



SOCIAL SECURITY

MEMORANDUM

Date: September 10, 2002

Refer To:

To: The Commissioner

From: Inspector General

Subject: Review of Internal Controls for the Supplemental Security Income Immediate Payment Process (A-05-00-10045)

The attached final report presents the results of our audit. Our objective was to evaluate the adequacy of internal controls over the Social Security Administration's process for issuing and offsetting Supplemental Security Income immediate payments.

Please comment within 60 days from the date of this memorandum on corrective action taken or planned on each recommendation. If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

A handwritten signature in blue ink, appearing to read "James G. Huse, Jr."

James G. Huse, Jr.

Attachment

**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**REVIEW OF INTERNAL CONTROLS
FOR THE SUPPLEMENTAL
SECURITY INCOME IMMEDIATE
PAYMENT PROCESS**

September 2002

A-05-00-10045

AUDIT REPORT



Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

Vision

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.

Executive Summary

OBJECTIVE

Our objective was to evaluate the adequacy of the Social Security Administration's (SSA) internal controls over Supplemental Security Income (SSI) immediate payments (IP) and to determine whether payments are recorded on the Supplemental Security Records (SSR) and subsequently offset.

BACKGROUND

SSI recipients who claim delay, interruption or nonreceipt of their monthly SSI payments can receive IPs based on the existence of a financial emergency. Claimants with emergencies who have not started receiving monthly benefits may receive emergency advance payments (EAP). As a result, EAPs are not subject to the 30-day interval requirement applied to IPs and SSA uses a different methodology for establishing the maximum payment amount. If a field office (FO) confirms a financial emergency exists that is an immediate threat to a recipient's health or safety, the FO will issue an IP. The IP is issued instead of requiring the recipient to wait 7 to 10 days to process a replacement check through the Treasury Department. IPs are issued if: (1) the recipient is eligible for SSI benefits; (2) no other IP was made to the recipient within the past 30 days; and (3) a financial emergency exists.

If the above conditions are met, a claims representative (CR) will prepare a SSI Payment Authorization Voucher. A supervisor will review the voucher, along with supporting documentation, and authorize the payment. The voucher is then presented to the cashier who types a check from the third-party payment system (TPPS) and the check is issued to the recipient. The cashier records the IP on the TPPS and later transmits to Headquarters a daily record of TPPS checks issued by the FO. The CR records the IP on the SSR after the recipient receives it, and the cashier maintains a copy of the updated SSR. However, the SSR system also generates an automated payment later, resulting in excess payments. If the IP is properly input, the SSR system will automatically offset excess amounts paid from subsequent monthly payments. FOs are required to monitor TPPS operations by performing monthly accountability reviews and annual managers' audits.

RESULTS OF REVIEW

SSA needs to improve its controls for issuing and recovering IPs. SSA guidelines provide that: (1) no more than one IP may be made to a recipient within a 30-day period; (2) IPs cannot exceed a designated ceiling amount; and (3) once issued, the IPs must be recorded on the SSR. We selected five FOs that issued large amounts of IPs that did not satisfy the above guidelines during the 2-year audit period ended December 31, 1999. We then randomly sampled 30 noncompliant IPs from each of the 5 offices for review. Within our sampled results, we found documented approvals for

the IPs and noted no significant adverse impact from payments issued either in under 30 days to the same recipient or above the ceiling amount. However, 19 of the sampled IPs involved excess payments that were not collected. The uncollected amount for the 19 IPs totaled \$6,400, or 11.1 percent of the total amount of IPs in the sample.

CONCLUSIONS AND RECOMMENDATIONS

We concluded that SSA needs to improve its controls for issuing and recovering SSI IPs. A lack of integration and compensating controls permit human error to go undetected and IPs to remain unrecovered. We are recommending system enhancements and procedural improvements to assist FO staff in monitoring and collecting IPs. To ensure that the system is used appropriately, we recommend that SSA:

- Activate two codes on the SSR to separately identify and account for SSI IPs and EAPs.
- Integrate the TPPS with the SSR so IPs can automatically be added to both systems based on one input. In the interim:
 - (1) Emphasize the need to verify that IPs are promptly recorded on the SSR and recovery actions are taken as part of FO monthly TPPS accountability reports and managers' annual audits.
 - (2) Perform computerized analyses as an additional control to identify IPs on the TPPS data base for which no payments were established on the SSR and send listings to FOs to resolve the discrepancies.
- Evaluate existing policy to determine if revisions should be made to allow for waivers of the 30-day interval requirement for disbursing IPs.

