

Administrative Costs Claimed by the Missouri Disability Determination Services

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Office of Audit Report Summary

Objective

To (1) evaluate the Missouri Disability Determination Services' (MO-DDS) internal controls over the accounting and reporting of administrative costs, (2) determine whether costs MO-DDS claimed were allowable and properly allocated and funds were properly drawn, and (3) assess limited areas of the general security controls environment.

Background

Disability determination services (DDS) in each State or other responsible jurisdiction perform disability determinations under the Social Security Administration's (SSA) Disability Insurance and Supplemental Security Income programs. DDSs are required to perform such determinations in accordance with Federal law and regulations. Each DDS is responsible for determining claimants' disabilities and ensuring adequate evidence is available to support its determinations.

To make proper disability determinations, SSA authorizes each DDS to purchase medical evidence to supplement evidence obtained from the claimants' physicians or other treating sources. SSA reimburses the DDS for 100 percent of allowable expenditures up to its approved funding authorization.

Our Findings

MO-DDS' internal controls over the accounting and reporting of administrative costs were adequate to ensure costs claimed were allowable and properly allocated and funds were properly drawn. However, we identified weaknesses in MO-DDS' equipment inventory records and general security controls. Specifically, MO-DDS did not maintain an accurate inventory of SSA-purchased computer equipment. In addition, MO-DDS' security plans did not have all essential information required by SSA's policy. Finally, MO-DDS' central office did not have adequate fire detection and suppression devices, and the computer rooms at the central office and three district offices did not have alarms for environmental controls.

Our Recommendations

We recommend the SSA Regional Commissioner:

1. Verify MO-DDS' new inventory system complies with SSA instructions.
2. Instruct MO-DDS to timely complete security plans that meet SSA requirements.
3. Work with MO-DDS to ensure adequate fire detection and suppression devices are in place and tested annually at MO-DDS' central office.
4. Instruct MO-DDS to install alarms for environmental controls in the computer rooms of MO-DDS offices to meet SSA's requirement.

SSA agreed with our recommendations.