

Management Advisory Report

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

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

A-77-16-00010



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

The Washington State Auditor's Office conducted the single audit of the State of Washington. SSA is responsible for resolving single audit findings related to its disability programs. The Department of Social and Health Services (DSHS) is the Washington Disability Determination Services' parent agency.

Findings

The single audit reported DSHS

- charged expenditures totaling \$58,628 to SSA for obligations incurred before the grant period of eligibility and
- reimbursed two medical providers an amount that exceeded the approved fee schedule by \$29.

Recommendations

We recommend that SSA:

1. Determine whether the \$58,628 in obligations incurred before the grant period of eligibility resulted in unallowable charges and, if so, request a refund.
2. Confirm that appropriate procedures were implemented by DSHS to ensure medical providers are paid in accordance with DSHS' approved fee schedule.

MEMORANDUM

Date: August 23, 2016 **Refer To:**

To: Gary S. Hatcher
Senior Advisor
Audit Liaison Staff

From: Assistant Inspector General for Audit

Subject: Single Audit of the State of Washington for the Fiscal Year Ended June 30, 2015
(A-77-16-00010)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of Washington for the Fiscal Year 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 Washington State Auditor's Office conducted the audit. The Department of Health and Human Services' desk review 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 Washington State Auditor's Office and the Department of Health and Human Services' 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 Washington Disability Determination Services (DDS) performs disability determinations under SSA's Disability Insurance and Supplemental Security Income programs in accordance with Federal regulations. The DDS is reimbursed for 100 percent of allowable costs. The Department of Social and Health Services (DSHS) is the Washington DDS' parent agency.

¹ State of Washington *Single Audit Report For the Fiscal Year Ended June 30, 2015*, (March 21, 2016).

The single audit reported DSHS:

- Charged expenditures totaling \$58,628 to SSA for obligations incurred before the grant period of eligibility.² The corrective action plan indicated DSHS will change its cost allocation system to ensure Federal grant expenditures are accounted for in the appropriate period of eligibility.
- Reimbursed two medical providers an amount that exceeded the approved fee schedule by \$29.³ The corrective action plan indicated that staff will be reminded to follow DSHS' approved fee schedule.

We recommend that SSA:

1. Determine whether the \$58,628 in obligations incurred before the grant period of eligibility resulted in unallowable charges and, if so, request a refund.
2. Confirm that appropriate procedures were implemented by DSHS to ensure medical providers are paid in accordance with DSHS' approved fee schedule.

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.



Rona Lawson

Attachment

cc:

Lynn Bernstein

² See Footnote 1, finding 2015-003.

³ See Footnote 1, finding 2015-055.

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