



# Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

## *Management Advisory Report*

### Single Audit of the State of Vermont for the Fiscal Year Ended June 30, 2020

*A-77-22-00001 | October 2021*

# Single Audit of the State of Vermont for the Fiscal Year Ended June 30, 2020

## A-77-22-00001



October 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.

### 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 assures the Government that a non-Federal entity maintains adequate internal controls and generally complies with program requirements. Non-Federal entities typically include State and local governments, Indian tribes, universities, and nonprofit organizations.

The firm CliftonLarsonAllen LLP conducted the single audit of the State of Vermont. SSA is responsible for resolving single audit findings related to its disability programs. The Agency of Human Services is the Vermont Disability Determination Services' (DDS) parent agency.

### Finding

The DDS incorrectly reported the allocation of supervisor and examiner hours on the Form SSA-4514, *Time Report of Personnel Services for Disability Determination Services*, for the quarter ended December 31, 2019. The DDS implemented processes to prevent these errors in the future. In addition, the DDS corrected hours reported on the SSA-4514 and resubmitted the Form on October 29, 2020. Therefore, we are not making a recommendation in this report.



# Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

## MEMORANDUM

**Date:** October 25, 2021

**Refer To:** A-77-22-00001

**To:** Nancy Berryhill  
Acting Deputy Commissioner  
for Analytics, Review and Oversight

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

**Subject:** Single Audit of the State of Vermont for the Fiscal Year Ended June 30, 2020

This report presents the Social Security Administration's (SSA) portion of the single audit of the State of Vermont for the Fiscal Year ended June 30, 2020.<sup>1</sup> The firm CliftonLarsonAllen 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 \$750,000 or more in Federal funds in 1 year. It assures the Government that a non-Federal entity maintains adequate internal controls and generally complies with program requirements. Non-Federal entities typically include State and local governments, Indian tribes, universities, and nonprofit organizations.

For single audit purposes, the Office of Management and Budget assigns Federal programs a Catalog of Federal Domestic Assistance (CFDA) number. CFDA number 96 identifies SSA's Disability Insurance and Supplemental Security Income programs. SSA is responsible for resolving single audit findings reported under this CFDA number.

The Vermont 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 Agency of Human Services is the Vermont DDS' parent agency.

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<sup>1</sup> *State of Vermont Uniform Guidance Single Audit Report Year Ended June 30, 2020* (December 29, 2020).

## RESULTS

The DDS incorrectly reported the allocation of supervisor and examiner hours on the Form SSA-4514, *Time Report of Personnel Services for Disability Determination Services*, for the quarter ended December 31, 2019.<sup>2</sup> The error resulted from inaccurate manual inputs into the spreadsheet used to calculate total hours. In addition, this was the recently hired supervisor's first review of an SSA-4514, and the supervisor did not catch the error. According to the corrective action plan, the DDS changed the way it summarized staff hours to reduce errors thereby ensuring the same error will not occur in the future. Further, the DDS added a managerial review step after the supervisor review to ensure the accuracy of all formulas and manual entries before it submits the SSA-4514. The DDS submitted a corrected SSA-4514 on October 29, 2020. Because the DDS took corrective action to address this finding, we are not making a recommendation in this report.

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards requires that Federal awarding agencies issue a management decision on 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 Vermont on October 6, 2021.

If you have questions, contact [OIG.Audit.Kansas.City@ssa.gov](mailto:OIG.Audit.Kansas.City@ssa.gov).

Attachment

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<sup>2</sup> See Footnote 1, Finding 2020-016.



**Mission:**

The Social Security Office of the Inspector General (OIG) serves the public through independent oversight of SSA's programs and operations.

**Report:**

Social Security-related scams and Social Security fraud, waste, abuse, and mismanagement, at [oig.ssa.gov/report](https://oig.ssa.gov/report).

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