

The Social Security Administration's Compliance with the Improper Payments Elimination and Recovery Improvement Act of 2012 in the Fiscal Year 2014 Agency Financial Report

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May 2015

Office of Audit Report Summary

Objectives

Our objectives were to review the Improper Payments Information section in the Fiscal Year (FY) 2014 Agency Financial Report (AFR) and determine whether the Social Security Administration (SSA) met all requirements of the *Improper Payments Elimination and Recovery Improvement Act of 2012* (IPERIA).

In addition, we evaluated the Agency's (1) accuracy and completeness of reporting and (2) performance in reducing and recapturing improper payments.

Background

On January 10, 2013, the President signed IPERIA into law. IPERIA amended the *Improper Payments Information Act of 2002* (IPIA) and the *Improper Payments Elimination and Recovery Act of 2010* (IPERA), both created to prevent the loss of billions in taxpayer dollars. In October 2014, the Office of Management and Budget (OMB) issued Government-wide guidance on the implementation of IPIA, as amended by IPERA and IPERIA.

Findings

We found that the Agency did not comply with all of IPIA's reporting requirements, including meeting the OMB-established reduction targets for Supplemental Security Income (SSI), as required by IPIA. The Agency reported most improper payment information accurately and produced a substantially complete report. We noted a few immaterial instances where the supporting documentation provided did not agree with statements made in the FY 2014 AFR or the Agency was not able to provide documentation.

In evaluating the Agency's performance in reducing and recapturing improper payments, we analyzed the average and actual deficiency dollars reported for major causes where SSA has implemented corrective actions. We noted that, for financial accounts, actual deficiency dollars increased despite the implementation of the Access to Financial Institutions program. As financial accounts represent the leading cause of SSI improper payments, the Agency should ensure it continues monitoring the progress of the program and ensure a positive return on investment. The Agency should also continue researching other initiatives that will help the Agency meet the established reduction targets in improper payments for the Old-Age, Survivors and Disability Insurance and SSI programs.

Recommendations

Based on our review, we recommend that SSA:

1. Ensure its FY 2015 AFR includes all requirements of applicable improper payment reporting guidance.
2. In accordance with OMB guidance, annually review its existing corrective actions to determine whether any action can be intensified or expanded, resulting in a high-impact, high return on investment in terms of reduced or prevented improper payments.

SSA agreed with our recommendations.