

Report Summary

Social Security Administration Office of the Inspector General

March 2012



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 Social Services (DSS) is the California Disability Determination Services' parent agency.

The Department of Health Services is the Wisconsin Disability Determination Bureau's parent agency.

To view the full reports, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-77-12-00005>

<http://oig.ssa.gov/audits-and-investigations/audit-reports/A-77-12-00006>

Management Advisory Reports: Single Audits of the State of California (A-77-12-00005) and the State of Wisconsin (A-77-12-00006) for the Fiscal Year Ended June 30, 2010

Our Findings

The single audit of the State of California reported that DSS could not substantiate \$197,000 of payroll expenditures it charged to the disability insurance (DI) program for four employees. Specifically, DSS did not distribute the payroll expenditures of these employees to the DI program using the actual time spent working on activities related to the DI program. Instead, DSS used percentages to distribute the payroll expenditures based on the time study that occurred before January 2009, which DSS was unable to provide documentation.

The single audit of the State of Wisconsin reported that the Wisconsin Department of Administration lapsed funds from the internal service funds, accounts, and billable cost pools to the State's General Fund to help address budget short falls. Charges to the Federal Government, including SSA, generated these funds. The estimated Federal Government share of the lapsed funds was \$736,000.

Our Recommendations

For the State of California, we recommended corrective action to SSA on this finding in a February 2011 report. We confirmed that SSA had taken appropriate corrective action to address this finding. Therefore, we will not repeat the recommendation.

For the State of Wisconsin, the single audit identified multiple Federal programs, including SSA, responsible for resolving this finding. However, the Department of Health and Human Services informed us that it would resolve this finding on behalf of the Federal Government. Therefore, we are bringing this matter to SSA's attention, but are not making a recommendation.