

Management Advisory Report

Single Audit of the State of
Mississippi for the Fiscal Year Ended
June 30, 2017

Single Audit of the State of Mississippi for the Fiscal Year Ended June 30, 2017 A-77-18-00010



May 2018

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

Horne LLP and the Mississippi State Auditor conducted the single audit of the State of Mississippi. SSA is responsible for resolving single audit findings related to its disability programs. The Mississippi Department of Rehabilitation Services (MDRS) is the Mississippi Disability Determination Services' parent agency.

Findings

The single audit reported MDRS did not always maintain documentation that it had verified consultative examination providers' licenses.

In addition, MDRS did not submit the required certification to the Department of Health and Human Services within 30 days of the fiscal year end to document it did not change the cost allocation plan. The Department of Health and Human Services, as cognizant agency, 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.

Recommendations

We recommend that SSA ensure MDRS establishes appropriate procedures to document it verified consultative examination providers' licenses.

MEMORANDUM

Date: May 24, 2018 **Refer To:**

To: Trae Sommer
Director
Audit Liaison Staff

From: Assistant Inspector General for Audit

Subject: Single Audit of the State of Mississippi for the Fiscal Year Ended June 30, 2017
(A-77-18-00010)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of Mississippi for the Fiscal Year ended June 30, 2017.¹ Horne LLP and the Mississippi State 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.

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 Mississippi 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 Mississippi Department of Rehabilitation Services (MDRS) is the Mississippi DDS' parent agency.

The single audit reported MDRS did not always maintain documentation that it had verified consultative examination providers' licenses.² The corrective action plan indicated MDRS will take steps to ensure all required licensure remains current and documented in the vendor's file.

We recommend that SSA ensure MDRS establishes appropriate procedures to document its verified consultative examination providers' licenses.

¹ *State of Mississippi Single Audit Report for the Fiscal Year Ended June 30, 2017* (April 20, 2018) and *Mississippi Department of Rehabilitation Services Report on Compliance in Accordance with The Uniform Guidance for the Social Security – Disability Insurance Program For the Year Ended June 30, 2017* (February 8, 2018).

² See Footnote 1, Finding 2017-023.

In addition, MDRS did not submit the required certification to the Department of Health and Human Services within 30 days of the fiscal year end to document it made no changes to the cost allocation plan.³ The Department of Health and Human Services, as cognizant agency, 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.

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 Mississippi on April 25, 2018.

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.

A handwritten signature in black ink that reads "Rona Lawson". The signature is fluid and cursive, with "Rona" on top and "Lawson" below it.

Rona Lawson

Attachment

³ See Footnote 1, Finding 2017-024.

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