AGENCY COMMENTS

SSA generally agreed with our recommendations. Regarding the interim recommendation to perform computerized analyses to identify IPs on the SSR, SSA believes recently implemented procedures provide adequate controls. (See Appendix C for SSA's comments.)

OIG RESPONSE

We acknowledge the Agency's responsiveness and will continue to monitor the effectiveness of its corrective action.

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Acronyms

CR	Claims Representative
EAP	Emergency Advance Payment
FO	Field Office
IP	Immediate Payment
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
SSR	Supplemental Security Record
TPPS	Third-Party Payment System

Introduction

OBJECTIVE

Our objective was to evaluate the adequacy of the Social Security Administration's (SSA) internal controls over Supplemental Security Income (SSI) immediate payments (IP) and to determine whether payments are recorded on the Supplemental Security Records (SSR) and subsequently offset.

BACKGROUND

The SSI program provides a minimum level of income to financially needy individuals who are aged, blind or disabled. The program allows immediate payments (IP) to be issued at local field offices (FO) for SSI recipients who are in financial emergencies. An emergency advance payment (EAP) is used to provide funds for financial emergencies that occur before a claimant has started receiving monthly SSI benefits. As a result, EAPs are not subject to the 30-day interval requirement applied to IPs and SSA uses a different methodology for establishing the maximum payment amount. SSI recipients who claim the delay, interruption or nonreceipt of monthly benefit checks can have the missing funds replaced by an IP. FOs will issue an IP based on an immediate financial emergency rather than require the recipient to wait 7 to 10 days for the Treasury Department to process a replacement check.

An IP can be issued to a SSI recipient who has an established SSR and is receiving monthly benefits. SSI recipients can receive one IP for an amount not to exceed \$999 within a 30-day period. The ceiling was raised from \$400 on August 23, 1999.¹ The IP represents an advance of an SSI payment due to the recipient. However, the SSR system will generate an automated payment later, resulting in an excess amount being paid to the recipient. FOs must record IPs in the SSR system to ensure the payments are accounted for and recipients' excess payments are offset from future benefit payments.

If an IP is to be issued, a claims representative (CR) will prepare a SSI Payment Authorization Voucher. A supervisor will review the voucher, along with supporting documentation, and authorize the payment. The voucher is then presented to the cashier who types a check from the third-party payment system (TPPS) and the check is issued to the recipient. The cashier records the IP on the TPPS and later transmits to Headquarters a daily record of TPPS checks issued by the FO. The CR records the IP on the SSR after the recipient receives it and the cashier maintains a copy of the updated SSR. The SSR system also processes an automated SSI payment later, requiring that the excess amount be offset from subsequent SSI payments due the recipient.

¹ POMS section SI02004.100.B.1, 5 and 6.

FO managers are responsible for ensuring that the TPPS is functioning properly to support the offices' mission, provide adequate controls, and account for all payments. This responsibility is satisfied by two types of onsite assessments. First, managers are responsible for monthly accountability reviews to verify that TPPS checks are accounted for and supporting documentation exists. Second, managers are responsible for annual TPPS audits to ensure that IPs are authorized and recorded timely on both financial and programmatic records.² In addition, regional security officers provide audit coverage of the TPPS as part of periodic Onsite Security Control and Audit Reviews.

SCOPE AND METHODOLOGY

We obtained 144,531 SSI IPs recorded on the TPPS between January 1, 1998 and December 31, 1999. These IPs totaled \$55.2 million. These numbers were overstated because the TPPS included erroneous IPs that SSA voided. We analyzed the IPs to determine whether: (1) the payments matched IPs recorded on the SSR system; (2) more than one payment was made to any recipient within a 30-day period; and (3) payments were issued in excess of the maximum payment amount.

