

*Management Advisory Report*

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

# **Single Audit of the State of New Jersey for the Fiscal Year Ended June 30, 2018**

**A-77-19-00008**



**June 2019**

**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. 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.

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

## **Findings**

The single audit reported the New Jersey DDS charged expenditures totaling \$423 to the incorrect fiscal year grant award. However, since it is not a material amount, we are not making a recommendation.

In addition, the single audit reported the State of New Jersey single audit reporting package was not submitted to the Federal Audit Clearinghouse within 9 months after the fiscal year-end. Department of Health and Human Services (HHS) is responsible for ensuring the single audit is submitted when due and will resolve this finding on the Government's behalf. Therefore, we are bringing this matter to SSA's attention, but we are not making a recommendation.

**MEMORANDUM**

**Date:** June 4, 2019 **Refer To:**

**To:** Trae Sommer  
Acting Director  
Audit Liaison Staff

**From:** Assistant Inspector General for Audit

**Subject:** Single Audit of the State of New Jersey for the Fiscal Year Ended June 30, 2018  
(A-77-19-00008)

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, 2018.<sup>1</sup> Clifton Larson Allen LLP 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 New Jersey 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 Labor and Workforce Development (DLWD) is the New Jersey DDS' parent agency.

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<sup>1</sup> *State of New Jersey Single Audit Report Year Ended June 30, 2018* (April 30, 2019).

## RESULTS

The single audit reported the New Jersey DDS charged expenditures totaling \$423 to the incorrect fiscal year grant award.<sup>2</sup> The corrective action plan indicated DLWD will review its policies to ensure they are adequate and being followed. However, since it is not a material amount, we are not making a recommendation.

In addition, the single audit reported the State of New Jersey single audit reporting package was not submitted to the Federal Audit Clearinghouse within 9 months after the fiscal year-end.<sup>3</sup> Department of Health and Human Services (HHS) is responsible for ensuring the single audit is submitted when due and will resolve this finding on the Government's behalf. Therefore, we are bringing this matter to SSA's attention, but 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 New Jersey on May 1, 2019.

Please send copies of the final Audit Clearance Document to [OIG.Audit.Kansas.City@ssa.gov](mailto:OIG.Audit.Kansas.City@ssa.gov).



Rona Lawson

Attachment

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<sup>2</sup> See Footnote 1, Finding 2018-004.

<sup>3</sup> See Footnote 1, Finding 2018-009.

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