

Management Advisory Report

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

Single Audit of the State of Nevada for the Fiscal Year Ended June 30, 2015 A-77-16-00003



June 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

Eide Bailly, LLP conducted the single audit of the State of Nevada. SSA is responsible for resolving single audit findings related to its disability programs. The Department of Employment, Training, and Rehabilitation (DETR) is the Nevada Disability Determination Services' parent agency.

Findings

The single audit reported the following.

- DETR did not have procedures in place to identify individual consultative examination providers who were associated with an entity. Therefore, DETR did not ensure license verifications and reviews of the Department of Health and Human Services' Office of the Inspector General's List of Excluded Individuals and Entities for these individual consultative examination providers.
- DETR did not have adequate procedures in place to ensure data entered into the Form SSA-4513, *State Agency Report of Obligations for SSA Disability Programs*, was supported by underlying accounting data.

Recommendations

We recommend that SSA:

1. Confirm that appropriate procedures are established to ensure consultative examination providers associated with an entity are properly licensed and are checked against the List of Excluded Individuals and Entities.
2. Verify that procedures are in place to ensure the accuracy of the Form SSA-4513.

MEMORANDUM

Date: June 16, 2016 **Refer To:**

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

From: Assistant Inspector General for Audit

Subject: Single Audit of the State of Nevada for the Fiscal Year Ended June 30, 2015 (A-77-16-00003)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of Nevada 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.

Eide Bailly, LLP 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 Eide Bailly, LLP 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 Nevada 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 Employment, Training, and Rehabilitation (DETR) is the Nevada DDS' parent agency.

The single audit reported the following.

- DETR did not have procedures in place to identify individual consultative examination (CE) providers who were associated with an entity.² Therefore, DETR did not ensure license

¹ *Single Audit Report June 30, 2015, State of Nevada* (December 21, 2015).

² See Footnote #1, finding 2015-009.

verifications and reviews of the Department of Health and Human Services' Office of the Inspector General's List of Excluded Individuals and Entities (LEIE) for these individual CE providers. The corrective action plan indicated DETR implemented procedures to ensure licensure status of CE providers associated with an entity and for checking their names against the LEIE to ensure they are not excluded from participating in federally funded programs.

- DETR did not have adequate procedures in place to ensure data entered into the Form SSA-4513, *State Agency Report of Obligations for SSA Disability Programs*, was supported by underlying accounting data.³ The corrective action plan indicated DETR staff revised the Form SSA-4513 preparation process to more clearly demonstrate the calculations and support the report amounts.

We recommend that SSA:

1. Confirm that appropriate procedures are established to ensure CE providers associated with an entity are properly licensed and are checked against the LEIE.
2. Verify that procedures are in place to ensure the accuracy of the Form SSA-4513.

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

³ See Footnote #1, finding 2015-010.

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