Management Advisory Report

Single Audit of the State of Connecticut for the Fiscal Year Ended June 30, 2014

Objective
To report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to the Social Security Administration (SSA) for resolution action.

Background
The Connecticut Auditors of Public Accounts conducted the single audit of the State of Connecticut. SSA is responsible for resolving single audit findings related to its Disability programs.

The Connecticut Disability Determination Services (DDS) performs disability determinations under SSA’s Disability Insurance and Supplemental Security Income programs in accordance with Federal regulations. The Department of Social Services (DSS) is the DDS’ parent agency.

The Connecticut Department of Rehabilitation Services (DORS) contracts with Community Rehabilitation Providers on a fee-for-service basis to provide employment rehabilitative services to disabled residents. SSA reimburses DORS for indirect costs related to rehabilitative services provided to disabled beneficiaries.

Findings
The single audit reported the DSS charged salaries and wages to the disability program that were not supported by semi-annual certifications indicating the employees worked solely on the disability program.

In addition, the single audit reported that the costs charged to SSA for rehabilitative services provided to disabled beneficiaries were understated because of the misclassification of expenditures in the accounting system.

Recommendations
We recommend that SSA

1. Verify that procedures were implemented to ensure employees who solely work on the disability program have semi-annual certifications.

2. Verify that appropriate changes were made to the accounting system to ensure accurate costs are charged to its disability programs.
MEMORANDUM

Date: July 27, 2015

To: Gary S. Hatcher
Senior Advisor
Records Management and Audit Liaison Staff

From: Inspector General

Subject: Single Audit of the State of Connecticut for the Fiscal Year Ended June 30, 2014
(A-77-15-00007)

This report presents the Social Security Administration’s (SSA) portion of the single audit of the State of Connecticut for the Fiscal Year ended June 30, 2014.1 Our objective was to report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to SSA for resolution action.

The Connecticut Auditors of Public Accounts performed the audit. The results of the desk review conducted by the Department of Health and Human Services (HHS) concluded that the audit met Federal requirements. In reporting the results of the single audit, we relied entirely on the internal control and compliance work performed by the Connecticut Auditors of Public Accounts and the reviews performed by HHS. We conducted our review in accordance with the Council of the Inspectors General on Integrity and Efficiency’s Quality Standards for Inspection and Evaluation.

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

The Connecticut Disability Determination Services (DDS) performs disability determinations under SSA’s DI and SSI programs in accordance with Federal regulations. The DDS is reimbursed for 100 percent of allowable costs. The Department of Social Services (DSS) is the Connecticut DDS’ parent agency.

The single audit reported the DSS charged salaries and wages to the disability program that were not supported by semi-annual certifications indicating the employees worked solely on the

---

1 State of Connecticut Single Audit Report For the Fiscal Year Ended June 30, 2014
disability program. The corrective action plan indicated DSS will implement semi-annual certifications. We recommend that SSA verify that procedures were implemented to ensure employees who solely work on the disability program have semi-annual certifications.

The single audit also reported that the costs charged to SSA for rehabilitative services provided to disabled beneficiaries were understated. Specifically, the misclassification of expenditures in the accounting system resulted in the indirect costs charged to SSA’s disability programs to be understated for the quarters ending September 30, 2013 and March 31, 2014. The corrective action plan indicated changes were made to the accounting system to ensure accurate classification of expenditures. We recommend that SSA verify that appropriate changes were made to the accounting system to ensure accurate costs are charged to its disability programs.

Please send copies of the final Audit Clearance Document to Shannon Agee. If you have questions, contact Shannon Agee at (877) 405-7694, extension 18802 or Shannon.Agee@ssa.gov.

Patrick P. O’Carroll, Jr.

Attachment

cc:
Lynn Bernstein

---

2 Id. at finding 2014-400.
3 Id. at finding 2014-401.
MISSION

By conducting independent and objective audits, evaluations, and investigations, the Office of the Inspector General (OIG) inspires public confidence in the integrity and security of the Social Security Administration’s (SSA) programs and operations and protects them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

CONNECT WITH US

The OIG Website (http://oig.ssa.gov/) gives you access to a wealth of information about OIG. On our Website, you can report fraud as well as find the following.

- OIG news
- audit reports
- investigative summaries
- Semiannual Reports to Congress
- fraud advisories
- press releases
- congressional testimony
- an interactive blog, “Beyond The Numbers” where we welcome your comments

In addition, we provide these avenues of communication through our social media channels.

- Watch us on YouTube
- Like us on Facebook
- Follow us on Twitter
- Subscribe to our RSS feeds or email updates

OBTAIN COPIES OF AUDIT REPORTS

To obtain copies of our reports, visit our Website at http://oig.ssa.gov/audits-and-investigations/audit-reports/all. For notification of newly released reports, sign up for e-updates at http://oig.ssa.gov/e-updates.

REPORT FRAUD, WASTE, AND ABUSE

To report fraud, waste, and abuse, contact the Office of the Inspector General via

Website: http://oig.ssa.gov/report-fraud-waste-or-abuse
Mail: Social Security Fraud Hotline
      P.O. Box 17785
      Baltimore, Maryland 21235
FAX: 410-597-0118
Telephone: 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. Eastern Standard Time
TTY: 1-866-501-2101 for the deaf or hard of hearing