



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: April 17, 2026

Refer To: 772631

To: Amy Gao
Director
Audit Liaison Staff

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

Subject: Single Audit of the State of Oregon for the Fiscal Year Ended June 30, 2025

This memorandum presents the Social Security Administration's (SSA) portion of the single audit of the State of Oregon for the Fiscal Year ended June 30, 2025.¹ The Oregon Secretary of State 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 \$1 million or more in Federal funds in 1 year. It is intended to assure the Government that the 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 Oregon 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 Oregon Department of Human Services (ODHS) is the Oregon DDS' parent agency.

¹ Oregon Secretary of State, *Fiscal Year 2025 Statewide Single Audit Report*, Report 2026-10, (March 2026).

RESULTS

The single audit reported 7 of 60 sampled ODHS employee timesheets did not contain evidence a manager had reviewed or approved them.² ODHS' cost-allocation plan includes compensation for its employees whose roles provide shared benefit to multiple grants and programs, including SSA programs. Timesheets related to these payroll expenditures require managerial review and approval in accordance with payroll deadlines to ensure coding is appropriate for the employee's role, cost sharing, and program billing. There was no evidence a manager had reviewed or approved the seven timesheets because ODHS did not have a process to ensure timely review of timesheets and related cost coding. Timesheets that are not appropriately reviewed and approved could result in employee time being incorrectly charged to Federal programs, including SSA programs, and shared cost pools.

In response to the single audit, ODHS management stated it had taken initial steps to strengthen controls to ensure managers review all employee timesheets for cost coding and accuracy and approve those timesheets timely. ODHS issued time-approval reminders and implemented a post-approval confirmation process for managers who missed the time approval deadlines. Additionally, ODHS developed supplemental training for managers on how to appropriately review and approve time and provided tools to enable managers to review employee cost codes.

RECOMMENDATION

We recommend SSA ensure ODHS has policies and procedures to timely review employee timesheets for cost coding and accuracy.

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 the Federal Audit Clearinghouse accepting the audit report. The Federal Audit Clearinghouse accepted the single audit of the State of Oregon on March 31, 2026. If you have questions, contact OIG.Audit.Division.7@ssa.gov.

² Oregon Secretary of State, *Fiscal Year 2025 Statewide Single Audit Report*, Report 2026-10, (March 2026), Finding 2025-026.