

*Management Advisory Report*

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

**Single Audit of the State of New Jersey for the Fiscal Year  
Ended June 30, 2013  
A-77-14-00017**



**August 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**

KPMG LLP and the New Jersey State Auditor conducted the single audit of the State of New Jersey. SSA is responsible for resolving single audit findings related to its Disability programs. The Department of Labor and Workforce Development (LWD) is the New Jersey Disability Determination Services' (DDS) parent agency.

**Finding**

The single audit reported LWD did not submit to SSA the Form SSA-871 *State Agency Schedule for Equipment Purchases for SSA Disability Programs* for the quarters ending September 30, 2012, December 31, 2012, March 31, 2013, and June 30, 2013.

**Recommendation**

We recommend that SSA verify that LWD implemented appropriate procedures to ensure timely submission of the Form SSA-871.

## MEMORANDUM

**Date:** August 7, 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 New Jersey for the Fiscal Year Ended June 30, 2013  
(A-77-14-00017)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of New Jersey for the Fiscal Year ended June 30, 2013.<sup>1</sup> Our objective was to report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to SSA for resolution action.

KPMG LLP and the New Jersey State Auditor conducted 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 KPMG LLP and the New Jersey State Auditor 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 New Jersey Disability Determination Services (DDS) performs disability determinations under SSA's DI and SSI programs in accordance with Federal regulations. The DDS is reimbursed for 100 percent of allowable costs. The Department of Labor and Workforce Development (LWD) is the New Jersey DDS' parent agency.

The single audit reported that LWD did not submit to SSA the Form SSA-871 *State Agency Schedule for Equipment Purchases for SSA Disability Programs* for the quarters ending

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<sup>1</sup> State of New Jersey *Single Audit Report Year ended June 30, 2013* [http://www.nj.gov/treasury/omb/finmgmt/Single\\_Audit/13Report.pdf](http://www.nj.gov/treasury/omb/finmgmt/Single_Audit/13Report.pdf) (last viewed August 4, 2014).

September 30, 2012, December 31, 2013, March 31, 2013, and June 30, 2013.<sup>2</sup> The corrective action plan indicated the Forms SSA-871 were subsequently submitted to SSA. We recommend that SSA verify that LWD implemented appropriate procedures to ensure timely submission of the Form SSA-871.

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](mailto:Shannon.Agee@ssa.gov).



Patrick P. O'Carroll, Jr.

Attachment

cc:

Lynn Bernstein

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<sup>2</sup> Id. at finding 2013-017.

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