

# Report Summary

Social Security Administration Office of the Inspector General

May 2011



## Objective

Our objectives related to the Office of Disability Adjudication Review (ODAR) cost allocation process were to review and test (1) internal controls, (2) the General Computer Control environments, (3) main processes, (4) data inputs, and (5) data outputs. We also determined whether data collected and used by management were valid and accurate.

## Background

ODAR's process for inputting cost analysis system (CAS) information is similar to that used by the other Social Security Administration (SSA) components. The two major differences in ODAR's pre-allocation processing are (1) ODAR does not have a work measurement system that directly links to CAS, and (2) ODAR does not conduct workload sampling to determine work hours.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-15-10-20150.pdf>

## **Office of Disability Adjudication and Review Cost Allocation Process (A-15-10-20150)**

### Our Findings

We contracted with Grant Thornton LLC to conduct four CAS reviews. For this second review, it found that standard time values used in ODAR's cost allocation process were outdated and inaccurate through Fiscal Year 2010. The original standard time values were developed in the early 1980s, and the specific details regarding the rationale and calculation of the standard time values were unclear as there is no documentation on their development, and individuals who created them have long since retired.

In addition, Grant Thornton found that ODAR did not have a formalized review process for the manually prepared monthly spreadsheets it developed for input to CAS.

### Our Recommendations

Grant Thornton recommended that SSA:

1. Formalize a scheduled, periodic review of ODAR's standard time values to help ensure future CAS results reflect the current status of operations.
2. Develop a formalized monthly review process of ODAR's CAS submission as part of its control structure.

SSA determined that because of the interrelationship of all four CAS reviews, it was premature to comment or respond to Grant Thornton's recommendations and will provide consolidated comments once it receives the results of all CAS reviews.