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**OFFICE OF  
THE INSPECTOR GENERAL**

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**SOCIAL SECURITY ADMINISTRATION**

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**UNIVERSITY OF ILLINOIS AT  
URBANA-CHAMPAIGN,  
COLLEGE OF APPLIED LIFE STUDIES,  
DISABILITY RESEARCH INSTITUTE**

**June 2005**

**A-15-05-25122**

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**AUDIT REPORT**

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## **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.**



## SOCIAL SECURITY

### MEMORANDUM

Date: June 27, 2005

Refer To:

To: The Commissioner

From: Inspector General

Subject: University of Illinois at Urbana-Champaign, College of Applied Life Studies, Disability Research Institute (A-15-05-25122)

### OBJECTIVE

Our objective was to determine whether the Social Security Administration's (SSA) funds were used in accordance with the terms of its cooperative agreement number 10-P-98360-5 with the University of Illinois at Urbana-Champaign (University of Illinois), Disability Research Institute (DRI).

### BACKGROUND

In May 2000, SSA's Office of Acquisition and Grants (OAG) signed a 5-year cooperative agreement, number 10-P-98360-5, with the University of Illinois to create the DRI. The purpose of the DRI was to benefit the public through four tasks to:

- plan, initiate, and maintain a research program;
- develop resources to inform the academic community, policymakers, and the public on issues concerning disability policy;
- develop a professional training program; and
- facilitate research using SSA administrative data.

SSA projected \$1.25 million in funding to the University of Illinois in the first year and \$1 million per year for subsequent years. The actual funding is found in the following table:

| ACTUAL FUNDING * | FUNDING YEAR |
|------------------|--------------|
| \$2,321,023      | 1            |
| 2,991,747        | 2            |
| 3,242,808        | 3            |
| 5,543,063        | 4            |
| 3,930,358        | 5            |

\* The funding was increased from the originally projected amount to provide for additional research.

OAG's mission is to acquire a quality product—at a reasonable price—that fully meets the needs of the user and accomplishes the objectives of SSA's research and demonstration programs. SSA's OAG uses the terms cooperative agreements<sup>1</sup> and grants<sup>2</sup> interchangeably. Therefore, we also used the terms interchangeably. SSA's Grants Administration Manual and Grants Policy Handbook have criteria for both cooperative agreements and grants.

SSA's Office of Disability and Income Security Programs (ODISP) directs and manages the planning, development, issuance, and evaluation of operational policies, standards, and instructions for the Old-Age, Survivors and Disability Insurance program and the Supplemental Security Income program. The project officers in ODISP's Office of Program Development and Research work with OAG to ensure the terms of the grants are fulfilled.<sup>3</sup>

## RESULTS OF REVIEW

During the course of our audit, we reviewed budget documentation and actual funds used. We determined SSA's funds were used in accordance with the terms of the Agency's cooperative agreement with the University of Illinois, DRI. The University of Illinois, DRI's accounting records were consistent with the *Financial Status Report* (SF-269A) submitted to SSA. The accounting records and supporting financial documentation supporting the *Financial Status Reports* demonstrated adequate financial management.

## CONCLUSION

Our review determined the University of Illinois at Urbana-Champaign submitted accurate DRI financial information to SSA. Nothing came to our attention that indicated SSA did not fully benefit from the Federal funds provided in the grant.



Patrick P. O'Carroll, Jr.

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<sup>1</sup> The SSA Grants Policy Handbook defines a cooperative agreement as an award instrument of financial assistance where "substantial involvement" is anticipated between the awarding Federal agency and the recipient during performance of the contemplated project or activity.

<sup>2</sup> The SSA Grants Policy Handbook defines a grant as financial assistance (including cooperative agreements) in the form of money, or property in lieu of money, by the Federal Government to an eligible recipient.

<sup>3</sup> ODISP project officers are responsible for implementing the technical, scientific, and programmatic aspects of SSA's cooperative agreements.

# *Appendices*

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[APPENDIX A](#) – Acronyms

[APPENDIX B](#) – Scope and Methodology

[APPENDIX C](#) – OIG Contacts and Staff Acknowledgments

## Acronyms

|                        |   |
|------------------------|---|
| DRI                    | Disability Research Institute                     |
| OAG                    | Office of Acquisition and Grants                  |
| ODISP                  | Office of Disability and Income Security Programs |
| SSA                    | Social Security Administration                    |
| University of Illinois | University of Illinois at Urbana-Champaign        |

### Scope and Methodology

We reviewed the financial information reported by the University of Illinois at Urbana-Champaign (University of Illinois) Disability Research Institute (DRI) on the *Financial Status Report* (SF-269A) for Fiscal Years 2002 through 2004, and the quarterly progress reports to determine whether the DRI accurately reported financial information to the Social Security Administration (SSA).

We also:

- Interviewed SSA's Office of Acquisition and Grants (OAG) and Office of Disability Income and Security Programs, Office of Program Development and Research staff to obtain an understanding of various processes associated with the grant, including the process for awarding grants and cooperative agreements.
- Reviewed pertinent Office of Management and Budget Circulars, and appropriate sections of the Code of Federal Regulations, OAG Grants Administration Manual and Grants Policy Handbook to determine the requirements relating to grants.
- Interviewed University of Illinois, DRI employees at Urbana-Champaign, Illinois to obtain an understanding of various processes associated with maintaining accounting records and the reporting of financial data to SSA.
- Obtained accounting records from the University of Illinois, DRI accounting system, which we tested, analyzed and traced to supporting documentation.
- Obtained and reviewed relevant documentation associated with the research proposals, Executive Committee and Technical Advisory Panel minutes and the process for awarding grants.

We determined that the data in the accounting records was sufficiently reliable given our audit objective and intended use of the data. We based this determination on analysis we performed on the accounting records.

We conducted our audit in accordance with generally accepted government auditing standards. Our fieldwork was performed in Baltimore, Maryland and at the University of Illinois at Urbana-Champaign, Illinois from December 2004 to April 2005.

## OIG Contacts and Staff Acknowledgments

### ***OIG Contacts***

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### ***Acknowledgments***

In addition to those named above:

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Social Security Advisory Board

# **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.