

**Single Audit of the Commonwealth of Massachusetts for the
Fiscal Year Ended June 30, 2018
A-77-19-00002**



April 2019

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 action.

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 is intended to assure the Government that a non-Federal entity has adequate internal controls in place, and is generally in compliance with program requirements. Non-Federal entities typically include States, local governments, Indian tribes, universities, and non-profit organizations.

KPMG LLP conducted the single audit of the Commonwealth of Massachusetts. SSA is responsible for resolving single audit findings related to its disability programs. Massachusetts Rehabilitation Commission (MRC) is the Massachusetts Disability Determination Services' (DDS) parent agency.

Findings

The single audit reported the following.

- DDS charged expenditures totaling \$2,276 to the incorrect fiscal year grant award.
- MRC did not document its cash reconciliations between its internal system and the Federal payment system.
- DDS did not maintain documentation to support unliquidated obligations, which are the monies it planned to expend after the close of the fiscal year grant award period.

Recommendations

We recommend that SSA verify:

1. DDS established appropriate procedures for charging expenditures to fiscal year grant awards.
2. MRC implemented appropriate procedures for maintaining cash reconciliations between its internal systems and the Federal payment system.
3. DDS established appropriate procedures to support reported unliquidated obligations.