

# Report Summary

Social Security Administration Office of the Inspector General

September 2011



## Objective

To review the Social Security Administration's (SSA) unobligated Limitation on Administrative Expenses (LAE) account balances at the end of Fiscal Years (FY) 2005 through 2010 to determine whether some or all of these funds were needed to cover upward adjustments of prior recorded obligations, or to provide funding for any unrecorded obligations at year-end.

## Background

Public Law surrounding the Agency's annual administrative expenses allows for the transfer of millions of dollars from the current FY annual LAE appropriation to the no-year appropriated Information Technology System funds for non-payroll automation and telecommunications investment costs.

To view the full report, visit  
[http://www.ssa.gov/oig/ADO\\_BEPDF/A-15-11-21170.pdf](http://www.ssa.gov/oig/ADO_BEPDF/A-15-11-21170.pdf)

## *The Social Security Administration's Use of Limitation on Administrative Expenses Appropriation* (A-15-11-21170)

### Our Findings

We reviewed SSA's unobligated LAE account balances at the end of FYs 2005 through 2010 and determined that none of the funds were needed to cover upward adjustments of prior recorded obligations or to provide funding for any unrecorded obligations at year-end. We found that recoveries of prior-year obligations exceeded the total upward adjustments and significantly increased the total unobligated balance available for transfer to the no-year appropriation. Therefore, the Agency had the opportunity to use more of its annual LAE funds to reduce the disability backlog and invest in program integrity workloads.

### Our Recommendations

We recommend that SSA review existing policy and procedures and make changes as needed to decrease the amount of unobligated LAE funds remaining at the end of each FY to cover potential upward adjustments in obligations for future years.

SSA did not agree with our recommendation. SSA stated it manages its appropriations in a sensible, robust manner, which allows them to meet their financial obligations and have sufficient funds in prior year accounts to cover legitimate upward adjustments to contracts or other spending actions that may be chargeable to those years.