



SOCIAL SECURITY

MEMORANDUM

Date: September 24, 2007 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: Performance Indicator Audit: Staff Skills and Productivity (A-02-07-17127)

We contracted with PricewaterhouseCoopers, LLP (PwC) to evaluate the Social Security Administration's performance indicators established to comply with the Government Performance and Results Act. Attached is the final report presenting the results of the performance indicators PwC reviewed.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.



Patrick P. O'Carroll, Jr.

Attachment

**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**PERFORMANCE INDICATOR
AUDIT: STAFF SKILLS
AND PRODUCTIVITY**

September 2007 A-02-07-17127

AUDIT REPORT



Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- **Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- **Promote economy, effectiveness, and efficiency within the agency.**
- **Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- **Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- **Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- **Independence to determine what reviews to perform.**
- **Access to all information necessary for the reviews.**
- **Authority to publish findings and recommendations based on the reviews.**

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.

MEMORANDUM

Date: September 13, 2007

To: Inspector General

From: PricewaterhouseCoopers, LLP

Subject: Performance Indicator Audit: Staff Skills and Productivity (A-02-07-17127)

OBJECTIVE

The Government Performance and Results Act (GPRA)¹ of 1993 requires the Social Security Administration (SSA) to develop performance indicators that assess the relevant service levels and outcomes of each program activity.² GPRA also calls for a description of the means employed to verify and validate the measured values used to report on program performance.³

Our audit was conducted in accordance with generally accepted government auditing standards for performance audits. For the performance indicators included in this audit, our objectives were to:

1. Assess the effectiveness of internal controls and test critical controls over the data generation, calculation, and reporting processes for the specific performance indicator.
2. Assess the overall reliability of the performance indicator's computer processed data. Data are reliable when they are complete, accurate, consistent and are not subject to inappropriate alteration.⁴
3. Test the accuracy of results presented and disclosed in the Fiscal Year (FY) 2006 Performance and Accountability Report (PAR).
4. Assess if the performance indicator provides a meaningful measurement of the program it measures and the achievement of its stated objective.

¹ Public Law Number 103-62, 107 Stat. 285 (codified as amended in scattered sections of 5 United States Code (U.S.C.), 31 U.S.C. and 39 U.S.C.).

² 31 U.S.C. § 1115(a)(4).

³ 31 U.S.C. § 1115(a)(6).

⁴ Government Accountability Office (GAO), GAO-03-273G, *Assessing Reliability of Computer Processed Data*, October 2002, p. 3.

BACKGROUND

We audited the following performance indicators as stated in the SSA FY 2006 PAR:

<u>Performance Indicator</u>	<u>FY 2006 Goal</u>	<u>FY 2006 Reported Results</u>
Align employee performance with Agency mission and strategic goals	Develop a communication and training plan to facilitate implementation of the new performance assessment system for employees at the General Schedule (GS)-14 and below level and GS-15s who are covered by the SSA /American Federation of Government Employees (AFGE) National Agreement	Completed ⁵
Minimize skill and knowledge gaps in mission-critical positions	Competency-based entry-level training curriculum will be developed for 100% of the remaining targeted public contact positions - Benefit Authorizers (BA), Claims Authorizers (CA), and Technical Support Technicians (TST)	Completed ⁶
Continue to achieve 2 percent productivity improvement on average	2% on average	2.49% on average ⁷

By 2010, it is anticipated that approximately 40 percent of SSA's employees will be eligible to retire. In addition, the Agency's workloads are expected to grow dramatically as the "baby boom" generation approaches their peak disability and retirement years. SSA reported that its greatest organizational challenge is to ensure that it has a workforce with the skills and tools necessary to process the increasing workloads.⁸

SSA reported their strategies to recruit, develop, and retain a high-performing workforce that will allow the Agency to:

⁵ SSA's FY 2006 PAR, p. 110.

⁶ *Id.*, p. 109.

⁷ *Id.*, p. 101.

⁸ *Id.*, p. 51.

- Continue to provide service to the public that is timely and of the highest quality, and
- Increase the productivity resulting in a savings to the Old-Age, Survivors and Disability Insurance Trust Funds and general revenues.⁹

SSA reported that the Agency uses a variety of tools to accomplish these goals, including enhancements to the performance assessment systems and development of a training curriculum for public contact positions. In addition, the Agency's investment in the development and retention of staff will help in the accomplishment of its current productivity goals.

RESULTS OF REVIEW

We did not identify any significant findings related to the internal controls, data reliability, meaningfulness, accuracy of presentation, or disclosure of the information related to the indicators "*Align employee performance with Agency mission and strategic goals*" and "*Minimize skill and knowledge gaps in mission-critical positions*." However, SSA can improve the internal controls, data reliability, meaningfulness, and accuracy of presentation and disclosure of the information contained in the PAR for the indicator "*Continue to achieve 2 percent productivity improvement on average*." We also noted that prior year issues related to data completeness and access controls were not addressed.

Align employee performance with Agency mission and strategic goals

Indicator Background

The FY 2006 goal for this performance indicator was to "Develop a communication and training plan to facilitate implementation of the new performance assessment system for employees at the GS-14 and below level and GS-15s who are covered by the SSA/AFGE National Agreement."¹⁰

To facilitate implementation of the new performance assessment system, SSA has implemented communication and training plans that include management talking points, union notification, Interactive Video Teletraining, coordination of training cadres across the Agency, face-to-face training, and ongoing "frequently asked questions" updates. The training addresses technical changes to the performance management process, as well as communications skills. The multi-tiered results-oriented system was implemented October 1, 2006.¹¹

⁹ *Id.*, p. 51.

