

Colorado Disability Determination Services Administrative Cost Reporting A-06-15-50033



December 2015

Office of Audit Report Summary

Objectives

To determine whether the Colorado Disability Determination Services (CO-DDS) accurately reported obligations from Fiscal Year (FY) 2013 through the first quarter of FY 2015 and whether Automated Standard Application for Payments (ASAP) system withdrawals were consistent with reported disbursements. We also performed a limited review of controls over safeguarding claimant and State employees' personally identifiable information.

Background

We conducted this review at the request of the Social Security Administration's (SSA) Denver Regional Office. CO-DDS performs disability determinations under the Disability Insurance and Supplemental Security Income programs. SSA reimburses CO-DDS for 100 percent of allowable reported expenditures up to its approved funding authorization. Once approved, CO-DDS' parent Agency, the Colorado Department of Human Services (CO-DHS), withdraws Federal funds through ASAP.

The State may not incur or make expenditures in excess of the amount SSA makes available to the State. Additionally, State agencies should control the rate of expenditures throughout the FY and take precautions to safeguard against over-expenditures of SSA's budget for disability program operations.

Findings

CO-DDS administrative cost reporting and cash management required improvement.

CO-DHS spent \$706,848 in FY 2014 appropriated funds for costs incurred in FY 2015. In March 2015, CO-DHS transferred \$706,848 in FY 2015 appropriated funds back to the FY 2014 appropriation.

CO-DHS did not timely draw Federal funds after it made and reported DDS-related disbursements. CO-DHS also submitted Forms SSA-4513 for FYs 2013 and 2014 that under-reported the amount of Federal funds SSA authorized CO-DDS to spend.

Finally, the State's accounting system provided more than 4,000 users access to a searchable database containing the personally identifiable information of approximately 27,000 State employees, vendors, and contractors.

Recommendations

We made two recommendations for corrective action.

SSA agreed with our findings and had no additional comments. CO-DHS agreed with Recommendation 1 but disagreed with Recommendation 2.