

# The Social Security Administration's Financial Report for Fiscal Year 2015

## A-15-16-50025



November 2015

Office of Audit Report Summary

### Objective

To fulfill our responsibilities under the *Chief Financial Officers (CFO) Act of 1990* (Public Law 101-576) and related legislation, we monitored Grant Thornton, LLP's audit of the Social Security Administration's (SSA) Fiscal Year 2015 financial statements to ensure the quality of the audit work performed was adequate.

### Background

The CFO Act, as amended, requires that SSA's Inspector General or an independent external auditor, as determined by the Inspector General, audit SSA's financial statements in accordance with applicable standards. Under a contract monitored by the Office of the Inspector General, Grant Thornton, LLP an independent certified public accounting firm, audited SSA's Fiscal Year 2015 financial statements.

Grant Thornton, LLP *Independent Auditor's Report* of the audit of SSA's FY 2015 financial statements includes an Opinion on Financial Statements, Opinion on Management's Assertion about the Effectiveness of Internal Control, and Report on Compliance and Other Matters.

### Findings

Grant Thornton, LLP, issued an unmodified opinion on SSA's FY 2015 and 2014 financial statements.

Grant Thornton, LLP, also reported that SSA was maintaining effective internal control over financial reporting as of September 30, 2015 based on criteria under OMB Circular A-123, *Management's Responsibility for Internal Control*, and the *Federal Manager's Financial Integrity Act of 1982* (FMFIA). However, Grant Thornton, LLP, did identify three significant deficiencies in internal controls.

- **Information Systems Control** - Grant Thornton, LLP identified information system control deficiencies in four areas that, when aggregated, are considered to be a significant deficiency over Information Systems Control.
- **Calculating, Recording, and Preventing Overpayments** - Grant Thornton, LLP identified three deficiencies in internal control that, when aggregated, are considered to be a significant deficiency related to weaknesses in internal controls related to Calculation, Recording, and Prevention of Overpayments.
- **Redeterminations** - Grant Thornton, LLP identified deficiencies in internal control that, when aggregated, are considered to be a significant deficiency related to weaknesses in internal controls related to redeterminations.

In addition, Grant Thornton, LLP, identified no reportable instances of noncompliance with the laws, regulations, or other matters tested.

### Recommendations

Grant Thornton, LLP provided several recommendations to mitigate the risks noted in the significant deficiencies. The Agency agreed with the recommendations.