



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

Management Advisory Report

Single Audit of the New Mexico
Public Education Department for the
Fiscal Year Ended June 30, 2013

A-77-14-00011 | June 2014

**Single Audit of the New Mexico Public Education Department
for the Fiscal Year Ended June 30, 2013
A-77-14-00011**



June 2014

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

Moss Adams LLP conducted the single audit of New Mexico Public Education Department. SSA is responsible for resolving single audit findings related to its Disability programs. The Division of Vocational Rehabilitation (DVR) is the New Mexico Disability Determination Services' (DDS) parent agency.

Findings

The single audit reported that DVR did not:

- Perform periodic reviews and verifications of renewals of consultative examination (CE) providers' medical licenses that expired during the period October 2011 through December 2012.
- Perform DDS grant reconciliations timely and consistently.

Recommendations

We recommend that SSA:

1. Ensure the DDS has appropriate procedures to periodically verify CE provider license renewals.
2. Ensure DVR has appropriate procedures to reconcile DDS grants timely.

MEMORANDUM

Date: June 11, 2014

Refer To:

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

From: Inspector General

Subject: Single Audit of the New Mexico Public Education Department for the Fiscal Year Ended June 30, 2013 (A-77-14-00011)

This report presents the Social Security Administration's (SSA) portion of the single audit of the New Mexico Public Education Department for the Fiscal Year (FY) ended June 30, 2013.¹ Our objective was to report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to SSA for resolution action.

Moss Adams LLP performed the audit. We have not received the results of the desk review conducted by the Department of Education (ED). We will notify you if ED determines the audit did not meet Federal requirements. In reporting the results of the single audit, we rely entirely on the internal control and compliance work performed by Moss Adams LLP and the reviews performed by ED. 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 New Mexico 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 Division of Vocational Rehabilitation (DVR) is the New Mexico DDS' parent agency.

¹ Moss Adams LLP, *State of New Mexico Public Education Department, Single Audit, June 30, 2013*.

The single audit reported DVR did not:

- Perform periodic reviews and verifications of renewals of consultative examination (CE) providers' medical licenses that expired during the period October 2011 through December 2012.² The corrective action plan indicates the DDS will verify that medical licenses are current, valid, and without sanction by checking the New Mexico Medical Board website and the Department of Health and Human Services, Office of the Inspector General, List of Excluded Individuals and Entities.
- Perform DDS grant reconciliations timely and consistently.³ The corrective action plan indicates that DVR's Budget and Grants Management Unit will begin DDS daily drawdowns and monthly grant reconciliations.

We recommend that SSA:

1. Ensure the DDS has appropriate procedures to periodically verify CE provider license renewals.
2. Ensure DVR has appropriate procedures to reconcile DDS grants timely.

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 DVR 2013-05.

³ Id. at finding DVR 2013-01.

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