. Puyat Avenue, Makati City

**AGENCY ACTION PLAN and STATUS OF IMPLEMENTATION**  
Audit Observations and Recommendations (Parts II & III)  
For the Calendar Year 2023 and Prior Years  
As at \_\_\_\_\_

Reference	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken
			Action Plan	Person/ Department Responsible	Target Implementation Date				
					From	To			

Agency sign-off:

\_\_\_\_\_  
Name and Position of Agency Officer

\_\_\_\_\_  
Date

Note: Status of Implementation may either be (a) Implemented (I), (b) Not Implemented (NI), or (c) Delayed (D)





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

## **ANNUAL AUDIT REPORT**

**on the**

## **EMPLOYEES' COMPENSATION COMMISSION**

**For the Years Ended December 31, 2023 and 2022**



## EXECUTIVE SUMMARY

### INTRODUCTION

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

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

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

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

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

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



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

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

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

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

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

The ECC 2023 COB amounting to P887.360 million as approved by the Department of Budget and Management (DBM) were sourced from the remittances of GSIS and SSS as mandated under P.D. No. 626 and from its accumulated surplus. The budget utilization of the ECC is shown below:

	<b>DBM Approved Budget</b>	<b>Utilization</b>
Personnel services	P202,932,000	P193,243,496
Maintenance and other operating expense/Financial expenses	581,728,000	340,195,785
Capital outlay	102,700,000	22,858,516
	<b>P887,360,000</b>	<b>P556,297,797</b>

## FINANCIAL HIGHLIGHTS (In Philippine Peso)

### I. Comparative Financial Position

	2023	2022	Increase/ (Decrease)
Assets	1,263,827,855	1,130,526,070	133,301,785
Liabilities	275,777,711	269,661,993	6,115,718
Net Assets/Equity	988,050,144	860,864,077	127,186,067

### II. Comparative Results of Operations

	2023	2022	Increase/ (Decrease)
Business income	22,342,141	19,432,821	2,909,320
Expenses/Finance costs	558,473,068	628,597,796	(70,124,728)
Deficit from operations	(536,130,927)	(609,164,975)	73,034,048
Loading fund	663,316,994	588,360,308	74,956,686
Net surplus/(deficit)	127,186,067	(20,804,667)	147,990,734

## OPERATIONAL HIGHLIGHTS

Activities	Targets	Accomplishments	Variance
<b>I. ECC</b>			
1. Policy Review and Development	2	2	0
2. ECC Kagabay livelihood projects awarded still operational after one year	51	41	(10)
3. ECP Advocacy seminars conducted	120	144	24
4. Development and Production of IEC Materials	5	8	3
5. ECP Dissemination through Quad- Media	64	93	29
6. Disposition of EC Appealed Cases	38	35	(3)
<b>II. OSHC</b>			
1. Conducted Public Information Campaign through webinar or face-to-face	12	15	3
2. Developed IEC materials	33	33	0
3. OSH Training Program for Safety Officers	50,000	55,647	5,647
4. Research completed	5	5	0
5. OSH Technical Services requests processed within 20-day process cycle time	797	797	0

## SCOPE OF AUDIT

Our audits covered the significant accounts and transactions of the ECC for the period January 1 to December 31, 2023 in accordance with International Standards of Supreme Audit Institutions to enable us to express an opinion on the fairness of presentation of the financial statements for the years ended December 31, 2023 and 2022. Also, we conducted our audit to assess compliance with pertinent laws, rules and regulations, as well as adherence to prescribed policies and procedures.



## AUDITOR'S OPINION

We rendered an unmodified opinion on the fairness of presentation of the financial statements of the ECC as at and for the years ended December 31, 2023 and 2022 in accordance with International Public Sector Accounting Standards.

## SUMMARY OF SIGNIFICANT AUDIT OBSERVATIONS AND RECOMMENDATIONS

1. The rental income derived from the leasing facilities of the Center (OSHC) cannot be verified due to the absence of a document which shows the Center's validation of the external transactions of the canteen concessionaire, casting doubt on the balance of the Rent Income account amounting to P11.348 million as at December 31, 2023.

We recommended and Management agreed to instruct the Finance and Administrative Division to:

- a. Instruct the Samahan ng Manggagawa ng OSHC (SaMa-OSHC) to require the concessionaire to comply with the contract, particularly on the submission of the Monthly Sales Report;
  - b. Instruct the SaMa-OSHC to adopt measures to properly monitor the catering services carried out by the canteen concessionaire; and
  - c. Demand from the concessionaire the remittance of the Center's share in the net sales generated from external transactions, if any.
2. Expenses incurred for the electricity and water on the ongoing building construction of National Labor Relations Commission (NLRC) by a private contractor is being charged to the utility expense of the Center, which is not in accordance with Section 4 (b) of Presidential Decree (PD) 1445.

We recommended and Management agreed to instruct the Finance and Administrative Division to:

- a. Send billing to NLRC for the utilities consumed during the construction; and
  - b. Execute an agreement with the NLRC stipulating the terms and conditions on the settlement of the utilities provided by the Center.
3. Unpaid and overdue accounts, along with interest and actual damages owed by a Lessee amounting to P13.597 million, remain uncollectible due to Management's inaction over the past four years in enforcing the Regional Trial Court Decision, contrary to Section 2 of PD No. 1445, resulting in the dormancy of the receivable account.

We recommended that Management instruct the Finance Division to:

- a. Exert all possible means including legal action to recover the outstanding amount owed by the former lessee; and
- b. Consider requesting authority to write-off if the collection of the outstanding amount from the former lessee becomes impracticable or unfeasible.

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

### **SUMMARY OF AUDIT SUSPENSIONS, DISALLOWANCES AND CHARGES**

As at December 31, 2023, audit disallowances and charges amounted to P5.424 million and P315,600, respectively, while all audit suspensions were settled during the year.

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

Out of the 59 audit recommendations embodied in the CY 2022 Annual Audit Report, 41 were implemented, and 18 were not implemented of which 4 were reiterated in Part II of this Report.

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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, 2023 and 2022, and the statements of financial performance, statements of changes in net assets/equity, statements of cash flows, statement of comparison of budget and actual amounts for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ECC as at December 31, 2023 and 2022, 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 Commission on Audit 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 the ECC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate ECC or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 Management and has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### **COMMISSION ON AUDIT**



**ELEONOR S. NAVARRO**  
OIC-Supervising Auditor

March 06, 2024





## 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, 2023 and December 31, 2022 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.

  
**BIENVENIDO E. LAGUESMA**  
Chairperson  
Department of Labor and Employment

  
**KAINA VIA B. VELASQUEZ**  
Acting Executive Director

  
**MARIA TERESA M. URBANO**  
Chief, Finance Division  
Date: March 6, 2024

4<sup>th</sup> & 5<sup>th</sup> Floors, ECC Building,  
355 Sen. Gil J. Puyat Avenue,  
City of Makati, Philippines 1206  
(02) 8899-4251  
[www.ecc.gov.ph](http://www.ecc.gov.ph)

**EMPLOYEES' COMPENSATION COMMISSION**  
**STATEMENTS OF FINANCIAL POSITION**  
As at December 31, 2023 and 2022  
(In Philippine Peso)

	Note	2023	2022 (As restated)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	465,781,366	339,053,377
Investments	5	345,091,525	348,078,386
Receivables - net	6	286,440,374	285,945,521
Inventories	7	6,871,852	6,671,498
Other current assets	8	5,793,583	2,455,910
		<b>1,109,978,700</b>	<b>982,204,692</b>
<b>Non-Current Assets</b>			
Investment property	10	167,483	167,483
Property and equipment - net	11	149,778,328	144,564,635
Other non-current assets	9	3,903,344	3,589,260
		<b>153,849,155</b>	<b>148,321,378</b>
<b>TOTAL ASSETS</b>		<b>1,263,827,855</b>	<b>1,130,526,070</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial liabilities	12	193,167,548	199,905,592
Inter-agency payables	13	7,754,859	4,957,573
Trust liabilities	14	4,975,806	4,344,574
Deferred credits	15	85,364	87,057
Other Payables	16	731,650	913,303
Provisions	17	12,786,911	8,696,223
		<b>219,502,138</b>	<b>218,904,322</b>
<b>Non-Current Liabilities</b>			
Provisions	17	56,275,573	50,757,671
		<b>56,275,573</b>	<b>50,757,671</b>
<b>TOTAL LIABILITIES</b>		<b>275,777,711</b>	<b>269,661,993</b>
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<b>988,050,144</b>	<b>860,864,077</b>
<b>NET ASSETS/EQUITY</b>			
<b>Equity</b>			
Government equity		249,042,285	249,042,285
Accumulated surplus		739,007,859	611,821,792
<b>TOTAL NET ASSETS/EQUITY</b>		<b>988,050,144</b>	<b>860,864,077</b>

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, 2023 and 2022  
(In Philippine Peso)

	Note	2023	2022 (As restated)
<b>REVENUE</b>			
Business income	18	<b>22,342,141</b>	19,432,821
		<b>22,342,141</b>	19,432,821
<b>CURRENT OPERATING EXPENSES</b>			
Personnel services	19	<b>193,243,496</b>	186,858,589
Maintenance and other operating expenses	20	<b>340,084,381</b>	414,514,628
Financial expenses	21	<b>111,404</b>	207,528
Non-cash expenses	22	<b>25,033,787</b>	27,017,051
		<b>558,473,068</b>	628,597,796
<b>DEFICIT FROM OPERATIONS</b>		<b>(536,130,927)</b>	(609,164,975)
Loading fund from other government entities	26	<b>663,316,994</b>	588,360,308
<b>NET SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>127,186,067</b>	(20,804,667)

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, 2023 and 2022  
(In Philippine Peso)

	Note	Government Equity	Accumulated Surplus/(Deficit)	Total
<b>BALANCE AT JANUARY 1, 2023</b>		249,042,285	611,821,792	860,864,077
Surplus for the period		0	127,186,067	127,186,067
<b>BALANCE AT DECEMBER 31, 2023</b>		<b>249,042,285</b>	<b>739,007,859</b>	<b>988,050,144</b>
<b>BALANCE AT JANUARY 1, 2022</b>		249,042,285	633,096,578	882,138,863
Adjustments:				
Prior period adjustments (net)	27	0	(470,119)	(470,119)
<b>RESTATED BALANCE AT JANUARY 1, 2022</b>		249,042,285	632,626,459	881,668,744
Deficit for the period		0	(20,804,667)	(20,804,667)
<b>BALANCE AT DECEMBER 31, 2022</b>		<b>249,042,285</b>	<b>611,821,792</b>	<b>860,864,077</b>

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, 2023 and 2022  
(In Philippine Peso)

	Note	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Receipt of loading fund from the SSS and GSIS		668,729,709	492,383,792
Collection of receivables		18,347,647	16,954,818
Collection of income		3,182,791	2,202,814
Cash receipt from bid bond		755,377	567,120
Interest earned on savings deposits		800,279	78,928
Return of cash advance		3,769,268	3,332,469
Cash receipts from overpayments/disallowances		1,019,003	1,523,674
Cash receipts - miscellaneous		70,742	27,654
Collection from sale of bid forms		122,000	171,000
<b>Total Cash Inflows</b>		<b>696,796,816</b>	<b>517,242,269</b>
<b>Cash Outflows</b>			
Payment of operating expenses		333,212,151	306,132,022
Payment of salaries and wages		159,259,440	133,648,488
Remittance to GSIS/Pag-ibig/Philhealth and others		31,053,559	25,464,322
Remittance to BIR		23,721,445	21,122,106
Payment of leave benefits payables		3,004,654	10,458,274
Refund of bidders' bond/guaranty deposits		392,813	2,235,427
Payment of prepaid expenses		4,418,442	2,097,753
<b>Total Cash Outflows</b>		<b>555,062,504</b>	<b>501,158,392</b>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>141,734,312</b>	<b>16,083,877</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Proceeds from investment in time deposit		30,220,156	127,323,909
Interest earned on time deposits		2,002,714	849,795
<b>Total Cash Inflows</b>		<b>32,222,870</b>	<b>128,173,704</b>
<b>Cash Outflows</b>			
Investment in time deposit		24,370,677	60,369,600
Renovation/repainting of the Center's building		0	2,977,325
Purchase of other structures		1,019,228	0
Purchase of office equipment		4,044,233	843,391
Purchase of medical equipment		934,218	0
Purchase of technical and scientific equipment		8,800,000	176,600
Purchase of IT and communication equipment		3,303,948	6,221,950
Purchase of motor vehicle		3,676,889	1,500,000
Purchase of furniture and fixtures		0	17,500
Purchase of other machineries and equipment		1,080,000	0
<b>Total Cash Outflows</b>		<b>47,229,193</b>	<b>72,106,366</b>
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		<b>(15,006,323)</b>	<b>56,067,338</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>126,727,989</b>	<b>72,151,215</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>		<b>339,053,377</b>	<b>266,902,162</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>4</b>	<b>465,781,366</b>	<b>339,053,377</b>

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, 2023  
(In Philippine Peso)

	Budgeted Amounts		Actual Amounts on a Comparable Basis	Difference Between Budget and Actual Amounts
	Original	Final		
<b>SOURCES OF FUNDS</b>				
<b>Corporate Funds</b>				
State Insurance Fund/Loading Fund	880,294,000	880,294,000	668,729,709	211,564,291
Accumulated Surplus	148,730,000	148,730,000	22,452,717	126,277,283
	<b>1,029,024,000</b>	<b>1,029,024,000</b>	<b>691,182,426</b>	<b>337,841,574</b>
<b>USES OF FUNDS</b>				
<b>Personnel Services</b>				
State Insurance Fund/Loading Fund	202,932,000	202,932,000	202,932,000	-
Accumulated Surplus	-	-	4,767,197	(4,767,197)
	202,932,000	202,932,000	207,699,197	(4,767,197)
<b>Maintenance and Other Operating Expenses</b>				
State Insurance Fund	704,812,000	581,728,000	347,251,903	234,476,097
Accumulated Surplus	-	-	-	-
	704,812,000	581,728,000	347,251,903	234,476,097
Capital Outlays	102,700,000	102,700,000	22,858,516	79,841,484
Financial Expenses	-	-	111,404	(111,404)
	102,700,000	102,700,000	22,969,920	79,730,080
<b>NET FUND SOURCES/(USES)</b>	<b>18,580,000</b>	<b>141,664,000</b>	<b>113,261,406</b>	<b>28,402,594</b>

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



## EMPLOYEES' COMPENSATION COMMISSION NOTES TO FINANCIAL STATEMENTS

(All amounts in Philippine Peso unless otherwise stated)

### 1. GENERAL INFORMATION

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

The ECC is a quasi-judicial corporate entity attached to the Department of Labor and Employment (DOLE) for policy coordination and guidance. As an appellate body, it decides cases denied by GSIS and SSS which are elevated to the ECC 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 PD No. 626 as amended on December 27, 1974, which is hereunder quoted:

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

On November 4, 1987, President Corazon C. Aquino issued Executive Order (EO) No. 307, establishing an Occupational Safety and Health Center (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 (OSH);
- Plan, develop and implement OSH training programs;
- Serve as clearing house for OSH 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 OSH 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 OSH based in Bangkok, which is under the International Labour Organization (ILO), and disseminates these matters to 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 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 Calendar Year (CY) 2017.

