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**PROGRAM SPECIFIC AUDIT OF THE SOCIAL SECURITY AND  
DISABILITY INSURANCE CLUSTER  
MISSISSIPPI DEPARTMENT OF REHABILITATION SERVICES  
(A DEPARTMENT OF THE STATE OF MISSISSIPPI)  
YEAR ENDED JUNE 30, 2022**



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Mississippi Department of Rehabilitation Services  
(A Department of the State of Mississippi)  
Madison, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Schedule of Expenditures of Federal Awards (SEFA) for the Social Security and Disability Insurance Cluster of the Mississippi Department of Rehabilitation Services (MDRS), a Department of the State of Mississippi, as of and for the year ended June 30, 2022, and the related notes to the Schedule, which collectively comprise the Department's basic Schedule, and have issued our report thereon dated July 20, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the Schedule, we considered the MDRS' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the MDRS' internal control. Accordingly, we do not express an opinion on the effectiveness the MDRS' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's Schedule will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the MDRS' Schedule is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the Schedule. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
July 20, 2023



## **INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

### **Report on the Audit of the Schedule of Expenditures of Federal Award**

#### ***Opinion***

We have audited the accompanying Schedule of Expenditures of Federal awards (the Schedule) for the Social Security and Disability Insurance Cluster of the Mississippi Department of Rehabilitation Services (MDRS), a Department of the State of Mississippi, for the year ended June 30, 2022, and the related notes to the Schedule.

In our opinion, the Schedule presents fairly, in all material respects, the expenditures of federal awards for the Social Security and Disability Insurance Cluster of MDRS for the year ended June 30, 2022, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of MDRS, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Schedule***

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Schedule that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' Responsibilities for the Audit of the Schedule***

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.


In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Uniform Guidance we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MDRS' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2023, on our consideration of the Schedule of MDRS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MDRS' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MDRS' internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
July 20, 2023





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR A  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
WHEN USING THE PROGRAM SPECIFIC OPTION TO SATISFY THE  
UNIFORM GUIDANCE REQUIREMENTS**

Mississippi Department of Rehabilitation Services  
(A Department of the State of Mississippi)  
Madison, Mississippi

**Report on Compliance for Social Security and Disability Insurance Cluster**

**Opinion on Compliance for the Social Security and Disability Insurance Cluster**

We have audited Mississippi Department of Rehabilitation Services' (MDRS), a Department of the State of Mississippi, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Social Security and Disability Insurance Cluster for the year ended June 30, 2022,

In our opinion, MDRS complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Social Security and Disability Insurance Cluster for the year ended June 30, 2022.

***Basis for Opinion on Social Security and Disability Insurance Cluster***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the MDRS and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Social Security and Disability Insurance Cluster. Our audit does not provide a legal determination of the MDRS' compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Social Security and Disability Insurance Cluster.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on MDRS' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance of the Social Security and Disability Insurance Cluster.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding MDRS' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of MDRS' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of MDRS' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Mississippi Department of Rehabilitation Services  
(A Department of the State of Mississippi)

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
July 20, 2023

**MISSISSIPPI DEPARTMENT OF REHABILITATION SERVICES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

Federal Grantor, Program, or Cluster Title	Federal Assistance Listing Number	Federal Expenditures	Subrecipient Expenditures
<b>Social Security Administration</b>			
Social Security and Disability Insurance Cluster	96.001	\$ 24,702,721	\$ -
Total Social Security and Disability Insurance Cluster		<u>24,702,721</u>	<u>-</u>
Total Social Security Administration		<u>24,702,721</u>	<u>-</u>
 Total		 <u>\$ 24,702,721</u>	 <u>\$ -</u>

*See accompanying Notes to the Schedule of Expenditures of Federal Awards*

**MISSISSIPPI DEPARTMENT OF REHABILITATION SERVICES**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2022**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards for the Social Security and Disability Insurance Cluster (the Schedule) includes the federal grant activity for the Social Security and Disability Insurance Cluster reported in the schedule. The program was selected for audit by the Office of the State Auditor and do not represent all of the federal expenditures of Mississippi Department of Rehabilitation Services (MDRS). The Schedule is presented on an accrual basis of accounting in accordance with *Generally Accepted Accounting Principles*.