We identified 25,133 IPs that did not match SSR records, were multiple payments to the same recipient within a 30-day period, or were payments in excess of the dollar limit.³ The noncompliant IPs were sorted by FO to identify offices with the highest amount of payments. We selected five offices to visit from three SSA regions. The 3 regions included all 15 FOs with the highest amount of noncompliant IPs. We selected 30 IPs from each of the 5 offices using a stratified random sample. The number of sample items in each stratum was based on the relative number of IPs in each of the three categories discussed above. Details of the data analyses are provided in Appendix A.

To complete our review, we:

- reviewed applicable Program Operations Manual System (POMS) sections;
- interviewed SSA staff at the Great Lakes Program Service Center, five FOs and SSA Headquarters; and
- reviewed IP documentation and SSI system queries to determine whether the payments were made in accordance with SSA procedures, and if the payments were collected.

² SSA Administrative Instructions Manual System, Financial Management, Chapter 3, Instruction No. 5.

³ The 25,133 IPs is overstated because the same payment may appear in two categories. We excluded voided IPs in this analysis. However, the analyses to identify 15 FOs with the highest amounts of noncompliant IPs and to select sample IPs included voided payments.

We performed audit work in Chicago, Illinois; Baltimore, Maryland; Albuquerque, New Mexico; Las Vegas, Nevada; San Francisco, California; Sacramento, California; and Colorado Springs, Colorado. Our fieldwork was conducted from June 2000 through June 2001. The audited issue was within the Office of the Deputy Commissioner for Operations. We conducted our audit in accordance with generally accepted government auditing standards. We did not rely solely on computer processed data from the SSR to perform our analysis. Instead, we used TPPS disbursement records to identify IPs and examined FO documentation based on a statistical sample to form our conclusions. Besides reviewing written procedures, we interviewed FO staff to obtain detailed procedures for the issuing of and accounting for IPs.

Results of Review

We found that, despite significant increases in the numbers of IPs issued in recent years, SSA has not improved its controls over the process. A previous audit issued in February 1993 noted insufficient controls and system limitations, resulting in SSA not recovering 10.3 percent of IPs included in a sample analysis.⁴ During our audit period, we identified 4,059 IPs issued prior to the required 30-day interval for payments to the same individual and 625 IPs that were issued in an amount above the allowable maximum dollar amount.

More importantly, we were unable to match 20,449 IPs totaling \$8,025,805 with the Supplemental Security Record (SSR) of the recipients. This lack of controls and accountability can result in recipients receiving excessive numbers of IPs and failing to make repayments.

We reviewed a sample of 150 IPs issued at 5 FOs that issued a high volume of payments during the audit period.⁵ The sample was taken from IPs that we identified as: (1) not matching the SSR, (2) within a 30-day interval, or (3) above the dollar ceiling. The sampled offices adequately documented the bases for issuing the IPs. The IPs issued under the 30-day interval were generally within 3 days of the requirement and were recovered. We also noted few IPs issued above the \$999 ceiling. However, we determined that 19 of the sampled IPs were not recovered. The loss to SSA was \$6,400, or 11.1 percent of the total sampled payments. It is important that FO staff input IPs onto the SSR to enable the system to recover the payments. We attribute the noncompliant and nonrecovered IPs to the lack of both automated and manual processing controls.

INCREASING SIGNIFICANCE OF IMMEDIATE PAYMENTS

We believe the need to improve controls over the IP process has increased as the result of significant increases in the volume of IPs. SSA issued 71,778 IPs for the Fiscal Year ended September 30, 1999. In comparison, the audit report referenced above disclosed that SSA issued only 20,389 EAPs and IPs during the 1-year period ended August 31, 1991. We found that from 1995 to 1999 SSA increased the number of IPs issued by 46.9 percent. This represents an increase of \$9,255,711 (or 53.3 percent) in the amount of IPs issued. These increases are shown in the following table.

⁴ HHS/OIG, "Audit of Social Security Administration Procedures for Processing Immediate Payments and Emergency Advance Payments (A-05-91-00094)," issued February 10, 1993.

⁵ The sample was reduced to 149 payments because one IP was included in two strata.