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

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 AAR as ECC. Thus, the financial reports presented are the integrated accounts of ECC and OSHC.

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

The governing body of the ECC is the Board of Commissioners composed of five ex-officio members, namely: the Secretary of DOLE 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, 2023 were approved and authorized for issue on March 06, 2024, but the members of the Board of Commissioners were able to convene only on March 25, 2024 for the signing of Board Resolution No. 24-03-10 on the said approval.

## **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 Philippine 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 receivables and investment in time deposits as at December 31, 2023.

##### 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 considering 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 collaterals have 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.

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, 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 ECC 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 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 ECC 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 P50,000.

b. Measurement at recognition

An item recognized as PE 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.



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.

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
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 per cent 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:

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

### **3.10 Budget Information**

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

### **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:

	2023	2022
Cash on hand – Collecting officer	490,017	402,653
Cash in bank – Savings account	1,765,915	7,298,165
Cash in bank – Current account	136,297,563	120,161,322
Cash in bank – Time deposits	327,227,871	211,021,237
Petty cash fund	0	170,000
	<b>465,781,366</b>	<b>339,053,377</b>

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 in this account was due to the maturity of long-term investments in time deposits. The proceeds from the investment were placed into a short-term time deposit. 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 P345.092 million and P348.078 million for CYs 2023 and 2022, 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:

	2023	2022 (As restated)
Accounts receivables	25,973,886	17,998,131
Receivables – disallowances/charges	7,430,098	8,339,032
Lease receivable	1,036,486	1,637,351
Notes receivable	456,740	456,740
Due from Government Corporations (GSIS/SSS)	266,006,636	271,419,350
Due from National Government Agencies (NGAs)	3,687,168	3,683,419
Due from officers and employees	500,139	361,288

	2023	2022 (As restated)
Other receivables	594,721	946,142
	<b>305,685,874</b>	304,841,453
Less: Allowance for impairment	19,245,500	18,895,932
	<b>286,440,374</b>	285,945,521

## 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 a sum of money as follows:

	Amount
Principal obligation	10,308,161
Interest	1,022,512
Amount due	11,330,673
Liquidated damages	2,266,135
	<b>13,596,808</b>

The P11.331 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 P2.266 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. This account is provided with 100 per cent allowance for impairment.

The account also includes Accounts Receivable – LOI No. 1318 amounting to P240,536 consisting 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:

	2023	2022 (As restated)
Magna Carta Benefits for CYs 2020 & 2019	1,138,668	1,828,863
Longevity Pay for CY 2008 and for January to June 2009 and subsistence and laundry allowance	256,850	256,850



	2023	2022 (As restated)
Subsistence and Laundry allowances from CYs 2006 to September 2009	883,610	883,610
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	468,120
Rice Subsidy in CY 2006	132,000	132,000
Magna Carta Benefits for CY 2005	904,461	904,461
Travel Allowance of Executive Directors for CYs 2006 to 2007	120,819	120,819
Praise Incentives for CY 2006	88,087	88,087
25 Years Incentive Award for CY 2016	10,000	10,000
Excess Anniversary Bonus for CY 2006	48,000	48,000
Anniversary Bonus for CY 2013	204,559	413,000
Overtime Disallowances CY 2022	0	7,739
Procurement of Garment CY 2022	0	2,559
Disallowances from CYs 1994 to 1997	2,893,062	2,893,062
	<b>7,430,098</b>	<b>8,339,032</b>

The balances with no movement pertain to the unsettled disallowances of the remaining liable employees who are no longer connected with ECC. Others were already retired when the COA Order of Execution (COE) was received.

The ECC recognized accounts receivable in the books upon receipt of the Notice of Finality of Decision (NFD) dated February 22, 2023 for the remaining disallowance on Milestone Anniversary Bonus for CY 2013 amounting to P204,559.

### 6.3 Lease Receivable

This account represents receivables from the lessee under the operating lease agreements amounting to P1.036 million and P1.637 million for CYs 2023 and 2022, respectively.

### 6.4 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.

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

This account represents Inter-agency receivables collectibles from the Systems amounting P266.007 million and P271.419 million for CYs 2023 and 2022, respectively, for the unremitted SIF for the ECC Corporate Operating Budget.

### 6.6 Due from NGAs

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

dormitory totaling P3.687 million and P3.683 million for CYs 2023 and 2022, respectively. Allowance for impairment of one (1) per cent was recognized for the accounts outstanding for more than one (1) year, and five (5) per cent for those accounts outstanding for more than three years.

### 6.7 Other receivables

This account consists of receivables pertaining to undelivered supplies from the Procurement Service - Department of Budget and Management (PS-DBM) and prior years' receivable from resigned/separated employees totaling P594,721 and P946,142 for CYs 2023 and 2022, respectively.

### 6.8 Allowance for impairment

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

#### CY 2023

	<b>Balance, 1/1/2023 (As restated)</b>	<b>Additional Provision</b>	<b>Balance, 12/31/2023</b>
Accounts receivable	15,549,028	169,232	15,718,260
Notes receivable	456,740	0	456,740
Due from NGAs	2,890,164	180,336	3,070,500
	<b>18,895,932</b>	<b>349,568</b>	<b>19,245,500</b>

#### CY 2022

*(As restated)*

	<b>Balance, 1/1/2022</b>	<b>Additional Provision</b>	<b>Balance, 12/31/2022</b>
Accounts receivable	15,375,123	173,905	15,549,028
Notes receivable	456,740	0	456,740
Due from NGAs	2,709,827	180,337	2,890,164
	<b>18,541,690</b>	<b>354,242</b>	<b>18,895,932</b>

## 7. INVENTORIES

This account consists of the following:

	<b>2023</b>	<b>2022</b>
Office supplies inventory	<b>2,484,283</b>	1,908,364
Textbooks and instructional materials inventory	<b>1,164,991</b>	2,214,134
Medical, dental and laboratory supplies inventory	<b>480,295</b>	267,431
Drugs and medicines inventory	<b>12,800</b>	14,379
Other supplies and materials inventory	<b>2,729,483</b>	2,267,190
	<b>6,871,852</b>	6,671,498

## 8. OTHER CURRENT ASSETS

This account consists of the following:

	2023	2022
Prepaid insurance	3,605,869	925,019
Prepaid rent	897,946	839,946
Guaranty deposits	691,952	318,380
Advances to officers and employees	207,296	21,451
Prepaid registration	4,639	6,318
Other prepayments	375,851	334,766
Other assets	10,030	10,030
	<b>5,793,583</b>	<b>2,455,910</b>

The increase in the Prepaid insurance is attributable to the payment made by the Center for the insurance coverage of the newly acquired equipment and for the construction and improvements in the Center's premises.

## 9. OTHER NON-CURRENT ASSETS

	2023	2022
Land	2,500,000	2,500,000
Guaranty deposits	1,261,584	947,500
Unserviceable equipment	141,760	141,760
	<b>3,903,344</b>	<b>3,589,260</b>

The parcel of land owned by ECC, located at Barrio Cuyambay, Tanay, Rizal is recorded at its cost of P2.500 million. The 50 hectares parcel of land was acquired as a future site of the envisioned Workers' Rehabilitation Center Complex for disabled workers pursuant to LOI No. 856. Some portions of this property are presently occupied by squatters. 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 on appeal was reversed 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 landholding 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 it is part of the area declared as a 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.



## 10. INVESTMENT PROPERTY

This account consists of land located in Talisay, Batangas foreclosed 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 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 an appraisal conducted 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
<b>Cost</b>							
Jan. 1, 2023	11,019,218	303,234,442	236,697,414	32,373,316	6,755,338	7,619,993	597,699,721
Additions	0	7,796,543	22,881,277	8,666,888	0	(7,619,993)	31,724,715
Adjustments	0	(1,826,802)	0	0	0	0	(1,826,802)
	11,019,218	309,204,183	259,578,691	41,040,204	6,755,338	0	627,597,634
<b>Accumulated Depreciation</b>							
Jan. 1, 2023	0	257,806,436	165,568,964	23,760,617	5,999,070	0	453,135,087
Depreciation	0	5,905,151	15,610,448	2,632,316	536,304	0	24,684,219
	0	263,711,587	181,179,412	26,392,933	6,535,374	0	477,819,306
<b>Net book value, Dec. 31, 2023</b>	<b>11,019,218</b>	<b>45,492,596</b>	<b>78,399,279</b>	<b>14,647,271</b>	<b>219,964</b>	<b>0</b>	<b>149,778,328</b>
<b>Cost</b>							
Jan. 1, 2022	11,019,218	282,963,241	228,328,679	33,568,917	8,000,400	25,219,911	589,100,366
Additions	0	20,271,202	9,152,170	0	17,500	0	29,440,872
Adjustments	0	0	(783,435)	(1,195,600)	(1,262,563)	(17,599,918)	(20,841,516)
	11,019,218	303,234,443	236,697,414	32,373,317	6,755,337	7,619,993	597,699,722
<b>Accumulated Depreciation</b>							
Jan. 1, 2022	0	251,242,070	147,576,888	22,750,994	7,241,190	0	428,811,142
Depreciation	0	6,564,366	17,992,076	2,085,664	20,703	0	26,662,809
Adjustments	0	0	0	(1,076,040)	(1,262,824)	0	(2,338,864)
	0	257,806,436	165,568,964	23,760,618	5,999,069	0	453,135,087
<b>As restated – Net Book value, Dec. 31, 2022</b>	<b>11,019,218</b>	<b>45,428,007</b>	<b>71,128,450</b>	<b>8,612,699</b>	<b>756,268</b>	<b>7,619,993</b>	<b>144,564,635</b>

### 11.1 Land

This account comprises 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. The land is located at 355 Sen. Gil J. Puyat Avenue Makati City. The appraised value of the ECC land is P437,500 per square meter or a total market value of P1.199 billion based on the appraisal report dated September 2, 2022 of an independent appraiser.

## 11.2 Buildings and Other Structures

This account consists of the ECC five-storey office building with a basement, spanning a floor area of 8,046 square meters, along with a single-story building covering 540 square meters, equipped with a passenger elevator and transformer. These structures are situated at 355 Sen. Gil J. Puyat Avenue, Makati City, occupying an approximate total area of 8,046 square meters. An independent appraisal company evaluated the ECC building on September 2, 2022, establishing its market value at P114.126 million.

The OSHC building, located at the intersection of North Avenue and Agham Road in Quezon City, was constructed on a two-hectare parcel of land owned by the Department of Migrant Workers (DMW), formerly known as Philippine Overseas Employment Administration (POEA) through funding from the Japan International Cooperation Agency (JICA). The building was subsequently donated to OSHC.

On April 18, 2022, the OSHC engaged the services of an independent appraisal company to assess the market value of its building and other land improvements resulting in an estimated value of P138.882 million.

## 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 2023 consists of office equipment and ICT equipment amounting to P21.604 million.

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

## 12. FINANCIAL LIABILITIES

This account consists of the following:

	2023	2022 (As restated)
Accounts payable	159,159,790	167,173,395
Due to officers and employees	34,007,758	32,732,197
	<b>193,167,548</b>	199,905,592

The *Accounts payable* consists of amounts owed to various suppliers for goods and services purchased on account. This also includes the amount of P256,374 withheld by

ECC from Veterans Security 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 benefits.

### 13. INTER-AGENCY PAYABLES

This account consists of the following:

	2023	2022 (As restated)
Due to BIR	5,726,930	4,192,886
Due to GSIS	1,721,449	648,196
Due to PHIC	223,032	91,356
Due to Pag-IBIG	63,949	5,761
Others	19,499	19,374
	<b>7,754,859</b>	<b>4,957,573</b>

*Due to BIR* pertains to the amount of taxes withheld during the month of December 2023 from the officials/employees and suppliers/contractors which are due for remittance in the succeeding month of the following year. Amounts due to other government agencies are due for remittances every 10<sup>th</sup> and 15<sup>th</sup> day of the following month.

### 14. TRUST LIABILITIES

This account pertains to guaranty/security deposits payable amounting to P4.976 million and P4.345 million for CYs 2023 and 2022, respectively, paid by the suppliers/contractors for the awarded contracts during the year.

### 15. DEFERRED CREDITS

This account consists of unidentified deposits amounting to P85,364 and P87,057 for CYs 2023 and 2022, respectively, which includes bank reconciling items to be closed through its contra account, *Accounts receivable*, once the payee/depositor is identified.

### 16. OTHER PAYABLES

This account consists of the following:

	2023	2022
Hazard pay	596,174	630,796
Subsistence allowance	50,250	53,335
Laundry allowance	6,259	7,172
Payable to OSHC Union	78,967	222,000
	<b>731,650</b>	<b>913,303</b>



The Hazard pay, subsistence and laundry allowances are payables to the resigned and retired employees from CY 2005 to CY 2018, while the Payable to OSHC-Union pertains to the payment of loans of employees to 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 for the cash value of the accumulated earned vacation and sick leave credits of the employees as follows:

	2023	2022
Current	12,786,911	8,696,223
Non-current	56,275,573	50,757,671
	<b>69,062,484</b>	<b>59,453,894</b>

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

## 18. BUSINESS INCOME

This account consists of the following:

	2023	2022 (As restated)
Rent/lease income	11,348,435	10,863,579
Interest income	4,629,307	4,082,339
Seminar/training fees	2,309,217	1,702,997
Income from dormitory	39,100	15,300
Other business income	4,016,082	2,768,606
	<b>22,342,141</b>	<b>19,432,821</b>

### 18.1 Rent/Lease income

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

	2023	2022
Building (Note 23)	10,880,821	10,746,767
Canteen	128,239	76,978
Auditorium	333,225	26,575
Training room	3,750	13,259
Equipment	2,400	0
	<b>11,348,435</b>	<b>10,863,579</b>

## 18.2 Interest income

This account consists of interests earned from time deposits placements and savings deposit with authorized depository banks amounting to P4.629 million and P4.082 million for CYs 2023 and 2022, respectively.