¹⁰ *Id.*, p.110.

¹¹ *Id.*, p.110.

The performance appraisal system will improve the alignment of employee performance to Agency strategic goals and objectives.

Performance Indicator Calculation

Performance = Developed a communication and training plan to facilitate implementation of the new performance assessment system for employees at the GS-14 and below level and GS-15s who are covered by the SSA/AFGE National Agreement.

Findings

We did not identify any significant findings related to the internal controls, data reliability, accuracy of presentation, meaningfulness, or disclosure of the information related to this indicator contained in the PAR.

Minimize skill and knowledge gaps in mission-critical positions

Indicator Background

The FY 2006 goal for this performance indicator was to develop competency-based entry-level training curriculum for 100 percent of the remaining targeted public contact positions - BA, CA, and TST.

It is critical that staff in these positions reach high levels of competence as quickly as possible and receive adequate and proper training...The BA, CA, and TST provide direct service to the public and are responsible for making critical decisions to determine entitlement and the amount of benefits paid to individuals.¹²

SSA developed an entry-level training curriculum for these positions.¹³ The purpose of the redesign was to make the training competency-based and integrate technology into the training, as well as build the courses to reflect these jobs as they exist today.

¹² *Id.*, p. 109.

¹³ *Id.*, p. 109.

The Office of Training performed the following tasks to redesign the content of training:

- Developed a timeline for redesign of CA, BA and TST training.
- Discussed redesign project with components.
- Developed surveys with positions to determine job task.
- Conducted site visits to all processing centers.
- Developed draft curriculum for CA, BA, TST training.
- Consulted and discussed draft with users (employees).
- Developed final curriculum.
- Published curriculum.

Performance Indicator Calculation

Performance = Competency-based entry-level training curriculum will be developed for 100% of the remaining targeted public contact positions - BA, CA, and TST.

Findings

We did not identify any significant findings related to the internal controls, data reliability, accuracy of presentation, meaningfulness, or disclosure of the information related to this indicator contained in the PAR.

Continue to achieve 2 percent productivity improvement on average

Indicator Background

The FY 2006 goal for this performance indicator was to achieve 2 percent productivity improvement on average. This indicator was developed by the Division of Cost Analysis (DCA) under the Deputy Commissioner for Budget, Finance and Management/Office Financial Policy Operations. The SSA productivity performance indicator calculation uses data from 52 established SSA-level workloads. These 52 workloads represent all of the Agency's work, including work performed at its Regional Offices, Field Offices, Disability Determination Services (DDS), Program Service Centers, Hearing Offices, and the other components at SSA Headquarters. The initial component data on the separate workloads is obtained from numerous system files and reports with some limited manual processes. This data is fed into SSA's Cost Analysis System (CAS). Component level workyears and counts for end-products are compiled in CAS to generate the Agency level workloads, which are used in the calculation of this indicator.

The workyear number is composed of paid workyear¹⁴ information obtained for all SSA's components from the Payroll Operational Data Storage system through

¹⁴ "Paid workyear" includes only workyear counts of full time employees. It excludes part time employees, interns and volunteers.

prescribed queries and from the data files sent by the DDSs. The component workload information is obtained from various SSA sub-systems, including the Processing Center Action Control System, Earnings and Recording Maintenance System, Disability Operational Data Store System, Case Processing Management System, and Supplemental Security Income Records Maintenance System. This workload information is manually input into CAS.

The workload and workyear components are compiled by analysts in DCA and uploaded into the Pre-Input Cost Analysis (PICA) system before input into CAS. Once in PICA, they are reviewed for reasonableness. After the information is input into CAS, the SC3 Sum report¹⁵ is generated from CAS, which includes the consolidated information for workload and workyears for the period. The information on the SC3 Sum report is then manually input into the Excel productivity worksheet for comparison to the base year. (Refer to Appendix C for an overview of the process.) The calculation used in the Excel worksheet is below:

Performance Indicator Calculation

$$\text{Percent change in Productivity} = \frac{\text{Total earned workyears}^*}{\text{Total actual workyears used to process SSA level workloads}}$$

*An earned workyear for one workload equals the current year processed count divided by the prior year's processed per workyear. A processed per workyear number is the processed count by workload divided by the workyears for that same workload.

The percent change in productivity is measured by comparing the total number of SSA and DDS workyears that would have been expended to process current year SSA-level workloads at the prior year's rates of production to the actual SSA and DDS workyear totals expended.¹⁶

Findings

Internal Controls and Data Reliability

Nine programmers had the "All" access designation within the Top Secret security software to CAS datasets used to calculate the indicator results. This level of access allows users to create, delete and modify any of the data (or datasets) contained within the datasets we reviewed. Therefore, the data used to calculate the performance indicator could be inappropriately modified and could impact the results of this performance indicator. This level of access prevents SSA from ensuring the integrity of this production data. By allowing programming personnel to have the "All" access designation, SSA is not conforming to Office of Management and Budget Circular

¹⁵ The report provides a top-down overview of each component organization's workyears, payroll costs, other object costs, total costs, and unit cost contributions to each of SSA's end-product workloads.

