

Report Summary

Social Security Administration Office of the Inspector General

March 2009



Objective

To report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audits to the Social Security Administration (SSA) for resolution action.

Background

KPMG performed the audit of the State of Illinois. The Maine Department of Audit performed the audit of the State of Maine. SSA is responsible for resolving single audit findings related to its Disability Insurance and Supplemental Security Income programs. The Illinois Department of Human Services (DHS) is the Illinois Disability Determination Services (DDS) parent agency. The Maine DHS is the Maine DDS' parent agency.

To view the full reports, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-77-09-00009.pdf>

<http://www.ssa.gov/oig/ADO/BEPDF/A-77-09-00010.pdf>

Management Advisory Reports: Single Audits, for the Fiscal Year Ended June 30, 2007, of the State of Illinois (A-77-09-00009) and the State of Maine (A-77-09-00010)

Our Findings

The single audit for the State of Illinois reported (1) there were no employee personnel activity reports to support the payroll and fringe benefit expenditures allocated to Federal programs from the internal service funds; (2) costs accumulated in the internal services funds were unallowable; and (3) charges from the internal service funds' information technology services were not in accordance with the State's Cost Allocation Agreement and Office of Management and Budget (OMB) Circular A-87.

The single audit for the State of Maine reported (1) payroll certifications were not obtained for employees who worked solely on SSA's disability programs; (2) suspension and debarment certification language was not included in all contracts with DDS medical and psychological consultants; (3) DDSs did not review the Excluded Parties List System (EPLS) website to determine whether medical and psychological consultants were excluded from participation in Federal programs; and (4) DHS had an insufficient accounting system to account for Federal program funds.

Our Recommendations

For the State of Illinois, we recommend that SSA work with the Illinois DHS to verify that policies and procedures are in place to ensure charges to the Illinois DDS from the internal service funds are in accordance with the approved Cost Allocation Agreement and OMB A-87 requirements.

For the State of Maine, we recommend that SSA (1) verify that payroll certifications have been completed and are being maintained for DDS employees who work solely on SSA's disability programs; (2) ensure contracts related to the DDS include suspension and debarment certification language; (3) ensure the DDS reviews the EPLS as part of the consultant background check process; and (4) ensure the DHS is properly accounting for funds provided to the Maine DDS for disability determinations.