

*Management Advisory Report*

Single Audit of the State of New  
Hampshire for the Fiscal Year Ended  
June 30, 2015

# **Single Audit of the State of New Hampshire for the Fiscal Year Ended June 30, 2015**

**A-77-16-00002**



**June 2016**

**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**

KPMG LLP conducted the single audit of the State of New Hampshire. SSA is responsible for resolving single audit findings related to its Disability programs. New Hampshire Department of Education is the New Hampshire Disability Determination Services' parent agency.

## **Finding**

The single audit reported the disability determination services understated the hours reported on one of the reviewed quarterly Form SSA-4514s, *Time Report of Personnel Services for Disability Determination Services*. Specifically, the disability determination services understated the hours reported for full-time examiners by 1,950 hours compared to supporting documentation.

## **Recommendation**

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

## MEMORANDUM

**Date:** June 9, 2016 **Refer To:**

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

**From:** Assistant Inspector General for Audit

**Subject:** Single Audit of the State of New Hampshire for the Fiscal Year Ended June 30, 2015  
(A-77-16-00002)

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of New Hampshire for the Fiscal Year ended June 30, 2015.<sup>1</sup> Our objective was to report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to SSA for resolution action.

KPMG LLP conducted the audit. The Department of Health and Human Services' desk review concluded that the audit met Federal requirements. In reporting the results of the single audit, we relied entirely on the KPMG LLP internal control and compliance work and the Department of Health and Human Services' 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 and Supplemental Security Income programs are identified by CFDA number 96. SSA is responsible for resolving single audit findings reported under this CFDA number.

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

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<sup>1</sup> State of New Hampshire *Single Audit of Federal Assistance Programs for the Year Ended June 30, 2015* (March 30, 2016).

The single audit reported the DDS understated the hours reported on one of the reviewed quarterly Form SSA-4514s, *Time Report of Personnel Services for Disability Determination Services*. Specifically, the full-time examiners' hours reported were understated by 1,950 hours compared to supporting documentation.<sup>2</sup> The corrective action plan indicated the understated hours were the result of a formula error, which the DDS corrected. Further, the DDS staff will review formulas when completing subsequent SSA-4514s.

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

In addition, the single audit reported that New Hampshire Department of Education had ineffective general information technology controls related to the payroll system.<sup>3</sup> Specifically, terminated user access was not removed from the system timely. The corrective action plan outlines several changes designed to strengthen controls. The single audit identified multiple Federal programs, including SSA, responsible for resolving this finding. However, the Department of Health and Human Services will resolve this finding on the Government's behalf. Therefore, we are bringing this matter to your attention, but we are not making a recommendation.

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).



Rona Lawson

Attachment

cc:  
Lynn Bernstein

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<sup>2</sup> See Footnote #1, finding 2015-033.

<sup>3</sup> See Footnote #1, finding 2015-003.

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