¹⁶ SSA's FY 2006 PAR, p. 101.

A-130, *Management of Federal Information Resources*, Appendix III, *Security of Federal Automated Information Resources*, principles of "least privileged" access or segregation of duties.¹⁷ Thus, the data cannot be considered reliable since the access control issue noted above created the potential for inappropriate alteration. It should be noted that access was removed during the course of the audit.

During the prior audit of this indicator,¹⁸ we previously noted that SSA management provided limited documentation including: reports used at various stages of the process to create the indicator; some of the processes performed in the CAS system, and information pertaining to the source of some of the data used in the calculation. However, the following documentation was not available for all 52 workloads and therefore SSA was unable to provide a complete audit trail for the recalculation and verification of the indicator:

- A complete description and identification of the exact processes and computer programs used to obtain data from the source system files.
- Clear identification of the exact system files and fields used to obtain initial source data.
- A complete description and identification of the computer programs and interim calculations used to selectively combine, delete or alter original data, extracted from source system files, during each stage of the data refinement process.
- A copy of the original source data extractions used in the calculation process to provide an audit trail for recalculation of the performance indicator.

The findings above have not been corrected by SSA.

Meaningfulness and Accuracy of PAR Presentation and Disclosure

During the prior audit of this indicator,¹⁹ we also found that the calculation of the performance indicator does not include time spent by contractors, which impacts the overall meaningfulness of this indicator. This was partially corrected by SSA. In the FY 2006 performance indicator results, SSA included the contractor workyears used at the DDSs. However, the use of contractors varies from process to process, and contractor workyears may represent a material input into other SSA processes.

¹⁷ SSA is currently implementing the Standardized Security Profile Project to address the principle of "least privileged" access for users with access to mainframe datasets.

¹⁸ *Performance Indicator Audit: Productivity* (A-15-04-14073), November 17, 2004.

¹⁹ *Id.*

CONCLUSION AND RECOMMENDATIONS

We reaffirm our previous recommendations noted in the prior audit of this indicator. We continue to recommend that SSA take action to address these recommendations. (Refer to Appendix D for the prior audit recommendations.)

Specific to the performance indicator, “Continue to achieve 2 percent productivity improvement on average” we recommend SSA ensure that the “least privileged” access principle is in place for SSA personnel who have the ability to directly modify, create or delete the datasets used to calculate the results of this indicator.

AGENCY COMMENTS

The Agency agreed with our recommendations. In responding to the four recommendations from the prior audit of this indicator, SSA stated that it agreed with the recommendations but does not have the budgeted resources to implement them at this time. In agreeing with our one new recommendation, SSA stated that it has already taken steps to comply with the “least privileged” access rule. The full text of the Agency’s comments are included in Appendix E.

Appendices

[APPENDIX A](#) – Acronyms

[APPENDIX B](#) – Scope and Methodology

[APPENDIX C](#) – Process Flowcharts

[APPENDIX D](#) – Prior Audit Recommendations

[APPENDIX E](#) – Agency's Comments

[APPENDIX F](#) – OIG Contacts and Staff Acknowledgments

Appendix A

Acronyms

AFGE	American Federation of Government Employees
BA	Benefit Authorizer
CA	Claim Authorizer
CAS	Cost Analysis System
DCA	Division of Cost Analysis
DDS	Disability Determination Service
FY	Fiscal Year
GAO	Government Accountability Office
GPRA	Government Performance and Results Act
GS	General Schedule
ODS	Operational Data Store
OHR	Office of Human Resources
OIG	Office of the Inspector General
OSM	Office of Strategic Management
PAR	Performance and Accountability Report
PICA	Pre-Input Cost Analysis
SSA	Social Security Administration
TST	Technical Support Technician
U.S.C.	United States Code

Appendix B

Scope and Methodology

We updated our understanding of the Social Security Administration's (SSA) Government Performance and Results Act (GPRA) processes. This was completed through research and inquiry of SSA management. We also requested SSA provide various documents regarding the specific programs being measured, as well as the specific measurement used to assess the effectiveness and efficiency of the related program.

Through inquiry, observation, and other substantive testing, including testing of source documentation, we performed the following:

- Reviewed prior SSA, Government Accountability Office, Office of the Inspector General and other reports related to SSA's GPRA performance and related information systems.
- Reviewed applicable laws, regulations and SSA policy.
- Met with the appropriate SSA personnel to confirm our understanding of the performance indicators.
- Flowcharted the processes. (See Appendix C).
- Tested key controls related to manual or basic computerized processes (e.g., spreadsheets, databases, etc.).
- Conducted and evaluated tests of the manual controls within and surrounding each of the critical applications to determine whether the tested controls were adequate to provide and maintain reliable data to be used when measuring the specific indicators.
- Identified attributes, rules, and assumptions for each defined data element or source document.
- Recalculated the metrics or algorithms of the performance indicators to ensure mathematical accuracy.
- For those indicators with results that SSA determined using computerized data, we assessed the completeness and accuracy of that data to determine the data's reliability as it pertains to the objectives of the audit.

As part of this audit, we documented our understanding, as conveyed to us by Agency personnel, of the alignment of the Agency's mission, goals, objectives, processes, and related performance indicators. We analyzed how these items interacted with related processes within SSA and the existing measurement systems. Our understanding of the Agency's mission, goals, objectives, and processes were used to determine if the performance indicators appear to be valid and appropriate given our understanding of SSA's mission, goals, objectives and processes. We followed all performance audit standards in accordance with generally accepted government auditing standards.

