

Single Audit of the State of Texas for the Fiscal Year Ended August 31, 2017 A-77-18-00003



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

KPMG LLP conducted the single audit of the State of Texas. SSA is responsible for resolving single audit findings related to its disability programs. The Texas Health and Human Services (HHS) is the Texas Disability Determination Services' parent agency.

Findings

The Texas HHS did not timely reallocate estimated indirect cost expenditures when actual expenditures became available. In addition, inadequate segregation of duties allowed system developers inappropriate access to the production environment.

Recommendations

We recommend SSA ensure the Texas HHS implements:

1. Procedures to reallocate indirect cost expenditures timely.
2. Proper segregation of duties in the systems production environment.