



Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

Management Advisory Report

Single Audit of the State of
Oklahoma for the Fiscal Year
Ended June 30, 2020

A-77-21-00005 | September 2021

Single Audit of the State of Oklahoma for the Fiscal Year Ended June 30, 2020

A-77-21-00005



September 2021

Office of Audit Report Summary

Objective

To report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to the Social Security Administration (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 assures the Government that a non-Federal entity maintains adequate internal controls and generally complies with program requirements. Non-Federal entities typically include State and local governments, Indian tribes, universities, and nonprofit organizations.

The Oklahoma State Auditor and Inspector conducted the single audit of the State of Oklahoma. SSA is responsible for resolving single audit findings related to its disability programs. The Oklahoma Department of Rehabilitation Services (ODRS) is the Oklahoma Disability Determination Services' (DDS) parent agency.

Findings

The single audit reported ODRS:

- incorrectly reported employee hours on the SSA-4514, *Time Report of Personnel Services for Disability Determination Services*, for quarters ended December 2019 and June 2020 and
- lacked internal controls over the verification and review of consultative examination providers' licenses and credentials.

We made recommendations to SSA in a prior report for corrective actions, and SSA's regional office confirmed ODRS took corrective action. Therefore, we are not making recommendations in this report.



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 17, 2021

Refer To: A-77-21-00005

To: Nancy Berryhill
Acting Deputy Commissioner
for Analytics, Review and Oversight

From: Michelle L. Anderson
Assistant Inspector General for Audit

Michelle L. Anderson

Subject: Single Audit of the State of Oklahoma for the Fiscal Year Ended June 30, 2020

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of Oklahoma for the Fiscal Year ended June 30, 2020.¹ The Oklahoma State Auditor and Inspector 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 assures the Government that a non-Federal entity maintains adequate internal controls and generally complies with program requirements. Non-Federal entities typically include State and local governments, Indian tribes, universities, and nonprofit organizations.

For single audit purposes, the Office of Management and Budget assigns Federal programs a Catalog of Federal Domestic Assistance (CFDA) number. CFDA number 96 identifies SSA's Disability Insurance and Supplemental Security Income programs. SSA is responsible for resolving single audit findings reported under this CFDA number.

The Oklahoma 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 Oklahoma Department of Rehabilitation Services (ODRS) is the Oklahoma DDS' parent agency.

¹ *State of Oklahoma 2020 Single Audit Report for the Fiscal Year Ended June 30, 2020* (July 15, 2021).

RESULTS

ODRS incorrectly reported employee hours on the SSA-4514, *Time Report of Personnel Services for Disability Determination Services*, for the quarters ended December 2019 and June 2020.² This occurred because ODRS did not have an adequate review process to ensure the reported hours were accurate. The single audit for the Fiscal Year ended June 30, 2019 identified similar issues. In our June 2020 report,³ we recommended that SSA confirm that ODRS implemented an adequate process to ensure the accuracy of the SSA-4514. SSA's Dallas Regional Office verified ODRS took corrective action. As of August 2020, ODRS added reminders to assist in completing the files and documents used to report employee hours on the SSA-4514. In April 2021, ODRS stated it corrected formula errors in the spreadsheets used to complete the SSA-4514 and implemented a procedure to verify the reported totals are correct.

The single audit also reported ODRS lacked internal controls over the verification and review of consultative examination providers' licenses and credentials.⁴ Specifically, ODRS did not ensure it approved the New Vendor Audit checklist for all new providers. Further, the list of active providers included inactive providers. The single audit for the Fiscal Year ended June 30, 2019 identified a similar issue. In our June 2020 report,⁵ we recommended that SSA confirm that ODRS' consultative examination providers' licensure and credential verification procedures are in accordance with SSA policy. SSA's Dallas Regional Office verified ODRS took corrective action. As of August 2020, ODRS conducts reviews of the internal documentation process to ensure records are accurate. Further, in April 2021, ODRS stated it planned to re-address the importance of validating the checklist and removing inactive providers from its records with the staff responsible for these actions.

Because ODRS took corrective action to address our previous recommendations after completion of the single audit for the period ended June 30, 2020, we are not making any recommendations in this report.

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards requires that Federal awarding agencies issue a management decision on 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 Oklahoma on August 13, 2021.

If you have questions, contact OIG.Audit.Kansas.City@ssa.gov.

Attachment

² See Footnote 1, Finding 2020-046.

³ SSA, OIG, *Single Audit of the State of Oklahoma for the Fiscal Year Ended June 30, 2019, A-77-20-00008* (June 15, 2020).

⁴ See Footnote 1, Finding 2020-059.

⁵ See Footnote **Error! Bookmark not defined..**



Mission:

The Social Security Office of the Inspector General (OIG) serves the public through independent oversight of SSA's programs and operations.

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Social Security-related scams and Social Security fraud, waste, abuse, and mismanagement, at oig.ssa.gov/report.

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