Office of the Inspector General

December 2, 1999

John R. Dyer
Principal Deputy Commissioner
of Social Security

Inspector General

Performance Measure Review: Survey of the Sources of the Social Security Administration's Performance Measurement Data (A-02-98-01004)

The attached subject final report presents the results of our audit to survey the sources of information for the 68 performance measures (indicators) that appear in the Social Security Administration's Fiscal Year 1999 Annual Performance Plan.

To provide you with the opportunity to present your views relative to the validity of the facts and reasonableness of the recommendations presented, we request that you provide written comments within 30 days from the date of this memorandum. If you wish to discuss the final report, please call me or have your staff contact Daniel R. Devlin, Acting Assistant Inspector General for Audit, at (410) 965-9700.

James G. Huse, Jr.

Attachment

OFFICE OF
THE INSPECTOR GENERAL

SOCIAL SECURITY ADMINISTRATION

PERFORMANCE MEASURE REVIEW: SURVEY OF THE SOURCES OF THE SOCIAL SECURITY ADMINISTRATION'S PERFORMANCE MEASUREMENT DATA

November 1999 **A-02-98-01004**

AUDIT REPORT

Office of the Inspector General

John R. Dyer
Principal Deputy Commissioner
of Social Security

Inspector General

Performance Measure Review: Survey of the Sources of the Social Security Administration's Performance Measurement Data (A-02-98-01004)

The Government Performance and Results Act (GPRA) of 1993, Public Law 103-62, 107 Stat. 285, requires the Social Security Administration (SSA) to develop performance indicators that assess the relevant service levels and outcomes of each program activity. GPRA also calls for a description of the means employed to verify and validate the measured values used to report on program performance. SSA has stated that the Office of the Inspector General (OIG) plays a vital role in evaluating the data used to measure performance. The objective of this audit was to survey the existence of the sources of information for the 68 performance measures (indicators) that appear in the SSA's Fiscal Year (FY) 1999 Annual Performance Plan (APP).

RESULTS OF REVIEW

SSA HAS DATA SOURCES FOR ALL INDICATORS

We found that SSA had methods to collect the data used to report on all its performance measures (indicators), as shown in Appendix C. For those indicators lending themselves to routine or periodic collection of data, such as the number of claims processed or field office waiting time, SSA had sources established to measure whether the stated goals were met. For indicators that did not lend themselves to collection of information from these data sources, such as research and development and policy measures, SSA established alternative means to report on the status of the indicator. These alternative measures included monthly or quarterly progress reports and timelines established for the delivery of reports.

While SSA has methods to collect data for all indicators, OIG has not verified the reliability of most of the data. Subsequent audits by OIG will address the reliability of each performance indicator.

CERTAIN PERFORMANCE INDICATORS ARE INCOMPLETE

We found that the data used to measure two indicators does not include all measurable items. Specifically,

- The indicator dealing with the percent of earnings posted to individuals' records by September 30 is based upon employee wages as reported on Form W-2 data submitted to SSA by employers. The measure does not include earnings from self-employment reported to SSA by the Internal Revenue Service.

- An Office of Quality Assurance review of a statistical sample of applications for original and replacement Social Security numbers (SSNs) is the source of data for the indicator measuring the percent of SSNs issued accurately. The review compares data on the application, referred to as a Form SS-5, to SSA's database. This review does not include SSN cards issued through the Enumeration-at-Birth system, which accounts for approximately 20 percent of SSNs issued.

PREVIOUS REVIEWS HAVE IDENTIFIED WEAKNESSES WITH DATA SOURCES

We identified previously reported data weaknesses that indicated data reliability problems for 4 of the 68 indicators. Specifically,

- A recent OIG audit[1] disclosed that the system used to measure the indicator dealing with the percent of original and replacement SSN cards issued within 5 days of receiving all necessary documentation was unreliable. Specifically, inaccurate data was entered into the performance measurement system, all aspects of the issuance process were not measured, and formulas used to calculate processing time measured parts of the process as taking zero time. SSA agreed to improve the accuracy of its data and stated that it adequately measured the entire processing time and did not see the necessity for modifications to ensure that the full process was measured. Additionally, SSA disagreed with our recommendation to capture the time of day the process began, stating that it was not necessary to capture partial day processing time.

