

The Social Security Administration's Compliance with the Payment Integrity Information Act of 2019 in the Fiscal Year 2020 Agency Financial Report

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Office of Audit Report Summary

Objectives

To determine whether the Social Security Administration (SSA) met all requirements of the *Payment Integrity Information Act of 2019* (PIIA) in the Fiscal Year (FY) 2020 Agency Financial Report (AFR) and accompanying materials. In addition, we evaluated the Agency's efforts to prevent and reduce improper payments.

Background

On March 2, 2020, the President signed PIIA to improve efforts to identify and reduce Government-wide improper payments. PIIA repealed and replaced the *Improper Payments Elimination and Recovery Improvement Act of 2012*, *Improper Payments Elimination and Recovery Act of 2010*, and *Improper Payments Information Act of 2002*. In June 2018, the Office of Management and Budget (OMB) issued updated Government-wide guidance on the implementation of the *Improper Payments Information Act of 2002*, as amended by the *Improper Payments Elimination and Recovery Act of 2010* and the *Improper Payments Elimination and Recovery Improvement Act of 2012*. Both PIIA and OMB guidance require that agencies report specific improper payment information in their AFRs. Further, the law and guidance require that Inspectors General review the improper payment information agencies report in their AFRs.

Findings

In its FY 2020 AFR, SSA did not comply with all PIIA reporting requirements when it did not meet reduction targets for Supplemental Security Income overpayments. In addition, we noted instances where the Agency reported OMB-required improper payment information, but the supporting documentation did not agree with the statements made in the FY 2020 AFR. SSA should ensure all responsible parties are adhering to the quality review plan to ensure accurate and complete reporting each year.

SSA developed, published, and implemented corrective action plans for each major cause of improper payments. However, the Agency has not developed measures to determine the effectiveness of its initiatives, and we noted SSA had not significantly reduced improper payments. SSA should determine whether it is correctly targeting the root causes of improper payments and implement additional initiatives to address those root causes. SSA had implemented its Improper Payment Alignment Strategy; however, it did not have systems to capture data that measure the effectiveness of the corrective actions it implemented.

Recommendations and Agency Comments

We encourage SSA to continue its efforts to (1) measure the effectiveness of existing initiatives in reducing improper payments and (2) identify and develop new initiatives that address the root causes of improper payments. In addition, we recommend SSA improve its controls to ensure the information it presents in payment integrity reports is complete and accurate. SSA agreed with our recommendation.