



SOCIAL SECURITY

MEMORANDUM

Date: October 4, 2005

Refer To:

To: The Commissioner

From: Inspector General

Subject: Performance Indicator Audit: Continuing Eligibility (A-15-05-15115)

We contracted with PricewaterhouseCoopers, LLP (PwC) to evaluate 16 of the Social Security Administration's performance indicators established to comply with the Government Performance and Results Act. The attached final report presents the results of two of the performance indicators PwC reviewed. For each performance indicator included in this audit, PwC's objectives were to:

- Assess the effectiveness of internal controls and test critical controls over the data generation, calculation, and reporting processes for the specific performance indicator.
- Assess the overall reliability of the performance indicator's computer processed data. Data are reliable when they are complete, accurate, consistent and are not subject to inappropriate alteration.
- Test the accuracy of results presented and disclosed in the Fiscal Year 2004 Performance and Accountability Report.
- Assess if the performance indicator provides a meaningful measurement of the program it measures and the achievement of its stated objective.

This report contains the results of the audit for the following indicators:

- Supplemental Security Income nondisability redeterminations.
- Periodic continuing disability reviews processed.

Page 2 – The Commissioner

Please provide within 60 days a corrective action plan that addresses 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 black ink, appearing to read "Patrick P. O'Carroll, Jr.", with a stylized flourish at the end.

Patrick P. O'Carroll, Jr.

Attachment

**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**PERFORMANCE INDICATOR AUDIT:
CONTINUING ELIGIBILITY**

October 2005

A-15-05-15115

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.

MEMORANDUM

Date: August 17, 2005

To: Inspector General

From: PricewaterhouseCoopers, LLP

Subject: Performance Indicator Audit: Continuing Eligibility (A-15-05-15115)

OBJECTIVE

The Government Performance and Results Act (GPRA)¹ of 1993 requires the Social Security Administration (SSA) to develop performance indicators that assess the relevant service levels and outcomes of each program activity.² GPRA also calls for a description of the means employed to verify and validate the measured values used to report on program performance.³

Our audit was conducted in accordance with generally accepted government auditing standards for performance audits. For the performance indicators included in this audit, our objectives were to:

1. Assess the effectiveness of internal controls and test critical controls over the data generation, calculation, and reporting processes for the specific performance indicator.
2. Assess the overall reliability of the performance indicator's computer processed data. Data are reliable when they are complete, accurate, consistent and are not subject to inappropriate alteration.⁴
3. Test the accuracy of results presented and disclosed in the Fiscal Year (FY) 2004 Performance and Accountability Report (PAR).
4. Assess if the performance indicator provides a meaningful measurement of the program it measures and the achievement of its stated objective.

¹ Public Law No. (Pub. L. No.) 103-62, 107 Stat. 285 (codified as amended in scattered sections of 5 United States Code (U.S.C.), 31 U.S.C. and 39 U.S.C.).

² 31 U.S.C. § 1115(a)(4).

³ 31 U.S.C. § 1115(a)(6).

⁴ GAO-03-273G *Assessing Reliability of Computer Processed Data*, October 2002, p. 3.

BACKGROUND

We audited the following performance indicators as stated in the SSA FY 2004 PAR:

Performance Indicator	FY 2004 Goal	FY 2004 Reported Results
Supplemental Security Income (SSI) Non-Disability Redeterminations (RZ)	2,210,000	2,278,566
Periodic Continuing Disability Reviews (CDR) Processed	1,537,000	1,604,680

SSA administers two disability programs: the Disability Insurance (DI) program, authorized by Title II of the Social Security Act,⁵ and the SSI program, authorized by Title XVI of the Social Security Act.⁶ The DI program provides income for eligible workers who have qualifying disabilities and for eligible members of their families before they reach retirement age.⁷ The SSI Program is a needs-based program that provides or supplements the income of aged, blind, and/or disabled individuals with limited income and resources.⁸ SSA periodically performs reassessments of SSI beneficiaries' nonmedical factors (SSI Non-Disability Redeterminations) as well as reassessments of DI and SSI beneficiaries' disability factors (Periodic CDRs) to determine ongoing benefit eligibility.

SSI RZs are post-eligibility reviews of SSI nonmedical factors, such as income, resources and living arrangements. This information is used to determine beneficiaries' financial eligibility for continued payment. RZs are scheduled based on the likelihood of changes in circumstances that may affect the payment amount. Unscheduled RZs are completed on an "as needed" basis and are triggered when SSA learns of certain changes in circumstances that could affect the continuing SSI payment amount.

SSA completes periodic DI and SSI CDRs to determine if a disabled individual continues to be medically eligible to receive benefits. Periodic CDRs are required at a minimum of every 3 years⁹ unless SSA has determined the disability was classified as

⁵ Social Security Act, §§ 201-234, 42 U.S.C. §§ 401-434.

⁶ Social Security Act, §§ 1601-1637, 42 U.S.C. 1381-1383f.

⁷ http://www.ssa.gov/OP_Home/ssact/title02/0200.htm.

⁸ http://www.ssa.gov/OP_Home/ssact/title16b/1601.htm.

⁹ Social Security Act, § 221(i), 42 U.S.C. § 421(i).

permanent, or the beneficiary has enrolled in the Ticket to Work program.¹⁰ Periodic CDRs are conducted by questionnaire (mailer) or by a medical re-examination of the beneficiaries' disability.

