

Report Summary

Social Security Administration Office of the Inspector General

December 2008 & February 2009



Objective

Our objective was 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 Auditor of Public Accounts performed the audit of the Commonwealth of Virginia. The Montana Legislative Audit Division performed the audit of the State of Montana. SSA is responsible for resolving single audit findings related to its Disability Insurance and Supplemental Security Income programs. The Department of Rehabilitative Services (DRS) is the Virginia Disability Determination Services' (DDS) parent agency. The Social and Rehabilitation Services Division is the Montana DDS' parent agency.

To view the full reports, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-77-09-00005.pdf>

<http://www.ssa.gov/oig/ADO/BEPDF/A-77-09-00006.pdf>

Management Advisory Reports: Single Audits of the Commonwealth of Virginia for the Fiscal Year Ended June 30, 2007 (A-77-09-00005) and the State of Montana for the 2-Year Period Ended June 30, 2007 (A-77-09-00006)

Our Findings

The single audit for the Commonwealth of Virginia reported that (1) DRS does not provide employees training on information security; (2) DRS data exchanged between two computer systems was not adequately protected and (3) one DRS employee had the dual ability to create and approve payroll.

The single audit for the State of Montana reported (1) volume discount rebates totaling \$32, 597 were not credited to the Federal awarding programs; (2) the Montana Department of Administration did not have appropriate controls over the contractor that prepared the Statewide Cost Allocation Plan; (3) State policies and procedures regarding limits for the accumulation of employee vacation leave were not followed resulting in unallowable costs of \$57,777; and (4) funds from a partial federally funded employee group benefit plan account were inappropriately used.

Our Recommendations

For the Commonwealth of Virginia, we recommend that SSA (1) ensure DRS developed training that addressed information security; (2) verify that controls have been put in place to protect DDS data exchanged between computer systems; and (3) confirm that DRS terminated the employee's ability to create and approve payroll transactions.

For the State of Montana, we recommend that SSA (1) determine whether recovery of SSA's portion of the \$32,597 in volume discount rebates identified in the single audit and future rebates is appropriate based on the agreement between HHS and the State of Montana; (2) ensure the Montana Department of Administration has developed adequate controls over the accurate and timely completion of the SWCAP; (3) determine the portion of the \$57,777 from excess vacation leave that was charged to SSA and recover the unallowable costs; and (4) verify that the employee group benefit plan was reimbursed.