

*Management Advisory Report*

Single Audit of the State of West  
Virginia for the Fiscal Year Ended  
June 30, 2016

**Single Audit of the State of West Virginia for the Fiscal Year  
Ended June 30, 2016  
A-77-17-00009**



May 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
Ernst & Young LLP conducted the single audit of the State of West Virginia. SSA is responsible for resolving single audit findings related to its disability programs. The Division of Rehabilitation Services (DRS), within the Department of Education and the Arts, is the West Virginia Disability Determination Services' parent agency.

**Finding**

The single audit reported DRS understated the hours reported for medical consultants on the *Time Report of Personnel Services for Disability Determination Services* (Form SSA-4514).

**Recommendation**

We recommend that SSA verify that procedures are in place to ensure the accuracy of the Form SSA-4514.

## MEMORANDUM

**Date:** May 31, 2017 **Refer To:**

**To:** Gary S. Hatcher  
Senior Advisor  
Audit Liaison Staff

**From:** Assistant Inspector General for Audit

**Subject:** Single Audit of the State of West Virginia for the Fiscal Year Ended June 30, 2016  
(A-77-17-00009)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of West Virginia for the Fiscal Year ended June 30, 2016.<sup>1</sup> Ernst & Young 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 West Virginia 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 Division of Rehabilitation Services (DRS), within the Department of Education and the Arts, is the West Virginia DDS' parent agency.

The single audit reported DRS understated the hours reported for medical consultants on the *Time Report of Personnel Services for Disability Determination Services* (Form SSA-4514).<sup>2</sup> The corrective action plan indicated DRS will strengthen its controls over the review of reports and supporting documentation.

We recommend that SSA verify that procedures are in place to ensure the accuracy of the Form SSA-4514.

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<sup>1</sup> *West Virginia Single Audit for the Year Ended June 30, 2016* (April 30, 2017).

<sup>2</sup> See Footnote 1, finding 2016-023.

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 West Virginia on May 19, 2017.

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](mailto: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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