

Adequacy of Internal Control

Under Resolution No. 106 dated 26 February 2025, the Social Security Commission approved the assessment report of the SSS Internal Control System (ICS) and the accompanying recommendations as vetted in the SSC Audit Committee.

The ICS Assessment Report, which states that the ICS is adequate, includes the following details, viz:

Assessment Results per Control Component

Control Component	Total Control Statements/ Attributes		Effective Controls		Control Deficiencies	
	No.	%	No.	%	No.	%
Control Environment	280	17	269	96	11	4
Risk Assessment	163	10	158	97	5	3
Control Activities	980	58	710	72	270	28
Information and Communication	162	10	157	97	5	3
Monitoring and Evaluation	93	5	59	63	34	37
Total	1,678	100	1,353	81	325	19

- Overall, the SSS’ Internal Control System is assessed as adequate since the five interrelated control components, namely: control environment, risk assessment, control activities, information and communication, and monitoring, are existing and functioning to establish the foundation for sound internal control to address and mitigate the significant risks.
- Controls in areas with identified gaps/deficiencies must be reinforced to ensure reasonable assurance that policies, systems, and procedures when taken together, facilitate the effectiveness and efficiency of operations.

Recommendations

- Formulate and implement action plans to address the identified root causes of improperly implemented or unexecuted controls.
- Ensure preparation and issuance, or regular updating of policy guidelines and/or Manual of Procedures, making sure that key controls are in place to address identified risks and deficiencies. Systems documentation for all application systems should also be prepared and regularly updated.
- Implement monitoring mechanisms in various degrees and circumstances to ensure that controls are continuously and consistently applied at all levels across the organization. There should be a system in place to accomplish the required monitoring.
- Enhancement of systems/modules.
- Enhancement of risk assessment process.
- Periodic submission of reports on the status of implementation of action plans by the Compliance Officer to the Audit Committee/Management.