

Single Audit of the State of Indiana for the Fiscal Year Ended June 30, 2015

A-77-16-00007



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 (SSA) for resolution action.

Background

Indiana State Board of Accounts conducted the single audit of the State of Indiana. SSA is responsible for resolving single audit findings related to its Disability programs. Family and Social Services Administration (FSSA) is the Indiana Disability Determination Services' (DDS) parent agency.

Findings

The single audit reported FSSA did not have proper internal controls to ensure DDS expenditures were charged to the proper Fiscal Year (FY) grant award. Specifically, medical evidence of record (MER) and consultative examination (CE) expenses totaling \$11,264 were improperly charged to the FY 2015 grant award. In addition, MER and CE expenses totaling \$235,798 may have been improperly charged to the FY 2015 grant award.

In addition, the single audit reported FSSA did not maintain documentation to support the Form SSA-4514, *Time Report of Personnel Services for Disability Determination Services*, for the quarters ended September 30, 2014, December 31, 2014, and March 31, 2015. We made a recommendation for corrective action on this finding to SSA in a prior report. We confirmed that SSA had taken appropriate corrective action to address this finding. Therefore, we will not repeat the recommendation in this report.

Recommendations

We recommend that SSA:

1. Verify FSSA established appropriate procedures to ensure expenditures are charged to the correct FY grant.
2. Ensure FSSA transferred the questioned MER and CE expenditures to the correct FY grant.