

Management Advisory Report

Single Audit of the State of Florida
for the Fiscal Year Ended
June 30, 2013

Single Audit of the State of Florida for the Fiscal Year Ended June 30, 2013 A-77-14-00012



June 2014

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 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. The Department of Health is the Florida Division of Disability Determinations' (DDD) parent agency.

Finding

The single audit reported that the review of the 2014 Statewide Cost Allocation Plan identified excessive balances in the Purchasing and Communications Trust Funds at June 30, 2012. The excessive balances resulted because revenues to sufficiently offset the unallowable costs or excessive fund balances had not been adjusted.

Recommendation

The single audit identified multiple Federal programs, including SSA, responsible for resolving this finding. However, the Department of Health and Human Services will resolve this finding on behalf of the Federal Government. Therefore, we are bringing this matter to your attention, but are not making a recommendation.

MEMORANDUM

Date: June 25, 2014 **Refer To:**

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

From: Inspector General

Subject: Single Audit of the State of Florida for the Fiscal Year Ended June 30, 2013 (A-77-14-00012)

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, 2013.¹ Our objective was to report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to SSA for resolution action.

The Florida Auditor General performed the audit. The results of the desk review conducted by the Department of Health and Human Services (HHS) concluded that the audit met Federal requirements. In reporting the results of the single audit, we relied entirely on the internal control and compliance work performed by the Florida Auditor General and the reviews performed by HHS. 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 (DI) and Supplemental Security Income (SSI) programs are identified by CFDA number 96. SSA is responsible for resolving single audit findings reported under this CFDA number.

The Florida Division of Disability Determinations (DDD) performs disability determinations under SSA's DI and SSI programs in accordance with Federal regulations. The Florida DDD is reimbursed for 100 percent of allowable costs. The Department of Health is the Florida DDD's parent agency.

The single audit reported that the review of the 2014 Statewide Cost Allocation Plan identified excessive balances in the Purchasing and Communications Trust Funds at June 30, 2012. The excessive balances resulted because revenues to sufficiently offset the unallowable costs or

¹ *State of Florida, Compliance and Internal Controls over Financial Reporting and Federal Awards, In Accordance with OMB Circular A-133, For the Fiscal Year Ended June 30, 2013.*

http://www.myflorida.com/audgen/pages/pdf_files/2014-173.pdf#Page1 (last viewed June 16, 2014).

excessive fund balances had not been adjusted.² As a result, a refund is due to the Federal Government related to the excessive fund balances.³ The corrective action plan indicated refunds were being made to HHS and fee percentages were reduced to prevent future excessive fund balances.

The single audit identified multiple Federal programs, including SSA, responsible for resolving this finding. However, HHS will resolve this finding on behalf of the Federal Government. Therefore, we are bringing this matter to your attention, but are not making a recommendation.

If you have questions, contact Shannon Agee at (877) 405-7694, extension 18802 or Shannon.Agee@ssa.gov.



Patrick P. O'Carroll, Jr.

Attachment

cc:

Lynn Bernstein

² Id. finding at 2013-031.

³ The auditor did not determine the amount of unallowable costs attributed to each Federal program.

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