In addition to these steps, we specifically performed the following to test the indicators included in this report:

ALIGN EMPLOYEE PERFORMANCE WITH AGENCY MISSION AND STRATEGIC GOALS

- Reviewed policies and procedures, and training manuals for beta testing.
- Inspected project timeline (communication and training plan) for reasonableness.
- Inspected management's sign off of the project timeline.
- Inspected management's monitoring of project milestones.
- Training content outline, training workshops, and manuals were reviewed by Human Resource specialist for reasonableness.
- Inspected a list of employees that participated in beta testing meetings.
- Inspected a list of trainers that attended the trainer sessions.
- Reviewed interactive video teletraining broadcast schedules.

MINIMIZE SKILL AND KNOWLEDGE GAPS IN MISSION CRITICAL POSITIONS

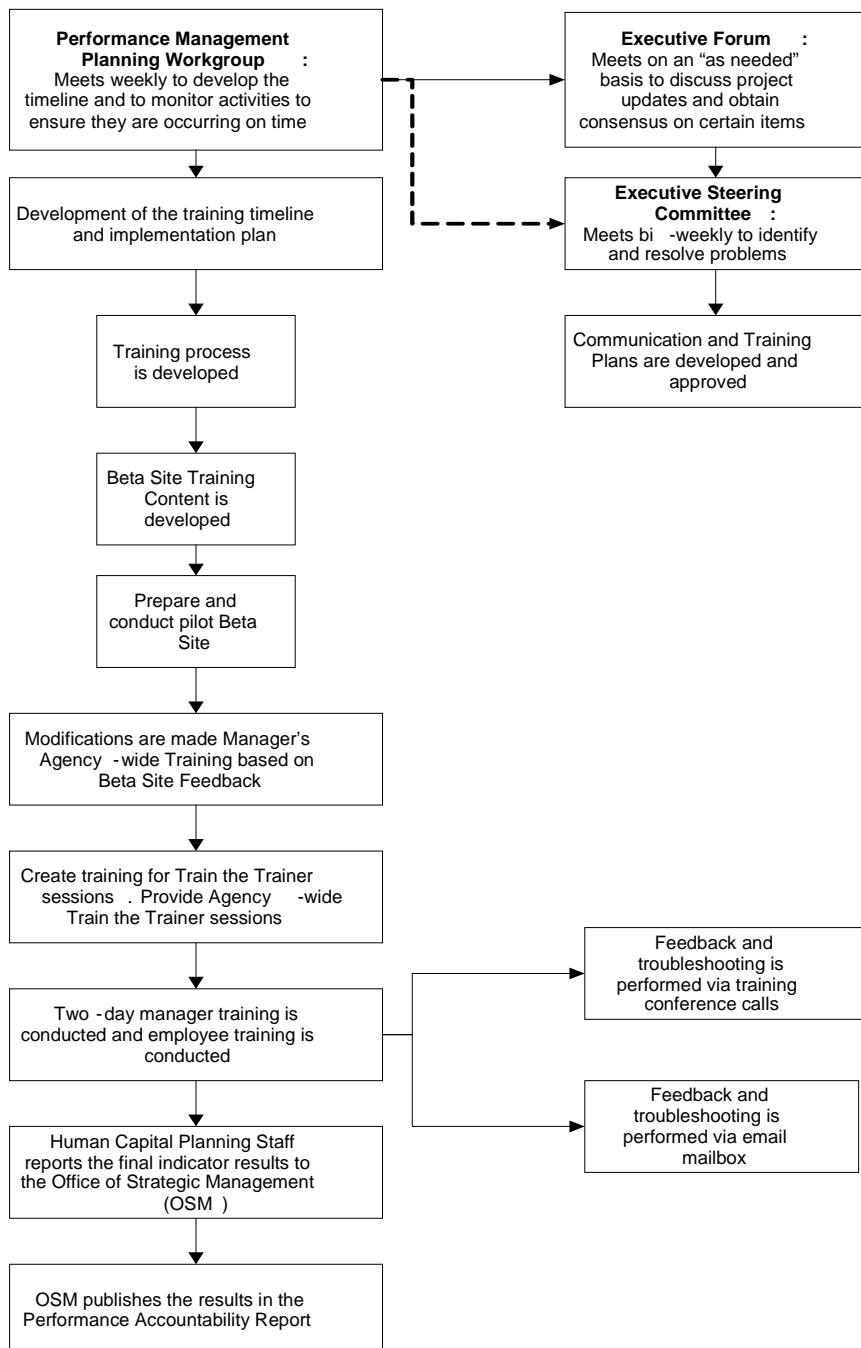
- Reviewed policies and procedures regarding the timeline development.
- Inspected project timeline (communication and training plan) for reasonableness.
- Inspected management's sign off of the project timeline.
- Inspected management's monitoring of project milestones.
- Determined if all milestones outlined in the timeline were completed timely.
- Inspected evidence that surveys were conducted with the Benefits Authorizer, Claims Authorizer, and Technical Support Technicians job positions.
- Curriculum was reviewed by Human Resource specialist for reasonableness.

