
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**THE SOCIAL SECURITY ADMINISTRATION'S
ACCOUNTABILITY OF FEDERAL
EMERGENCY MANAGEMENT AGENCY
FUNDS PROVIDED FOR HURRICANE
RELIEF EFFORTS**

March 2007

A-06-06-26138

AUDIT REPORT



Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.



SOCIAL SECURITY

MEMORANDUM

Date: March 23, 2007

Refer To:

To: The Commissioner

From: Inspector General

Subject: The Social Security Administration's Accountability of Federal Emergency Management Agency Funds Provided for Hurricane Relief Efforts (A-06-06-26138)

OBJECTIVE

Our objectives were to evaluate the effectiveness of the Social Security Administration's (SSA) internal control procedures and accountability of funds provided by Federal Emergency Management Agency (FEMA) in response to the 2005 Gulf Coast Hurricanes Katrina, Rita, and Wilma.

BACKGROUND

In the aftermath of Hurricanes Katrina, Rita and Wilma, there was an urgent need to provide service to the public and provide assistance in the hurricane recovery efforts. As part of its role to effectively manage Federal response and recovery efforts following any national incident, FEMA, which is part of the Department of Homeland Security, is authorized to use Mission Assignments. FEMA uses Mission Assignments to provide immediate, short-term emergency response assistance to meet the urgent needs of a State by directing other Federal agencies to complete specific tasks in preparation for, or in response to, a Presidential declaration.

FEMA authorized \$1 million to SSA for costs associated with its Mission Assignment to provide volunteer staff to assist existing FEMA teams in response to relief efforts. This Mission Assignment provided reimbursement for travel, per diem, and overtime costs for volunteers. As of May 10, 2006, SSA had been reimbursed \$817,509 for 58 employees who reported for FEMA assignments.

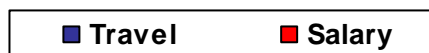
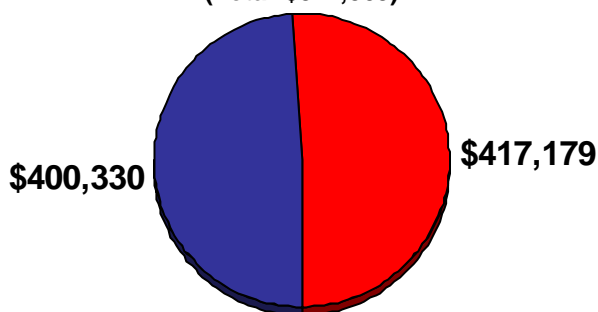
Congress and the public raised concerns about the oversight and management of Federal funds provided for hurricane relief efforts. To identify possible areas of fraud, waste, abuse or mismanagement, the Department of Homeland Security, Office of Inspector General requested Inspectors General review the accountability of Mission Assignment funds within their respective agencies.

RESULTS OF REVIEW

Our review of the \$817,509 for 58 employees who reported for FEMA assignments disclosed that costs charged were generally allowable and accurate; however, we did find costs related to travel and salary that contained minor errors totaling approximately 0.1 percent of SSA's reimbursement from FEMA (see Appendix C). The total amount reimbursed for travel was \$400,330, and the total cost reimbursed for salary was \$417,179.

Travel and Salary Expense Reimbursed by FEMA

(Total \$817,509)



We provided SSA with a list of questionable transactions for follow-up review to ensure that amounts paid to volunteers and reimbursements claimed from FEMA were accurate. SSA has acted to resolve the identified discrepancies. Specifically, for travel costs we found transactions that did not have required receipts for reimbursement totaling \$2,947; improper claims for travel costs totaling \$1,841; and allowable travel costs totaling \$469 that were not reimbursed to employees.

Our review of salary costs, noted minor errors and inadequate time and attendance documentation for 39 of the 58 employees who participated in FEMA Mission Assignments. This occurred because employee volunteers did not receive training on travel and timekeeping requirements before going on assignment and SSA did not have an adequate review process to ensure that documentation was submitted as required. SSA agreed that volunteers were not provided training in the travel and timekeeping process before being deployed. We also found that SSA charged the wrong account for some costs and inadvertently excluded \$4,050 in claims for reimbursement from FEMA. In addition to the 58 employees who volunteered for a Mission Assignment, we found 1 SSA employee, who was erroneously included in the final request for Temporary Duty (TDY) overtime reimbursement in the amount of \$452. This employee did not take part in the Mission Assignment volunteer efforts.

