

Management Advisory Report

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

**Single Audit of the State of Nebraska for the Fiscal Year
Ended June 30, 2017
A-77-18-00005**



April 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

The Nebraska Auditor of Public Accounts conducted the single audit of the State of Nebraska. SSA is responsible for resolving single audit findings related to its disability programs. The Nebraska Department of Education (DOE) is the Nebraska Disability Determination Services' parent agency.

Finding

The single audit reported DOE did not maintain documentation to support reviews of the System for Award Management to verify it did not use consultative examination providers excluded, suspended, or otherwise barred from participating in Federal programs.

Recommendation

We recommend SSA confirm DOE established adequate procedures to verify consultative examination provider eligibility to participate in Federal programs.

MEMORANDUM

Date: April 11, 2018 **Refer To:**

To: Trae Sommer
Director
Audit Liaison Staff

From: Assistant Inspector General for Audit

Subject: Single Audit of the State of Nebraska for the Fiscal Year Ended June 30, 2017 (A-77-18-00005)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of Nebraska for the Fiscal Year ended June 30, 2017.¹ The Nebraska Auditor of Public Accounts 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 Nebraska 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 Nebraska Department of Education (DOE) is the Nebraska DDS' parent agency.

The single audit reported DOE did not maintain documentation to support reviews of the System for Award Management (SAM) to verify it did not use consultative examination providers excluded, suspended, or otherwise barred from participating in Federal programs.² The corrective action plan indicated DOE updated its case management program to include the date of the SAM verifications.

We recommend SSA confirm DOE established adequate procedures to verify consultative examination provider eligibility to participate in Federal programs.

¹ *State of Nebraska Statewide Single Audit Year Ended June 30, 2017* (March 21, 2018).

² See Footnote 1, Finding 2017-021.

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 Nebraska on March 22, 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, appearing to read "Rona Lawson".

Rona Lawson

Attachment

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