

The Social Security Administration's Compliance with the Improper Payments Elimination and Recovery Improvement Act of 2012 in the Fiscal Year 2016 Agency Financial Report

A-15-17-50255



May 2017

Office of Audit Report Summary

Objective

To review the Improper Payments Information section in the Fiscal Year (FY) 2016 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 were 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

In its FY 2016 AFR, SSA did not comply with all IPIA reporting requirements. Although the Agency met five IPIA criteria, it did not meet the reduction targets for Supplemental Security Income (SSI) and Old-Age, Survivors and Disability Insurance overpayments and SSI underpayments. The Agency accurately reported most improper payment information and produced a substantially complete report. We noted a few instances where the supporting documentation did not agree with statements made in the FY 2016 AFR or the Agency could not provide documentation.

We also noted that, for financial accounts and wage reporting, actual SSI deficiency dollars increased despite the implementation of Access to Financial Institutions and Supplemental Security Income Telephone Wage Reporting/Supplemental Security Income Mobile Wage Reporting, respectively. The Agency could not provide us data that measured the success of corrective actions because it was finalizing some of the metrics and developing others. SSA needs to develop analytical measurements to ensure a positive return on existing corrective action investments and further identify initiatives to reduce and recapture improper payments.

Recommendations

We recommend SSA:

1. Develop systems to capture data that measure the effectiveness of existing corrective actions.
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.