

# Report Summary

Social Security Administration Office of the Inspector General

September 2009



## Objectives

To (1) ensure the Social Security Administration (SSA) had appropriate oversight and adequate internal controls over the cooperative agreement awarded the University of Michigan's (University) Retirement Research Center (MRRC), and determine whether (2) MRRC complied with the requirements of the cooperative agreement, and (3) the Agency received the services prescribed in the cooperative agreement in Fiscal Year 2008.

## Background

SSA's Office of Acquisition and Grants (OAG) awards grants to fund projects that lead to the improvement of the Old-Age, Survivors and Disability Insurance and Supplemental Security Income programs. In September 2003, OAG awarded MRRC a 5-year grant. MRRC received \$2.6 million from SSA to complete 27 research projects from September 30, 2007 to September 29, 2008.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-02-09-19081.pdf>

## University of Michigan Retirement Research Center (A-02-09-19081)

### Our Findings

SSA generally met its oversight responsibilities, and the University generally complied with the grant requirements. However, we identified a few areas where SSA's oversight and the University's compliance with grant requirements could be improved. SSA paid \$196,420 more than the amount awarded to the University for the fifth grant year. The University was unable to distinctly account for each grant year's transactions in its accounting system, leading to an inability to reconcile grant funding to expenses incurred for projects in each of the grant years. Also, five of the nine MRRC subcontracts we reviewed did not meet their cost-sharing obligations, and MRRC did not competitively bid for a site to host the annual Retirement Research Consortium (RRC) conference. MRRC completed all the research projects funded in the fifth grant year, and we determined the research was used by multiple SSA staffs.

### Our Recommendations

We recommended that SSA: (1) ensure it has proper controls over payments to its grantees that limit payments to the grant award amount; (2) reconcile the \$196,420 paid to the University above the fifth grant year award amount; (3) reconcile the \$251,280 paid to the University above the amount awarded for the 5-year grant period; (4) work with the University to ensure its accounting system can distinguish and distinctly report each grant year's transactions and expenses; (5) ensure MRRC's subcontractors report their full cost-sharing before final payment is made by MRRC; (6) ensure competitive practices are used when selecting a site for the RRC conference; and (7) determine the impact MRRC's research has had beyond SSA to ensure its work is informing the public and policymakers about Social Security issues.

SSA agreed with the recommendations.