

**Single Audit of the State of Arizona for the Fiscal Year Ended
June 30, 2014
A-77-15-00004**



July 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

The Arizona Auditor General conducted the single audit of the State of Arizona. SSA is responsible for resolving single audit findings related to its Disability programs. The Department of Economic Security (DES) is the Arizona Disability Determination Services' (DDS) parent agency.

Findings

The single audit identified that

- DES did not evaluate or test its disaster recovery plan annually.
- The State of Arizona incorrectly charged information technology service costs to Federal programs, including SSA. The Department of Health and Human Services' Division of Cost Allocation will resolve this finding. Therefore, we are bringing this matter to SSA's attention, but are not making a recommendation.

Recommendation

We recommend that SSA confirm that DES has an appropriate disaster recovery process in place to ensure the continuity of DDS operations and the protection of DDS data in the event of a systems interruption.