

**Single Audit of the State of Arizona for the Fiscal Year Ended
June 30, 2015
A-77-16-00012**



September 2016

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

The Arizona Auditor General conducted the single audit of the State of Arizona. SSA is responsible for resolving single audit findings related to its disability programs. The Department of Economic Security (DES) is the Arizona Disability Determination Services' (DDS) parent agency.

Finding

The single audit reported that DES did not evaluate, test, or update its disaster recovery plan annually. A 2015 review reported a similar finding. In response to our recommendation, SSA stated DES maintained the system for all DES programs and therefore the DDS was not responsible for the DES system. Furthermore, SSA stated the DDS had met all Federal requirements for testing and providing its annual Disaster Recovery Plan according to SSA policy. Therefore, we are bringing this matter to your attention, but we are not making a recommendation.