TRAVEL COSTS

We reviewed 114 travel vouchers totaling \$400,330 and found that 90 of the vouchers did not have any errors. For the remaining 24 vouchers, we noted 30 exceptions¹ as indicated below:

- 5 vouchers totaling \$2,947 were not adequately supported with receipts for lodging, taxi, laundry, and excess baggage. For example, one individual submitted a voucher for 1 month's travel and claimed \$78.40 for laundry service six times on the voucher and did not provide receipts.
- 22 vouchers containing \$1,841 in claims related to expenses for lodging, airfare, and car rental were not incurred by the employee. There were several instances where the individual requested reimbursement for airfare and lodging tax that were eventually credited back to their travel card due to corrections made by the hotel or airline. A reimbursement for 1 night of lodging was also made to one individual who spent the night in a free FEMA tent.
- 3 vouchers totaling \$469 in allowable lodging and airfare expenses were not reimbursed to the employee. Two of the individuals did not claim lodging expenses incurred for a portion of their TDY deployment and one individual did not claim the correct amount paid in airfare.

These errors occurred because SSA did not carefully review the travel vouchers and either did not request, or did not retain, the required receipts from the travelers. Federal Travel Regulations (FTR) require travelers provide receipts for any lodging expense (except when authorized at a fixed reduced per diem allowance) and any other expense exceeding \$75.² The FTR also states that a travel authorizing/approving official or his/her designee (e.g., supervisor of the traveler) must review and sign travel claims to confirm the authorized travel.³ The reviewing official is responsible to ensure:

- a. The claim is properly prepared in accordance with the pertinent regulations and agency procedures;
- b. A copy of authorization for travel is provided;
- c. The types of expenses claimed are authorized and allowable expenses;

¹ Five travel vouchers contained multiple errors.

² FTR at 41 C.F.R. §301-52.4. Also, receipts must be retained for 6 years and 3 months as prescribed by the National Archives and Records Administration under General Records Schedule 6, paragraph 1(<http://ardor.nara.gov/grs/grs06.html>).

³ FTR at C.F.R. §301-71.200.

- d. The amounts claimed are accurate; and
- e. The required receipts, statements, and justifications are attached to the travel claim.⁴

SALARY COSTS

FEMA reimbursed SSA \$417,179 in salary costs for 58 employees who reported for Mission Assignments. According to SSA staff, FEMA procedures required the preparation of time and attendance worksheets in disaster field offices for each employee. These worksheets were to be reviewed and approved by FEMA officials onsite and faxed to the volunteer's Agency for processing. According to SSA's Time and Attendance Policy Manual, supervisors must certify the hours recorded on employee timesheets and it is the timekeeper's responsibility to ensure that time and attendance rosters are properly completed, reviewed and signed daily.⁵ Overtime attendance rosters shall be retained until after a Government Accountability Office audit or when 6 years old, whichever occurs first.⁶

SSA did not ensure that time and attendance rosters were properly completed and retained to verify that the hours recorded by timekeepers reflected the employee's actual attendance and entitlement to pay. We learned that, because of the geographic dispersion and movement of volunteers at their TDY locations, it was often difficult for the volunteers to locate immediate supervisors to ensure all travel and time and attendance documents were reviewed, approved, and certified timely. Also, it was difficult to ensure that their timekeepers and supervisors were appropriately informed of their hours worked while the employees were away from their duty station. We reviewed employee payroll records for 58 employees and found that records for 33 employees contained errors and the remaining 25 appeared to be accurate. For the 33 employees who had inaccurate records, we noted 51 exceptions⁷ as indicated below:

- 18 of 58 employees' hours of work documented on timesheets did not agree with the number of hours in SSA's payroll system.
- 15 of 58 employees were missing timesheets or did not have adequate documentation to support their payment for overtime.
- 12 of 58 employees' time and attendance records were not certified by a supervisor (certifier).

⁴ FTR at C.F.R. §301-71.201.

⁵ SSA Time and Attendance Policy and Procedure Guide, Chapter 2, Separation of Responsibilities: Certifier, Timekeeper, and Employee, pg. 1.

⁶ SSA Time and Attendance Policy and Procedure Guide, Chapter 2, Separation of Responsibilities: Certifier, Timekeeper, and Employee, pg. 7.

⁷ Seventeen employees had multiple errors on their payroll record.

- 6 of 58 employees were not compensated at the correct salary rate.

