

Management Advisory Report

Single Audit of the State of Nebraska
for the Fiscal Year Ended
June 30, 2014

**Single Audit of the State of Nebraska for the Fiscal Year
Ended June 30, 2014
A-77-15-00003**



July 2015

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 Nebraska Auditor of Public Accounts conducted the single audit of the State of Nebraska. SSA is responsible for resolving single audit findings related to its Disability programs. The Nebraska Department of Education is the Nebraska Disability Determination Section's (DDS) parent agency.

Finding

The single audit reported the DDS did not maintain adequate documentation to support \$504,818 in unliquidated obligations reported on the Form SSA-4513, *State Agency Report of Obligations for SSA Disability Programs*.

Recommendation

We recommend that SSA ensure the DDS has appropriate procedures in place to maintain documentation supporting the unliquidated obligations claimed on the Form SSA-4513.

MEMORANDUM

Date: July 8, 2015 **Refer To:**

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

From: Inspector General

Subject: Single Audit of the State of Nebraska for the Fiscal Year Ended June 30, 2014 (A-77-15-00003)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of Nebraska for the Fiscal Year ended June 30, 2014.¹ Our objective was to report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to SSA for resolution action.

The Nebraska Auditor of Public Accounts performed the audit. The results of the Department of Health and Human Services' (HHS) desk review 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 Nebraska Auditor of Public Accounts and HHS' reviews. 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 Nebraska Disability Determination Section (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 Nebraska Department of Education is the Nebraska DDS' parent agency.

¹ State of Nebraska, *Statewide Single Audit Year Ended June 30, 2014* <http://www.nebraska.gov/auditor/FileSearch/entityresults.cgi?id=Single%20Audit%20Reports%20-%20Statewide%20OMB%20A133%20Compliance%20Reports> (last viewed June 17, 2015).

The single audit reported the DDS did not maintain adequate documentation to support \$504,818 in unliquidated obligations reported on the Form SSA-4513, *State Agency Report of Obligations for SSA Disability Programs*.² The corrective action plan indicates the DDS began maintaining a report of individual items that support the amounts reported on the Form SSA-4513.

We recommend that SSA ensure the DDS has appropriate procedures in place to maintain documentation supporting the unliquidated obligations claimed on the Form SSA-4513.

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.



Patrick P. O'Carroll, Jr.

Attachment

cc:

Lynn Bernstein

² Id. at finding 2014-017.

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