

**Single Audit of the State of Minnesota for the Fiscal Year
Ended June 30, 2018
A-77-19-00007**



May 2019

Office of Audit Report Summary

Objective

To report internal control weaknesses, non-compliance 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.

Minnesota Office of the Legislative Auditor conducted the single audit of the State of Minnesota. SSA is responsible for resolving single audit findings related to its disability programs. Department of Employment and Economic Development (DEED) is the Minnesota Disability Determination Services' (DDS) parent agency.

Findings

The single audit reported DEED

- understated the hours reported on the Form SSA-4514 *Time Report of Personnel Services for Disability Determination Services* for the quarter ending March 2018 and
- did not submit vendor evaluation reports to its Department of Administration for four contracts over \$25,000 that expired during the fiscal year, as required by State statutes.

Recommendations

We recommend that SSA verify DEED established appropriate procedures for:

1. Preparing the Form SSA-4514.
2. Submitting vendor evaluation reports.