



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: October 1, 2021

To: Nancy Berryhill
Acting Deputy Commissioner
for Analytics, Review and Oversight

From: Michelle Anderson *Michelle L Anderson*
Assistant Inspector General
for Audit

Subject: *Fiscal Year 2022 Audit Work Plan*

I am pleased to present the Office of the Inspector General's Fiscal Year 2022 Annual Audit Work Plan. We prioritize our work to focus our resources on those areas that are most vulnerable to fraud, waste, and abuse. The Plan includes the reviews we plan to begin in Fiscal Year 2022. Our Plan is dynamic, so we encourage continuous feedback and additional study suggestions. This flexibility enables us to meet emerging and critical issues evolving during the upcoming year.

If you wish to discuss this Work Plan, please contact me or have your staff contact Kristen Schnatterly.

Attachment



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

FISCAL YEAR 2022 AUDIT WORK PLAN

CHALLENGES FACING AGENCY MANAGEMENT

Since 1997, we have provided our perspective on the top challenges facing the Social Security Administration (SSA) management to Congress, the Agency, and other key decisionmakers. For Fiscal Year (FY) 2022, we have identified the following six management challenges.

Improve Service Delivery

SSA estimates it will pay over \$1.2 trillion to over 74 million beneficiaries and recipients in FY 2022. Among its workloads, the Agency expects to process, 9.2 million initial Old-Age, Survivors and Disability Insurance (OASDI) claims and Supplemental Security Income (SSI) applications and over 100 million post-entitlement actions. SSA faces growing workloads but expects that more than 21,000 of its almost 61,000 employees will retire by the end of FY 2022. The Agency must also focus on strengthening its representative payment program, to ensure the protection of its most vulnerable customers, and the Agency must continue implementing the provisions of the *Strengthening Protections for Social Security Beneficiaries Act of 2018*. The COVID-19 pandemic has amplified these challenges.

The Social Security Administration's Response to the COVID-19 Pandemic

COVID-19 changed the manner in which SSA serves its customers. Before the President declared COVID-19 as a national emergency on March 13, 2020, over 40 million of its customers, annually, visited field offices for service. In response to the declaration, and to ensure the safety of its customers and employees, SSA maximized telework and limited its field office operations to in-person service by appointment only for certain dire need situations. SSA had to ensure the vast majority of its approximately 62,000 employees had the resources needed to telework so it could help manage the increased customer traffic to its online services and National 800 number. In FY 2021, we issued a final report on SSA's telephone services,¹ and two interim reports on the safety of SSA employees and visitors² and SSA's processing of mail and enumeration services during the COVID-19 Pandemic.³ We are further reviewing telephone services, employee and visitor safety, and other aspects of SSA's response to the pandemic.

¹ SSA, OIG, [The Social Security Administration's Telephone Services During June 2020](#), A-05-20-50998 (April 2021).

² SSA, OIG, [Safety of Social Security Administration Employees and Visitors Since March 2020](#), A-15-20-51001 (June 2021).

³ SSA, OIG, *Interim Report: The Social Security Administration's Processing of Mail and Enumeration Services During the COVID-19 Pandemic*, A-08-21-51036 & A-15-21-51015 (July 2021).

FISCAL YEAR 2022 AUDIT WORK PLAN

Improve Administration of the Disability Programs

SSA continues to face challenges with disability hearings processing times, and the COVID-19 pandemic's renewed challenges with pending disability claims and continuing disability reviews (CDR). Before the COVID-19 pandemic began, SSA had reduced the number of initial disability claims pending from almost 708,000 at the end of FY 2012 to almost 594,000 at the end of FY 2019 and had eliminated the backlog of full medical CDRs in FY 2018. COVID-19 pandemic responses, such as State disability determination services closures and delayed consultative examinations, posed challenges to the initial disability claims process. By June 2021, claims pending levels had increased 20 percent to almost 714,000. In response to the COVID-19 pandemic, starting in March 2020, SSA suspended processing medical CDRs that could result in benefit cessation. The number of full medical CDRs SSA processed decreased from over 713,000 in FY 2019 to approximately 463,000 in FY 2020. In FY 2022, we plan to review how the COVID-19 pandemic affected disability and CDR workloads, including plans for addressing backlogs and best practices for responding to operational challenges in the future.