Immediate Payments		
Fiscal Year	Number of IPs	Amount of IPs
1995	48,846	\$17,349,568
1996	51,743	18,533,081
1997	51,591	18,497,904
1998	63,782	23,021,954
1999	71,778	26,605,279

ANALYSIS OF IMMEDIATE PAYMENTS POPULATION

We obtained 144,531 payments from the TPPS data base. By matching IPs with the SSR data base and deleting voided IPs, we identified 20,449 payments from the TPPS that did not match IP data on the recipients' SSR. The unmatched IPs totaled \$8,025,805. However, the accounting for cumulative IPs issued to the same recipients on the SSR sometimes prevented us from matching the IPs from the TPPS data base with IP data on the SSR. The FO staff is responsible for recording IPs on the appropriate SSR records because there is no automated interface with the SSR to record those payments on the recipients' SSI records. We determined that there is no reconciliation between IPs recorded on the TPPS data base (cash disbursements) with the SSR (SSI program records).

We used the population of 144,531 IPs to test overall compliance with the requirements that payments not exceed a dollar ceiling (currently \$999) and not be issued to the same recipient at an interval of less than 30 days. There were 625 IPs totaling \$372,215 issued during the 2-year audit period that exceeded the dollar ceiling. However, we identified only 25 excessive IPs issued during the period August through December 1999 and 17 of those payments were \$1 or less above the ceiling. There were also 4,059 IPs totaling \$1,442,230 that SSA issued less than 30 days after making another IP to the same recipient.

We found that 15 offices accounted for 4,696 IPs totaling \$1,872,296 that were unmatched with the SSR, above the dollar ceiling, or issued less than 30 days apart to the same recipient. This represents about 18.7 percent of the total IPs issued during the 2-year audit period that did not satisfy these requirements. Detailed information for the 15 FOs is shown in Appendix B. We found that all of these offices were located in three SSA regions located in the western and southwestern United States.

ONSITE FIELD OFFICE REVIEWS

We selected five FOs for on-site reviews. These offices were selected from the 15 offices identified with the largest amount of IPs either unmatched with the SSR or not in compliance with the dollar ceiling or frequency of payment requirements. We selected at least 1 FO from each of the 3 SSA regions where the 15 offices are located. The reviews consisted of interviewing staff to determine how IPs are processed and reviewing available documentation for 30 randomly selected noncompliant IPs from

each office. The numbers of cases selected for each category at the five offices is shown in Appendix A.

In general, the selected offices provided documentation of the justification and evidence of supervisory approval for the sampled IPs. We did not perform additional tests to determine the validity of the evidence. Although detailed verification of financial emergencies was often missing, we found no basis to question the financial need. We also found that, while a number of the payments were in noncompliance, the violations were insignificant. For example, the 39 multiple IPs to the same recipients were often issued within 3 days of the 30-day required interval. Nonetheless, current policy does not allow for these exceptions to the requirement.

We sampled 109 IPs that we were unable to match with the recipients' SSR. There were 6 voided IPs, resulting in 103 actual payments. Although we noted a lack of accountability on the SSR, the basis for the payments was documented and they received supervisory approval.

We reviewed two sample payments involving IPs above the dollar ceiling. The payments were for \$650 and \$624. Neither of these payments was otherwise questionable as the financial emergencies were documented and the IPs were approved. We also found that the number of IPs exceeding the maximum payment amount became insignificant after the ceiling was raised from \$400 to \$999 in August 1999.

However, we identified 19 IPs totaling \$6,400 that SSA did not recover. The 19 IPs consisted of 17 payments that did not match with the SSR and 2 payments that were issued less than 30 days after previous payments to the same recipients. The amount that was not recovered totaled \$6,400, or 11.1 percent of the total sampled dollars. This occurred because of systems limitations and inadequate compensating controls.

SSA SYSTEMS ENHANCEMENT AND BETTER CONTROLS ARE NEEDED

There is no automated interface to allow a FO to use one input to record IP data on both the TPPS data base used to record disbursements and the SSR used to account for SSI payments and eligibility. Moreover, SSA has not established compensating controls for FOs to ensure that IPs are properly recorded and recovered from the recipients.