CONTINUE TO ACHIEVE 2 PERCENT PRODUCTIVITY IMPROVEMENT ON AVERAGE

- Inspected consistency review performed by Division of Cost Analysis analyst.
- Observed the BRIO Query session.
- Reviewed the information on tables for a sample of the components to the information in the pivot table and determine if the pivot table is consistent with the BRIO Query.
- Traced data from the Pivot Tables to the SC-3 sum report for completeness.
- Verified that SC-3 Sum report is inputted accurately into the Excel productivity worksheet.
- Reviewed workload methodology.

Appendix C

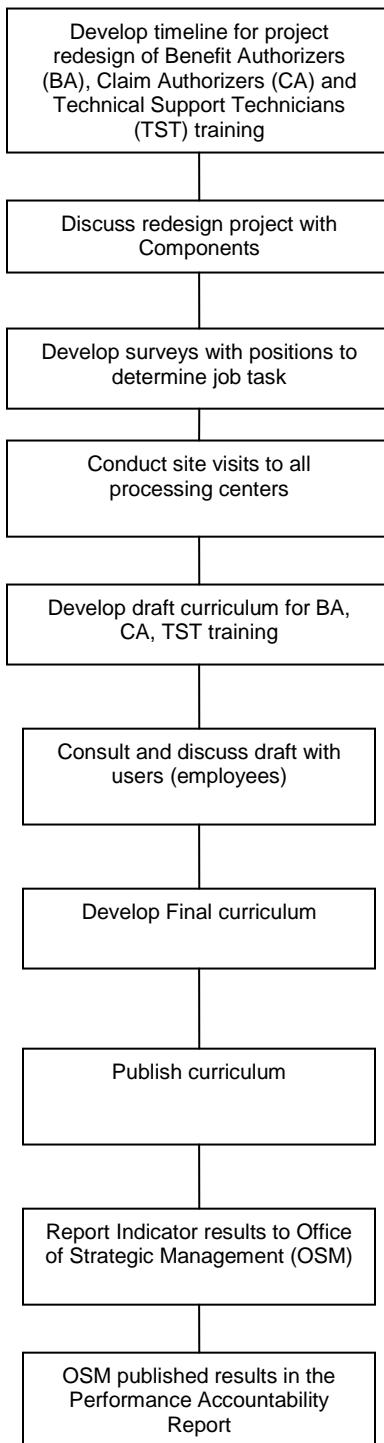
Flowchart of Align Employee Performance with Agency Mission and Strategic Goals



Align Employee Performance with Agency Mission and Strategic Goals

- Performance Management Planning Workgroup meets weekly to develop the timeline and monitor activities to ensure that project time line is properly followed.
 - Executive Forum met on "as needed" basis to discuss project updates and obtain consensus on certain items
 - Executive Steering Committee met bi-weekly to identify and resolve problems.
 - Communication and training plans are developed and approved.
- The training timeline and implementation plan is developed.
- Training process is developed.
- Beta Site training content is developed.
- Prepare and conduct the pilot Beta Site training.
- Modifications are made to Manager's Agency-wide Training based on Beta Site Feedback.
- Create training for Train the Trainer Sessions. Agency-wide Train the Trainer Sessions are provided.
- Conducted 2-day manager training and employee training.
 - Feedback and troubleshooting is performed via training conference calls.
 - Feedback and troubleshooting is performed via email mailbox.
- Human Capital Planning Staff reports final indicator results to the Office of Strategic Management (OSM.)
- OSM published results in the Performance Accountability Report (PAR).

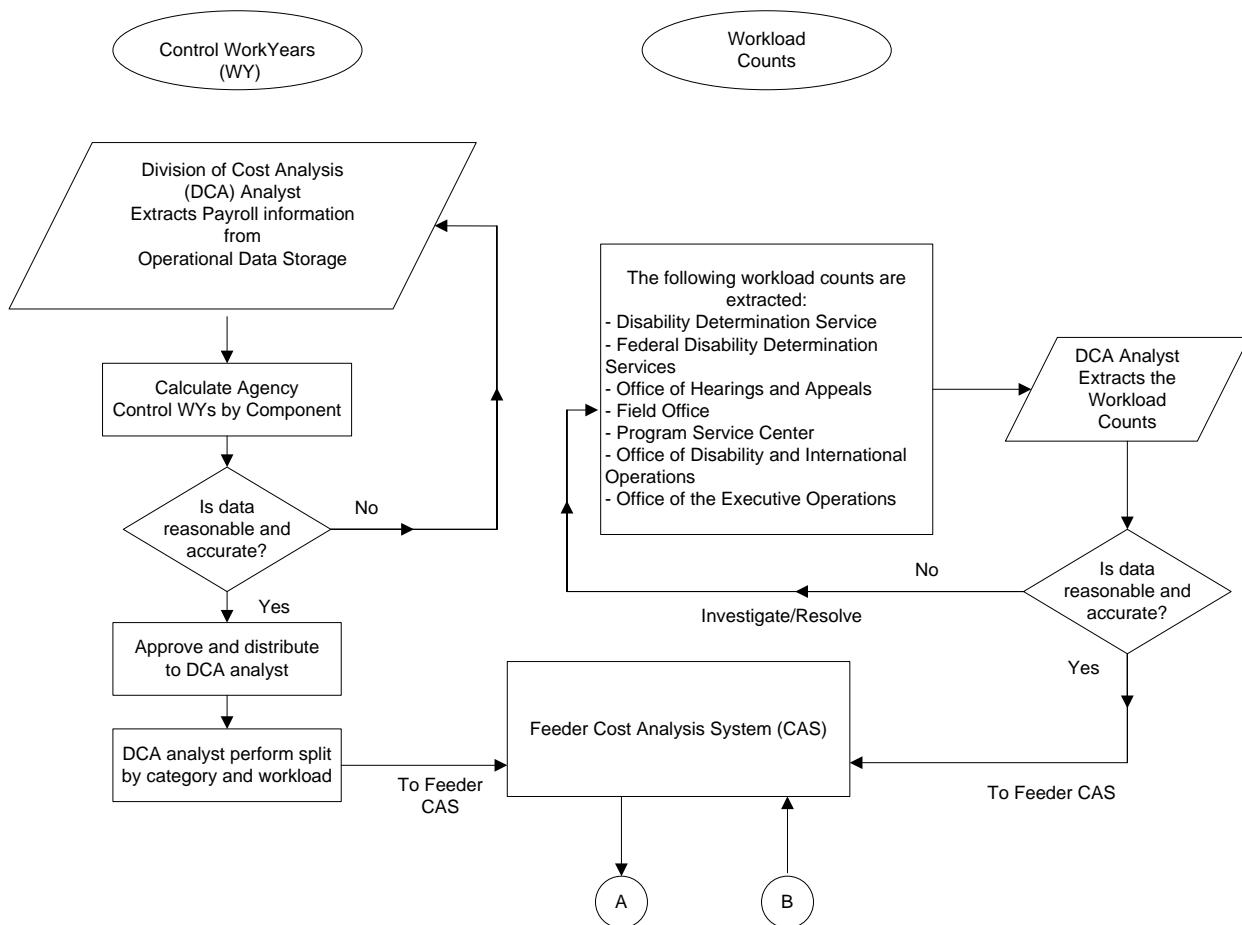
Flowchart of Minimize Skill and Knowledge Gaps in Mission-Critical Positions



