

Report Summary

Social Security Administration Office of the Inspector General

April 2012



Objective

To (1) evaluate the Oregon Disability Determination Services' (OR-DDS) internal controls over the accounting and reporting of administrative costs; (2) determine whether costs claimed by OR-DDS were allowable and funds were properly drawn; and (3) assess, on a limited basis, the general security controls environment.

Background

Disability determinations under the Social Security Administration's (SSA) Disability Insurance and Supplemental Security Income programs are performed by each State or other responsible jurisdiction.

SSA reimburses the disability determination services for 100 percent of allowable reported expenditures up to its approved funding authorization, based on a State Agency Report of Obligations for SSA Disability Programs (Form SSA-4513).

To view the full report, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-09-11-11163>

Administrative Costs Claimed by the Oregon Disability Determination Services (A-09-11-11163)

Our Findings

Except for the payment of consultant examinations, OR-DDS had effective internal controls over the accounting and reporting of administrative costs. We found that all other administrative costs OR-DDS claimed were allowable and funds were properly drawn. Finally, OR-DDS had adequate controls over its general security controls environment. Specifically, we found that OR-DDS

- paid an estimated \$5.3 million in medical costs for consultative examinations that exceeded the maximum amount allowed under Federal regulations,
- needed to improve controls to properly secure its workspace from unauthorized access, and
- did not list 17 new laptop computers in its inventory records.

Our Recommendations

We recommended that SSA:

1. Work with OR-DDS to ensure the payments for medical costs do not exceed the maximum amount allowed under Federal regulations.
2. Instruct OR-DDS to arrange for janitorial services during regular work hours. If daytime cleaning is not possible, ensure all sensitive information is secure after work hours.
3. Ensure OR-DDS implements controls to further secure the ceiling in the computer room.

SSA agreed with all our recommendations. For Recommendation 1, the Oregon Department of Human Services (OR-DHS) believed the OR-DDS had complied with SSA policy and was working with the SSA regional office to review its medical fee schedule. For Recommendations 2 and 3, OR-DHS stated the OR-DDS had taken, or was taking corrective action.