

**WEST  
VIRGINIA**

**Single  
Audit**

*For The Year Ended June 30, 2014*

CSG

# ***STATE OF WEST VIRGINIA SINGLE AUDIT***

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***AUDITORS'***  
***REPORTS***

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**Report of Independent Auditors 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***

The Honorable Earl Ray Tomblin, Governor  
of the State of West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the State of West Virginia as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the State of West Virginia's basic financial statements, and have issued our report thereon dated March 31, 2015. Our report includes a reference to other auditors who audited the financial statements of certain entities within the governmental activities, the business-type activities, the aggregate discretely presented component units, certain major funds, and the aggregate remaining fund information as described in our report on the State of West Virginia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the West Virginia Investment Management Board were not audited in accordance with *Government Auditing Standards*, and the following discretely presented component units of the Higher Education Fund discretely presented component unit: Bluefield State College Foundation, Inc.; Bluefield State College Research and Development Corporation; Concord University Foundation, Inc.; Fairmont State Foundation, Inc.; Glenville State College Foundation, Inc.; Marshall University Foundation, Inc.; New River Community and Technical College Foundation, Inc.; Provident Group-Marshall Properties, LLC; Shepherd University Foundation, Inc.; Southern West Virginia Community College Foundation, Inc.; West Liberty University Foundation, Inc.; West Virginia Northern Community College Foundation, Inc.; West Virginia School of Osteopathic Medicine Foundation, Inc.; West Virginia State University Foundation, Inc.; and WVU at Parkersburg Foundation, Inc. were audited by other auditors and were not performed in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the State of West Virginia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of West Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of West Virginia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs designated as items 2014-002, 2014-003, 2014-004 and 2014-005 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2014-001 to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the State of West Virginia's financial statements are free of 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 determination of financial statement amounts. 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*.

### **The State of West Virginia's Response to Findings**

The State of West Virginia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The State of West Virginia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 result of that testing, and not to provide an opinion on 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.



March 31, 2015  
Charleston, West Virginia



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## **Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

The Honorable Earl Ray Tomblin, Governor  
of the State of West Virginia

### **Report on Compliance for Each Major Federal Program**

We have audited the State of West Virginia's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the State of West Virginia's major federal programs for the year ended June 30, 2014. The State of West Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The State of West Virginia's basic financial statements include the operations of the Housing Development Fund, the West Virginia University Research Corporation, the West Virginia State Research Corporation, Marshall University Research Corporation, and West Virginia Drinking Water Treatment Revolving Fund which expended \$286,315,238 in federal awards which are not included in the schedule of expenditures of federal awards during the year ended June 30, 2014. Our audit, described below, did not include the operations of these discretely presented component units and proprietary fund, because these entities engaged other auditors to perform an audit in accordance with OMB Circular A-133.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on each of the State of West Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State of West Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the State of West Virginia's compliance with those requirements.

***Basis for Qualified Opinion on Broadband Technology Opportunities Program (BTOP), Student Financial Assistance Cluster, Low-Income Home Energy Assistance, Adoption Assistance, and Children’s Health Insurance Program (CHIP)***

As described in the accompanying schedule of findings and questioned costs, the State of West Virginia did not comply with requirements regarding the following:

<b>Finding Number</b>	<b>CFDA Number</b>	<b>Program or Cluster Name</b>	<b>Compliance Requirement</b>
2014-006	ARRA-11.557	Broadband Technology Opportunities Program (BTOP)	Procurement and Suspension and Debarment
2014-009	84.007/84.033/84.038/84.063/ 84.268/84.379/93.264/93.342/ 93.364	Student Financial Assistance Cluster	Activities Allowed/Unallowed, Eligibility, Period of Availability; Reporting; Special Tests and Provisions
2014-010	84.007/84.033/84.038/84.063/ 84.268/84.379/93.264/93.342/ 93.364	Student Financial Assistance Cluster	Special Tests and Provisions – Disbursements to or on Behalf of Students
2014-013	84.007/84.033/84.038/84.063/ 84.268/84.379/93.264/93.342/ 93.364	Student Financial Assistance Cluster	Special Tests and Provisions – Borrower Data Transmission and Reconciliation
2014-021	93.568	Low-Income Home Energy Assistance	Allowable Costs/Cost Principles and Eligibility
2014-024	93.659	Adoption Assistance	Eligibility
2014-026	93.767	Children’s Health Insurance Program (CHIP)	Eligibility

Compliance with such requirements is necessary, in our opinion, for the State of West Virginia to comply with the requirements applicable to those programs.

***Qualified Opinion on Broadband Technology Opportunities Program (BTOP), Student Financial Assistance Cluster, Low-Income Home Energy Assistance, Adoption Assistance, and Children’s Health Insurance Program (CHIP)***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State of West Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Broadband Technology Opportunities Program (BTOP), Student Financial Assistance Cluster, Low-Income Home Energy Assistance, Adoption Assistance, and Children’s Health Insurance Program (CHIP) for the year ended June 30, 2014.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the State of West Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs that are identified in the summary of auditors results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2014.

***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with OMB Circular A-133, and which are described in the accompanying schedule of findings and questioned costs as items:

<b>Finding Number</b>	<b>CFDA Number</b>	<b>Program or Cluster Name</b>	<b>Compliance Requirement</b>
2014-007	17.225	Unemployment Insurance	Eligibility
2014-011	84.007/84.033/84.038/84.063/ 84.268/84.379/93.264/93.342/ 93.364	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting
2014-012	84.007/84.033/84.038/84.063/ 84.268/84.379/93.264/93.342/ 93.364	Student Financial Assistance Cluster	Special Tests and Provisions – Loan Repayments
2014-014	84.027/84.173	Special Education Cluster	Matching, Level of Effort and Earmarking
2014-015	84.126	Vocational Rehabilitation	Allowable Costs/Cost Principles
2014-017	93.558; 93.775/93.777/93.778 and ARRA-93.778; 93.568; 93.575/93.596; 93.563; 93.658; 93.659; 93.667; 10.551/10.561; 10.557	Temporary Assistance for Needy Families (TANF); Medicaid Cluster; Low-Income Home Energy Assistance; Child Care Cluster; Child Support Enforcement; Foster Care – Title IV-E; Adoption Assistance; Social Services Block Grant; SNAP Cluster; WIC – Special Supplemental Nutrition	Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Period of Availability
2014-018	93.558	Temporary Assistance for Needy Families (TANF)	Special Tests and Provisions
2014-020	93.568	Low-Income Home Energy Assistance	Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Eligibility
2014-025	93.667	Social Services Block Grant	Matching, Level of Effort, Earmarking

Our opinion on each major federal program is not modified with respect to these matters.

The State of West Virginia’s responses to the noncompliance findings identified in our audit are described in the accompanying corrective action plan. The State of West Virginia’s responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

Management of the State of West Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the State of West Virginia’s internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of West Virginia’s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as listed below to be material weaknesses.

<b>Finding Number</b>	<b>CFDA Number</b>	<b>Program or Cluster Name</b>	<b>Compliance Requirement</b>
2014-006	ARRA-11.557	Broadband Technology Opportunities Program (BTOP)	Procurement and Suspension and Debarment
2014-008	66.458	Clean Water State Revolving Fund	Reporting

<b>Finding Number</b>	<b>CFDA Number</b>	<b>Program or Cluster Name</b>	<b>Compliance Requirement</b>
2014-009	84.007/84.033/84.038/84.063/ 84.268/84.379/93.264/93.342/ 93.364	Student Financial Assistance Cluster	Activities Allowed/Unallowed; Eligibility; Period of Availability; Reporting; Special Tests and Provisions
2014-010	84.007/84.033/84.038/84.063/ 84.268/84.379/93.264/93.342/ 93.364	Student Financial Assistance Cluster	Special Tests and Provisions – Disbursements to or on Behalf of Students
2014-011	84.007/84.033/84.038/84.063/ 84.268/84.379/93.264/93.342/ 93.364	Student Financial Assistance Cluster	Special Tests and Provisions – Enrollment Reporting
2014-013	84.007/84.033/84.038/84.063/ 84.268/84.379/93.264/93.342/ 93.364	Student Financial Assistance Cluster	Special Tests and Provisions – Borrower Data Transmission and Reconciliation
2014-014	84.027/84.173	Special Education Cluster	Matching, Level of Effort and Earmarking
2014-015	84.126	Vocational Rehabilitation	Allowable Costs/Cost Principles
2014-016	93.558; 93.775/93.777/93.778 and ARRA-93.778; 93.568; 93.575/93.596; 93.658; 93.659; 10.551/10.561	Temporary Assistance for Needy Families (TANF); Medicaid Cluster; Low-Income Home Energy Assistance; Child Care Cluster; Foster Care – Title IV-E; Adoption Assistance; SNAP Cluster; Children’s Health Insurance Program (CHIP)	Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Eligibility; Period of Availability and Special Tests and Provisions
2014-018	93.558	Temporary Assistance for Needy Families (TANF)	Special Tests and Provisions
2014-019	93.558	Temporary Assistance for Needy Families (TANF)	Special Tests and Provisions
2014-021	93.568	Low-Income Home Energy Assistance	Allowable/Cost Principles; Eligibility

<b>Finding Number</b>	<b>CFDA Number</b>	<b>Program or Cluster Name</b>	<b>Compliance Requirement</b>
2014-022	93.596/93.575	Child Care Cluster	Special Tests and Provisions
2014-024	93.659	Adoption Assistance	Eligibility
2014-025	93.667	Social Services Block Grant	Matching, Level of Effort, and Earmarking
2014-026	93.767	Children’s Health Insurance Program (CHIP)	Eligibility

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, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as listed below to be significant deficiencies.

<b>Finding Number</b>	<b>CFDA Number</b>	<b>Program or Cluster Name</b>	<b>Compliance Requirement</b>
2014-007	17.225	Unemployment Insurance	Eligibility
2014-012	84.007/84.033/84.038/84.063/ 84.268/84.379/93.264/93.342/ 93.364	Student Financial Assistance Cluster	Special Tests and Provisions – Loan Repayments
2014-017	93.558; 93.775/93.777/93.778 and ARRA-93.778; 93.568; 93.575/93.596; 93.563; 93.658; 93.659; 93.667; 10.551/10.561; 10.557	Temporary Assistance for Needy Families (TANF); Medicaid Cluster; Low-Income Home Energy Assistance; Child Care Cluster; Foster Care – Title IV-E; Adoption Assistance; SNAP Cluster	Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Period of Availability
2014-020	93.568	Low-Income Home Energy Assistance	Activities Allowed or Unallowed; Allowable Cost/Cost Principles; Eligibility
2014-023	93.658	Foster Care – Title IV-E	Special Tests and Provisions

The State of West Virginia’s responses to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. The State of West Virginia’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the State of West Virginia as of and for the year ended June 30, 2014, and have issued our report thereon dated March 31, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Ernst + Young LLP*

May 11, 2015  
Charleston, West Virginia



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***SCHEDULE OF  
EXPENDITURES  
OF FEDERAL  
AWARDS***

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STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARD  
FEDERAL GRANTOR LISTING  
FOR THE YEAR ENDING JUNE 30, 2014

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
<b><u>OFFICE OF DRUG CONTROL POLICY</u></b>				
G13AP0001A	APPALACHIAN HIDTA (NOTE 4)	\$322,575	\$0	\$322,575
G14AP0001A	APPALACHIAN HIDTA (NOTE 4)	\$77,190	\$0	\$77,190
<b><u>TOTAL OFFICE OF DRUG CONTROL POLICY</u></b>		<b><u>\$399,765</u></b>	<b><u>\$0</u></b>	<b><u>\$399,765</u></b>
<b><u>DEPARTMENT OF AGRICULTURE</u></b>				
	PLANT AND ANIMAL DISEASE, PEST CONTROL, AND ANIMAL			
10.025	CARE	\$468,747	\$0	\$468,747
10.170	SPECIALITY CROP BLOCK GRANT PROGRAM - FARM BILL	\$76,640	\$103,245	\$179,885
10.171	ORGANIC CERTIFICATION COST SHARE PROGRAMS	\$3,602	\$0	\$3,602
	GRANTS FOR AGRICULTURAL RESEARCH-COMPETITIVE			
10.206	RESEARCH GRANTS	\$2,871	\$0	\$2,871
10.207	ANIMAL HEALTH AND DISEASE RESEARCH	\$12,670	\$0	\$12,670
10.216	1890 INSTITUTION CAPACITY BUILDING GRANTS	\$24,266	\$0	\$24,266
10.290	AGRICULTURAL MARKET AND ECONOMIC RESEARCH	\$8,952	\$0	\$8,952
10.458	CROP INSURANCE EDUCATION IN TARGETED STATES	\$73,384	\$133,492	\$206,876
	COOPERATIVE AGREEMENTS WITH STATES FOR			
10.475	INTRASTATE MEAT AND POULTRY INSPECTION	\$620,942	\$0	\$620,942
10.479	FOOD SAFETY COOPERATIVE AGREEMENTS	\$66,997	\$0	\$66,997
10.500	COOPERATIVE EXTENSION SERVICE	\$4,687,355	\$0	\$4,687,355
	SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR			
10.557	WOMEN, INFANTS, AND CHILDREN	\$24,275,257	\$8,394,214	\$32,669,471
10.558	CHILD AND ADULT CARE FOOD PROGRAM	\$423,929	\$15,546,850	\$15,970,779
10.560	STATE ADMINISTRATIVE EXPENSES FOR CHILD NUTRITION	\$1,779,058	\$0	\$1,779,058
10.572	WIC FARMERS' MARKET NUTRITION PROGRAM (FMNP)	\$51,715	\$0	\$51,715
10.574	TEAM NUTRITION GRANTS	\$69,209	\$170,034	\$239,243
10.576	SENIOR FARMERS MARKET NUTRITION PROGRAM	\$347,039	\$0	\$347,039
	CHILD NUTRITION DISCRETIONARY GRANTS LIMITED			
10.579	AVAILABILITY	\$5,997	\$0	\$5,997
10.582	FRESH FRUIT AND VEGETABLE PROGRAM	\$47,044	\$2,088,836	\$2,135,880
	CHILD NUTRITION DIRECT CERTIFICATION PERFORMANCE			
10.589	AWARDS	\$940	\$0	\$940
10.664	COOPERATIVE FORESTRY ASSISTANCE	\$729,271	\$152,195	\$881,466
10.665	SCHOOLS AND ROADS-GRANTS TO STATES	\$1,790,920	\$0	\$1,790,920
10.675	URBAN AND COMMUNITY FORESTRY PROGRAM	\$19,301	\$0	\$19,301
10.676	FOREST LEGACY PROGRAM	\$44,703	\$0	\$44,703
10.678	FOREST STEWARDSHIP PROGRAM	\$108,527	\$0	\$108,527
10.680	FOREST HEALTH PROTECTION	\$129,268	\$0	\$129,268
10.684	INTERNATIONAL FORESTRY PROGRAMS	\$25,000	\$0	\$25,000
	DISTANCE LEARNING AND TELEMEDICINE LOANS AND			
10.855	GRANTS	\$103,606	\$0	\$103,606
10.868	RURAL ENERGY FOR AMERICA PROGRAM	\$0	\$37,941	\$37,941
10.902	SOIL AND WATER CONSERVATION	\$20,415	\$0	\$20,415
10.903	SOIL SURVEY	\$206,587	\$0	\$206,587
10.905	PLANT MATERIALS FOR CONSERVATION	\$8,162	\$0	\$8,162
10.912	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	\$108,595	\$0	\$108,595
10.913	FARM AND RANCH LANDS PROTECTION PROGRAM	\$62,843	\$0	\$62,843
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	\$41,233	\$0	\$41,233
NOTE 6A	SNAP CLUSTER	\$494,710,791	\$2,317,267	\$497,028,058
NOTE 6B	CHILD NUTRITION CLUSTER	\$9,540,273	\$93,879,128	\$103,419,401
NOTE 6C	FOOD DISTRIBUTION CLUSTER	\$3,479,939	\$238,904	\$3,718,843
	A SYMPOSIUM TO SYNTHESIZE INFORMATION FROM			
07-JV-11242300-160	EXPERIMENTAL FORESTS AND RANGES (CESU)	(\$295)	\$0	(\$295)
	ALTERNATIVE TRANSPORTATION STUDY: MOUNT BAKER-			
10-CR-11060500-052	SNOQUALMIE NF	\$9,541	\$0	\$9,541
13-CS-11092100-008	CONTRACT - FOREST SERVICE AQUATIC RESTORATION	\$7,510	\$0	\$7,510
	ASSESSING AND MAPPING FOREST CANOPY DAMAGE			
13-JV-11242301-076	FROM SUPERSTORM SANDY	\$6,859	\$0	\$6,859
	MONONGHALIA			
NATIONAL FORREST	STUDY OF NEW CRAYFISH SPECIES	\$2,000	\$0	\$2,000
NFS 10-CR-11060120-				
038	DESCHUTES NF SOCIAL CARRYING CAPACITY	\$83	\$0	\$83

STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARD  
FEDERAL GRANTOR LISTING  
FOR THE YEAR ENDING JUNE 30, 2014

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
NFS 2010-CR- 11062759-030	REGION 6 ROUND 3 NVUM	\$289,952	\$87,098	\$377,050
<b><u>TOTAL DEPARTMENT OF AGRICULTURE</u></b>		<b><u>\$544,491,698</u></b>	<b><u>\$123,149,204</u></b>	<b><u>\$667,640,902</u></b>
<b><u>DEPARTMENT OF COMMERCE</u></b>				
11.111	FOREIGN-TRADE ZONES IN THE UNITED STATES	\$6,026	\$0	\$6,026
11.557	ARRA - BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP)	\$2,321,155	\$34,620,508	\$36,941,663
11.558	ARRA - STATE BROADBAND DATA AND DEVELOPMENT GRANT PROGRAM	\$1,230,964	\$785,930	\$2,016,894
11.611	MANUFACTURING EXTENSION PARTNERSHIP	\$249,264	\$0	\$249,264
<b><u>TOTAL DEPARTMENT OF COMMERCE</u></b>		<b><u>\$3,807,409</u></b>	<b><u>\$35,406,438</u></b>	<b><u>\$39,213,847</u></b>
<b><u>DEPARTMENT OF DEFENSE</u></b>				
12.113	STATE MEMORANDUM OF AGREEMENT PROGRAM FOR THE REIMBURSEMENT OF TECHNICAL SERVICES	\$55,641	\$0	\$55,641
12.300	BASIC AND APPLIED SCIENTIFIC RESEARCH	\$42,724	\$0	\$42,724
12.400	MILITARY CONSTRUCTION, NATIONAL GUARD NATIONAL GUARD MILITARY OPERATIONS AND MAINTENANCE (O&M) PROJECTS	\$25,976,830	\$0	\$25,976,830
12.401	NATIONAL GUARD CHALLENGE PROGRAM	\$22,131,221	\$0	\$22,131,221
12.404	LANGUAGE GRANT PROGRAM	\$3,090,229	\$0	\$3,090,229
12.900	NATIONAL GUARD SPECIAL MILITARY OPERATIONS & PROJECTS	\$29,479	\$50,508	\$79,987
12.402		\$512,467	\$0	\$512,467
<b><u>TOTAL DEPARTMENT OF COMMERCE</u></b>		<b><u>\$51,838,591</u></b>	<b><u>\$50,508</u></b>	<b><u>\$51,889,099</u></b>
<b><u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
14.110	MANUFACTURED HOME LOAN INSURANCE-FINANCING PURCHASE OF MANUFACTURED HOMES AS PRINCIPAL RESIDENCES OF BORROWERS	\$61,344	\$0	\$61,344
14.228	COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM AND NON-ENTITLEMENT GRANTS IN HAWAII	\$430,168	\$16,299,965	\$16,730,133
14.231	EMERGENCY SOLUTIONS GRANT PROGRAM	\$61,074	\$1,889,488	\$1,950,562
14.241	HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS COMMUNITY DEVELOPMENT BLOCK GRANTS/BROWNFIELDS ECONOMIC DEVELOPMENT INITIATIVE	\$10,742	\$331,966	\$342,708
14.246		\$4,540	\$0	\$4,540
14.400	EQUAL OPPORTUNITY IN HOUSING	\$91,010	\$0	\$91,010
<b><u>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>		<b><u>\$658,878</u></b>	<b><u>\$18,521,419</u></b>	<b><u>\$19,180,297</u></b>
<b><u>DEPARTMENT OF THE INTERIOR</u></b>				
15.250	REGULATION OF SURFACE COAL MINING AND SURFACE EFFECTS OF UNDERGROUND COAL MINING	\$12,419,427	\$0	\$12,419,427
15.252	ABANDONED MINE LAND RECLAMATION (AMLR) PROGRAM SCIENCE AND TECHNOLOGY PROJECTS RELATED TO COAL MINING AND RECLAMATION	\$39,418,477	\$10,243,987	\$49,662,464
15.255	FLOOD CONTROL ACT LANDS	\$40,434	\$76,660	\$117,094
15.433	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	\$191,059	\$0	\$191,059
15.608	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	\$100,000	\$0	\$100,000
15.615	SPORTFISHING AND BOATING SAFETY ACT	\$51,011	\$0	\$51,011
15.622	STATE WILDLIFE GRANTS	\$0	\$185,710	\$185,710
15.634	ARRA - RECOVERY ACT FUNDS - HABITAT ENHANCEMENT, RESTORATION AND IMPROVEMENT	\$620,727	\$0	\$620,727
15.656	ENDANGERED SPECIES CONSERVATION - RECOVERY IMPLEMENTATION FUNDS	\$132,244	\$0	\$132,244
15.657	U.S. GEOLOGICAL SURVEY-RESEARCH AND DATA COLLECTION	\$1,575,595	\$0	\$1,575,595
15.808	NATIONAL COOPERATIVE GEOLOGIC MAPPING PROGRAM	\$15,000	\$0	\$15,000
15.810	HISTORIC PRESERVATION FUND GRANTS-IN-AID	\$57,224	\$0	\$57,224
15.904	OUTDOOR RECREATION-ACQUISITION, DEVELOPMENT AND PLANNING	\$563,970	\$144,528	\$708,498
15.916	STATE PARTNERSHIPS	\$3,091	\$311,921	\$315,012
15.977		\$2,000	\$0	\$2,000

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NOTE 6D	FISH AND WILDLIFE CLUSTER	\$4,529,139	\$0	\$4,529,139
4560-05-0013	NATIONAL PARK SERVICE GRANT	(\$13,495)	\$0	(\$13,495)
H4511-10-0001	COAL HERITAGE AREA DISCOVERY CENTER - 2013NCH17	\$485,211	\$0	\$485,211
J5471100018/H60000	THE EVALUATION OF SELECT GRSM CHESTNUT SITES FOR			
82000	THE INCIDENCE OF BIOLOGICAL CONTROL AGENTS OF CRYPHONECTRIA PARASITICA	\$4,596	\$0	\$4,596
L12AC20102	GOLDEN EAGLE DEMOGRAPHY: GENETIC APPROACHES TO POPULATION BIOLOGY IN THE FACE OF RENEWABLE ENERGY DEVELOPMENT IN THE CALIFORNIA DESERT	\$16,149	\$0	\$16,149
<b><u>TOTAL DEPARTMENT OF THE INTERIOR</u></b>		<b>\$60,211,859</b>	<b>\$10,962,806</b>	<b>\$71,174,665</b>
<b><u>DEPARTMENT OF JUSTICE</u></b>				
16.017	SEXUAL ASSAULT SERVICES FORMULA PROGRAM	\$2,341	\$271,788	\$274,129
16.523	JUVENILE ACCOUNTABILITY BLOCK GRANTS	\$12,288	\$225,640	\$237,928
16.525	GRANTS TO REDUCE DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, AND STALKING ON CAMPUS	\$147,439	\$0	\$147,439
16.528	ENHANCED TRAINING AND SERVICES TO END VIOLENCE AND ABUSE OF WOMEN LATER IN LIFE	\$4,916	\$60,186	\$65,102
16.540	JUVENILE JUSTICE AND DELINQUENCY PREVENTION- ALLOCATION TO STATES	\$40,173	\$200,339	\$240,512
16.543	MISSING CHILDREN'S ASSISTANCE	\$394,603	\$0	\$394,603
16.548	TITLE V-DELINQUENCY PREVENTION PROGRAM	\$0	\$18,033	\$18,033
16.550	STATE JUSTICE STATISTICS PROGRAM FOR STATISTICAL ANALYSIS CENTERS	\$115,324	\$0	\$115,324
16.554	NATIONAL CRIMINAL HISTORY IMPROVEMENT PROGRAM (NCHIP)	\$343,284	\$0	\$343,284
16.575	CRIME VICTIM ASSISTANCE	\$151,562	\$2,643,123	\$2,794,685
16.576	CRIME VICTIM COMPENSATION	\$1,481,000	\$0	\$1,481,000
16.579	EDWARD BYRNE MEMORIAL FORMULA GRANT PROGRAM	\$330,544	\$1,055,529	\$1,386,073
16.585	DRUG COURT DISCRETIONARY GRANT PROGRAM	\$163,002	\$0	\$163,002
16.588	VIOLENCE AGAINST WOMEN FORMULA GRANTS	\$96,686	\$1,198,509	\$1,295,195
16.588	ARRA - VIOLENCE AGAINST WOMEN FORMULA GRANT	\$0	\$17,230	\$17,230
		<b>\$96,686</b>	<b>\$1,215,739</b>	<b>\$1,312,425</b>
16.590	GRANTS TO ENCOURAGE ARREST POLICIES AND ENFORCEMENT OF PROTECTION ORDERS PROGRAM	\$161,458	\$508,769	\$670,227
16.593	RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS	\$116,634	\$0	\$116,634
16.609	PROJECT SAFE NEIGHBORHOODS	\$489	\$9,995	\$10,484
16.710	PUBLIC SAFETY PARTNERSHIP AND COMMUNITY POLICING GRANTS	\$93,841	\$0	\$93,841
16.727	ENFORCING UNDERAGE DRINKING LAWS PROGRAM	\$7,091	\$9,406	\$16,497
16.734	SPECIAL DATA COLLECTIONS AND STATISTICAL STUDIES	(\$1,602)	\$0	(\$1,602)
16.741	DNA BACKLOG REDUCTION PROGRAM	\$674,587	\$0	\$674,587
16.742	PAUL COVERDELL FORENSIC SCIENCES IMPROVEMENT GRANT PROGRAM	\$44,618	\$68,046	\$112,664
16.812	SECOND CHANCE ACT PRISONER REENTRY INITIATIVE	\$10,168	\$0	\$10,168
16.813	NICS ACT RECORD IMPROVEMENT PROGRAM	\$673,186	\$0	\$673,186
16.816	JOHN R. JUSTICE PROSECUTORS AND DEFENDERS INCENTIVE ACT	\$7,488	\$33,879	\$41,367
NOTE 6E	JAG PROGRAM CLUSTER	\$375,113	\$96,561	\$471,674
2001100	MISCELLANEOUS JUSTICE PROGRAMS	\$624,806	\$0	\$624,806
E/S-JUSTICE	EQUITABLE SHARING PROGRAM-JUSTICE	\$312,760	\$0	\$312,760
PL-106-170	SOCIAL SECURITY INMATE INCENTIVE	\$700	\$0	\$700
PURDUE	PURDUE PHARMA SETTLEMENT	\$611,243	\$254,543	\$865,786
WVSUMISCFED001	MISCELLANEOUS	(\$50,000)	\$0	(\$50,000)
<b><u>TOTAL DEPARTMENT OF JUSTICE</u></b>		<b>\$6,945,742</b>	<b>\$6,671,576</b>	<b>\$13,617,318</b>
<b><u>DEPARTMENT OF LABOR</u></b>				
17.002	LABOR FORCE STATISTICS	\$732,066	\$0	\$732,066
17.005	COMPENSATION AND WORKING CONDITIONS	\$110,886	\$0	\$110,886