RESULTS OF REVIEW

We found that SSA does not have adequate internal controls over the processes used to secure and report the performance data used in the performance indicator "SSI Non-Disability Redeterminations." Specifically, there were a number of weaknesses found in the configuration of the Title XVI Datawarehouse.¹¹ As a result, we were unable to conclude that the performance data was reliable. For the indicator "Periodic Continuing Disability Reviews (CDR) Processed," we were able to recalculate the indicator using summary data, but we could not verify the accuracy of the summary data. As a result, PricewaterhouseCoopers, LLP (PwC) was unable to validate the accuracy of the reported indicator results.

We did not identify any significant exceptions related to the accuracy of presentation or disclosure of the information related to these indicators contained in the PAR, or to the meaningfulness of these indicators.

SSI Non-Disability Redeterminations

Indicator Background

SSI Nondisability RZs are selected based on the date of the beneficiaries' last RZ and the categorization of beneficiaries into high, middle or low error profiles.¹² The selected beneficiaries are tracked in the Post-Entitlement Operational Data Store (PEODS). The RZ data is updated in the Supplemental Security Record (SSR), which is the master record for SSI beneficiaries.

RZs are completed at the field offices (FO) and the Wilkes-Barre Data Operations Center (WBDOC). Claims representatives (CR) at the FO perform high-error profile RZs through face-to-face or telephone interviews. SSA requests that the beneficiaries bring financial documentation to the interviews, such as rent receipts or bank records. During the interview, the CR inputs any changes to the beneficiaries' nonmedical factors via the Modernized Supplemental Security Income Claims System (MSSICS). MSSICS updates the SSR with changes to the beneficiaries' nonmedical factors. The SSR provides data to PEODS to update the status of the RZ once it is completed.

¹⁰ Ticket to Work and Work Incentives Improvement Act of 1999, Pub. L. No. 106-170.

¹¹ The Tile XVI Datawarehouse is an Oracle database running on a UNIX server.

¹² Program Operations Manual System: OS 03513.001 Redeterminations – General.

Middle-error and low-error profile RZs are reviewed by records processing clerks at the WBDOC. Beneficiaries are mailed forms to complete and return to the WBDOC. The returned forms are manually reviewed for completeness at the WBDOC. During the mailer reviews, the records processing clerk inputs changes. If “no change” is indicated on the form, a completion indicator is posted to the SSR. The SSR provides data to PEODS to update the status of the RZ once it is completed.

On a weekly basis, PEODS transfers the composite high, middle and low RZ data to the Title XVI Datawarehouse. Once a month, the Division of Cost Analysis reviews the RZ data maintained in the Title XVI Datawarehouse and provides the RZ information to the Office of Strategic Management. The year-to-date total of the completed RZs is recorded in the PAR. Refer to the formula below:

$$\begin{array}{l} \text{Total SSI Non-Disability RZs} \\ \text{Processed for FY 2004} \end{array} = \begin{array}{l} \text{Total Completed RZs for the period} \\ \text{of October 1, 2003 to} \\ \text{September 24, 2004} \end{array}$$

Findings

Internal Controls and Data Reliability

Our review of the Title XVI Datawarehouse UNIX system and Oracle database identified seven security and compliance exceptions. This review was conducted against the SSA developed UNIX Risk Model configuration standard (which establishes baseline configuration requirements for all production SSA UNIX servers), the SSA Security Handbook, National Institute of Standards and Technology (NIST) guidelines, and the Defense Information Systems Agency (DISA) Security Technical Implementation Guides (STIG). We identified two exceptions to the requirements of the SSA UNIX Risk Model and three exceptions to the existing Government guidelines from NIST and the DISA UNIX STIGs.¹³ We identified one exception to the requirements of the SSA Security Handbook. During our review of the Oracle database, we were informed by SSA management that SSA has not documented a configuration standard (risk model) for the Oracle database environment. The lack of a documented configuration standard increases the risk that the database environment will not be consistently configured to

¹³ During the review, the following NIST and DISA guidelines were used:

- NIST Interagency Reports 5153 Section 3.2.2 #11: Government standards state, “Each resource delivered with the system shall have the most restrictive access rights possible to permit the intended use of that resource.”
- DISA UNIX Security Technical Implementation Guide, Version 4R4, Release 15 January 2005 Section 3.8.1 G201.
- NIST Special Publications 800-18 Guide for Developing: Security Plans for Information Technology Systems, Section 6.MA.2.

meet minimum security requirements established in the SSA Security Handbook. Additionally, SSA cannot ensure that the steps required to restrict access, prevent data loss, and detect unauthorized activity are consistently completed by system administrators when installing, configuring, upgrading, or maintaining a database.

The Government Accountability Office's (GAO) guide, *Assessing the Reliability of Computer-Processed Data*, states that for data to be considered reliable it must not be subject to inappropriate alteration. As a result of these security issues, the data used to calculate this performance indicator could not be considered reliable as the environment did not provide an appropriate level of control to prevent inappropriate alteration of the data.

Periodic Continuing Disability Reviews Processed

Indicator Background

Periodic CDRs are conducted through full medical reviews or beneficiary completed questionnaires (mailers). The type of CDR to be completed is determined by the beneficiaries' probability of medical improvement. Beneficiaries with a high probability of medical improvement receive a full medical review CDR.