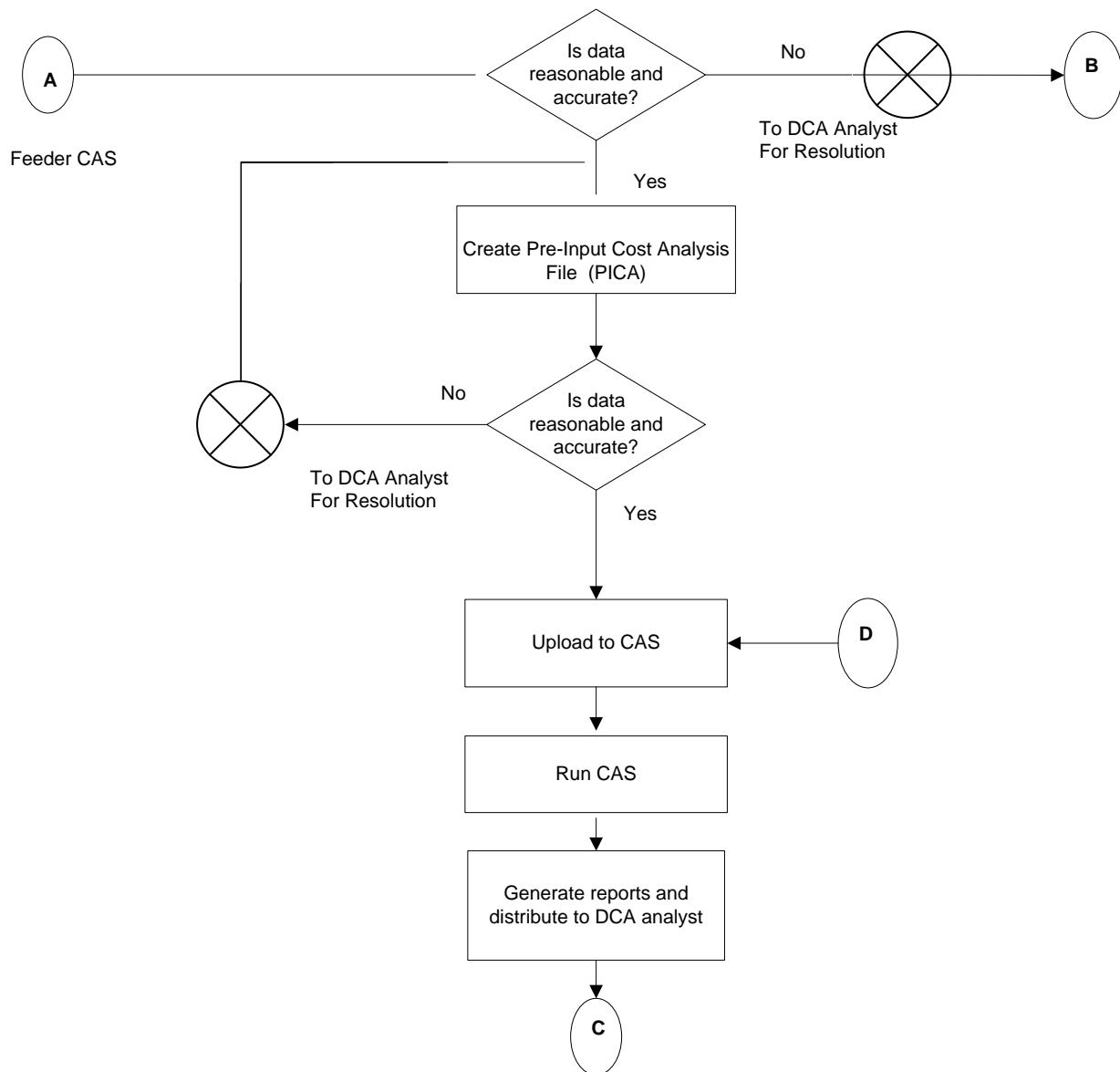
Minimize Skill and Knowledge Gaps in Mission-Critical Positions