The prior audit report also noted the lack of an interface between TPPS payments and the SSR.⁶ At that time, SSA indicated that it was developing systems requirements for an integrated front-end process that would allow one input to update both the TPPS and SSR systems. Despite the significant increases in the volume of IPs since the prior report was issued in 1993, SSA has not implemented this systems enhancement. SSA

⁶ *ibid.*

also has not implemented the recommendation in the prior report that the SSR should distinguish between IPs and EAPs.

Pending implementation of an automated interface between TPPS payments and the SSR, interim controls are needed to improve SSA's accounting for IPs. We believe that two suggestions made in the prior audit report are still relevant and would improve the IP process.

- SSA should periodically implement a computerized match between the TPPS records and the SSR to identify IPs that do not match with IPs recorded on the TPPS. Those IPs that are unmatched should be listed in an exception report that is issued to the appropriate FOs for corrective actions. The prior report noted that SSA implemented the matching process once, but made no use of the resulting information.⁷
- SSA should require FOs to conduct supervisory reviews of IPs to ensure that the payments are recorded on the SSR and that recovery actions are taken.

⁷ *ibid.*

Conclusions and Recommendations

We concluded that SSA needs to improve its controls for issuing and recovering SSI IPs. A lack of system integration and compensating controls permit human error to go undetected and IPs to remain unrecovered. We are recommending systems enhancements and procedural improvements to assist FO staff in monitoring and collecting IPs. To ensure that the system is used appropriately, we recommend that SSA:

1. Activate two codes on the SSR to separately identify and account for SSI IPs and EAPs.
2. Integrate the TPPS with the SSR so IPs can automatically be added to both systems based on one input. In the interim:
 - Emphasize the need to verify that IPs are promptly recorded on the SSR and recovery actions are taken as part of FO monthly TPPS accountability reports and managers' annual audits.
 - Perform computerized analyses as an additional control to identify IPs on the TPPS data base for which no payments were established on the SSR and send listings to FOs to resolve the discrepancies.
3. Evaluate existing policy to determine if revisions should be made to allow for waivers of the 30-day interval requirement for disbursing IPs.

AGENCY COMMENTS

SSA agreed with our recommendations and provided timeframes for implementation actions taken and planned. With respect to the recommendation for performing computerized analyses, SSA agrees with the intent of the recommendation, but not the proposed action. Instead, SSA believes recent changes to TPPS provide appropriate control for the interim period.

OIG RESPONSE

We acknowledge SSA's responsiveness to the recommendations we made. The Agency's proposed strategy for addressing our recommendations appears reasonable. We will continue to follow-up on the status of corrective action to determine its effectiveness in improving the monitoring and collection of immediate payments.

Appendices

Statistical Analyses and Methodology

We obtained a data base from the third-party payment system (TPPS) of Immediate Payments (IP) issued from January 1, 1998 through December 31, 1999. During this 2-year review period, there were 144,531 IPs issued totaling \$55,218,164. The TPPSs are the source cash disbursement records for IPs.

We used the data base for three analyses:

1. We matched the IP data base with the Supplemental Security Record file (SSR) to identify IPs from the TPPS that did not match the SSR. We found 20,449 payments totaling \$8,025,805 that we were not able to match with the SSR.
2. We identified 4,059 payments totaling \$1,442,230 that were issued within 30 days of a prior IP to the same recipient.
3. We identified 625 IPs totaling \$372,215 that were issued in an amount above the allowable limit.

We sorted the results of these three analyses by FOs to identify those offices with the highest amounts of IPs. See Attachment B for the results of this ranking. We selected 5 of the 15 offices with the highest amounts of payments. We ensured geographic dispersion by including at least one office from each of the three regions where the offices were located. All of the 15 offices were located in the western and southwestern United States.

We then randomly selected 30 sample IPs from each of the 5 selected offices. The sampled items were selected from the three categories of noncompliant IPs identified by our analyses as discussed above. The number of sampled items in each category was based on the relative number of IPs by category. The selections are shown in the following table.