## 18.3 Seminar/training fees

This account consists of the following:

	2023	2022 (As restated)
Basic Occupational Safety and Health (BOSH)	284,160	124,840
Construction Occupational Safety and Health (COSH)	173,900	934,517
Work Environment Measurement (WEM)	909,000	238,410
Introduction to Industrial Hygiene/Ventilation	304,438	143,430
Ergonomics in the workplace	398,257	172,200
Work relatedness of diseases	155,400	89,600
Drug Assessment/ Drug-free Workplace	84,062	0
	<b>2,309,217</b>	<b>1,702,997</b>

## 18.4 Income from dormitory

This account pertains to income earned from the three-storey dormitory. The OSHC is accommodating transient individuals, particularly government employees, seeking temporary lodging.

## 18.5 Other business income

This account consists of the following:

	2023	2022 (As restated)
Technical services and laboratory fee	3,036,033	1,775,700
OSH accreditation fee	605,099	551,110
Miscellaneous	374,950	441,796
	<b>4,016,082</b>	<b>2,768,606</b>

## 19. PERSONNEL SERVICES

This account consists of the following:

	2023	2022 (As restated)
Salaries and wages	100,452,617	97,447,461
Personnel benefits contributions	12,942,811	12,680,003
Other personnel benefits	26,424,243	27,120,831
Other compensation	53,423,825	49,610,294
	<b>193,243,496</b>	<b>186,858,589</b>

## 20. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

	2023	2022 (As restated)
Assistance/subsidy/contribution	103,840,000	219,146,000
Training expenses	62,615,347	39,662,166
General services	53,018,245	54,133,176
Professional services	25,129,174	18,245,892
Supplies and materials expenses	14,637,678	16,244,276
Utility expenses	13,748,634	12,205,258
Traveling expenses	13,176,004	7,523,860
Repairs and maintenance	8,222,396	8,856,225
Communication expenses	5,379,077	5,718,077
Taxes, insurance premiums and other fees	1,382,416	2,012,949
ordinary expenses	1,004,453	523,390
Other MOOE	37,930,957	30,243,359
	<b>340,084,381</b>	<b>414,514,628</b>

### 20.1 Assistance/Subsidy/Contribution

This account pertains to the payment of cash assistance to workers contracted with Corona Virus Disease (COVID-19) and non-COVID-19, such as workplace fire victims and uniformed personnel who are victims of war, under the ECC's Quick Response Program (QRP) totaling to P103.840 million and P219.146 million for CYs 2023 and 2022, respectively.

### 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 rates 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 COVID-19 pandemic. The Center continues to conduct 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. Starting CY 2022, some trainings are gradually transitioning back to the face-to-face or classroom type.

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



### 20.3 General services

This account consists of the following:

	2023	2022 (As restated)
Janitorial services	41,058,711	42,711,338
Security services	11,858,734	11,363,038
Environment/sanitary services	100,800	58,800
	<b>53,018,245</b>	<b>54,133,176</b>

### 20.4 Professional services

This account consists of the following:

	2023	2022 (As restated)
Auditing services	4,805,159	4,687,503
Consultancy services	3,070,260	45,000
Legal services	65,000	69,500
Other professional services	17,188,755	13,443,889
	<b>25,129,174</b>	<b>18,245,892</b>

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.

### 20.5 Supplies and materials expenses

This account consists of the following:

	2023	2022 (As restated)
Semi-expendable expenses	3,601,384	3,998,355
Office supplies expenses	3,282,350	4,051,991
Fuel, oil and lubricant expenses	2,932,358	3,155,843
Medical/dental/laboratory supplies expenses	2,102,633	1,789,896
Textbooks and instructional materials expenses	1,356,350	0
Accountable form expenses	121,800	7,200
Drugs and medicines expenses	95,955	725,172
Other supplies and materials expenses	1,144,848	2,515,819
	<b>14,637,678</b>	<b>16,244,276</b>

## 20.6 Utility expenses

This account consists of the following:

	2023	2022 (As restated)
Electricity expenses	12,268,289	10,688,720
Water expenses	1,480,345	1,516,538
	<b>13,748,634</b>	<b>12,205,258</b>

## 20.7 Traveling expenses

This account consists of the following:

	2023	2022 (As restated)
Traveling expenses – local	10,898,255	5,757,862
Traveling expenses – foreign	2,277,749	1,765,998
	<b>13,176,004</b>	<b>7,523,860</b>

The increase in travelling expenses was due to the lifting of travel restrictions imposed during the COVID-19 pandemic.

## 20.8 Repairs and maintenance

This account consists of the following:

	2023	2022
Repairs and maintenance-building and other structures	3,244,049	3,718,809
Repairs and maintenance-machinery and equipment	4,011,691	3,587,491
Repairs and maintenance-transportation equipment	951,092	1,522,260
Repairs and maintenance-furniture and fixtures	15,564	27,665
	<b>8,222,396</b>	<b>8,856,225</b>

## 20.9 Communication expenses

This account consists of the following:

	2023	2022 (As restated)
Telephone expenses	2,950,400	3,365,295
Internet subscription expenses	1,855,511	1,734,493
Postage and courier services	573,166	618,289
	<b>5,379,077</b>	<b>5,718,077</b>

## 20.10 Taxes, insurance premiums and other fees

This account consists of the following:

	2023	2022
Insurance expenses	1,067,568	1,641,801
Taxes, duties and licenses	167,741	204,675
Fidelity bond premiums	147,107	166,473
	<b>1,382,416</b>	<b>2,012,949</b>

## 20.11 Other maintenance and other operating expenses

This account consists of the following:

	2023	2022 As restated
Advertising, promotional and marketing expenses	10,274,737	11,660,136
Rent/lease expenses	8,369,841	7,048,937
Subscription expenses	7,707,668	568,028
Representation expenses	4,466,001	3,362,286
Printing and publication expenses	290,500	200,000
Membership dues and contributions to organizations	163,968	100,000
Transportation and delivery expenses	108,737	15,910
Donations	97,800	217,560
Other MOOE	6,451,705	7,070,502
	<b>37,930,957</b>	<b>30,243,359</b>

The representation expenses pertain to meal expenses during meetings, as well as expenses incurred for health and wellness on the testing kits, face masks, face shields, vitamins, alcohol, and sanitizers provided to employees, including agency -hired personnel, regional extension units (REUs) staffs, as well as security and janitorial service providers, to aid in combating COVID-19.

## 21. FINANCIAL EXPENSES

This account consists of bank charges amounting to P111,404 and P207,528 for CYs 2023 and 2022, respectively.

## 22. NON-CASH EXPENSES

This account consists of the following expenses:

	2023	2022
Depreciation – machinery and equipment	15,610,448	17,992,076
Depreciation – building and other structures	5,905,151	6,564,366
Depreciation – transportation equipment	2,632,316	2,085,664



	2023	2022
Depreciation – furniture, fixtures and books	536,304	20,703
Impairment loss	349,568	354,242
	<b>25,033,787</b>	27,017,051

### 23. OPERATING LEASE

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

Name of Tenants	Lease Term	Rental income	
		2023	2022
1. SSS	5 years	7,946,148	7,946,148
2. DOLE-NCR	1 year	2,814,673	2,680,619
3. ECC Employees Union	1 year	120,000	120,000
<b>Rental income for the year</b>		<b>10,880,821</b>	10,746,767

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

The total future minimum rentals on the operating lease pertaining to SSS amounted to P7.946 million for CY 2023.

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

### 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 April 24, 2023.

The DBM-approved COB consists of the: (a) proposed/original budget of P1.010 billion sourced from the Social Insurance Fund (SIF) and Accumulated Surplus in the amount of P880.294 million and P148.730 million, respectively. The budget for the Capital Outlay amounting to P102.700 million is chargeable to the Accumulated Surplus; and (b) approved/final budget of P887.360 billion was sourced from the SIF and Accumulated Surplus amounting to P880.294 million and P148.730 million, respectively.

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, 2023 is presented as follows:

	SCBAA-Actual vs SCF	SCBAA- Budget vs SCF
<b>Net cash flow</b>	<b>465,781,366</b>	<b>465,781,366</b>
<b>Differences in amounts and items included in SCBAA but not included in statement of cash flows</b>		
Unappropriated accumulated surplus	0	126,277,283
State insurance fund - unutilized loading fund	0	211,564,291
Difference in payments to suppliers and employees (personnel services and maintenance and other operating expenses)	0	(229,597,496)
	0	108,244,078
<b>Differences in amounts and items included in statement of cash flows but not included in SCBAA</b>		
Cash receipt from overpayment/disallowance	(1,019,003)	(1,019,003)
Cash receipt from bid bonds	(755,377)	(755,377)
Cash receipt - miscellaneous	(70,742)	(70,742)
Proceeds from investment in time deposits	(30,220,156)	(30,220,156)
Investment in time deposits	24,370,677	24,370,677
Interest earned on time deposits	(2,002,714)	(2,002,714)
Return of cash advance	(3,769,268)	(3,769,268)
Unutilized capital outlays	0	(79,841,484)
Cash and cash equivalents at beginning of year	(339,053,377)	(339,053,377)
	(352,519,961)	(432,361,444)
<b>Net fund sources</b>	<b>113,261,406</b>	<b>141,664,000</b>

## 26. LOADING FUND

The loading fund 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. The actual loading fund received and accrued by the ECC is shown below:

	2023	2022
SSS	<b>436,998,113</b>	348,565,226
GSIS	<b>226,318,881</b>	239,795,082
	<b>663,316,994</b>	588,360,308

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 the ECC, or invested to meet the liquidity needs. The funds under the administration of the GSIS and SSS are as follows:

Particulars	SSS		GSIS	
	*As at September 30, 2023	As at December 31, 2022 (As restated)	*As at December 31, 2023	As at December 31, 2022 (As restated)
Assets	45,583,812,138	47,399,783,069	39,251,268,499	35,447,044,076
Liabilities	38,294,890,063	40,976,171,958	27,876,767	173,860,002
<b>Reserves/Net worth</b>	<b>7,288,922,075</b>	<b>6,423,611,111</b>	<b>39,223,391,732</b>	<b>35,273,184,074</b>
Revenues	4,815,103,457	2,434,282,656	3,704,197,722	1,727,057,158
Expenses	1,828,857,632	1,477,932,920	388,566,056	442,772,169
Net income	2,986,245,825	956,349,736	3,315,631,666	1,284,284,989
Other comprehensive income (loss)	(421,479,373)	(639,689,293)	484,052,188	(2,300,162,505)
<b>Total comprehensive income/(loss)</b>	<b>2,564,766,452</b>	<b>316,660,443</b>	<b>3,799,683,854</b>	<b>(1,015,877,516)</b>

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

Actual remittances received for the operating expenses of the ECC and its Center from the SSS and GSIS chargeable to SIF are as follows:

Particulars	SSS		GSIS	
	As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
ECC	322,514,113	174,906,200	161,631,446	62,505,782
OSHC	123,379,029	194,152,110	61,205,121	60,819,700
	<b>445,893,142</b>	<b>369,058,310</b>	<b>222,836,567</b>	<b>123,325,482</b>

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 the Systems (GSIS and SSS). ECC also approves rules and regulations governing the processing of claims and the settlement of disputes, pursuant to PD No. 626, as amended.

## 27. PRIOR PERIOD ADJUSTMENTS

This consists of the following adjustments effected in the beginning balance of CY 2022 financial statements:

	Income	Expense	Adjustments
Staled Checks	20,000		20,000
Collection of OSHC's payment on 2021 Survey	73,895		73,895
Receivables from disallowances	423,298		423,298

	Income	Expense	Adjustments
Payment of compensation differential per CPCS		(987,036)	(987,036)
Other adjustment		(276)	(276)
	<b>517,193</b>	<b>(987,312)</b>	<b>(470,119)</b>

## 28. RESTATEMENT OF ACCOUNTS

The financial statements for CY 2022 have been restated. The effect of the restatement on the financial statements is summarized below.

