



Report Summary

Social Security Administration
Office of the Inspector General

Review of Internal Controls Over the Processing of One-Check-Only Payments (Limited Distribution) (A-05-97-61001)

The Office of the Inspector General's (OIG) objectives were to assess the adequacy of selected controls over the processing of One-Check-Only payments and test controls at the Great Lakes Program Service Center (PSC). The Great Lakes PSC was the site of an earlier review focusing on this payment method. The PSCs are six large and complex multi-mission stations, which were established as extensions of the National Headquarters, where two other stations are located. The eight such centers are collectively referred to as "processing centers" (PC). OIG's results determined that the Social Security Administration's (SSA) internal controls for processing One-Check-Only payments do not meet the standards for management controls as established by the Federal Managers' Financial Integrity Act of 1982 and promulgated by Office of Management and Budget Circular A-123. Interviews conducted with SSA staff and questionnaires sent to all PCs, located throughout the country, disclosed several weaknesses in internal controls over the preparation and approval of the One-Check-Only payment authorization forms.

OIG believes internal control weaknesses described in its preliminary report are inherent in the One-Check-Only payment process at all PSCs. We recommended that SSA: (1) require a second review and signature of One-Check-Only payment authorization forms at all PCs; (2) require module managers to implement a distribution or pre-numbering system to control the One-Check-Only payment authorization forms and ensure improved accountability; (3) provide all PCs with the external security package access; (4) ensure that One-Check-Only payments are properly recorded; (5) require all Security and Integrity Branches to develop a single uniform sampling methodology and review all One-Check-Only payments; and (6) develop guidelines to maintain One-Check-Only payment authorization forms in the case folders.

In its response, SSA's planned action addresses most of our recommendations. SSA states that their planned actions will minimize the opportunity to commit fraud.

This report contains information that is sensitive and confidential. For security reasons, distribution of this report was limited to those with a need to know.