Table 1 - Sample Selections

Location	Total IPs Under Review	Number of Transactions					
		Unmatched		Multiple		High Dollar	
		Total	Sample	Total	Sample	Total	Sample
Sacramento, CA (Downtown)	596	414	21	179	9	3	0
San Francisco, CA (Civic Center)	575	367	19	188	10	20	1
Colorado Springs, CO	251	169	20	77	9	5	1
Las Vegas, NV (North)	217	175	24	42	6	0	0
Albuquerque, NM	210	176	25	34	5	0	0
Total	1,849	1,301	109	520	39	28	2

Field Offices with Highest Amount of Noncompliant Immediate Payments (January 1, 1998 through December 31, 1999)

Location	Nonmatch with SSR	Multiple Under 30 Days	Exceeded Monetary Limit	Total Number of IPs	Total Payment Amount
*San Francisco, CA (Civic Center)	367	188	20	575	\$ 228,215
*Sacramento, CA (Downtown)	414	179	3	596	217,580
Sacramento, CA (South)	253	111	5	369	151,591
Riverside, CA	243	84	26	353	144,399
Inglewood, CA	204	132	11	347	141,074
Sacramento, CA (North)	272	61	10	343	140,965
Hollywood, CA	183	101	4	288	120,359
San Bernardino, CA	164	117	13	294	113,199
Modesto, CA	131	27	67	225	107,293
*Colorado Springs, CO	169	77	5	251	98,664
*Las Vegas, NV (North)	175	42	-	217	83,527
Las Vegas, NV	155	55	-	210	82,471
*Albuquerque, NM	176	34	-	210	82,133
Phoenix, AZ	156	57	3	216	81,509
Richmond, CA	110	91	1	202	79,317
TOTAL	3,172	1,356	168	4,696	\$1,872,296

*Note: This office was included in our sample review.

Agency Comments



SOCIAL SECURITY

MEMORANDUM

30154-24-631

Date: August 21, 2002

Refer To: S1J-3

To: James G. Huse, Jr.
Inspector General

From: Larry Dye /s/
Chief of Staff

Subject: Office of the Inspector General Draft Report, "Review of Internal Controls for the Supplemental Security Income Immediate Payment Process" (A-05-00-10045)—INFORMATION

We appreciate OIG's efforts in conducting this review. Our comments on the report content and recommendations are attached. Staff questions can be referred to Odessa J. Woods on extension 50378.

Attachment:
Proposed Comments

COMMENTS OF THE SOCIAL SECURITY ADMINISTRATION (SSA) ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "CONTROLS FOR THE SUPPLEMENTAL SECURITY INCOME IMMEDIATE PAYMENT PROCESS" (A-05-00-10045)

Recommendation 1

Activate two codes on the SSR to separately identify and account for SSI IPs and EAPs.

SSA Comment

We agree with the need to activate two codes on the SSR to separately identify and account for Supplemental Security Income (SSI) immediate payments (IP) and emergency advance payments (EAP). This enhancement will be incorporated into the system when IPs and EAPs are moved into the payment history segment of the Supplemental Security Record (SSR)—see response to Recommendation 2.

Recommendation 2

Integrate the TPD system with the SSR so IPs can automatically be added to both systems on one input.

SSA Comment

We agree, and on July 20, 2002, implemented new emergency advance payment (EAP)/IP screens--the first step in providing an interface between the SSR and the Third-Party Payment System (TPPS), formerly the Third-Party Draft System (TPD). In April 2003, we will implement TPPS Release 3.0 to provide a centralized database and eliminate 1,500 local databases. The actual integration of TPPS with the programmatic systems (title II and title XVI) will occur with TPPS Release 3.1, expected in October 2003. With TPPS Release 3.1, IPs and EAPs must be entered into the programmatic system. Once entered and approved, the data will be sent to TPPS. The cashier will then use TPPS to process the draft.

Recommendation 2a

In the interim, emphasize the need to verify that IPs are promptly recorded on the SSR and recovery actions are taken as part of field office (FO) monthly TPD accountability reports and managers' annual audits.

SSA Comment

We agree. On August 12, 2002, we released a reminder emphasizing the need to verify that IPs are promptly recorded on the SSR and that recovery actions are taken as part of the FO monthly TPD accountability reports and managers' annual audits.

Recommendation 2b

In the interim, perform computerized analyses as an additional control to identify IPs on the TPD database for which no payments were established on the SSR and send listings to FOs to resolve the discrepancies.