Particulars	Previously reported	Adjustments	Restated
Revenue			
Business income:			
Seminar/training fees	1,679,997	23,000	1,702,997
Other business income	2,756,756	11,850	2,768,606
Personnel services:			
Salaries and wages	90,582,622	6,864,839	97,447,461
Personnel benefits contributions	12,552,588	127,415	12,680,003
Other personnel benefits	26,957,692	163,139	27,120,831
Other compensation	46,962,597	2,647,697	49,610,294
Maintenance and other operating expenses (MOOE):			
Assistance/subsidy/contribution	219,276,000	(130,000)	219,146,000
General services	54,144,927	(11,751)	54,133,176
Training expenses	39,583,167	79,000	39,662,167
Professional services	18,272,331	(26,439)	18,245,892
Supplies and materials expenses	16,302,478	(58,202)	16,244,276
Utilities expenses	12,207,029	(1,771)	12,205,258
Traveling expenses	7,440,928	82,932	7,523,860
Repairs and maintenance	8,901,724	(45,499)	8,856,225
Communication expenses	5,446,546	271,531	5,718,077
Other MOOE	30,234,111	9,248	30,243,359
		<b>Effect in CY 2022 FS</b>	
Net increase in revenue			34,850
Net increase in personnel services			(9,803,090)
Net increase in MOOE			(169,049)
Net restatement			(9,937,289)
Net surplus/(deficit) previously reported			(10,867,378)
Net restatements			(9,937,289)
Net surplus/deficit, as restated			(20,804,667)
Increase in receivables - net			497,193
Net increase in assets			497,193
Increase in financial liabilities			(10,777,185)
Increase in inter-agency payable			(127,416)
Net increase in liabilities			(10,904,601)



	<b>Effect in CY 2022 FS</b>
Net increase in assets	497,193
Net increase in liabilities	(10,904,601)
Net increase in net assets/equity	(10,407,408)

## 29. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO NET SURPLUS/(DEFICIT)

	2023	2022
Net (deficit)/surplus for the period	<b>127,186,067</b>	(20,804,667)
Non-cash movements:		
Depreciation and impairment loss	<b>25,033,787</b>	27,017,051
Increase in receivables from operating activities	<b>11,137,681</b>	(90,550,860)
Increase in payables from operating activities	<b>(21,623,223)</b>	100,422,353
	<b>141,734,312</b>	16,083,877

## 30. RELATED PARTY DISCLOSURES

As at December 31, 2023, the composition of the ECC Board of Commissioners is as follows:

Board Position	Name	Position from other agency
1. Chairman	Bienvenido E. Laguesma (Represented by Benjo Santos M. Benavidez, USEC - DOLE as Chairman-Designate)	Secretary, DOLE
2. Vice-Chairman	Jose Arnulfo A. Veloso (Represented by Atty. Nora M. Malubay, SVP – GSIS)	President and General Manager, GSIS
3. Member	Rolando L. Macasaet (Represented by Rizaldy T. Capulong, EVP-SSS)	President and CEO, SSS
4. Member	Teodoro J. Herbosa (Represented by Dennis S. Mas Remigio, Acting SVP - PHIC)	Chairman, PHIC
5. Member	Kaima Via B. Velasquez	Executive Director, ECC
6. Member	Carlito P. Roble	National Executive Vice-President, Alliance of Filipino Workers (AFW), Representing Employees
7. Member	Rene Y. Soriano	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 Division Chiefs of the various operating groups. The remunerations of key management personnel during the year are as follows:

	2023	2022 (As restated)
Salaries	18,539,605	19,090,504
Other allowances and benefits	10,366,754	8,545,338
	<b>28,906,359</b>	<b>27,635,842</b>

Meanwhile, the total remunerations received by the Board of Commissioners amounted to P25,000 and P65,000 for CYs 2023 and 2022, respectively.

### 31. COMPLIANCE WITH TAX LAWS

The ECC is withholding and remitting to the Bureau of Internal Revenue (BIR) applicable taxes 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	6,808,235
1600-4-E	Creditable IT Withheld Expanded	2,282,216
1604-CF	Taxes withheld from employees	14,381,543

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 PD No. 626 as amended, will file an Annual Income Tax Return on or before April 15, 2023 using BIR Form 1702-EX version June 2018.

## OBSERVATIONS AND RECOMMENDATIONS

### A. FINANCIAL AUDIT

1. The rental income derived from the leasing facilities of the Center (OSHC) cannot be verified due to the absence of a document which shows the Center's validation of the external transactions of the canteen concessionaire, casting doubt on the balance of the Rent Income account amounting to P11.348 million as at December 31, 2023.

- 1.1 Paragraphs 14 and 15 of the IPSAS 9 provide that:

*14. Revenue shall be measured at the fair value of the consideration received or receivable.*

*15. The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received, or receivable, taking into account the amount of any trade discounts and volume rebates allowed by the entity.*

- 1.2 On May 15, 2014, the OSHC as the Center of the ECC or "the Center" and the Union, represented by Samahan ng Manggagawa ng OSHC (SaMa-OSHC), entered into a Memorandum of Agreement on the operations of the Center's canteen to ensure the availability of affordable meals for the Center's staff. SaMa-OSHC, has the responsibility of selecting a qualified concessionaire to operate the canteen on its behalf. Also, the Union is tasked in the monitoring of all the internal and external transactions of the concessionaire and validating their reported income.
- 1.3 Subsequently in the same year, a concessionaire was selected by the Union to operate the canteen of the Center. The contract, formerly renewable on an annual basis, is now in effect from April 1, 2023 to March 31, 2025. Eligibility for extension is dependent upon the favorable outcome of the OSHC employees' satisfaction survey, which will be administered before the end of the contract.
- 1.4 Among the conditions in the contract between the Center and the Union, is that each party is entitled to a three per cent share on the net sales (after tax) derived from the functions catered by the concessioner, held both inside and outside of the Center. This distribution should be settled monthly in exchange for the use of the kitchen, dining area, comfort rooms, canteen staff rooms, and the service yard at the back of the Center's canteen. Additionally, the contract specifies that the canteen concessionaire shall provide budget meals for Center's employees valued at P50. Further, they shall submit a Monthly Sales Report to the Union and failure to do so will result in the withholding of monthly payments for the catering services for the Center's seminars, trainings or any other events, until compliance is made.

- 1.5 The Center automatically deducts its three per cent share on net sales upon payment to the concessionaire for the catering services rendered inside the Center. However, upon inquiry with the Management, it was revealed that the concessionaire does not submit a Monthly Sales Report to the Union which serves as the basis of the Center to verify and compute for the rent income. Additionally, the Union is unable to monitor the external transactions of the concessionaire for the Center to validate if their share on the income is accurate. Records also show that no income from external transactions has been reported by the concessionaire in 2023.
- 1.6 Thus, the rental income from the leasing activities of the Center cannot be verified in the absence of a document which shows the Center's validation of the external transactions of the canteen concessionaire. Therefore, casting doubt on the balance of the Rent Income account of P11.348 million as at December 31, 2023.
- 1.7 **We recommended and Management agreed to instruct the Finance and Administrative Division to:**
- a. **Instruct the SaMa-OSHC to require the concessionaire to comply with the contract, particularly on the submission of the Monthly Sales Report;**
  - b. **Instruct the SaMa-OSHC to adopt measures to properly monitor the catering services carried out by the canteen concessionaire; and**
  - c. **Demand from the concessionaire the remittance of the Center's share in the net sales generated from external transactions, if any.**

## **B. OTHERS**

2. **Expenses incurred for the electricity and water on the ongoing building construction of National Labor Relations Commission (NLRC) by a private contractor is being charged to the utility expense of the Center, which is not in accordance with Section 4 (b) of Presidential Decree (PD) 1445.**

- 2.1 **Section 4 (b) of PD 1445** provides that:

*“Section 4. Fundamental principles. Financial transactions and operations of any government agency shall be governed by the fundamental principles set forth hereunder, to wit:*

*Xxx*

*(2) Government funds or property shall be spent or used solely for public purposes.”*

- 2.2 A building of the National Labor Relations Commission (NLRC) is being constructed at the premises of the Center. As such, the electricity and water used in the construction is being supplied by the Center because the



contractor of the said building did not provide separate water and electric meters.

2.3 Audit disclosed that the electricity and water consumption of the Center for the month of December 2023 is higher than usual. However, the exact consumption of utilities by the construction company on its ongoing construction and to whom the bills will be charged cannot be determined, due to the absence of an agreement with NLRC for the billing of said utility consumptions.

**2.4 We recommended and Management agreed to instruct the Finance and Administrative Division to:**

**a. Send billing to NLRC for the utilities consumed during the construction; and**

**b. Execute an agreement with the NLRC stipulating the terms and conditions on the settlement of the utilities provided by the Center.**

2.5 Management further commented that they are currently working on the drafting of an agreement with NLRC to address the issue.

**3. Unpaid and overdue accounts, along with interest and actual damages owed by a Lessee amounting to P13.597 million, remain uncollectible due to Management's inaction over the past four years in enforcing the Regional Trial Court (RTC) Decision, contrary to Section 2 of PD No. 1445, resulting in the dormancy of the receivable account.**

3.1 Section 2 of PD No.1445, which states that:

*"It is the declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguarded 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."*

3.2 On May 21, 1990, the ECC and a Lessee signed a five-year Lease Contract. Following the conclusion of the initial agreement, both parties entered into an Amended Supplemental Agreement on July 16, 1996. During the execution of the second contract, the Lessee had outstanding accounts totaling P5.179 million, including unpaid rentals, electric bills, and water bills. Despite its commitment to settle these unpaid obligations by June 28, 1996, the Lessee was not able to fulfill the same, resulting in the accumulation of unpaid accounts.

- 3.3 On June 14, 2000, the ECC, through the Office of the Solicitor General (OSG), filed a complaint for the recovery of unpaid and overdue accounts, plus interest and actual damages against the former lessee before the RTC Branch 56, Makati City, for the use and/or rental of the office space on the second floor of the ECC building.
- 3.4 On May 31, 2013, the RTC Makati Branch 56 ordered the issuance of a Writ of Execution against the former lessee for the collection of the sum of money as follows:

<b>Particulars</b>	<b>Amount</b>
Principal Obligation	P10,308,161
Interest	1,022,512
Amount Due	11,330,673
Liquidated Damages	2,266,135
<b>Total</b>	<b>P13,596,808</b>

- 3.5 The sum of P11.331 million includes the total amount of its principal obligation from 1990 to December 31, 1999, along with an annual interest rate of six per cent, starting from May 26, 2000. Additionally, P2.266 million represents 20 per cent of the total amount due as liquidated damages pursuant to paragraph 16 of the Amended Contract of Lease dated July 16, 1995, with an added six percent interest per annum, commencing from May 26, 2000.
- 3.6 In a letter dated April 15, 2015, the ECC through the former Officer-in-Charge, sought assistance from the Employers' Confederation of the Philippines (ECOP). The ECC requested confirmation of the former lessee's current address and inquired about its membership status. In response, ECOP, through a letter dated April 21, 2014, from the then Director General, informed ECC that its former lessee had been removed from the ECOP membership roster since 2001 due to non-payment of annual dues. The letter also provided confirmation of the current address of the former lessee.
- 3.7 The ECC also wrote a letter on April 27, 2015 to the former lessee, inquiring if it has any intention to coordinate with the ECC for the settlement of its obligations. However, no reply has been received. The Audit Team also learned from the Management that there was a period during which the ECC was restricted to access the new office of the former lessee.
- 3.8 In addition to seeking assistance from ECOP, the ECC also coordinated with the Securities and Exchange Commission (SEC) to ascertain the corporate status of the former lessee. The SEC provided the ECC with two certificates indicating the names similar to that of the former lessee. One of these certificates was revoked on August 11, 2003, as per SEC Order dated July 8, 2003, due to non-submission of the required General Information Sheet and Financial Statements for the years 1997 to 2002. However, since there is no Amended Articles of Incorporation dissolving the corporation has been filed, the latter remains registered.

- 3.9 Based on files obtained from the Management, the Audit Team noted that the most recent action taken by the ECC was in its letter dated May 13, 2019 which sought assistance from the Department of Labor and Employment (DOLE), Makati-Pasay Field Office (MPFO), specifically through its Field Inspectors. The ECC requested confirmation whether the Lessee, last known to be located at U-308 Lady of Fatima Bldg., No. 1849 Piliia cor. Asuncion Sts., Brgy. Valenzuela, Santiago Village, Makati City, was still engaged in business activities in Makati City. However, as per the available records, no response from DOLE has been documented.
- 3.10 As a result of an extended period without successful collection from the Lessee, the principal amount initially recorded in the books as accounts receivable, totaling P10.308 million, was subsequently classified as bad debts. Hence, an impairment allowance equivalent to this amount was provided.
- 3.11 While COA Circular No. 2023-008 dated August 17, 2023 provides guidelines on the proper disposition of dormant accounts, it is emphasized in paragraph 11 thereof that Management shall continue to exert effort to collect the accounts appearing in the Registry of Accounts Written-Off (RAWO) or Registry of Derecognized Dormant Account (RDDA) when circumstances warrant.
- 3.12 Thus, the inability of the Management to enforce the RTC Decision does not embody Section 2 of PD No. 1445. This is because government resources were not properly managed or utilized, which could eventually result in loss.
- 3.13 **We recommended and Management agreed to instruct the Finance Division to:**
- a. **Exert all possible means including legal action to recover the outstanding amount owed by the former lessee; and**
  - b. **Consider requesting authority to write-off if the collection of the outstanding amount from the former lessee becomes impracticable or unfeasible.**
4. **Non-consolidation of the two parcels of land in the name of ECC, valued at P167,483 recorded under the Investment Property (IP) account, may hinder the sale of the properties. Also, non-monitoring of the properties which led to illegal occupancy and construction of an adjacent fence on ECC's properties by a neighboring property owner, may potentially lead to another property dispute.**
- 4.1 The subject properties are located in Barangay Miranda, Municipality of Talisay, Batangas covered by Transfer Certificate of Title (TCT) Nos. 27984 and 27985 with a total land area of 8,466 square meters. The properties were acquired on September 4, 2008, through foreclosure with Certificate of Sale (COS) issued by the Sheriff's Office of Tanauan City, Batangas in favor of ECC.

- 4.2 The ECC has been persistent in complying with the requirements for the consolidation of the two land titles. However, lack of clear legal guidance from the concerned government agencies resulted to confusion causing delay in the process of consolidation of title, which in turn, has impeded the timely progression of transferring the land title into the name of ECC.
- 4.3 Upon inquiry with the Management, the acquisition of the two parcels of land was treated by the concerned government agencies as an ordinary conveyance of property through sale, rather than categorizing it under item “b” of Section 63 of Presidential Decree (PD) No. 1529 Amending and Codifying the Laws Relative to Registration of Property and for Other Purposes, which states that:

**“Section 63. Foreclosure of Mortgage. Xxx**

*(b) If the mortgage was foreclosed extrajudicially, a certificate of sale executed by the officer who conducted the sale shall be filed with the Register of Deeds who shall make a brief memorandum thereof on the certificate of title. Xxx”*

- 4.4 The COS provided to the ECC was not filed with the Register of Deeds. Instead, the ECC had initially received guidance from concerned government agencies, directing them to obtain the Department of Agrarian Reform (DAR) clearance. However, in 2019, seeking clarity, the ECC sought legal advice from the DAR and was then instructed to pursue a Comprehensive Agrarian Reform Program (CARP) Exemption. These conflicting advices have led to confusion and uncertainty in undertaking appropriate procedures for consolidation.
- 4.5 The Audit Team has also conducted an ocular inspection of the properties with the assistance of the Management and have observed that there were two occupants currently residing in the properties. According to these occupants, they were permitted by the alleged owner.
- 4.6 Aside from the ECC, there is another person claiming ownership of the properties who had previously filed an “Affidavit of Adverse Claim”. However, the original titles have no annotation of the mortgage and no subsequent actions were documented Hence, she resorted to occupancy of the properties rather than pursuing further legal action.
- 4.7 While the cost of the investment properties can be measured reliably and the ECC’s claim for ownership of the properties is backed up by documents as compared to the other claimant, the delay in the process of transferring ownership to the name of the ECC and the lack of monitoring of these properties through ocular inspection which may lead to another property dispute, could hinder the sale of these investment properties.



