

**Single Audit of the State of New Jersey for the Fiscal Year
Ended June 30, 2012
A-77-14-00003**



November 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 New Jersey State Auditor and KPMG LLP conducted the single audit of the State of New Jersey. SSA is responsible for resolving single audit findings related to its Disability Insurance program. The Department of Labor and Workforce Development (LWD) is the New Jersey Disability Determination Services' (DDS) parent agency.

Findings

The single audit reported LWD did not:

- Provide documentation to support that two DDS non-payroll expenses were reviewed and approved before disbursement. LWD did provide documentation to support the expenses were allowable costs of the SSA program.
- Submit the *State Agency Report of Obligations for SSA Disability Programs* (Form SSA-4513) for the quarter ended June 30, 2012 timely.

Recommendations

We recommend that SSA verify that LWD established appropriate procedures to:

1. Maintain documentation supporting DDS expenses.
2. Ensure timely submission of the Form SSA-4513.