

Single Audit of the State of Tennessee for the Fiscal Year Ended June 30, 2013

A-77-14-00013



July 2014

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 Tennessee Comptroller of the Treasury conducted the single audit of the State of Tennessee. SSA is responsible for resolving single audit findings related to its Disability programs. The Department of Human Services (DHS) is the Tennessee Disability Determination Services' (DDS) parent agency.

Findings

The single audit reported:

- DHS did not ensure that all newly hired employees and employees who transferred from other agencies completed the department's conflict-of-interest form, *DHS Code of Ethics and Standards of Conduct*, and that the form was maintained in employee files.
- The DDS did not have controls in place to ensure that all consultative examination (CE) providers were included on the DDS' License Checklist and verified with the Department of Health and Human Services Office of Inspector General List of Excluded Individuals and Entities website.

In addition, the single audit reported DHS did not follow departmental and State information system security policies, which resulted in an increased risk of fraudulent activity or loss of data.

Recommendations

We recommend that SSA:

1. Determine whether the DDS has proper procedures in place related to employee conflict-of-interest concerns.
2. Verify that the DDS developed appropriate controls to ensure proper licensure of all CE providers.

Further, we made a recommendation to SSA in a prior report for corrective action on the finding related to information system security policies. We confirmed that SSA had taken appropriate corrective action to address this finding. Therefore, we will not repeat the recommendation.