



STATE OF WISCONSIN

Department of Employee Trust Funds

Internal Audit

AUDIT REPORT

**FOLLOW-UP ON AUDITS USING
SOCIAL SECURITY ADMINISTRATION'S
ENUMERATION VERIFICATION SYSTEM**

May 2005
2005-3A

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STATE OF WISCONSIN
Department of Employee Trust Funds

Eric O. Stanchfield
SECRETARY

801 W Badger Road
PO Box 7931
Madison WI 53707-7931

1-877-533-5020 (toll free)
Fax (608) 267-4549
TTY (608) 267-0676
<http://etf.wi.gov>

May 19, 2005

Eric Stanchfield, Secretary
Department of Employee Trust Funds

Dear Eric,

Subject: Follow-up on Prior Audits Using the Enumeration Verification System

This report is the result of our following up on outstanding responses involving copies of Social Security cards for annuitants and named survivors.

Respectfully submitted by,

Robert J. Schaefer, CPA, CGAP
Director of Internal Audit

Vicki A. Wickliffe
Auditor-in-Charge

FOLLOW-UP ON AUDITS USING SOCIAL SECURITY ADMINISTRATION'S ENUMERATION VERIFICATION SYSTEM

I. INTRODUCTION — This report summarizes results of using Social Security Administration's (SSA) free service, the Enumeration Verification System (EVS), during four audits to identify missing or incorrect data on the Annuity File. We electronically transmitted all annuitant and named survivor records to SSA. Of these, 98.9% of annuitant records and 97.5% of named survivor records matched on name, Social Security number (SSN), date of birth, and sex. Of the remaining 2,318 records that did not match, we reviewed those with the greatest risk during prior audits, identified inaccurate data, and referred records to staff for correcting.¹ During this audit, we followed up on annuitants and named survivors who did not submit copies of SSNs as requested during prior audits. Deaths of annuitants and named survivors could go undetected if SSNs are incorrect, resulting in potential annuity overpayments.

II. OBJECTIVES — The objectives of this audit were to:

- update statistics and summarize results of prior EVS audits.
- follow up on outstanding responses to requests for copies of SSNs.

III. RESULTS — We identified:

- actions resulting from prior audits to identify and correct inaccurate/missing data and reduce the potential for future errors.
- 26 annuitants and 32 named survivors who did not submit copies of SSN cards as requested during prior audits.
- One incorrect annuitant last name.

We verified SSNs for 24 of the 26 annuitants and 29 of the 32 named survivors using an electronic database to which ETF subscribes. For the remaining two annuitants and three named survivors, we requested copies of SSN cards. One named survivor submitted a copy of the SSN that agrees with ETF records. We are waiting for the remaining four responses.

IV. OPINION — *In our opinion the follow-up was beneficial for verifying 54 SSNs on records with outstanding responses from prior audits. The follow-up also confirms that prior audits were an important process for identifying and correcting missing or inaccurate annuitant and named survivor data, thus avoiding potential annuity overpayments. Even one annuity continued in error can have a significant impact. For example, during the first audit using the SSA Death Master File, Internal Audit identified a record where retirement annuity checks had been sent to an annuitant for 20 years after he died. Although ETF did not identify the death timely, it may not have been identified at all if the correct SSN had not been on the annuity file. The EVS process is a method to help assure that data has the greatest integrity.*

¹ During four prior EVS audits Internal Audit identified or verified the following:

- 18 incorrect annuitant SSNs and 491 incorrect/missing named survivor SSNs
- 38 incorrect annuitant dates of birth and 103 incorrect/missing named survivor dates of birth
- 44 incorrect named survivor last names

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V. SECRETARY'S OFFICE COMMENTS — A match rate of 98.9% on annuitant records and 97.5% on named survivor records indicates that processes are in place to assure proper payment. However, the audit result also highlights the continued need to use the Enumeration Verification System to assure that correct payment and reporting of distributions is made in all cases. The Secretary's Office continues to believe that EVS should be utilized in the future as a risk mitigation tool and will continue to monitor the results of the match process.