A CDR begins when an FO receives an alert to review a beneficiary's case folder which contains background and medical information on the beneficiary to determine if a full medical CDR should be performed. The FO is able to determine the need for a full medical CDR, based on SSA policy. If unable to readily make that decision, it is transferred to the State Disability Determination Services (DDS). The folders identified for full medical CDRs are also transferred to DDS for medical adjudication. The DDS disability adjudicator reviews the folder to determine if a full medical CDR should be performed. If a full medical CDR is not performed, the beneficiary's record is updated in the Disability Control File (DCF) and the case is not included in the performance indicator count.

When a full medical CDR is completed by the DDS the determination of "continuance," "cessation," or "no decision" is input into the National Disability Determination Services System (NDDSS). NDDSS transfers this data to the Disability Operational Data Store (DIODS). DIODS produces the State Agency Operations Report (SAOR) on a monthly basis and at the end of the year. The year-to-date total of the completed full medical CDRs is reported on the SAOR report. Refer to the following formula:

$$\text{Total full medical CDRs processed} = \text{Total recorded medical CDRs less work issue CDRs}^{14}$$

¹⁴ A work issue CDR is an unscheduled full medical review that is performed to evaluate the beneficiary's medical eligibility as a result of earnings being posted to the Master Earnings File against a beneficiary's record. Since these are not periodic CDRs, they are not included in the count.

CDR mailers are performed for beneficiaries that have a low probability of medical improvement. These beneficiaries are identified through profiling. Profiling is the process in which the Office of Disability Determinations (ODD) ranks all Title II and Title XVI recipients based on the probability of cessation. The mailer forms request information about the beneficiaries' medical improvement, recent education or training, and recent attempts to work or return to work. CDR mailers are tracked within the Office of Disability and Income Security Programs.

Beneficiaries return completed CDR mailers to the WBDOC. The WBDOC reviews the mailers for completeness and creates a data file to capture relevant information. The data file is sent to the Office of Continuing Disability Reviews Support (OCDRS) to process using the beneficiary's mailer responses. The possible outcomes for the mailer CDRs are:

- Deferred for a full medical review;
- Full medical review;
- Administrative closure; or
- Processing Center review.

ODD updates the DCF to reflect the results of the OCDRS processing and completion of the CDR mailers. Only completed CDR mailers that have been deferred for a full medical review are included in the performance measure count.

Total completed CDR mailers	=	Total completed CDR mailers that have been deferred for Full Medical Review
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The CDR Mailer Deferrals report produces the total deferred CDR mailers completed on a monthly basis. The year-to-date total of the completed full medical CDRs on the report is combined with the year-to-date total of the deferred CDR mailers and is recorded in the PAR.

Total fiscal year-to-date CDRs processed	=	Total full medical CDRs processed for the period of October 1, 2003 to September 24, 2004 plus the total completed CDR mailers for the period of October 1, 2003 to September 24, 2004
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Findings

We were able to recalculate the indicator using summary data from DIODS, but we could not verify the accuracy of the summary data. The DIODS data used to classify the full medical reviews as complete was not archived and maintained. SSA management stated that the detailed data was not maintained due to limited data storage space. As a result, PwC was unable to validate the accuracy of the reported indicator results. The Agency brought to our attention that it is considering alternative means to address this finding, e.g. providing a year-to-date DIODS snapshot. We acknowledge SSA's efforts to address this finding; however, as the proposed alternatives were not in place during the period of our audit, we were unable to verify or test the accuracy of data provided by these alternatives.

We did not identify any significant exceptions related to the accuracy of presentation or disclosure of the information related to this indicator contained in the PAR, or to the meaningfulness of this indicator.

CONCLUSION AND RECOMMENDATIONS

Specific to the performance indicator, "SSI Non-Disability Redeterminations," we recommend SSA:

1. Ensure that the Title XVI Datawarehouse UNIX system is configured to be in compliance with the SSA Risk Model and Government guidelines from NIST and DISA.
2. Ensure that the Title XVI Datawarehouse Oracle database is configured to be in compliance with the SSA Security Handbook.
3. Create a risk model for the Oracle database that is in compliance with the SSA Security Handbook and Government guidelines.

Specific to the performance indicator, "Periodic CDRs processed," we recommend SSA:

4. Maintain the detailed data used to calculate the performance indicator results that are reported in the PAR or provide alternate means to ensure that the data is auditable.

AGENCY COMMENTS

SSA generally agreed with one recommendation, neither agreed nor disagreed with another recommendation, and disagreed with two recommendations. Although SSA stated they could neither agree nor disagree with recommendation 2, SSA discussed steps taken to address the risk presented by this issue. For recommendation 3, SSA disagreed and stated that the risk models target operating systems, not databases. For

recommendation 4, SSA disagreed and stated that system capacity and limited resources would prevent them from full implementation of this recommendation. The full text of SSA's comments can be found in Appendix D.

PWC RESPONSE

In response to the Agency's general comment related to the accuracy of the data used to calculate the performance indicator results, for the indicator "SSI Non-Disability Redeterminations," GAO's guide, *Assessing the Reliability of Computer-Processed Data*, states that for data to be considered reliable it must not be subject to inappropriate alteration. As a result of the security issues addressed in this report, the data used to calculate this performance indicator could not be considered reliable as the environment did not provide an appropriate level of control to prevent inappropriate alteration of the data. For the indicator "Periodic Continuing Disability Reviews Processed," the DIODS data used to classify the full medical reviews as complete was not archived and maintained. As a result, PwC was unable to validate the accuracy of the reported indicator results.

