



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: April 17, 2026

Refer To: 772632

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 New Hampshire 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 New Hampshire for the Fiscal Year ended June 30, 2025.¹ The audit firm KPMG LLP 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 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 (NH-DOE) is the New Hampshire DDS' parent agency.

¹ Department of Administrative Services, *State of New Hampshire Single Audit of Federal Financial Assistance Programs for the Year Ended June 30, 2025*, (March 30, 2026).

RESULTS

The single audit reported deficiencies in NH-DOE's internal controls over Federal reporting related to the Form SSA-4513, *State Agency Report of Obligations for SSA Disability Programs*, and attached addendums.² For all four of the Forms SSA-4513 KPMG LLP selected for testing, there was no supporting documentation for other, non-specified obligation amounts reported. Additionally, for two of four Forms SSA-4513, the auditors could not reconcile the reported indirect cost rate to the approved indirect cost rate agreement. This occurred because NH-DOE did not use the agreed-upon indirect cost rate for a specific period to prevent overstating actual expenditures. Submitting Forms SSA-4513 that are neither complete nor accurate undermines the integrity of the financial data NH-DOE reports to SSA. Misreported obligations and indirect costs prevent SSA from performing its oversight function and creates risk of future questioned costs, as it cannot validate the amounts claimed on the Forms.

In response to the single audit findings, NH-DOE indicated it will implement revised policies and procedures to ensure full compliance with Form SSA-4513 reporting requirements. Specifically, the NH-DOE will do the following.

1. Ensure it calculates and reports indirect costs on Forms SSA-4513 in accordance with the approved negotiated indirect cost rate and SSA reporting guidance.
2. Establish clear procedures that govern the use of "other" obligations to ensure adjustments are appropriate, consistently applied, and supported in accordance with SSA requirements.
3. Require that all amounts reported on Forms SSA-4513, including all adjustments, are supported by contemporaneous documentation that is retained in a centralized location and readily available for audit.
4. Implement a formal reconciliation process to verify that all reported amounts agree with the underlying accounting records and supporting documentation before submission.
5. Establish a documented supervisory review and approval process for each Form SSA-4513 to ensure accuracy, completeness, and compliance before submission.

In addition, NH-DOE stated it will develop standardized templates and documentation protocols and provide training to relevant staff on Form SSA-4513 reporting requirements and internal procedures.

² Department of Administrative Services, *State of New Hampshire Single Audit of Federal Financial Assistance Programs for the Year Ended June 30, 2025*, (March 30, 2026). Finding 2025-018

PRIOR SINGLE AUDIT FINDINGS AND RECOMMENDATIONS

During the single audits for Fiscal Years ended June 30, 2023 and 2024, the auditors identified findings related to Form SSA-4513. In June 2024, we recommended SSA confirm the New Hampshire DDS updated procedures to ensure accurate reporting on Forms SSA-4513.³ In September 2024, in response to our recommendation, SSA reported the New Hampshire DDS developed and implemented new standard operating procedures. In May 2025, we recommended SSA confirm with the New Hampshire DDS that these actions would address the findings from the 2024 single audit.⁴ In September 2025, SSA reported the New Hampshire DDS implemented several corrective actions to address Form SSA-4513 deficiencies and determined these actions were sufficient.

Because the subject audit reported additional findings, for which NH-DOE expects to implement corrective actions by July 2026, we recommend SSA

1. work with NH-DOE to determine the reason(s) for continuous noncompliance with Form SSA-4513 reporting requirements and
2. monitor NH-DOE's progress with its corrective action to plan to ensure its revised policies and procedures fully comply with SSA requirements to enable accurate and complete reporting.

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 New Hampshire on March 31, 2025. If you have questions, contact OIG.Audit.Division.7@ssa.gov.

³ SSA, OIG, *Single Audit of the State of New Hampshire for the Fiscal Year Ended June 30, 2023* (772402), June 2024.

⁴ SSA, OIG, *Single Audit of the State of New Hampshire for the Fiscal Year Ended June 30, 2024* (772502), May 2025.