

Report Summary

Social Security Administration Office of the Inspector General

March 2010



Objective

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

Background

The Department of Labor and Industry (L&I) is the Pennsylvania Disability Determination Services' (DDS) parent agency. The Office of Temporary and Disability Assistance (OTDA) is the New York DDS' parent agency.

The Office of Vocational Rehabilitation (OVR) in L&I for the Commonwealth of Pennsylvania provides vocational rehabilitation services to Social Security beneficiaries.

To view the full reports, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-77-10-00003.pdf>

<http://www.ssa.gov/oig/ADO/BEPDF/A-77-10-00004.pdf>

Management Advisory Reports: Single Audits of the Commonwealth of Pennsylvania for the Fiscal Year Ended June 30, 2008 (A-77-10-00003) and the State of New York for the Fiscal Year Ended March 31, 2008 (A-77-10-00004)

Our Findings

The single audit for the Commonwealth of Pennsylvania reported (1) OVR could not provide complete documentation to support SSA reimbursements totaling \$16,025 for vocational rehabilitation services, (2) documentation was not maintained for the authorization and testing of changes to the DDS' VERSA application and access to the test and production libraries within VERSA was not limited to only authorized staff, and (3) the Commonwealth is not in compliance with the Cash Management Improvement Act (CMIA) regulations and procedures for clearance pattern requirements and interest calculations.

The single audit of the State of New York reported that indirect costs were charged to various Federal agencies, including SSA, based on cost allocation plan (CAP) methodologies that are pending approval by the Department of Health and Human Services' (HHS) Division of Cost Allocation.

Our Recommendations

For the Commonwealth of Pennsylvania we recommend that SSA (1) determine whether the reimbursements to OVR totaling \$16,025 were appropriate and, if not, request a refund of the unallowable costs, (2) ensure OVR is maintaining adequate documentation to support SSA reimbursements for vocational rehabilitation services, (3) verify that the identified weaknesses in computer controls over the DDS' VERSA application have been adequately resolved, and (4) ensure that DDS cash draws are based on the CMIA.

For the State of New York, we recommend that upon HHS' approval of the CAP, SSA work with OTDA to ensure that indirect costs charged to the New York DDS during State Fiscal Year 2008 were in accordance with the CAP's approved methodologies.