

# Costs Claimed by the Pennsylvania Bureau of Disability Determination

## A-55-20-00003



September 2021

Office of Audit Report Summary

### Objective

To (1) evaluate internal controls over the accounting and reporting of administrative costs by the Pennsylvania Bureau of Disability Determination (PA-BDD) for Fiscal Years (FY) 2017 and 2018; (2) determine whether the administrative costs claimed on the most recently submitted Form SSA-4513 were allowable and properly allocated; (3) reconcile funds drawn down with claimed costs; and (4) assess the general security controls environment.

### Background

PA-BDD performs disability determinations under the Social Security Administration's (SSA) Disability Insurance and Supplemental Security Income programs in accordance with Federal regulations. PA-BDD is responsible for determining claimants' disabilities and ensuring adequate evidence is available to support its determinations. SSA reimburses the PA-BDD for 100 percent of allowable expenditures, including direct and indirect costs. The PA-BDD's parent agency is the Department of Labor and Industry (DLI).

SSA contracted with Grant Thornton LLP (Grant Thornton) to conduct this audit. The Office of the Inspector General was responsible for technical and administrative oversight of Grant Thornton's performance under the contract terms.

### Findings

Grant Thornton's testing to evaluate the PA-BDD's internal control over the accounting and reporting of its administrative costs, to determine whether the PA-BDD's administrative costs were allowed and properly allocated and to reconcile funds drawn down with claimed costs disclosed no findings. However, their testing of the PA-BDD's general security controls disclosed instances where the PA-BDD's physical security controls could be strengthened.

### Recommendations

In a separate memorandum, Grant Thornton outlined recommendations for the PA-BDD to enhance its internal control environment for control gaps noted in its audit.

The full text of the PA-BDD's response is included in Appendix C. SSA was provided the report for comment and, although not required, did not provide comments on the recommendations.