

Management Advisory Report

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

**Single Audit of the State of New Hampshire for the Fiscal Year
Ended June 30, 2017
A-77-18-00009**



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

KPMG LLP conducted the single audit of the State of New Hampshire. SSA is responsible for resolving single audit findings related to its disability programs. The New Hampshire Department of Education is the New Hampshire Disability Determination Services' parent agency.

Finding

The single audit reported that the State of New Hampshire had ineffective general information technology controls related to its Financial Reporting and Human Resources/Payroll system.

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.

MEMORANDUM

Date: May 22, 2018

Refer To:

To: Trae Sommer
Director
Audit Liaison Staff

From: Assistant Inspector General for Audit

Subject: Single Audit of the State of New Hampshire for the Fiscal Year Ended June 30, 2017
(A-77-18-00009)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of New Hampshire for the Fiscal Year ended June 30, 2017.¹ KPMG LLP 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 New Hampshire 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 New Hampshire Department of Education is the New Hampshire DDS' parent agency.

The single audit reported that the State of New Hampshire had ineffective general information technology controls related to its Financial Reporting and Human Resources/Payroll system.² Specifically, it did not remove system access timely for terminated users. The corrective action plan outlines several changes designed to strengthen controls.

¹ State of New Hampshire, *Single Audit of Federal Financial Assistance Programs For the Year Ended June 30, 2017* (March 29, 2018).

² See Footnote 1, Finding 2017-002.

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 New Hampshire on March 30, 2018.

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

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