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17.225	UNEMPLOYMENT INSURANCE (NOTE 5)	\$495,921,585	\$0	\$495,921,585
17.225	ARRA - UNEMPLOYMENT INSURANCE (NOTE 5)	\$57,539	\$0	\$57,539
		<u>\$495,979,124</u>	<u>\$0</u>	<u>\$495,979,124</u>
17.235	SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM	\$62,199	\$895,215	\$957,414
17.245	TRADE ADJUSTMENT ASSISTANCE	\$4,839,948	\$0	\$4,839,948
17.260	WIA - DISLOCATED WORKERS	\$232,534	\$39,263	\$271,797
17.267	INCENTIVE GRANTS - WIA SECTION 503	\$39,140	\$543,107	\$582,247
17.269	COMMUNITY BASED JOB TRAINING GRANTS	\$1,104	\$0	\$1,104
17.271	WORK OPPORTUNITY TAX CREDIT PROGRAM (WOTC)	\$180,600	\$0	\$180,600
17.273	TEMPORARY LABOR CERTIFICATION FOR FOREIGN WORKERS	\$111,310	\$0	\$111,310
17.275	ARRA - PROGRAM OF COMPETITIVE GRANTS FOR WORKER TRAINING AND PLACEMENT IN HIGH GROWTH AND EMERGING INDUSTRY SECTORS	(\$437)	\$0	(\$437)
17.276	ARRA - HEALTH CARE TAX CREDIT (HCTC) NATIONAL EMERGENCY GRANTS (NEGS)	\$69,558	\$0	\$69,558
17.277	WORKFORCE INVESTMENT ACT (WIA) NATIONAL EMERGENCY GRANTS	\$89,760	\$1,591,628	\$1,681,388
17.282	TRADE ADJUSTMENT ASSISTANCE COMMUNITY COLLEGE AND CAREER TRAINING (TAACCCT) GRANTS	\$2,810,919	\$0	\$2,810,919
17.504	CONSULTATION AGREEMENTS	\$396,335	\$0	\$396,335
17.600	MINE HEALTH AND SAFETY GRANTS	\$199,585	\$0	\$199,585
NOTE 6F	EMPLOYMENT SERVICE CLUSTER	\$6,682,728	\$0	\$6,682,728
NOTE 6G	WIA CLUSTER	\$1,257,466	\$12,029,861	\$13,287,327
17.999	MISCELLANEOUS LABOR PROGRAMS	\$454,080	\$0	\$454,080
<b><u>TOTAL DEPARTMENT OF LABOR</u></b>		<b><u>\$514,248,905</u></b>	<b><u>\$15,099,074</u></b>	<b><u>\$529,347,979</u></b>
<b><u>DEPARTMENT OF STATE</u></b>				
19.040	PUBLIC DIPLOMACY PROGRAMS	\$3,510	\$0	\$3,510
<b><u>TOTAL DEPARTMENT OF STATE</u></b>		<b><u>\$3,510</u></b>	<b><u>\$0</u></b>	<b><u>\$3,510</u></b>
<b><u>DEPARTMENT OF TRANSPORTATION</u></b>				
20.218	NATIONAL MOTOR CARRIER SAFETY	\$1,662,179	\$0	\$1,662,179
20.237	COMMERCIAL VEHICLE INFORMATION SYSTEMS AND NETWORKS	\$58,856	\$0	\$58,856
20.317	CAPITAL ASSISTANCE TO STATES - INTERCITY PASSENGER RAIL SERVICE	\$361,411	\$0	\$361,411
20.500	FEDERAL TRANSIT - CAPITAL INVESTMENT GRANTS	\$2,202,318	\$0	\$2,202,318
20.505	METROPOLITAN TRANSPORTATION PLANNING	\$104,448	\$20,830	\$125,278
20.509	FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS	\$2,296,953	\$5,243,210	\$7,540,163
20.607	ALCOHOL OPEN CONTAINER REQUIREMENTS	\$1,438,662	\$1,122,609	\$2,561,271
20.608	MINIMUM PENALTIES FOR REPEAT OFFENDERS FOR DRIVING WHILE INTOXICATED	\$6,033,130	\$0	\$6,033,130
20.614	NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA) DISCRETIONARY SAFETY GRANTS	\$48,648	\$0	\$48,648
20.616	NATIONAL PRIORITY SAFETY PROGRAMS	\$217,653	\$108,339	\$325,992
20.700	PIPELINE SAFETY PROGRAM STATE BASE GRANT	\$507,156	\$0	\$507,156
20.703	INTERAGENCY HAZARDOUS MATERIALS PUBLIC SECTOR TRAINING AND PLANNING GRANTS	\$237,457	\$79,247	\$316,704
20.933	NATIONAL INFRASTRUCTURE INVESTMENTS	\$7,034,126	\$0	\$7,034,126
NOTE 6I	TRANSIT SERVICES PROGRAMS CLUSTER	\$935,978	\$650,707	\$1,586,685
NOTE 6J	HIGHWAY SAFETY CLUSTER	\$2,397,268	\$2,253,310	\$4,650,578
<b><u>TOTAL DEPARTMENT OF TRANSPORTATION</u></b>		<b><u>\$25,536,243</u></b>	<b><u>\$9,478,252</u></b>	<b><u>\$35,014,495</u></b>
<b><u>DEPARTMENT OF THE TREASURY</u></b>				
E/S-TREASURY	EQUITABLE SHARING PROGRAM-TREASURY	\$847,312	\$0	\$847,312
<b><u>TOTAL DEPARTMENT OF THE TREASURY</u></b>		<b><u>\$847,312</u></b>	<b><u>\$0</u></b>	<b><u>\$847,312</u></b>
<b><u>APPALACHIAN REGIONAL COMMISSION</u></b>				
23.002	APPALACHIAN AREA DEVELOPMENT	\$260,107	\$1,175,090	\$1,435,197
23.011	APPALACHIAN RESEARCH, TECHNICAL ASSISTANCE, AND DEMONSTRATION PROJECTS	\$157,210	\$108,459	\$265,669

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<b><u>TOTAL APPALACHIAN REGIONAL COMMISSION</u></b>		<b>\$417,317</b>	<b>\$1,283,549</b>	<b>\$1,700,866</b>
<b><u>EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u></b>				
30.001	EMPLOYMENT DISCRIMINATION-TITLE VII OF THE CIVIL RIGHTS ACT OF 1964	\$147,786	\$0	\$147,786
<b><u>TOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u></b>		<b>\$147,786</b>	<b>\$0</b>	<b>\$147,786</b>
<b><u>GENERAL SERVICES ADMINISTRATION</u></b>				
39.003	DONATION OF FEDERAL SURPLUS PERSONAL PROPERTY	\$29,893	\$0	\$29,893
<b><u>TOTAL GENERAL SERVICES ADMINISTRATION</u></b>		<b>\$29,893</b>	<b>\$0</b>	<b>\$29,893</b>
<b><u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u></b>				
43.001	SCIENCE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	\$372,580	\$0	\$372,580
43.008	(NOTE 4)	\$15,500	\$0	\$15,500
<b><u>TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u></b>		<b>\$388,080</b>	<b>\$0</b>	<b>\$388,080</b>
<b><u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u></b>				
45.024	PROMOTION OF THE ARTS-GRANTS TO ORGANIZATIONS AND INDIVIDUALS	\$8,000	\$0	\$8,000
45.025	PROMOTION OF THE ARTS-PARTNERSHIP AGREEMENTS	\$225,001	\$432,689	\$657,690
45.163	PROMOTION OF THE HUMANITIES-PROFESSIONAL DEVELOPMENT	\$90,298	\$0	\$90,298
45.310	GRANTS TO STATES	\$1,100,681	\$356,719	\$1,457,400
<b><u>TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u></b>		<b>\$1,423,980</b>	<b>\$789,408</b>	<b>\$2,213,388</b>
<b><u>SMALL BUSINESS ADMINISTRATION</u></b>				
59.037	SMALL BUSINESS DEVELOPMENT CENTERS	\$542,365	\$0	\$542,365
59.064	ENTREPRENEURIAL DEVELOPMENT DISASTER ASSISTANCE (DISASTER RELIEF APPROPRIATIONS ACT)	\$1,317	\$0	\$1,317
<b><u>TOTAL SMALL BUSINESS ADMINISTRATION</u></b>		<b>\$543,682</b>	<b>\$0</b>	<b>\$543,682</b>
<b><u>DEPARTMENT OF VETERANS AFFAIRS</u></b>				
64.005	GRANTS TO STATES FOR CONSTRUCTION OF STATE HOME FACILITIES	\$582,677	\$0	\$582,677
64.015	VETERANS STATE NURSING HOME CARE	\$7,169,726	\$0	\$7,169,726
64.111	EDUCATIONAL ASSISTANCE FOR VETERANS	\$1,021	\$0	\$1,021
64.124	ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE	\$107,188	\$0	\$107,188
64.203	STATE CEMETERY GRANTS	\$18,974	\$0	\$18,974
<b><u>TOTAL DEPARTMENT OF VETERANS AFFAIRS</u></b>		<b>\$7,879,586</b>	<b>\$0</b>	<b>\$7,879,586</b>
<b><u>ENVIRONMENTAL PROTECTION AGENCY</u></b>				
66.001	AIR POLLUTION CONTROL PROGRAM SUPPORT	\$1,176,014	\$0	\$1,176,014
66.032	STATE INDOOR RADON GRANTS	\$46,725	\$50,619	\$97,344
66.034	SURVEYS, STUDIES, RESEARCH, INVESTIGATIONS, DEMONSTRATIONS, AND SPECIAL PURPOSE ACTIVITIES RELATING TO THE CLEAN AIR ACT	\$47,394	\$0	\$47,394
66.202	CONGRESSIONALLY MANDATED PROJECTS	\$77,065	\$0	\$77,065
66.419	WATER POLLUTION CONTROL STATE, INTERSTATE, AND TRIBAL PROGRAM SUPPORT	\$2,491,600	\$47,661	\$2,539,261
66.432	STATE PUBLIC WATER SYSTEM SUPERVISION	\$877,963	\$0	\$877,963
66.433	STATE UNDERGROUND WATER SOURCE PROTECTION	\$149,772	\$0	\$149,772
66.454	WATER QUALITY MANAGEMENT PLANNING	\$139,170	\$48,792	\$187,962
66.458	CAPITALIZATION GRANTS FOR CLEAN WATER STATE REVOLVING FUNDS	\$0	\$20,812,990	\$20,812,990
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	\$809,867	\$870,871	\$1,680,738
66.461	REGIONAL WETLAND PROGRAM DEVELOPMENT GRANTS	\$202,202	\$56,454	\$258,656
66.466	CHESAPEAKE BAY PROGRAM	\$1,076,817	\$199,941	\$1,276,758
66.468	CAPITALIZATION GRANTS FOR DRINKING WATER STATE REVOLVING FUNDS	\$2,165,913	\$5,449,370	\$7,615,283
66.474	WATER PROTECTION GRANTS TO THE STATES	\$29,607	\$4,801	\$34,408
66.605	PERFORMANCE PARTNERSHIP GRANTS	\$452,769	\$0	\$452,769

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66.606	SURVEYS, STUDIES, INVESTIGATIONS AND SPECIAL PURPOSE GRANTS	\$583,702	\$0	\$583,702
66.608	ENVIRONMENTAL INFORMATION EXCHANGE NETWORK GRANT PROGRAM AND RELATED ASSISTANCE	\$761	\$0	\$761
66.701	TOXIC SUBSTANCES COMPLIANCE MONITORING COOPERATIVE AGREEMENTS	\$102,157	\$0	\$102,157
66.707	TSCA TITLE IV STATE LEAD GRANTS CERTIFICATION OF LEAD-BASED PAINT PROFESSIONALS	\$166,528	\$0	\$166,528
66.708	POLLUTION PREVENTION GRANTS PROGRAM	\$0	\$40,000	\$40,000
66.801	HAZARDOUS WASTE MANAGEMENT STATE PROGRAM SUPPORT	\$3,187,549	\$0	\$3,187,549
66.802	SUPERFUND STATE, POLITICAL SUBDIVISION, AND INDIAN TRIBE SITE-SPECIFIC COOPERATIVE AGREEMENTS	\$129,055	\$0	\$129,055
66.804	UNDERGROUND STORAGE TANK PREVENTION, DETECTION AND COMPLIANCE PROGRAM	\$339,952	\$0	\$339,952
66.805	LEAKING UNDERGROUND STORAGE TANK TRUST FUND CORRECTIVE ACTION PROGRAM	\$663,539	\$0	\$663,539
66.809	SUPERFUND STATE AND INDIAN TRIBE CORE PROGRAM COOPERATIVE AGREEMENTS	\$276,650	\$0	\$276,650
66.818	BROWNFIELD ASSESSMENT AND CLEANUP COOPERATIVE AGREEMENTS	\$171,172	\$0	\$171,172
DEPMISCFED01	MISC. FEDERAL AWARD PROGRAMS	(\$606,635)	\$0	(\$606,635)
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>		<b>\$14,757,308</b>	<b>\$27,581,499</b>	<b>\$42,338,807</b>
<b>DEPARTMENT OF ENERGY</b>				
81.041	STATE ENERGY PROGRAM	\$468,349	\$104,892	\$573,241
81.041	ARRA - STATE ENERGY PROGRAM	\$16,198	\$0	\$16,198
		<b>\$484,547</b>	<b>\$104,892</b>	<b>\$589,439</b>
81.042	WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS	\$158,790	\$2,358,866	\$2,517,656
81.042	ARRA - WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS	\$58,070	\$3,528	\$61,598
		<b>\$216,860</b>	<b>\$2,362,394</b>	<b>\$2,579,254</b>
81.117	ENERGY EFFICIENCY AND RENEWABLE ENERGY INFORMATION DISSEMINATION, OUTREACH, TRAINING AND TECHNICAL ANALYSIS/ASSISTANCE	\$231,198	\$0	\$231,198
81.119	STATE ENERGY PROGRAM SPECIAL PROJECTS	\$114,080	\$20,000	\$134,080
81.122	ARRA - ELECTRICITY DELIVERY AND ENERGY RELIABILITY, RESEARCH, DEVELOPMENT AND ANALYSIS	\$71,617	\$0	\$71,617
CONTRACT 188073	VOLUNTARY SECURITY ENHANCEMENTS AND MAINTENANCE - ACQUISITION PHASE	\$16,742	\$0	\$16,742
CONTRACT 188074	VOLUNTARY SECURITY ENHANCEMENTS AND MAINTENANCE	\$1,488	\$0	\$1,488
OIL	PETROLEUM VIOLATION ESCROW FUNDS	\$107,517	\$0	\$107,517
<b>TOTAL DEPARTMENT OF ENERGY</b>		<b>\$1,244,049</b>	<b>\$2,487,286</b>	<b>\$3,731,335</b>
<b>DEPARTMENT OF EDUCATION</b>				
84.002	ADULT EDUCATION - BASIC GRANTS TO STATES	\$498,635	\$3,581,489	\$4,080,124
84.010	TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	\$808,162	\$92,283,771	\$93,091,933
84.013	TITLE I STATE AGENCY PROGRAM FOR NEGLECTED AND DELINQUENT CHILDREN AND YOUTH	\$1,035,823	\$0	\$1,035,823
84.031	HIGHER EDUCATION-INSTITUTIONAL AID	\$3,264,625	\$0	\$3,264,625
84.048	CAREER AND TECHNICAL EDUCATION-BASIC GRANTS TO STATES	\$3,103,210	\$5,384,597	\$8,487,807
84.116	FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION	\$29,747	\$10,491	\$40,238
84.126	REHABILITATION SERVICES-VOCATIONAL REHABILITATION GRANTS TO STATES	\$36,103,761	\$116,250	\$36,220,011
84.169	INDEPENDENT LIVING-STATE GRANTS	\$0	\$291,426	\$291,426
84.177	INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND	\$153,709	\$0	\$153,709

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FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
84.181	SPECIAL EDUCATION - GRANTS FOR INFANTS AND FAMILIES	\$1,693,677	\$349,250	\$2,042,927
84.184	SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES-NATIONAL PROGRAMS	\$407,105	\$1,342,555	\$1,749,660
84.187	SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH THE MOST SIGNIFICANT DISABILITIES	\$600,000	\$0	\$600,000
84.196	EDUCATION FOR HOMELESS CHILDREN AND YOUTH REHABILITATION TRAINING-STATE VOCATIONAL	\$110,296	\$256,901	\$367,197
84.265	REHABILITATION UNIT IN-SERVICE TRAINING TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS	\$98,331	\$0	\$98,331
84.287	FOREIGN LANGUAGE ASSISTANCE	\$274,418	\$6,289,341	\$6,563,759
84.293	SPECIAL EDUCATION - STATE PERSONNEL DEVELOPMENT	\$72	\$0	\$72
84.323	SPECIAL EDUCATION-TECHNICAL ASSISTANCE AND DISSEMINATION TO IMPROVE SERVICES AND RESULTS FOR CHILDREN WITH DISABILITIES	\$213,906	\$176,105	\$390,011
84.326	ADVANCED PLACEMENT PROGRAM (ADVANCED PLACEMENT TEST FEE; ADVANCED PLACEMENT INCENTIVE PROGRAM GRANTS)	\$88,691	\$6,220	\$94,911
84.330	GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS	\$72,360	\$72,360	\$144,720
84.334	CHILD CARE ACCESS MEANS PARENTS IN SCHOOL TRANSITION TO TEACHING	\$1,588,102	\$2,038,192	\$3,626,294
84.335	RURAL EDUCATION	\$51,280	\$0	\$51,280
84.350	ENGLISH LANGUAGE ACQUISITION STATE GRANTS	\$253,779	\$899	\$254,678
84.358	MATHEMATICS AND SCIENCE PARTNERSHIPS	\$104,754	\$2,573,941	\$2,678,695
84.365	IMPROVING TEACHER QUALITY STATE GRANTS	\$141,000	\$459,470	\$600,470
84.366	GRANTS FOR STATE ASSESSMENTS AND RELATED ACTIVITIES	\$133,181	\$1,088,653	\$1,221,834
84.367	GRANTS FOR STATE ASSESSMENTS AND RELATED ACTIVITIES	\$720,026	\$18,852,941	\$19,572,967
84.369	STATEWIDE DATA SYSTEMS	\$3,522,672	\$0	\$3,522,672
84.372	NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT (SMART) GRANTS (SMART GRANTS)	\$799,316	\$0	\$799,316
84.376	COLLEGE ACCESS CHALLENGE GRANT PROGRAM	\$1,000	\$0	\$1,000
84.378	TROOPS TO TEACHERS	\$1,242,020	\$7,869	\$1,249,889
84.815	SPECIAL EDUCATION CLUSTER (IDEA)	\$26,292	\$0	\$26,292
NOTE 6K	TRIO CLUSTER	\$7,252,637	\$71,546,426	\$78,799,063
NOTE 6L	SCHOOL IMPROVEMENT GRANTS CLUSTER	\$4,363,355	\$0	\$4,363,355
NOTE 6M	APPALACHIAN HIGHER EDUCATION NETWORK	\$145,410	\$6,341,739	\$6,487,149
CO-13764E	PERFORMANCE BASED DATA MANAGEMENT INITIATIVE	\$17,460	\$0	\$17,460
ED-03-CO-0058		\$132,216	\$28,800	\$161,016
<b><u>TOTAL DEPARTMENT OF EDUCATION</u></b>		<b>\$69,051,028</b>	<b>\$213,099,686</b>	<b>\$282,150,714</b>
<b><u>ELECTION ASSISTANCE COMMISSION</u></b>				
90.401	HELP AMERICA VOTE ACT REQUIREMENTS PAYMENTS	\$229,974	\$11,341	\$241,315
<b><u>TOTAL ELECTION ASSISTANCE COMMISSION</u></b>		<b>\$229,974</b>	<b>\$11,341</b>	<b>\$241,315</b>
<b><u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
93.041	SPECIAL PROGRAMS FOR THE AGING-TITLE VII, CHAPTER 3- PROGRAMS FOR PREVENTION OF ELDER ABUSE, NEGLECT, AND EXPLOITATION	\$0	\$35,699	\$35,699
93.042	SPECIAL PROGRAMS FOR THE AGING-TITLE VII, CHAPTER 2- LONG TERM CARE OMBUDSMAN SERVICES FOR OLDER INDIVIDUALS	\$115,013	\$0	\$115,013
93.043	SPECIAL PROGRAMS FOR THE AGING-TITLE III, PART D- DISEASE PREVENTION AND HEALTH PROMOTION SERVICES	\$0	\$167,322	\$167,322
93.048	SPECIAL PROGRAMS FOR THE AGING-TITLE IV AND TITLE II - DISCRETIONARY PROJECTS	\$125,282	\$0	\$125,282
93.052	NATIONAL FAMILY CAREGIVER SUPPORT, TITLE III, PART E	\$0	\$966,237	\$966,237
93.069	PUBLIC HEALTH EMERGENCY PREPAREDNESS	\$1,691,378	\$3,296,168	\$4,987,546
93.071	MEDICARE ENROLLMENT ASSISTANCE PROGRAM	\$113,298	\$0	\$113,298
93.079	COOPERATIVE AGREEMENTS TO PROMOTE ADOLESCENT HEALTH THROUGH SCHOOL-BASED HIV/STD PREVENTION AND SCHOOL-BASED SURVEILLANCE	\$185	\$0	\$185

**STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARD  
FEDERAL GRANTOR LISTING  
FOR THE YEAR ENDING JUNE 30, 2014**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
93.092	AFFORDABLE CARE ACT (ACA) PERSONAL RESPONSIBILITY EDUCATION PROGRAM	\$24,078	\$225,689	\$249,767
93.103	FOOD AND DRUG ADMINISTRATION-RESEARCH MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS	\$225,189	\$0	\$225,189
93.110	PROJECT GRANTS AND COOPERATIVE AGREEMENTS FOR TUBERCULOSIS CONTROL PROGRAMS	\$103,806	\$175,970	\$279,776
93.116	ORAL DISEASES AND DISORDERS RESEARCH	\$299,044	\$0	\$299,044
93.121	EMERGENCY MEDICAL SERVICES FOR CHILDREN	\$82,046	\$0	\$82,046
93.127	COOPERATIVE AGREEMENTS TO STATES/TERRITORIES FOR THE COORDINATION AND DEVELOPMENT OF PRIMARY CARE OFFICES	\$83,222	\$29,100	\$112,322
93.130	INJURY PREVENTION AND CONTROL RESEARCH AND STATE AND COMMUNITY BASED PROGRAMS	\$146,768	\$122,000	\$268,768
93.136	PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH)	\$9,487	\$150,410	\$159,897
93.150	GRANTS TO STATES FOR LOAN REPAYMENT PROGRAM	\$3,502	\$250,233	\$253,735
93.165	NURSING WORKFORCE DIVERSITY	\$0	\$142,350	\$142,350
93.178	FAMILY PLANNING-SERVICES	\$315,761	\$0	\$315,761
93.217	TRAUMATIC BRAIN INJURY STATE DEMONSTRATION GRANT PROGRAM	\$2,338,922	\$0	\$2,338,922
93.234	ABSTINENCE EDUCATION PROGRAM	\$225,841	\$0	\$225,841
93.235	GRANTS TO STATES TO SUPPORT ORAL HEALTH WORKFORCE ACTIVITIES	\$5,178	\$211,217	\$216,395
93.236	STATE RURAL HOSPITAL FLEXIBILITY PROGRAM	\$104,982	\$150,000	\$254,982
93.241	SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES_PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	\$195,132	\$452,345	\$647,477
93.243	UNIVERSAL NEWBORN HEARING SCREENING	\$384,127	\$1,071,163	\$1,455,290
93.251	STATE HEALTH ACCESS PROGRAM	\$164,416	\$55,000	\$219,416
93.256	IMMUNIZATION COOPERATIVE AGREEMENTS	\$40,470	\$870,475	\$910,945
93.268	ADULT VIRAL HEPATITIS PREVENTION AND CONTROL CENTERS FOR DISEASE CONTROL AND PREVENTION_INVESTIGATIONS AND TECHNICAL ASSISTANCE	\$1,077,906	\$784,862	\$1,862,768
93.270	SMALL RURAL HOSPITAL IMPROVEMENT GRANT PROGRAM	\$71,325	\$0	\$71,325
93.283	STATE HEALTH INSURANCE ASSISTANCE PROGRAM	\$5,272,810	\$1,615,649	\$6,888,459
93.301	NATIONAL CENTER FOR RESEARCH RESOURCES	\$6,138	\$182,474	\$188,612
93.324	ARRA - STATE PRIMARY CARE OFFICES	\$24,504	\$102,045	\$126,549
93.389	AFFORDABLE CARE ACT (ACA) MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING PROGRAM	\$164,996	\$0	\$164,996
93.414	ACA NATIONWIDE PROGRAM FOR NATIONAL AND STATE BACKGROUND CHECKS FOR DIRECT PATIENT ACCESS EMPLOYEES OF LONG TERM CARE FACILITIES AND PROVIDER	\$36,309	\$21,100	\$57,409
93.505	PPHF 2012 NATIONAL PUBLIC HEALTH IMPROVEMENT INITIATIVE	\$809,540	\$1,799,764	\$2,609,304
93.506	AFFORDABLE CARE ACT (ACA) GRANTS TO STATES FOR HEALTH INSURANCE PREMIUM REVIEW	\$29,900	\$0	\$29,900
93.507	AFFORDABLE CARE ACT (ACA) PUBLIC HEALTH TRAINING CENTERS PROGRAM	\$625,516	\$167,937	\$793,453
93.511	CENTERS FOR DISEASE CONTROL AND PREVENTION - AFFORDABLE CARE ACT (ACA) - COMMUNITIES PUTTING PREVENTION TO WORK	\$83,664	\$0	\$83,664
93.516	THE AFFORDABLE CARE ACT: BUILDING EPIDEMIOLOGY, LABORATORY, AND HEALTH INFORMATION SYSTEMS CAPACITY IN THE EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASE (ELC) AND EMERGING INFECTIONS PROGRAM (EIP) COOPERATIVE AGREEMENTS;PPHF	\$37,636	\$0	\$37,636
93.520	STATE PLANNING AND ESTABLISHMENT GRANTS FOR THE AFFORDABLE CARE ACT (ACA)'S EXCHANGES	\$1,548	\$0	\$1,548
93.521		\$884,452	\$242,340	\$1,126,792
93.525		\$6,131,321	\$66,270	\$6,197,591

**STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARD  
FEDERAL GRANTOR LISTING  
FOR THE YEAR ENDING JUNE 30, 2014**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
93.531	PPHF 2012: COMMUNITY TRANSFORMATION GRANTS AND NATIONAL DISSEMINATION AND SUPPORT FOR COMMUNITY TRANSFORMATION GRANTS - FINANCED SOLELY BY 2012 PREVENTINON AND PUBLIC HEALTH FUNDS	\$282,461	\$1,695,312	\$1,977,773
93.539	PPHF 2012 - PREVENTION AND PUBLIC HEALTH FUND (AFFORDABLE CARE ACT) - CAPACITY BUILDING ASSISTANCE TO STRENGTHEN PUBLIC HEALTH IMMUNIZATION INFRASTRUCTURE AND PERFORMANCE FINANCED IN PART BY 2012 PREVENTION AND PUBLIC HEALTH FUNDS	\$559,008	\$63,874	\$622,882
93.544	THE PATIENT PROTECTION AND AFFORDABLE CARE ACT OF 2010 (AFFORDABLE CARE ACT) AUTHORIZES COORDINATED CHRONIC DISEASE PREVENTION AND HEALTH PROMOTION PROGRAM	\$180,079	\$0	\$180,079
93.556	PROMOTING SAFE AND STABLE FAMILIES	\$1,003,072	\$1,500,348	\$2,503,420
93.558	TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) STATE PROGRAMS	\$84,169,943	\$9,589,501	\$93,759,444
93.560	FAMILY SUPPORT PAYMENTS TO STATES-ASSISTANCE PAYMENTS	(\$12,448)	\$0	(\$12,448)
93.563	CHILD SUPPORT ENFORCEMENT	\$29,770,702	\$0	\$29,770,702
93.566	REFUGEE AND ENTRANT ASSISTANCE-STATE ADMINISTERED PROGRAMS	\$78,904	\$72,187	\$151,091
93.568	LOW-INCOME HOME ENERGY ASSISTANCE	\$26,739,702	\$4,710,021	\$31,449,723
93.569	COMMUNITY SERVICES BLOCK GRANTS	\$433,732	\$7,400,196	\$7,833,928
93.586	STATE COURT IMPROVEMENT PROGRAM	\$370,178	\$0	\$370,178
93.590	COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS	\$19,554	\$202,476	\$222,030
93.597	GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS	\$102,423	\$0	\$102,423
93.599	CHAFEE EDUCATION AND TRAINING VOUCHERS PROGRAM (ETV)	\$414,436	\$36,009	\$450,445
93.600	HEAD START	\$12,847	\$105,928	\$118,775
93.603	ADOPTION INCENTIVE PAYMENTS	\$1,247,770	\$0	\$1,247,770
93.609	THE AFFORDABLE CARE ACT - MEDICAID ADULT QUALITY GRANTS	\$281,031	\$0	\$281,031
93.630	DEVELOPMENTAL DISABILITIES BASIC SUPPORT AND ADVOCACY GRANTS	\$244,268	\$516,548	\$760,816
93.643	CHILDREN'S JUSTICE GRANTS TO STATES	\$108,395	\$0	\$108,395
93.645	STEPHANIE TUBBS JONES CHILD WELFARE SERVICES PROGRAM	\$1,741,288	\$0	\$1,741,288
93.658	FOSTER CARE-TITLE IV-E	\$38,116,225	\$564,548	\$38,680,773
93.659	ADOPTION ASSISTANCE	\$21,114,708	\$0	\$21,114,708
93.667	SOCIAL SERVICES BLOCK GRANT	\$19,949,227	\$0	\$19,949,227
93.669	CHILD ABUSE AND NEGLECT STATE GRANTS	\$27,031	\$98,446	\$125,477
93.671	FAMILY VIOLENCE PREVENTION AND SERVICES/DOMESTIC VIOLENCE SHELTER AND SUPPORTIVE SERVICES	\$17,263	\$922,025	\$939,288
93.674	CHAFEE FOSTER CARE INDEPENDENCE PROGRAM	\$697,825	\$758,611	\$1,456,436
93.701	ARRA - TRANS-NIH RECOVERY ACT RESEARCH SUPPORT	\$13,482	\$0	\$13,482
93.708	ARRA - HEAD START	\$258,918	\$78,000	\$336,918
93.713	ARRA - CHILD CARE AND DEVELOPMENT BLOCK GRANT	(\$660)	\$0	(\$660)
93.719	ARRA - STATE GRANTS TO PROMOTE HEALTH INFORMATION TECHNOLOGY	\$1,299,716	\$0	\$1,299,716
93.725	ARRA - COMMUNITIES PUTTING PREVENTION TO WORK: CHRONIC DISEASE SELF-MANAGEMENT PROGRAM	\$0	(\$961)	(\$961)
93.735	STATE PUBLIC HEALTH APPROACHES FOR ENSURING QUITLINE CAPACITY - FUNDED IN PART BY 2012 PREVENTION AND PUBLIC HEALTH FUNDS (PPHF-2012)	\$153,058	\$0	\$153,058
93.744	PPHF 2012: BREAST AND CERVICAL CANCER SCREENING OPPORTUNITIES FOR STATES, TRIBES AND TERRITORIES SOLELY FINANCED BY 2012 PREVENTION AND PUBLIC HEALTH FUNDS	\$54,471	\$0	\$54,471

**STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARD  
FEDERAL GRANTOR LISTING  
FOR THE YEAR ENDING JUNE 30, 2014**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
	PPHF-2012: HEALTH CARE SURVEILLANCE/HEALTH STATISTICS- SURVEILLANCE PROGRAM ANNOUNCEMENT: BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM FINANCED IN PART BY 2012 PREVENTION AND PUBLIC HEALTH FUNDS (PPHF-2012)	\$98,630	\$0	\$98,630
93.745	CHILDREN'S HEALTH INSURANCE PROGRAM	\$44,512,527	\$0	\$44,512,527
93.767	CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) RESEARCH, DEMONSTRATIONS AND EVALUATIONS	\$211,669	\$274,624	\$486,293
93.779	MONEY FOLLOWS THE PERSON REBALANCING DEMONSTRATION	\$365,881	\$281,960	\$647,841
93.791	AREA HEALTH EDUCATION CENTERS INFRASTRUCTURE DEVELOPMENT AWARDS (NOTE 4)	\$65,847	\$0	\$65,847
93.824	ALLERGY, IMMUNOLOGY AND TRANSPLANTATION RESEARCH	\$83,746	\$0	\$83,746
93.855	BIOMEDICAL RESEARCH AND RESEARCH TRAINING	\$178,251	\$0	\$178,251
93.859	HEALTH CARE AND OTHER FACILITIES	\$2,064,156	\$0	\$2,064,156
93.887	NATIONAL BIOTERRORISM HOSPITAL PREPAREDNESS PROGRAM	\$813,552	\$1,496,314	\$2,309,866
93.889	GRANTS TO STATES FOR OPERATION OF OFFICES OF RURAL HEALTH	\$166,230	\$14,500	\$180,730
93.913	HIV CARE FORMULA GRANTS	\$5,632,174	\$1,035,724	\$6,667,898
93.917	HEALTHY START INITIATIVE (NOTE 4)	\$14,018	\$0	\$14,018
93.926	COOPERATIVE AGREEMENTS TO SUPPORT COMPREHENSIVE SCHOOL HEALTH PROGRAMS TO PREVENT THE SPREAD OF HIV AND OTHER IMPORTANT HEALTH PROBLEMS	\$61,110	\$0	\$61,110
93.938	HIV PREVENTION ACTIVITIES-HEALTH DEPARTMENT BASED HUMAN IMMUNODEFICIENCY VIRUS (HIV)/ACQUIRED IMMUNODEFICIENCY VIRUS SYNDROME (AIDS) SURVEILLANCE	\$705,266	\$265,655	\$970,921
93.940	ASSISTANCE PROGRAMS FOR CHRONIC DISEASE PREVENTION AND CONTROL	\$138,575	\$0	\$138,575
93.944	COOPERATIVE AGREEMENTS TO SUPPORT STATE-BASED SAFE MOTHERHOOD AND INFANT HEALTH INITIATIVE PROGRAMS	\$456,592	\$0	\$456,592
93.945	BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES	\$118,579	\$0	\$118,579
93.946	BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	\$445,428	\$1,535,327	\$1,980,755
93.958	COAL MINERS RESPIRATORY IMPAIRMENT TREATMENT CLINICS AND SERVICES	\$181,004	\$6,072,701	\$6,253,705
93.959	PPHF-2012 GERIATRIC EDUCATION CENTERS (NOTE 4)	\$129,535	\$1,377,290	\$1,506,825
93.965	PREVENTIVE HEALTH SERVICES-SEXUALLY TRANSMITTED DISEASES CONTROL GRANTS	\$8,336	\$0	\$8,336
93.969	PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	\$630,735	\$0	\$630,735
93.977	MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	(\$5,321)	\$491,608	\$486,287
93.991	AGING CLUSTER	\$3,534,115	\$2,547,881	\$6,081,996
NOTE 6N	CCDF CLUSTER	\$50,753	\$8,923,054	\$8,973,807
NOTE 6O	MEDICAID CLUSTER	\$24,188,869	\$8,875,447	\$33,064,316
NOTE 6P	WAIVED LABS	\$2,431,736,634	\$3,433,799	\$2,435,170,433
050805WV5002	CLINICAL LABORATORY IMPROVEMENT AMENDMENTS	\$2,345	\$0	\$2,345
0805WV5002	NIOSH ASSIGNMENT - COORDINATOR, HEALTHCARE & SOCIAL ASSISTANCE SECTOR	\$112,992	\$0	\$112,992
12IPA1213312	VITAL STATISTICS COOP PROGRAM	\$73,291	\$0	\$73,291
20020507251	FOOD INSPECTIONS	\$113,048	\$0	\$113,048
200540049P	MAMMOGRAPHY QUALITY ACT	\$31,150	\$0	\$31,150
223024448	OLMSTEAD COMMUNITY INTEGRATION	\$47,641	\$0	\$47,641
280-06-1600	TOBACCO WORKPLAN	\$0	\$17,370	\$17,370
9179393	ADDRESSING ASTHMA	\$544,033	\$0	\$544,033
93070		\$193,057	\$126,398	\$319,455

STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARD  
FEDERAL GRANTOR LISTING  
FOR THE YEAR ENDING JUNE 30, 2014

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
CK 0004939378	AMERICAN COLLEGE OF SURGEONS ONCOLOGY GROUP (ACOSOG)	\$4,000	\$0	\$4,000
HHSF223200640090P				
/001	FEDERAL FOOD, DRUG AND COSMETIC ACT	\$3,463	\$0	\$3,463
SEOW	STATE EPIDEMIOLOGICAL OUTCOMES WORKGROUP	\$43,170	\$0	\$43,170
<b><u>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>		<b><u>\$2,769,258,382</u></b>	<b><u>\$78,436,540</u></b>	<b><u>\$2,847,694,922</u></b>
<b><u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u></b>				
94.003	STATE COMMISSIONS	\$219,373	\$0	\$219,373
94.006	AMERICORPS	\$11,803	\$3,308,684	\$3,320,487
94.013	VOLUNTEERS IN SERVICE TO AMERICA	\$113,194	\$0	\$113,194
<b><u>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u></b>		<b><u>\$344,370</u></b>	<b><u>\$3,308,684</u></b>	<b><u>\$3,653,054</u></b>
<b><u>EXECUTIVE OFFICE OF THE PRESIDENT</u></b>				
95.001	HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM	\$7,828	\$0	\$7,828
<b><u>TOTAL EXECUTIVE OFFICE OF THE PRESIDENT</u></b>		<b><u>\$7,828</u></b>	<b><u>\$0</u></b>	<b><u>\$7,828</u></b>
<b><u>SOCIAL SECURITY ADMINISTRATION</u></b>				
96.001	SOCIAL SECURITY - DISABILITY INSURANCE (DI)	\$18,239,117	\$0	\$18,239,117
	SOCIAL SECURITY - WORK INCENTIVES PLANNING AND			
	ASSISTANCE PROGRAM	\$0	\$189,010	\$189,010
SS000860067	ENUMERATION AT BIRTH	\$45,391	\$0	\$45,391
<b><u>TOTAL SOCIAL SECURITY ADMINISTRATION</u></b>		<b><u>\$18,284,508</u></b>	<b><u>\$189,010</u></b>	<b><u>\$18,473,518</u></b>
<b><u>DEPARTMENT OF HOMELAND SECURITY</u></b>				
97.012	BOATING SAFETY FINANCIAL ASSISTANCE	\$424,533	\$0	\$424,533
	COMMUNITY ASSISTANCE PROGRAM STATE SUPPORT			
97.023	SERVICES ELEMENT (CAP-SSSE)	\$122,021	\$0	\$122,021
	DISASTER GRANTS - PUBLIC ASSISTANCE			
97.036	(PRESIDENTIALLY DECLARED DISASTERS)	\$9,297,719	\$1,981,668	\$11,279,387
97.039	HAZARD MITIGATION GRANT	\$15,770	\$1,910,202	\$1,925,972
97.041	NATIONAL DAM SAFETY PROGRAM	\$77,769	\$0	\$77,769
97.042	EMERGENCY MANAGEMENT PERFORMANCE GRANTS	\$2,382,459	\$1,877,579	\$4,260,038
97.045	COOPERATING TECHNICAL PARTNERS	\$150,000	\$0	\$150,000
97.047	PRE-DISASTER MITIGATION	\$0	\$39,174	\$39,174
	PRESIDENTIAL DECLARED DISASTER ASSISTANCE TO			
	INDIVIDUALS AND HOUSEHOLDS_ OTHER NEEDS	\$3,363	\$3,474	\$6,837
97.056	PORT SECURITY GRANT PROGRAM	\$50,142	\$836,776	\$886,918
97.067	HOMELAND SECURITY GRANT PROGRAM	\$1,221,449	\$2,946,564	\$4,168,013
97.078	BUFFER ZONE PROTECTION PROGRAM (BZPP)	\$284,340	\$5,975	\$290,315
97.089	DRIVER'S LICENSE SECURITY GRANT PROGRAM	\$1,244,998	\$0	\$1,244,998
<b><u>TOTAL DEPARTMENT OF HOMELAND SECURITY</u></b>		<b><u>\$15,274,563</u></b>	<b><u>\$9,601,412</u></b>	<b><u>\$24,875,975</u></b>
<b><u>MULTIPLE FEDERAL AGENCY CLUSTER</u></b>				
NOTE 6H	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$417,824,411	\$8,608,291	\$426,432,702
NOTE 6Q	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$611,848,439	\$0	\$611,848,439
NOTE 6R	RESEARCH AND DEVELOPMENT CLUSTER	\$4,429,386	\$3,413,639	\$7,843,025
<b><u>TOTAL MULTIPLE FEDERAL AGENCY CLUSTER</u></b>		<b><u>\$1,034,102,236</u></b>	<b><u>\$12,021,930</u></b>	<b><u>\$1,046,124,166</u></b>
<b><u>TOTAL</u></b>		<b><u>\$5,142,374,482</u></b>	<b><u>\$568,149,622</u></b>	<b><u>\$5,710,524,104</u></b>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 1. BASIS OF ACCOUNTING**

The Schedule of Expenditures of Federal Awards (the Schedule) has been prepared on the cash basis of accounting. The federal awards are listed in the Schedule under the federal agency supplying the award. The individual Catalog of Federal Domestic Assistance (CFDA) numbers are listed first, then clusters, and then federal contract numbers. Federal contract numbers are used if the CFDA number is not available.

The Schedule includes noncash items such as Food Stamps (CFDA number 10.551), State Administrative Expense for Child Nutrition (CFDA number 10.560), and Donation of Federal Surplus Personal Property (CFDA number 39.003). All items are valued based on amounts as established by the federal grantor agency. The Schedule also includes Federal Direct Student Loans (Direct Loan) (CFDA number 84.268) that are made directly to individual students.

**NOTE 2. REPORTING ENTITY**

The Schedule includes various departments, agencies, boards and commissions governed by the legislature, judiciary and/or constitutional officers of the State of West Virginia (the State). The reporting entity also includes the State's institutions of public higher education. Certain institutions of higher education within the State maintain separate research corporations. These corporations receive various federal awards for research and development and other programs. Each of the research corporations has a separate audit performed in accordance with OMB Circular A-133, and accordingly, a separate A-133 submission has been made (see Note 7).

The Schedule does not include federal funds received and expended by certain independent authorities and other organizations included in the reporting entity under the criteria of the Governmental Accounting Standards Board, as described in Note 1 to the State's basic financial statements published in the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The West Virginia Housing Development Fund and the West Virginia Drinking Water Treatment Revolving Loan Fund, which is a discretely presented component unit and a proprietary fund, respectively, elected to have their own single audit; therefore, their expenditures of federal awards are excluded from the State's schedule of expenditures of federal awards. This component unit and proprietary fund are required to submit their own single audit report to the federal audit clearinghouse.

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 3. SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)**

The reported expenditures for benefits under the Supplemental Nutrition Assistance Program (SNAP) (CFDA No. 10.551) are supported by both regularly appropriated funds and incremental funding made available under section 101 of the American Recovery and Reinvestment Act of 2009. The portion of total expenditures for SNAP benefits that is supported by Recovery Act funds varies according to fluctuations in the cost of the Thrifty Food Plan, and to changes in participating households' income, deductions, and assets. This condition prevents United States Department of Agriculture (USDA) from obtaining the regular and Recovery Act components of SNAP benefits expenditures through normal program reporting processes. As an alternative, USDA has computed a weighted average percentage to be applied to the national aggregate SNAP benefits provided to households in order to allocate an appropriate portion thereof to Recovery Act funds. This methodology generates valid results at the national aggregate level but not at the individual State level. Therefore, we cannot validly disaggregate the regular and Recovery Act components of our reported expenditures for SNAP benefits. At the national aggregate level, however, Recovery Act funds account for 0.64 percent of USDA's total expenditures for SNAP benefits in the Federal fiscal year ended September 30, 2014.

**NOTE 4. INDIRECT/PASS-THROUGH FEDERAL FUNDS**

The United States Office of Drug Control Policy provides funds to the Laurel County Fiscal Court of London, Kentucky. A portion of these funds are passed through from the Fiscal Court to the State.

The West Virginia Research Corporation passed funds to the West Virginia Department of Health and Human Services for CFDA Number 93.926, West Virginia School of Osteopathic Medicine for CFDA Numbers 93.824 and 93.969, and Shepherd University for CFDA Number 43.008.

**NOTE 5. UNEMPLOYMENT INSURANCE PROGRAM (UI) (CFDA Number 17.225)**

The U.S. Department of Labor, in consultation with the Office of Management and Budget officials, has determined that for the purpose of audits and reporting under OMB Circular A-133, state UI funds as well as federal funds should be considered federal awards for determining Type A programs. The State receives federal funds for administrative purposes. State unemployment taxes must be deposited to a state account in the Federal Unemployment Trust Fund, used only to pay benefits under the federally approved state law. State UI funds as well as federal funds are included on the Schedule.

**WEST VIRGINIA**

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

The following schedule provides a breakdown of the state and federal portions of the total expended under CFDA number 17.225:

	<b>Beginning Balance <u>July 1, 2013</u></b>	<b><u>Receipts</u></b>	<b><u>Expenditures</u></b>	<b>Ending Balance <u>June 30, 2014</u></b>
State UI Funds	\$ (1,996,542)	\$427,398,013	\$426,467,929	\$(1,066,458)
Federal UI Funds	<u>1,979,475</u>	<u>69,194,262</u>	<u>69,511,195</u>	<u>1,662,542</u>
Total	<u>\$ (17,067)</u>	<u>\$496,592,275</u>	<u>\$495,979,124</u>	<u>\$ 596,084</u>

**NOTE 6. PROGRAM CLUSTERS**

The following tables detail program clusters referred to in the Schedule. As noted below, the Highway Planning and Construction, Student Financial Assistance, and Research and Development clusters have CFDA's involving awards from multiple federal agencies. The respective federal agency amount by CFDA for these clusters is disclosed in this note. For presentation purposes in the Schedule, these multiple federal agency clusters are presented at the end of the Schedule.

