

# **Single Audit of the State of Texas for the Fiscal Year Ended August 31, 2018 A-77-19-00003**



**May 2019**

**Office of Audit Report Summary**

<b>Objective</b>
To report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to the Social Security Administration (SSA) for resolution action.
<b>Background</b>
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. It is intended to assure the Government that a non-Federal entity has adequate internal controls in place and is generally in compliance with program requirements. Non-Federal entities typically include States, local governments, Indian tribes, universities, and non-profit organizations.
The Texas State Auditor and KPMG LLP conducted the single audit of the State of Texas. SSA is responsible for resolving single audit findings related to its disability programs. Texas Health and Human Services Commission (HHSC) is the Texas Disability Determination Services' parent agency.

## **Finding**

The single audit reported that HHSC did not accurately complete the Fiscal Year 2018 Schedule of Expenditures of Federal Awards.

## **Recommendation**

We recommend that SSA verify HHSC developed appropriate procedures to ensure an accurate Schedule of Expenditures of Federal Awards.