

*Management Advisory Report*

Single Audit of the Commonwealth  
of Puerto Rico Department of the  
Family for the Fiscal Year Ended  
June 30, 2014

# **Single Audit of the Commonwealth of Puerto Rico Department of the Family for the Fiscal Year Ended June 30, 2014**

## **A-77-15-00013**



**August 2015**

**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**

Valdes, Garcia, Marin & Martinez, LLP conducted the single audit of the Commonwealth of Puerto Rico Department of the Family (PRDF). SSA is responsible for resolving single audit findings related to its Disability programs. The PRDF is the disability determination services' parent agency.

### **Finding**

The single audit reported that PRDF did not minimize the time between its receipt of funds from the Department of the Treasury and the associated payments for medical evidence of record.

In addition, the single audit reported consultative examination provider files did not contain required documentation of consultative examination provider qualification verifications.

### **Recommendation**

We recommend that SSA verify that PRDF established appropriate procedures to minimize the time elapsing between the receipt of funds from the Department of the Treasury and the associated payments for medical evidence of record.

We made a recommendation to SSA in a prior report for corrective action on the provider documentation verification finding. We confirmed that SSA had taken appropriate corrective action to address this finding. Therefore, we will not repeat the recommendation in this report.

## MEMORANDUM

**Date:** August 28, 2015 **Refer To:**

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

**From:** Inspector General

**Subject:** Single Audit of the Commonwealth of Puerto Rico Department of the Family for the Fiscal Year Ended June 30, 2014 (A-77-15-00013)

This report presents the Social Security Administration's (SSA) portion of the single audit of the Commonwealth of Puerto Rico Department of the Family for the Fiscal Year ended June 30, 2014.<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.

The audit firm of Valdes, Garcia, Marin & Martinez, LLP performed the audit. We have not received the results of the U.S. Department of Agriculture's (USDA) desk review. We will notify you if USDA determines the audit did not meet Federal requirements. In reporting the results of the single audit, we rely entirely on the internal control and compliance work performed by the Valdes, Garcia, Marin & Martinez, LLP and USDA's review. 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 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 Puerto Rico Department of the Family (PRDF) is the DDS' parent agency.

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<sup>1</sup> Valdes, Garcia, Marin & Martinez, LLP, *Commonwealth of Puerto Rico Department of the Family Independent Auditors' Report and Statement of Cash Receipts and Disbursements for the Fiscal Year Ended June 30, 2014*.

The single audit reported that PRDF did not minimize the time between its receipt of funds from the Department of the Treasury and the associated payments for medical evidence of record (MER).<sup>2</sup> This occurred because PRDF used a batch process for MER and did not release payments to the vendors until it received all MER in the batch. The corrective action plan indicated PRDF restructured its process and will not draw funds from the Department of the Treasury until it receives all MER in a batch. We recommend that SSA verify that PRDF established appropriate procedures to minimize the time between the receipt of funds from the Department of the Treasury and the associated payments for MER.

In addition, the single audit reported consultative examination (CE) provider files did not contain required documentation of CE provider qualification verifications.<sup>3</sup> The corrective action plan indicated a contractor was hired to review all CE provider files and secure the necessary documentation. We made a recommendation to SSA in a prior report for corrective action on this finding.<sup>4</sup> We confirmed that SSA had taken appropriate corrective action to address this finding. Therefore, we will not repeat the recommendation in this report.

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 2014-022.

<sup>3</sup> Id. at finding 2014-023.

<sup>4</sup> SSA OIG, *Management Advisory Report: Single Audit of the Commonwealth of Puerto Rico Department of the Family for the Fiscal Year Ended June 30, 2013* (A-77-14-00014), July 23, 2014.

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