<b><u>Federal Agency</u></b>	<b><u>CFDA Number</u></b>	<b><u>Name of Program</u></b>	<b><u>Total Expenditures</u></b>
<b>(A) SNAP Cluster</b>			
USDA	10.551	Supplemental Nutrition Assistance Program (SNAP)	\$ 479,215,317
	10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	<u>17,812,741</u>
		<b>Total SNAP Cluster</b>	<b><u>\$ 497,028,058</u></b>
<b>(B) Child Nutrition Cluster</b>			
USDA	10.553	School Breakfast Program (SBP)	\$ 29,068,295
	10.555	National School Lunch Program (NSLP)	72,468,809
	10.556	Special Milk Program for Children (SMP)	26,860
	10.559	Summer Food Service Program for Children (SFSPC)	<u>1,855,437</u>
		<b>Total Child Nutrition Cluster</b>	<b><u>\$ 103,419,401</u></b>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(C) Food Distribution Cluster</b>			
USDA	10.568	Emergency Food Assistance Program (Administrative Costs)	\$ 268,108
	10.569	Emergency Food Assistance Program (Food Commodities)	<u>3,450,735</u>
<b>Total Food Distribution Cluster</b>			<b><u>\$ 3,718,843</u></b>
<b>(D) Fish and Wildlife Cluster</b>			
DOI	15.605	Sport Fish Restoration Program	\$ 2,178,142
	15.611	Wildlife Restoration and Basic Hunter Education	<u>2,350,997</u>
<b>Total Fish and Wildlife Cluster</b>			<b><u>\$ 4,529,139</u></b>
<b>(E) JAG Program Cluster</b>			
DOJ	16.738	Edward Byrne Memorial Justice Assistance Grant Program	\$ 144,187
	16.803	ARRA – Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	<u>327,487</u>
<b>Total JAG Program Cluster</b>			<b><u>\$ 471,674</u></b>
<b>(F) Employment Service Cluster</b>			
DOL	17.207	Employment Service/Wagner-Peyser Funded Activities	\$ 5,788,813
	17.801	Disabled Veterans' Outreach Program (DVOP)	611,384
	17.804	Local Veterans' Employment Representative (LVER) Program	<u>282,531</u>
<b>Total Employment Service Cluster</b>			<b><u>\$ 6,682,728</u></b>
<b>(G) WIA Cluster</b>			
DOL	17.258	WIA Adult Program	\$ 4,175,455
	17.259	WIA Youth Activities	4,222,281
	17.278	WIA Dislocated Worker Formula Grants	<u>4,889,591</u>
<b>Total WIA Cluster</b>			<b><u>\$13,287,327</u></b>

WEST VIRGINIA

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(H) Highway Planning and Construction Cluster</b>			
DOT	20.205	Highway Planning and Construction	\$409,320,366
	20.205	ARRA – Highway Planning and Construction	<u>1,206,802</u>
		Total Highway Planning and Construction	410,527,168
	20.219	Recreational Trails Program	986,698
ARC	23.003	Appalachian Development Highway System	<u>14,918,836</u>
		<b>Total Highway Planning and Construction Cluster</b>	<b><u>\$426,432,702</u></b>
<b>(I) Transit Services Programs Cluster</b>			
DOT	20.513	Enhanced Mobility for Seniors and Individuals with Disabilities	\$ 933,136
	20.516	Job Access and Reverse Commute Program	263,551
	20.521	New Freedom Program	<u>389,998</u>
		<b>Total Transit Services Programs Cluster</b>	<b><u>\$ 1,586,685</u></b>
<b>(J) Highway Safety Cluster</b>			
DOT	20.600	State and Community Highway Safety	\$ 1,556,512
	20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	1,575,991
	20.609	Safety Belt Performance Grants	1,046,085
	20.610	State Traffic Safety Information System Improvement Grants	283,476
	20.612	Incentive Grant Program to Increase Motorcyclist Safety	49,073
	20.613	Child Safety and Child Booster Seats Incentive Grants	<u>139,441</u>
		<b>Total Highway Safety Cluster</b>	<b><u>\$ 4,650,578</u></b>
<b>(K) Special Education Cluster (IDEA)</b>			
ED	84.027	Special Education - Grants to States (IDEA, Part B)	\$ 75,301,307
	84.173	Special Education - Preschool Grants (IDEA Preschool)	<u>3,497,756</u>
		<b>Total Special Education Cluster (IDEA)</b>	<b><u>\$ 78,799,063</u></b>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<b>Federal Agency</b>	<b>CFDA Number</b>	<b>Name of Program</b>	<b>Total Expenditures</b>
<b>(L) TRIO Cluster</b>			
ED	84.042	TRIO - Student Support Services	\$ 1,554,696
	84.044	TRIO - Talent Search	215,220
	84.047	TRIO - Upward Bound	1,818,284
	84.066	TRIO - Educational Opportunity Centers	337,853
	84.217	TRIO - McNair Post-Baccalaureate Achievement	<u>437,302</u>
		<b>Total TRIO Cluster</b>	<b><u>\$ 4,363,355</u></b>
<b>(M) School Improvement Grants Cluster</b>			
ED	84.377	School Improvement Grants	\$ 4,419,934
	84.388	School Improvement Grants, Recovery Act	<u>2,067,215</u>
		<b>Total School Improvement Grants Cluster</b>	<b><u>\$ 6,487,149</u></b>
<b>(N) Aging Cluster</b>			
HHS	93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	\$ 3,197,050
	93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	3,582,978
	93.053	Nutrition Services Incentive Program	<u>2,193,779</u>
		<b>Total Aging Cluster</b>	<b><u>\$ 8,973,807</u></b>
<b>(O) CCDF Cluster</b>			
HHS	93.575	Child Care and Development Block Grant	\$ 14,292,195
	93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	<u>18,772,121</u>
		<b>Total CCDF Cluster</b>	<b><u>\$ 33,064,316</u></b>
<b>(P) Medicaid Cluster</b>			
HHS	93.775	State Medicaid Fraud Control Units	\$ 968,635
	93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	4,361,200
	93.778	Medical Assistance Program	2,411,801,729
	93.778	ARRA – Medical Assistance Program	<u>18,038,869</u>
			<u>2,429,840,598</u>
		<b>Total Medicaid Cluster</b>	<b><u>\$2,435,170,433</u></b>

WEST VIRGINIA

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(Q) Student Financial Assistance Cluster</b>			
ED	84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)	\$ 2,920,340
	84.033	Federal Work - Study Program (FWS)	3,623,298
	84.038	Federal Perkins Loan (FPL) - Federal Capital Contributions	7,423,218
	84.063	Federal Pell Grant Program (PELL)	129,914,571
	84.268	Federal Direct Student Loans (Direct Loan)	466,430,285
	84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	<u>668,561</u>
		Subtotal Department of Education	<u>610,980,273</u>
HHS	93.264	Nurse Faculty Loan Program (NFLP)	4,731
	93.342	Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students (HPSL/PCL/LDS)	805,635
	93.364	Nursing Student Loans (NSL)	<u>57,800</u>
		Subtotal Department of Health & Human Services	<u>868,166</u>
		<b>Total Student Financial Assistance Cluster (Expenditures Only)</b>	<u>611,848,439</u>

Loans outstanding as of July1, 2013, with continuing compliance requirements, are as follows:

84.038	Federal Perkins Loan (FPL) – Federal Capital Contributions	39,456,983
93.264	Nurse Faculty Loan Program (NFLP)	267,994
93.342	Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students (HPSL/PCL/LDS)	5,510,794
93.364	Nursing Student Loans (NSL)	<u>504,035</u>
	Total Loans Outstanding	<u>45,739,806</u>
	<b>Total Student Financial Assistance Cluster</b>	<u>\$ 657,588,245</u>

**(R) Research and Development Cluster**

**Department of Agriculture**

10.202	Cooperative Forestry Research	\$ 513,471
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act	<u>3,021,432</u>
	<b>Total Department of Agriculture</b>	<u>3,534,903</u>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<b>Federal</b>	<b>CFDA</b>		<b>Total</b>
<u>Agency</u>	<u>Number</u>	<u>Name of Program</u>	<u>Expenditures</u>
<b>Department of Interior</b>			
	H6000082000	Vulnerability of Sensitive Karst Habitats	<u>35,608</u>
	Order # P11AC60552	Containing RTE Species in CHOH	
		<b>Total Department of Interior</b>	<u>35,608</u>
<b>National Science Foundation</b>			
	47.076	Education and Human Resources	273,877
		Pass-Through Programs From: Marshall University Research Corp.	
	47.076	Education and Human Resources	131,435
	47.081	Office of Experimental Program to Stimulate Competitive Research	<u>3,797,440</u>
		<b>Total National Science Foundation</b>	<u>4,202,752</u>
<b>Department of Energy</b>			
	81.087	Renewable Energy Research and Development	26,858
		Pass-Through Programs From: Arizona Geological Survey	
	81.087	Renewable Energy Research and Development	13,663
		Pass-Through Programs From: The WVU Research Corporation and The Battelle Research Institute	
	81.089	Fossil Energy Research and Development	<u>29,241</u>
		<b>Total Department of Energy</b>	<u>69,762</u>
		<b>Total Research and Development Cluster</b>	<u>\$7,843,025</u>

**WEST VIRGINIA**

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 7. COMPONENT UNITS / PROPRIETARY FUND**

The following is a summary of federal awards at the various component units and a proprietary fund that had separate OMB Circular A-133 audits and submissions. These awards have been excluded from the State's Schedule.

West Virginia University Research Corporation (Issued by Clifton, Larson, and Allen dated October 17, 2014)	<u>\$ 91,601,373</u>
Marshall University Research Corporation (Issued by Hayflich Grigoraci PLLC dated October 21, 2014)	<u>\$ 20,975,082</u>
West Virginia State Research Corporation (Issued by Hayflich Grigoraci PLLC dated October 27, 2014)	<u>\$ 9,387,908</u>
West Virginia Housing Development Fund (Issued by Gibbons & Kawash, A.C. dated August 27, 2014)	<u>\$ 159,364,123</u>
West Virginia Drinking Water Treatment Revolving Fund	<u>\$ 4,986,752</u>

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***SCHEDULE OF  
FINDINGS  
AND  
QUESTIONED  
COSTS***

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**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**Part I. Summary of Auditor's Results**

**Financial statements section:**

Type of auditors' report issued (unmodified, qualified, adverse or disclaimer):	Unmodified, with reliance on other auditors		
Internal control over financial reporting:			
Material weakness(es) identified?	<u>  X  </u>	Yes	_____ No
Significant deficiency(ies) identified?	<u>  X  </u>	Yes	_____ No
Noncompliance material to financial statements noted?	_____	Yes	<u>  X  </u> No

**Federal awards section:**

Internal control over major programs:			
Material weakness(es) identified?	<u>  X  </u>	Yes	_____ No
Significant deficiency(ies) identified?	<u>  X  </u>	Yes	_____ No
Type of auditors' report issued on compliance for major programs (unmodified, qualified, adverse or disclaimer):	Unmodified for all major programs except for Broadband Technology Opportunities Program (BTOP), Student Financial Assistance (SFA) Cluster, Low-Income Home Energy Assistance, Adoption Assistance and Children's Health Insurance Program (CHIP), which were qualified.		
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	<u>  X  </u>	Yes	_____ No

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**Identification of Major Programs**

CFDA Number(s)	Reportable Findings	Name of Federal Program or Cluster
10.551/10.561	2014–016, 017	Supplemental Nutrition Assistance Program (SNAP) Cluster
10.557	2014–017	Special Supplemental Nutrition Program for Women, Infants and Children (WIC)
11.557*	2014–006	Broadband Technology Opportunities Program (BTOP)
12.400	None	Military Construction, National Guard
12.401	None	National Guard Military Operations and Maintenance (O&M) Projects
14.228	None	Community Development Block Grants (CDBG) – State Administered CDBG Cluster
15.252	None	Abandoned Mine Land Reclamation (AMLR) Program
17.225	2014–007	Unemployment Insurance
20.205/23.003/ 20.219	None	Highway Planning and Construction Cluster
66.458	2014–008	Capitalization Grants for Clean Water State Revolving Funds
84.007/84.033/ 84.037/84.038/ 84.063/84.268/ 84.379/84.408/ 93.264/93.342/ 93.364/93.408/ 93.925	2014–009, 010, 011, 012, 013	Student Financial Assistance (SFA) Cluster
84.010	None	Title I Grants to Local Education Agencies
84.027/84.173	2014–014	Special Education Cluster – Grants to States (IDEA Part B), and Special Education – Preschool Grants (IDEA Preschool)
84.126	2014–015	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.367	None	Improving Teacher Quality State Grant
93.558	2014–016, 017, 018, 019	Temporary Assistance for Needy Families
93.563	2014–017	Child Support Enforcement
93.568	2014–016, 017, 020, 021	Low-Income Home Energy Assistance



**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**Part II. Financial Statement Findings Section**

<b>Reference Number</b>	<b>Findings</b>	<b>Questioned Costs</b>
2014-001	Tax Receipts and Refunds	N/A
2014-002	Capital Assets	N/A
2014-003	Special Reclamation Liability	N/A
2014-004	Financial Statement Close Process	N/A
2014-005	Schedule of Expenditures of Federal Awards	N/A

**Part III. Federal Award Findings and Questioned Costs Section**

<b>Reference Number</b>	<b>Findings</b>	<b>Questioned Costs</b>
2014-006	Procurement	Unknown
2014-007	Eligibility	N/A
2014-008	Capitalization Grants for Clean Water State Revolving Funds	Unknown
2014-009	Banner IT General Controls	N/A
2014-010	Special Tests and Provisions – Disbursements to or on Behalf of Students	N/A
2014-011	Special Tests and Provisions – Enrollment Reporting	N/A
2014-012	Special Tests and Provisions – Student Loan Repayments	N/A
2014-013	Special Tests and Provisions – Borrower Data Transmission and Reconciliation	N/A
2014-014	Level of Effort – Maintenance of Effort	N/A
2014-015	Indirect Cost Allocation	Unknown
2014-016	DHHR Information System and Related Business Process Controls	Unknown
2014-017	Time and Attendance Authorization Procedures	Unknown
2014-018	Special Tests and Provisions – Sanctions Compliance	Unknown
2014-019	Special Tests and Provisions – Sanctions Controls	Unknown
2014-020	RAPIDS User Guide	\$306
2014-021	Allowability and Eligibility	\$3,289
2014-022	Disaster Recovery Plan	N/A
2014-023	Special Tests and Provisions – Payment Rate Setting and Application	Unknown
2014-024	Eligibility Documentation	\$6,632
2014-025	Earmarking	N/A
2014-026	Eligibility	\$3,021

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2014**

**2014-001 TAX RECEIPTS AND REFUNDS**  
**(Prior Year Finding 2013-001)**

**Federal Program Information:**    **State Agency and Department Name**  
Department of Revenue (Revenue) and Department of  
Administration Financial Accounting and Reporting  
Section (FARS)

**Criteria:**                    Revenue is responsible for establishing and maintaining adequate controls over the recording and collection of tax revenues and related receivables, including its information systems and processes. FARS is responsible for the estimation process to estimate tax refunds payable at year-end.

**Condition:**                 Consistent with prior year, we identified control deficiencies around the tax collection and refund process based on the following:

Revenue performs monthly tax refund and tax revenue reconciliations between the tax subledger (GenTax) and WVFIMS. Management has a policy whereby the reconciliations are to be prepared by a staff and reviewed by a senior member of Revenue. During our review of the tax refund reconciliations, we noted the monthly reconciliations were not reviewed. In addition, Revenue did not perform the reconciliations between GenTax and the new ERP system (wvOASIS) for the months subsequent to fiscal year 2014 year-end.

With respect to the GenTax application and information technology general controls, individuals have access to develop changes for the GenTax application and migrate those changes into the production environment. Additionally, there is no monitoring being performed to detect any unauthorized changes into the production environment.

**Questioned Costs:**    N/A

**Context:**                    The total tax revenue for the year ended June 30, 2014, is approximately \$5.0 billion. Taxes receivable, net of allowance and tax refunds payable approximated \$428.2 million and \$275.9 million, respectively, at June 30, 2014.

**Cause:**                     Management indicated that the deficiency noted above is due to lack of staffing resources and unavailability of the proper reports generated from wvOASIS.

**Effect:**                    The conditions outlined above could cause tax revenue and the related receivable and refunds payable to not be properly recorded in the financial statements in the correct account and period as well as for the proper amount. They may also create opportunities for material errors to go undetected.

**Recommendation:**    We recommend that Revenue establish formal policies and procedures for performance of the reconciliation between GenTax and wvOASIS at least monthly in order to assure the resolution of unreconciled differences in a timely manner. When developing the reconciliation process, Revenue should consider segregation of duties, review and approval policies and procedures, including the formal documentation of those approvals, as well as developing formalized thresholds that are sensitive enough to identify material errors, documenting precision of review.

Also, we recommend that management review the responsibilities of individuals that are responsible for program changes in the GenTax application so that responsibilities are properly segregated.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014-001 TAX RECEIPTS AND REFUNDS  
(Prior Year Finding 2013-001) (continued)**

**Federal Program Information:**    **State Agency and Department Name**  
Department of Revenue (Revenue) and Department of  
Administration Financial Accounting and Reporting  
Section (FARS)

**Views of  
Responsible  
Offices:**                    Management acknowledges the finding. See corrective action plan.



**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2014**

**2014-003 SPECIAL RECLAMATION LIABILITY**

<b>Federal Program Information:</b>	<b>State Agency and Department Name</b> Department of Environmental Protection (DEP) and Department of Administration Financial Accounting and Reporting Section (FARS)
<b>Criteria:</b>	DEP maintains several environmental protection programs including a special reclamation program. Under such programs, the State charges various fees, premiums and other assessments, and sets bonding amounts that operators are required to maintain to ensure that funds are available in the event that the operator is unable to fulfill its environmental protection responsibilities.  In accordance with Governmental Accounting Standards Board (GASB) No. 49, <i>Accounting and Financial Reporting for Pollution Remediation Obligations</i> (GASB No. 49) management is required to estimate reclamation obligations related to environmental obligations from forfeited bonds on mining properties.
<b>Condition:</b>	Management records an obligation for the special reclamation program which enables compliance with a federal mandate that allows the State to operate an alternative bonding program to ensure that mining sites are reclaimed in accordance with federal and State regulations. As of December 31, 2014, the State overstated the ongoing water liability estimate by \$109.8 million.
<b>Questioned Costs:</b>	N/A
<b>Context:</b>	As of June 30, 2014, the special reclamation environmental liability was \$301.2 million in the government-wide financial statements.
<b>Cause:</b>	Management indicated that difference in the ongoing water costs is due to them using an actuarial study, which was not prepared in accordance with GASB No 49 for financial statement reporting purpose.
<b>Effect:</b>	The amount recorded by management may not reflect the best estimate of the environmental liabilities in accordance with generally accepted accounting principles.
<b>Recommendation:</b>	We recommend that management update the estimates based on the latest underlying data and assumption and also compare to the actual costs for reasonableness.
<b>Views of Responsible Offices:</b>	Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2014**

**2014-004 FINANCIAL STATEMENT CLOSE PROCESS**

**Federal Program Information:**     **State Agency and Department Name**  
Department of Administration Financial Accounting and  
Reporting Section (FARS)

**Criteria:**                     As stated in the Note 1 summary of significant accounting policies of the Comprehensive Annual Financial Report, “the fund balance classifications are based primarily on the extent to which the State is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent.” Fund balances are classified into four categories: nonspendable, restricted, committed, assigned and unassigned.

FARS is responsible to classify the fund balances in accordance with Accounting Standards Board (GASB) No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB No. 54) on the governmental fund statements.

**Condition:**                     During our fund balance classification testing, we identified that the unassigned fund balance on the general fund was understated by \$191.9 million; however, the restricted, committed, and assigned fund balances were overstated by \$34.2 million, \$131.4 million and \$26.3 million, respectively.

**Questioned Costs:**     N/A

**Context:**                     The total governmental fund balance is \$1.3 billion, which consists of \$0.8 billion in nonspendable, \$0.3 billion in restricted, \$1.3 billion in committed, \$0.2 billion in assigned and (\$1.3 billion) in unassigned.

**Cause:**                         Management indicated that the deficiency noted above is due to lack of staffing resources and timely review.

**Effect:**                        The conditions outlined above will prevent financial statement users to have a clear understanding on which constraints are imposed upon the use of resources and how those constraints may be modified or eliminated.

**Recommendation:**        We recommend that sufficient resource be devoted to the financial statement closing process including GASB 54 fund balance classification analysis by hiring additional staff and providing adequate training.

**Views of Responsible Offices:**     Management acknowledges the finding. See corrective action plan.





**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2014**

**2014-006 PROCUREMENT**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Commerce Broadband Technology Opportunities Program (BTOP) Grant Award NT10BIX5570031	<b>CFDA#</b> ARRA-11.557
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**Criteria:** The A-102 Common Rule requires that non-federal entities receiving federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

States, and governmental subrecipients of States, will use the same State policies and procedures used for procurements from non-federal funds. They also must ensure that every purchase order or other contract includes any clauses required by federal statutes and executive orders and their implementing regulations.

BTOP grant funds received and spent by the recipient, the Executive Office of West Virginia, through its spending units were required to be expended in accordance with W. Va. Code §5A-3-1 et seq.

Section 2, Article 22, Chapter 5 of the Code reiterates the requisite nature of the bid bond, stating: "No public entity may accept or consider any bids that do not contain a valid bid bond or other surety approved by the State of West Virginia or its subdivisions," before going on to state that the provisions and requirements of the competitive bidding statute "may not be waived by any public entity."

According to the Competitive Bidding Act, the State of West Virginia and its subdivisions shall "solicit competitive bids for every construction project exceeding twenty-five thousand dollars in total cost."

The Competitive Bidding Act states that "after the award of a bid under this section, the bid file of the contracting public agency and all bids submitted in response to the bid solicitation shall be open and available for public inspection."

**Condition:** During a West Virginia (the State) legislative audit of BTOP issued during fiscal year 2014, the auditors noted that BTOP circumvented State purchasing procedures in their use of State agencies' "pass through" method of administering the grants. This resulted in a lack of direct oversight and guidance of the subgrantee, and a resulting contract not overseen by the purchasing division and not in compliance with the State Code.

In addition, the audit noted the following:

- The subgrantee did not require bidders to submit a bid bond.
- The RFP contained a blank "menu bid," broken down by category. Bidders were required to quote prices for a wide variety of items, including civil work site preparation, civil work roadway, foundation work, electrical work, tower installation, tower demolition, fencing, grounding, antennas and lines, and a wide range of general "menu bid options." Each category was further broken down into specifics; the tower installation section alone contained 33 varieties of tower erection, as well as boom, ice shield, and ice bridge installation.

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2014**

**2014-006 PROCUREMENT**  
**(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Commerce	
	Broadband Technology Opportunities Program (BTOP)	ARRA-11.557
	Grant Award NT10BIX5570031	

- The complete bid file for Premier Construction was not maintained. Without records detailing the significant history of the procurement of tower construction, it is unclear how the Executive Office of West Virginia could assert in the justification for the non-competitive selection of Lewis County as a subrecipient of the BTOP grant that "Lewis County has an existing fully bid construction contract using State of WV Standards, and is in compliance with all Special Award Conditions such as the Davis-Bacon Act."

**Questioned Costs:** Unknown

**Context:** Total federal expenditures for BTOP were \$36,852,919 for the year ended June 30, 2014. Total federal expenditures for BTOP since the grant was awarded were \$124,374,999. Total federal funds passed through to the subgrantee, Premier, was \$3,470,349 for the year ended June 30, 2014.

**Cause:** Management did not comply with procurement requirements. State agencies did not conduct the proper analysis to determine what, if any, subrecipients were appropriate to include in the execution of the BTOP grant.

**Effect:** Because the process did not allow for evaluation of other subgrantees or potential contracts it is not possible to ensure the best possible grantees or contractors were used.

**Recommendation:** We recommend evaluating current procurement to identify areas where internal controls could be strengthened to include monitoring of compliance with State purchasing policies in order to prevent future noncompliance.

**Views of Responsible Offices:** Management disagrees with this finding. Management does agree that the Legislative Audit found substantive areas in State of West Virginia Purchasing requiring modification, correction, and rewriting. The purchasing processes utilized on the tower build portion of the BTOP grant were processes that had previously been utilized on other grants. These grants included Department of Homeland Security (DHS) grants and others. These procedures were in place and used (as noted) in establishment of multiple such contracts/initiatives. In keeping with these practices, the BTOP tower contracts met existing, previously utilized, and tried processes and procedures. As a result of the Legislative Audit, the State of West Virginia Purchasing Division reviewed and changed policy in this area. The West Virginia Legislature also passed new and/or revised laws enabling full clarification, minimizing ambiguity and establishing formal procedures and law for this type of contract utilization in the future.

**Conclusion:** Management of BTOP believes they have followed appropriate processes with respect to subrecipient awards. We believe that management should continue to work with the Legislative Auditors to resolve the issue surrounding the selection of subrecipients and contractors for the purposes of federal funding.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014-007 INTERNAL CONTROLS OVER ELIGIBILITY**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Labor Unemployment Insurance (UI)	<b>CFDA#</b>  17.225
<b>Criteria:</b>	The management of WorkForce West Virginia (WWV) is responsible for establishing and maintaining effective internal controls over compliance.	
<b>Condition:</b>	There was not an adequate amount of denied claims sampled for review by UI staff for fiscal year 2014 in accordance with the instructions of the Benefit Accuracy Measurement Handbook (Handbook). Per the instructions in the Handbook, 150 cases each of monetary, separation, and non-separation denials will be selected each year resulting in a total of 450 overall cases sampled. Per the denials report received from the UI staff as documentation of the cases selected, only 149 separation and 149 non-separation cases were sampled during fiscal year 2014, which does not meet the requirement per the Handbook. 152 monetary cases were selected, and therefore this type was in compliance with requirements per the Handbook.	
<b>Questioned Costs:</b>	N/A	
<b>Context:</b>	Total federal disbursements for the UI program were \$495,979,124 for the year ended June 30, 2014.	
<b>Cause:</b>	The selection of the cases is done manually by UI staff, and the total amount of cases selected for the year for separation and non-separation ended up being less than required amount on a yearly basis per the Handbook.	
<b>Effect:</b>	WWV was not in compliance with the instructions of the Handbook because WWV did not sample the required amount of cases per the instructions of the Handbook.	
<b>Recommendation:</b>	We recommend that management of WWV implement controls over the selection of denied claims samples to ensure compliance with the instructions of the Handbook.	
<b>Views of Responsible Offices:</b>	Management acknowledges the finding. See corrective action plan.	

