

The Committee shall be composed of a Chairperson and four (4) members to be designated by the Social Security Commission (the Commission) from among its members. The Committee Chairperson to be designated shall be upon the recommendation of the SSC Chairperson.

The Committee Chairperson and members shall serve for a term of one (1) year, unless sooner replaced. They shall act in hold-over capacity until their replacement/s has/have been duly designated.

The Committee Chairperson and members shall possess an adequate understanding in risk management and actuary with at least one (1) member having a background in finance and investments.

The Committee Chairperson can designate an alternate who shall then be the Acting Committee Chairperson.

Duties and responsibilities of the Committee:

- a. Performs oversight risk management functions specifically in the areas of management credit, market, liquidity, operation, legal, reputational and other risks of SSS, and crisis management.
- b. Performs oversight actuarial functions pertaining the valuation of the SSS fund life and other necessary actuarial studies and calculations.
- c. Adopts the Risk Management Policy of SSS, as recommended by the Management, ensuring compliance with the same and that the risk management process and compliance are embedded throughout the operations of SSS, especially at the Commission and Management levels.
- d. Reviews periodically the effectiveness and degree of compliance with the Risk Management Policy of SSS through, among others, a Risk Reporting Questionnaire to ensure adherence to risk policies and relevant operating guidelines.
- e. Reviews quarterly reports and updates from Management on key risk management issues for endorsement to the Commission.
- f. Performs such other duties and responsibilities that may be assigned by the Commission.

5. **AUDIT COMMITTEE** - The Audit Committee<sup>24</sup> shall be composed of a Chairperson and three (3) members to be designated by the SSC from among its members. The Committee Chairperson to be designated shall be upon the recommendation of the SSC Chairperson.

The Committee Chairperson and members shall serve for a term of one (1) year, unless sooner replaced. They shall act in hold-over capacity until their replacement/s has/have been duly designated.

The Committee Chairperson shall have an audit, accounting, finance or related course background.

The Committee Chairperson can designate an alternate with background in audit, accounting, finance or related course who shall then be the Acting Committee Chairperson.

Duties and responsibilities of the Committee:

- a. Promotes transparency and public accountability of the SSS and strengthens corporate governance by evaluating and improving processes through which goals

---

<sup>24</sup> Section 16.2.2., *Id.*

- are established, communicated, accomplished and monitored where stakeholders' support is guaranteed and values preserved;
- b. Ensures efficiency, effectiveness and relevance in the implementation of all SSS programs<sup>25</sup> through measures and remedial actions, if required, that can be implemented immediately resulting in the efficient, effective and economical use of resources;
  - c. Assists the Commission in its oversight of the integrity of the SSS' financial statements, compliance with legal and regulatory requirements, the qualifications and independence of the external auditors and the performance of the SSS' internal audit staff and external auditors as well as coordination with the Commission on Audit (COA);
  - d. Reviews and approves audit plans with regard to adequacy and completeness, scope and frequency, the quarterly, semi-annual and annual financial statements before submission to the Commission, focusing on changes in the accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, going concern assumptions, compliance with accounting standards, inputs from Management, key performance indicators (KPIs) and compliance with tax, legal, regulatory and COA requirements;
  - e. Reviews the organizational structure and scope of functions of the Internal Audit Service (IAS) including its performance, and recommend to the Commission for approval changes/revisions as regards the Internal Audit Charter, structure and scope of the IAS including internal auditing policies and procedure in order to improve the quality of the internal audit function;
  - f. Oversees, monitors and evaluates the adequacy and effectiveness of the SSS internal control system that will ensure the integrity of internal control activities throughout the SSS through a procedures and policies handbook that will be used by the entire organization;
  - g. Ensures that internal auditors have free and full access to all SSS records, properties and personnel relevant to and required by its function and that the internal audit activity shall be free from interference in determining its scope, performing its work and communicating its results;
  - h. Recommends measures and remedial actions, if necessary, to ensure that the audit plans are carried out completely and effectively;
  - i. Receives and reviews reports of internal and external auditors and regulatory agencies, and ensure that Management takes appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies;
  - j. Reviews management actions or commitment on audit findings and recommendations. The Audit Committee may invite Management to provide pertinent information as may be necessary; and
  - k. Evaluates the effectiveness of the risk management processes on the risk exposure of SSS operations including the categories of risk the SSS faces, risk concentrations and risk interrelationships as well as the likelihood of occurrence and the potential impact of those risks and mitigating measures, based on the risk assessment report conducted by the IAS.

**6. BENEFITS AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) OVERSIGHT COMMITTEE** - The Benefits and ESG Oversight Committee shall review and oversee the benefit programs of the Social Security System (SSS) and its environmental, social and governance framework.

The Committee shall be composed of a Chairperson and four (4) members to be designated by the Social Security Commission (the Commission) from among its members. The

---

<sup>25</sup> 3.1.1, 3.1.2, 3.1.3, SSS Internal Audit Charter.