

Management Advisory Report

Single Audit of the State of Louisiana
for the Fiscal Year Ended
June 30, 2018

Single Audit of the State of Louisiana for the Fiscal Year Ended June 30, 2018

A-77-19-00004



May 2019

Office of Audit Report Summary

Objective	Finding
<p>To report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to the Social Security Administration (SSA) for resolution action.</p> <p>Background</p> <p>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.</p> <p>The Louisiana Legislative Auditor conducted the single audit of the State of Louisiana. SSA is responsible for resolving single audit findings related to its disability programs. The Department of Children and Family Services (DCFS) is the Louisiana Disability Determination Services' parent agency.</p>	<p>The single audit reported the cost allocation system was not updated to account for changes resulting from DCFS' reorganization. As a result, expenditures were misclassified between Federal programs, including SSA's. According to the Louisiana Legislative Auditor and the Secretary of DCFS, the misclassified expenditures were corrected. Accordingly, we are not making a recommendation.</p>

MEMORANDUM

Date: May 3, 2019 **Refer To:**

To: Trae Sommer
Director
Audit Liaison Staff

From: Assistant Inspector General for Audit

Subject: Single Audit of the State of Louisiana for the Fiscal Year Ended June 30, 2018 (A-77-19-00004)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of Louisiana for the Fiscal Year ended June 30, 2018.¹ The Louisiana Legislative Auditor conducted the audit. Our objective was to report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to 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. 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.

For single audit purposes, the Office of Management and Budget assigns Federal programs a Catalog of Federal Domestic Assistance (CFDA) number. CFDA number 96 identifies SSA's Disability Insurance (DI) and Supplemental Security Income (SSI) programs. SSA is responsible for resolving single audit findings reported under this CFDA number.

The Louisiana Disability Determination Services (DDS) performs disability determinations under SSA's DI and SSI programs in accordance with Federal regulations. SSA reimburses the DDS for 100 percent of allowable costs. The Department of Children and Family Services (DCFS) is the Louisiana DDS' parent agency.

¹ *Single Audit Report For the Year Ended June 30, 2018 State of Louisiana* (March 27, 2019).

RESULTS

The single audit reported the cost allocation system was not updated to account for changes resulting from DCFS' reorganization. As a result, expenditures were misclassified between Federal programs, including SSA's.² According to the Louisiana Legislative Auditor and the Secretary of DCFS, the misclassified expenditures were corrected. Accordingly, we are not making a recommendation.

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards requires that Federal awarding agencies issue a management decision on findings within 6 months of acceptance of the audit report by the Federal Audit Clearinghouse. The Federal Audit Clearinghouse accepted the single audit of the State of Louisiana on March 27, 2019.

Please send copies of the final Audit Clearance Document to OIG.Audit.Kansas.City@ssa.gov.



Rona Lawson

Attachment

² See Footnote 1, Finding 2018-004.

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