- 4.8 We recommended and Management agreed to instruct the Administrative Division to:
- a. Comply with the documentary requirements on the consolidation of titles of the two foreclosed parcels of land in ECC's name, in accordance with Section 63 of PD No. 1529;
  - b. Undertake appropriate action for the ejection of illegal occupants from the ECC properties; and
  - c. Consider resurveying the properties to establish clear boundaries.
5. The procurement of several office equipment by the ECC was not meticulously and judiciously planned due to lack of comprehensive assessment of the necessity of the said equipment, contrary to Rule II, Section 7.1 of the Implementing Rules and Regulations of Republic Act (RA) No. 9184, resulting to a pile of office equipment still serviceable stocked in the storage room, without gaining benefit from them.
- 5.1 Rule II, Section 7.1 of the Implementing Rules and Regulation of Republic Act (RA) 9184 provides that:
- “All procurement shall be within the approved budget of the procuring entity and should be meticulously and judiciously planned by the procuring entity. Consistent with government fiscal discipline measures, only those considered crucial to the efficient discharge of governmental functions shall be included in the Annual Procurement Plan (APP). For purposes of this IRR, a procurement project shall be considered crucial to the efficient discharge of governmental functions if it is required for the day-to-day operations or is in pursuit of the principal mandate of the procuring entity concerned. Xxx”*
- 5.2 The ECC prepares the Annual Procurement Plan (APP) by consolidating the requests from all divisions, with the Supply Officer as the responsible personnel, who confirmed that no additional evaluation is being undertaken as to the necessity of the items for procurement.
- 5.3 The ECC typically conducts live seminars for the public to inform them about the Employees' Compensation (EC) benefits. To meet the needs of employees responsible for the delivery of public services, the ECC procured 12 microphone lapels on June 26, 2014 and January 25, 2016, amounting to P190,456. Two of these lapels cost P20,528 each, while the rest cost P14,940 each. According to some Regional Extension Units' (REUs) employees, these units were returned to the Central Office (CO) since they considered these items as not really necessary.
- 5.4 Furthermore, during the inspection, the Audit Team observed 14 digital cameras procured on June 18, 2019 at P6,839 each which are still in working condition but are only stocked in the storage room. These cameras were

returned by the employees to whom these were issued for the documentation of projects and programs. They found them unnecessary as their specifications are almost identical to those of an average cellular phone at the time of purchase.

- 5.5 Although the carrying amount of these office equipment items is not significant to the financial statements, as they were classified as semi-expendable office equipment and recorded as expenses in previous years, it is crucial for the ECC to conscientiously observe Rule II, Section 7.1 of the IRR of RA No. 9184.
- 5.6 The ECC may have had good intentions in procuring the items, however reasonable assessment on the necessity must also be observed at all times, so that resources are properly utilized and managed.
- 5.7 **We recommended that Management require the Division Chiefs to assess the necessity of the items to be requested prior to procurement, and strictly observe Rule II, Section 7.1 of the Implementing Rules and Regulations of Republic Act (RA) No. 9184 in the preparation of the APP.**
- 5.8 Management commented the following:
  - a. The Administrative Division provides support to the operating divisions through hiring of competent and efficient workforce, provision of clean and conducive workplace and the timely provision of sufficient supplies and equipment needed to enable them to efficiently and effectively discharge their functions.
  - b. The Supply Section requires all Divisions, Units and Sections to submit an Annual Procurement Plan (APP) which it consolidates for the purpose of providing funds therefore in the corporate operating budget. Thus, all supplies and equipment purchased by the Supply Section are based on the request earlier submitted by all Divisions, Units and Sections and approved by the head of the agency.
  - c. The procurement of supplies and equipment commences with the submission of a purchase request signed by the concerned division head and duly approved by the head of the agency. The determination of whether or not the equipment requested are useful and contributes to a more efficient and effective discharge of their duties lies with the concerned Division. The Supply section's function is merely ministerial since it does not have the discretion to determine if the request is necessary and useful on the part of the end user.
  - d. The procurement of the subject equipment was done prior to the pandemic in 2020 when the REU staff in the IPAD are in full swing in their face to face conduct of in-house and in-plant seminars. At that time, the use of microphone lapel was needed by the staff to make his lecture audible to the participants/audience. With the onset of the pandemic, online or virtual seminars were found to be an efficient and

cost-effective means of increasing awareness of the EC program. Thus, the usefulness of the lapels has declined, prompting the REU staff to return the same to the ECC Supply Section to be relieved from property accountability.

- e. The cameras were procured to document awards for starter kits, livelihood projects, prosthesis and other rehabilitation projects of the Work Contingency Prevention and Rehabilitation Division (WCPRD) staff in the regions. However, since the awards were usually done in far-flung areas in the regions that require the staff to commute, they opted to use their personal mobile units to document their activities to lessen their load while traveling.

5.9 By way of audit rejoinder, we acknowledge Management's response regarding the acquisition of lapel microphones, recognizing the validity of their explanation. However, concerning the procurement of digital cameras with specifications comparable to those of average mobile phones, we affirm our stance that every procurement decision, irrespective of its monetary value, should undergo careful consideration. This involves a thorough assessment by the Division Chiefs of the necessity of the item being procured in accordance with Rule II, Section 7.1 of the IRR of RA No. 9184.

**6. Properties and equipment, both semi-expendable and non-semi expendable, are not properly accounted for, particularly in ECC REUs. Some of these items are not included in the corresponding schedule and/or if included therein, they cannot be located. Also, due to the absence of property number or sticker, some PE items are not easily identifiable. These deficiencies caused difficulty of identifying accountabilities thereby exposed the assets to potential loss.**

6.1 The Administrative Division has provided the Audit Team with Inventory Reports on Semi-expendable and Non-Semi Expendable Properties and Equipment (PE) as of October 31, 2023, for the REUs of the ECC and its Center. The Audit Team conducted ocular inspections in some ECC REUs, particularly in Zamboanga, Cagayan De Oro, and Davao, on November 14-16, 2024, November 21-23, 2024, and November 28-30, 2024, respectively.

6.2 Ocular inspection in REUs in Mindanao revealed that some non-semi expendable PEs lack property stickers, causing difficulty in locating the whereabouts of the property items. These properties and equipment are as follows:

REU	Property No.	Particulars	Acquisition Cost
Cagayan De Oro (ECC)	2022-05-030-R10-IT-002-086	Laptop, Asus B1500CEAE	P63,029
Cagayan De Oro (ECC)	2022-05-030-R10-IT-002-096	Laptop, Asus B1500CEAE	63,029
Zamboanga (OSHC)	2021-03-2415	Desktop Computer, DELL	88,830
Zamboanga (OSHC)	2021-03-2791	Asus, Vivobook	71,222

REU	Property No.	Particulars	Acquisition Cost
Cagayan De Oro (OSHC)	2021-03-2416	Desktop Computer, DELL	88,830
Cagayan De Oro (OSHC)	2017-11-1070	Desktop Computer, ACER	59,382
Cagayan De Oro (OSHC)	2021-03-2792	Laptop Computer, Asus	71,222
Cagayan De Oro (OSHC)	2022-06-3236	Air-Conditioning Unit, Split Type	64,100

6.3 Further, in REU XI Davao, one Laptop Computer valued at P56,902 was not found during the inspection. The Audit Team was not able to obtain information on the current location or status of the afore-mentioned equipment.

6.4 There were also some identified PE items not included in the Schedule of Property provided by the Management, as follows:

REU	Property No.	Particulars
Davao (OSHC)	SN# 5CD2431FRN	Laptop Computer, HP
Davao (OSHC)	2023-02-3533	Office Table
Davao (OSHC)		Steel Rack

6.5 Moreover, the following PE items are still included in the Schedule of Property but according to the REUs, these items were already returned to the Central Office:

REU	Property No.	Particulars	Acquisition Cost
Davao (ECC)	2015-05-030-R11-SX-IT-002-029	HP Probook 440 G2 Laptop Computer	P 40,800
Zamboanga (ECC)	2012-05-030-R09-SX-IT-001-040	MS Windows 7 Pro 64 Bit Computer	26,913
Zamboanga (ECC)	2016-06-010-R09-FF-018-102	Printer Epson L210 Multi-function	7,495
Davao (OSHC)	2021-03-2750	Laptop Computer, Asus	71,222

6.6 Finally, the Audit Team noted that there are several PEs, some of which are already broken, but are still being used by employees posing hazards to both the REU employees and visitors.

6.7 The ECC adheres to the use of forms, registries, and reports for semi-expendable and non-semi expendable properties. However, the identified lapses in controls should be given due attention, as these could lead to losses in PE.



6.8 **We recommended and Management agreed to instruct the Supply Officer to:**

- a. **Place property numbers or stickers to all PEs for proper identification;**
- b. **Determine the location of the PE included in the inventory report that was not found during inspection, and adjust/correct the property records and physical inventory report accordingly;**
- c. **Update the Inventory Report on Semi-expendable and Non-semi expendable PEs for items not listed therein; and**
- d. **Instruct the REUs to inform the Central Office of the unserviceable PEs for proper classification and disposition.**

7. **Deficiencies in the documentation for the payment of monetization of leave credits, like certification on leave applications even with incomplete details and absence of Letter-Request, raise concerns on the propriety of transactions, and contrary to Item 5.8 of COA Circular No. 2023-004 dated June 14, 2023 and Sections 22 and 23 of CSC MC No. 41, s. 1998.**

7.1 Item 5.8 of COA Circular No. 2023-004 dated June 14, 2023 provides the following documentary requirements for the monetization of leave credits:

*“5.8. Monetization of Leave Credits*

- *Approved leave application with leave credit balance certified by the Human Resource Officer*
- *Request for monetization of leave covering more than ten days duly approved by the Head of Agency*
- *For monetization of 50 percent or more:*
  - *Clinical abstract/ medical procedures to be undertaken in case of health, medical and hospital needs*
  - *Barangay Certification in case of need for financial assistance brought by calamities, typhoons, fire, etc.*
  - *Justification on financial needs for the education of employee or children”*

7.2 Also, Sections 22 and 23 of the Civil Service Commission (CSC) Memorandum Circular (MC) No. 41, s. 1998 states that:

*“Sec. 22. Monetization of leave credits. – Officials and employees in the career and non-career service whether permanent, temporary, casual, or coterminous, who have accumulated fifteen (15) days of vacation leave credits shall be allowed to monetize a minimum of ten (10) days: Provided, that at least (5) days is retained after monetization and provided further that a maximum of thirty (30) days may be monetized in a given year.*

*Sec. 23. Monetization of 50% of vacation/sick leave credits. – Monetization of fifty percent (50%) of all the accumulated leave credits may be allowed for valid and justifiable reasons subject to the discretion of the agency head and the availability of funds.”*

7.3 In line with Sections 22 and 23 of CSC MC No. 41, s. 1998, the annual monetization of leave credits is stipulated to be no less than 10 days and not exceeding 30 days. Additionally, a minimum of five days leave credits must be retained after monetization, unless an employee opts to monetize 50 per cent of his/her leave credits for a valid and justifiable reason, subject to the approval of the Agency Head.

7.4 The Audit Team has observed instances where some employees monetized more than 30 days but have less than 50 per cent of their leave balance. Moreover, the table below shows the monetization of leave credits paid during the year that lacks full documentary requirements:

<b>Check Number</b>	<b>Amount</b>	<b>Date (mm/dd/yyyy)</b>	<b>Remarks</b>
3172319	P 49,998.91	03/07/2023	<ul style="list-style-type: none"> <li>No request for monetization of leave covering more than 10 days duly approved by the Head of Agency</li> </ul>
3152032	32,619.54	02/23/2023	<ul style="list-style-type: none"> <li>No request for monetization of leave covering more than 10 days duly approved by the Head of Agency</li> <li>Incomplete information on leave application form</li> </ul>
3175968	28,206.71	04/26/2023	<ul style="list-style-type: none"> <li>Monetization is above maximum of 30 days (36.205 days)</li> </ul>
3203325	22,988.28	07/06/2023	<ul style="list-style-type: none"> <li>Incomplete information on leave application form</li> </ul>
3203326	17,059.59	07/06/2023	<ul style="list-style-type: none"> <li>Above maximum of 30 days (31 days)</li> <li>No leave application attached</li> <li>No request for monetization of leave covering more than 10 days duly approved by the Head of Agency</li> </ul>
3203841	17,647.68	08/04/2023	<ul style="list-style-type: none"> <li>Incomplete information on leave application form</li> </ul>



Check Number	Amount	Date (mm/dd/yyyy)	Remarks
3204235	17,647.68	04/30/2023	<ul style="list-style-type: none"> <li>Incomplete information on leave application form</li> </ul>
3204358	49,999.96	09/06/2023	<ul style="list-style-type: none"> <li>Above maximum of 30 days (51.121 days)</li> <li>Incomplete information on leave application form</li> <li>No request for monetization of leave covering more than ten days duly approved by Head of Agency</li> </ul>
3204552	50,000.00	09/15/2023	<ul style="list-style-type: none"> <li>Monetization is above maximum of 30 days (64.178 days)</li> <li>No justification/supporting documents for monetization of 50 per cent</li> <li>No request for monetization of leave covering more than 10 days duly approved by the Head of Agency</li> </ul>
3204812	19,319.51	09/21/2023	<ul style="list-style-type: none"> <li>No request for monetization of leave covering more than 10 days duly approved by the Head of Agency</li> </ul>
3205149	9,692.03	09/28/2023	<ul style="list-style-type: none"> <li>Incomplete information on leave application form</li> </ul>
3205263	49,999.12	10/06/2023	<ul style="list-style-type: none"> <li>Incomplete information on leave application form</li> </ul>

7.5 As indicated in the above table, some employees who have monetized 10 or more days of their leave credits did not attach or submit a request for leave monetization, which requires approval from the Head of the Agency. The Leave Application Form, as prescribed by the CSC, includes a section where the authorized official, in this case, the Head of Agency of ECC, approves or disapproves the employee's leave application.

7.6 Furthermore, some employees who monetized 50 per cent of their leave credits have only attached photos without providing sufficient justification for their request. This practice deviates from the guidelines outlined in COA Circular No. 2023-004, raising concerns about the propriety of the transaction.