OTHER ISSUES

SSA inadvertently recorded salary funds to the wrong account which resulted in an underestimated request to FEMA for billing reimbursements in the amount of \$4,050. To track costs and obtain reimbursement from FEMA, SSA authorized the use of a designated Common Accounting Number for travel and overtime worked by any employee who was on a FEMA Mission Assignment. SSA combined the data forwarded from travel and payroll analysts to create and submit the invoice to FEMA for reimbursement. The Federal Managers' Financial Integrity Act requires that each Agency establish controls that reasonably ensure that: (i) obligations and costs comply with applicable law; (ii) assets are safeguarded against waste, loss, unauthorized use or misappropriation; and (iii) revenues and expenditures are properly accounted for and recorded.⁸ We found 13 instances when employee holiday hours worked⁹ were misclassified and charged to the wrong account. Holiday hours worked are a reimbursable expense through FEMA.

In addition, we found one SSA employee, who was not part of the Mission Assignment volunteer efforts, who was erroneously included in the final request for TDY overtime reimbursement in the amount of \$452.

CONCLUSION AND RECOMMENDATIONS

Costs charged to FEMA totaling \$817,509 for Mission Assignments were generally allowable and accurate; however, we requested SSA follow up on travel vouchers that contained errors or did not have required receipts. We also requested a review of differences found between the time and attendance records and SSA's payroll system. Accordingly, we recommend SSA:

1. Ensure SSA staff comply with FTR when processing and reviewing future travel reimbursements for FEMA Mission Assignments.
2. Ensure SSA travel coordinators and timekeepers maintain accurate records for staff deployed to future FEMA Mission Assignments.
3. Ensure all costs are appropriately tracked and assigned to the proper Common Accounting Number.

⁸ The Federal Managers' Financial Integrity Act, Pub. L. 97-255 (September 8, 1982)

⁹ SSA Time and Attendance Policy Manual, Chapter 6- Holiday Worked, p. 19. When an employee comes into work on a holiday, the government pays them the regular hourly rate for holiday hours worked during their scheduled tours. They also receive their holiday pay for that day. The pay is the equivalent of double time for the hours that the employee actually works on the holiday. When full-time employees work outside their regular tour hours on a holiday, it is overtime. They are paid at the usual overtime rate.

4. Ensure timekeepers, supervisors and staff assigned to future Mission Assignments are appropriately trained concerning the travel and timekeeping process.
5. Ensure questionable payroll and travel transactions are reviewed and adjusted accordingly.

AGENCY COMMENTS

SSA agreed with our recommendations. See Appendix D for the full text of the Agency's comments.



Patrick P. O'Carroll, Jr.

Appendices

[APPENDIX A](#) – Acronyms

[APPENDIX B](#) – Scope and Methodology

[APPENDIX C](#) – Overall Percentage of Error - Chart

[APPENDIX D](#) – Agency Comments

[APPENDIX E](#) – OIG Contacts and Staff Acknowledgments

Acronyms

FEMA	Federal Emergency Management Agency
FTR	Federal Travel Regulations
ODCHR	Office of the Deputy Commissioner, Human Resources
SSA	Social Security Administration
TDY	Temporary Duty

Scope and Methodology

Our objective was to evaluate the effectiveness of the Social Security Administration's (SSA) internal control procedures and accountability of funds provided by the Federal Emergency Management Agency (FEMA) in response to the 2005 Gulf Coast Hurricanes Katrina, Rita, and Wilma.

To accomplish our objectives, we reviewed all costs incurred through SSA's Mission Assignments that were reimbursed by FEMA for overtime, per diem, and all other travel costs.

In conducting our evaluation, we:

- Obtained data concerning all SSA costs reimbursed related to FEMA Mission Assignments. We requested the Office of the Deputy Commissioner, Human Resources (ODCHR) provide copies of travel and payroll related documents for employees who participated in this initiative. Specifically, we requested all travel vouchers, accompanying receipts, and the following payroll forms: copies of the SSA-29 (Overtime Roster) and the SSA-30 (Attendance Roster).
- Identified the number of volunteers deployed on Mission Assignments.
- Reviewed the Federal Travel Regulations for policies and procedures concerning requests for reimbursement.
- Reviewed SSA's Time and Attendance policies and procedures concerning premium pay (i.e. overtime, holiday pay, and night differential).
- Reviewed laws and regulations related to the Mission Assignment process.
- Interviewed personnel in the ODCHR and Office of Finance regarding controls and processes used by SSA to implement the Mission Assignments.
- Made site visits to Baltimore, Maryland.

The entities audited were the Office of Financial Policy and Operations and the Office of the Deputy Commissioner, Human Resources. Our review of SSA was conducted from August 2006 to November 2006 in accordance with generally accepted government auditing standards.

