

Management Advisory Report

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

**Single Audit of the State of Washington for the Fiscal Year
Ended June 30, 2017
A-77-18-00007**



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

The Washington State Auditor conducted the single audit of the State of Washington. SSA is responsible for resolving single audit findings related to its disability programs. The Department of Social and Health Services (DSHS) is the Washington Disability Determination Services' (DDS) parent agency.

Findings

The single audit reported DSHS did not complete all the required semi-annual certifications to support that employees worked solely on the disability program.

In addition, the single audit reported DSHS did not submit the Fiscal Year 2017 cost allocation plan by the July 1, 2016 due date. The single audit identified multiple Federal programs, including SSA, responsible for resolving this finding. However, the Department of Health and Human Services 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 on this issue.

Recommendation

We recommend SSA verify that DSHS implemented appropriate procedures to ensure completion of semi-annual certifications for all employees who work solely on the disability program.

MEMORANDUM

Date: May 17, 2018

Refer To:

To: Trae Sommer
Director
Audit Liaison Staff

From: Assistant Inspector General for Audit

Subject: Single Audit of the State of Washington for the Fiscal Year Ended June 30, 2017
(A-77-18-00007)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of Washington for the Fiscal Year ended June 30, 2017.¹ The Washington 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 Washington 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 Social and Health Services (DSHS) is the Washington DDS' parent agency.

The single audit reported DSHS did not complete all the required semi-annual certifications to confirm employees worked solely on the disability program.² The corrective action plan indicated DSHS completed the certifications once it became aware of the issue. We recommend SSA verify that DSHS implemented appropriate procedures to ensure semi-annual certifications are completed for all employees who work solely on the disability program.

¹ State of Washington, Office of Financial Management, *Single Audit Report For the Fiscal Year Ended June 30, 2017* (November 2, 2017).

² See Footnote 1, Finding 2017-051.

In addition, the single audit reported DSHS did not submit the Fiscal Year 2017 cost allocation plan by the July 1, 2016 due date.³ The single audit identified multiple Federal programs, including SSA, responsible for resolving this finding. However, the Department of Health and Human Services 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 Washington on March 30, 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 2017-004.

MISSION

By conducting independent and objective audits, evaluations, and investigations, the Office of the Inspector General (OIG) inspires public confidence in the integrity and security of the Social Security Administration's (SSA) programs and operations and protects them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

CONNECT WITH US

The OIG Website (<https://oig.ssa.gov/>) gives you access to a wealth of information about OIG. On our Website, you can report fraud as well as find the following.

- OIG news
- audit reports
- investigative summaries
- Semiannual Reports to Congress
- fraud advisories
- press releases
- congressional testimony
- an interactive blog, “[Beyond The Numbers](#)” where we welcome your comments

In addition, we provide these avenues of communication through our social media channels.



[Watch us on YouTube](#)



[Like us on Facebook](#)



[Follow us on Twitter](#)



[Subscribe to our RSS feeds or email updates](#)

OBTAIN COPIES OF AUDIT REPORTS

To obtain copies of our reports, visit our Website at <https://oig.ssa.gov/audits-and-investigations/audit-reports/all>. For notification of newly released reports, sign up for e-updates at <https://oig.ssa.gov/e-updates>.

REPORT FRAUD, WASTE, AND ABUSE

To report fraud, waste, and abuse, contact the Office of the Inspector General via

Website: <https://oig.ssa.gov/report-fraud-waste-or-abuse>

Mail: Social Security Fraud Hotline
P.O. Box 17785
Baltimore, Maryland 21235

FAX: 410-597-0118

Telephone: 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. Eastern Standard Time

TTY: 1-866-501-2101 for the deaf or hard of hearing