In response to recommendation 1, we believe the approach that SSA has taken to address the risk presented by this finding is appropriate. For recommendations 2 and 3, since completion of the field work for this audit, SSA has created an ORACLE standard configuration risk model that defines SSA's security guidelines for implementation of ORACLE databases. For recommendation 4, one of the objectives of the GPRA audit is to ensure the accuracy of results reported in the PAR for each of the indicators under audit. We are willing to discuss any alternate methods the Agency is considering to ensure that the indicator results are auditable. However, SSA is responsible for meeting the requirements of OMB Circular A-123, *Management Accountability and Control*, which states, "...documentation for transactions, management controls, and other significant events must be clear and readily available for examination."¹⁵

¹⁵ OMB Circular A-123, Appendix II, Establishing Management Controls, June 21, 1995.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Scope and Methodology

APPENDIX C – Process Flowcharts

APPENDIX D – Agency Comments

Acronyms

CDR	Continuing Disability Review
CR	Claims Representative
DCA	Division of Cost Analysis
DCF	Disability Control File
DDS	Disability Determination Services
DI	Disability Insurance
DIODS	Disability Operational Datastore
DISA	Defense Information Systems Agency
FO	Field Office
FY	Fiscal Year
GAO	Government Accountability Office
GPRA	Government Performance and Results Act
MSSICS	Modernized Supplemental Security Income Claims Systems
NCC	National Computer Center
NDDSS	National Disability Determination Services System
NIST	National Institute of Standards and Technology
OCDRS	Office of Continuing Disability Review Support
ODD	Office of Disability Determinations
OEEAS	Office of Earnings, Enumerations and Administrative Systems
PAR	Performance and Accountability Report
PC	Processing Center
PEODS	Post-Entitlement Operational Data Store
Pub. L. No.	Public Law Number
PwC	PricewaterhouseCoopers, LLP
RZ	Redetermination
RZ SDO	Redetermination Service Delivery Objective Report
SAOR	State Agency Operations Report
SSA	Social Security Administration
SSI	Supplemental Security Income
SSR	Supplemental Security Record
STIG	Security Technical Implementation Guides
U.S.C.	United States Code
WBDOC	Wilkes-Barre Data Operations Center

Scope and Methodology

We updated our understanding of the Social Security Administration's (SSA) Government Performance and Results Act (GPRA) processes. This was completed through research and inquiry of SSA management. We also requested SSA to provide various documents regarding the specific programs being measured as well as the specific measurement used to assess the effectiveness and efficiency of the related program.

Through inquiry, observation, and other substantive testing, including testing of source documentation, we performed the following:

- Reviewed prior SSA, Government Accountability Office, Office of the Inspector General and other reports related to SSA's GPRA performance and related information systems.
- Met with the appropriate SSA personnel to confirm our understanding of the performance indicator.
- Flowcharted the process. (See Appendix C).
- Tested key controls related to manual or basic computerized processes (e.g., spreadsheets, databases, etc.).
- Conducted and evaluated tests of the automated and manual controls within and surrounding each of the critical applications to determine whether the tested controls were adequate to provide and maintain reliable data to be used when measuring the specific indicator.
- Identified attributes, rules, and assumptions for each defined data element or source document.
- Recalculated the metric or algorithm of key performance indicators to ensure mathematical accuracy.
- For those indicators with results that SSA determined using computerized data, we assessed the completeness and accuracy of that data to determine the data's reliability as it pertains to the objectives of the audit.

As part of this audit, we documented our understanding, as conveyed to us by Agency personnel, of the alignment of the Agency's mission, goals, objectives, processes, and related performance indicators. We analyzed how these processes interacted with related processes within SSA and the existing measurement systems. Our understanding of the Agency's mission, goals, objectives, and processes were used to determine if the performance indicators appear to be valid and appropriate given our understanding of SSA's mission, goals, objectives and processes.

We followed all performance audit standards in accordance with generally accepted government auditing standards. In addition to the steps noted previously, we specifically performed the following to test the indicators included in this report:

SUPPLEMENTAL SECURITY INCOME REDETERMINATIONS

- Audited the design and effectiveness of the SSA internal controls and the accuracy and completeness of the data related to the following areas:
 - ✓ Completed application control review over the Title XVI Datawarehouse.
 - ✓ Completed reviews for the Title XVI Datawarehouse UNIX system and ORACLE database.
- Recalculated the Supplemental Security Income redeterminations for the Fiscal Year (FY) 2004 and compared it to the number reported in the Performance Accountability Report.

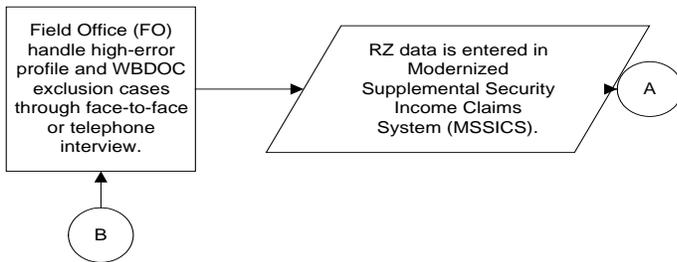
PERIODIC CONTINUING DISABILITY REVIEWS PROCESSED

- Audited the design and effectiveness of the SSA internal controls and the accuracy and completeness of the data related to the following areas:
 - ✓ Observed the Continuing Disability Review (CDR) mailer process at the Wilkes-Barre Data Operations Center (WBDOC).
 - ✓ Completed application control review over Disability Operational Datastore (DIODS).
- Determined the adequacy of the programming logic used by SSA to calculate the full medical reviews processed.
- Recalculated the Title II and Title XVI CDR mailers processed for FY 2004 and compared it to the Title II and Title XVI CDR mailers processed for the year.
- Recalculated the Title II and Title XVI CDR full medical reviews summary data for FY 2004 and compared it to the State Agency Operations Report as of September 24, 2004.