- Office of Human Resources (OHR) creates a timeline for the project.
- OHR discusses project redesign with components.
- OHR conducts survey to determine job tasks for each Claim Authorizers (CA), Benefit Authorizer (BA) and Technical Support Technician (TST).
- OHR develops a draft curriculum for each Claim Authorizer, BA and TST.
- Consulted and discussed draft with employees.
- OHR develops final curriculum.
- The final curriculum is published.
- OHR reports indicator results to OSM.
- OSM published results in the PAR.

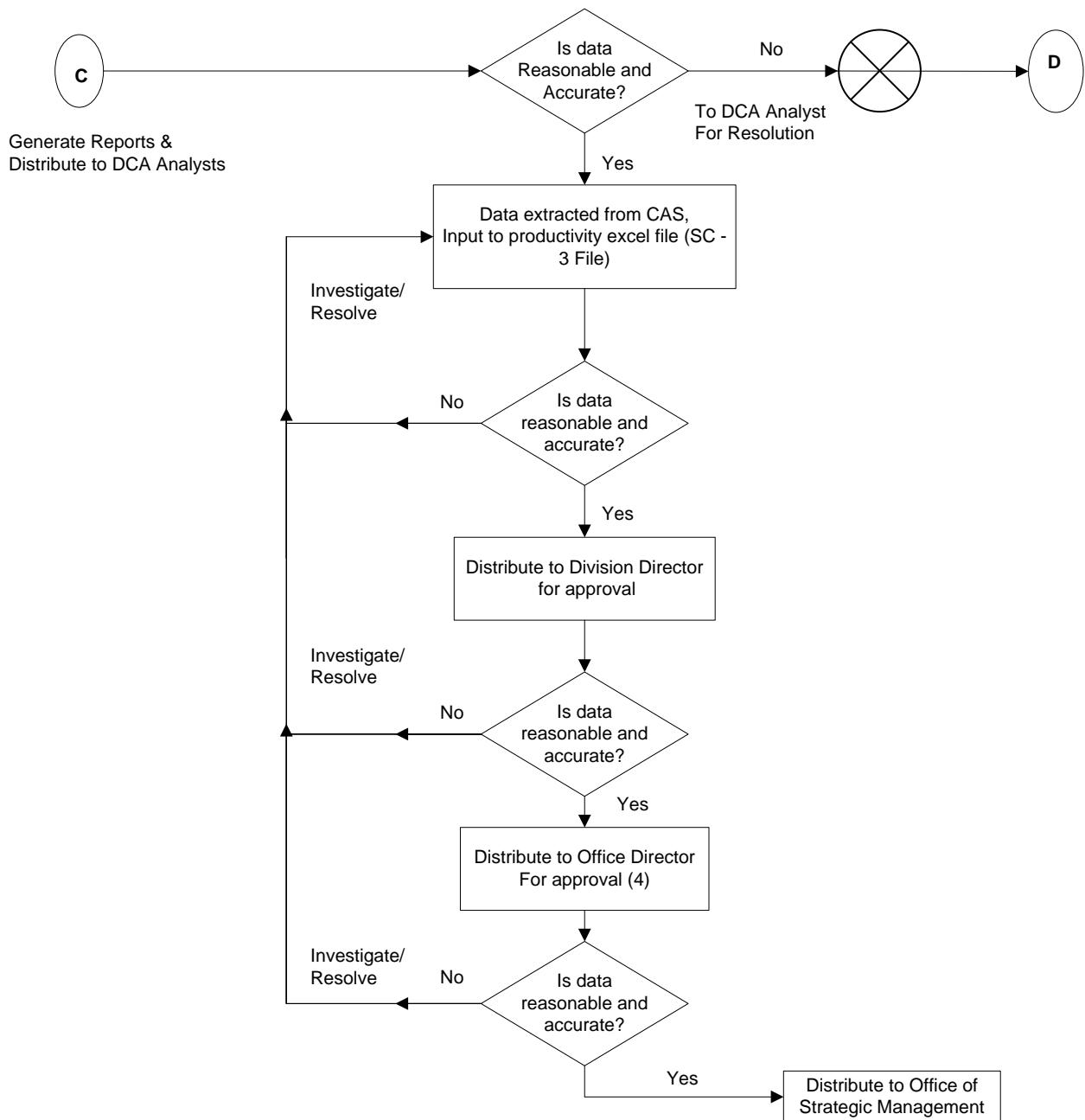
Flowchart of Continue to Achieve 2 Percent Productivity Improvement on Average



Flowchart of Continue to Achieve 2 Percent Productivity Improvement on Average Continued



Flowchart of Continue to Achieve 2 Percent Productivity Improvement on Average Continued



Continue to Achieve 2 Percent Productivity Improvement on Average

Control Workyears

- Division of Cost Analysis (DCA) analyst extracts payroll data from Operational Data Storage (ODS).
- DCA calculates Agency control Workyears by component.
- Is data reasonable and accurate?
 - Yes – Approve and distribute to DCA analyst.
 - No – DCA analyst re-extracts Payroll ODS data.
- DCA analyst performs split by category and workload.
- The data is sent to Feeder Cost Analysis System (CAS).