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014-008 CAPITALIZATION GRANTS FOR CLEAN WATER STATE REVOLVING FUNDS**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Environment Protection Agency Capitalization Grant for Clean Water State Revolving Fund (CWSRF) Grant Award 2014 – 5400013	66.458

**Criteria:** In accordance with OMB Circular A-133 Subpart C §.300(b), the auditee shall maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Per 2 CFR 170 Appendix A, unless the auditee is exempt as provided in paragraph D, the auditee must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity no later than the end of the month following the month in which the obligation was made.

**Condition:** State Agencies that make first-tier subawards using non-ARRA funds are required to comply with the Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282), as amended by Section 6202(a) of the Government Funding Transparency Act of 2008 (Pub. L. No. P11-252), that relates to subaward reporting. During our audit procedures, there was no indication of a formal review process for CWSRF Transparency Act reporting.

**Questioned Costs:** Unknown

**Context:** Total federal expenditures for the CWSRF for the fiscal year ended June 30, 2014, were approximately \$20,812,990. Total federal funds passed to subrecipients was \$20,812,990.

**Cause:** Policies and procedures relating to the reporting of first tier subawards as required by the Transparency Act are not currently being followed.

**Effect:** Management is not able to determine, in a timely manner, the existence of material noncompliance.

**Recommendation:** We recommend that management take immediate action to ensure compliance with the reporting requirements of the Transparency Act. We further recommend that management implement a review process to ensure that information is being reviewed prior to being uploaded to the website.

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014-009 BANNER IT GENERAL CONTROLS**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post-Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance (SFA) Cluster	84.007/84.033/ 84.037/84.038/ 84.063/84.268/ 84.379/84.408/ 93.264/93.342/ 93.364/93.408/ 93.925

**Criteria:** Each state department and agency that receives and disburses federal awards is required by OMB Circular A-133 Sec.300(b) to “maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”

Management of the SFA Cluster is responsible for establishing and maintaining adequate controls over its information systems and the related processes. An integral part of an entity’s accounting function is the establishment of internal control over change management over IT systems.

**Condition:** Changes to the Banner application (Marshall University instance) are tested and approved prior to implementation to production, a documentation trail indicating the testing acceptance by end-users/requestors and production approval from the oversight committee is not maintained in the change control documentation.

Programmers responsible for developing changes to the Banner application (Marshall University instance) also maintain the ability to migrate changes into the production environment. Additionally, there is no monitoring being performed to detect any unauthorized changes to the production environment that were developed and migrated by the same person. This combination of duties represents a segregation of duties conflict.

Privileged access (i.e., ability to create, modify and delete user accounts) to the Banner application (Marshall University instance) is not appropriately restricted. Administrator level access is granted to three members of the IT department via access to a default, shared ID. One of the users is responsible for programming activities resulting in a segregation of duties conflict. Additionally, accountability of access does not exist given that a shared ID is utilized versus individual user IDs being granted to each administrator.

Management has not implemented a formalized and documented process for periodically reviewing user access appropriateness for the Banner application.

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the State of West Virginia SFA cluster were \$611,848,439 as of June 30, 2014.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–009 BANNER IT GENERAL CONTROLS  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post-Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance (SFA) Cluster	84.007/84.033/ 84.037/84.038/ 84.063/84.268/ 84.379/84.408/ 93.264/93.342/ 93.364/93.408/ 93.925

**Cause:** IT change management and logical access controls/procedures and improper segregation of duties regarding user access rights and functional responsibilities (for the Banner application) could potentially affect student financial aid and accounts receivable processes. In addition to not being in adherence with the financial aid compliance supplement related to IT processes and controls.

**Effect:** Documentation requirements and approvals for change management can avoid potential production disruptions, facilitate future program maintenance and provide user accountability.

Without proper prevent and/or detect controls built-into the change control processes, programmer access within the production environment could lead to the change control process being circumvented and unauthorized changes implemented into the Banner production environment.

Privileged or excessive access granted to inappropriate personnel can compromise other access controls implemented by management and lead to unauthorized access to sensitive and/or confidential information. Accountability of access activities is compromised when a shared, generic ID exists with privileged security functions.

A periodic review of user access rights is an important aspect of providing control and accountability over authorized access to data. Without a formal periodic review process, management cannot be assured that user access rights accurately reflect user job duties and responsibilities.

**Recommendation:** Management should modify their change management policy to detail specific directives for responsible parties to follow throughout the process. Evidence of change testing and approval should be maintained for all Banner application changes/upgrades. The policy should address specific audit trail documentation requirements and approvals for Banner application changes/upgrades.

Management should restrict those responsible for developing the change from also migrating the change to the production Banner environment. Alternatively, if preventative measures cannot be taken, management should implement procedures by which an independent party (e.g., System Administrator) reviews the program change log/modified programs on a regular basis to ensure all changes made to the applications are appropriate and authorized. The frequency of the review should be commensurate with the frequency by which changes are made to the application.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–009 BANNER IT GENERAL CONTROLS  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post-Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance (SFA) Cluster	84.007/84.033/ 84.037/84.038/ 84.063/84.268/ 84.379/84.408/ 93.264/93.342/ 93.364/93.408/ 93.925

Management should restrict privileged access to the UNIX root account; privileged permissions at the UNIX operating system layer should only be granted to appropriate IT administrators that require this level of access to perform their job functions.

Management should work to implement controls whereby user access to the Banner application is reviewed and documented on a periodic (at least annual) basis. Managers/supervisor should note any changes required and sign off as validation of their performance of the review. The reviewed documentation should be returned to the IT group/administrators, so that the necessary changes can be made and the documentation retained. This review should also include procedures to ensure all users with access are current employees.

**Views of  
Responsible  
Offices:**

Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–010 SPECIAL TESTS AND PROVISIONS – DISBURSEMENTS TO OR ON BEHALF OF STUDENTS  
(Prior Year Finding 2013–025)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post-Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance (SFA) Cluster	84.007/84.033/ 84.037/84.038/ 84.063/84.268/ 84.379/84.408/ 93.264/93.342/ 93.364/93.408/ 93.925

**Criteria:** In accordance with 34 CFR Section 668.165(a), (2) Except in the case of a post-withdrawal disbursement made in accordance with §668.22(a)(5), if an institution credits a student's account at the institution with Direct Loan, FFEL, Federal Perkins Loan, or TEACH Grant Program funds, the institution must notify the student or parent of—(i) The anticipated date and amount of the disbursement; (ii) The student's right or parent's right to cancel all or a portion of that loan, loan disbursement, TEACH Grant, or TEACH Grant disbursement and have the loan proceeds returned to the holder of that loan, and the TEACH Grant proceeds returned to the Secretary. However, if the institution releases a check provided by a lender under the FFEL Program, the institution is not required to provide this information; and (iii) The procedures and time by which the student or parent must notify the institution that he or she wishes to cancel the loan, loan disbursement, TEACH Grant, or TEACH Grant disbursement. (3) The institution must provide the notice described in paragraph (a)(2) of this section in writing.

**Condition:** For the 25 disbursements notifications selected for testing at West Virginia University (WVU) in our program compliance sample (sample size of 60 across SFA cluster) of students who received disbursements of financial aid, the anticipated date and amount of disbursement was not provided in writing, nor was the time requirement by which the student or parent could cancel the loan.

**Questioned Costs:** N/A

**Context:** Total expenditures of the federal programs mentioned in the criteria above for WVU and the SFA cluster in total were \$213,492,722 and \$466,430,285, respectively, for the year ended June 30, 2014.

**Cause:** Management did not maintain adequate supporting documentation with regards to disbursement notifications. Additionally, policies and procedures related to the institutions' disbursement notifications did not encompass all of the required elements.

**Effect:** Institutions were not in compliance with the requirements related to disbursement notification. Disbursements may be made for which the required notifications were not sent. Policies and procedures related to the institutions' disbursement notifications did not encompass all of the required elements.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–010 SPECIAL TESTS AND PROVISIONS – DISBURSEMENTS TO OR ON BEHALF OF STUDENTS**

**(Prior Year Finding 2013–025) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post-Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance (SFA) Cluster	84.007/84.033/ 84.037/84.038/ 84.063/84.268/ 84.379/84.408/ 93.264/93.342/ 93.364/93.408/ 93.925

**Recommendation:** This is a repeat finding and management should develop an effective corrective action plan to address this matter in a timely manner. We recommend that the institutions implement policies and procedures to ensure that all supporting documentation for disbursement notifications is maintained and archived to allow for evidence of the institution’s compliance with federal guidelines.

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–011 SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING  
(Prior Year Findings 2013–028)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post-Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance (SFA) Cluster	84.007/84.033/ 84.037/84.038/ 84.063/84.268/ 84.379/84.408/ 93.264/93.342/ 93.364/93.408/ 93.925

- Criteria:** 34 CFR section 685.309(b) states a school shall—
- (1) Upon receipt of a student status confirmation report from the Secretary, complete and return that report to the Secretary within 30 days of receipt; and
  - (2) Unless it expects to submit its next student status confirmation report to the Secretary within the next 60 days, notify the Secretary within 30 days if it discovers that a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who—
    - (i) Enrolled at that school but has ceased to be enrolled on at least a half-time basis;
    - (ii) Has been accepted for enrollment at that school but failed to enroll on at least a half-time basis for the period for which the loan was intended; or
    - (iii) Has changed his or her permanent address.
- Condition:** For 1 of the 12 students selected from Marshall University (Marshall) and two of the two students selected from West Virginia State University (WVSU) in our internal control and compliance sample of 60 students who withdrew, graduated, or enrolled but never attended, the respective institution did not promptly notify the appropriate entities of a change in the student’s status in a timely and accurate manner.
- Questioned Costs:** N/A
- Context:** Total Direct Loan expenditures for Marshall, WVSU and the SFA cluster in total were \$78,672,424, \$11,384,194, and \$466,430,285, respectively, for the year ended June 30, 2014.
- Cause:** For the students noted above, there were status discrepancies between the information reported by the institution to the Clearinghouse and their subsequent reporting of enrollment detail to NSLDS.
- Effect:** The institutions are not promptly notifying the proper agencies of changes in student statuses in an accurate manner; thus, inaccurate information is reported to the NSLDS.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–011 SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING  
(Prior Year Findings 2013–028) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post-Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance (SFA) Cluster	84.007/84.033/ 84.037/84.038/ 84.063/84.268/ 84.379/84.408/ 93.264/93.342/ 93.364/93.408/ 93.925

**Recommendation:** This is a repeat finding and management should develop an effective corrective action plan to address this matter in a timely manner. As institutions are responsible for timely reporting whether they report directly or via a third-party servicer, we recommend that the institutions implement a review process to ensure they are promptly notifying the U.S. Department of Education and NSLDS of changes in a student’s status in a timely and accurate manner.

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–012 SPECIAL TESTS AND PROVISIONS – STUDENT LOAN REPAYMENTS  
(Prior Year Finding 2013–029)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post-Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance (SFA) Cluster	84.007/84.033/ 84.037/84.038/ 84.063/84.268/ 84.379/84.408/ 93.264/93.342/ 93.364/93.408/ 93.925

**Criteria:** In accordance with 34 CFR §674.42(b)(1), “An institution must ensure that exit counseling is conducted with each borrower either in person, by audiovisual presentation, or by interactive electronic means. The institution must ensure that exit counseling is conducted shortly before the borrower ceases at least half-time study at the institution. As an alternative, in the case of a student enrolled in a correspondence program or a study-abroad program that the institution approves for credit, the borrower may be provided with written counseling material by mail within 30 days after the borrower completes the program. If a borrower withdraws from the institution without the institution’s prior knowledge or fails to complete an exit counseling session as required, the institution must ensure that exit counseling is provided through either interactive electronic means or by mailing counseling materials to the borrower at the borrower’s last known address within 30 days after learning that the borrower has withdrawn from the institution or failed to complete exit counseling as required.”

In accordance with 34 CFR §674.42(c)(1), “For loans with a nine-month initial grace period (NDSLs made before October 1, 1980 and Federal Perkins loans), the institution shall contact the borrower three times within the initial grace period.” These three contacts should occur 90 days after the commencement of the grace period, 150 days after the commencement of the grace period, and 240 days after the commencement of the grace period.

Borrowers may be eligible for loan deferments or cancellations under certain circumstances. Examples of when loan payments may be deferred are when the borrower is in certain student statuses at other eligible institutions, employed as a full-time teacher at certain schools, employed full-time in other specified occupations, or serving in the military or as a volunteer in the Peace Corps, ACTION programs (AmeriCorps\*VISTA), or other programs deemed to be comparable, FPL loans may be canceled based on full-time employment as a teacher at certain schools or specified fields, other qualifying employment, military or other volunteer service, and death or disability. Cancellations rates (amount of loan that is canceled for each year of qualifying service) for FPL loans vary, depending on when the loan was made. To qualify for a deferment and cancellation of an FPL loan, the borrower is required to submit to the institution to which the loan is owed a written request for the deferment or cancellation, with documentation required by the institution, by the date established by the institution, unless it is an in-school deferment (34 CFR 674.33 through 674.40, and 674.51 through 674.62).

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–012 SPECIAL TESTS AND PROVISIONS – STUDENT LOAN REPAYMENTS  
(Prior Year Finding 2013–029) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post-Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance (SFA) Cluster	84.007/84.033/ 84.037/84.038/ 84.063/84.268/ 84.379/84.408/ 93.264/93.342/ 93.364/93.408/ 93.925

**Condition:** For 1 out of a sample of 25 students entering repayment selected at West Virginia University (WVU) in our internal control and compliance sample of 60 for the SFA Cluster, an economic hardship deferment/cancellation was granted; however, based on income documentation provided the student was not eligible for an economic hardship deferment.

**Questioned Costs:** N/A

**Context:** Total Perkins Loan expenditures for WVU and the total SFA cluster were \$3,758,004 and \$7,423,218, respectively, for the year ended June 30, 2014.

**Cause:** Management failed to ensure that deferment and forbearance requests were properly completed and deferments were granted to eligible students in compliance with the federal regulations.

**Effect:** The institution is not properly ensuring that students are in fact eligible for economic hardship deferments by verifying and recalculating the student’s income calculations. Additionally, the institution is not ensuring that deferment and forbearance requests are properly completed.

**Recommendation:** We recommend the institution implement policies and procedures to ensure that deferments and forbearances requests are properly completed, and information noted is verified to ensure students are eligible for deferment or forbearance.

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–013 SPECIAL TESTS AND PROVISIONS – BORROWER DATA TRANSMISSION AND RECONCILIATION  
(Prior Year Finding 2013–031)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post-Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance (SFA) Cluster	84.007/84.033/ 84.037/84.038/ 84.063/84.268/ 84.379/84.408/ 93.264/93.342/ 93.364/93.408/ 93.925

**Criteria:** Institutions must report all loan disbursements and submit required records to the Direct Loan Servicing System (DLSS) via the Common Origination and Disbursement (COD) within 30 days of disbursement (OBM No. 1845-0021). Each month, the COD provides institutions with a School Account Statement (SAS) data file which consists of a Cash Summary, Cash Detail, and (optional at the request of the school) Loan Detail records. The school is required to reconcile these files to the institution’s financial records. Since up to three Direct Loan program years may be open at any given time, schools may receive three SAS data files each month (34 CFR sections 685.102(b), 685.301, and 685.303).

**Condition:** For the two months selected for testing of Direct Loan SAS reconciliation requirements at Blue Ridge Community and Technical College (Blue Ridge) and West Virginia State University (WVSU), proper reconciliations were not completed by the institution. In addition, Blue Ridge was not able to provide the SAS Loan and Disbursement Detail Report which produced the control and compliance findings.

**Questioned Costs:** N/A

**Context:** Total Direct Loan expenditures were \$9,073,928 and \$11,384,194 for Blue Ridge and WVSU for the year ended June 30, 2014.

**Cause:** **Blue Ridge:** Written procedures detailing the process to reconcile loans from COD to Banner exist, as provided in narrative form during the audit. However, management represented that a formal reconciliation process has not been successfully implemented. Also, management was unable to provide the SAS loan and disbursement detail to facilitate compliance testing related to this area.

**WVSU:** For the two months selected for testing of Direct Loan SAS reconciliation requirements, proper reconciliations could not be produced by the institution for internal control testing.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–013 SPECIAL TESTS AND PROVISIONS – BORROWER DATA TRANSMISSION AND RECONCILIATION**

**(Prior Year Finding 2013–031) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post-Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance (SFA) Cluster	84.007/84.033/ 84.037/84.038/ 84.063/84.268/ 84.379/84.408/ 93.264/93.342/ 93.364/93.408/ 93.925

**Effect:** As a result of the aforementioned issues noted with the Borrower Data Transmission and Reconciliation procedures, we could not determine if all the monthly required reconciliations necessary for proper loan disbursement reporting were completed. The absence of the reconciliations could result in the institution’s financial records for Direct Loan expenditures to be improperly stated.

**Recommendation:** This is a repeat finding and management should develop an effective corrective action plan to address this matter in a timely manner. We recommend that management implement the reconciliation process that monthly reconciliations are performed and saved as documented in the institution’s written procedure, including documentation of supervisor review and approval. In addition, management needs to ensure that all data received from COD is maintained within their records to facilitate audit procedures.

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2014**

**2014-014 LEVEL OF EFFORT – MAINTENANCE OF EFFORT**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education Special Education Cluster Grant Award H027A130174-13A Grant Award H173A130071	84.027/84.173

**Criteria:** 34 CFR § 300.163 states that “a State must not reduce the amount of State financial support for special education and related services for children with disabilities, or otherwise made available because of the excess costs of educating those children, below the amount of that support for the preceding fiscal year.”

**Condition:** The State’s Special Education fiscal year 2014 non-federal appropriations were only \$25,211,695; whereas, the State’s Special Education fiscal year 2013 non-federal appropriations were \$25,860,225.

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the Special Education Cluster were \$78,799,062 for the year ended June 30, 2014.

**Cause:** The Special Education Cluster received less in appropriations from the State Legislature in the federal fiscal year 2014 than the program did in federal fiscal year 2013.

**Effect:** The Special Education Cluster did not have enough non-federal expenditures to comply with the maintenance of effort requirement.

**Recommendation:** The West Virginia Department of Education management and State Legislative officials should make sure that there are policies and procedures in place, as well as adequate appropriations each federal fiscal year, to meet the maintenance of effort requirement.

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–015 INDIRECT COST ALLOCATION  
(Prior Year Finding 2013–033)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Rehabilitation Services – Vocational Rehabilitation	
	Grants to States	84.126
	Grant Award 2014 Regular H126A140073	
	Grant Award 2013 Regular H126A130073	
	Grant Award 2012 Regular H126A120073	

**Criteria:** Each state department and agency that receives and disburses federal awards is required by OMB Circular A–133 Sec .300(b) to “maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”

Per OMB Circular A–87 Attachment E Section A(3), “indirect costs are normally charged to Federal awards by the use of an indirect cost rate. A separate indirect cost rate(s) is usually necessary for each department or agency of the governmental unit claiming indirect costs under Federal awards.” Section C(1)(c) states “specific methods for allocating indirect costs and computing indirect cost rates along with the conditions under which each method should be used are described in subsections 2, 3 and 4.”

**Condition:** The West Virginia Division of Rehabilitation Services (the Division) does have a formal indirect cost rate proposal (ICRP); however, the method of allocation is not based on methodology allowed by OMB Circular A–87 for the Vocational Rehabilitation grant. Initially, all indirect charges for the West Virginia Division of Rehabilitation Services are assigned to the Vocational Rehabilitation grant and are assigned to specific indirect organizational codes. Then a portion of the indirect costs are allocated to the Social Security Disability Insurance and other federal programs through an electronic transfer. The remaining unassigned indirect costs are charged to the Vocational Rehabilitation program. As a result, the indirect expenditures charged to the Vocational Rehabilitation program are not based upon an approved rate, but represent the remaining unallocated portion of the total. Management is not able to quantify the amount of indirect costs charged to the program as of the report date.

**Questioned Costs:** Unknown

**Context:** Total federal expenditures for the Vocational Rehabilitation program for the year ended June 30, 2014, were \$36,220,011.

**Cause:** The Division has not created a formal methodology to track and allocate indirect costs based upon their approved indirect cost rate for the Vocational Rehabilitation program.

**Effect:** The Vocational Rehabilitation Cluster program is not in compliance with OMB Circular A-87 cost principles related to indirect costs.

**Recommendation:** This is a repeat finding and management should develop an effective corrective action plan to address this matter in a timely manner. We recommend the Division develops policies and procedures to adhere to a formal ICRP to allocate indirect costs on a consistent basis in accordance with OMB Circular A–87 to the Vocational Rehabilitation Cluster program.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–015 INDIRECT COST ALLOCATION  
(Prior Year Finding 2013–033) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education Rehabilitation Services – Vocational Rehabilitation Grants to States	84.126
	Grant Award 2014 Regular H126A140073	
	Grant Award 2013 Regular H126A130073	
	Grant Award 2012 Regular H126A120073	

**Views of  
Responsible  
Offices:**

Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–016 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS  
(Prior Year Finding 2013–034)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Grant Award 2014G996115	93.558
	Medicaid Cluster	93.775/93.777/ 93.778 and ARRA-93.778
	Grant Awards 05-1305WV5MAP, 05-1305WV5ADM, 1405WV5MAP and 05-1405WVADM	
	Low-Income Home Energy Assistance Program (LIHEAP)	93.568
	Grant Awards G-13B1WVLIEA, G-14B1WVLIEA and G-1401WVLIE4	
	Child Care and Development Fund (CCDF) Cluster Grants Awards G1201WVCCDF, G1301WVCCDF and G1401WVCCDF	93.575/93.596
	Children’s Health Insurance Program (CHIP) Grant Awards 1205WV5021 and 1405WV5021	93.767
	Adoption Assistance Grant Awards 1101WV1405, 1301WV1407 and 1401WV1407	93.659
	Foster Care – Title IV-E Grant Awards 1301WV1401, 1301WV1404 and 1401WV1401	93.658
	U.S. Department of Agriculture Supplemental Nutrition Assistance Program (SNAP) Cluster	10.551/10.561
	Grant Awards 1WV400401, 1WV400419, 1WV400439, 1WV420451, 1WV430409 and 1WV430459	

**Criteria:** Each State department and agency that receives and disburses federal awards is required by OMB Circular A–102 to have a “grantee financial management system which shall provide accurate, current, and complete disclosure of the financial results of each grant program.”

Management of the West Virginia Department of Health and Human Resources (DHHR) is responsible for establishing and maintaining adequate controls over its information systems and the related processes. An integral part of an entity’s accounting function is the establishment of internal control, including assigning the responsibilities for authorizing transactions, recording transactions, and maintaining custody of assets to different individuals, thus reducing the risk of misstatement, noncompliance or defalcations occurring and not being detected. Furthermore, management of the DHHR is responsible for establishing and maintaining adequate information system internal controls for the determination of eligibility and the processing of allowable payments.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–016 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS  
(Prior Year Finding 2013–034) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Temporary Assistance for Needy Families (TANF)	93.558
	Grant Award 2014G996115	
	Medicaid Cluster	93.775/93.777/ 93.778 and ARRA-93.778
	Grant Awards 05-1305WV5MAP, 05-1305WV5ADM, 1405WV5MAP and 05-1405WVADM	
	Low-Income Home Energy Assistance Program (LIHEAP)	93.568
	Grant Awards G-13B1WVLIEA, G-14B1WVLIEA and G-1401WVLIE4	
	Child Care and Development Fund (CCDF) Cluster	93.575/93.596
	Grants Awards G1201WVCCDF, G1301WVCCDF and G1401WVCCDF	
	Children’s Health Insurance Program (CHIP)	93.767
	Grant Awards 1205WV5021 and 1405WV5021	
	Adoption Assistance	93.659
	Grant Awards 1101WV1405, 1301WV1407 and 1401WV1407	
	Foster Care – Title IV-E	93.658
	Grant Awards 1301WV1401, 1301WV1404 and 1401WV1401	
	U.S. Department of Agriculture	
	Supplemental Nutrition Assistance Program (SNAP) Cluster	10.551/10.561
	Grant Awards 1WV400401, 1WV400419, 1WV400439, 1WV420451, 1WV430409 and 1WV430459	

**Condition:** **Family and Children Tracking System (FACTS):** DHHR operates a wide variety of computer applications, many of which affect federal and State programs’ data. Our review of the information system controls noted that adequate segregation of duties does not exist for the FACTS information system. Certain users have the ability to both create and approve cases. We noted that management implemented a mitigating detective control for the Foster Care program during fiscal year 2012 in response to this repeat finding; however, it was not designed to encompass the Adoption Assistance program or automatic payments in the Foster Care program. Additionally, no supervisory review is required for provider payment information input into the system. The system payment and supervisory approval functionality is in accordance with the business rules of the Bureau for Children and Families. During our testing of current year Foster Care benefits, we noted the following:

- For 27 out of 60 cases selected for testing of Foster Care benefit payments, no one had formally reviewed the automatic payments to individuals. During each month, the account manager reviewed all automatic payments in the system and continued to mark the account as approved; however, there is no evidence of a reviewer each time a payment is made.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–016 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS  
(Prior Year Finding 2013–034) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Grant Award 2014G996115	93.558
	Medicaid Cluster	93.775/93.777/ 93.778 and ARRA-93.778
	Grant Awards 05-1305WV5MAP, 05-1305WV5ADM, 1405WV5MAP and 05-1405WVADM	
	Low-Income Home Energy Assistance Program (LIHEAP)	93.568
	Grant Awards G-13B1WVLIEA, G-14B1WVLIEA and G-1401WVLIE4	
	Child Care and Development Fund (CCDF) Cluster Grants Awards G1201WVCCDF, G1301WVCCDF and G1401WVCCDF	93.575/93.596
	Children’s Health Insurance Program (CHIP) Grant Awards 1205WV5021 and 1405WV5021	93.767
	Adoption Assistance Grant Awards 1101WV1405, 1301WV1407 and 1401WV1407	93.659
	Foster Care – Title IV-E Grant Awards 1301WV1401, 1301WV1404 and 1401WV1401	93.658
	U.S. Department of Agriculture Supplemental Nutrition Assistance Program (SNAP) Cluster	10.551/10.561
	Grant Awards 1WV400401, 1WV400419, 1WV400439, 1WV420451, 1WV430409 and 1WV430459	

- For 15 out of 60 cases selected for testing of Foster Care benefit payments, the request worker in FACTS and approval worker in FACTS was the same person, such that the payment was approved by the assigned caseworker.
- For 60 out of 60 cases selected for testing of Adoption Assistance benefit payments, we noted no approval worker in FACTS.

