



Sigurado ang Bukas

SSS Internal Control Procedures

The Internal Control System (ICS) refers to the whole system or network of methods, procedures, and plans adopted by the SSS to govern its activities in accomplishing its goals and objectives. Internal controls are integral to the processes effected by officials and employees designed to address risks and provide reasonable assurance that in pursuit of SSS' mission, the general objectives are being achieved.

1. Components of ICS

ICS has five interrelated components which define the minimum level of quality acceptable for internal controls in government and provide the bases on which they can be evaluated, as follows:

- a. Control environment
 - Foundation for all the other components of ICS, providing discipline and structure.
 - Has the overall influence on how strategies and objectives are established and control activities are structured.
- b. Risk assessment

Overall process of identifying, analyzing and evaluating relevant risks to the achievement of control objectives and determining the appropriate response.
- c. Control activities

Mechanisms that management establish to ensure that policies and guidelines are carried out in a manner that is efficient, effective, ethical and economical, including the processes identified to address the risks.
- d. Information and communication
 - Recording and dissemination of data and information needed by officials and employees to do their jobs and understanding their roles and responsibilities.
 - Free flow of relevant, complete, reliable, correct and timely information up, down, across, inside and outside the organization.

- e. Monitoring and Evaluation
 - Process that continuously and regularly assesses the quality of the internal control system's performance over time.
 - Ensures that internal controls remain tuned to the changes in objectives, environment, resources and risks.

2. Control Objectives

In fulfilling its mission and mandate, SSS must achieve the separate but interrelated general objectives of internal controls, as follows:

- Compliance Objective - Adherence to laws, rules, regulations and managerial policies.
- Operations Objective - Ensure orderly, effective, efficient, ethical, and economical operations.
- Reporting or Accountability Objective - Fulfill accountability obligations.
- Safeguarding of Assets or Resource Objective - Safeguard resources against loss, misuse, damage, waste, abuse, mismanagement, errors, fraud, and irregularities.

Detailed Assessment of Internal Control System

A. Objectives

The Internal Audit Service (IAS) conducted an assessment of the SSS-ICS to determine whether internal controls are present, well-designed, functioning, properly implemented and operating effectively as intended through its regular and special audits. The results provide management with a comprehensive view of the current state of the ICS, highlighting key strengths and pinpointing areas requiring improvement. These insights serve as a foundation for developing strategies, action plans and corrective measures aimed at enhancing the overall efficiency, reliability and effectiveness of the ICS.

B. Statement of Conformance to Standards, and Responsibilities

The Internal Audit Service Group (IASG) conducted the assessments in accordance with the Internal Audit Standards for the Philippine Public Sector (IASPPS), the Revised Philippine Government Internal Audit Manual (RPGIAM) and other related standards and issuances.

It should be emphasized that the SSS management holds primary responsibility for establishing, implementing and continuously monitoring a sound internal control system. This includes ensuring that all resources are lawfully managed, efficiently utilized and adequately safeguarded against loss, misuse, or wastage

thereby promoting operations that are effective, efficient, ethical and economical in support of the organization's objectives.

The IASG on the other hand, is tasked with independently reviewing and evaluating the risk management, control and governance processes of the SSS. Its mandate includes providing actionable recommendations to strengthen these areas and support the achievement of organizational objectives. The output of IASG is submitted to the Board, Audit and Legal Committee for approval. In addition, the IASG is responsible for the submission of annual and periodic reports that include an assessment of the adequacy and effectiveness of risk management, control and governance frameworks.

