

Report Summary

Social Security Administration Office of the Inspector General

November 2010



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 2010 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 (IG) or an independent external auditor, as determined by the IG, audit SSA's financial statements in accordance with applicable standards. Under a contract monitored by the Office of the Inspector General, Grant Thornton, an independent certified public accounting firm, audited SSA's Fiscal Year 2010 financial statements.

To view the full report, visit
http://www.ssa.gov/oig/ADO_BEPDF/A-15-10-10113.pdf

Fiscal Year 2010 Financial Statement Audit Oversight (A-15-10-10113)

Our Findings

Grant Thornton found:

- SSA's consolidated balance sheets as of September 30, 2010, the related consolidated statements of net cost and of changes in net position, and the combined statements of budgetary resources for the year then ended, and the statement of social insurance as of January 1, 2010 are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States.
- Management fairly stated that SSA's internal control over financial reporting was operating effectively as of September 30, 2010. However, Grant Thornton did identify three deficiencies in internal control that, when aggregated, are considered to be a significant deficiency related to a weakness in controls over information security.
- There were no reportable instances of noncompliance with laws, regulations, or other matters tested.

Our monitoring review disclosed no instances where Grant Thornton did not comply with applicable auditing standards.

Our Recommendations

For the three deficiencies identified, Grant Thornton recommended that SSA management implement:

- A policy that requires a periodic review of the content of all SSA security profiles.
- Controls to test and monitor configurations on the mainframe to identify and address inherent security risks.
- Procedures that require on-going monitoring of implemented mainframe configurations to identify and address security risks.

SSA agreed with Grant Thornton's recommendations.