

# Report Summary

Social Security Administration Office of the Inspector General

October 2008



## Objective

To report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audits to the Social Security Administration (SSA) for resolution action.

## Background

The Office of the Legislative Auditor performed the audit of the State of Minnesota. The Washington State Auditor performed the audit of the State of Washington. SSA is responsible for resolving single audit findings related to its Disability Insurance and Supplemental Security Income programs. The Department of Employment and Economic Development (DEED) is the Minnesota DDS' parent agency. The Department of Social and Health Services is the Washington DDS' parent agency.

To view the full reports, visit  
<http://www.ssa.gov/oig/ADOBEPDF/A-77-09-00001.pdf>

<http://www.ssa.gov/oig/ADOBEPDF/A-77-09-00002.pdf>

## *Management Advisory Reports: Single Audits, for the Fiscal Year Ended June 30, 2007, of the State of Minnesota (A-77-09-00001) and the State of Washington (A-77-09-00002)*

## Our Findings

The single audit for the State of Minnesota reported that DEED did not properly restrict staff access to the personnel and payroll system, and did not have effective controls to detect errors on employees' timesheets and travel reimbursement claims. The corrective action plan indicated that DEED will eliminate unnecessary access to personnel and payroll functions and implement new processes to improve the review of timesheets and travel reimbursements.

The single audit for the State of Washington reported that the Washington DDS did not comply with State and Federal regulations for contract procurement of consultative examinations (CE) from medical providers. Specifically, the competitive procurement process was not followed and written contracts did not exist. The corrective action plan indicated that contracts are now in place for all CE providers. This single audit also disclosed findings that may impact the DDS' operations although they were not specifically identified to SSA. We brought these matters to SSA's attention as they represent potentially serious service delivery and financial control problems for the Agency.

## Our Recommendations

For the State of Minnesota, we recommended that SSA (1) ensure that DEED implemented procedures to limit inappropriate access to payroll and personnel functions, and (2) verify that DEED implemented controls to ensure timesheets and travel reimbursement claims are accurate.

For the State of Washington, we recommended that SSA verify that the Washington DDS is purchasing CEs in accordance with applicable State and Federal contract procurement regulations.