

Report Summary

Social Security Administration Office of the Inspector General

June/July 2011



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 audit firms of Torres Llompart, Sanchez Ruiz L.L.P, and Aquino, DeCordova, Alfaro & Co. L.L.P performed the single audits of the Commonwealth of Puerto Rico, Department of the Family (PRDF) for Fiscal Years (FY) ended June 30, 2008 and 2009, respectfully. SSA is responsible for resolving single audit findings related to its Disability Insurance and Supplemental Security Income programs. The PRDF is the Puerto Rico Disability Determination Services' (PRDDS) parent agency.

To view the full reports, visit
<http://www.ssa.gov/oig/ADO/BEPDF/A-77-11-00012.pdf>

<http://www.ssa.gov/oig/ADO/BEPDF/A-77-11-00013.pdf>

Management Advisory Reports: Single Audits of the Commonwealth of Puerto Rico Department of the Family for the Fiscal Year Ended June 30, 2008 (A-77-11-00012) and June 30, 2009 (A-77-11-00013)

Our Findings

The single audit for the FY ended June 2008 reported that PRDF (1) submitted expenditures to SSA on the *State Agency Report of Obligations for Social Security Administration Disability Programs* (Form SSA-4513) that exceeded the expenditures recorded in PRDF's accounting records by \$394,466, (2) had multiple missing documents from personnel files and payroll costs were incorrectly charged to programs, and (3) charged expenditures totaling \$883,312 for obligations incurred after the end of the period of availability.

The single audit for the FY ended June 2009 reported PRDF does not have adequate documentation to support payroll costs claimed for Federal reimbursement as required by Office of Management and Budget Circular A-87.

Our Recommendations

For the FY ended June 2008, we recommend SSA (1) determine if the inaccurate reporting of expenditures on the Form SSA-4513 resulted in inappropriate reimbursements to the PRDDS and, if so, request the return of any inappropriate reimbursements, (2) ensure PRDF corrects the personnel file deficiencies for PRDDS staff, (3) ensure PRDF established adequate procedures to monitor payroll transactions, and (4) determine whether the obligations recorded after the period of availability resulted in unallowable charges and, if so, request a refund of the unallowable costs.

For the FY ended June 2009, we recommend that SSA ensure the PRDDS maintains documentation to support payroll costs charged to SSA.