

Management Advisory Report

Single Audit of the State of Delaware
for the Fiscal Year Ended
June 30 2017

**Single Audit of the State of Delaware for the Fiscal Year
Ended June 30 2017
A-77-18-00008**



May 2018

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

Clifton Larson Allen LLP conducted the single audit of the State of Delaware. SSA is responsible for resolving single audit findings related to its disability programs. The Delaware Department of Labor (DDL) is the Delaware Disability Determination Services' (DDS) parent agency.

Finding

The single audit reported DDL did not have procedures in place to ensure the consultative examination providers it used were not barred from participating in Federal programs.

Recommendation

We recommend that SSA verify DDL established adequate procedures to ensure consultative examination providers are eligible to participate in Federal programs.

MEMORANDUM

Date: May 17, 2018 **Refer To:**

To: Trae Sommer
Director
Audit Liaison Staff

From: Assistant Inspector General for Audit

Subject: Single Audit of the State of Delaware for the Fiscal Year Ended June 30 2017 (A-77-18-00008)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of Delaware for the Fiscal Year ended June 30, 2017.¹ The audit firm of Clifton Larson Allen LLP conducted the audit. Our objective was to report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to SSA for resolution action.

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

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

The single audit reported DDL did not have procedures in place to ensure it used consultative examination providers who were not barred from participating in Federal programs.² The corrective action plan indicated the DDS Medical Relations Officer would conduct and document annual reviews of consultative examination provider licenses.

We recommend that SSA verify DDL established adequate procedures to confirm consultative examination providers are eligible to participate in Federal programs.

¹ State of Delaware, *Uniform Guidance Single Audit Report Year Ended June 30, 2017* (March 26, 2018).

² See Footnote 1, Finding 2017-016.

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards requires that Federal awarding agencies issue a management decision on findings within 6 months of acceptance of the audit report by the Federal Audit Clearinghouse. The Federal Audit Clearinghouse accepted the single audit of the State of Delaware on March 29, 2018.

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.

A handwritten signature in black ink that reads "Rona Lawson". The signature is fluid and cursive, with "Rona" on top and "Lawson" below it.

Rona Lawson

Attachment

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