- A recent OIG evaluation[2] disclosed that the survey used to measure performance indicators did not include all populations of SSA customers and that inclusion of a reduced proportion of disabled respondents in FY 1997 may have led to a higher level of satisfaction. This survey measures the percent of the public rating SSA service as "good" or "very good," the percent of the public "satisfied" or "very satisfied" with the courteousness of SSA staff, and the percent of the public who are

[1] Performance Measure Audit: Timely Issuance of SSN Cards (A-02-97-93003), April 1998.
[2] Performance Measure Review: Evaluation of the Thirteenth Annual Social Security Customer Satisfaction Survey Data (A-02-97-01004), January 1999.

"satisfied" or "very satisfied" with the clarity of SSA mail. SSA agreed to take action to address both concerns.

RECOMMENDATION

While SSA has mechanisms in place to collect, analyze and report data for all its performance indicators, weaknesses and gaps in the systems and data used to report performance for some indicators raise questions as to the reliability of the reporting. SSA has previously agreed to take actions to correct most of the reported deficiencies and should ensure the timely implementation of the previously reported recommendations. The process to collect data for two other indicators does not include all measurable items. Accordingly, we recommend that SSA:

1. Take action to either include all measurable items in the percent of earnings posted to individuals' records by September 30 and in the percent of SSNs issued accurately or clarify those measurable items not included in the indicators in all future APP and performance reports.

AGENCY COMMENTS

SSA agreed with our recommendation. Effective with the revised FY 2000 and 2001 APP, the Agency has clarified that self-employment earnings are not included in the earnings measure. Also, effective with the FY 2000 APP, SSA clearly states in the definition of the indicator for the percent of SSNs issued accurately that source data exclude SSNs assigned via the Enumeration-at-Birth process.

OIG RESPONSE

We appreciate SSA's concurrence with our recommendation and its clarification of both indicators in future FYs' APPs and performance reports.

James G. Huse, Jr.

APPENDICES

APPENDIX A – Background

APPENDIX B – Scope

APPENDIX C – SSA Comments

APPENDIX D - Source of Performance Indicators

APPENDIX E - Bibliography

APPENDIX F - Major Contributors to this Report

APPENDIX G - SSA Organizational Chart

BACKGROUND

Congress enacted the Government Performance and Results Act of 1993 (GPRA) to improve the performance of the Federal Government. Performance-based management, as envisioned by GPRA, is a dynamic and complementary process of setting a strategic direction, defining annual goals and measures, and reporting on performance. GPRA requires agencies to prepare multiyear strategic plans that set the general direction for their efforts. Agencies also must prepare annual performance plans that establish the connections between the long-term strategic goals outlined in the strategic plans and the day-to-day activities of managers and staff. Additionally, GPRA requires that each agency report annually on the extent to which it is meeting its annual performance goals and the actions needed to achieve or modify those goals that have not been met.

The Social Security Administration's (SSA) performance plan submitted to Congress with its Fiscal Year (FY) 1999 budget request established 5 general goals and 68 performance indicators. The general goals are to: (1) deliver customer responsive, world class service; (2) make SSA program management the best in business, with zero tolerance for fraud and abuse; (3) promote valued, strong, and responsive, social security programs and conduct effective policy development, research, and program evaluation; (4) strengthen public understanding of the Social Security programs; and (5) be an employer that values and invests in each employee.

