



# Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

## MEMORANDUM

**Date:** January 27, 2026

**Refer To:** 772609

**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 Oklahoma 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 Oklahoma for the Fiscal Year Ended June 30, 2023.<sup>1</sup> The Oklahoma State Auditor and Inspector 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 the non-Federal entity has adequate internal controls in place and is generally complying 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.

The Oklahoma 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.

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<sup>1</sup> Oklahoma Office of the State Auditor and Inspector, *State of Oklahoma Single Audit Report for the Fiscal Year Ended June 30, 2023* (July 24, 2025).

The Oklahoma Department of Rehabilitation Services (OKDRS) is the Oklahoma DDS' parent agency.

## RESULTS

The single audit reported OKDRS did not maintain the verification date, name of the verifying employee, and verification source in the master listing of consultative examination providers. In addition, OKDRS did not document its verification of medical and psychological consultant providers via the System of Award Management website (SAM.gov). Finally, OKDRS did not meet SSA's requirement for maintaining provider records for 6 years.<sup>2</sup> Without maintaining documentation of consultative examination providers' and medical and psychological consultants' licensure, SSA is at risk of using a provider that is not currently licensed to practice in the state or barred from providing services for Federal programs. In response to the single audit, OKDRS plans to work with the DDS to update the master list of consultative examination providers and establish an official process for documenting license verifications.

In addition, the single audit reported the Oklahoma Office of Management and Enterprise Services (OMES) did not have adequate controls, including policies and procedures, to ensure the state properly executed Federal grants, which could affect multiple Federal agencies.<sup>3</sup> Starting in state Fiscal Year (SFY) 2019, OMES initiated a pilot program that placed vendors on a state-wide contract and no longer required that they competitively bid their services. In SFYs 2022 and 2023, the state added vendors to the pilot program that were receiving Federal funds. OMES did not have written policies and procedures for any state-wide contracting pilot programs to describe how these contracts would be executed to meet both Federal and state laws. Because there were no written policies, there was no way to ensure the state properly vetted vendors and determined how OMES conducted its evaluation process relevant to the scope of services and contract price.

In response to the single audit, OMES stated it provided state agencies with procedures and guidance related to the pilot program to assist agencies in ordering off state-wide contracts and understanding the requirements of spending Federal funds. Further, OMES reiterated that recipients of Federal funds are ultimately charged with ensuring and documenting compliance with specific requirements under the Federal award.

## RECOMMENDATIONS

We recommend SSA:

1. Ensure the DDS established appropriate procedures to verify and document medical providers' licensing status.
2. Work with OKDRS to ensure any contracts paid with Federal funds to support the services the DDS provides SSA adhere to Federal requirements.

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<sup>2</sup> Oklahoma Office of the State Auditor and Inspector, *State of Oklahoma Single Audit Report for the Fiscal Year Ended June 30, 2023* (September 4, 2024). Finding 2023-200.

<sup>3</sup> Oklahoma Office of the State Auditor and Inspector, *State of Oklahoma Single Audit Report for the Fiscal Year Ended June 30, 2023* (September 4, 2024). Finding 2023-109.

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 Oklahoma on September 23, 2025. If you have questions, contact [OIG.Audit.Division.7@ssa.gov](mailto:OIG.Audit.Division.7@ssa.gov).