We agree with the intent of this recommendation, but not the proposed action. The current version of TPPS allows cashiers to print a listing of all EAPs/IPs based on a date range (they use the database query function and select EAPs/IPs). In addition, on the TPPS' Accountability Report, the approving official and the cashier must sign and date the following certifications:

Approving Official's Certification

I hereby confirm authorization of these cashier and financial transactions and certify, where applicable, that the goods/services were received and the program payments have been entered into the appropriate SSR or MBR system.

Cashier's certification

I certify that the disbursements I claimed herein are proper and correct and that the status of the funds for which I am accountable is as stated above and the program payments have been entered into the appropriate SSR or MBR system.

We believe this is an appropriate control for the interim period. Our primary goal is to integrate TPPS with the programmatic systems, and we do not want to negatively impact implementation of TPPS Releases 3.0 or 3.1 by diverting resources to provide this additional listing.

Recommendation 3

Evaluate existing policy to determine if revisions should be made to allow for waivers of the 30-day interval requirement for disbursing IPs.

SSA Comment

We agree, and will evaluate the policy that permits one IP in a 30-day period to determine if the 30-day requirement should be waived. This evaluation and any corrective action will be completed in FY 2003.

OIG Contacts and Staff Acknowledgments

OIG Contacts

William Fernandez, Director, Western Audit Division, (510) 970-1739

Teresa S. Williams, Deputy Director, (312) 353-0331

Acknowledgments

In addition to those named above:

Tony Lesniak, Auditor

Sherman Doss, Auditor

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Ranking Minority Member, Committee on Budget, House of Representatives	1
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Chairman, Committee on Governmental Affairs	1

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Chairman, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives	1
Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives	1
Chairman, Committee on Appropriations, U.S. Senate	1
Ranking Minority Member, Committee on Appropriations, U.S. Senate	1
Chairman, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate	1
Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate	1
Chairman, Committee on Finance	1
Ranking Minority Member, Committee on Finance	1
Chairman, Subcommittee on Social Security and Family Policy	1
Ranking Minority Member, Subcommittee on Social Security and Family Policy	1
Chairman, Senate Special Committee on Aging	1
Ranking Minority Member, Senate Special Committee on Aging	1
President, National Council of Social Security Management Associations, Incorporated	1
Treasurer, National Council of Social Security Management Associations, Incorporated	1
Social Security Advisory Board	1
AFGE General Committee	9
President, Federal Managers Association	1
Regional Public Affairs Officer	1
Total	96

Overview of the Office of the Inspector General

Office of Audit

The Office of Audit (OA) conducts comprehensive financial and performance audits of the Social Security Administration's (SSA) programs and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits, required by the Chief Financial Officers' Act of 1990, assess whether SSA's financial statements fairly present the Agency's financial position, results of operations and cash flow. Performance audits review the economy, efficiency and effectiveness of SSA's programs. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program fraud and inefficiency, rather than detecting problems after they occur.

Office of Executive Operations

OEO supports the OIG by providing information resource management; systems security; and the coordination of budget, procurement, telecommunications, facilities and equipment, and human resources. In addition, this office is the focal point for the OIG's strategic planning function and the development and implementation of performance measures required by the *Government Performance and Results Act*. OEO is also responsible for performing internal reviews to ensure that OIG offices nationwide hold themselves to the same rigorous standards that we expect from SSA, as well as conducting investigations of OIG employees, when necessary. Finally, OEO administers OIG's public affairs, media, and interagency activities, coordinates responses to Congressional requests for information, and also communicates OIG's planned and current activities and their results to the Commissioner and Congress.

Office of Investigations

The Office of Investigations (OI) conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement of SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, physicians, interpreters, representative payees, third parties, and by SSA employees in the performance of their duties. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Counsel to the Inspector General

The Counsel to the Inspector General provides legal advice and counsel to the Inspector General on various matters, including: 1) statutes, regulations, legislation, and policy directives governing the administration of SSA's programs; 2) investigative procedures and techniques; and 3) legal implications and conclusions to be drawn from audit and investigative material produced by the OIG. The Counsel's office also administers the civil monetary penalty program.