

Report Summary

Social Security Administration Office of the Inspector General

February 2012



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 Indiana State Board of Accounts performed the single audit of the State of Indiana and the Arizona Auditor General performed the single audit of the State of Arizona. SSA is responsible for resolving single audit findings related to its Disability Insurance and Supplemental Security Income programs. The Family and Social Services Administration (FSSA) is the Indiana Disability Determination Bureau's parent agency and the Department of Economic Security (DES) is the Arizona Disability Determination Services' (AZ-DDS) parent agency.

To view the full reports, visit <http://oig.ssa.gov/audits-and-investigations/audit-reports/A-77-12-00003>

<http://oig.ssa.gov/audits-and-investigations/audit-reports/A-77-12-00004>

Management Advisory Reports: Single Audits of the State of Indiana (A-77-12-00003) and the State of Arizona (A-77-12-00004) for the Fiscal Years Ended June 30, 2010

Our Findings

The single audit of the State of Indiana reported errors in the Schedule of Federal Financial Assistance (SFFA) report totaling \$134 million for various Federal programs, including the Disability Insurance (DI) program.

The single audit of the State of Arizona reported that (1) DES incorrectly allocated capital expenditures of \$19,967 to various Federal programs, including SSA, as an indirect cost, (2) AZ-DDS overpaid its telecommunications vendor approximately \$191,709 from October 2000 through August 2010, and (3) AZ-DDS did not maintain documentation of its determination that vendors have not been suspended or debarred from doing business with the Federal Government.

Our Recommendations

For the State of Indiana, we recommend that SSA verify with FSSA that correct DI program expenditures were reported on the SFFA.

For the State of Arizona, we recommend that SSA (1) verify it received reimbursement for the unallowable indirect costs allocated to the DI program, (2) ensure AZ-DDS puts adequate procedures in place for reviewing vendor invoices, (3) request a refund of \$191,709 for the unallowable telecommunication expenses charged to the DI program from October 2000 through August 2010, and (4) verify that AZ-DDS maintains appropriate suspension and debarment documentation.