

*Management Advisory Report*

Single Audit of the State of Ohio for  
the Fiscal Year Ended June 30, 2011

**Single Audit of the State of Ohio for the Fiscal Year Ended  
June 30, 2011  
A-77-13-00009**



**May 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 Ohio State Auditor conducted the single audit of the State of Ohio. SSA is responsible for resolving single audit findings related to its Disability Insurance program. The Rehabilitation Services Commission (RSC) is the Ohio Division of Disability Determination's parent agency.

**Finding**

The single audit reported that RSC did not disburse Federal funds drawn for payroll within 3 days of receipt, as required by the *Cash Management Improvement Act* (CMIA) agreement.

**Recommendation**

We recommend that SSA verify that RSC is drawing and disbursing funds in accordance with the CMIA agreement.

## MEMORANDUM

**Date:** May 3, 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 Ohio for the Fiscal Year Ended June 30, 2011 (A-77-13-00009)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of Ohio for the Fiscal Year ended June 30, 2011.<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 Ohio State Auditor conducted 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 Ohio 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 Ohio Division of Disability Determination (DDD) performs disability determinations under SSA's DI and SSI programs in accordance with Federal regulations. The DDD is reimbursed for 100 percent of allowable costs. The Rehabilitation Services Commission (RSC) is the Ohio DDD's parent agency.

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<sup>1</sup> *State of Ohio Single Audit for the Fiscal Year Ended June 30, 2011*

[http://www.auditor.state.oh.us/auditsearch/Reports/2012/State\\_of\\_Ohio\\_Single\\_Audit\\_11\\_Franklin.pdf](http://www.auditor.state.oh.us/auditsearch/Reports/2012/State_of_Ohio_Single_Audit_11_Franklin.pdf) (last viewed April 10, 2013).

The single audit reported that RSC did not disburse Federal funds drawn for payroll within 3 days of receipt, as required by the *Cash Management Improvement Act* (CMIA) agreement.<sup>2</sup> The corrective action plan indicates RSC revised its draw procedures for payroll to meet the CMIA requirements.<sup>3</sup>

We recommend that SSA verify that RSC is drawing and disbursing funds in accordance with the CMIA agreement.

The single audit also disclosed that electronic user access was not appropriately restricted in the Ohio Administrative Knowledge System,<sup>4</sup> which may impact DDD operations. Although it was not specifically identified to SSA, I am bringing this matter to your attention as it represents a potentially serious service delivery and financial control problem for the Agency.

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.



Patrick P. O'Carroll, Jr.

Attachment

cc:

Lynn Bernstein

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<sup>2</sup> This same finding was reported by the SSA Office of the Inspector General in the *Administrative Costs Claimed by the Ohio Division of Disability Determination* (A-05-09-19127), September 2011. <http://oig.ssa.gov/sites/default/files/audit/full/pdf/A-05-09-19127.pdf> (last viewed April 23, 2013).

<sup>3</sup> *State of Ohio Single Audit for the Fiscal Year Ended June 30, 2011*, supra at finding 2011-RSC01-057.

<sup>4</sup> Id. at finding 2011-OAKS01-002.

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