

Management Advisory Report

Single Audit of the State of Florida
for the Fiscal Year Ended
June 30, 2019

**Single Audit of the State of Florida for the Fiscal Year Ended
June 30, 2019
A-77-20-00005**



May 2020

Office of Audit Report Summary

Objective	Finding
<p>To report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to the Social Security Administration (SSA) for resolution action.</p> <p>Background</p> <p>A single audit is an organization-wide financial statement and Federal awards audit of a non-Federal entity that expends \$750,000 or more in Federal funds in 1 year. The audit is intended to assure the Government that a non-Federal entity has adequate internal controls in place and is generally complying with program requirements. Non-Federal entities typically include State and local governments, Indian tribes, universities, and nonprofit organizations.</p> <p>The Florida Auditor General conducted the single audit of the State of Florida. SSA is responsible for resolving single audit findings related to its disability programs. Florida Department of Health (FDOH) is the Florida Disability Determination Services' parent agency.</p>	<p>The single audit reported FDOH understated employees' reportable time and the number of full-time equivalent positions on the SSA-4514, <i>Time Report of Personnel Services for Disability Determination Services</i>. FDOH stated it is implementing an automated check and internal monitoring tool to verify the accuracy of data used to prepare the SSA-4514.</p> <p>Recommendation</p> <p>We recommend SSA confirm that FDOH implemented an adequate process to ensure the accuracy of the SSA-4514.</p>

MEMORANDUM

Date: May 5, 2020 **Refer To:**

To: Trae Sommer
Director
Audit Liaison Staff

From: Assistant Inspector General for Audit

Subject: Single Audit of the State of Florida for the Fiscal Year Ended June 30, 2019 (A-77-20-00005)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of Florida for the Fiscal Year ended June 30, 2019.¹ The Florida Auditor General 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.

BACKGROUND

A single audit is an organization-wide financial statement and Federal awards audit of a non-Federal entity that expends \$750,000 or more in Federal funds in 1 year. The audit is intended to assure the Government that a non-Federal entity has adequate internal controls in place and is generally complying with program requirements. Non-Federal entities typically include State and local governments, Indian tribes, universities, and nonprofit organizations.

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 and Supplemental Security Income programs. SSA is responsible for resolving single audit findings reported under this CFDA number.

The Florida Disability Determination Services performs disability determinations under SSA's Disability Insurance and Supplemental Security Income programs in accordance with Federal regulations. SSA reimburses the disability determination services for 100 percent of allowable costs. The Florida Department of Health (FDOH) is the Florida Disability Determination Services' parent agency.

¹ State of Florida Auditor General, *State of Florida Compliance and Internal Controls over Financial Reporting and Federal Awards in Accordance with the Uniform Guidance for the Fiscal Year Ended June 30, 2019* (March 20, 2020).

RESULTS

The single audit reported FDOH understated employees' reportable time and the number of full-time equivalent positions on the SSA-4514, *Time Report of Personnel Services for Disability Determination Services*.² Management indicated a system error caused the reporting errors. As the report states, “. . . FDOH review processes were insufficient to detect and correct the reporting errors.”

FDOH stated it is implementing an automated check and internal monitoring tool to verify the accuracy of data used to prepare the SSA-4514. We recommend SSA confirm that FDOH implemented an adequate process to ensure the accuracy of the SSA-4514.

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 Florida on March 27, 2020.

Please send copies of the final Audit Clearance Document to OIG.Audit.Kansas.City@ssa.gov. If you have questions, contact OIG.Audit.Kansas.City@ssa.gov.



Rona Lawson

Attachment

² See Footnote 1, Finding 2019-039.

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