

Accuracy of Critical Payment System Payments

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) accurately processed Critical Payment System (CPS) payments.

Background

CPS issues Old-Age, Survivors and Disability Insurance payments to beneficiaries in critical cases and special situations when no other system is sending payments, additional benefits are due, or beneficiaries report they did not receive a monthly benefit. Special situations include dire need, court orders, legislative mandates, and preliminary and expedited payments.

CPS requires that two SSA employees establish a CPS record and issue a payment. One employee initiates the payment and places it in a pending status. A second employee with an approver security role approves the pending transaction. This action notifies program service center staff to review the payment and adjust the beneficiary's record appropriately.

We reviewed a random sample of 250 CPS payments from a population of 7,735 from 1 segment of the Payment History Update System made in Calendar Year 2014.

Findings

SSA staff did not always accurately process CPS payments. Of the 250 CPS payments reviewed, SSA incorrectly processed 116. Of these 116, 56 resulted in \$87,800 in improper payments. Estimating our results to the population, SSA did not accurately process 71,780 CPS payments, and 34,660 of these payments resulted in over \$54 million in improper payments.

Payment processing errors included field office staff issuing incorrect payment amounts and program service center staff incorrectly adjusting beneficiaries' records. For some payments, both field office and program service center staffs made errors.

Additionally, some of the employees who authorized CPS payments held lower grades than those who initiated the payments, which CPS policy allows. According to Single Payment System policy, post-entitlement technical experts and/or managers are authorized to approve Single Payment System payments that require approvals.

Recommendations

We recommend that SSA:

1. Review the 116 CPS payments we determined were not accurately processed to ensure all required steps are completed and any payment errors are corrected.
2. Based on the results of the review of the 116 erroneous cases, determine whether additional payments in the CPS population should be reviewed to ensure they were accurately processed.
3. Remind staff who process CPS payments to use appropriate policy to reduce the CPS processing errors we identified.
4. Determine whether CPS policy should be consistent with Single Payment System policy by identifying the positions authorized to approve the release of CPS payments.

SSA agreed with our recommendations.