

Report Summary

Social Security Administration Office of the Inspector General

June 2011



Objective

To (1) evaluate the Nevada Disability Determination Services' (NV-DDS) internal controls over the accounting and reporting of administrative costs; (2) determine whether costs claimed were allowable and funds were properly drawn; and (3) assess limited areas of 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 disability determination services (DDS) in each State or other responsible jurisdiction.

SSA reimburses the DDS for 100 percent of allowable expenditures up to its approved funding authorization.

To view the full report, visit
http://www.ssa.gov/oig/ADO_BEPDF/A-09-10-11090.pdf

Administrative Costs Claimed by the Nevada Disability Determination Services (A-09-10-11090)

Our Findings

The costs claimed by NV-DDS were generally allowable. However, we determined that NV-DDS and/or NV-Department of Employment, Training and Rehabilitation (NV-DETR)

- did not have support for \$152,956 in claimed medical costs;
- improperly charged \$396,022 in indirect costs;
- improperly reported unliquidated obligations by approximately \$2 million;
- did not maintain adequate inventory records; and
- needed to improve controls to protect sensitive information.

Our Recommendations

We recommended that SSA:

1. Instruct NV-DETR to refund \$152,956 or provide supporting documentation for unsupported medical costs.
2. Instruct NV-DETR to refund \$396,022 for unallowable indirect costs from components that did not benefit SSA or provide documentation to support that the amounts charged were in accordance with the relative benefits received.
3. Identify and refund unallowable indirect costs from those components for Fiscal Year 2010 to the present.
4. Ensure NV-DDS monitors and properly adjusts unliquidated obligations timely.
5. Instruct NV-DDS to track SSA-purchased computer equipment with an inventory system that complies with SSA policies.
6. Ensure NV-DDS enforces its clean-desk policy and keeps all sensitive documents secure.

SSA agreed with our recommendations.