

Report in Brief

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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Review

HHS, Centers for Medicare & Medicaid Services (CMS), is subject to Federal audits of its internal activities as well as Federal and non-Federal audits of activities performed by its grantees and contractors. As a followup to these audits, CMS is responsible for resolving Federal and non-Federal audit recommendations related to its activities, grantees, and contractors within 6 months after formal receipt of the audit reports. HHS, OIG, prepares and forwards to CMS monthly stewardship reports that show the status of these reported audit recommendations.

Our objectives were to determine whether CMS resolved audit recommendations in a timely manner during Federal fiscal years (FYs) 2015 and 2016 and to identify all unresolved audit recommendations that were due for resolution as of September 30, 2016.

How OIG Did This Review

We reviewed the "Outstanding Audits and Actions Taken by Cognizance" stewardship reports to identify all outstanding audit recommendations that CMS resolved during FYs 2015 and 2016, as well as all outstanding recommendations that remained unresolved and were due for resolution as of September 30, 2016. These stewardship reports identified 461 audit reports and 1,371 corresponding recommendations. We previously reviewed CMS's resolution of audit recommendations during FYs 2006 and 2007.

Although the Centers for Medicare & Medicaid Services Has Made Progress, It Did Not Always Resolve Audit Recommendations in Accordance With Federal Requirements

What OIG Found

Although CMS has made significant progress in the timely resolution of audit recommendations since our previous review, CMS did not always resolve audit recommendations in a timely manner during FYs 2015 and 2016. Specifically, CMS resolved 1,231 of the 1,371 recommendations that were outstanding during FYs 2015 and 2016. However, it did not resolve 405 of the 1,231 recommendations (32.9 percent) within the required 6-month resolution period. In addition, as of September 30, 2016, CMS had not resolved 140 audit recommendations that were past due for resolution. Some of the past-due recommendations had associated dollar amounts that totaled \$138.6 million; others were procedural in nature.

CMS had policies and procedures to ensure that audit recommendations were resolved in compliance with Federal requirements. Although CMS did not always issue management decisions and submit the related clearance documents to OIG within the required 6-month resolution period, CMS did make progress in this respect (compared with the findings of our previous review) by significantly increasing the percentage of audit recommendations that were resolved in a timely manner and by significantly reducing both the total number and associated dollar amounts of unresolved audit recommendations that were past due for resolution.

What OIG Recommends and CMS Comments

We recommend that CMS continue to follow its policies and procedures related to the audit resolution process, and enhance them where possible, and promptly resolve the 140 outstanding audit recommendations that were past due as of September 30, 2016.

CMS concurred with our recommendations and described corrective actions that it had taken or planned to take. CMS stated that it would continue to assess and further refine its audit resolution process to ensure that recommendations are resolved within the required period. CMS also stated that it had already resolved 97 of the 140 open recommendations (with associated dollar amounts that totaled \$109 million) and added that it expected to resolve the remaining 43 recommendations by early 2019.