



# Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

## MEMORANDUM

**Date:** June 5, 2026

**Refer To:** 772643

**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 Georgia 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 Georgia for the Fiscal Year (FY) ended June 30, 2025.<sup>1</sup> The Georgia Department of Audits and Accounts 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 Georgia 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 Georgia Vocational Rehabilitation Agency (GVRA) is the Georgia DDS' parent agency.

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<sup>1</sup> Georgia Department of Audits and Accounts, *Fiscal Year 2025 State of Georgia Single Audit Report*, March 24, 2026.

States also have a cognizant Federal agency that establishes and negotiates indirect cost rates for the state. This ensures that these costs are allocated fairly across federal awards. Indirect costs are expenses that cannot be directly attributed to a specific project, such as administrative support and utilities.

## RESULTS

The single audit found a cognizant Federal agency had not approved the indirect cost rate plan GVRA used for FY 2025, which resulted in \$4,363,991 in questioned costs.<sup>2</sup> According to the single audit report, GVRA faced challenges in identifying the appropriate cognizant Federal agency to communicate with about which indirect cost rate plan to use.

In response to the single audit finding, GVRA will continue using an accounting firm to support it in getting the indirect cost rate proposal approved in compliance with Federal regulatory requirements. In addition, the accounting firm will train GVRA executive leadership, management, and fiscal staff on the approved plan, policy requirements, and implementation procedures. Upon approval from the cognizant Federal agency, GVRA will incorporate the plan into its official policy manuals. It will also conduct a policy review and update the plan and related policies to ensure compliance and indirect cost allocation accuracy.

## RECOMMENDATIONS

We recommend SSA:

1. Work with GVRA to ensure it obtains formal approval from the cognizant Federal agency on the indirect cost rate proposal.
2. Ensure GVRA's policies reflect compliance with Federal indirect cost requirements.

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 Georgia on May 7, 2026. If you have questions, contact [OIG.Audit.Division.7@ssa.gov](mailto:OIG.Audit.Division.7@ssa.gov).

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<sup>2</sup> Georgia Department of Audits and Accounts, *Fiscal Year 2025 State of Georgia Single Audit Report*, March 24, 2026. Finding 2025-034.