While SSA has continued reducing the hearings backlog and processing times, it has not achieved its processing time goal of 270 days. As of June 2021, the average processing time for hearings was 318 days, down from a high of 605 days in FY 2017, and pending levels were 361,533, down from a high of 1,122,014 in FY 2016. However, it is not clear whether SSA's initiatives contributed to the improvements since the number of disability receipts also decreased. As such, in FY 2022, we plan to review SSA's plan to reduce the hearings backlog and average wait time for hearings.

Improve the Prevention, Detection, and Recovery of Improper Payments

SSA issues approximately \$1 trillion in benefit payments annually. Given the amounts involved, even a slight error occurring in the payment process can result in millions of dollars in overpayments or underpayments. In its financial report, SSA estimated it made approximately \$7.9 billion in improper payments in FY 2019.⁴ Of those, \$6.6 billion were overpayments and \$1.3 billion were underpayments. We believe the Agency needs to (1) prevent improper payments through automation and data analytics that identify changes that affect benefit payments; (2) expand efforts to collect data from reliable third-party sources; (3) do more to address the root causes of improper payments; (4) ensure staff have adequate training and technology; and (5) periodically review manual processes to determine whether they can be automated to reduce computation errors.

⁴ SSA, [Agency Financial Report for Fiscal Year 2020](#), p. 176 (November 2020).

FISCAL YEAR 2022 AUDIT WORK PLAN

Modernize Information Technology

SSA relies on its information technology (IT) infrastructure to serve the public and safeguard SSA programs. However, its aging IT infrastructure is increasingly difficult and expensive to maintain. SSA reports that budget constraints have forced it to use much of its IT funding to operate and maintain existing systems. To ensure the Agency can keep pace with increasing workloads, it must maintain its legacy systems while developing their modern replacements. However, SSA faces challenges in executing and implementing major IT projects and delivering expected functions on schedule and within budget. In addition, the Agency requires modern software engineering tools and skills that could make its operations more efficient. To address its modernization challenges, SSA needs to (1) prioritize modernization activities to ensure available resources lead to improvements with the greatest impact on SSA's operations and the service it provides the public; and (2) ensure its IT planning and investment control processes are effective.

Protect the Confidentiality, Integrity, and Availability of the Agency's Information Systems and Data

SSA's IT supports every aspect of SSA's mission, whether it is serving the public during in-person interviews or online, routing millions of telephone calls on its National 800 number, or posting millions of earnings wage reports annually. Disruptions to the integrity or availability of its information systems would dramatically affect SSA's ability to serve the public and meet its mission. Also, SSA's systems contain personally identifiable information, such as the Social Security number which, if not protected, could be misused by identity thieves.

MANDATORY REVIEWS WE PLAN TO START IN FISCAL YEAR 2022

1. ***FY 2022 Inspector General Statement on SSA's Major Management and Performance Challenges (A-02-21-51120)***. As required by the *Reports Consolidation Act of 2000*, we will summarize and assess the most serious management and performance challenges facing SSA and the Agency's progress in addressing those challenges.
2. ***SSA's Compliance with the Payment Integrity Information Act of 2019 in FY 2021 (A-15-21-51121)***. We will determine whether SSA met all requirements of the *Act* and applicable guidance in the Payment Integrity section of the FY 2021 Agency Financial Report and accompanying materials.
3. ***SSA's Enhanced Personnel Security Program (A-15-20-50908)***. As required by 5 U.S.C. § 11001, we will review the Agency's implementation of an enhanced personnel security program to determine whether it included appropriate guidance and completed reinvestigations.
4. ***SSA's Financial Reporting for FY 2022 (A-15-21-51122)***. As required by the *Chief Financial Officers Act of 1990*, we will monitor the contractor's audit of SSA's financial statements.
5. ***SSA's Information Security Program and Practices for FY 2022 (A-14-21-51119)***. In compliance with the *Federal Information Security Modernization Act of 2014*, we will monitor the audit performed by an independent external auditor on the effectiveness of the Agency's information security program and practices.

