

Report Summary

Social Security Administration Office of the Inspector General

March 2010



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 performed the single audit of the State of Illinois. The Maine State Auditor performed the single audit of the State of Maine. SSA is responsible for resolving single audit findings related to its Disability Insurance and Supplemental Security Income programs. The Department of Human Services (DHS) is the Illinois Disability Determination Services' (DDS) parent agency. The Maine Department of Health and Human Services (DHHS) is the Maine DDS' parent agency.

To view the full reports, visit
http://www.ssa.gov/oig/ADO_BEPDF/A-77-10-00005.pdf

http://www.ssa.gov/oig/ADO_BEPDF/A-77-10-00006.pdf

Management Advisory Reports: Single Audits, for the Fiscal Year Ended June 30, 2008, of the State of Illinois (A-77-10-00005) and the State of Maine (A-77-10-00006)

Our Findings

The single audit of the State of Illinois reported that DHS did not amend the cost allocation plan (CAP) to include changes in program administration. Therefore, the methods used to allocate the cost of the administrative offices to various Federal programs were not approved by the Department of Health and Human Services (HHS). The single audit also reported weaknesses in the State of Illinois' allocation of internal service fund charges to various Federal programs, including SSA.

The single audit of the State of Maine reported that DHHS did not allocate indirect costs in accordance with its new CAP.

Our Recommendations

For the State of Illinois we recommend that (1) upon HHS' approval of the amended CAP, SSA work with DHS to ensure that indirect costs charged to the Illinois DDS during State Fiscal Year (SFY) 2008 were in accordance with the CAP's approved methodologies and (2) SSA continue to work with the Illinois DHS to verify that policies and procedures are in place to ensure charges to the Illinois DDS from the internal service funds were in accordance with the approved Cost Allocation Agreement and OMB Circular A-87 requirements.

For the State of Maine we recommend that SSA ensure the indirect costs charged to the Maine DDS during SFY 2008 were in accordance with the CAP.