Additionally, changes in the status of Foster Care clients are not always updated or reviewed in FACTS prior to the automatic processing of Foster Care payments. The Foster Care program does have reconciliation procedures in place as a detective control; however, there are still instances where this has occurred.

**Recipient Automated Payment Information Data System (RAPIDS) Application Suite:**

Our testing of the controls surrounding eligibility determination noted that adequate segregation of duties does not exist for the RAPIDS system. No supervisory review is required for case information input into the system. Further, it was noted that approval of disbursements only occurs at the batch level, which does not allow the approval worker to review each transaction individually.

**Questioned Costs:** Unknown

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–016 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS  
(Prior Year Finding 2013–034) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Temporary Assistance for Needy Families (TANF)	93.558
	Grant Award 2014G996115	
	Medicaid Cluster	93.775/93.777/ 93.778 and ARRA-93.778
	Grant Awards 05-1305WV5MAP, 05-1305WV5ADM, 1405WV5MAP and 05-1405WVADM	
	Low-Income Home Energy Assistance Program (LIHEAP)	93.568
	Grant Awards G-13B1WVLIEA, G-14B1WVLIEA and G-1401WVLIE4	
	Child Care and Development Fund (CCDF) Cluster	93.575/93.596
	Grants Awards G1201WVCCDF, G1301WVCCDF and G1401WVCCDF	
	Children’s Health Insurance Program (CHIP)	93.767
	Grant Awards 1205WV5021 and 1405WV5021	
	Adoption Assistance	93.659
	Grant Awards 1101WV1405, 1301WV1407 and 1401WV1407	
	Foster Care – Title IV-E	93.658
	Grant Awards 1301WV1401, 1301WV1404 and 1401WV1401	
	U.S. Department of Agriculture	
	Supplemental Nutrition Assistance Program (SNAP) Cluster	10.551/10.561
	Grant Awards 1WV400401, 1WV400419, 1WV400439, 1WV420451, 1WV430409 and 1WV430459	

**Context:** Total federal expenditures for these programs can be located in the Schedule of Expenditures of Federal Awards. The RAPIDS computer system is utilized to process federal awards for the CHIP, SNAP Cluster, TANF Cluster, LIHEAP, and Medicaid Cluster programs. The FACTS computer system is utilized to process federal awards for the Adoption Assistance, Foster Care, and Child Care Cluster programs.

The table below identifies the programs and OMB Circular A–133 compliance requirements impacted.

<b>Federal Program</b>	<b>System</b>	<b>Compliance Requirements Impacted</b>
CHIP	RAPIDS	Eligibility
SNAP Cluster	RAPIDS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Availability of Federal Funds, Special Tests and Provisions – ADP System for SNAP
TANF Cluster	RAPIDS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Period of Availability of Federal Funds

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–016 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS  
(Prior Year Finding 2013–034) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Temporary Assistance for Needy Families (TANF)	93.558
	Grant Award 2014G996115	
	Medicaid Cluster	93.775/93.777/ 93.778 and ARRA-93.778
	Grant Awards 05-1305WV5MAP, 05-1305WV5ADM, 1405WV5MAP and 05-1405WVADM	
	Low-Income Home Energy Assistance Program (LIHEAP)	93.568
	Grant Awards G-13B1WVLIEA, G-14B1WVLIEA and G-1401WVLIE4	
	Child Care and Development Fund (CCDF) Cluster	93.575/93.596
	Grants Awards G1201WVCCDF, G1301WVCCDF and G1401WVCCDF	
	Children’s Health Insurance Program (CHIP)	93.767
	Grant Awards 1205WV5021 and 1405WV5021	
	Adoption Assistance	93.659
	Grant Awards 1101WV1405, 1301WV1407 and 1401WV1407	
	Foster Care – Title IV-E	93.658
	Grant Awards 1301WV1401, 1301WV1404 and 1401WV1401	
	U.S. Department of Agriculture	
	Supplemental Nutrition Assistance Program (SNAP) Cluster	10.551/10.561
	Grant Awards 1WV400401, 1WV400419, 1WV400439, 1WV420451, 1WV430409 and 1WV430459	

The table below identifies the programs and OMB Circular A–133 compliance requirements impacted. (continued)

<b>Federal Program</b>	<b>System</b>	<b>Compliance Requirements Impacted</b>
LIHEAP	RAPIDS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Period of Availability of Federal Funds
Medicaid Cluster	RAPIDS	Eligibility, Special Tests and Provisions
Adoption Assistance	FACTS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Period of Availability of Federal Funds
Foster Care Title IV-E	FACTS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Period of Availability of Federal Funds
Child Care and Development Fund (CCDF) Cluster	FACTS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Period of Availability of Federal Funds, Special Tests and Provisions

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–016 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS  
(Prior Year Finding 2013–034) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Grant Award 2014G996115	93.558
	Medicaid Cluster	93.775/93.777/ 93.778 and ARRA-93.778
	Grant Awards 05-1305WV5MAP, 05-1305WV5ADM, 1405WV5MAP and 05-1405WVADM	
	Low-Income Home Energy Assistance Program (LIHEAP) Grant Awards G-13B1WVLIEA, G-14B1WVLIEA and G-1401WVLIE4	93.568
	Child Care and Development Fund (CCDF) Cluster Grants Awards G1201WVCCDF, G1301WVCCDF and G1401WVCCDF	93.575/93.596
	Children’s Health Insurance Program (CHIP) Grant Awards 1205WV5021 and 1405WV5021	93.767
	Adoption Assistance Grant Awards 1101WV1405, 1301WV1407 and 1401WV1407	93.659
	Foster Care – Title IV-E Grant Awards 1301WV1401, 1301WV1404 and 1401WV1401	93.658
	U.S. Department of Agriculture Supplemental Nutrition Assistance Program (SNAP) Cluster Grant Awards 1WV400401, 1WV400419, 1WV400439, 1WV420451, 1WV430409 and 1WV430459	10.551/10.561

**Cause:** Policies and procedures have not been adequately updated for changes in the processing of eligibility. Allowable costs have not been rechallenged for adequacy in a timely manner. Furthermore, management indicated that a lack of personnel resources contributes to the proper segregation of duties issue and failure to complete all required compliance supplement security review procedures.

**Effect:** Without proper segregation of duties or adequate detective controls, the ability exists for certain information system users to create and approve cases and demand payments within the FACTS application. Information can be input into the FACTS application or modified within the application without supervisory review, which could lead to payments being made to ineligible applicants, for the improper amount, or for an improper length of time.

Without proper segregation of duties or adequate detective controls, the ability exists for case workers to input unsupported information into an applicant’s eligibility calculation within RAPIDS. Further, without supervisory review at the transactional level, disbursements for unallowable costs or activities could occur.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–016 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS  
(Prior Year Finding 2013–034) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Grant Award 2014G996115	93.558
	Medicaid Cluster	93.775/93.777/ 93.778 and ARRA-93.778
	Grant Awards 05-1305WV5MAP, 05-1305WV5ADM, 1405WV5MAP and 05-1405WVADM	
	Low-Income Home Energy Assistance Program (LIHEAP)	93.568
	Grant Awards G-13B1WVLIEA, G-14B1WVLIEA and G-1401WVLIE4	
	Child Care and Development Fund (CCDF) Cluster Grants Awards G1201WVCCDF, G1301WVCCDF and G1401WVCCDF	93.575/93.596
	Children’s Health Insurance Program (CHIP) Grant Awards 1205WV5021 and 1405WV5021	93.767
	Adoption Assistance Grant Awards 1101WV1405, 1301WV1407 and 1401WV1407	93.659
	Foster Care – Title IV-E Grant Awards 1301WV1401, 1301WV1404 and 1401WV1401	93.658
	U.S. Department of Agriculture Supplemental Nutrition Assistance Program (SNAP) Cluster	10.551/10.561
	Grant Awards 1WV400401, 1WV400419, 1WV400439, 1WV420451, 1WV430409 and 1WV430459	

**Recommendation:** This is a repeat finding, and management should develop an effective corrective action plan to address this matter in a timely manner. We recommend that access to various FACTS system applications be restricted to a limited number of users. Controls should be established to ensure that an individual is limited to either creating or approving cases or payments. A detective control should be implemented that would require a review of all individual cases and payments with the same request and approval worker to ensure that cases and payments created and approved were appropriate.

Further, we recommend that a formal review process be implemented to ensure that information input into FACTS and RAPIDS is properly reviewed by authorized individuals prior to payment.

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–017 TIME AND ATTENDANCE AUTHORIZATION PROCEDURES**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Temporary Assistance for Needy Families	93.558
	Grant Award 2014G996115	
	Medicaid Cluster	93.775/93.777/ 93.778
	Grant Awards 05-1305WV5MAP, 05-1305WV5ADM, 05-1405WV5MAP, and 05-1405WVADM	
	Low-Income Home Energy Assistance Program (LIHEAP)	93.568
	Grant Awards G-13B1WVLIEA, G-14B1WVLIEA, and G-1401WVLIE4	
	Child Care and Development Fund (CCDF) Cluster	93.575/93.596
	Grant Awards G1201WVCCDF, G1301WVCCDF, and G1401WVCCDF	
	Child Support Enforcement	93.563
	Grant Awards 1304WV4005 and 1404WV4005	
	Foster Care – Title IV-E	93.658
	Grant Awards 1301WV1401, 1301WV1404, and 1401WV1401	
	Adoption Assistance	93.659
	Grant Awards 1101WV1405, 1301WV1407, and 1401WV1407	
	Social Services Block Grant	93.667
	Grant Awards G-1301WVSOSR and G- 1401WVSOSR	
	U.S. Department of Agriculture	
	SNAP Cluster	10.551/10.561
	Grant Awards 1WV400401, 1WV400419, 1WV400439, 1WV420451, 1WV430409, and 1WV430459	
	Special Supplemental Nutrition Assistance Program for Women, Infants and Children (WIC)	10.557
	Grant Awards 1WV700701 and 1WV720701	

**Criteria:** OMB Circular A-133 section 300b states that the West Virginia Department of Health and Human Resources (DHHR) is responsible for maintaining internal control over Federal programs that provides reasonable assurance that management is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.

Management of DHHR is responsible for establishing and maintaining adequate controls related to the approval of federally funded payroll changes for employees of DHHR.

**Condition:** We reviewed individual federally funded employee payroll cash disbursements during the fiscal year ended June 30, 2014, and noted 1 instance out of 25 tested where the corresponding approved time sheet and leave request(s) could not be located.

**Questioned Costs:** Unknown

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–017 TIME AND ATTENDANCE AUTHORIZATION PROCEDURES  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Temporary Assistance for Needy Families	93.558
	Grant Award 2014G996115	
	Medicaid Cluster	93.775/93.777/ 93.778
	Grant Awards 05-1305WV5MAP, 05-1305WV5ADM, 05-1405WV5MAP, and 05-1405WVADM	
	Low-Income Home Energy Assistance Program (LIHEAP)	93.568
	Grant Awards G-13B1WVLIEA, G-14B1WVLIEA, and G-1401WVLIE4	
	Child Care and Development Fund (CCDF) Cluster	93.575/93.596
	Grant Awards G1201WVCCDF, G1301WVCCDF, and G1401WVCCDF	
	Child Support Enforcement	93.563
	Grant Awards 1304WV4005 and 1404WV4005	
	Foster Care – Title IV-E	93.658
	Grant Awards 1301WV1401, 1301WV1404, and 1401WV1401	
	Adoption Assistance	93.659
	Grant Awards 1101WV1405, 1301WV1407, and 1401WV1407	
	Social Services Block Grant	93.667
	Grant Awards G-1301WVSOSR and G- 1401WVSOSR	
	U.S. Department of Agriculture	
	SNAP Cluster	10.551/10.561
	Grant Awards 1WV400401, 1WV400419, 1WV400439, 1WV420451, 1WV430409, and 1WV430459	
	Special Supplemental Nutrition Assistance Program for Women, Infants and Children (WIC)	10.557
	Grant Awards 1WV700701 and 1WV720701	

**Context:** Total federal expenditures for these programs can be located in the Schedule of Expenditures of Federal Awards. The majority of the disbursements for these programs are non-payroll-related benefit payments.

**Cause:** DHHR appears to have policies and procedures in place for the approval and maintenance of individual employee pay but has failed to actively enforce the procedures.

**Effect:** DHHR has not consistently followed internal control policies and procedures.

**Recommendation:** We recommend that DHHR strengthen the internal control procedures used to enforce and monitor existing time and attendance authorization procedures.

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–018 SPECIAL TESTS AND PROVISIONS – SANCTIONS COMPLIANCE**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Grant Award 2014 – 2014G996115	<b>CFDA#</b>  93.558
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**Criteria:** “If the child support enforcement agency determines that an individual is not cooperating, and the individual does not qualify for a good cause or other exception established by the State agency responsible for making good cause determinations in accordance with section 454(29) of the Act or for a good cause domestic violence waiver, then the child support enforcement agency must notify the TANF Cluster agency promptly and the TANF Cluster agency must take appropriate action by 1) deducting from the assistance that would otherwise be provided to the family of the individual an amount equal to not less than 25 percent of the amount of such assistance; or 2) denying the family any assistance under the program” (45 CFR section 264.30(2)(b) and (c)).

**Condition:** For 1 of the 40 cases tested for child support non-cooperation conflicting data was noted in RAPIDS that caused the auditor to be unable to determine if the benefit was properly reduced. The recipient’s benefits were reduced and subsequently eliminated via sanction for failure to cooperate with the Bureau for Child Support Enforcement. One RAPIDS screen indicates that good cause was obtained, while the case narratives and benefit detail indicate otherwise.

**Questioned Costs:** Unknown

**Context:** Total federal expenditures for the TANF Cluster for the fiscal year ended June 30, 2014 were \$94,212,890.

**Cause:** There are insufficient internal controls in place surrounding the issuance and removal of sanctions.

**Effect:** Recipient benefits may potentially be reduced or increased in error or without appropriate cause.

**Recommendation:** We recommend that management implement policies and procedures to ensure that information in RAPIDS is consistent and accurate.

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–019 SPECIAL TESTS AND PROVISIONS – SANCTIONS CONTROLS  
(Prior Year Finding 2013-036)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Grant Award 2014 – 2014G996115	93.558

**Criteria:** The following applies to sanctions imposed on recipients of TANF Cluster benefits for failure to comply with child support enforcement requirements, refusal to engage in required work activities and refusal to engage in required work if the individual is a single adult custodial parent caring for a child less than six years of age.

“If the child support enforcement agency determines that an individual is not cooperating, and the individual does not qualify for a good cause or other exception established by the State agency responsible for making good cause determinations in accordance with section 454(29) of the Act or for a good cause domestic violence waiver, then the child support enforcement agency must notify the TANF Cluster agency promptly and the TANF Cluster agency must take appropriate action by 1) deducting from the assistance that would otherwise be provided to the family of the individual an amount equal to not less than 25 percent of the amount of such assistance; or 2) denying the family any assistance under the program” (45 CFR section 264.30(2)(b) and (c)).

“If an individual refuses to engage in work required under section 407 of the Act, the State must reduce or terminate the amount of assistance payable to the family, subject to any good cause or other exceptions the State may establish. The State must, at a minimum, reduce the amount of assistance otherwise payable to the family pro rata with respect to any period during the month in which the individual refuses to work. The State may impose a greater reduction, including terminating assistance” (45 CFR section 261.14(a)(b) and (c)).

“The State may not reduce or terminate assistance based on an individual’s refusal to engage in required work if the individual is a single adult custodial parent caring for a child under six who has a demonstrated inability to obtain needed child care, as specified at Sec 261.56” (45 CFR section 261.15(a)).

**Condition:** The West Virginia Department of Health and Human Resources (DHHR) has policies and procedures in place surrounding the issuance or removal of sanctions. However, the control documentation provided by DHHR is not adequate to ensure that sanctions could not be issued or removed against TANF Cluster recipients in error or without appropriate cause by a caseworker.

In assessing whether adequate controls are in place surrounding the issuance and removal of sanctions evidence of caseworker training on the sanctions process, supervisor approval of third level sanctions, and notification to recipient of opportunity to establish good cause were considered as complimentary controls over the sanctions process.

The results of testing are as follows:

Caseworker Training

For 39 of the 40 individuals selected for testing, documentation was not obtained regarding their initial training.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–019 SPECIAL TESTS AND PROVISIONS – SANCTIONS CONTROLS  
(Prior Year Finding 2013-036) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Temporary Assistance for Needy Families (TANF)	93.558
	Grant Award 2014 – 2014G996115	

For 8 of the 40 selected for testing, training on the changes to the income maintenance manual occurred after the changes went into effect.

For 4 of the 40 selected for testing, the sign-in sheet date and the training tracking date did not match.

For 1 of the 40 selected for testing, the date and title of the training was not included on the sign-in sheet.

For 15 of the 40 selected for testing, documentation for training was not obtained.

Third-Level Sanction Review

Review of third-level sanctions was not in place during the entire period under audit; therefore, this control could not be relied upon for fiscal year 2014.

Good Cause Notification

For 3 of the 40 child support non-cooperation cases selected for testing, a good cause letter was not generated.

For 6 of the 40 child support non-cooperation with good cause cases selected for testing, a good cause letter was not generated.

**Questioned Costs:** Unknown

**Context:** Total federal expenditures for the TANF Cluster for the fiscal year ended June 30, 2014 were \$94,212,890.

**Cause:** There is lack of sufficient documentary evidence to rely on controls surrounding the issuance or removal of sanctions against TANF Cluster recipients.

**Effect:** Recipient benefits may potentially be reduced or increased in error or without appropriate cause.

**Recommendation:** This is a repeat finding and management should develop an effective corrective action plan to address this matter in a timely manner. We recommend that DHHR management implement policies and procedures that show evidence of control activity prior to the issuance or removal of sanctions. Evidence may include documentation that each recipient was afforded an opportunity to establish good cause prior to the imposition of a sanction in the form of a notification of good cause appointment. Additionally, documentation may include evidence that all caseworkers with access to issue or remove sanctions have read and understand the policies and procedures surrounding the issuance and removal of sanctions, as well as, evidence that caseworkers are made aware of any changes to procedures for the issuance and removal of sanctions that occur subsequent to their initial training. Evidence should also be maintained to document supervisor review of third-level sanctions that are imposed on recipients. The supervisor approval should be clearly documented, whether in RAPIDS or by other means.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–019 SPECIAL TESTS AND PROVISIONS – SANCTIONS CONTROLS  
(Prior Year Finding 2013-036) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Grant Award 2014 – 2014G996115	93.558

**Views of  
Responsible  
Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014-020 RAPIDS USER GUIDE**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Health and Human Services Low-Income Home Energy Assistance Program (LIHEAP) Grant Award G-1401WVLIE4	<b>CFDA#</b>     93.568
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**Criteria:** CFR 457 section 226 states “the LIHEAP agency and, where applicable, local agencies administering the plan will – (a) maintain an accounting system and supporting fiscal records to assure that claims for Federal funds are in accordance with the applicable Federal requirements...”

The WV LIHEAP program uses an eligibility system called RAPIDS, which is part of the DHHR. According to the most recent LIHEAP Percentage Increment Desk guide, the following are applicable percentage increments:

- Natural Gas: 1.163
- LPG: 1.125
- Coal: 1.087
- Wood: 1.060
- Electricity: 1.144
- Fuel Oil or Kerosene: 1.113

RAPIDS used the percentage increment for Bulk Fuel (BF) which is not listed in the Percentage Increment guide. RAPIDS should use one of the codes listed above rather than the BF increment.

**Condition:** Five of the 60 applicants reviewed for eligibility used the Bulk Fuel multiplier which is not listed as a multiplier in the LIHEAP Percentage Increment Desk Guide. This resulted in the applicants receiving more/less benefits than needed.

**Questioned Costs:** \$306

**Context:** Total federal expenditures for the LIHEAP program were \$24,890,805 for the year ended June 30, 2014.

**Cause:** Automatic RAPIDS calculations for the LIHEAP program are not calculating the benefit amount correctly.

**Effect:** Individual receiving benefits under the LIHEAP program receive more/less benefits than necessary due to RAPIDS using the incorrect multiplier.

**Recommendation:** We recommend that DHHR review all RAPIDS calculations to make sure they are calculating and being displayed correctly.

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–021 ALLOWABILITY AND ELIGIBILITY  
(Prior Year Finding 2013–037)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Low-Income Home Energy Assistance Program (LIHEAP) Grant Award G–1401WVLIE4	93.568

**Criteria:** The eligibility compliance requirements of LIHEAP require the West Virginia Department of Health and Human Resources (DHHR) to determine whether federal monies are spent in accordance with the eligibility guidelines promulgated by 42 USC 8624(b)(2).

**Condition:** During our testing of 60 benefit payments for eligibility and allowability, we noted the following:

For 9 of the 60 benefit payments, Section IV Agency Use was either not completed at all or partially completed by the DHHR caseworker.

For 6 of the 60 benefit payments, the LIHEAP application was missing the vendor’s name.

**Questioned Costs:** \$3,289

**Context:** The fifteen instances (15 of 60 case files) represent \$3,289 out of total benefit payments \$12,404. Total payments for benefit assistance for the LIHEAP program for the fiscal year ended June 30, 2014 were \$24,783,488. The federal expenditures for the LIHEAP program for the fiscal year ended June 30, 2014, were \$24,890,805.

**Cause:** Management indicated that the errors were due to caseworker oversight.

**Effect:** A payment may have been made for ineligible recipients and some payments were not properly approved and/or supported with appropriate documentation.

**Recommendation:** This is a repeat finding and management should develop an effective corrective action plan to address this matter in a timely manner. We recommend that DHHR evaluate the effectiveness of the current training programs for the LIHEAP program to ensure adequate technical training is provided. Furthermore, DHHR should follow established policies and procedures to ensure that necessary approvals are obtained and the necessary documentation is maintained in the recipient case files.

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014-022 DISASTER RECOVERY PLAN  
(Prior Year Finding 2013-38)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Child Care and Development Fund (CCDF) Cluster	93.575/93.596
	Grant Award G1401WVCCDF	
	Grant Award G1301WVCCDF	
	Grant Award G1201WVCCDF	

**Criteria:** Management of the West Virginia Department of Health and Human Resources (DHHR) is responsible for establishing and maintaining adequate controls and disaster recovery procedures to safeguard supporting documentation from loss.

**Condition:** DHHR utilizes various service providers for performing certain routine and critical data gathering activities necessary for the operation of its federal and State programs; however, DHHR has not fully developed formal policies and procedures to ensure that these service providers have adequate disaster recovery procedures in place.

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the CCDF Cluster for fiscal year ended June 30, 2014 were \$33,064,316.

**Cause:** Service providers who maintain certain critical records for the processing of allowability and eligibility of CCDF Cluster payments may not have adequate disaster recovery plans in place.

**Effect:** Critical data supporting allowability and eligibility may not be adequately safeguarded from loss which could result in disallowed costs.

**Recommendation:** This is a repeat finding and management should develop an effective corrective action plan to address this matter in a timely manner. We recommend that DHHR continue its current efforts to ensure that all regional child care agencies have sufficient disaster recovery and backup procedures in place to safeguard the eligibility and allowability documentation supporting transactions. Furthermore, DHHR should ensure that the procedures are periodically updated and tested for effectiveness and completeness.