OTHER REVIEWS WE PLAN TO START IN FISCAL YEAR 2022

Audit Title, Audit Number, and Objective	Related Management Challenge(s)					
	Service Delivery	COVID-19	Disability	Improper Payments	Modernize IT	Secure Information
1. Addressing Disability Fraud Schemes (A-13-21-51042). To evaluate the effectiveness of SSA's controls to mitigate disability fraud risk. Specifically, to assess the actions SSA has taken to prevent, detect, and respond to disability fraud.			◆	◆		
2. Automated Earnings Reappraisal Operations Cases (A-02-21-51076). To determine whether SSA is processing Automatic Earnings Reappraisal Operation cases accurately and timely.	◆			◆		
3. Benefit Misuse by Unofficial Representative Payees (A-03-21-51058). To determine whether (1) SSA has controls to identify third parties serving as unofficial representative payees and (2) unofficial representative payees are misusing beneficiaries' benefits.	◆					
4. Benefits Withheld from OASDI Beneficiaries (A-09-20-50959). To evaluate SSA's controls over the payment of benefits that were previously withheld from beneficiaries or representative payees.				◆		
5. Controls over Processing Social Security Benefit Statements (A-09-21-51045). To determine whether SSA resolves Payment History Update System errors and processes required forms accurately and timely.		◆				◆
6. Challenges in Recovering SSI Overpayments (A-07-21-51018). To determine whether SSA's efforts to prevent, detect, and recover improper payments in the SSI program have improved program integrity.				◆	◆	

Audit Title, Audit Number, and Objective	Related Management Challenge(s)					
	Service Delivery	COVID-19	Disability	Improper Payments	Modernize IT	Secure Information
7. Controls for the SSN Verification Service (A-03-21-51094). To evaluate SSA's access and monitoring controls for the SSN Verification Service.						◆
8. DDSs Processing of Disability Claims During the COVID-19 Pandemic (A-01-20-50963). To determine (1) how the COVID-19 pandemic affected DDSs processing of SSA disability claims and (2) best practices the DDSs implemented that should continue when the pandemic ends.	◆	◆	◆			
9. Dedicated Accounts for SSI Recipients (A-04-21-51031). To assess SSA's management of the SSI dedicated account process.				◆		
10. Disposal of IT Devices (A-14-21-51085). To determine whether SSA followed its policies and procedures for the proper disposal of laptops, servers, and other devices.						◆
11. Dually Entitled Children and the Family Maximum Provision (A-09-18-50684). To determine whether SSA is adjusting child and spousal benefits in accordance with the family maximum provisions.				◆		
12. Eligibility Determinations for Disabled Claimants Who Work (A-07-21-51017). To determine whether SSA has sufficient controls over decisions at the initial and reconsideration levels of the application process for disabled claimants who work.			◆	◆		

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<p>13. Evaluating Self-employment Income (A-07-21-51050). To determine whether SSA has adequate controls over its processes for evaluating individuals' self-employment income during initial claims and post-entitlement processing.</p>				◆		
<p>14. Individuals Who Elect to Receive Retirement Benefits After Full Retirement Age (A-05-21-51057). To determine whether SSA properly paid individuals who filed for retirement benefits after they reached full retirement age.</p>				◆		
<p>15. Individuals Who Have Been Removed or Ordered Removed from the United States (A-13-18-50581). To determine whether SSA complied with its policy for determining whether individuals who have been removed or ordered removed from the United States are eligible for OASDI and/or SSI benefits.</p>				◆		
<p>16. SSA's Insider Threat Program (A-14-21-51010). To determine whether SSA's Insider Threat Program has controls in place to prevent, deter, detect, and mitigate actions by trusted insiders who represent a potential threat to Agency personnel, facilities, operations, and resources.</p>						◆
<p>17. International Workloads (A-05-21-51037). To determine whether SSA accurately and diligently processes totalization claims and actions requested by individuals residing outside the United States.</p>	◆			◆		