The success of GPRA hinges on the quality of the data used to measure and report upon program performance. The November 1997 report of the Congressional Results Caucus stated ". . . data capacity problems pose one of the most serious barriers to effective implementation of the Results Act." However, congressional, the General Accounting Office, and the Office of the Inspector General (OIG) reports have raised concerns about the reliability of the data reported in agencies' performance plans. An additional issue is whether the type of data that is currently being produced can measure the outcome of SSA's programs and services, rather than just program and service output.

SSA indicated that the data systems underlying the annual accountability report would be reviewed by OIG. Accordingly, we reviewed all 68 performance indicators to identify the systems SSA has established to generate information on meeting the indicator's goals. Subsequent audits by OIG will address the reliability of each performance indicator.

SCOPE AND METHODOLOGY

This review was conducted to identify the data sources the Social Security Administration (SSA) uses to report performance for the 68 indicators that appear in the 1999 Annual Performance Plan (APP). This is part of the Office of the Inspector General's (OIG) on-going role to verify and validate SSA's performance measure reporting and is a preliminary step to undertaking detailed audits of each indicator.

To meet our objectives, we analyzed SSA's APP, Accountability Report, and supporting documents to determine what systems and data bases exist that capture performance data. Through interviews with SSA program, information management, policy, and quality assurance staff and review of SSA policies and procedures, we documented SSA methodologies and procedures used to produce performance data for each of the indicators. We contacted SSA, OIG, the General Accounting Office, and independent public accountants to identify reviews that may have been done on the systems and processes that collect, analyze, and report on the performance indicators. We obtained and analyzed over 45 reports and evaluations deemed relevant to issues affecting the completeness and consistency of the data (see Appendix D). We also reviewed, analyzed, and determined the current status of issues raised in the June 1996 Report of the Management Information Partnership Team affecting data reliability. Our survey did not review the reliability of the data sources. We only determined whether these sources had been reviewed, either by internal or external entities, and whether any weaknesses in the indicators were identified.

The work was performed by the New York Regional Office from August 1998 to April 1999. Our audit was performed in accordance with generally accepted government auditing standards.

APPENDIX C

SSA COMMENTS

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "PERFORMANCE MEASURE REVIEW: SURVEY OF THE SOURCES OF THE SOCIAL SECURITY ADMINISTRATION'S PERFORMANCE MEASUREMENT DATA" (A-02-98-01004)

Recommendation

Take action to either include all measurable items in the percent of earnings posted to individuals' records by September 30 and in the percent of Social Security numbers (SSN) issued accurately or clarify those measurable items not included in the indicators in all future Annual Performance Plans (APP) and performance reports.

Comment

We agree. Effective with our revised final fiscal year (FY) 2000 APP and in our FY 2001 APP, we have clarified that self-employment earnings are not included in the earnings measure.

We have made the following changes to the earnings process indicator:

Indicator FROM:	Indicator TO:
Percent of *earnings* posted to individuals' records by September 30	Percent of *wages* posted to individuals' records by September 30

Also, effective with our FY 2000 APP, we clearly stated in the definition of the indicator for the percent of SSNs issued accurately that source data exclude SSNs assigned via the Enumeration-at-Birth process and the time associated with the delivery of the SSN card to the applicant.

SOURCE OF PERFORMANCE INDICATORS

#	Indicator	Source of Indicator Data
1	Percent of callers who successfully access the 800 number within 5 minutes of their first call	American Telephone and Telegraph Company (AT&T) Automatic Number Identification (ANI) Records
2	Percent of callers who get through to the 800 number on their first attempt	AT&T ANI Records
3	Percent of the public with an appointment waiting 10 minutes or less	Field Office Waiting Time Study performed by the Office of Workforce Analysis (OWA)
4	Percent of the public without an appointment waiting 30 minutes or less	Field Office Waiting Time Study performed by OWA
5	Increase the customer base for the Social Security Administration (SSA) Online and bring a modified online personal earnings and benefit estimate statement (PEBES) response to full-scale operation	Services offered on SSA Internet web site
6	Complete a business case analysis for future online services and bring up two new online services	SSA's Internet web site
7	Complete development of SSA standards for client authentication and establish a leadership role in government-wide authentication policy	Revised Federal policy makes this indicator obsolete
8	Take retirement or survivors claims immediately over the telephone, or in person, as long as the applicant has all needed information	Modernized Claims System (MCS) A workgroup was established in October 1997 to develop a measure.
9	Provide overnight electronic Social Security number (SSN) verification for employers	System is under development

