

**Single Audit of the State of Michigan for the Fiscal Year  
Ended September 30, 2019  
A-77-21-00001**



November 2020

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 complying with program requirements. Non-Federal entities typically include State and local governments, Indian tribes, universities, and nonprofit organizations.

The Michigan Office of the Auditor General conducted the single audit of the State of Michigan. SSA is responsible for resolving single audit findings related to its disability programs. The Michigan Department of Health and Human Services (MDHHS) is the Michigan Disability Determination Services' parent agency.

**Findings**

The single audit reported MDHHS' Form SSA-4514, *Time Report of Personnel Services for Disability Determination Services*, understated the hours employees worked. The report states, "[r]eporting incomplete information diminishes the Social Security Administration's ability to oversee and monitor the [Disability Insurance/Supplemental Security Income] Cluster.

MDHHS indicated it had implemented a process to ensure the hours reported on the SSA-4514 reconcile to payroll data.

**Recommendation**

We recommend SSA confirm MDHHS' process ensures the accuracy of the information reported on the SSA-4514.