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18. Local Privileged Users (A-14-20-50937). To determine whether (1) the Privilege Access Security System initiative for local privileged users is in compliance with the Department of Homeland Security’s Continuous Diagnostic and Mitigation Program as well as updated Federal requirements for two-factor authentication and (2) the System is the only way for a user to gain local privileged user access.						◆
19. Lump-sum Death Payments (A-06-21-51088). To determine whether SSA has established sufficient controls to ensure it issues lump-sum payments in accordance with public law and Agency policy.				◆		
20. Manually Processed Termination Actions (A-07-21-51043). To determine whether SSA is processing manual termination actions accurately and timely.	◆			◆	◆	
21. Medicare Premiums Withheld from Improper Payments Issued After Death (A-06-21-51087). To determine whether SSA effectively pursued recovery of these amounts from the Centers for Medicare & Medicaid Services.				◆		
22. OASDI Beneficiaries Who May Also Be Eligible for SSI Payments (A-13-21-51047). To review the effectiveness of SSA’s controls to identify and act on OASDI beneficiaries who may also be eligible for SSI payments.				◆		
23. OASDI Retirement Claim Denials (A-09-21-51041). To determine whether SSA properly disallowed or denied OASDI retirement claim applications.	◆			◆		

Audit Title, Audit Number, and Objective	Related Management Challenge(s)					
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24. OASDI Underpayments (A-15-19-50770) . To identify trends and anomalies in OASDI underpayments that may indicate fraud and internal control deficiencies.	◆			◆		
25. Overpayments Caused by the Retirement Earnings Test (A-08-21-51049) . To evaluate SSA's assessment and collection of retirement earnings test overpayments.				◆		
26. Pandemic-related Relief Funds Received by SSI Recipients (A-06-21-51109) . To determine whether SSA consistently applied policies and procedures pertaining to the COVID-19 pandemic-related relief funds paid to SSI recipients.		◆				
27. Processing Initial Disability Claims Deemed as Priority Cases (A-04-21-51033) . To determine whether SSA is following policies and procedures when it processes initial disability applications deemed as priority cases.			◆			
28. Processing New Waiver Requests When a Previous Request Was Denied (A-08-21-51100) . To determine whether SSA is properly processing requests for waivers submitted outside the appeal period of a prior waiver denial.				◆		
29. Reducing the Hearings Backlog and Average Processing Times (A-01-21-51107) . To determine whether SSA's Compassionate And REsponsive Service plan is meeting its core principle of eliminating the hearings backlog and reducing wait times nationwide to an average of 270 days by the end of 2021.	◆	◆	◆			

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	Service Delivery	COVID-19	Disability	Improper Payments	Modernize IT	Secure Information
30. Re-entitlement of Terminated OASDI Auxiliary Beneficiaries After the Primary Beneficiary's Death (A-13-21-51044). To assess SSA's efforts to re-entitle terminated OASDI auxiliary beneficiaries after the deaths of the primary beneficiaries.				◆		
31. Remittance Processing (A-15-21-51111). To determine whether SSA's new automated remittance processes and SSA's manual remittance processes enable it to resolve remittances accurately and timely.	◆					
32. Replication Devices on SSA's Network (A-14-18-50470). To assess SSA's security management of replication devices connected to its network.						◆
33. Representative Payees of Children in Foster Care (A-13-21-51051). To determine whether SSA's monthly information exchanges with child welfare agencies are operating effectively.	◆			◆		
34. Retiring Legacy Systems (A-14-21-51011). To assess SSA's process to identify and prioritize legacy systems for replacement and achievements in replacing those systems.					◆	
35. Retroactive OASDI Benefits (A-09-21-51075). To determine whether SSA has adequate controls over retroactive payments to OASDI beneficiaries.	◆		◆	◆		
36. Security of Sensitive Information in Communications (A-14-21-51071). To evaluate SSA's controls over preventing data loss and sensitive information in communications.						◆