The information in this Schedule is also presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic Schedule.

Expenditures of the Social Security and Disability Insurance Cluster are made for the purposes specified by the grantor and are subject to certain restrictions. Expenditures are also subject to audit by the relevant federal agency. In the opinion of management, disallowed costs, if any, from such audits will not have a material effect on this Schedule or the financial position of MDRS.

**NOTE 2 INDIRECT COSTS**

MDRS did not elect to use the 10% de minimis cost rate for indirect costs.

**MISSISSIPPI DEPARTMENT OF REHABILITATION SERVICES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

***Schedule of Expenditures of Federal Awards***

- |  |   |   |  |
|--|---|---|--|
| 1. Type auditors' report issued:   | Unmodified  |   |  |
| 2. Internal control over financial reporting:  |   |   |  |
| <ul style="list-style-type: none"> <li>● Material weakness(es) identified?</li> <li>● Significant deficiency(ies) identified that are not considered to be material weakness(es)?</li> </ul> | <div style="text-align: right;">_____ yes</div> <div style="text-align: right;">_____ yes</div> | <div style="text-align: center;">X</div> <div style="text-align: center;">X</div> | <div style="text-align: right;">no</div> <div style="text-align: right;">none reported</div> |
| 3. Noncompliance material to the Schedule noted?   | <div style="text-align: right;">_____ yes</div>   | <div style="text-align: center;">X</div>  | <div style="text-align: right;">no</div>   |

***Federal Awards***

- |  |   |   |  |
|--|---|---|--|
| 1. Internal control over federal program:  |   |   |  |
| <ul style="list-style-type: none"> <li>● Material weakness(es) identified?</li> <li>● Significant deficiency(ies) identified that are not considered to be material weakness(es)?</li> </ul> | <div style="text-align: right;">_____ yes</div> <div style="text-align: right;">_____ yes</div> | <div style="text-align: center;">X</div> <div style="text-align: center;">X</div> | <div style="text-align: right;">no</div> <div style="text-align: right;">none reported</div> |
| 2. Type of auditor's report issued on compliance for major federal program:  | Unmodified  |   |  |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?   | <div style="text-align: right;">_____ yes</div>   | <div style="text-align: center;">X</div>  | <div style="text-align: right;">no</div>   |

***Identification of Federal Program***

**ALN Number(s)**

96.001, 96.006

**Name of Federal Program or Cluster**

Social Security and Disability Insurance Cluster

**MISSISSIPPI DEPARTMENT OF REHABILITATION SERVICES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(CONTINUED)  
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**PROGRAM SPECIFIC AUDIT OF THE REHABILITATION SERVICES-  
VOCATIONAL REHABILITATION - GRANTS TO STATES OF THE  
MISSISSIPPI DEPARTMENT OF REHABILITATION SERVICES  
(A DEPARTMENT OF THE STATE OF MISSISSIPPI)  
YEAR ENDED JUNE 30, 2022**



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Mississippi Department of Rehabilitation Services  
(A Department of the State of Mississippi)  
Madison, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Schedule of Expenditures of Federal Awards (SEFA) for the Rehabilitation Services - Vocational Rehabilitation Grants to States of the Mississippi Department of Rehabilitation Services (MDRS), a Department of the State of Mississippi, as of and for the year ended June 30, 2022, and the related notes to the Schedule, which collectively comprise the Department's basic Schedule, and have issued our report thereon dated July 20, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the Schedule, we considered the MDRS' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the MDRS' internal control. Accordingly, we do not express an opinion on the effectiveness the MDRS' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's Schedule will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the MDRS' Schedule is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the Schedule. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
July 20, 2023



## **INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

### **Report on the Audit of the Schedule of Expenditures of Federal Award**

#### ***Opinion***

We have audited the accompanying Schedule of Expenditures of Federal awards (the Schedule) for the Rehabilitation Services - Vocational Rehabilitation Grants to States of the Mississippi Department of Rehabilitation Services (MDRS), a Department of the State of Mississippi, for the year ended June 30, 2022, and the related notes to the Schedule.

