

Management Advisory Report

Single Audit of the New Mexico
Public Education Department for the
Fiscal Year Ended June 30, 2016

Single Audit of the New Mexico Public Education Department for the Fiscal Year Ended June 30, 2016

A-77-17-00002



April 2017

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

Axiom, Certified Public Accountants and Business Advisors LLC, conducted the single audit of the New Mexico Public Education Department. SSA is responsible for resolving single audit findings related to its disability programs. The Division of Vocational Rehabilitation (DVR) is the New Mexico Disability Determination Services' (DDS) parent agency.

Finding

The single audit reported DVR did not have documentation supporting the review, approval, and payment amount for some disbursements reviewed.

Recommendation

We recommend that SSA verify DVR has appropriate procedures to support disbursements.

MEMORANDUM

Date: April 3, 2017 **Refer To:**

To: Gary S. Hatcher
Senior Advisor
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, 2016 (A-77-17-00002)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of New Mexico Public Education Department for the Fiscal Year ended June 30, 2016.¹ Axiom, Certified Public Accountants and Business Advisors LLC 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. 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 New Mexico Disability Determination Services (DDS) performs disability determinations under SSA's DI and SSI programs in accordance with Federal regulations. The DDS is reimbursed for 100 percent of allowable costs. The Division of Vocational Rehabilitation (DVR) is the New Mexico DDS' parent agency.

The single audit reported DVR did not have documentation supporting the review, approval, and payment amount for some disbursements reviewed.² The corrective action plan indicated a reminder was issued to DVR staff. We recommend that SSA verify DVR has appropriate procedures to support disbursements.

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 New Mexico Public Education Department on March 7, 2017.

¹ State of New Mexico, *Public Education Department*, vol. II (November 30, 2016).

² See Footnote 1, finding 2016-007.

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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 or Shannon.Agee@ssa.gov.

A handwritten signature in black ink, appearing to read "Rona Lawson".

Rona Lawson

Attachment

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