



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: May 1, 2025

Refer To: 772502

To: Jeffrey Buckner
Acting Deputy Commissioner
for the Office of External Affairs

From: Michelle L. Anderson *Michelle L. Anderson*
Assistant Inspector General for Audit

Subject: Single Audit of the State of New Hampshire for the Fiscal Year Ended June 30, 2024

This memorandum 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, 2024.¹ The audit firm KPMG 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.

BACKGROUND

A single audit is an organization-wide financial statement and Federal awards audit of a non-Federal entity that expends \$750,000 or more in Federal funds in 1 year. It is intended to assure the Government that a non-Federal entity has adequate internal controls in place and is generally complying with program requirements. Non-Federal entities typically include state and local governments, Indian tribes, universities, and nonprofit organizations.

For single audit purposes, the General Services Administration maintains a list of all Federal programs in the Federal Assistance Listing. SSA's Disability Insurance and Supplemental Security Income programs are identified under listing number 96. SSA is responsible for resolving single audit findings reported under this listing 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. SSA reimburses the DDS for 100 percent of allowable costs. The New Hampshire Department of Education is the New Hampshire DDS' parent agency.

¹ Department of Administrative Services, *Single Audit Report of the State of New Hampshire for the Fiscal Year Ended June 30, 2024* (March 2025).

RESULTS

The single audit found the Form SSA-4513, *State Agency Report of Obligations for SSA Disability Programs*, was not complete and accurate. KPMG identified the following errors on the Form SSA-4513.

- The DDS did not state whether the Form SSA-871, *State Agency Schedule for Equipment Purchases for SSA Disability Programs*, needed to be attached to the Form SSA-4513.
- The Form SSA-4513 did not reconcile with internal tracking sheets to validate the reported amounts.
- KPMG could not validate the completeness and accuracy of amounts reported on the Form SSA-4513 for disbursements and obligations.
- The DDS did not provide support for the difference between the total obligations and cumulative obligational authorization.
- The DDS did not provide documentation to support all line items.²

In addition, KPMG reported the DDS did not maintain evidence it had verified the medical licenses for medical providers and did not always verify their suspension or debarment status via the SAM.gov website.³

In response to the single audit, the New Hampshire Department of Education's corrective action plan states it will work with the DDS to

- ensure the DDS follows updated processes and procedures for fiscal reporting;
- update spreadsheets with links to information used and lock and save the spreadsheets as supporting documentation;
- update internal controls to include a second review and approval of all Federal reports;
- update written policies and procedures that ensure the validity of medical licenses, as well as suspension and debarment status, of providers;
- ensure the DDS Administrator meets with the Professional Relations Officer every 2 weeks to confirm that each provider is licensed and not suspended or debarred from practicing; and
- ensure the DDS Administrator meets with the Consultative Examination Scheduler's Supervisor every 2 weeks to confirm schedulers only schedule consultative examinations with licensed medical providers who have had their licenses checked by the Professional Relations Officer.

² New Hampshire Department of Administrative Services, *Single Audit Report of the State of New Hampshire for the Fiscal Year Ended June 30, 2024, (March 2025)*, Finding 2024-030.

³ New Hampshire Department of Administrative Services, *Single Audit Report of the State of New Hampshire for the Fiscal Year Ended June 30, 2024, (March 2025)*, Finding 2024-031.

PRIOR SINGLE AUDIT FINDINGS AND RECOMMENDATIONS

During the prior single audit of New Hampshire—which covered the DDS’ activities between July 1, 2022 and June 30, 2023—the auditor identified similar findings. In June 2024, based on the findings in the prior single audit report, we recommended SSA confirm the New Hampshire DDS

1. updated procedures to ensure accurate reporting on Forms SSA-4513 and SSA-4514 and
2. established appropriate procedures to verify and document medical providers’ licensing, suspension, and debarment status.⁴

The auditors’ findings in the subject audit pertain to the DDS’ activities between July 1, 2023 and June 30, 2024. In response to our recommendations, in September 2024—after the period covered by the subject audit—SSA reported the DDS developed and implemented new standard operating procedures to ensure staff appropriately (1) store an electronic record of supporting documentation and (2) verify medical providers’ licenses and eligibility.

Because SSA determined the New Hampshire DDS implemented new procedures after the period covered by the subject audit, we recommend SSA confirm with the New Hampshire DDS that the actions taken to resolve the 2023 findings will address the 2024 findings.

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards requires that Federal awarding agencies issue a management decision letter on single audit 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 New Hampshire on March 30, 2025. If you have questions, contact OIG.Audit.Kansas.City@ssa.gov.

⁴ SSA, OIG, *Single Audit of the State of New Hampshire for the Fiscal Year Ended June 30, 2023 (772402)*, June 2024.