

Management Advisory Report

Single Audit of the Commonwealth
of Puerto Rico Department of the
Family for the Fiscal Year Ended
June 30, 2015

Single Audit of the Commonwealth of Puerto Rico Department of the Family for the Fiscal Year Ended June 30, 2015

A-77-16-00008



August 2016

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 for resolution action.

Background

Valdes, Garcia, Marin & Martinez LLP conducted the single audit of the Commonwealth of Puerto Rico Department of the Family (PRDF). The Social Security Administration is responsible for resolving single audit findings related to its disability programs. PRDF is the Puerto Rico Disability Determination Services' parent agency.

Finding

The single audit reported that PRDF did not submit to the Social Security Administration the Form SSA-871, *State Agency Schedule for Equipment Purchases for SSA Disability Programs*, documenting \$11,278 in property and equipment purchased during Fiscal Year 2015.

Recommendation

We recommend that the Social Security Administration verify that PRDF submitted the Form SSA-871 documenting the \$11,278 in property and equipment purchased.

MEMORANDUM

Date: August 4, 2016 **Refer To:**

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

From: Assistant Inspector General for Audit

Subject: Single Audit of the Commonwealth of Puerto Rico Department of the Family for the Fiscal Year Ended June 30, 2015 (A-77-16-00008)

This report presents the Social Security Administration's (SSA) portion of the single audit of the Commonwealth of Puerto Rico Department of the Family (PRDF) for the Fiscal Year (FY) ended June 30, 2015.¹ Our objective was to report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to SSA for resolution action.

The audit firm of Valdes, Garcia, Marin & Martinez LLP conducted the audit. We have not received the results of the U.S. Department of Agriculture's (USDA) desk review. We will notify you if USDA 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 Valdes, Garcia, Marin & Martinez LLP and USDA's reviews. 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 and Supplemental Security Income programs are identified by CFDA number 96. SSA is responsible for resolving single audit findings reported under this CFDA number.

The Puerto Rico Disability Determination Services (DDS) performs disability determinations under SSA's Disability Insurance program in accordance with Federal regulations. SSA reimburses the DDS for 100 percent of allowable costs. PRDF is the Puerto Rico DDS' parent agency.

¹ Commonwealth of Puerto Rico Department of the Family, *Independent Auditor's Report and Statement of Cash Receipts and Disbursements (with the Additional Reports and Information Required Under OMB Circular A-133)* For the Fiscal Year Ended June 30, 2015 (March 21, 2016).

The single audit reported that PRDF did not submit to SSA the Form SSA-871, *State Agency Schedule for Equipment Purchases for SSA Disability Programs*, documenting \$11,278 in property and equipment purchased during FY 2015.² The corrective action plan indicated the PRDF will prepare and submit the required Form SSA-871.

We recommend that SSA verify that PRDF submitted the Form SSA-871 documenting the \$11,278 in property and equipment purchased.

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 that reads "Rona Lawson". The signature is fluid and cursive, with "Rona" on top and "Lawson" below it.

Rona Lawson

Attachment

cc:
Lynn Bernstein

² See Footnote #1, finding 2015-019.

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