

Single Audit of the State of Texas for the Fiscal Year Ended August 31, 2019 A-77-20-00006



May 2020

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
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. The audit is intended to assure the Government that a non-Federal entity has adequate internal controls in place and is generally complying with program requirements. Non-Federal entities typically include State and local governments, Indian tribes, universities, and nonprofit organizations.
Clifton Larson Allen LLP conducted the single audit of the State of Texas. SSA is responsible for resolving single audit findings related to its disability programs. The Health and Human Services Commission is the Texas Disability Determination Services' parent agency.

Finding

The single audit reported the Texas Health and Human Services Commission does not have effective internal controls over its Public Assistance Cost Allocation Plan expenditures and revenues. For example, the Public Assistance Cost Allocation Plan did not allocate expenditures to department identification codes accurately and used inconsistent metrics in its allocation methods.

Recommendation

The single audit identified multiple Federal programs, including SSA, responsible for resolving this finding. However, the Department of Health and Human Services will resolve this finding on the Government's behalf. Therefore, we are bringing this matter to your attention, but we are not making a recommendation.