

Management Advisory Report

Single Audit of the Hawaii
Department of Human Services for
the Fiscal Year Ended June 30,
2011

Summary of Single Audit of the Hawaii Department of Human Services for the Fiscal Year Ended June 30, 2011
A-77-13-00001



January 2013

Objective

To report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to SSA for resolution action.

Background

N&K CPAs, Inc., performed the single audit of the State of Hawaii. SSA is responsible for resolving single audit findings related to its Disability Insurance program. The Department of Human Services is the Hawaii Disability Determination Branch (DDB) parent agency.

Findings

The single audit reported that the hours DDB submitted on Form SSA-4514, *Time Reports of Personnel Service for Disability Determination Services*, did not reconcile to supporting documentation.

Recommendations

We recommend that SSA verify that DDB has taken appropriate action to ensure the accuracy of the Form SSA-4514.

MEMORANDUM

Date: January 25, 2013 **Refer To:**

To: Gary S. Hatcher
Senior Advisor
Records Management and Audit Liaison Staff

From: Inspector General

Subject: Single Audit of the Hawaii Department of Human Services for the Fiscal Year Ended June 30, 2011 (A-77-13-00001)

This report presents the Social Security Administration's (SSA) portion of the Single Audit of the Hawaii Department of Human Services for the State Fiscal Year ended June 30, 2011.¹ Our objective was to report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to SSA for resolution action.

N&K CPAs, Inc., performed the audit. The results of the desk review conducted by the Department of Health and Human Services (HHS) concluded that the audit met Federal requirements. In reporting the results of the single audit, we relied entirely on the internal control and compliance work performed by N&K CPAs, Inc., and the HHS reviews. We conducted our review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

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 Hawaii Disability Determination Branch (DDB) performs disability determinations under SSA's DI and SSI programs in accordance with Federal regulations. The DDB is reimbursed for 100 percent of allowable costs. The Department of Human Services (DHS) is the Hawaii DDB's parent agency.

¹ Office of the Auditor, *Financial Audit of the Department of Human Services State of Hawaii, Fiscal Year Ended June 30, 2011*. http://www.state.hi.us/auditor/Reports/2011_Audit/DHS_2011.pdf (last viewed January 8, 2013).

The single audit reported that the hours DDB submitted on Form SSA-4514, *Time Reports of Personnel Service for Disability Determination Services*, did not reconcile to supporting documentation.² The corrective action plan indicates DDB implemented a reconciliation and review process for the Form SSA-4514 and its supporting documentation.

We recommend that SSA verify that DDB has taken appropriate action to ensure the accuracy of the Form SSA-4514.

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.



Patrick P. O'Carroll, Jr.

Attachment

cc:

Lynn Bernstein

² *Ibid.*, finding 2011-08.

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