

Report Summary

Social Security Administration Office of the Inspector General

June 2012



Objectives

To determine whether Northview Village, Inc., (1) had effective safeguards over the receipt and disbursement of Social Security benefits, (2) used and accounted for Social Security benefits in accordance with the Social Security Administration (SSA) policies and procedures, and (3) adequately protected the beneficiaries' personally identifiable information (PII).

Background

Some individuals cannot manage or direct the management of their finances because of their youth or mental and/or physical impairments. Congress granted SSA the authority to appoint representative payees to receive and manage these beneficiaries' payments. Representative payees are responsible for managing benefits in the best interest of the beneficiary.

To view the full report, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-07-11-01137>

Northview Village, Inc., an Organizational Representative Payee for the Social Security Administration (A-07-11-01137)

Our Findings

Our audit period was from May 1, 2010 to April 30, 2011. We found that Northview Village, Inc., (Northview Village) generally had effective safeguards over the receipt and disbursement of Social Security benefits, used and accounted for Social Security benefits in accordance with SSA policies and procedures, and adequately protected PII. However, Northview Village could improve its safeguards over the disbursement of Social Security benefits by (1) following its own internal controls and SSA's policies and procedures for disbursements and (2) maintaining sufficient documentation to support that it uses Social Security benefits in the beneficiaries' best interests. Specifically, Northview Village had weak internal controls in the inconsistent use of a countersignature for all checks, giving a large sum of money to a beneficiary who left the representative payee, not maintaining ledgers with sufficient detail, and not maintaining receipts to support all expenditures.

We also found that Northview Village did not submit the annual Representative Payee Report to SSA to account for the benefits of two beneficiaries. Finally, Northview Village served as the unofficial representative payee for 26 beneficiaries.

Our Recommendations

We recommended that the SSA Kansas City Regional Commissioner (1) remind Northview Village to follow its internal controls and SSA's policies and procedures over the disbursement of Social Security benefits in those areas where we identified weaknesses, and (2) instruct Northview Village to maintain sufficient documentation, including complete trust account ledgers and receipts, for all the beneficiaries it serves to support that it uses Social Security benefits for the best interest of the beneficiaries.

SSA agreed with our recommendations.