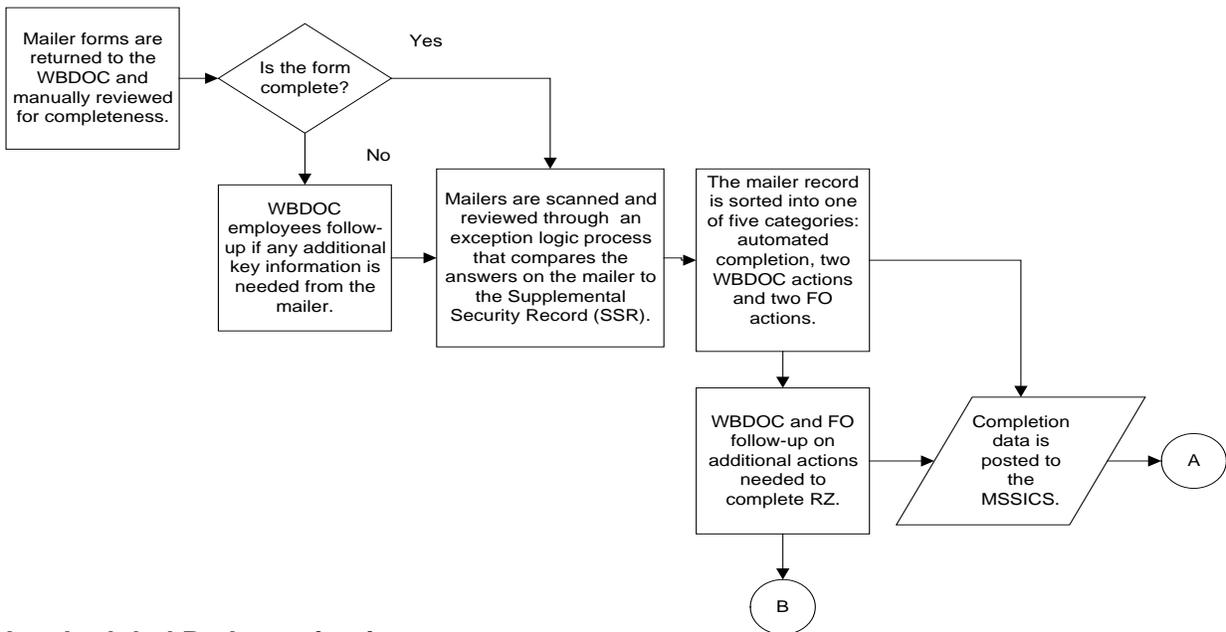
Appendix C

Flowchart of Supplemental Security Income (SSI) Non-Disability Redeterminations

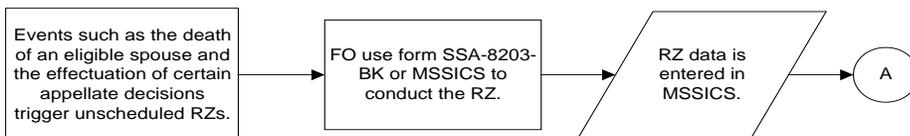
Scheduled Redeterminations



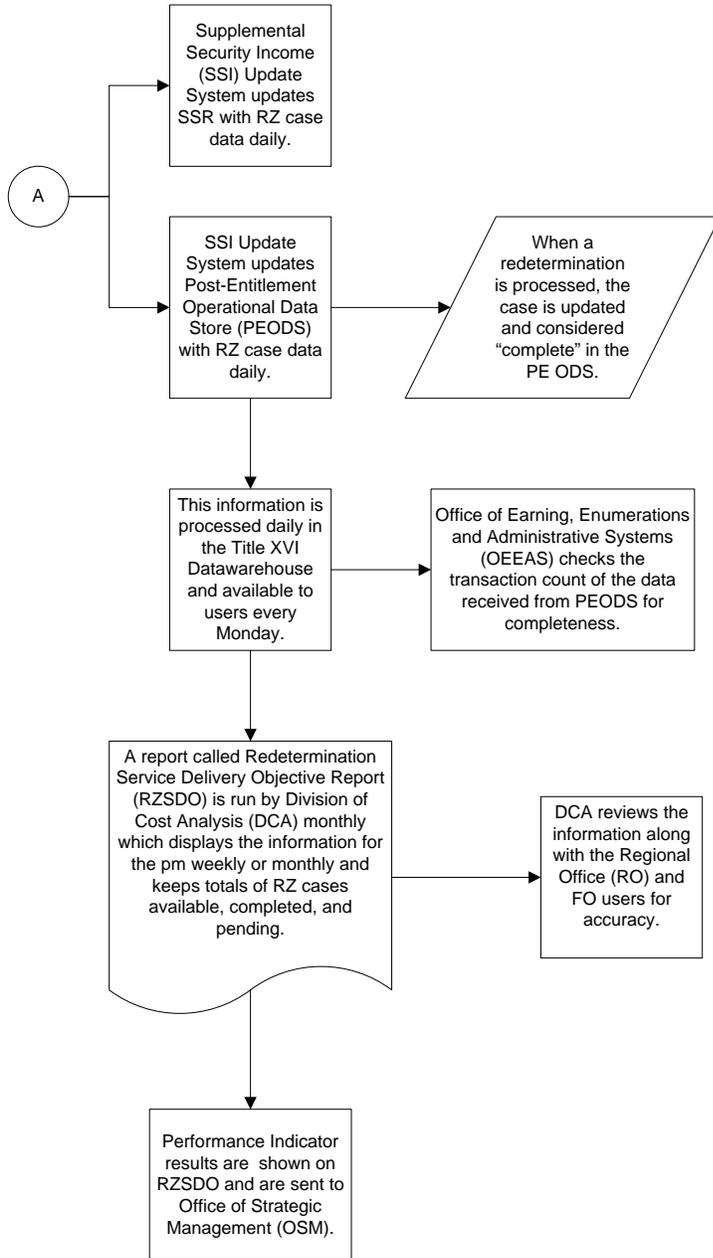
Mailers



Unscheduled Redeterminations



Flowchart of Supplemental Security Income (SSI) Non-Disability Redeterminations (cont.)



2004 Process Flowchart Narrative

Supplemental Security Income (SSI) Non-Disability Redeterminations

Scheduled Redeterminations

- Claims representatives at the FOs typically handle high-error profile redeterminations through face-to-face or telephone interviews.
- The updated information is input via on-line entry to the MSSICS.
- The SSR is updated by overnight batch processing and the information is transferred using the SSI Update System to PEODS.

Mailers

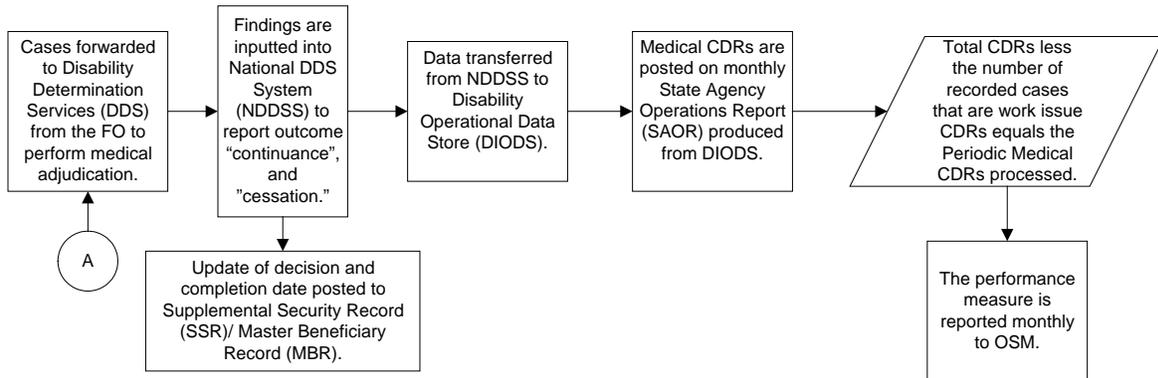
- WBDQC conducts redeterminations that have low-error profiles using computer generated mail-out forms to be completed and returned by the beneficiaries.
- Forms are manually reviewed for completeness.
- Incomplete forms are followed up by WBDQC employees.
- Mailers are scanned and reviewed through an exception logic process that compares the answers on the mailer to the SSR.
- The mailer record is sorted into one of five categories: automated completion, two WBDQC actions and two FO actions.
- WBDQC and FO follow up on additional actions needed to complete RZ.
- If a complication develops in the case, the case is transferred to the servicing FO.
- If “no change” is indicated, a completion indicator is posted to the SSR.
- The SSR is updated by overnight batch processing and the information is transferred using the SSI Update System to PEODS.