#	Indicator	Source of Indicator Data
10	Give employers the option to transmit wage reports to SSA electronically using a personal computer or high speed transmission lines	Annual Wage Reporting System (AWRS); Electronic Wage Reporting Subsystem
11	Initial disability claims processing time (days) NOTE: Measure combines Disability Insurance (DI) and Supplemental Security Income (SSI) average processing time for the last month of the fiscal year.	MCS; Modernized SSI Claims Systems (MSSICS); SSI Initial Claims Exception Control
12	Percent of DI claims decided within 6 months after onset or within 60 days after effective filing date, whichever is later	Modernized Claims System (MCS)
13	Percent of SSI disability claims decided within 60 days of filing	MSSICS; SSI Initial Claims Exception Control
14	Hearings processing time (days) NOTE: Measure uses final month of the year and includes time to release a decision, but does not include post-Office of Hearings and Appeals processing.	Caseload Analysis from Hearings Office Tracking System (HOTS)
15	Percent of hearings decisions made and notices sent within 120 days of filing	HOTS
16	Percent of Old-Age and Survivors Insurance claims processed by the time the first regular payment is due, or within 14 days from the effective filing date, if later	MCS
17	Percent of initial SSI aged claims processed within 14 days of filing date	MSSICS; SSI Initial Claims Exception Control
18	Percent of original and replacement Social Security cards issued within 5 days of receiving all necessary documentation NOTE: Time is measured until sent to mailroom; not postmarked.	Modernized Enumeration System (MES)

#	Indicator	Source of Indicator Data
19	Percent of public rating SSA service as "good" or "very good" NOTE: This was to be an interim measure until "very good" was replaced with "excellent" as the top scale. The Office of the Inspector General (OIG) report (A-02-96-02204) approved the change. Results are combined from field offices (FO) and teleservice centers (TSC).	SSA/Office of Quality Assurance (OQA) Annual Customer Survey (previously done by OIG)
20	Percent of public "satisfied" or "very satisfied" with the courteousness of SSA staff NOTE: Results are combined from FO and TSC.	SSA/OQA Annual Customer Survey (previously done by OIG)
21	Percent of public who are "satisfied" or "very satisfied" with the clarity of SSA mail	SSA/OQA Annual Customer Survey (previously done by OIG)
22	Number of initial disability claims processed	MCS
23	Initial disability claims pending	MCS
24	Number of hearings processed	HOTS
25	Hearings pending	HOTS
26	Retirement and survivors insurance (RSI) claims processed	MCS
27	SSI aged claims processed	MSSICS; SSI Initial Claims Exception Control
28	SSI non-disability redeterminations	Central Office Redetermination Control
29	Representative payee (Rep Payee) actions	Rep Payee Work Management System
30	SSN requests processed	MES
31	800 number telephone calls handled	AT&T ANI Records
32	Annual earnings items	AWRS