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	Service Delivery	COVID-19	Disability	Improper Payments	Modernize IT	Secure Information
37. Special COVID-19 Appropriations (A-15-20-50955). To determine how SSA used special appropriations for COVID-19.	◆					◆
38. SSA's Review of Representative Payees (A-13-17-50195). To determine the effectiveness of SSA's controls and procedures for monitoring representative payees in accordance with the <i>Strengthening Protections for Social Security Beneficiaries Act of 2018</i> , Federal regulations, and Agency policies.	◆					
39. SSA's Security Assessment and Authorization (A-14-21-51093). To determine whether SSA is managing its Security Assessment and Authorization process in accordance with Federal and Agency requirements.						◆
40. SSI Recipients Who May be Entitled to OASDI Benefits (A-01-21-51097). To review the effectiveness of SSA's controls to identify, and take action on, SSI recipients who may also be eligible for OASDI benefits.	◆			◆		
41. Statutory Benefit Continuation Payments for Disability Beneficiaries (A-07-21-51105). To determine (1) how much SSA pays DI beneficiaries and SSI recipients who elect Statutory Benefit Continuation when they appeal a medical cessation determination and (2) the effectiveness of SSA's attempts to recover overpayments when it upholds cessation determinations during the appeals process.			◆	◆		

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	Service Delivery	COVID-19	Disability	Improper Payments	Modernize IT	Secure Information
42. Strategy for Ransomware Protection and Prevention (A-14-18-50554). To test SSA's controls over preventing, detecting, mitigating, and recovering from a ransomware attack.						◆
43. The Effectiveness of SSA's Communications (A-02-21-51077). To determine whether SSA's communications effectively inform the public about the Agency's programs and benefits.	◆					
44. The Treasury Reclamation Process (A-06-21-51092). To determine whether SSA is effectively using the Treasury reclamation process and identify improper payments made after death that SSA has not recovered.				◆		
45. Using Available Marital Status Information (A-05-21-51019). To determine whether SSA is using available change of marital status information to accurately pay OASDI beneficiaries and SSI recipients.				◆		
46. Using Full Benefit Withholding and Administrative Sanctions on Certain Fraud-related Overpayments (A-08-21-51083). To determine the extent to which SSA is using administrative sanctions or full benefit withholding in cases of fraud and whether it is consistently applying its policies.				◆		
47. Using Medical and Vocational Experts in Disability Hearings (A-01-20-50974). To determine whether SSA's scheduling process for medical and vocational experts for disability hearings is effective and efficient.	◆	◆	◆			

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48. Using Medicare Claim Data to Enhance the Medicare Non-utilization Project (A-08-18-50442). To determine whether SSA could adjust the criteria of the Medicare Non-utilization Project to more effectively identify deceased OASDI beneficiaries and SSI recipients.				◆		
49. Using Unemployment Compensation Data to Locate SSI Recipients' Unreported Earnings (A-03-21-51059). To determine whether unemployment compensation data are useful in detecting SSI recipients who may be concealing work activity.				◆		◆
50. Workers' Compensation/Public Disability Benefit Offset Calculations (A-02-21-51069). To determine whether SSA can improve the accuracy of DI payments by simplifying workers' compensation/public disability benefit offset calculations.			◆	◆		
51. Workload Processing During the COVID-19 Pandemic (A-05-21-51106). To determine (1) whether the COVID-19 pandemic affected SSA's processing of DI and SSI workloads and (2) best practices SSA implemented that should continue when the pandemic ends.	◆	◆	◆			
52. Workloads at Program Service Centers (A-02-21-51110). To determine whether program service centers (1) manage workloads consistently and timely and (2) use information from quality review processes to improve training efforts and workload performance.	◆	◆		◆		

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	Service Delivery	COVID-19	Disability	Improper Payments	Modernize IT	Secure Information
53. Work-reporting Processes (A-03-21-51060). To (1) assess the accuracy and effectiveness of SSA's work-reporting processes used by beneficiaries, recipients, and deemors and (2) determine whether SSA is accurately and timely processing work reports.				◆		