Unscheduled Redeterminations

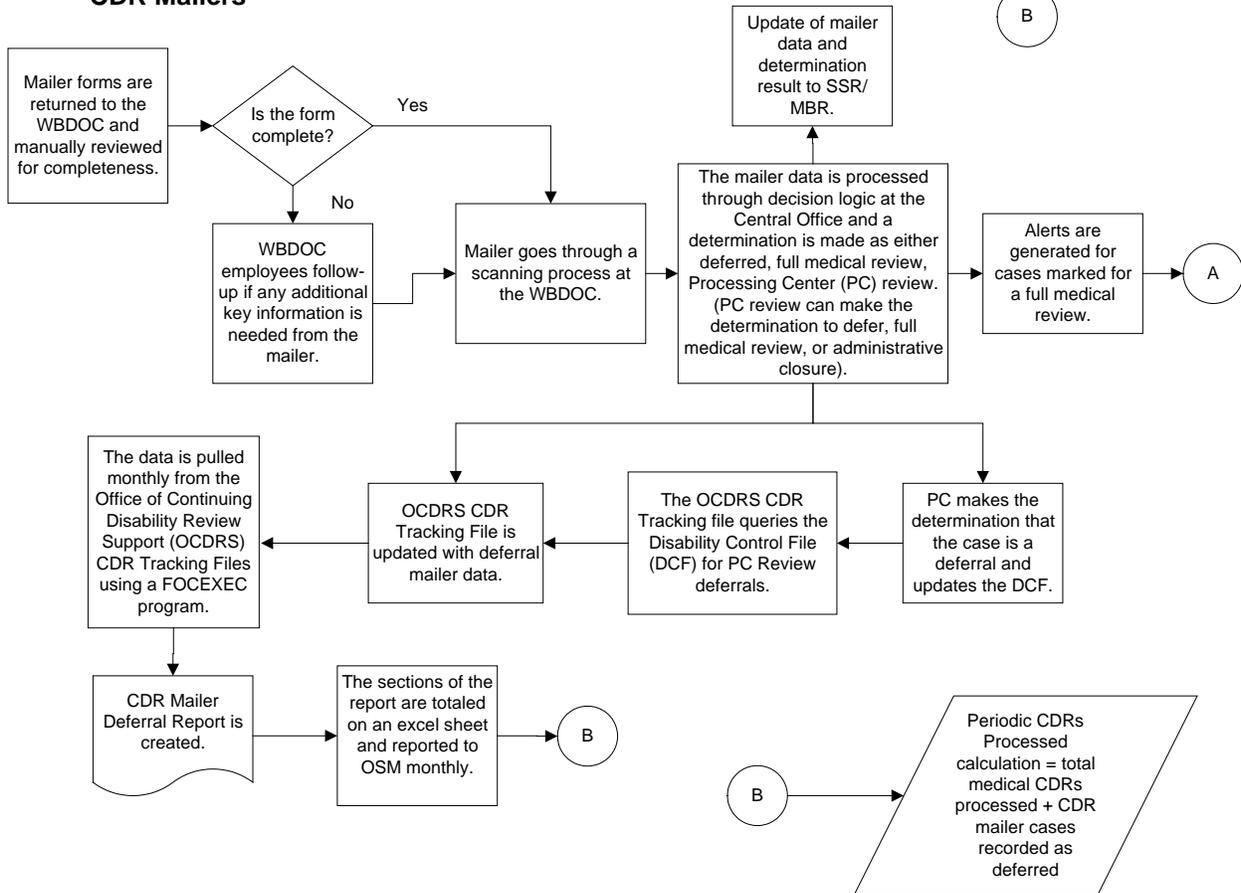
- Events such as the death of an eligible spouse and the effectuation of certain appellate decisions trigger unscheduled RZs.
- FO uses form SSA-8203-BK or MSSICS to conduct the RZ similar to a scheduled RZ.
- The updated information is input via on-line entry to the MSSICS.
- The SSR is updated by overnight batch processing and the information is transferred using the SSI Update System to PEODS.
- The entered cases, identified by SSNs, are considered receipts in the PEODS.
- When the processing of a redetermination is done and updated by the FO in MSSICS, a completion count is taken.
- PEODS redetermination data are updated automatically once a week.
- The information is processed daily in the Title XVI Datawarehouse and available to users every Monday.
- Once a month, the DCA reviews the redetermination data on the RZ SDO Report and sends the completion data to the Office of Strategic Management (OSM), which is reported at year-end in SSA’s PAR.

Flowchart of Periodic Continuing Disability Reviews (CDR) Processed

Full Medical Review CDRs



CDR Mailers



2004 Process Flowchart Narrative

Periodic Continuing Disability Reviews (CDR) Processed

Full Medical Reviews

- FOs forward the cases to the State Disability Determination Services (DDS) to perform the medical adjudication.
- Once a determination is made by the DDS, the findings are input into the NDDSS to report the outcome, either “continuance,” “cessation,” or “no decision” in the event of an administrative closure.
- The data is transferred from the NDDSS to DIODS.
- The medical CDRs are posted monthly on a SAOR year-to-date report, which is produced from the DIODS.
- The information, available weekly but reported monthly to the Commissioner’s Tracking Report, is used to calculate the performance indicator. The total recorded CDRs less the number of recorded cases that are work issue CDRs equals the number of reported medical CDRs processed.

CDR Mailers

- Once a scannable mailer is received by the WBDOC, there is a preliminary screening for completeness.
- Incomplete forms are followed up by WBDOC employees.
- The mailer form is both scanned by equipment using optical character recognition and physically input/keyed to create a data file.
- The data file is transmitted to National Computer Center (NCC) at the Central Office. NCC formats and names the file that is then passed along to OCDRS.
- OCDRS processes the data through decision-logic. The decision logic considers the beneficiary’s mailer responses together with the profile score signifying high, middle, or low likelihood of cessation due to medical improvement. The possible outcomes are either deferred, full medical review, administrative closure or Processing Center (PC) review.
- ODD makes the appropriate input to update the DCF to reflect the results of decision logic processing.
- PC can make a determination to defer or full medical review, or administrative closure.
- The OCDRS CDR Tracking file queries the DCF for PC Review deferrals.
- OCDRS CDR Tracking File is updated with deferral mailer data.
- The performance indicator data is pulled monthly from the OCDRS CDR Tracking Files using a FOCEXEC program.
- CDR Mailer Deferral Report is created.
- The sections of the report are totaled on an EXCEL spreadsheet and reported to OSM monthly.

