



Sigurado ang Bukas

Adequacy of Internal Control Procedures

Under Resolution No. 65 dated 11 February 2026, the Social Security Commission (SSC) approved the assessment report of the SSS Internal Control System and the accompanying recommendations as contained in the Memorandum of the Senior Vice President of the Internal Audit Service Group (IASG), dated 22 January 2026, and endorsed by the SSC Audit and Legal Committee.

The 2025 assessment of the SSS Internal Control System shows an 85% adequacy rating, based on the five internal control components: (a) Control Environment; (b) Risk Assessment; (c) Control Activities; (d) Information and Communication; and (e) Monitoring and Evaluation. Risk Assessment received the highest score at 97%, while Information and Communication received the lowest at 69%. All findings are considered opportunities for improvement that can strengthen the system's efficiency, reliability, and governance.

The SSC also focused on the presentation of the areas covered by the 2025 evaluation and the evaluation results (1,418 control attributes reviewed, 1,204 [85%] found adequate, and 214 deficiencies noted and all deficiencies were communicated to process owners, and action plans have been submitted), the common control gaps, the three-year trend in ICS ratings (2023: 82%, 2024: 81%, 2025: 85%) and across all three years, common gaps include outdated policies, insufficient employee training on internal controls, and delayed issuance of communications, and the key recommendations.

A. Assessment results per control component

Control Component	Total Control Statements/ Attributes		Effective Controls		Control Deficiencies	
	No.	%	No.	%	No.	%
Control Environment	217	15	185	85	32	15
Risk Assessment	146	10	141	97	5	3
Control Activities	777	55	669	86	108	14
Information and Communications	151	11	104	69	47	31
Monitoring and Evaluation	127	9	105	83	22	17
Total	1,418	100	1,204	85	214	15

Overall, the SSS' Internal Control System (ICS) is assessed as adequate, with the five key control components – control environment, risk assessment, control activities, information and communication,

and monitoring and evaluation – functioning together to support sound internal controls and help manage significant risks.

B. Recommendations

1. Develop and update policies and procedures to ensure complete and clear guidance for all operational areas.
2. Conduct regular trainings to strengthen employee awareness and understanding of internal controls.
3. Establish and impose timelines for issuing communications and documents with monitoring mechanisms to ensure timely distribution.
4. Complete the Risk Appetite Framework, including defined tolerance levels and clear criteria for assessing risk severity.
5. Expand and standardize the risk identification process to ensure coverage of strategic, operational, financial, compliance and project-related risks.
6. Use standardized tools and guidelines to promote consistent risk identification among all risk owners.
7. Align risk ratings and control assessments through periodic reviews sessions.
8. Set clear criteria for risk closure requiring evidence that risks are mitigated or no longer pose a threat.
9. Strengthen enforcement of existing policies through monitoring, accountability and regular compliance checks.
10. Conduct periodic compliance reviews to ensure adherence to applicable laws and requirements.
11. Develop a consolidated monitoring system.
12. Improve control accuracy by introducing validation checks, process reviews and segregation of duties.
13. Reinforce adherence to the “No Taboy Policy”.
14. Issue updated documentation and reporting guidelines to ensure consistent and accurate recording of transactions and events.
15. Standardize procedures in handling of transactions across branches to promote consistency in practices and recording.
16. Provide guidance to help employees identify and address internal control weaknesses more effectively.
17. Periodic submission of reports on the status of implementation of action plans by the Compliance Officer to the Audit and Legal Committee/Management.