

Report Summary

Social Security Administration Office of the Inspector General

November 2011



Objective

To fulfill our responsibilities under the *Chief Financial Officers (CFO) Act of 1990* (Public Law 101-576) and related legislation, we monitored Grant Thornton, LLP's audit of the Social Security Administration's (SSA) Fiscal Year 2011 financial statements to ensure the quality of the audit work performed was adequate.

Background

The *CFO Act*, as amended, requires that SSA's Inspector General (IG) or an independent external auditor, as determined by the IG, audit SSA's financial statements in accordance with applicable standards. Under a contract monitored by the Office of the Inspector General, Grant Thornton, an independent certified public accounting firm, audited SSA's Fiscal Year 2011 financial statements.

To view the full report, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-15-11-11177>

Fiscal Year 2011 Financial Statement Audit Oversight (A-15-11-11177)

Our Findings

Grant Thornton found:

- The consolidated balance sheets of SSA as of September 30, 2011 and 2010, and the related consolidated statements of net cost and changes in net position, and the combined statements of budgetary resources for the years then ended, and the statements of social insurance as of January 1, 2011 and January 1, 2010 and statement of changes in social insurance amounts for the period January 1, 2010 to January 1, 2011 are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America;
- Management fairly stated that SSA's internal control over financial reporting was operating effectively as of September 30, 2011; and
- No reportable instances of noncompliance with laws, regulations, or other matters tested.

Our Recommendations

For the deficiencies identified, Grant Thornton recommended:

- SSA management improve policies and procedures that require a periodic review of the content of all security profiles. Management should enforce a consistent approach for profile review and should retain auditable artifacts to evidence the completion of these reviews.
- SSA management improve controls to test and monitor configurations on the mainframe and network operating system environments to identify and address inherent security risks. This should include comprehensive procedures to test new software and updates to existing software prior to implementation. Management should also improve procedures that require on-going monitoring of implemented configurations to identify and address security risks.