

*Management Advisory Report*

Single Audit of the Commonwealth  
of Pennsylvania for the Fiscal Year  
Ended June 30, 2015

# **Single Audit of the Commonwealth of Pennsylvania for the Fiscal Year Ended June 30, 2015**

## **A-77-16-00004**



**June 2016**

**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**

The Pennsylvania Auditor General and Clifton Larson Allen LLP conducted the single audit of the Commonwealth of Pennsylvania. SSA is responsible for resolving single audit findings related to its Disability programs. The Department of Labor and Industry is the Pennsylvania Disability Determination Services' (DDS) parent agency.

### **Findings**

The single audit reported the DDS did not always maintain documentation to support license verifications and reviews of the Department of Health and Human Services' Office of the Inspector General's List of Excluded Individuals and Entities for consultative examination providers.

In addition, the single audit reported weaknesses in the cash management system that caused noncompliance with the Treasury-State Agreement. The single audit identified multiple Federal programs, including SSA, responsible for resolving this finding. However, the Department of Health and Human Services will resolve this finding on the Federal Government's behalf. Therefore, we are bringing this matter to your attention, but we are not making a recommendation.

### **Recommendation**

We recommend SSA verify the DDS established a process to maintain documentation supporting consultative examination providers are licensed and the List of Excluded Individuals and Entities was reviewed to ensure consultative examination providers are not excluded from participating in federally funded programs.

## MEMORANDUM

**Date:** June 20, 2016 **Refer To:**

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

**From:** Assistant Inspector General for Audit

**Subject:** Single Audit of the Commonwealth of Pennsylvania for the Fiscal Year Ended June 30, 2015  
(A-77-16-00004)

This report presents the Social Security Administration's (SSA) portion of the single audit of the Commonwealth of Pennsylvania for the Fiscal Year ended June 30, 2015.<sup>1</sup> Our objective was to report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to SSA for resolution action.

The Pennsylvania Auditor General and Clifton Larson Allen LLP conducted the audit. The Department of Health and Human Services' desk review 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 the Pennsylvania Auditor General and Clifton Larson Allen LLP and the Department of Health and Human Services' reviews. 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 and Supplemental Security Income programs are identified by CFDA number 96. SSA is responsible for resolving single audit findings reported under this CFDA number.

The Pennsylvania Disability Determination Services (DDS) performs disability determinations under SSA's Disability Insurance and Supplemental Security Income programs in accordance with Federal regulations. SSA reimburses the DDS for 100 percent of allowable costs. The Department of Labor and Industry is the Pennsylvania DDS' parent agency.

The single audit reported the DDS did not always maintain documentation to support license verifications and reviews of the Department of Health and Human Services' Office of the Inspector General's List of Excluded Individuals and Entities (LEIE) for consultative

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<sup>1</sup> Commonwealth of Pennsylvania Single Audit Report for Fiscal Year Ended June 30, 2015 (January 29, 2016).

examination (CE) providers.<sup>2</sup> The corrective action plan indicated the state-wide administrative office will review procedures for verifying CE provider licenses and prepare a written centralized business process that will detail securing and maintaining license documentation.

We recommend SSA verify the DDS established a process to maintain documentation supporting CE providers are licensed and the LEIE was reviewed to ensure CE providers are not excluded from participating in federally funded programs.

In addition, the single audit reported weaknesses in the cash management system that caused noncompliance with the Treasury-State Agreement.<sup>3</sup> The single audit identified multiple Federal programs, including SSA, responsible for resolving this finding. However, HHS will resolve this finding on the Federal Government's behalf. Therefore, we are bringing this matter to your attention, but we are not making a recommendation.

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](mailto:Shannon.Agee@ssa.gov).



Rona Lawson

Attachment

cc:

Lynn Bernstein

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<sup>2</sup> See Footnote #1, finding 2015-030.

<sup>3</sup> See Footnote #1, finding 2015-038.

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