

*Management Advisory Report*

Single Audit of the New Mexico  
Public Education Department for the  
Fiscal Year Ended June 30, 2013

# **Single Audit of the New Mexico Public Education Department for the Fiscal Year Ended June 30, 2013**

## **A-77-14-00011**



**June 2014**

**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**

Moss Adams LLP conducted the single audit of New Mexico Public Education Department. SSA is responsible for resolving single audit findings related to its Disability programs. The Division of Vocational Rehabilitation (DVR) is the New Mexico Disability Determination Services' (DDS) parent agency.

### **Findings**

The single audit reported that DVR did not:

- Perform periodic reviews and verifications of renewals of consultative examination (CE) providers' medical licenses that expired during the period October 2011 through December 2012.
- Perform DDS grant reconciliations timely and consistently.

### **Recommendations**

We recommend that SSA:

1. Ensure the DDS has appropriate procedures to periodically verify CE provider license renewals.
2. Ensure DVR has appropriate procedures to reconcile DDS grants timely.

## MEMORANDUM

**Date:** June 11, 2014 **Refer To:**

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

**From:** Inspector General

**Subject:** Single Audit of the New Mexico Public Education Department for the Fiscal Year Ended June 30, 2013 (A-77-14-00011)

This report presents the Social Security Administration's (SSA) portion of the single audit of the New Mexico Public Education Department for the Fiscal Year (FY) ended June 30, 2013.<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.

Moss Adams LLP performed the audit. We have not received the results of the desk review conducted by the Department of Education (ED). We will notify you if ED determines the audit did not meet Federal requirements. In reporting the results of the single audit, we rely entirely on the internal control and compliance work performed by Moss Adams LLP and the reviews performed by ED. 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 Mexico 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 Division of Vocational Rehabilitation (DVR) is the New Mexico DDS' parent agency.

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<sup>1</sup> Moss Adams LLP, *State of New Mexico Public Education Department, Single Audit, June 30, 2013*.

The single audit reported DVR did not:

- Perform periodic reviews and verifications of renewals of consultative examination (CE) providers' medical licenses that expired during the period October 2011 through December 2012.<sup>2</sup> The corrective action plan indicates the DDS will verify that medical licenses are current, valid, and without sanction by checking the New Mexico Medical Board website and the Department of Health and Human Services, Office of the Inspector General, List of Excluded Individuals and Entities.
- Perform DDS grant reconciliations timely and consistently.<sup>3</sup> The corrective action plan indicates that DVR's Budget and Grants Management Unit will begin DDS daily drawdowns and monthly grant reconciliations.

We recommend that SSA:

1. Ensure the DDS has appropriate procedures to periodically verify CE provider license renewals.
2. Ensure DVR has appropriate procedures to reconcile DDS grants timely.

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).



Patrick P. O'Carroll, Jr.

Attachment

cc:

Lynn Bernstein

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<sup>2</sup> Id. at finding DVR 2013-05.

<sup>3</sup> Id. at finding DVR 2013-01.

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