



STATE OF WISCONSIN

Department of Employee Trust Funds
Internal Audit

MATCH OF SOCIAL SECURITY ADMINISTRATION AND WEBS DEATH RECORDS

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STATE OF WISCONSIN
Department of Employee Trust Funds
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November 17, 2004

Eric O. Stanchfield, Secretary
Department of Employee Trust Funds

Dear Eric,

Subject: Match of Social Security Administration and WEBS Death Records

Attached is the Board report on our match of Social Security Administration and WEBS death records. We acknowledge the cooperation of staff in the Divisions of Retirement and Trust Finance and Employer Services and thank them for the time and effort they spent assisting us. The match could not have been completed without their assistance.

Respectfully submitted by,

Robert J. Schaefer, CPA
Director, Internal Audit

Gail Cartter, CPA
Auditor-in-Charge

MATCH OF SOCIAL SECURITY ADMINISTRATION AND WEBS DEATH RECORDS

I. INTRODUCTION and AUDIT DESCRIPTION

This is a report of our analysis of a match of the Social Security Administration (SSA) death records from 1957 to 2003 and ETF's Wisconsin Employee Benefit System (WEBS) data. We performed this match at the request of the Administrator of the Division of Trust Finance and Employer Services (DTFES).

II. AUDIT OBJECTIVES

The objective of this analysis was to match dates of death on SSA records and on WEBS records. We used audit software to join and analyze data. Upon the request of the Administrator, we provided more detailed data to DTFES.

III. RESULTS and OPINION

SSA data matched 15,600 WEBS accounts. We determined that 1,037 of these records with the same last name and no date of death on WEBS represent the highest risk to the Department. Correction of WEBS data at the earliest possible time will help prevent errors when participants or beneficiaries apply for benefits. These corrections also help ensure records and counts of active, inactive, and retired participants are accurate. *In our opinion, the match of SSA and WEBS records is a valuable process for identifying missing or incorrect WEBS data.*

IV. AUDIT OBSERVATIONS and PLANS OF ACTION

<p>Observation: For one-third of the matched accounts (5,518 of 15,600), both SSA and WEBS listed a date of death. We did not confirm that the dates of death were identical, however we consider these accounts to be of lower risk. Plan of Action: None required.</p>	<p>Observation: For one deceased participant, dates of death on the death certificate and on WEBS did not agree. Plan of Action: None required. Division of Retirement Services (DRS) promptly corrected the WEBS record.</p>
<p>Observation: Known dates of death are not always recorded on WEBS. We found death certificates on file with the Department but no dates of death on WEBS for one from a population of 19 active participants and one from a sample of 25 inactive participants. Plan of Action: DTFES posts a date of death when the employer sends a death transaction for active employees. Date of death is not verified until DRS processes the death certificate and death application. DRS – As a control, very few DRS staff have access authority to enter a date of death. Currently, an inactive participant's date of death is not entered to WEBS when the death certificate is received; it is entered when the death benefit application is received. Immediate entry of date of death will be part of death notice processing under the new Benefit Payments System (BPS).</p>	<p>Observation: Inactive accounts (participants who have a WEBS account but are no longer working) listed with an SSA date of death but no WEBS date of death represent a higher risk of processing error and/or fraud. Plan of Action: DTFES reviewed 19 active accounts (participants who are currently working under the Wisconsin Retirement System) and found a timing issue related to recording dates of death. DTFES will begin a review of the 1,183 inactive accounts and may more precisely determine the level of risk and if further action is necessary to address this perceived risk. In addition, this review may provide insights into Internal Audit's next death date analysis.</p>

V. SECRETARY'S OFFICE COMMENTS

The Secretary's Office will continue to monitor the death match activities of the Department including incorporation of immediate date of death entry as part of the death notice process in BPS. The Secretary's Office will discuss with DRS and DTFES possible options that can be developed for entry of dates of death into WEBS prior to the completion of BPS.