- 7.7 Audit further disclosed that there are instances where the leave application forms have incomplete information. Specifically, in the section where the Human Resource (HR) Officer certifies the accuracy of the leave credits, some forms lack information regarding the number of days to be monetized and the balance of leave credits.
- 7.8 Adhering to proper documentation, especially in terms of justification, is imperative. This approach ensures that management can prioritize employees with urgent needs.
- 7.9 **We recommended that Management instruct the Human Resource Division to:**
- a. **Ensure that all required fields on the leave monetization request forms are completely filled-up, particularly on the accumulated leave credits, to ensure that the balance is sufficient for the number of days being applied for; and**
  - b. **Strictly comply with COA Circular No. 2023-004 dated June 14, 2023 and CSC MC No. 41, s. 1998, on the processing of payment on monetization of leave credits.**
- 7.10 Management commented the following:
- a. The COA observation will be the guide in the ongoing review of the Monetization of Leave Credits policy issued by the ECC in 2015 which was based on CSC Memorandum Circular No. 41, s. 1998 and COA Circular No. 2012-001 dated June 14, 2012, which then did not require a separate approval from the Head of Agency for covering 10 days or more and the monetization of 50 per cent of leave credits. COA Circular No. 2023-004 dated June 14, 2023, was issued in June 2023 and took effect fifteen days after publication in a newspaper of general circulation. Most of the monetization of leave credits under question were availed of before COA Circular No. 2023-004 took effect. Management considered the approval of the Head of the Agency in the leave application as an express approval of the request for monetization of leave credits.
  - b. In view of the issuance of COA Circular No. 2023-004, ECC shall now abide by the documentary requirements indicated therein. In the review of the present policy issuance under Office Order No. 2015-270, the submission of the documentary requirements under the said Circular shall be considered and the completeness of all documentary requirements as well as the information required in the leave application forms be strictly monitored. The review shall also consider the removal of the cap of P50,000 in the monetization of 50 per cent of leave credits.
- 7.11 By way of rejoinder, COA Circular Nos. 2012-001 dated June 14, 2012, and 2023-004 dated June 14, 2023, both outlined the documentary pre-requisites for the monetization of leave credits. These include obtaining separate



approval from the Head of Agency, a general requirement applicable to both Circulars, along with additional documentation specifically mandated for 50 per cent monetization of leave credits. Notably, COA Circular No. 2023-004 issued on June 14, 2023, expanded the criteria for approval of monetization of leave credits, that is for the financial need for employee's education or their children.

- 7.12 Regardless of the date of the request, the ECC should adhere to the provisions outlined in either COA Circular Nos. 2012-001 or 2023-004 when seeking approval for monetization of leave credits. The Leave Application Form, as prescribed by the CSC, includes a section where the authorized official, in this case, the Head of Agency for ECC, for the approval of the employee's leave application. However, it should be noted that attaching a Request for Monetization, duly signed by the Head of Agency, is still essential. Moreso, it is necessary to further assess the purpose of the need for monetization. While we appreciate Management's responsiveness to our observations, we maintain our position for the submission of the required documentary requirements to be able to conduct a thorough assessment of the propriety of the transaction.

#### Gender and Development (GAD)

8. **The ECC has no approved GAD Plan and Budget (GPB) for CY 2023 due to non-endorsement by the Philippine Commission on Women (PCW) to the Department of Budget and Management (DBM). Consequently, it raises concerns on the appropriateness of the ECC's programs and activities in relation to Gender and Development (GAD), which is not in accordance with item 1.2.5.1 of the PCW Memorandum Circular (MC) No. 2022-03 dated August 31, 2022.**

- 8.1 Item 1.2.5.1 of the PCW MC No. 2022-03 dated August 31, 2022 provides that:

*“PCW shall endorse the FY 2023 GPB if: (1) the minimum 5% GAD Budget requirement has been met, and (2) the entries in the GPB are compliant with the comments and/or recommendations of PCW following the provisions of the MCW and relevant guidelines on GAD Planning and Budgeting;”*

- 8.2 Also, Item 4.0 of the PCW MC No. 2022-03 dated August 31, 2022 provides the deadline for the encoding and submission to PCW of the FY 2023 GPB through Gender Mainstreaming Monitoring System (GMMS) which is on November 21, 2022. The ECC, like any other government agency, is required to submit their GPB directly to the PCW, for review and endorsement.
- 8.3 On November 3, 2022, the ECC established a committee dedicated to Gender and Development Focal Point (GFP), featuring various ECC employees. The key appointments within this committee included the Chief of Legal Administration as the designated Focal Point Person and

Chairperson, with the Chief of Policy, Programs & Systems Management Division (PPSMD) serving as her alternate and Vice-Chairperson. Functioning as integral members of the Gender and Development Focal Point System (GFPS), this committee, led by the Chief of Legal Administration, shoulders specific responsibilities, particularly in the oversight and maintenance of the agency's GAD profile within the GMMS.

- 8.4 Moreover, the committee is entrusted with the tasks of encoding and submitting the GPB through the GMMS, to ensure compliance with relevant standards and guidelines.
  - 8.5 The PCW has established a deadline for the online submission of the GPB through the GMMS. The ECC was initially anticipated to submit its GPB for CY 2023 by November 21, 2022. However, records indicate that the draft GPB has not been uploaded until November 8, 2023. The delay in the submission might be contributory to the status of the GPB for CY 2023, which is still tagged as "Unendorsed."
  - 8.6 While the ECC may have complied with the five per cent GAD budget requirement, the draft GPB was not uploaded through the GMMS for PCW's review. The review process is crucial as the PCW provides appropriate comments and recommendations concerning the agency's planned programs and activities. This step is essential to ensure that the agency is aligned with the pertinent guidelines and adhered to the established standards on the conduct of GAD related programs, projects and activities.
  - 8.7 The non-endorsement of the GPB by the PCW, necessary for the approval by the DBM, may impede the ECC's efforts in realizing gender equality and women's empowerment. It underscores the importance of securing the necessary approvals to ensure the effective implementation of initiatives aimed at promoting gender inclusivity and empowerment within the organization.
  - 8.8 **We reiterated with modification our previous year's recommendations and Management agreed to direct the ECC GFPS to:**
    - a. **Strictly comply with the timely preparation, submission and uploading of the GPB through the GMMS pursuant to PCW issuances for their review and endorsement to DBM; and**
    - b. **Consistently check the PCW official website for updates on the guidelines related to GPB submission, ensuring compliance within the specified deadlines.**
9. **GAD Accomplishment Report (AR) for CY 2022 was not forwarded to the Audit Team which is not in accordance with the Item V of COA Circular No. 2014-001. As a result, the programs and activities related to GAD conducted by the ECC cannot be properly evaluated.**

- 9.1 PCW Memorandum Circular No. 2022-07 establishes March 17, 2023, as the deadline for Government-Owned and Controlled Corporations (GOCCs) to submit their respective GAD AR for CY 2022.
- 9.2 As outlined in Item V of COA Circular No. 2014-001 dated March 18, 2014, the GAD AR must be submitted to the Audit Team within five working days from the end of January of the preceding year.
- 9.3 The Audit Team has not received yet the GAD AR for CY 2022 from the Management, hindering the evaluation of programs and activities conducted by the ECC concerning GAD.
- 9.4 **We reiterated with modification our recommendation that Management promptly submit a copy of the GAD AR to the Audit Team pursuant to COA Circular No. 2014-001 for CY 2022 and the ensuing years.**
- 9.5 The Management assured the Audit Team that it will take note of all the recommendations and act on them accordingly through the ECC's strengthened GFPS.
- 9.6 By way of rejoinder, while we appreciate the Management's effort and coordination with the Audit Team, compliance by Management with the audit recommendations will be monitored accordingly.

#### **Compliance with Tax Laws**

10. For CY 2023, 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 unremitted taxes withheld amounting to P5.727 million as of December 31, 2023, was accordingly remitted in the ensuing month.

#### **Remittance of Mandatory GSIS, Pag-IBIG and PhilHealth Contributions**

11. For CY 2023, 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 the amortizations due from their employees/members and diligently remitted the same including the employer's share to the respective agencies within the prescribed period.

## 12. Status of Audit Suspensions, Disallowances and Charges

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

Audit Action	Beginning balance 01/01/2023	Issued	Settled	Ending balance 12/31/2023
(In Philippine Peso)				
Suspensions	554	394,859	395,413	0
Disallowances	7,595,897	3,300	2,174,745	5,424,452
Charges	315,600	0	0	315,600
	<b>7,912,051</b>	<b>398,159</b>	<b>2,570,158</b>	<b>5,740,052</b>

12.2 The beginning balances reflected in the preceding table are the integrated amount for ECC and its Center detailed as follows:

Name	Disallowances	Charges
(In Philippine Peso)		
ECC	2,977,139	0
Center	4,618,758	315,600
<b>Balance, 01/01/2023</b>	<b>7,595,897</b>	<b>315,600</b>

12.3 The balance of P5.740 million as at December 31, 2023 does not include the Notices of Disallowance (NDs) and Notices of Charge (NCs) issued prior to the effectivity of the 2009 Revised Rules and Settlement of Accounts (RRSA) but were deemed disallowances/charges and continue to be enforced in accordance with Section 28 of the same RRSA. The details are as follows:

Name	Disallowance	Charges	Settled	Ending Balance
(In Philippine Peso)				
ECC	15,594,997	0	212,447	15,382,550
OSHC	2,893,062	0	0	2,893,062
	<b>18,488,059</b>	<b>0</b>	<b>212,447</b>	<b>18,275,612</b>



## STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of the 59 audit recommendations embodied in the 2022 Annual Audit Report, 41 were implemented, and 18 were not implemented of which 4 were reiterated in Part II of this Report. The details are as follows:

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
<b>CY 2022 AAR</b>			
Observation No. 1, page 44	1. After almost eight years, Management is still unable to come up with one Restructuring Plan (RP) for approval by 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) not properly defined accountabilities and responsibilities of ECC and OSHC's officials and employees. Such delay in the finalization of the RP entails higher administrative cost which amounted to P13.457 million for CY 2022.	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	Not implemented  The ECC is currently in discussion with the consultants on the development of an RP that adheres to the directives set forth by the GCG.
		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 and Center and come up with appropriate guidelines to ensure proper check and balance in all its transactions. The same should be considered in the proposed RP.	Not implemented
		c. Strictly observe the required timeline in the crafting of the RP of the ECC and	Not implemented

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
		the OSHC under BR No. 22-12-39 dated December 16, 2022.	
Observation No. 2, page 47	<p>2. The continuous inability of the Employees' Compensation Commission (ECC) to enforce the audit recommendation to revoke/terminate the authority granting the ECOP, a private organization, free occupancy of ECC's office space, resulted in opportunity loss estimated at P10.843 million in rental income from CYs 2019 to 2022, thereby depriving the ECC of the much-needed funds to provide benefits to its members. Likewise, ECC's mandate to manage a sound, strong, and wisely invested State Insurance Fund was not appropriately executed.</p>	<p>a. Recommend to the ECC Board of Commissioners the revocation/termination of the Board Resolution granting ECOP the free occupancy of ECC's office space;</p> <p>b. Have ECOP enter a lease contract with ECC with rental rates based on the prevailing rate of the other leases of the ECC building;</p> <p>c. Offer the space to prospective tenants through public bidding if a lease agreement is not reached to prevent continuous losses;</p> <p>d. Determine applicable rental rates for the years 2019 to 2022 for the office space occupied by ECOP and issue billing statements/statement of accounts to collect the rents from ECOP; and</p> <p>e. Seek guidance from the DPWH on the determination of lease terms and rates that will be reasonable to both parties, to include those for the</p>	<p>Not implemented for the five recommendations.</p> <p>The ECC sent a letter to the Office of the President (OP) requesting a written authorization from the President to allow the ECOP to occupy the 3<sup>rd</sup> floor of the ECC building rent-free. However, there is no response yet from the OP, to date.</p>

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
		years 2019 to 2022. Moreover, continue the negotiation with the ECOP to solve the matter within the year.	
Observation No. 3, page 51	3. Accounts Receivables totaling P6.057 million have been non-moving/dormant in the books for more than three years, the non-collection of which hindered the use of the funds for operation and investment to earn income for the benefit of employees and their dependents envisioned under Article 166 of Presidential Decree (P.D.) No. 626.	<p>a. Exhaust all measures to document the dormant receivables amounting to P2.560 million and immediately collect from identified/located debtors;</p> <p>b. Immediately collect the P3.497 million trade receivables; and</p> <p>c. Comply with the provisions of COA Circular No. 2016-005 on the requests for write off of accounts for which the collection is already remote or nil.</p>	<p>Implemented</p> <p>Not implemented for recommendations b and c.</p> <p>The ECC remains determined to recover the outstanding receivables by sending demand letters to debtors whose addresses are still traceable. However, obtaining authorization for write-off proves challenging as the ECC encounters difficulties in meeting the necessary requirements.</p>
Observation No. 4, page 54	4. The two parcels of land valued at P167,483 under the Investment Property (IP) account are still not consolidated in the name of ECC despite the lapse of 13 years after the expiration of the one-year redemption period.	Immediately comply with the documentary requirements for the consolidation of titles of the foreclosed two parcels of land in the name of ECC.	<p>Not implemented</p> <p>Reiterated with modification in Observation No. 4, Part II of this report.</p>

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
	Hence, making the ownership of the property by the ECC uncertain and exposing it to risk of possible loss that may result from future legal actions prejudicial to the interest of the ECC.		
Observation No. 5, page 55	5. Physical inventory taking of office supplies and materials and reconciliation of the supplies and materials in stock with the accounting records were not conducted, thus the inventory stocking was not evaluated, actual accountability of the supplies was not established and reconciliation with accounting records was not done contrary to the guidelines prescribed in the Handbook on Property and Supply Management.	a. Conduct physical inventory of supplies and materials every June and December of each year;	Implemented
		b. Prepare the inventory reports of office supplies and materials using the prescribed format and submit them promptly to the Audit Team; and	Implemented
		c. Effect the appropriate corrections/ adjustments in the RPCI and in the accounting records based on the results of the physical inventory.	Implemented
Observation No. 6, page 56	6. The ECC and its Center did not strictly impose control measures over consumption of fuel totaling P3.296 million as at December 31, 2022, which is not in adherence to COA Circular No. 77-061. This includes: (a) non-preparation and non-submission of Monthly	a. Approve only properly accomplished Driver's Trip Tickets which are serially numbered;	Implemented
		b. Direct the assigned drivers to prepare Monthly Report of Official Travels for each vehicle by summarizing in	Implemented



Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
	Report of Official Travels and Monthly Report of Gasoline Consumption, (b) Driver's Trip Tickets not properly accomplished, and (c) not all motor vehicles are marked "For Official Use Only", which may result in unnecessary and excessive expenditures, and inability to establish the reasonableness of expenses.	chronological order the drivers trip tickets for the month and submit the original copy of the same to the Audit Team;  c. Prepare and submit to the Audit Team the Monthly Report of Fuel Consumption showing, among others, the different types of vehicles used by the Agency during the month, the total distance traveled, total fuel used and the normal fuel consumption for each government motor vehicle for verification purposes; and  d. Mark all motor vehicles owned by the ECC and its Center with "For Official Use Only."	Implemented
Observation No. 7, page 58	7. Results of the cash examinations conducted on the Accountable Officers' (AOs) cash and accounts disclosed various deficiencies: (a) AOs were not bonded; (b) Cashbooks were not maintained by the AOs; and (c) AO was not provided with appropriate safe, vault, or cash receptacles for proper safe keeping of the cash and other cash items, thus, the	a. Provide/renew adequate bond to all SDOs pursuant to Section 101 of PD No. 1445 and Section 4.10 of Treasury Circular No. 02-2009;  b. Follow-up with the BTr the applications for bond renewal that were filed on-line;  c. Require all Accountable Officers to maintain cashbook pursuant to Sections 6.1 and 6.2 of COA	Implemented  Implemented  Implemented

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
	ECC may not be indemnified/safeguarded in case of loss and/or if the AOs abscond from duty.	Circular No. 97-002; and  d. Provide the SDO with safe, vault, or cash receptacles for proper safe keeping of the cash and other cash items.	Implemented
Observation No. 8, page 61	8. Lack of policy/guidelines on overtime services caused difficulty in determining a reasonable travel time that may result in unnecessary or excessive overtime payments/charges, and may violate Item 3.1 of CSC and DBM Joint Circular No. 1, series of 2015.	a. Establish policy/guidelines on overtime services which should include, among others, a provision on the estimated travel time for the different routes/destinations of shuttle services;	Implemented
		b. Require the Administrative Division to monitor the overtime services rendered by the ECC employees and their compliance to existing rules and regulations;	Implemented
		c. Advise drivers to leave the ECC garage a little later than their usual time of departure in the morning to avoid long waiting time for the first passenger;	Implemented
		d. Require all drivers to maintain a logbook or record book where passengers will indicate the exact hour/time of their pick up and drop off, duly signed by them;	Implemented

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
		e. Consider establishing pick up and drop off points closer to the ECC Office to save time and fuel; and	Implemented
		f. Issue an advisory on the time of pick up at pick up points to be observed by both the drivers and passengers.	Implemented
Observation No. 9, page 66	9. The absence of a guideline to implement the Katulong at Gabay ng Manggagawang may Kapansanan (KAGABAY) Program may result in fictitious payment of starter/complementary kits, contrary to Section 2 of P.D. 1445 and COA Circular No. 2012-003.	a. Immediately issue a guideline/policy on the implementation of the KAGABAY Program to comply with Section 2 of P.D. 1445;	Implemented
		b. Incorporate in the guideline/policy the control processes to ensure that funds for the KAGABAY Program are paid to bonafide ODWs;	Implemented
		c. Establish and maintain a database of ODW claimants from previous and current years with photos;	Implemented
		d. Make the database accessible to personnel/officials who process, assess, evaluate and approve KAGABAY claims; and	Implemented
		e. Require the refund of the starter kit payments by liable persons if found to be	Implemented

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
		fictitious payments.	
Observation No. 10, page 68	10. Leased office spaces by the Center for their REUs are not suitable for the Center's clients, contrary to the pertinent provisions of the Government Procurement Policy Board (GPPB) Resolution No. 019-2007, which may result in the failure of the Center to discharge its functions under Executive Order No. 307.	a. Faithfully adhere to the pertinent provisions of GPPB Resolution No. 019-2007;	Implemented
		b. Consider the following in the selection of properties to be leased for REU offices: <ul style="list-style-type: none"> <li>• The office space is within the government center and accessible to the commuting public;</li> <li>• There are parking slot/s for the exclusive use of the office vehicle and clients or visitors of the OSHC; and</li> <li>• The installation or display of signages which are visible to the public is allowed to easily identify the OSHC REU; and</li> </ul>	Implemented
		c. Provide justification on the selection of the leased office spaces for the REUs in Baguio City and San Fernando, Pampanga.	Implemented
Observation No. 11, page 70	11. Lease contracts with five (5) lessors of office spaces for the	a. Ensure that lease agreements/contracts are secured either	Implemented



Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
	REUs were not submitted to the Audit Team within five working days from execution, contrary to Section 3.1.1 of COA Circular No. 2009-001, thereby preventing the implementation of remedial actions by Management had there been any deficiencies noted in the conduct of auditorial review.	with the existing lessor or with a new lessor prior to the expiration of the lease term; and  b. Submit immediately to the Audit Team the lease contracts renewed in CY 2022.	Implemented
Observation No. 12, page 72	12. Some of the semi-expendable properties and equipment (PE) of the ECC Regional Units (REUs) cannot be properly identified due to the absence of property numbers or stickers. Further, two (2) PEs were not listed in the inventory report while several PEs were not found on hand, which may result in possible loss of PEs, contrary to Section 2 of P.D. No. 1445.	a. Place or paste property numbers or stickers in the semi-expendable PEs;	Implemented
		b. Reconcile and update the Inventory Report for the PEs not listed therein;	Implemented
		c. Determine the whereabouts of the missing PEs that were included in the inventory report, and consequently adjust/update the property records and physical inventory report; and	Implemented
		d. Submit to the Audit Team the corrected inventory report/s on semi-expendable PEs.	Implemented
Observation No. 13, page 75	13. Other Non-current Asset account includes unserviceable properties amounting to P141,760, that remain undisposed for more than three years	a. Form a Disposal Committee to conduct disposal activity including the determination of the proper mode of disposal of each	Implemented

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
	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 of recoverable value and incurrance of additional cost of maintaining the properties including the storage space.	<p>unserviceable property, and submit the relevant reports to the Audit Team; and</p> <p>b. Immediately dispose the unserviceable properties.</p>	<p>Not implemented</p> <p>The ECC has established a disposal committee tasked with overseeing the disposal activities for the unserviceable properties amounting to P141,760 as at December 31, 2023. Currently, the ECC is actively engaged in the preparatory phase, which involves conducting an inventory of the assets for disposal.</p>
Observation No. 14, page 77	14. The validity and correctness of payments made for the salaries and wages of Contract of Service (COS) personnel for the period January 01 to December 31, 2022 amounting to P32.911 million was not determined in the absence of the basic documentary requirements as required under Section 4 of PD No. 1445 and COA Circular No. 2012-001.	<p>a. Immediately submit the approved DTRs and verified/accepted accomplishment reports as attachment to the payrolls of COS personnel from January 1 to December 31, 2022; and</p> <p>b. Henceforth, attach complete documentary requirements to the payrolls of COS personnel as provided under COA Circular No. 2012-001.</p>	<p>Implemented</p> <p>Implemented</p>

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
Observation No. 15, page 78	15. Monthly net take home pay of several employees in the Center of the ECC is less than Five Thousand Pesos (P5,000.00), contrary to Section 55 of the FY 2022 General Appropriations Act (GAA), which defeats the purpose of the said provision.	a. Strictly observe the requirements under Section 55 of FY 2022 GAA; and	Implemented
		b. Deduct from salaries/wages the authorized deductions in the order of preference but in no case should result in a net take home pay of less than P5,000.	Implemented
Observation No. 16, page 80	16. Expenditures totaling P69,271 for meals during meetings not attended by ISO external auditors were charged to the cash advance granted to defray expenses for the conduct of Quality Management System (QMS) External Audit, thus could be unnecessary expenditures as defined under COA Circular No. 2012-003.	a. Submit Minutes/Notice of Meetings on the meetings conducted that were not attended by a representative from the ISO 9001: 2015 QMS External Audit;	Implemented
		b. Stop the charging of expenses that are not intended for the purpose for which a cash advance was granted; and	Implemented
		c. Establish rules and regulations on meal expenses during meetings that are regular or normal in the operations in order to prevent the incurrence of unnecessary expenditures.	Not implemented/ The ECC is currently in the process of formulating an internal policy addressing the issue on meal expenses in order to prevent incurrence of unnecessary expenditures.
Observation No. 17, page 82	17. The GAD Plan and Budget (GPB) of the ECC Secretariat for FY 2022 amounting to P223,200 or merely	a. Allocate at least five per cent of the total annual budget for the implementation of GAD-related activities	Implemented

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
	0.03 per cent was way below the statutory requirement of at least five per cent of the Commission's CY 2022 appropriation of P677.062 million. Also, the consolidated GPB of ECC and its Center was not prepared nor submitted to the Philippine Commission on Women (PCW) and was not uploaded through the Gender Mainstreaming Monitoring System (GMMS), hence, it was not reviewed and endorsed to the Department of Budget and Management (DBM) for approval, contrary to Joint Circular No. 2012-001 of PCW-National Economic Development Authority (NEDA)-DBM and PCW Memorandum Circular (MC) No. 2021-04.	<p>and attributed expenses determined using the HGDG tool/scorecard pursuant to the specific provisions of J.C. No. 2012-001 in order to adequately support programs and projects on gender mainstreaming;</p> <p>b. Strictly comply with the timely preparation, submission and uploading of the GPB of the ECC which includes that of the Center through the GMMS pursuant to PCW issuances for their review and endorsement to DBM;</p> <p>c. Regularly monitor from the PCW official website the issuances on GPB submission to ensure compliance with the deadlines set; and</p> <p>d. Submit a consolidated GAD AR showing the success of the PAPs in addressing the identified GAD concerns, whether the objectives were addressed and the desired outputs were met. This will also serve as the basis in continuing or improving the agency's GPB for the ensuing years.</p>	<p>Not implemented</p> <p>Reiterated with modification in Observation No. 8, Part II of this report.</p> <p>Not implemented</p> <p>Reiterated with modification in Observation No. 8, Part II of this report.</p> <p>Not implemented</p> <p>Reiterated with modification in Observation No. 9, Part II of this report.</p>



Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
Observation No. 18, page 84	18. The Responsibility Center (RC) codes for the attributable expenses or the identified expenditures for GAD-related activities is not yet created/assigned contrary to COA Circular No. 2021-008 dated September 06, 2021, hence, monitoring and accounting of the GAD-related reports are not easily facilitated.	Require the GFPS to create/assign RC Codes for GAD-related expenses.	Implemented
<b>CY 2021 AAR</b>			
Observation No. 12, page 68	19. 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.	Submit immediately the DVs and supporting documents not yet submitted as of February 18, 2022.	Not implemented  The completion of documents on the remaining unsubmitted DVs is ongoing.
<b>CY 2019 AAR</b>			
Observation No. 5, page 55	20. 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	Immediately request and closely coordinate with DICT for the availment of free internet service pursuant to RA No. 10844.	Not implemented  Follow-up communications have been initiated by the management with DICT. Despite these efforts, no response has been

Reference	Audit		Status/Actions Taken
	Observations	Recommendations	
	Communication expenses by P302,858 for CY 2019.		received yet from the DICT, to date.



# ECC Governing Board



<b>Name:</b>	<b>BIENVENIDO E. LAGUESMA</b>
<b>Position:</b>	Secretary, Department of Labor and Employment
<b>Age:</b>	73
<b>Educational Attainment:</b>	Ateneo de Manila College of Law, 1975, Bachelor of Laws Lyceum of the Philippines, 1971, AB Political Science
<b>Date of Appointment:</b>	September 22, 2022
<b>Trainings Attended:</b>	Government Participant - various seminars under the ILO sponsored ASEAN Program on Industrial Relations and Labor Administration (ApirLAS), 1987 - 1996; Government Adviser/Delegate - to several sessions of the International Labour Conference and the Governing Body of the ILO, Geneva, Switzerland, 1990 - 2000; Government Representative - various national, regional and international conferences, 1981 - 2001; Seminar on Corporate Good Governance – 2005, December 2011, 2014 and October of 2015; AML Seminar in August 2015 by BAIPHIL

<b>Name:</b>	<b>ATTY. BENJO SANTOS M. BENAVIDEZ</b>
<b>Position:</b>	Undersecretary, Department of Labor and Employment
<b>Age:</b>	42
<b>Educational Attainment:</b>	Bachelor of Arts in Political Science, Bicol University (1980) Bachelor of Laws, University of Nueva Caceres
<b>Date of Appointment:</b>	January 31, 2020
<b>Trainings Attended:</b>	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



## SOCIAL SECURITY SYSTEM (SSS)



<b>Name:</b>	<b>RIZALDY T. CAPULONG</b>
<b>Position:</b>	Executive Vice President, Investments Sector, Social Security System
<b>Age:</b>	55
<b>Educational Attainment:</b>	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.)
<b>Date of Appointment:</b>	July 17, 2019
<b>Trainings Attended:</b>	2022 Leadership Competency Assessment Test (December 2022); Training Program on the SSS Strategic Performance Management System and its Revised Guidelines(December 2022); Mini-MBA Series: The Executive Mentor as World Class Coach (Module 2) (October 2022) Gender Sensitivity Training (September 2022); Webinar on Personal Governance Scorecard for SSS Executives (May 2022); Training-Workshop on Gender Mainstreaming Evaluation framework (April 2022); Briefing on the New Office Performance Commitment and Review (OPCR) (March 2022)



## GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS)



<b>Name:</b>	<b>JOSE ARNULFO A. VELOSO</b>
<b>Position:</b>	President and General Manager, Government Service Insurance System
<b>Age:</b>	57
<b>Educational Attainment:</b>	Bachelor of Science in Commerce Major in Marketing Management, De La Salle University (1986)
<b>Date of Appointment:</b>	July 21, 2022
<b>Trainings Attended:</b>	Live Advanced Lecture on the Business Model Innovation of China's Unicorns (January 2022); Philippine Economic Outlook 2022 to 2023: A Fragile Recovery (October 2021)