Appendix D

Agency Comments



SOCIAL SECURITY

MEMORANDUM

34314-24-1351

August 17, 2005

Refer To: SIJ-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Larry W. Dye /s/
Chief of Staff

Subject: Office of the Inspector General (OIG) Draft Report, "Performance Indicator Audit:
Continuing Eligibility" (A-15-05-15115)--INFORMATION

We appreciate OIG's efforts in conducting this review. Our comments on the draft report's recommendations are attached.

Please let me know if you have any questions. Staff inquiries may be directed to Candace Skurnik, Director, Audit Management and Liaison Staff, at extension 54636.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,
"PERFORMANCE INDICATOR AUDIT: CONTINUING ELIGIBILITY" (A-15-05-15115)

Thank you for the opportunity to review and comment on the draft report. We would like to emphasize that as stated in the report, PricewaterhouseCoopers (PwC) did not identify any significant exceptions related to the accuracy of presentation or disclosure of the information related to the performance indicators discussed below that are contained in the Performance and Accountability Report (PAR). Therefore, SSA considers the audited data used to calculate the performance indicators as accurate.

Our responses to the specific recommendations are provided below.

Recommendations specific to performance indicator, "SSI Non-Disability Redeterminations"

Recommendation 1

Ensure that Title XVI Datawarehouse UNIX system is configured to be in compliance with the SSA Risk Model and Government guidelines from National Institute of Standards and Technology (NIST) and Defense Information Systems Agency (DISA)

Response

We agree with the intent of the recommendation, but not its breadth.

Concerning PwC's finding that the Title XVI Datawarehouse was non-compliant with settings in the risk model; we concur and have already taken corrective action.

Although SSA reviews NIST and DISA guidelines when updating each operating system Risk Model, full adoption of the guidelines would adversely affect the Agency's ability to conduct its core business under the current Information Technology (IT) environment. Moreover, the recommendations made are frequently not applicable to SSA's systems environment because we either do not utilize the specific components of the operating system discussed in these documents or because SSA is using that component in a manner different than that envisioned by NIST or DISA.

It would be inappropriate for the Agency to state we are in full compliance with these guidelines for the reasons stated above. However, the Agency has implemented the guidelines where they are applicable to our processing environment. We believe our configuration management program affords the Agency the best possible protections while also supporting our core business processes.

Recommendation 2

Ensure that Title XVI Datawarehouse Oracle database is configured to be in compliance with SSA Security Handbook.

Response

We cannot agree or disagree with this recommendation as the SSA Security handbook does not contain database configuration standards. However, SSA's Office of Systems has established configuration standards for ORACLE using a risk-based approach that targets known weaknesses with current ORACLE configurations. As appropriate, the results of routine analysis of emerging industry best practices and applicable NIST guidance will be included in future iterations of our configuration guide. As with all our configuration standards, compliance monitoring continues on an ongoing basis.

Recommendation 3

Create a risk model for the Oracle database that is in compliance with SSA Security Handbook and Government guidelines.

Response

We disagree. Agency practice for risk models targets operating systems, not databases. Every operating system permitted on the Agency's network is required to have a risk model that is published and updated with an established frequency--no less than annually--in accordance with Federal sector requirements and guidelines, as adopted by SSA. Oracle databases reside on operating systems for which risk models exist. As noted in the response to recommendation 2, ORACLE databases have documented configuration standards that are monitored for compliance. We will consider formalizing our practice by including it in future policy updates.

Recommendation specific to performance indicator, "Periodic Continuing Disability Reviews Processed"

Recommendation 4

Maintain the detailed data used to calculate the performance indicator results that are reported in the Performance and Accountability Report (PAR) or provide alternate means to ensure that the data is auditable.

Response

We disagree. Although the report indicates system capacity is a compelling factor for not maintaining data for tracing data integrity, the diversion of already limited resources to support such activity is another compelling factor. Satisfying this recommendation would require SSA to preserve and maintain, among other things, data transactions, source code, multiple versions of

software and the operating system in use during the potential audit review period. Staff would then need to be available to reconstruct all this to support an audit. The magnitude of such an effort would seriously impede work to implement new information technology-supported processes that support SSA programs and its clients. We have recommended to OIG and PwC representatives that they take advantage of real-time auditing, and they agreed to explore such an option for subsequent fiscal year audits.

Concerning other indicators, OIG and PwC staff expressed they believe some existing indicators only require the retention of summary data to meet the audit requirement. In these cases archiving only summary data for each fiscal year would be sufficient to meet PwC/OIG's needs. Although this approach won't address this particular indicator, Office of Systems staff will work with indicator sponsors, the Office of Strategic Management (OSM) and PwC/OIG staff to identify those indicators and determine the best storage options for archiving summary data. This activity addresses the portion of the report that states that SSA is exploring alternatives to support auditors' needs.

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of our Office of Investigations (OI), Office of Audit (OA), Office of the Chief Counsel to the Inspector General (OCCIG), and Office of Executive Operations (OEO). To ensure compliance with policies and procedures, internal controls, and professional standards, we also have a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts and/or supervises financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management and program evaluations and projects on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as OIG liaison to the Department of Justice on all matters relating to the investigations of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Chief Counsel to the Inspector General

OCCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Finally, OCCIG administers the Civil Monetary Penalty program.

Office of Executive Operations

OEO supports OIG by providing information resource management and systems security. OEO also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OEO is the focal point for OIG's strategic planning function and the development and implementation of performance measures required by the Government Performance and Results Act of 1993.