

Management Advisory Report

Single Audit of the New Mexico
Public Education Department for the
Fiscal Year Ended June 30, 2020

Single Audit of the New Mexico Public Education Department for the Fiscal Year Ended June 30, 2020

A-77-21-00003



April 2021

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

A single audit is an organization-wide financial statement and Federal awards audit of a non-Federal entity that expends \$750,000 or more in Federal funds in 1 year. It is intended to assure the Government that a non-Federal entity has adequate internal controls in place and is generally in compliance with program requirements.

Non-Federal entities typically include State and local governments, Indian tribes, universities, and nonprofit organizations.

CliftonLarsonAllen LLP conducted the single audit of the New Mexico Public Education Department. SSA is responsible for resolving single audit findings related to New Mexico Disability Determination Services (DDS), which performs disability determinations under SSA's Disability Insurance and Supplemental Security Income programs. The Department of Vocational Rehabilitation within the Public Education Department is New Mexico DDS' parent agency.

Findings

The single audit reported New Mexico DDS did not

- have adequate controls to ensure it submits financial reports timely when the responsible person is unavailable or
- always maintain documentation of medical license verifications.

Recommendations

We recommend SSA verify New Mexico DDS:

1. Cross-trained employees to ensure the timely submission of financial reports.
2. Established an appropriate process to maintain and document medical license verifications.

MEMORANDUM

Date: April 27, 2021 **Refer To:**

To: Trae Sommer
Director
Audit Liaison Staff

From: Assistant Inspector General for Audit

Subject: Single Audit of the New Mexico Public Education Department for the Fiscal Year Ended June 30, 2020 (A-77-21-00003)

This report presents the Social Security Administration's (SSA) portion of the single audit of the New Mexico Public Education Department for the Fiscal Year ended June 30, 2020.¹ The audit firm CliftonLarsonAllen 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.

BACKGROUND

A single audit is an organization-wide financial statement and Federal awards audit of a non-Federal entity that expends \$750,000 or more in Federal funds in 1 year. It is intended to assure the Government that a non-Federal entity has adequate internal controls in place and is generally in compliance with program requirements. Non-Federal entities typically include State and local governments, Indian tribes, universities, and nonprofit organizations.

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 and Supplemental Security Income programs. SSA is responsible for resolving single audit findings reported under this CFDA number.

New Mexico Disability Determination Services (DDS) performs disability determinations under SSA's Disability Insurance and Supplemental Security Income programs in accordance with Federal regulations. SSA reimburses the DDS for 100 percent of allowable costs. The Department of Vocational Rehabilitation within the Public Education Department is New Mexico DDS' parent agency.

¹ *State of New Mexico Public Education Department Financial Statements and Supplementary Information Year Ended June 30, 2020*, vol. II (February 4, 2021).

RESULTS

The single audit reported New Mexico DDS did not

- have adequate controls to ensure it submits financial reports timely when the responsible person is unavailable² or
- always maintain documentation of medical license verifications.³

We recommend SSA verify New Mexico DDS:

1. Cross-trained employees to ensure the timely submission of financial reports.
2. Established an appropriate process to maintain and document medical license verifications.

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 Mexico Public Education Department on April 6, 2021.

Please send copies of the final Audit Clearance Document to OIG.Audit.Kansas.City@ssa.gov.



Michelle L. Anderson

Attachment

² See Footnote 1, Finding 2020-005.

³ See Footnote 1, Finding 2020-006.



Mission:

The Social Security Office of the Inspector General (OIG) serves the public through independent oversight of SSA's programs and operations.

Report:

Social Security-related scams and Social Security fraud, waste, abuse, and mismanagement, at oig.ssa.gov/report.

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