Workload Counts

- Workload counts are included from Disability Determination Services, Federal Disability Determination Services, Office of Disability Adjudication and Review, Field Offices, Office of Executive Operations, Program Service Center, and Office of Disability and International Operations.
- DCA analyst extracts workload data.
- Is data reasonable and accurate?
 - Yes – Send to Feeder CAS.
 - No – DCA analyst investigates and resolves the issue and re-extracts workload data.
- Feeder CAS processes the data.
- Is data reasonable and accurate?
 - Yes – Create Pre-Input Cost Analysis (PICA)
 - No – Send to DCA Analyst for resolution
 - Sent to Feeder CAS for reprocessing after resolution
- PICA is created.
- Is data reasonable and accurate?
 - Yes – Upload to CAS.
 - No – Send to DCA Analyst for resolution.
 - Create new PICA after resolution
- Run CAS.
- Generate reports and distribute to DCA Analysts.
- Is data reasonable and accurate?
 - Yes – Data extracted from CAS and input to Excel file.
 - No - Sent to DCA Analyst for resolution.
 - After resolution, uploaded to CAS before it is run again.
- Is data reasonable and accurate?
 - Yes – Distribute to Division Director for Approval.
 - No – Sent to DCA Analyst to investigate and resolve.

Appendix D

Prior Audit Recommendations

During a prior audit¹ of the performance indicator, Continue to Achieve 2% Productivity, we provided the Social Security Administration with the recommendations below:

1. Establish formal written documentation for the performance indicator that includes a complete description and identification of the exact processes and computer programs used to obtain data from the source system files for all 52 workloads.
2. Establish formal written documentation for the performance indicator that includes a clear identification of the exact system files and fields used to obtain the initial source data for each workload.
3. Establish formal written documentation for the performance indicator that includes a complete description and identification of the computer programs and interim calculations used to selectively combine, delete or alter original data extracted from source system files during each stage of the data refinement process.
4. Establish formal written documentation for the performance indicator that includes a requirement to maintain an exact copy of the original source data extracted for each of the 52 workloads.

¹ Performance Indicator Audit: Productivity (A-15-04-14073), November 17, 2004.

Appendix E

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: September 13, 2007

Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Larry W. Dye /s/

Subject: Office of the Inspector General (OIG) Draft Report, "Performance Indicator Audit:
Staff Skills and Productivity" (A-02-07-17127)--INFORMATION

We appreciate OIG's efforts in conducting this review. Our comments on the recommendations are attached.

Please let me know if we can be of further assistance. Staff inquiries may be directed to Ms. Candace Skurnik, Director, Audit Management and Liaison Staff, at 410 965-4636.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "PERFORMANCE INDICATOR AUDIT: STAFF SKILLS AND PRODUCTIVITY" (A-02-07-17127)

Thank you for the opportunity to review and provide comments on this draft report. While the specific indicators audited for this period were different as compared to the indicators reviewed in the November 14, 2004 Final Report: "Performance Indicator Audit: Productivity" (A-15-04-14073), the findings and recommendations related to productivity remain essentially the same. Specifically this report states, "We reaffirm our previous recommendations noted in the prior audit of this indicator. We continue to recommend that SSA take action to address these recommendations." (Refer to Appendix D for the prior audit recommendations.)

In our September 24, 2004, written response to recommendations 3-6, in the draft report, we stated, "We agree. However, we do not have the budgeted systems resources to implement them at this time." For this current audit, our position with respect to the repeated recommendations (renumbered 1-4) contained in Appendix D remains unchanged. We reaffirm that the Social Security Administration (SSA) does not have the budgeted systems resources to implement these recommendations.

We also note that recommendation 5, contained in Appendix D, was not included as a recommendation in the 2004 audit. In accordance with SSA and OIG staff discussions, we are not responding to recommendation 5 since it was not part of the final report in November 2004 and was erroneously included in this report.

The following responds to the one new recommendation contained in the report.

Recommendation 1

Specific to the performance indicator, "Continue to achieve 2 percent productivity improvement on average," SSA should ensure that the "least privilege" access principle is in place for SSA personnel who have the ability to directly modify, create or delete the datasets used to calculate the results of this indicator.

Comment

We agree. We have already taken steps to comply with the "least privileged" access rule and appreciate OIG's acknowledgement of that fact in the report.

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of our Office of Investigations (OI), Office of Audit (OA), Office of the Chief Counsel to the Inspector General (OCCIG), and Office of Resource Management (ORM). To ensure compliance with policies and procedures, internal controls, and professional standards, we also have a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts and/or supervises financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management and program evaluations and projects on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as OIG liaison to the Department of Justice on all matters relating to the investigations of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Chief Counsel to the Inspector General

OCCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Finally, OCCIG administers the Civil Monetary Penalty program.

Office of Resource Management

ORM supports OIG by providing information resource management and systems security. ORM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, ORM is the focal point for OIG's strategic planning function and the development and implementation of performance measures required by the Government Performance and Results Act of 1993.