C. Scope of Assessment

For CY 2025, the IASG assessed the ICS of the following processes handled by the concerned operating units:

Regular Audit Projects —

Processes	Department/Branch/Offices/Units
1. Cyber Security and Access Rights	<ul style="list-style-type: none"> Information Systems Security Department (ISSD)
2. Performance of External Fund Managers and Implementation of Investment Management Agreements	<ul style="list-style-type: none"> Alternative Investments Division (AID) Investments Accounting Department (IAD)
3. Risk Management Process (Follow-up)	<ul style="list-style-type: none"> Financial and Investments Risk Management Department (FIRMD)
4. Freedom of Information (FOI)	<ul style="list-style-type: none"> Public Affairs and Special Events Division (PASED)
5. Enhanced Online Application for SS Number with Uploading of Supporting Documents and Web Registration	<ul style="list-style-type: none"> Overseas Filipino Workers Management Department (OFWMD) Member Electronic Services Department (MESD) Technical Owner (TO) — Information Systems Department (ISD) I, ISD IV
6. Human Resource Requirement of the SSS Branches	Luzon North I Division — <ul style="list-style-type: none"> Agoo Baguio Bangued Bontoc Candon La Trinidad La Union Laoag

Processes	Department/Branch/Offices/Units
	<ul style="list-style-type: none"> • Vigan <p>NCR South Division —</p> <ul style="list-style-type: none"> • Alabang-Muntinlupa • Alabang-Zapote • Bicutan-Sun Valley Las Piñas • Makati-Chino Roces • Makati-Gil Puyat • Makati-Guadalupe • Makati-JP Rizal • Parañaque • Parañaque-Tambo • Taguig • Taguig-Gate 3 <p>Visayas Central I Division —</p> <ul style="list-style-type: none"> • Bogu • Cebu • Cebu-NRA • Danao • Lapu-Lapu Mandaue • Tagbilaran • Talisay • Toledo <p>Mindanao North Division —</p> <ul style="list-style-type: none"> • Butuan • Cagayan De Oro • CDO-Lapasan • Gingoog • Iligan • Oroquieta • Ozamiz • San Francisco, Agusan • Surigao • Tandag • Valencia
7. Membership - Member Data Change Request (MDCR) (Process and System)	<p>SSS Branches -</p> <ul style="list-style-type: none"> • Alabang Muntinlupa • Antipolo • Cubao • Diliman • Makati-Chino Roces • Makati-Gil Puyat • Manila • Pasay-CCP Complex

Processes	Department/Branch/Offices/Units
	<ul style="list-style-type: none"> • Pasig-Pioneer • San Francisco del Monte
	Processing Centers — <ul style="list-style-type: none"> • Diliman PC • Makati PC • Pasig PC Technical Owner (TO) ISD I

Special Audit Project —

Processes	Department/Branch/Offices/Units	Audit Rating
I. Process and Application System in Granting Unemployment Benefit	<ul style="list-style-type: none"> • Retirement, Death and Funeral Benefits Administration Department (RDFBAD) • ISD II 	<ul style="list-style-type: none"> • 79.48 • 79.67

D. Assessment Criteria

The conditions supported by the audit evidence obtained were measured using the following set of criteria to arrive at a conclusion:

- Internal policies and procedures
 - Manual of Procedures
 - Office Orders
 - Other pertinent issuances / guidelines
 - Statutory or regulatory requirements
 - SSS Law, Data Privacy Act, Ease of Doing Business, ARTA, etc.
 - E.O. No. 058, Adopting the National Cybersecurity Plan 2023-2028
 - Guidelines/Circulars issued by pertinent agencies like COA, DBM and DICT
- Applicable Standards/Guides
 - ISO 9001 :2015 Quality Management System
 - ISO 31000:2018 Risk Management Guidelines
 - ISO/IEC 27002:2022 Information Security, Cybersecurity and Privacy Protection • NIST Framework for Improving Critical Infrastructure Cybersecurity
 - GTAG — Assessing Cybersecurity Risk

- Other related policies and procedures

E. Methodology

The assessment was conducted in accordance with the guidelines set under the Internal Auditing Standards for the Philippine Public Sector (IASPPS) and the Revised Philippine Government Internal Audit Manual (RPGIAM), which include the following activities:

- Identification of general and procedural controls
- Development and administration of Internal Control Checklist (ICC)
- Validation, assessment, and testing of controls
- Identification of control gaps and breakdowns
- Root Cause Analysis