Appendix C

Overall Percentage of Error				
	Reimbursements Due	Total Reimbursed by FEMA	Difference	Percentage Difference
<u>Travel</u>	\$396,011	\$400,330	\$4,319	1.1%
<u>Salary</u>	\$420,777	\$417,179	-\$3,598	-0.9%
Total*	\$816,788	\$817,509	\$721	0.1%

* The total amount of reimbursements differed by .1% of the actual amount due, travel reimbursements were overpaid by \$4,788 and underpaid by \$469, and salary reimbursements were overpaid by \$452 and underpaid by \$4,050.

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: March 8, 2007 **Refer To:** S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Larry W. Dye /s/

Subject: Office of the Inspector General (OIG) Draft Report, "The Social Security Administration's Accountability of Federal Emergency Management Agency Funds Provided for Hurricane Relief Efforts" (A-06-06-26138) -- INFORMATION

We appreciate OIG's efforts in conducting this review. Our comments on the draft report content and recommendations are attached.

Let me know if we can be of further assistance. Staff inquiries may be directed to Candace Skurnik, Director, Audit Management and Liaison Staff, on extension 54636.

Attachment:
SSA Respons

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "THE SOCIAL SECURITY ADMINISTRATION'S (SSA) ACCOUNTABILITY OF FEDERAL EMERGENCY MANAGEMENT AGENCY FUNDS PROVIDED FOR HURRICANE RELIEF EFFORTS" (A-06-06-26138)

Thank you for the opportunity to review and comment on the draft report. We appreciate your staff's efforts in evaluating the effectiveness of SSA's internal control procedures and accountability of funds provided by Federal Emergency Management Agency (FEMA) in response to the 2005 Gulf Coast Hurricanes Katrina, Wilma and Rita. We are very pleased with the results of this review, which showed that the costs charged were generally allowable and accurate. Our response to the recommendations are provided below:

Recommendation 1

SSA should ensure staff comply with Federal Travel Regulations (FTR) when processing and reviewing future travel reimbursements for FEMA Mission Assignments.

Response

We agree. For any future FEMA Mission Assignments, staff in the Division of Travel Management (DTM) will contact the employee, document preparer and/or travel authorizing official pre-travel to convey FTR, FEMA and SSA travel policy.

Recommendation 2

SSA should ensure travel coordinators and timekeepers maintain accurate records for staff deployed to future FEMA Mission Assignments.

Response

We agree. Employees, document preparers and/or the travel authorizing official will be contacted by DTM staff to remind them of the record retention requirements as prescribed by the National Archives and Records Administration to maintain receipts for 6 years and 3 months. Should SSA participate in future FEMA Mission Assignments, we will issue clear guidelines to timekeepers and managers reminding them of their recordkeeping responsibilities.

Recommendation 3

SSA should ensure all costs are appropriately tracked and assigned to the proper Common Accounting Number.

Response

We agree. DTM and Division of Central Accounting and Reporting staff will monitor and track travel documents and payroll costs to verify that the proper Common Accounting Number is charged for FEMA reimbursable costs incurred by SSA employees deployed for FEMA Mission Assignments.

Recommendation 4

SSA should ensure timekeepers, supervisors and staff assigned to future Mission Assignments are appropriately trained concerning the travel and timekeeping process.

Response

We agree. For travel related processes, DTM staff will monitor travel documents to determine that travel policy is being followed. Any items of concern noted on travel documents requiring corrective action will be addressed individually with the employee, document preparer and/or travel authorizing official. If SSA participates in future FEMA Mission Assignments, we will issue clear guidelines to employees, timekeepers and managers providing procedural guidance and reminding them of their recordkeeping responsibilities for time and attendance. Additionally, we will work closely with FEMA and request them to reinforce the requirements of the process as part of their preparatory training of volunteers before the volunteers commence their primary work assignments.

Recommendation 5

SSA should ensure questionable payroll and travel transactions are reviewed and adjusted accordingly.

Response

We agree. For travel related transactions, DTM staff will monitor travel documents to determine that travel policy is being followed. Any questionable items requiring corrective action will be addressed with the employee, document preparer and/or travel authorizing official. We are also reviewing the questionable payroll items and are proceeding to make adjustments where necessary.

OIG Contacts and Staff Acknowledgments

OIG Contacts

Paul Davila, Director, (214) 767-6317

Paul Wood, Audit Manager, (214) 767-0058

Acknowledgments

In addition to those named above:

Erica Turon, Auditor-in-Charge

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Office of Audit

OA conducts and/or supervises financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management and program evaluations and projects on issues of concern to SSA, Congress, and the general public.

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