<b>Name:</b>	<b>ATTY. DIONISIO C. EBDANE, JR.</b>
<b>Position:</b>	SVP, Government Service Insurance System (GSIS)
<b>Age:</b>	60
<b>Educational Attainment:</b>	Certified Public Accountant, Lawyer and a Career Executive Officer IV
<b>Date of Appointment:</b>	October 18, 2010
<b>Trainings Attended:</b>	N/A



# PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH)



<b>Name:</b>	<b>ATTY. ANGEL L. MIRANDA, JR.</b>
<b>Position:</b>	Senior Vice President, Philippine Health Insurance Corporation
<b>Age:</b>	53
<b>Educational Attainment:</b>	Laws, San Beda College Manila (1991) Bachelor of Laws, University of the East College of Law (1998)
<b>Date of Appointment:</b>	August 12, 2021
<b>Trainings Attended:</b>	N/A

<b>Name:</b>	<b>ATTY. FRANCIS JAY E. REMIGIO</b>
<b>Position:</b>	Acting Senior Vice President, Management Services Sector Concurrent, Senior Manager of ILED, Philippine Health Insurance Corporation
<b>Age:</b>	41
<b>Educational Attainment:</b>	BSC Management and Entrepreneurship, San Sebastian College-Recoletos (2003) Juris Doctor, San Sebastian College-Recoletos (2008) Master of Laws, San Sebastian College-Recoletos (2016)
<b>Date of Appointment:</b>	September 21, 2022
<b>Trainings Attended:</b>	Professionalization of PhilHealth as Procurement Organization based on RA 9184 and its IRR (June 2021); Developmental Conversations for Leaders (May 2021); Risk Management (April 2021); Basic Supervisory Development Course (April 2021); Strategic Thinking for Leaders (March 2021); Project Management (March 2021); Personal Master: A Road to Commitment, Integrity and Accountability (March 2021); PhilHealth Risk Management Virtual Orientation and Training (March 2021); Basic Management Program for Emerging Leaders (February 2021); Managing Workplace Conflict (February 2021); Building a High Performing Team Through Agile Leadership (February 2021); Public Service Values in Times of Adversities (January 2021)



## EMPLOYEES SECTOR REPRESENTATIVE



<b>Name:</b>	<b>CARLITO ROBLE</b>
<b>Position:</b>	Union President, San Juan De Dios Educational Foundation Inc. National Executive Vice President, Alliance of Filipino Workers
<b>Age:</b>	65
<b>Educational Attainment:</b>	Samson Technical School (1981)
<b>Date of Appointment:</b>	January 4, 2013
<b>Trainings Attended:</b>	Basic Trade Unionism; Basic Course on Organizing Trade Unions; Grievance Handling; Paralegal; Integrated Course on Collective Bargaining; Risk-based Thinking on ISO 9001:2015

## EMPLOYERS' SECTOR REPRESENTATIVE



<b>Name:</b>	<b>ATTY. RENE Y. SORIANO</b>
<b>Position:</b>	Commissioner, Employers' Sector ECC
<b>Age:</b>	78
<b>Educational Attainment:</b>	Bachelor of Arts Major in Political Science - University of the Philippines (1965) Bachelor of Laws - University of the Philippines (1971)
<b>Date of Appointment:</b>	2023
<b>Trainings Attended:</b>	8th Tripartite Regional Seminar on Industrial Relations in the Asean Region - International Labour Conference (ILO) (2017) 106th Session of the International Labour Conference - Geneva Switzerland - International Labour Conference (ILO) (2017)

## OSHC EXECUTIVE DIRECTOR

<b>Name:</b>	<b>DR. MARIA TERESITA S. CUCUECO</b>
<b>Position:</b>	Executive Director III, Occupational Safety and Health Center
<b>Age:</b>	65
<b>Educational Attainment:</b>	BS in Biology, UP Diliman (1978) Doctor of Medicine, De La Salle-College of Medicine (1985) Masters in Occupational Health, UP College of Public Health (1992)
<b>Date of Appointment:</b>	August 2, 2022
<b>Trainings Attended:</b>	27th Asean Labor Ministers Meeting (October 2022); Workshop and Documentation of Best Practices on OSH SMEs and Informal Economy among ASEAN MEMBERS (June 2022)





## ECC, OIC-EXECUTIVE DIRECTOR (UP TO AUGUST 2023)

<b>Name:</b>	ENGR. JOSE MARIA S. BATINO
<b>Position:</b>	OIC-Executive Director, Employees' Compensation Commission
<b>Age:</b>	60
<b>Educational Attainment:</b>	BS Civil Engineering, UP Diliman (1987) Masters of Business Administration, UP Diliman (1994) Doctor of Public Health, UP College of Public Health
<b>Date of Appointment:</b>	September 1, 2022
<b>Trainings Attended:</b>	Innovation and Enterprise Development Program - Senior Officials Visit Programme, Nanyang Polytechnic, Singapore (March-April 2014); 9th ASEAN Senior Labour Official Meeting (SLOM) and Related Meetings Semarang, Indonesia (May 2013)



## ECC EXECUTIVE DIRECTOR

	<b>Name:</b>	ATTY. KAIMA VIA B. VELASQUEZ
	<b>Position:</b>	Executive Director, Employees Compensation Commission
	<b>Age:</b>	40
	<b>Educational Attainment:</b>	Bachelor of Arts Major in Political Science - Adamson University (2004) Bachelor of Laws - San Beda University (2008) Masters in Industrial Relations Major in Human Resources and Development - University of the Philippines - School of Labor and Industrial Relations (2022)
	<b>Date of Appointment:</b>	August 2023
	<b>Trainings Attended:</b>	AMLC Registration And Reporting Guidelines (ARRG) Webinar For Covered Persons - Anti-Money Laundering Council (2022) Understanding Targeted Financial Sanctions - Insurance Commission (2022) Asean Corporate Governance Scorecard - Institute Of Corporate Directors (2022)

## BOARD SECRETARY



<b>Name:</b>	<b>DIANNE LILIBETH S. BAUTISTA</b>
<b>Position:</b>	Board Secretary, Employees' Compensation Commission
<b>Age:</b>	46
<b>Educational Attainment:</b>	Bachelor of Laws, Arellano School of Law (2004) BS Medical Technology, University of Santo Tomas (1998)
<b>Date of Appointment:</b>	March 16, 2012
<b>Trainings Attended:</b>	Planning and Delivering Public Service with Impact (October 29-30, 2018) Seminar Workshop on Effective Technical Writing and Editing (July 9-10, 2018) Enhancing Productivity, Quality and Safety at Workplace -5S (June 22, 2018) Critical Thinking and Decision Making in the Workplace (April 10, 2018)

# ECC Secretariat



# APPEALS DIVISION





# **POLICY, PROGRAMS AND SYSTEMS MANAGEMENT DIVISION**







# **WORK CONTINGENCY PREVENTION AND REHABILITATION DIVISION**



# INFORMATION AND PUBLIC ASSISTANCE DIVISION





## ADMINISTRATIVE DIVISION



# FINANCE DIVISION







## **ECC MANAGEMENT**





## **OFFICE OF THE EXECUTIVE DIRECTOR**



# OFFICE OF THE DEPUTY EXECUTIVE DIRECTOR







## **COMMISSIONERS' EXECUTIVE ASSISTANTS**





## **REGIONAL EXTENSION UNITS INFORMATION OFFICERS**



## **REGIONAL EXTENSION UNITS ADMINISTRATIVE OFFICERS**



# ECC Directory

## EMPLOYEES' COMPENSATION COMMISSION

ECC Building, 355 Sen. Gil J. Puyat Avenue,  
Makati City.  
Tel. Nos.: 8899 42 51 to 52 / 8896 78 37  
Email: info@ecc.gov.ph

## Regional Extension Units (REUs) Contact Details

### CAR

#### DENNIS GARRET R. LEE / CEZANNE B. PANAY

Mobile Nos. 09202008485 / 09107376889  
car@ecc.gov.ph  
Department of Labor and Employment, Cabinet Hill, Baguio  
City

### REU 1

#### DEXTER J. DUPAGAN / RANDY ANGELO PONCIANO

Mobile Nos. 09327270940 / 09281724673  
Tel. No. 607 7096  
Email: reu1@ecc.gov.ph  
2nd Flr. Kenny Plaza, Quezon Avenue San Fernando City, La  
Union

### REU 2

#### ELA BAYANGOS / IARHA DOMINGO

Mobile No. 09265590451  
Email: reu2@ecc.gov.ph  
2F Malebren Bldg., Enrile Ave., Carig Sur, Tuguegarao City,  
Cagayan

### REU 3

#### DANICA MAE M. LACSON / REAGAN MADRIAGA

Mobile Nos. 0918-606-0903 / 0966 660 3475  
Tel. No. (045) 407 6240  
Email: reu3@ecc.gov.ph  
ecc.centrolluzon@gmail.com  
2nd Floor, Pinmara Square, MacArthur Highway, Brgy.  
Sindalan, City of San Fernando Pampanga

### REU 4A

#### JONAH M. ROMASANTA / JERUZ C. CASTILLO

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reu4a@ecc.gov.ph / reucalabarzon@gmail.com  
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Calamba, Laguna

### REU 4B

#### RUTH CALINAO

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### REU 5

#### MA. YVETTE C. BONAVENTE / KRISIA B. BAÑARES

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Unit 4 CQ Bldg. 3, Rosal St., Imperial Court Phase 2, Brgy. 24  
Rizal, Legazpi City, Albay 4500

### REU 6

#### STEPHENE S. BARREDO / MARK LESTER R. FLORES

Mobile Nos. 09295409542 / 09483931608  
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Jalandoni-Ledesma St., Iloilo City

### REU 7

#### INGRID Z. YUMANG / LLEANNE B. ESTRELLA

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Avenue, Cebu City

### REU 8

#### ATTY. MICHELLE C. BASAL / RODA BANDIBAS

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### REU 9

#### CERNA I. AHMAD-AYUB / DESIREE JILL B. APOSTOL

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### REU 10

#### STELLA MAE D. OBICE / JANNAH D. BATARA

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Cagayan De Oro City

### REU 11

#### ALBERT BANTAN / FRANSHELINE ORVETTE LOAYON

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Boulevard, Davao City

### REU 12

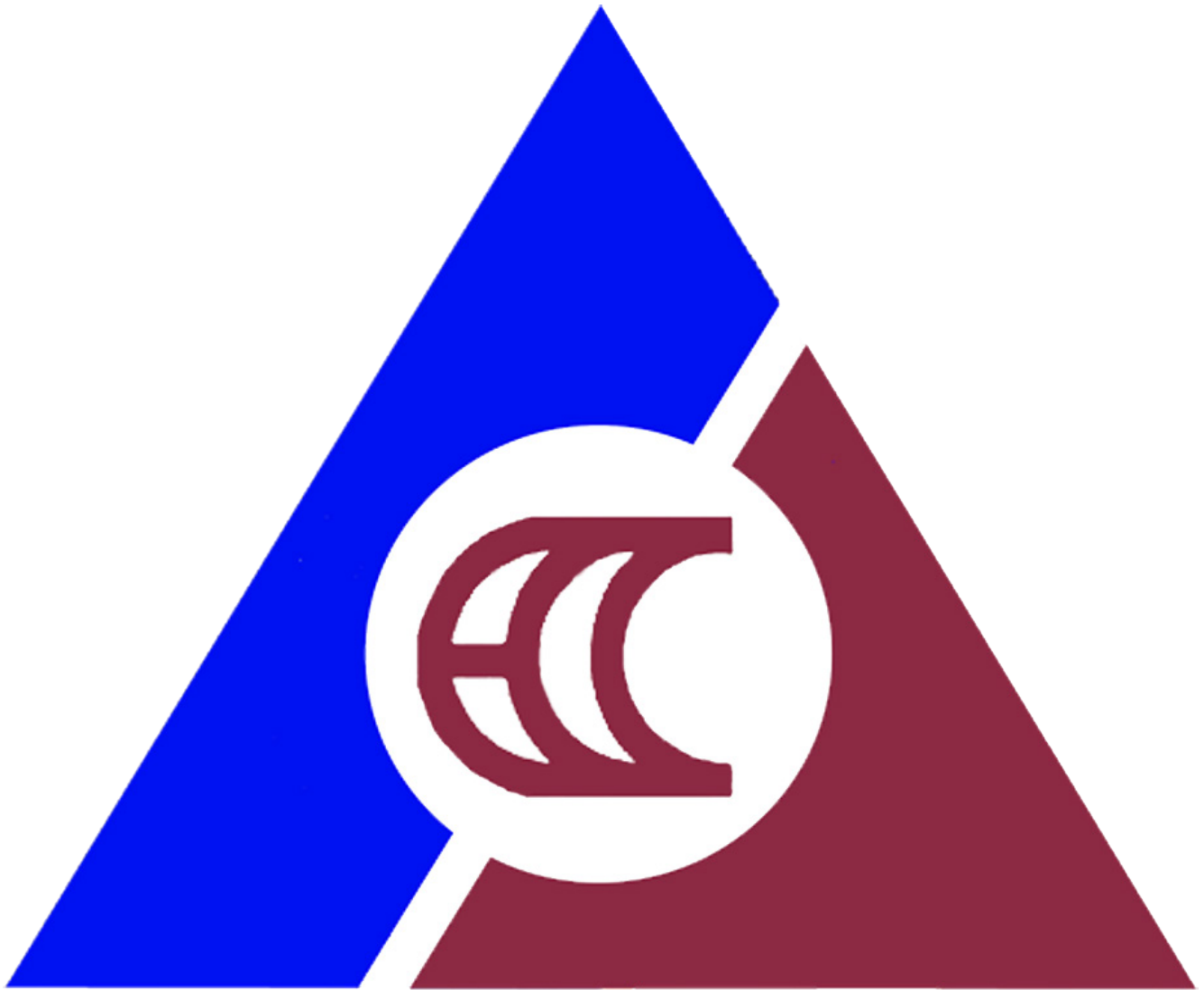
#### KAYE L. DAGA / EXEQUIEL K. SALCEDO III

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### REU 13

#### SANDEE ANGELI V. MOCORRO / GENEVIEVE E. USON

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# **Employees' Compensation Commission**

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**BAGONG PILIPINAS**