

Management Advisory Report

Single Audit of the State of New
Jersey for the Fiscal Year Ended
June 30, 2014

**Single Audit of the State of New Jersey for the Fiscal Year
Ended June 30, 2014
A-77-15-00010**



August 2015

Office of Audit Report Summary

Objective

To report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to the Social Security Administration (SSA) for resolution action.

Background

KPMG, LLP conducted the single audit of the State of New Jersey. SSA is responsible for resolving single audit findings related to its Disability programs. The Department of Labor and Workforce Development (LWD) is the New Jersey Disability Determination Services' (DDS) parent agency.

Finding

The single audit reported that DDS expenditures, totaling over \$3,100, were paid from grant awards after the period of funds availability had expired.

Recommendation

We recommend that SSA verify that LWD has appropriate procedures in place to ensure expenditures are charged to the correct fiscal year grant.

MEMORANDUM

Date: August 14, 2015 **Refer To:**

To: Gary S. Hatcher
Senior Advisor
Records Management and Audit Liaison Staff

From: Inspector General

Subject: Single Audit of the State of New Jersey for the Fiscal Year Ended June 30, 2014
(A-77-15-00010)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of New Jersey for the Fiscal Year ended June 30, 2014.¹ Our objective was to report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to SSA for resolution action.

KPMG, LLP performed the audit. The results of the desk review conducted by the Department of Health and Human Services (HHS) concluded that the audit met Federal requirements. In reporting the results of the single audit, we relied entirely on the internal control and compliance work performed by KPMG, LLP and the reviews performed by HHS. We conducted our review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

For single audit purposes, the Office of Management and Budget assigns Federal programs a Catalog of Federal Domestic Assistance (CFDA) number. SSA's Disability Insurance (DI) and Supplemental Security Income (SSI) programs are identified by CFDA number 96. SSA is responsible for resolving single audit findings reported under this CFDA number.

The New Jersey Disability Determination Services (DDS) performs disability determinations under SSA's DI and SSI programs in accordance with Federal regulations. The DDS is reimbursed for 100 percent of allowable costs. The Department of Labor and Workforce Development (LWD) is the New Jersey DDS' parent agency.

¹ State of New Jersey *Single Audit Report Year ended June 30, 2014* http://www.nj.gov/treasury/omb/finmgmt/Single_Audit/14Report.pdf (last viewed August 6, 2015).

The single audit reported that DDS expenditures, totaling over \$3,100, were paid from grant awards after the period of funds availability had expired.² The corrective action plan indicated LWD made accounting adjustments to charge these expenditures to the correct fiscal year grant.

We recommend that SSA verify that LWD has appropriate procedures in place to ensure expenditures are charged to the correct fiscal year grant.

Please send copies of the final Audit Clearance Document to Shannon Agee. If you have questions, contact Shannon Agee at (877) 405-7694, extension 18802 or Shannon.Agee@ssa.gov.



Patrick P. O'Carroll, Jr.

Attachment

cc:

Lynn Bernstein

² Id. at finding 2014-022.

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