#	Indicator	Source of Indicator Data
33	Percent of earnings posted to individuals' records by September 30th.	Earnings Record Maintenance System (ERMS); earnings posted overall consolidated year-to-date (EPOXY) counts
34	Percent of earnings items posted correctly NOTE: Measure is based upon the total value of earnings posted, not individual earnings items.	EPOXY and QA Reviews
	Dollar accuracy of OASI payment outlays:	
35	Percent without overpayments	RSI Stewardship Report
36	Percent without underpayments	MCS, retirement, survivors and disability insurance (RSDI)-post entitlement (PE), ERMS
	NOTE: This does not include DI; OQA will pilot a nonmedical DI sample in FY 1998.	
37	Disability Determination Service decisional accuracy	FY Disability OQA Reports, MCS, RSDI-PE, SSI Record Maintenance System, MSSICS, ERMS
38	Percent of SSN's issued accurately NOTE: Does not measure Enumeration-At-Birth SSNs. Errors classified as critical or major.	Enumeration Process Quality Review Report by OQA
39	Percent of 800 number calls handled accurately: payment accuracy	Evaluation of 800 number service by OQA
40	Percent of 800 number calls handled accurately: service accuracy	Evaluation of 800 number service by OQA
41	Complete comprehensive action plan to improve management of the SSI program	SSI Initiatives Tracking Report
42	Number of continuing disability reviews (CDR) processed	National Disability Determination Services (NDDS) System; Office of Disability (OD) databases
43	Percent of multi-year (FY1996-2002) CDR plan completed	CDR Control File for Title XVI; Master Beneficiary Record- Title II; NDDS System; OD databases

#	Indicator	Source of Indicator Data
44	Annual increase in debt collection	Data obtained from recovery of overpayment accounting record (ROAR), overpayment/underpayment subsystem (OUPS), supplemental security record (SSR)
45	Overpayment dollars collected	Data obtained from ROAR, OUPS, SSR
46	Number of allegations that will be opened as investigations	Allegation Case Investigation System (ACIS)
47	Dollar amounts reported from investigative activities	ACIS
48	Number of criminal convictions	ACIS
49	Implement the "Ticket to Independence" program contingent upon the enactment of legislation in FY 1998	N/A - legislation not enacted
50	Increase the opportunities that disabled beneficiaries have to receive vocational rehabilitation services by contracting with alternate providers	Number of grants awarded (9 states)
51	Conduct the Disability Evaluation Study (study fielded by FY 2000; final report issued by FY 2001)	Office of Research, Evaluation and Statistics
52	Complete training of a prototype on an improved method for making sound decisions regarding the capacity for persons with disabilities to work by FY 2001	Office of the Commissioner
53	Complete all currently planned return-to-work research analysis (by FY 2002)	Number of cooperative agreements entered with states (12)
54	Establish an on-going retirement policy research consortium	Progress reports

#	Indicator	Source of Indicator Data
55	Expand our income modeling capabilities to research consortium include all sources of retirement income	Simulation models
56	Complete analysis of the operational implications of major proposals by Advisory Council for long-term financing	Department of Treasury
57	Conduct planned research and policy evaluation necessary to assist the Administration & Congress in devising proposals to strengthen and enhance the Social Security program	Indicators 51, 54, 55 and 56
58	Percent of individuals issued SSA-initiated PEBES as required by law	PEBES Management Information System (MIS)
59	Number of PEBES issued upon request and automatically by SSA	PEBES MIS
60	Percent of public who perceive they are "very well informed" or "fairly well informed" about Social Security	American Counsel of Life Insurance Monitoring Attitudes of the Public Survey
61	Percent of front-line employees with intelligent work-stations connected to a local area network	Event Management System, Inventory Data System
62	Percent of offices receiving Interactive Video Training Interactive Distance Learning (IVT/IDL) connectivity as planned	Office training counts, IVT System
63	Implement formal management development programs	Office training counts
64	Percent of managerial staff participating in management/ leadership development experiences	Form 350 counts
65	Complete Agency plan for transitioning to the workforce of the future	Retirement Wave Study (October 1998)

#	Indicator	Source of Indicator Data
66	Percent of employees reporting they are satisfied with the level of security in their facility	SSA Employee Physical Security Survey NOTE: Survey does not consider non-respondents.
67	Complete environmental indoor air quality surveys for SSA's facilities and complete corrective actions noted in reports	Indoor air quality survey reports
68	Complete water quality testing in SSA facilities and remediate identified offices with contaminants	Water sampling survey reports

BIBLIOGRAPHY

Booz, Allen & Hamilton, Inc. “Social Security Administration Office of Hearings and Appeals: Information Technology Assessment,” McLean, Virginia, 1997.

