



Internal Control Procedures in Place

Under Board Resolution No. 66 dated 10 February 2021, the Social Security Commission (SSC) approved the report on the evaluation of Internal Control System of the Social Security System (SSS) for 2020, which states that the SSS Internal Control System is sufficiently adequate, and the accompanying recommendations, which was vetted in the SSC Audit Committee meeting on 28 January 2021. Thus:

A. Results of Assessment by Control Component of the Internal Control System -

Control Component	Total Control Statements/ Attributes		Properly Implemented		With Control Gaps and Deficiencies	
	No.	%	No.	%	No.	%
Control Environment	1,739	21	849	49	890	51
Risk Assessment	160	2	76	48	84	53
Control Activities	3,772	47	3,199	85	573	15
Information and Communication	1,512	19	1,456	96	56	4
Monitoring	927	11	537	58	390	42
Total	8,110	100	6,117	75	1,993	25

B. Evaluation of the SSS Internal Control System shows that it is sufficiently adequate with the five (5) internal control components present and functioning with certain control deficiencies noted in Control Environment, Risk Assessment and Monitoring. The control gaps are being addressed through the implementation of various measures and initiatives to improve operations and strengthen the internal controls. Among these initiatives are the creation of a Team for the Implementation of the National Guidelines on Internal Control System (NGICS), issuance of policy guidelines and procedures for risk management, expansion of the scope of the Quality Management System (QMS) and digitalization of various processes.

C. Recommendations -

1. Integration into the system the design and application of:

- institutionalizing monitoring of compliance;
 - imposition of appropriate sanction to accountable officials and employees for non-compliance;
 - provide awareness on the duties and responsibilities as required under the current policies and procedures and code of ethical standards; and
 - provide personal development seminars/trainings for officials and employees.
 - replication of best practices and international standards to processes in all branches and offices;
 - reporting procedural gaps in the manual of procedures to respective process owners for immediate updating through MOP/Office Order;
 - provide complete and updated procedural guidelines through MOP Order to new/enhanced processes such as: Risk Management, Automated Telling System, Accounts Monitoring System.
2. Identification of the root causes of incorrect or non-application of controls and implement action plans to address them.
 3. Institutionalization of risk assessment by enforcing compliance with issued policies and procedures.
 4. Implementation of the National Guidelines on Internal Control Systems (NGICS).
 5. Approved action plans should be part of the deliverables of officials and employees through the Office Performance Commitment and Review (OPCR) and Individual Performance Commitment and Review (IPCR).
 6. Periodic submission of reports on the status of implementation of action plans by the Management Observer/Compliance Officer to the Audit Committee/ Management.