In our opinion, the Schedule presents fairly, in all material respects, the expenditures of federal awards for the Rehabilitation Services - Vocational Rehabilitation Grants to States of MDRS for the year ended June 30, 2022, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of MDRS, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Schedule***

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Schedule that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' Responsibilities for the Audit of the Schedule***

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Uniform Guidance we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MDRS' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2023, on our consideration of the Schedule of MDRS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MDRS' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MDRS' internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
July 20, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR A  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
WHEN USING THE PROGRAM SPECIFIC OPTION TO SATISFY THE  
UNIFORM GUIDANCE REQUIREMENTS**

Mississippi Department of Rehabilitation Services  
(A Department of the State of Mississippi)  
Madison, Mississippi

**Report on Compliance for Rehabilitation Services - Vocational Rehabilitation Grants to States**

**Opinion on Compliance for the Rehabilitation Services - Vocational Rehabilitation Grants to States**

We have audited Mississippi Department of Rehabilitation Services' (MDRS), a Department of the State of Mississippi, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Rehabilitation Services - Vocational Rehabilitation Grants to States for the year ended June 30, 2022,

In our opinion, MDRS complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Rehabilitation Services - Vocational Rehabilitation Grants to States for the year ended June 30, 2022.

***Basis for Opinion on Rehabilitation Services - Vocational Rehabilitation Grants to States***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the MDRS and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Rehabilitation Services - Vocational Rehabilitation Grants to States. Our audit does not provide a legal determination of the MDRS' compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Rehabilitation Services - Vocational Rehabilitation Grants to States.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on MDRS' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance of the Rehabilitation Services - Vocational Rehabilitation Grants to States.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding MDRS' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of MDRS' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of MDRS' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

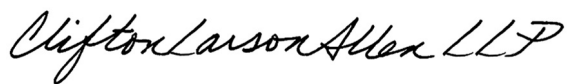
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Mississippi Department of Rehabilitation Services  
(A Department of the State of Mississippi)

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
July 20, 2023



**MISSISSIPPI DEPARTMENT OF REHABILITATION SERVICES  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

Federal Grantor, Program, or Cluster Title	Federal Assistance Listing Number	Federal Expenditures	Subrecipient Expenditures
<b>U.S. Department of Education</b>			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	\$ 52,130,727	\$ -
Total		<u>\$ 52,130,727</u>	<u>\$ -</u>

*See accompanying Notes to the Schedule of Expenditures of Federal Awards*

**MISSISSIPPI DEPARTMENT OF REHABILITATION SERVICES**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2022**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards for the Rehabilitation Services - Vocational Rehabilitation Grants to States (the Schedule) includes the federal grant activity for the Rehabilitation Services - Vocational Rehabilitation Grants to States reported in the schedule. The program was selected for audit by the Office of the State Auditor and do not represent all of the federal expenditures of Mississippi Department of Rehabilitation Services (MDRS). The Schedule is presented on an accrual basis of accounting in accordance with *Generally Accepted Accounting Principles*.

The information in this Schedule is also presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the basic Schedule.

Expenditures of the Rehabilitation Services - Vocational Rehabilitation Grants to States are made for the purposes specified by the grantor and are subject to certain restrictions. Expenditures are also subject to audit by the relevant federal agency. In the opinion of management, disallowed costs, if any, from such audits will not have a material effect on this Schedule or the financial position of MDRS.

**NOTE 2 INDIRECT COSTS**

MDRS did not elect to use the 10% de minimis cost rate for indirect costs.

**MISSISSIPPI DEPARTMENT OF REHABILITATION SERVICES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

***Schedule of Expenditures of Federal Awards***

1. Type auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes      X   none reported
3. Noncompliance material to the Schedule noted? \_\_\_\_\_ yes      X   no

***Federal Awards***

1. Internal control over federal program:
- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
  - Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes      X   none reported
2. Type of auditor's report issued on compliance for major federal program: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)? \_\_\_\_\_ yes      X   no

***Identification of Federal Program***

**ALN Number(s)**

84.126

**Name of Federal Program or Cluster**

Rehabilitation Services -Vocational  
Rehabilitation Grants to States

**MISSISSIPPI DEPARTMENT OF REHABILITATION SERVICES  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(CONTINUED)  
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).