

# Information Technology and Related Staff Costs Claimed by the Minnesota Disability Determination Services

## A-05-17-50284



February 2018

Office of Audit Report Summary

### Objective

To review specific information technology (IT) and related staff costs for Fiscal Years (FY) 2013 through 2016 at the Minnesota Disability Determination Services (DDS), as requested by the Social Security Administration (SSA).

### Background

DDSSs in each State or other responsible jurisdiction perform disability determinations under the Disability Insurance and Supplemental Security Income programs in accordance with Federal law and regulations.

SSA reimburses each State for 100 percent of allowable program expenditures up to the limit of its funding authority. The Minnesota Department of Employment and Economic Development (DEED) is the parent agency for the DDS in Saint Paul, Minnesota. The Office of Minnesota Information Technology Services (MN.IT) provides IT services to DEED.

### Findings

Based on our review of personnel costs directly charged to the Minnesota DDS for seven MN.IT employees in State FYs 2013 through 2016, we determined the State accurately tracked IT staff time for these employees and appropriately charged their personnel costs to the DDS in accordance with Office of Management and Budget guidance. Our review of documentation for about \$555,000 in MN.IT expenditures charged to SSA in Federal FYs 2015 and 2016 concluded these charges were appropriate and claimed in accordance with policy.

However, we found that DEED did not provide the DDS with details on the expenditures charged to SSA's disability program for MN.IT-related expenditures before we initiated this review. Accordingly, the DDS did not verify that all MN.IT-related expenditures were allowable and reimbursable. Additionally, we found the controls over long-distance telephone and over-the-phone interpreter services needed improvement. Finally, given the lack of SSA and DDS direct access to DDS back-up tapes in the event of an emergency, we question whether the MN.IT facility is the most appropriate storage facility for Minnesota DDS back-up tapes.

### Recommendations

We recommend the Chicago Regional Commissioner work with:

1. DEED and the Minnesota DDS to ensure a process is in place to certify expenditures charged to SSA's disability program for MN.IT-related services are allowable and reimbursable.
2. DEED to ensure proper controls are in place to prevent individuals outside the DDS from using Minnesota telephone and interpreter services at SSA's expense.
3. The Regional Security Officer to determine whether the MN.IT facility is an appropriate storage facility for Minnesota DDS back-up tapes.

SSA agreed with our recommendations. DEED agreed with all but one of our recommendations.