

# Report Summary

Social Security Administration Office of the Inspector General

September 2010



## Objective

To evaluate the Kansas Disability Determination Services' (KS-DDS) internal controls over the accounting and reporting of administrative costs, determine whether costs KS-DDS claimed were allowable and properly allocated and funds were properly drawn, and assess limited areas of the general security controls environment. Our audit included the administrative costs claimed by the KS-DDS during Federal Fiscal Years (FY) 2007 and 2008.

## Background

Disability determinations under both the Disability Insurance and Supplemental Security Income programs are performed by disability determination services (DDS) in each State and other responsible jurisdictions. The Social Security Administration (SSA) reimburses the DDS for 100 percent of allowable reported expenditures up to its approved funding authorization.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-07-09-19093.pdf>

## **Administrative Costs Claimed by the Kansas Disability Determination Services (A-07-09-19093)**

### Our Findings

With the exception of cash management, KS-DDS' internal controls over the accounting and reporting of administrative costs were adequate to ensure costs claimed were allowable and properly allocated. With regard to cash management, we found that the Kansas Department of Social and Rehabilitation Services (KS-SRS) drew \$331,553 more from the KS-DDS' FY 2008 Department of the Treasury account than the KS-DDS' actual expenditures reported on the FY 2008 Form SSA-4513, Automated Standard Application for Payments. We also found KS-DDS did not maintain an accurate inventory of SSA-purchased computer equipment. Regarding general security controls, we found KS-DDS' security plan did not contain all essential information required by SSA's policies.

### Our Recommendations

We recommend the SSA Regional Commissioner:

1. Ensure KS-SRS adjusts all KS-DDS Automated Standard Application for Payments (ASAP) account balances to reflect actual expenditures for the same FY as the account's FY. If the adjustments identify cash draws in excess of actual expenditures, instruct KS-SRS to return the excess funds to Treasury.
2. Direct KS-SRS to establish controls that ensure cash draws made from an ASAP account are for KS-DDS' expenditures incurred during the same FY as the account's FY.
3. Instruct KS-DDS to track SSA-purchased computer equipment with an inventory system that complies with SSA policies.
4. Instruct KS-DDS to complete a security plan meeting SSA requirements timely.

SSA and KS-SRS agreed with our recommendations.