

*Management Advisory Report*

Single Audit of the State of Utah for  
the Fiscal Year Ended June 30, 2012

**Single Audit of the State of Utah for the Fiscal Year Ended  
June 30, 2012  
A-77-14-00002**



November 2013

**Office of Audit Report Summary**

**Objective**

To report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to Social Security Administration (SSA) for resolution action.

**Background**

The Utah State Auditor conducted the single audit of the State of Utah. SSA is responsible for resolving single audit findings related to its Disability Insurance program. The Utah State Office of Rehabilitation (USOR) is the Utah Disability Determination Services' (DDS) parent agency.

**Findings**

The single audit reported:

- USOR did not accurately prepare the *State Agency Report of Obligations for SSA Disability Programs* (Form SSA-4513) report for the quarter ended September 30, 2011 and did not submit it to SSA timely.
- The DDS inaccurately reported the number of hours on the *Time Report of Personnel Services for Disability Determination Services* (Form SSA-4514) for the quarter ended September 30, 2011 and did not submit it to SSA timely.
- The DDS did not have a formal process in place to ensure all employees who charge time to only the SSA program completed a Personal Activity Report (PAR).

**Recommendations**

We recommend that SSA:

1. Verify that appropriate procedures are in place to ensure the accuracy and timeliness of Forms SSA-4513 and SSA-4514.
2. Confirm that appropriate procedures are in place to ensure applicable DDS employees complete PARs.

## MEMORANDUM

**Date:** November 25, 2013    **Refer To:**

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

**From:** Inspector General

**Subject:** Single Audit of the State of Utah for the Fiscal Year Ended June 30, 2012 (A-77-14-00002)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of Utah for the Fiscal Year ended June 30, 2012.<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 Utah State Auditor performed the audit. The results of the desk review conducted by the Department of Health and Human Services (HHS) 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 Utah State Auditor and the reviews performed by HHS. 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 Utah 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 Utah State Office of Rehabilitation (USOR) is the Utah DDS' parent agency.

The single audit reported:

- The USOR did not accurately prepare the *State Agency Report of Obligations for SSA Disability Programs* (Form SSA-4513) report for the quarter ended September 30, 2011 and

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<sup>1</sup> State of Utah, *Single Audit Report Fiscal Year Ended June 30, 2012*

<http://sao.blob.core.windows.net/saoreports/2012/12-40StateofUtahSingleAudit.pdf> (last viewed September 25, 2013).

did not submit it to SSA timely.<sup>2</sup> The corrective action plan indicated the data entries are being more closely monitored and USOR staff are working with SSA to receive additional training.

- The DDS inaccurately reported the number of hours on the *Time Report of Personnel Services for Disability Determination Services*, (Form SSA-4514) for the quarter ended September 30, 2011 and did not submit it to SSA timely.<sup>3</sup> The corrective action plan indicated the DDS is developing a review and reconciliation process for payroll data. In addition, controls were put in place to ensure all categories of time are included and late changes do not lead to errors.
- The DDS did not have a formal process in place to ensure all employees who charge time to only the SSA program completed a Personnel Activity Report (PAR).<sup>4</sup> The corrective action plan indicated USOR has made significant changes to the process for distributing, collecting, and storing PARs to ensure that proper documentation is maintained.

We recommend that SSA:

1. Verify that appropriate procedures are in place to ensure the accuracy and timeliness of the Forms SSA-4513 and SSA-4514.
2. Confirm that appropriate procedures are in place to ensure applicable DDS employees complete PARs.

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 12-47.

<sup>3</sup> Id. at finding 12-48.

<sup>4</sup> Id. at findings 12-10 and 12-49.

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