

# Report Summary

Social Security Administration Office of the Inspector General

August 2011



## Objective

To determine whether the South Dakota Disability Determination Services (SD-DDS) accurately reported obligations for Fiscal Years (FY) 2009 through 2010 and whether withdrawals made through the Automated Standard Application for Payments (ASAP) system were consistent with reported disbursements.

## Background

Disability determination services (DDS) in each State or other responsible jurisdiction perform disability determinations under the Disability Insurance and Supplemental Security Income programs. The Social Security Administration (SSA) reimburses the DDS for 100 percent of allowable reported expenditures up to its approved funding authorization, based on a *State Agency Report of Obligations for SSA Disability Programs* (Form SSA-4513).

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-06-11-11153.pdf>

## **South Dakota Disability Determination Services' Administrative Cost Reporting (A-06-11-11153)**

### Our Findings

SD-DDS did not accurately report obligations incurred in FYs 2009 and 2010. During these 2 years, SD-DDS consistently under-reported obligations on monthly obligation reports. Under-reported amounts ranged from \$320,798 to \$913,257 compared to actual obligations subsequently reported on quarterly Forms SSA-4513. This occurred because SD-DDS did not include the value of obligations incurred but not paid (unliquidated obligations) on its monthly obligation reports. Under-reported obligations negatively affected SSA's ability to accurately forecast SD-DDS' funding requirements.

FY 2009 and 2010 withdrawals made through the Department of the Treasury's ASAP system were consistent with reported disbursements. However, in FYs 2005 and 2008, SD-DDS withdrawals from Treasury exceeded its authority by a combined \$16,347. During the audit, SD-DDS refunded the overdrawn amounts to SSA.

### Our Recommendation

For future reporting periods, we recommended that SSA direct the SD-DDS to accurately report obligations incurred, including unliquidated obligations, on Monthly Obligation Reports.

SSA agreed with the recommendation.