Brown & Company, CPAs, PLLC, “Consolidated Review of the Debt Management System,” Arlington, Virginia, 1998.

Brown & Company, CPAs, PLLC, “Consolidated Review of the Earnings Record Maintenance System,” Arlington, Virginia, 1996.

Brown & Company, CPAs, PLLC, “Consolidated Review of the Supplemental Security Income (SSI) Record Maintenance System,” Arlington, Virginia, 1997.

Brown & Company, CPAs, PLLC, “Consolidated Review of the Social Security Number Establishment and Correction System,” Arlington, Virginia, 1996.

Department of Health and Human Services, Office of Inspector General, “Access to Social Security’s 800 Number,” Washington, D.C., 1993.

Management Information Partnership Team, “The Report of the Management Information Partnership Team,” Baltimore, Maryland, Social Security Administration, 1996.

Office of Workforce Analysis, “Predicting Retirement Attrition for a Maturing Workforce,” Baltimore, Maryland, Social Security Administration, 1998.

PricewaterhouseCoopers, “Fiscal Year 1998 Management Letter for the Social Security Administration- Part 2,” Arlington, Virginia.

Social Security Administration, “Accountability Report for Fiscal Year 1995: Linking Program and Financial Results,” Baltimore, Maryland, 1995.

Social Security Administration, “Accountability Report for Fiscal Year 1997,” Baltimore, Maryland, 1997.

Social Security Administration, “Accountability Report for Fiscal Year 1998,” Baltimore, Maryland, 1998.

Social Security Administration, Office of Inspector General/Office of Audit, “Audit of Separation of Duties in the Social Security Administration’s Modernized Supplemental

Security Income Claims System," Baltimore, Maryland, 1997.

Social Security Administration, Office of Inspector General/Office of Audit, "Review of Internal Controls in the Social Security Administration's Modernized Claims System," Baltimore, Maryland, 1997.

Social Security Administration, Office of Inspector General/Office of Audit, "Performance Measure Review: Evaluation of the Thirteenth Annual Social Security Customer Satisfaction Survey Data," Baltimore, Maryland, 1999.

Social Security Administration, Office of Inspector General/Office of Audit, "Performance Measurement Audit: Timely Issuance of Social Security Number Cards," Baltimore, Maryland, 1998.

Social Security Administration, Office of Quality Assurance and Performance Assessment, "Report of Earnings Posting Accuracy for Tax Year 1995-Information," Baltimore, Maryland, Social Security Administration, 1998.

Social Security Administration, Office of Quality Assurance and Performance Assessment, "Draft Report on the Quality of the Enumeration Process, CY 1997," Baltimore, Maryland, Social Security Administration, 1998.

U.S. General Accounting Office, Health, Education and Human Service Division, "The Results Act: Observation on the Social Security Administration's Fiscal Year 1999 Performance Plan," Washington, D.C., 1998.

MAJOR CONTRIBUTORS

Office of the Inspector General

E. Scott Patterson, Director, Management Audits and Performance Monitoring

Frederick C. Nordhoff, Acting Director, Financial Management Audit Division and Performance Monitoring

Timothy F. Nee, Deputy Director

Stephen L. Liebman, Senior Auditor-in-charge

Jack Harrison, Senior Auditor

Cheryl Robinson, Writer-Editor, Technical Services

For additional copies of this report, please contact the Office of the Inspector General's Public Affairs Specialist at (410) 966-5998. Refer to Common Identification Number A-02-98-01004.

APPENDIX G

SSA ORGANIZATIONAL CHART