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–023 SPECIAL TESTS AND PROVISIONS – PAYMENT RATE SETTING AND APPLICATION**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Health and Human Services Foster Care – Title IV-E (Foster Care) 2014 G994107	<b>CFDA#</b>  93.658
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**Criteria:** Title IV-E agencies establish payment rates for maintenance payments (e.g., payments to foster parents, child care institutions or directly to youth). Payment rates may also be established for Title IV-E administrative expenditures (e.g., payments to child placement agencies or other contractors, which may be either subrecipients or vendors) and for other services. Payment rates must provide for proper allocation of costs between Foster Care maintenance payments, administrative expenditures, and other services in conformance with the cost principles. The Title IV-E agency’s plan approved by Administration for Children and Families (ACF) must provide for periodic review of payment rates for Foster Care maintenance payments at reasonable, specific, time-limited periods established by the Title IV-E agency to assure the rate’s continuing appropriateness for the administration of the Title IV-E program (42 USC 671(a)(11); 45 CFR section 1356.21(m)(1); 45 CFR section 1356.60(a)(1) and (c)).

**Condition:** The West Virginia Department of Health and Human Resources (DHHR) has policies and procedures in place surrounding the establishment of rates. However, adequate documentation was not available regarding the approval of group residential care rates.

**Questioned Costs:** Unknown

**Context:** Total federal expenditures for the Foster Care Program for the fiscal year ended June 30, 2014, were \$38,465,275.

**Cause:** There is lack of sufficient documentary evidence to rely on controls surrounding the establishment of Foster Care Payment rates.

**Effect:** Payments may potentially be inaccurate due to improper or untimely rate setting.

**Recommendation:** We recommend that the DHHR implement policies and procedures that provide documentary evidence for the approval of group residential foster care rates.

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–024 ELIGIBILITY DOCUMENTATION**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Adoption Assistance	93.659
	Grant Award 1101WV1405	
	Grant Award 1301WV1407	
	Grant Award 1401WV1407	

**Criteria:** Section 473 of the Social Security Act states that the Adoption Assistance Agreement must be in effect prior to the adoptive parents' receipt of the Adoption Subsidy. Also, 45 CFR 1356.40 states the Adoption Assistance Agreement must be signed and in effect at the time of or prior to the final decree of adoption, and a copy of the signed agreement must be given to each party. Further, the eligibility compliance requirements of the Adoption Assistance program require the West Virginia Department of Health and Human Resources (DHHR) to determine whether federal monies are spent in accordance with the eligibility guidelines promulgated by the Adoption Assistance and Child Welfare Act of 1980. West Virginia State Code §49-3-1 states that consent by an agency or department to adopt a child must be given and a statement of relinquishment and termination of parental rights must be obtained from the birth parents. The Adoption Assistance Policy Manual states that an Adoption Placement Agreement (SSADP48) must be completed and signatures obtained as part of the preliminary adoption procedures after the parental rights have been terminated if the child is not registered on the Adoption Resource Network (ARN).

**Condition:** Three of the 60 cases reviewed for eligibility did not have an Adoption Placement Agreement on file. Three of the 60 cases reviewed for eligibility were missing signatures on the Adoption Placement Agreement. One of the 60 cases reviewed for eligibility did not have an Adoption Assistance Agreement on file. Two of the 60 cases reviewed for eligibility were missing signatures on the Adoption Assistance Agreement. One of the 60 cases reviewed for eligibility had an Adoption Placement Agreement that was signed by the parents before the release and consent date. Two of the 60 cases reviewed for eligibility had an Adoption Agreement that was signed before the Adoption Placement Agreement was signed. One of the 60 cases reviewed for eligibility did not have a signed consent form on file.

**Questioned Costs:** \$6,632

**Context:** The 13 instances (11 of 60 case files) represent \$6,632 out of a total of \$37,204 in total payments tested for eligibility. Total federal expenditures for the Adoption Assistance program were \$21,114,708 for the year ended June 30, 2014.

**Cause:** Management indicated that the lack of inclusion of the proper forms in the case files was an oversight by the caseworker.

**Effect:** Documentation supporting the original eligibility determination could not be located. Ineligible or potentially ineligible claims may have been paid using federal funds.

**Recommendation:** We recommend that DHHR review the current staffing and training programs of the Adoption Assistance Office to ensure sufficient staff levels are maintained and adequate technical training is provided. Furthermore, the DHHR should establish policies and procedures to ensure that necessary documentation is filed in the adoption case files.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014-024 ELIGIBILITY DOCUMENTATION  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Adoption Assistance	93.659
	Grant Award 1101WV1405	
	Grant Award 1301WV1407	
	Grant Award 1401WV1407	

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–025 EARMARKING**

**(Prior Year Finding 2013–041)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Social Services Block Grant	93.667
	Grant Award 2014G992342	

**Criteria:** The earmarking compliance requirement of the Social Services Block Grant (SSBG) program requires that the State use all of the amount transferred in from the Temporary Assistance for Needy Families (TANF) Cluster only for programs and services to children or their families whose income is less than 200 percent of the official poverty line as revised annually by Health and Human Services (HHS) (42 USC 604(d)(3)(A) and 9902(2)).

**Condition:** Although the SSBG earmarking requirement was met for the fiscal year ended June 30, 2014, the West Virginia Department of Health and Human Resources (DHHR) does not have internal control policies and procedures in place to track the earmarking requirement.

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the SSBG program were \$17,934,960 for the year ended June 30, 2014. Total funds transferred from the TANF Cluster to SSBG were \$10,828,463 for the year ended June 30, 2014.

**Cause:** The DHHR does not internally track whether funds transferred to SSBG from the TANF Cluster are expended in accordance with the earmarking requirement.

**Effect:** DHHR policies and procedures do not provide evidence of controls to ensure that the earmarking requirement is being calculated and tracked internally.

**Recommendation:** The DHHR should ensure that policies and procedures are in place to track the earmarking requirement for the SSBG program. Further, documentation supporting expenditures that count toward meeting the earmarking requirement should be maintained for audit purposes.

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2014**

**2014–026 ELIGIBILITY  
(Prior Year Finding 2013–42)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Children’s Health Insurance Program (CHIP)	93.767
	Grant Award 1205WV5021	
	Grant Award 1405WV5021	

**Criteria:** WV State Code Chapter 9 Article 3 states that any person who submits an application and is eligible to receive federal or state assistance, based upon federal and state laws and rules and regulations determined within the departments, should receive such assistance.

In order to be deemed eligible for CHIP coverage, there are certain income guidelines set by the State that must be met. Within the guidelines are various classifications of coverage for CHIP participants. The guidelines are updated on an annual basis. According to the CHIP State Plan, applicants are covered for a 12-month period. At the end of the 12-month period, the applicant must re-apply to determine if they are still eligible and what coverage they will receive.

**Condition:** One of the 60 disbursements reviewed for eligibility was paid for an individual covered by Medicaid instead of CHIP. One of the 60 disbursements reviewed for eligibility was not adequately supported by documentation maintained on file, and eligibility could not be determined.

**Questioned Costs:** \$3,021

**Context:** The 2 case files out of a total of 60 case files represent \$3,021 of a total of \$45,609 in payments tested for eligibility. Total federal expenditures for the CHIP program were \$44,512,527 for the year ended June 30, 2014.

**Cause:** CHIP and DHHR appear to have policies and procedures in place to address eligibility; however, it has failed to actively enforce the procedures.

**Effect:** Federal expenditures were made for medical claims for children who were improperly receiving CHIP coverage or for which CHIP coverage was not properly documented.

**Recommendation:** This is a repeat finding and management should develop an effective corrective action plan to address this matter in a timely manner. We recommend that CHIP and DHHR strengthen the existing policies and procedures surrounding the classification of eligible CHIP participants and ensure the review of all enrollments and re-enrollments on a timely basis.

**Views of Responsible Offices:** Management acknowledges the finding. See corrective action plan.

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***CORRECTIVE  
ACTION  
PLAN***

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**STATE OF WEST VIRGINIA  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**CONTACT PERSON**

For finding resolution and Single Audit matters, please contact Connie Byrne, West Virginia Department of Administration, Financial Accounting and Reporting Section, 2101 Washington Street, E., Charleston, WV 25305 (Telephone 304-558-4083 ext. 308). E-mail: [Connie.S.Byrne@wv.gov](mailto:Connie.S.Byrne@wv.gov)

**2014-001 TAX RECEIPTS AND REFUNDS  
Department of Revenue and Financial Accounting and  
Reporting Section  
CFDA Number Not Applicable**

The Department of Revenue (Revenue) implemented policies and procedures for the performance of the reconciliation between GenTax and wvOASIS in order to assure the resolution of unreconciled differences in a timely manner. The IT Tax help desk analyst runs a detailed report from wvOASIS for both payments and refunds. The analyst then prepares the monthly global reconciliations and supporting documentation. The global reconciliations are electronically signed and saved as PDF by the analyst. The global reconciliations and supporting Excel workbooks are saved to the secured server by the analyst. The analyst sends an email to the Internal Auditor with the notification that the global reconciliations are ready for further review. The Internal Auditor reviews the global reconciliations to identify the reasons for any material discrepancies. The threshold for a material discrepancy is (+/-) 10% in any given account. The Internal Auditor adds comments to the global reconciliations explaining any discrepancies and initials the document to complete the review process. The documentation then is scanned and saved as PDF on the secure server.

**STATE OF WEST VIRGINIA  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**2014-002 CAPITAL ASSETS  
Overall State  
CFDA Number Not Applicable**

Financial Accounting and Reporting Section (FARS) will continue to discuss the importance of entering fixed assets into wvOASIS in a timely manner at this year's GAAP closing book training. On July 1, 2014, the State implemented a new statewide accounting/purchasing/fixed asset system. The system is integrated and costs that are attributed to capitalized assets will be captured on a more timely basis.

**2014-003 SPECIAL RECLAMATION LIABILITY  
Financial Accounting and Reporting Section  
CFDA Number Not Applicable**

The Department of Environmental Protection (DEP) will compare estimated costs to actual costs for the on-going water to determine if the costs are reasonably estimated. FARS will review and verify the on-going water costs, provided by DEP, are estimated reasonably for use in the Special Reclamation liability.

**2014-004 FINANCIAL STATEMENT CLOSE PROCESS  
Overall State  
CFDA Number Not Applicable**

As of May 8, 2015, FARS is in the process of hiring additional staff to assist in preparing the CAFR. The additional staff will lessen the amount of workpapers needing to be prepared by management and allow management more time to review work prepared by staff accountants.

**STATE OF WEST VIRGINIA  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**2014-005 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Financial Accounting and Reporting Section  
CFDA Number Not Applicable**

FARS continues to work with the Governor's Office (GO) to seek assistance in having the State agencies prioritize completion of an accurate and complete Schedule of Expenditures of Federal Awards (SEFA) in a timely manner. FARS will discuss the importance of having internal controls procedures at the agency level during the GAAP closing book training which will be held in June and July of 2015. An email will be sent out to the agencies requesting their formalized internal control process by May 15, 2015. Also, a closing book form is required to be signed by both the preparer and their supervisor as proof that the internal controls procedures were followed prior to submission of the SEFA to FARS. FARS will evaluate the current staffing levels and seek assistance in having the required reporting completed by the federally mandated timeline.

**2014-006 PROCUREMENT  
Governor's Office  
CFDA Number ARRA 11.557**

No corrective action plan necessary as the Purchasing Division has already reviewed and changed policy in response.

**2014-007 INTERNAL CONTROLS OVER ELIGIBILITY  
WORKFORCE West Virginia  
CFDA number 17.225**

During the year of review, the Quality Control (QC) Unit Information Systems Assistant was out on sick leave for an extended period of time. During this time period QC lost track of the denied cases being assigned. Moving forward, the temporary Information Systems Assistant and the QC staff are communicating weekly before the new sample selection is

**STATE OF WEST VIRGINIA  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

assigned. A weekly/monthly/quarterly assignment form is used as a tracking mechanism of cases sampled, both paid and denied. To further ensure compliance, one additional denied case sample will be assigned per two month period. It is recommended that the new Information Systems Assistant attend the training provided by the Department of Labor (DOL) to be held in Washington, DC on 8/17/15 thru 8/21/15. It is also recommended that the new QC Manager attend the Benefit Accuracy Measurement Supervisor's training provided by the DOL to be held in Washington, DC on 6/15/15 thru 6/19/15. Management believes these actions will increase internal controls and significantly decrease the likelihood that this will happen again.

**2014-008 CAPITALIZATION GRANTS FOR CLEAN WATER STATE  
REVOLVING FUNDS  
Department of Environmental Protection  
CFDA number 66.458**

The Department of Environmental Protection (DEP) does believe strengthening internal controls with regard to oversight of reporting will be beneficial. DEP will design and implement standard operating procedures by July 1, 2015 that include a formal review process of information prior to being uploaded to the website, thus ensuring proper internal controls over CWSRF Transparency Act reporting.

**2014-009 BANNER IT GENERAL CONTROLS  
Overall Higher Education  
CFDA Numbers 87.007, 84.033, 84.038, 84.063, 84.268,  
84.379, 93.264, 93.342, and 93.364**

- **Change Management:** Management will modify the change management policy to detail specific directives for responsible parties to follow throughout the process. Evidence of change testing and approval will be maintained for all Banner application changes/upgrades

**STATE OF WEST VIRGINIA  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

with explicit approval instead of the current implicit approval. The policy will address specific audit-trail documentation requirements and approvals for Banner application changes/upgrades through the ticketing system and documented email.

- **Separation of Duties:** The architectural nature of how the Banner system limits the options for restricting the privileges of individuals when making changes to the production instance. While management will reach out to the application provider for ways to mitigate the issue, the current preventative measure is limited. Therefore, management will look at implementing procedures to have a third party review the application change logs and updated modules to ensure that all changes are appropriate.
- **Root Access Restriction:** Management will restrict privileged access to the operating system (LINUX, UNIX, ORACLE, etc.) root account. Privileged permissions at the operating system (LINUX, UNIX, ORACLE, etc.) layer will only be granted to appropriate IT administrators that require this level of access to perform their job functions. When Data Base Administrators (DBAs) need that level of access, they will elevate their privileges temporarily with an audit trail in place.
- **Periodical Review of User Access:** Management will work to implement controls whereby user access to the Banner application is reviewed and documented on a periodic and at least annual basis. A report of user access to Banner will be sent to department's managers, and they will note any changes required and sign off as validation of their performance of the review. The reviewed documentation will be returned to the IT group administrators so that the necessary changes can be made and the documentation retained. This review will also include procedures to ensure all users with access are current employees of the University/College.

## WEST VIRGINIA

### STATE OF WEST VIRGINIA CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2014

- 2014-010 SPECIAL TESTS AND PROVISIONS –  
DISBURSEMENT TO OR ON BEHALF OF STUDENTS  
West Virginia University  
CFDA Numbers 87.007, 84.033, 84.038, 84.063, 84.268,  
84.379, 93.264, 93.342, and 93.364**

WVU will enhance the current disbursement notification procedure to ensure that required information is provided to students and/or parents within thirty days before or after a loan or TEACH grant disbursement. Enhancements are expected to be in place July 1, 2015 for the 2015-2016 academic year.

- 2014-011 SPECIAL TESTS AND PROVISIONS – ENROLLMENT  
REPORTING  
Marshall University and West Virginia State University  
CFDA Numbers 87.007, 84.033, 84.038, 84.063, 84.268,  
84.379, 93.264, 93.342, and 93.364**

#### **Marshall University response**

Marshall continues to work with the third-party servicer, National Student Clearinghouse, to accurately report enrollment data to National Student Loan Data System (NSLDS).

#### **West Virginia State University response**

West Virginia State University's (WVSU) IT Department submits the transmissions to the Clearinghouse around the 22<sup>nd</sup> of each month. WVSU Financial Aid Counselors check NSLDS for their population of students, to ensure that any changes to a student's enrollment status are reflected correctly on NSLDS. If there is a timing issue, and the record has not been updated by the Clearinghouse, the counselor will manually report the information on NSLDS. The Director of Student Financial Assistance will request, from the IT Department, any rejected records not transmitted successfully to the Clearinghouse and notify the appropriate counselor to report the change of enrollment status to NSLDS.

**STATE OF WEST VIRGINIA  
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**2014-012 SPECIAL TESTS AND PROVISIONS –STUDENT LOAN REPAYMENTS**

**West Virginia University**

**CFDA Numbers 87.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.264, 93.342, and 93.364**

WVU agrees with the recommendation. The deferment procedure has been modified to include the review and approval by two employees for all requests to ensure that students are eligible for deferment or forbearance.

**2014-013 SPECIAL TESTS AND PROVISIONS – BORROWER DATA TRANSMISSION AND RECONCILIATION**

**Blue Ridge CTC and West Virginia State University**

**CFDA Numbers 87.007, 84.033, 84.038, 84.063, 84.268, 84.268, 84.379, 93.264, 93.342, and 93.364**

**Blue Ridge Community Technical College (Blue Ridge) response**

The Direct Loan (DL) Reconciliation was not being completed on a monthly basis prior to the hiring of FAS, a financial aid consulting firm, in November 2013. Blue Ridge was unable to present all monthly reconciliation materials prior to this time. DL SAS reports have been downloaded on a monthly basis since January 2014. These reports are then utilized in a comparison basis between Common Origination and Disbursement (COD) and Banner. A monthly report of COD and Banner loan information is submitted to the Vice President of Enrollment for confirmation. In addition to the monthly SAS reports, management has also added a monthly total of DL funds expenditures for review.

**STATE OF WEST VIRGINIA  
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**West Virginia State University (WVSU) response**

WVSU's Office of Student Financial Assistance had some challenges last academic year with receiving the SAS reports necessary to do the reconciliations in a timely manner. The office worked diligently with Institutional Technology in making sure the files are pulled in when they become available at the end of the month. The office is receiving the reports when they are available in our SAIG Mailbox. The Associate Directors reviews the report and makes all necessary adjustments to COD and notifies Student Accounts immediately of the adjustments. Disbursements occur weekly and the Associate Director of Student Financial Assistance checks the disbursed records on a weekly basis. A Cash Management Team, which consist of a representative(s) from Business and Finance, Financial Aid, and Student Accounts meets once a month to discuss any discrepancies and to make sure that reconciliation is performed on a monthly basis between COD, Student Accounts, G5, and Banner.

**2014-014      LEVEL OF EFFORT – MAINTENANCE OF EFFORT  
Department of Education (WVDE)  
CFDA Numbers 84.027/84.173**

Members of the State Legislature have been made aware of the State Level Maintenance of Effort Requirements under Individuals with Disabilities Education Act (IDEA). WVDE will also provide detailed correspondence to the State Budget Director to ensure that office has a greater understanding of the State Level Maintenance of Effort requirements. In addition, WVDE will request the State Budget Director to sign Section V of the Part B Annual State Application that provides the amount of total state financial support being made available for special education and related services for children with disabilities. This will provide the State Budget Office with additional awareness of the amounts that are required for the State to continue meeting this requirement.

**STATE OF WEST VIRGINIA  
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**2014-015      INDIRECT COST ALLOCATION  
Division of Rehabilitation Services  
CFDA Number 84.126**

The West Virginia Division of Rehabilitation Services (DRS) will review all policies and procedures that are currently in place related to the allocation of indirect costs and develop any new policies and procedures that are needed to ensure that indirect costs for the Vocational Rehabilitation program are allocated in compliance with OMB Circular A-87. The DRS will take corrective action to ensure that the methods for allocating indirect costs, as described by the Circular, are implemented on a consistent basis. The DRS will create a formal methodology to track and allocate indirect costs based upon their approved indirect cost rate for the Vocational Rehabilitation program. Anticipated date of completion is May 31, 2015.

**2014-016      DHHR INFORMATION SYSTEM AND RELATED  
BUSINESS PROCESS CONTROLS  
Department of Health and Human Resources  
CFDA Numbers 93.558/ ARRA-93.714, 93.775/93.777/93.778,  
and ARRA-93.778, 93.568, 93.575/93.596, 93.767, 93.659,  
93.658, and 10.551/10.561**

The primary issue relates to the approval of payments. The auditors reviewed two types of payments during their fieldwork, “demand” payments and “automatic” payments. With respect to demand payments, Department of Health and Human Services (DHHR) implemented a detective control during FY 2012 to address demand payments (Security Level 15 access). With respect to automatic payments, DHHR restricts access to the FACTS and RAPIDS systems to a limited number of users and DHHR has controls in place to ensure that authorized individuals review information input into FACTS and RAPIDS. The finding recommends that a secondary (supervisory) level of review, for all case information entered into FACTS and RAPIDS, be implemented to enhance internal

## WEST VIRGINIA

### STATE OF WEST VIRGINIA CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2014

controls within DHHR. DHHR will assess the possibility of implementing additional controls related to automatic payments.

**2014-017 TIME AND ATTENDANCE AUTHORIZATION PROCEDURES**

**Department of Health and Human Resources  
CFDA Numbers 93.558, 93.775/93.777/93.778, 93.568,  
93.575/93.596, 93.563, 93.658, 93.659, 93.667,  
10.551/10.561, and 10.557**

DHHR has specific policies and procedures for time and attendance and will continue with internal efforts to monitor and ensure that supervisors and timekeepers are following those policies and procedures. DHHR will strengthen internal controls by implementing periodic in-house sample testing of timesheets and leave slips for agency personnel to ensure human resources personnel are applying internal policies and procedures. DHHR will also increase agency awareness by providing ongoing training to human resources support personnel. As the department continues to centralize policies and procedures surrounding human resources, immediate improvements in communications and fewer errors are expected. One additional point is that for the last eight months, the DHHR has been consistently working on the wvOASIS project, a project of which will fully automate the time and attendance process. Once wvOASIS is live and functional and the time and attendance system is fully automated, very few errors should exist.

**2014-018 SPECIAL TESTS AND PROVISIONS – SANCTIONS COMPLIANCE**

**Department of Health and Human Resources  
CFDA Number 93.558**

The system design, at the time was based, on best practice to allow the data entry necessary to support the policy while

**STATE OF WEST VIRGINIA  
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making it possible to audit. Upon receiving this finding, DHHR recognized the system could be enhanced at a cost to either eliminate completely or greatly reduce the occurrence of this finding. The system could take the following corrective action, upon a policy impact assessment and management approval to proceed. The system could be enhanced to make a change in workflow and framework introducing the requirement for when a case worker selects “good cause was obtained” will run the eligibility through a mass change process as means to double check the correct eligibility and benefit are being assigned.

**2014-019 SPECIAL TESTS AND PROVISIONS - SANCTIONS CONTROLS**

**Department of Health and Human Resources  
CFDA Number 93.558**

DHHR Bureau for Children and Families (BCF) will develop and implement a Black Board Training Course on initiating sanctions. All WV Works staff and their supervisors are expected to complete the Black Board WV Works Sanction Course by August 30, 2015. BCF will also develop a standard operating procedure for mandatory unit meetings defining frequency, agenda, minutes with any attachments, and required sign-in sheets.

**2014-020 RAPIDS USER GUIDE**  
**Department of Health and Human Resources**  
**CFDA Number 93.568**

As of February 20, 2015, with an effective date of January 9, 2015 to capture any applications that were pending, management made the appropriate system patch in RAPIDS. Prior to the 2015 Low Income Home Energy Assistance (LIHEAP) enrollment period, policy staff within BCF will review the bulk fuel multiplier and make any necessary changes to the Percentage Increment Desk Guide.

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### STATE OF WEST VIRGINIA CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**2014-021 ALLOWABILITY AND ELIGIBILITY**  
**Department of Health and Human Resources**  
**CFDA Number 93.568**

BCF will complete post-season reviews of LIHEAP applications. All applications must be stored separately from individual case records. Supervisors must review for completeness before filling. An instructional memorandum was sent on April 6, 2015. In addition, reminders will be presented at regional and statewide meetings.

**2014-022 DISASTER RECOVERY PLAN**  
**Department of Health and Human Resources**  
**CFDA Numbers 93.575/93.596**

There were additional issues with the contract for the document-imaging system during fiscal year 2014, as of March 31, 2015, the contract was at the West Virginia Division of Purchasing and undergoing a review by legal staff. The new anticipated date for awarding the contract and thus having a vendor is May 31, 2015. DHHR hopes to implement document imaging throughout DHHR by December 31, 2016 and to roll document imaging out to the resource and referral agencies by March 31, 2017.

**2014-023 SPECIAL TESTS AND PROVISIONS – PAYMENT  
RATE SETTING AND APPLICATION**  
**Department of Health and Human Resources**  
**CFDA Number 93.658**

DHHR will implement procedures to provide documentary evidence over the approval of group residential care rates.

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**2014-024 ELIGIBILITY DOCUMENTATION**  
**Department of Health and Human Resources**  
**CFDA Number 93.659**

Policy currently exists within BCF that requires the information in the case record. BCF released a memorandum dated April 27, 2015 to remind staff to ensure that all information is included in the file prior to archiving or transferring specialized agency adoptions to the state office. BCF will mandate completion of all required information, forms, and agreements prior to archiving. BCF's central office will not accept specialized adoption agencies' cases until all of the required documentation is received.

