

Single Audit of the Commonwealth of Virginia for the Fiscal Year Ended June 30, 2019

A-77-20-00002



March 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. The audit 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 State and local governments, Indian tribes, universities, and nonprofit organizations.

The Virginia Auditor of Public Accounts conducted the single audit of the Commonwealth of Virginia. SSA is responsible for resolving single audit findings related to its disability programs. The Department of Health and Human Resources is the Virginia Disability Determination Services' parent agency. The Department for Aging and Rehabilitation Services (DARS), within the Department of Health and Human Resources, oversees the Virginia Disability Determination Services, which performs disability determinations for SSA programs.

Findings

DARS did not have documentation that management reviewed the fee schedule used to pay consultative examination providers. Further, DARS did not have documentation that management reviewed consultative examination providers to ensure they were not suspended or debarred from participating in Federal programs. The corrective action outlined plans for training to ensure staff properly documents management reviews.

In addition, the single audit reported DARS did not ensure a third-party service provider who managed and maintained an outsourced information technology system had a secure environment to protect its sensitive and mission-critical data. The corrective action plan indicated DARS will require that third-party service providers annually submit system and organizational control reports.

Recommendations

We recommend SSA confirm DARS:

1. Established appropriate procedures to document required management reviews of consultative examination providers.
2. Implemented reviews of third-party service providers' system and organizational control reports to ensure protection of sensitive data.