

Single Audit of the State of Texas for the Fiscal Year Ended August 31, 2020 A-77-21-00002



April 2021

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 in compliance with program requirements. Non-Federal entities typically include State and local governments, Indian tribes, universities, and nonprofit organizations.
Clifton Larson Allen LLP conducted the single audit of the State of Texas. SSA is responsible for resolving single audit findings related to its disability programs. The Health and Human Services Commission (HHSC) is the Texas Disability Determination Services' parent agency.

Findings

The single audit reported HHSC did not

- comply with its information security policy regarding password reuse configurations or
- ensure user access rights to the Centralized Accounting and Payroll/Personnel System – Financials and Human Capital Management systems were appropriate based on user roles and employment status.

The single audit also reported HHSC does not have effective internal controls over its Public Assistance Cost Allocation Plan expenditures and revenues.

The Department of Health and Human Services will ensure these findings are resolved on the Government's behalf. Therefore, we are bringing these issues to SSA's attention, but we are not making recommendations.