**2014-025 EARMARKING**  
**Department of Health and Human Resources**  
**CFDA Number 93.667**

DHHR as a whole has a means to track the earmarking requirement and ensure compliance with the requirement. Nonetheless, DHHR will coordinate between necessary programmatic staff, financial staff, and IT staff in an effort to enhance internal controls and will attempt to draft a narrative to explain the overall process in a manner that will provide the auditors with measures to test to verify that the controls are working effectively.

**2014-026 ELIGIBILITY**  
**Department of Health and Human Resources**  
**CFDA Number 93.767**

Beginning May 1, 2015, BCF will perform ad-hoc manual case record reviews by county on a quarterly basis to determine if CHIP review forms are included in the case record.

WEST VIRGINIA



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***SUMMARY  
SCHEDULE OF  
PRIOR AUDIT  
FINDINGS***

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**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
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**2013-001 TAX RECEIPTS AND REFUNDS  
Department of Revenue and Financial Accounting &  
Reporting Section  
CFDA Number Not Applicable  
Partially Resolved**

The Department of Revenue (Revenue) implemented policies and procedures for the performance of the reconciliation between GenTax and wvOASIS in order to assure the resolution of unreconciled differences in a timely manner. The IT Tax help desk analyst runs a detailed report from wvOASIS for both payments and refunds. The analyst then prepares the monthly global reconciliations and supporting documentation. The global reconciliations are electronically signed and saved as PDF by the analyst. The global reconciliations and supporting Excel workbooks are saved to the secured server by the analyst. The analyst sends an email to the Internal Auditor with the notification that the global reconciliations are ready for further review. The Internal Auditor reviews the global reconciliations to identify the reasons for any material discrepancies. The threshold for a material discrepancy is (+/-) 10% in any given account. The Internal Auditor adds comments to the global reconciliations explaining any discrepancies and initials the document to complete the review process. The documentation then is scanned and saved as PDF on the secure server. See current year finding 2014-001.

**2013-002 CAPITAL ASSETS  
2012-2 Overall State  
2011-1 CFDA Number Not Applicable  
2010-2 Partially Resolved  
2009-3  
2008-7  
2007-8  
2006-6**

FARS will continue to discuss the importance of entering fixed assets into wvOASIS in a timely manner at this year's GAAP closing book training. On July 1, 2014, the State implemented a

**WEST VIRGINIA**

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new statewide accounting/purchasing/fixed asset system. The system is integrated and costs that are attributed to capitalized assets will be captured on a more timely basis. See current year finding 2014-002.

**2013-003 SCHEDULE OF EXPENDITURES OF FEDERAL  
2012-5 AWARDS  
2011-4 Department of Administration - Overall State  
2010-5 CFDA Number Not Applicable  
2009-11 Partially Resolved  
2008-31  
2007-32  
2006-9  
2005-14  
2004-72  
2003-71**

FARS continues to work with the Governor's Office (GO) to seek assistance in having the State agencies prioritize completion of an accurate and complete Schedule of Expenditures of Federal Awards (SEFA) in a timely manner. FARS will discuss the importance of having internal controls procedures at the agency level during the GAAP closing book training which will be held in June and July of 2015. An email will be sent out to the agencies requesting their formalized internal control process by May 15, 2015. Also, a closing book form is required to be signed by both the preparer and their supervisor as proof that the internal controls procedures were followed prior to submission of the SEFA to FARS. FARS will evaluate the current staffing levels and seek assistance in having the required reporting completed by the federally mandated timeline. See current year finding 2014-005.

**2013-004 TRANSPARENCY ACT REPORTING  
2012-8 Overall State  
CFDA Numbers 14.228, 15.252, 84.010, 84.027, 84.377, and  
97.036**

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Development Office response for CFDA 14.228  
Resolved**

Corrective action taken in FY 2014.

**Department of Environmental Protection response for  
CFDA Number 15.252  
Resolved**

Corrective action taken in FY 2014.

**Department of Education response for CFDA numbers  
84.010, 84.027, and 84.377  
Resolved**

Corrective action taken in FY 2014.

**Division of Homeland Security and Emergency Management  
response for CFDA Number 97.036  
Resolved**

Corrective action taken in FY 2014.

**2013-005 SUBRECIPIENT RISK ASSESSMENT  
2012-6 Department of Health and Human Resources  
CFDA Numbers 10.557, 93.558/93.714, and 93.575/93.596  
Resolved**

Corrective action taken in FY 2014.

**2013-006 SUBRECIPIENT MONITORING – AMERICAN  
2012-7 RECOVERY AND REINVESTMENT ACT (ARRA)  
2011-6 Governor’s Office and Office of Economic Opportunity  
2010-7 (OEO)  
CFDA Numbers ARRA 11.557 and ARRA 81.042**

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**Governor's Office response for CFDA number ARRA 11.557  
Resolved**

Corrective action taken in FY 2014.

**Office of Economic Opportunity response for CFDA number  
ARRA 81.042  
Resolved**

Corrective action taken in FY 2014.

**2013-007 CASH MANAGEMENT  
2012-13 Governor's Office  
2011-11 CFDA Number ARRA 11.557  
Resolved**

Corrective action taken in FY 2014.

**2013-008 DAVIS BACON ACT  
Governor's Office  
CFDA Number ARRA 11.557  
Resolved**

Corrective action taken in FY 2014.

**2013-009 INVENTORY PROCESS AND PROCEDURES  
Governor's Office  
CFDA Number ARRA 11.557  
Resolved**

Corrective action taken in FY 2014.

**2013-010 PROCUREMENT  
Governor's Office  
CFDA Number ARRA 11.557  
Resolved**

Corrective action taken in FY 2014.

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**2013-011      PERFORMANCE REPORTING**  
**Development Office**  
**CFDA Number 14.228**  
**Resolved**

Corrective action taken in FY 2014.

**2013-012      SUBRECIPIENT MONITORING – AUDIT REPORTS**  
**2012-16      Department of Environmental Protection**  
**2011-14      CFDA Number 15.252**  
**2010-12      Resolved**  
**2009-19**

Corrective action taken in FY 2014.

**2013-013      INTERNAL CONTROLS OVER FINANCIAL**  
**2012-17      REPORTING**  
**2011-15      WorkForce West Virginia**  
**2010-14      CFDA Numbers 17.225 and ARRA 17.225**  
**Resolved**

Corrective action taken in FY 2014.

**2013-014      1512 REPORTING**  
**2012-19      Department of Highways**  
**CFDA Numbers 20.205, ARRA 20.205, 20.219, and 23.003**  
**Resolved**

Corrective action taken in FY 2014.

**2013-015      REPORTING - FINANCIAL**  
**Office of Economic Opportunity**  
**CFDA Numbers 81.042 and ARRA 81.042**  
**Resolved**

Corrective action taken in FY 2014.

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**STATE OF WEST VIRGINIA  
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**2013-016**    **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**2012-42**    **(SEFA)**  
**2011-28**    **West Liberty University and West Virginia State University**  
**CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,**  
**84.379, 93.264, 93.342, and 93.364**

**West Liberty University response**  
**Resolved**

Corrective action taken in FY 2014.

**West Virginia State University response**  
**Resolved**

Corrective action taken in FY 2014.

**2013-017**    **CASH MANAGEMENT**  
**2012-36**    **Blue Ridge Community & Technical College, Shepherd**  
**University, and West Virginia State University**  
**CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,**  
**84.379, 93.264, 93.342, and 93.364**

**Blue Ridge Community & Technical College response**  
**Resolved**

Corrective action taken in FY 2014.

**Shepherd University response**  
**Resolved**

Corrective action taken in FY 2014.

**West Virginia State University response**  
**Resolved**

Corrective action taken in FY 2014.

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FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

- 2013-018 CASH MANAGEMENT**  
**Marshall University and West Liberty University**  
**CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,**  
**84.379, 93.264, 93.342, and 93.364**
- Marshall University response**  
**Resolved**
- Corrective action taken in FY 2014.
- West Liberty University response**  
**Resolved**
- Corrective action taken in FY 2014.
- 2013-019 ELIGIBILITY**  
**Pierpont Community and Technical College**  
**CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,**  
**84.379, 93.264, 93.342, and 93.364**  
**Resolved**
- Corrective action taken in FY 2014.
- 2013-020 ELIGIBILITY**  
**West Virginia University - Parkersburg**  
**CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,**  
**84.379, 93.264, 93.342, and 93.364**  
**Resolved**
- Corrective action taken in FY 2014.
- 2013-021 EARMARKING**  
**2012-32 New River Community and Technical College, West**  
**2011-35 Virginia University, and West Virginia University -**  
**Parkersburg**  
**CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,**  
**84.379, 93.264, 93.342, and 93.364**

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**New River Community and Technical College response  
Resolved**

Corrective action taken in FY 2014.

**West Virginia University response  
Resolved**

Corrective action taken in FY 2014.

**West Virginia University – Parkersburg response  
Resolved**

Corrective action taken in FY 2014.

**2013-022 PROGRAM INCOME**  
**2012-37 Shepherd University and West Virginia State University**  
**CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,**  
**84.379, 93.264, 93.342, and 93.364**

**Shepherd University response  
Resolved**

Corrective action taken in FY 2014.

**West Virginia State University response  
Resolved**

Corrective action taken in FY 2014.

**2013-023 FISCAL OPERATIONS REPORT AND APPLICATION TO**  
**2012-26 PARTICIPATE**  
**2012-34 Bluefield State College, Concord University, Fairmont**  
**2012-38 State University, New River Community and Technical**  
**College, Pierpont Community and Technical College, West**  
**Liberty University, and West Virginia School of Osteopathic**  
**Medicine**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,  
84.379, 93.264, 93.342, and 93.364**

**Bluefield State College response  
Resolved**

Corrective action taken in FY 2014.

**Concord University response  
Resolved**

Corrective action taken in FY 2014.

**Fairmont State University response  
Resolved**

Corrective action taken in FY 2014.

**New River Community and Technical College response  
Resolved**

Corrective action taken in FY 2014.

**Pierpont Community and Technical College response  
Resolved**

Corrective action taken in FY 2014.

**West Liberty University response  
Resolved**

Corrective action taken in FY 2014.

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**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
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**West Virginia School of Osteopathic Medicine response  
Resolved**

Corrective action taken in FY 2014.

**2013-024      SPECIAL TESTS AND PROVISIONS - VERIFICATION  
2012-45      Fairmont State University, West Liberty University, West  
                 Virginia School of Osteopathic Medicine, and West Virginia  
                 University  
                 CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,  
                 84.379, 93.264, 93.342, and 93.364**

**Fairmont State University response  
Resolved**

Corrective action taken in FY 2014.

**West Liberty University response  
Resolved**

Corrective action taken in FY 2014.

**West Virginia School of Osteopathic Medicine response  
Resolved**

Corrective action taken in FY 2014.

**West Virginia University response  
Resolved**

Corrective action taken in FY 2014.

**2013-025      SPECIAL TESTS AND PROVISIONS –  
2012-27      DISBURSEMENTS TO OR ON BEHALF OF STUDENTS  
                 Concord University, Fairmont State University, Pierpont  
                 Community and Technical College, West Virginia School of**

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**Osteopathic Medicine, West Virginia University, and West Virginia University - Parkersburg  
CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,  
84.379, 93.264, 93.342, and 93.364**

**Concord University response  
Resolved**

Corrective action taken in FY 2014.

**Fairmont State University response  
Resolved**

Corrective action taken in FY 2014.

**Pierpont Community and Technical College response  
Resolved**

Corrective action taken in FY 2014.

**West Virginia School of Osteopathic Medicine response  
Resolved**

Corrective action taken in FY 2014.

**West Virginia University response  
Partially Resolved**

WVU will enhance the current disbursement notification procedure to ensure that required information is provided to students and/or parents within thirty days before or after a loan or TEACH grant disbursement. Enhancements are expected to be in place July 1, 2015 for the 2015-2016 academic year. See current year finding 2014-010.

**WEST VIRGINIA**

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
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**West Virginia University – Parkersburg response  
Resolved**

Corrective action taken in FY 2014.

**2013-026 SPECIAL TESTS AND PROVISIONS – RETURN OF  
TITLE IV FUNDS  
Concord University  
CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,  
84.379, 93.264, 93.342, and 93.364  
Resolved**

Corrective action taken in FY 2014.

**2013-027 SPECIAL TESTS AND PROVISIONS – RETURN OF  
2012-46 TITLE IV FUNDS  
West Liberty University, West Virginia Northern  
Community College, and West Virginia University  
CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,  
84.379, 93.264, 93.342, and 93.364**

**West Liberty University response  
Resolved**

Corrective action taken in FY 2014.

**West Virginia Northern Community College response  
Resolved**

Corrective action taken in FY 2014.

**West Virginia University response  
Resolved**

Corrective action taken in FY 2014.

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**2013-028**    **SPECIAL TESTS AND PROVISIONS – ENROLLMENT**  
**2012-43**    **REPORTING**  
**2012-47**    **Blue Ridge Community and Technical College,**  
**2012-49**    **Concord University, Fairmont State University,**  
**2011-22**    **Marshall University, Mountwest Community and**  
**Technical College, West Liberty University, West Virginia**  
**Northern Community College, West Virginia School of**  
**Osteopathic Medicine, West Virginia State University, West**  
**Virginia University, and West Virginia University -**  
**Parkersburg**  
**CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,**  
**84.379, 93.264, 93.342, and 93.364**

**Blue Ridge Community Technical College response**  
**Resolved**

Corrective action taken in FY 2014.

**Concord University response**  
**Resolved**

Corrective action taken in FY 2014.

**Fairmont State University response**  
**Resolved**

Corrective action taken in FY 2014.

**Marshall University response**  
**Partially Resolved**

Marshall continues to work with the third-party servicer, National Student Clearinghouse, to accurately report enrollment data to National Student Loan Data System (NSLDS). See current year finding 2014-011.

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### STATE OF WEST VIRGINIA SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

#### **Mountwest Community and Technical College response Resolved**

Corrective action taken in FY 2014.

#### **West Liberty University response Resolved**

Corrective action taken in FY 2014.

#### **West Virginia Northern Community College response Resolved**

Corrective action taken in FY 2014.

#### **West Virginia School of Osteopathic Medicine response Resolved**

Corrective action taken in FY 2014.

#### **West Virginia State University response Partially Resolved**

West Virginia State University's (WVSU) IT Department submits the transmissions to the Clearinghouse around the 22<sup>nd</sup> of each month. WVSU Financial Aid Counselors check NSLDS for their population of students, to ensure that any changes to a student's enrollment status are reflected correctly on NSLDS. If there is a timing issue, and the record has not been updated by the Clearinghouse, the counselor will manually report the information on NSLDS. The Director of Student Financial Assistance will request, from IT Department, any rejected records not transmitted successfully to the Clearinghouse and notify the appropriate counselor to report the change of enrollment status to NSLDS. See current year finding 2014-011.

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**West Virginia University response  
Resolved**

Corrective action taken in FY 2014.

**West Virginia University – Parkersburg response  
Resolved**

Corrective action taken in FY 2014.

**2013-029  
2012-29**

**SPECIAL TESTS AND PROVISIONS – STUDENT  
LOAN REPAYMENTS**

**Concord University, Fairmont State University, West  
Liberty University, and West Virginia University  
CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,  
84.379, 93.264, 93.342, and 93.364**

**Concord University response  
Resolved**

Corrective action taken in FY 2014.

**Fairmont State University response  
Resolved**

Corrective action taken in FY 2014.

**West Liberty University response  
Resolved**

Corrective action taken in FY 2014.

**West Virginia University response  
Partially Resolved**

WVU agrees with the recommendation. The deferment procedure has been modified to include the review and approval by two

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employees for all requests to ensure that students are eligible for deferment or forbearance. See current year finding 2014-012.

**2013-030 SPECIAL TESTS AND PROVISIONS – FEDERAL WORK  
STUDY AGREEMENTS**

**Marshall University and West Virginia University  
CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,  
84.379, 93.264, 93.342, and 93.364**

**Marshall University response  
Resolved**

Corrective action taken in FY 2014.

**West Virginia University response  
Resolved**

Corrective action taken in FY 2014.

**2013-031 SPECIAL TESTS AND PROVISIONS – BORROWER  
2012-21 DATA TRANSMISSION AND RECONCILIATION**

**Blue Ridge Community and Technical College and  
West Virginia State University  
CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,  
84.379, 93.264, 93.342, and 93.364**

**Blue Ridge Community and Technical College response  
Partially Resolved**

The Direct Loan (DL) Reconciliation was not being completed on a monthly basis prior to the hiring of FAS, a financial aid consulting firm, in November 2013. Blue Ridge was unable to present all monthly reconciliation materials prior to this time. DL SAS reports have been downloaded on a monthly basis since January 2014. These reports are then utilized in a comparison basis between Common Origination and Disbursement (COD) and Banner. A monthly report of COD and Banner loan

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information is submitted to the Vice President of Enrollment for confirmation. In addition to the monthly SAS reports, management has also added a monthly total of DL funds expenditures for review. See current year finding 2014-013.

**West Virginia State University response  
Partially Resolved**

WVSU's Office of Student Financial Assistance had some challenges last academic year with receiving the SAS reports necessary to do the reconciliations in a timely manner. The office worked diligently with Institutional Technology in making sure the files are pulled in when they become available at the end of the month. The office is receiving the reports when they are available in our SAIG Mailbox. The Associate Directors reviews the report and makes all necessary adjustments to COD and notifies Student Accounts immediately of the adjustments. Disbursements occur weekly and the Associate Director of Student Financial Assistance checks the disbursed records on a weekly basis. A Cash Management Team, which consist of a representative(s) from Business and Finance, Financial Aid, and Student Accounts meets once a month to discuss any discrepancies and to make sure that reconciliation is performed on a monthly basis between COD, Student Accounts, G5, and Banner. See current year finding 2014-013.

**2013-032      SPECIAL TESTS AND PROVISIONS – INSTITUTIONAL  
2012-48      ELIGIBILITY**

**West Virginia University - Parkersburg  
CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,  
84.379, 93.264, 93.342, and 93.364  
Resolved**

Corrective action taken in FY 2014.

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**2013-033**     **INDIRECT COST ALLOCATION**  
**2012-50**     **Division of Rehabilitation Services**  
                 **CFDA Number 84.126**  
                 **Partially Resolved**

The West Virginia Division of Rehabilitation Services (DRS) will review all policies and procedures that are currently in place related to the allocation of indirect costs and develop any new policies and procedures that are needed to ensure that indirect costs for the Vocational Rehabilitation program are allocated in compliance with OMB Circular A-87. The DRS will take corrective action to ensure that the methods for allocating indirect costs, as described by the Circular, are implemented on a consistent basis. The DRS will create a formal methodology to track and allocate indirect costs based upon their approved indirect cost rate for the Vocational Rehabilitation program. Anticipated date of completion is May 31, 2015. See current year finding 2014-015.

**2013-034**     **DHHR INFORMATION SYSTEM AND RELATED**  
**2012-51**     **BUSINESS PROCESS CONTROLS**  
**2011-46**     **Department of Health and Human Resources**  
**2010-43**     **CFDA Numbers 10.551/10.561, 93.558/ARRA 93.714,**  
**2009-43**     **93.775/93.777/93.778 and ARRA 93.778, 93.568, 93.575/**  
**2008-55**     **93.596, 93.767, 93.659, and 93.658**  
**2007-54**     **Partially Resolved**  
**2006-37**  
**2005-44**  
**2005-60**  
**2004-50**  
**2003-63**  
**2002-61**

The primary issue relates to the approval of payments. The auditors reviewed two types of payments during their fieldwork, “demand” payments and “automatic” payments. With respect to demand payments, Department of Health and Human Resources (DHHR) implemented a detective control during FY 2012 to address demand payments (Security Level 15 access). With respect to

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automatic payments, DHHR restricts access to the FACTS and RAPIDS systems to a limited number of users and DHHR has controls in place to ensure that authorized individuals review information input into FACTS and RAPIDS. The finding recommends that a secondary (supervisory) level of review, for all case information entered into FACTS and RAPIDS, be implemented to enhance internal controls within DHHR. DHHR will assess the possibility of implementing additional controls related to automatic payments. See current year finding 2014-016.

**2013-035 ELIGIBILITY**  
**Department of Health and Human Resources**  
**CFDA Numbers 93.558 and ARRA 93.714**  
**Resolved**

Corrective action taken in FY 2014.

**2013-036 SPECIAL TESTS AND PROVISIONS - SANCTIONS**  
**2012-56 Department of Health and Human Resources**  
**2011-44 CFDA Number 93.558 and ARRA 93.714**  
**2010-41 Partially Resolved**

DHHR Bureau for Children and Families (BCF) will develop and implement a Black Board Training Course on initiating sanctions. All WV Works staff and their supervisors are expected to complete the Black Board WV Works Sanction Course by August 30, 2015. BCF will also develop a standard operating procedure for mandatory unit meetings defining frequency, agenda, minutes with any attachments, and required sign-in sheets. See current year finding 2014-019.

**2013-037 ALLOWABILITY AND ELIGIBILITY**  
**2012-57 Department of Health and Human Resources**  
**2011-50 CFDA Number 93.568**  
**2010-46 Partially Resolved**  
**2009-48**  
**2008-59**

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**2007-59  
2006-43  
2005-50**

BCF will complete post-season reviews of Low Income Home Energy Assistance (LIHEAP) applications. All applications must be stored separately from individual case records. Supervisors must review for completeness before filling. An instructional memorandum was sent on April 6, 2015. In addition, reminders will be presented at regional and statewide meetings. See current year finding 2014-021.

**2013-038  
2012-58  
2011-51  
2010-47  
2009-50  
2008-61  
2007-62  
2006-45**

**DISASTER RECOVERY PLAN**  
**Department of Health and Human Resources**  
**CFDA Numbers 93.596 and 93.575**  
**Partially Resolved**

There were additional issues with the contract for the document-imaging system during fiscal year 2014, as of March 31, 2015, the contract was at the West Virginia Division of Purchasing and undergoing a review by legal staff. The new anticipated date for awarding the contract and thus having a vendor in place is May 31, 2015. DHHR hopes to implement document imaging throughout DHHR by December 31, 2016 and to roll document imaging out to the resource and referral agencies by March 31, 2017. See current year finding 2014-022.

**2013-039**

**ELIGIBILITY REQUIREMENTS**  
**Department of Health and Human Resources**  
**CFDA Number 93.658**  
**Resolved**

Corrective action taken in FY 2014.

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**2013-040**     **ELIGIBILITY DOCUMENTATION**  
**2012-59**     **Department of Health and Human Resources**  
**CFDA Number 93.659**  
**Partially Resolved**

Policy currently exists within BCF that requires the information in the case record. BCF released a memorandum dated April 27, 2015 to remind staff to ensure that all information is included in the file prior to archiving or transferring specialized agency adoptions to the state office. BCF will mandate completion of all required information, forms, and agreements prior to archiving. BCF's central office will not accept specialized adoption agencies' cases until all of the required documentation is received. See current year finding 2014-024.

**2013-041**     **EARMARKING**  
**Department of Health and Human Resources**  
**CFDA Number 93.667**  
**Partially Resolved**

DHHR as a whole has a means to track the earmarking requirement and ensure compliance with the requirement. Nonetheless, DHHR will coordinate between necessary programmatic staff, financial staff, and IT staff in an effort to enhance our internal controls and will attempt to draft a narrative to explain the overall process in a manner that will provide the auditors with measures to test to verify that the controls are working effectively. See current year finding 2014-025.

**2013-042**     **ELIGIBILITY**  
**2012-61**     **State Children's Health Insurance Program /**  
**2011-55**     **Department of Health and Human Resources**  
**2010-52**     **CFDA Number 93.767**  
**2009-56**

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**State Children's Health Insurance Program response  
Resolved**

Corrective action taken in FY 2014.

**Department of Health and Human Resources response  
Partially Resolved**

Beginning May 1, 2015, BCF will perform ad-hoc manual case record reviews by county on a quarterly basis to determine if CHIP review forms are included in the case record. See current year finding 2014-026.

**2013-043  
2012-60**

**RAPIDS USER GUIDE  
State Children's Health Insurance Program / Department  
of Health and Human Resources  
CFDA Number 93.767**

**State Children's Health Insurance Program response  
Resolved**

Corrective action taken in FY 2014.

**Department of Health and Human Resources response  
Resolved**

Corrective action taken in FY 2014.

**2013-044**

**SUBRECIPIENT MONITORING  
Division of Homeland Security and Emergency  
Management  
CFDA Number 97.036  
Resolved**

Corrective action taken in FY 2014.

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**2011-9**

**FNS REVIEW**

**Department of Health and Human Resources  
CFDA Number 10.557**

The existing Memorandum of Understanding (MOU) between DHHR and the Office of Technology (OT) does cover DHHR as a whole. When the USDA was conducting their State Technical Assistance Review several years ago, they were under the impression that there was no current MOU at all between the DHHR and the OT because they were led to believe the existing MOU had expired. Unfortunately, nobody corrected the matter during fieldwork or otherwise informed the USDA of the facts and circumstances surrounding the MOU at the time; and when the USDA wrote the finding, DHHR did not challenge it. However, DHHR can confirm that they are indeed still operating under a formal MOU with the OT.