



# Office of the Inspector General

## SOCIAL SECURITY ADMINISTRATION

### MEMORANDUM

**Date:** January 22, 2026

**Refer To:** 772608

**To:** Amy Gao  
Director  
Audit Liaison Staff

**From:** Michelle L. Anderson *Michelle L. Anderson*  
Assistant Inspector General for Audit

**Subject:** Single Audit of the State of Illinois for the Fiscal Year Ended June 30, 2023

This memorandum presents the Social Security Administration's (SSA) portion of the single audit of the State of Illinois for the Fiscal Year ended June 30, 2023.<sup>1</sup> The firm KPMG LLP conducted the audit. Our objective was to report internal control weaknesses, noncompliance issues, and unallowable costs identified in the single audit to SSA for resolution.

### BACKGROUND

A single audit is an organization-wide financial statement and Federal awards audit of a non-Federal entity that expends \$1 million 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.

For single audit purposes, the General Services Administration maintains a list of all Federal programs in the Federal Assistance Listing. SSA's Disability Insurance and Supplemental Security Income programs are identified under listing number 96. SSA is responsible for resolving single audit findings reported under this listing number.

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<sup>1</sup> *State of Illinois Single Audit Report for the Year Ended June 30, 2023* (September 15, 2025).

The Illinois Disability Determination Services (DDS) performs disability determinations under SSA's Disability Insurance and Supplemental Security Income programs in accordance with Federal regulations. SSA reimburses the DDS for 100 percent of allowable costs. The Illinois Department of Human Services (IDHS) is the Illinois DDS' parent agency.

## **RESULTS**

The single audit found IDHS did not accurately report Federal expenditures under multiple Federal programs, including SSA's. Specifically, expenditures in IDHS financial records did not agree with amounts reported to the Illinois Office of Comptroller on the Schedule of Expenditure of Federal Awards (SEFA).<sup>2</sup> For SSA's programs, IDHS reported approximately \$939,000 more on the SEFA than reported in its financial records. This occurred because IDHS used different reporting methodologies for its financial records and the SEFA. While the single audit did not identify incorrect expenditures, inaccurate reporting may result in the suspension of IDHS' Federal funding. To address the finding, IDHS created a spreadsheet with expenditure data that compared Illinois Office of Comptroller to the IDHS expenditure data. IDHS will identify and research any discrepancies.

## **RECOMMENDATION**

We recommend that SSA work with IDHS to ensure it accurately charges expenditures related to SSA programs.

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards requires that Federal awarding agencies issue a management decision letter on single audit findings within 6 months of acceptance of the audit report by the Federal Audit Clearinghouse. The Federal Audit Clearinghouse accepted the single audit of the State of Illinois on September 22, 2025.

Please send copies of the final Audit Clearance Document to [OIG.Audit.Division.7@ssa.gov](mailto:OIG.Audit.Division.7@ssa.gov).

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<sup>2</sup> *State of Illinois Single Audit Report for the Year Ended June 30, 2023* (September 15, 2025), Finding 2023-012. This finding was included in the *State of Illinois Single Audit Report for the Year Ended June 30, 2022* (December 18, 2023) but it did not identify SSA as an affected program.