



# West Virginia Single Audit

*For The Year Ended June 30, 2015*

# ***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, 2015, 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 May 9, 2016. 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*, the West Virginia Housing Development Fund and the following discretely presented component units of the Higher Education Fund discretely presented component unit: Big Green Scholarship Foundation, Inc.; 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.; The 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 2015-002, 2015-003, and 2015-004 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 2015-001 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.



May 9, 2016  
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, 2015. 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 West Virginia Housing Development Fund, the West Virginia University Research Corporation, the West Virginia State University Research and Development Corporation, Marshall University Research Corporation, and West Virginia Drinking Water Treatment Revolving Loan Fund which expended \$292,073,236 collectively, in federal awards which are not included in the schedule of expenditures of federal awards during the year ended June 30, 2015. 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 the Child Nutrition Cluster, Special Supplemental Nutrition Program for Women, Infants and Children (WIC), Student Financial Assistance Cluster, Low-Income Home Energy Assistance, and Adoption Assistance***

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>
2015-005	10.553/10.555/10.556/10.559	Child Nutrition Cluster	Special Tests and Provisions: Accountability for USDA-Donated Foods
2015-007	10.557	Special Supplemental Nutrition Program for Women, Infants and Children	Subrecipient Monitoring
2015-014	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
2015-015	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
2015-026	93.568	Low-Income Home Energy Assistance Program	Allowable Costs/Cost Principles; Eligibility
2015-029	93.659	Adoption Assistance	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 the Child Nutrition Cluster, Special Supplemental Nutrition Program for Women, Infants and Children (WIC), Student Financial Assistance Cluster, Low-Income Home Energy Assistance, and Adoption Assistance***

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 Child Nutrition Cluster, Special Supplemental Nutrition Program for Women, Infants and Children (WIC), Student Financial Assistance Cluster, Low-Income Home Energy Assistance, and Adoption Assistance for the year ended June 30, 2015.

***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, 2015.

### ***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>
2015-007	93.558	Temporary Assistance for Needy Families (TANF)	Subrecipient Monitoring
2015-008	17.225	Unemployment Insurance	Cash Management
2015-010	17.225	Unemployment Insurance	Reporting
2015-012	20.205/20.219/23.003	Highway Planning and Construction Cluster	Activities Allowed or Unallowed; Allowable Costs/Cost Principles
2015-016	84.027/84.173	Special Education Cluster (IDEA)	Reporting
2015-017	84.027/84.173	Special Education Cluster (IDEA)	Matching, Level of Effort and Earmarking
2015-018	84.126	Vocational Rehabilitation Grants to States	Eligibility
2015-019	84.126	Vocational Rehabilitation Grants to States	Matching, Level of Effort and Earmarking
2015-021	84.126	Vocational Rehabilitation Grants to States	Allowable Costs/Cost Principles
2015-022	93.558	Temporary Assistance for Needy Families	Special Tests and Provisions: Work Participation Rate
2015-023	93.558	Temporary Assistance for Needy Families	Special Tests and Provisions: Sanctions

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>
2015-005	10.553/10.555/10.556/10.559	Child Nutrition Cluster	Special Tests and Provisions: Accountability for USDA-Donated Foods
2015-006	10.553/10.555/10.556/10.559	Child Nutrition Cluster	Reporting
2015-007	10.557	Special Supplemental Nutrition Program for Women, Infants and Children	Subrecipient Monitoring
2015-013	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 of Federal Funds; Reporting; Special Tests and Provisions: Disbursements to or on Behalf of Students
2015-014	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
2015-015	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
2015-017	84.027/84.173	Special Education Cluster (IDEA)	Matching, Level of Effort and Earmarking
2015-018	84.126	Vocational Rehabilitation Grants to States	Eligibility
2015-019	84.126	Vocational Rehabilitation Grants to States	Matching, Level of Effort and Earmarking

<b>Finding Number</b>	<b>CFDA Number</b>	<b>Program or Cluster Name</b>	<b>Compliance Requirement</b>
2015-020	84.126/96.001	Vocational Rehabilitation Grants to States; Social Security – Disability Insurance	Allowable Costs/Cost Principles
2015-021	84.126	Vocational Rehabilitation Grants to States	Allowable Costs/Cost Principles
2015-023	93.558	Temporary Assistance for Needy Families	Special Tests and Provisions: Sanctions
2015-024	93.558	Temporary Assistance for Needy Families	Special Tests and Provisions: Sanctions
2015-025	10.551/10.561; 93.558; 93.568; 93.575/93.596; 93.658; 93.659; 93.767; 93.775/93.777/93.778	Special Supplemental Nutrition Program (SNAP) Cluster; Temporary Assistance for Needy Families (TANF); Low-Income Home Energy Assistance; CCDF Cluster; Foster Care – Title IV-E; Adoption Assistance; Children’s Health Insurance Program (CHIP); Medicaid Cluster	Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Eligibility; Period of Availability of Federal Funds/Period of Performance; Special Tests and Provisions
2015-026	93.568	Low-Income Home Energy Assistance Program	Allowable Costs/Cost Principles; Eligibility
2015-027	93.575/93.596	Child Care and Development (CCDF) Cluster	Allowable Costs/Cost Principles; Eligibility
2015-029	93.659	Adoption Assistance	Eligibility
2015-030	93.667	Social Services Block Grant	Matching, Level of Effort and Earmarking

*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>
2015-007	93.558	Temporary Assistance for Needy Families (TANF)	Subrecipient Monitoring
2015-008	17.225	Unemployment Insurance	Cash Management
2015-009	17.225	Unemployment Insurance	Eligibility
2015-010	17.225	Unemployment Insurance	Reporting
2015-011	20.205/20.219/23.003	Highway Planning and Construction Cluster	Allowable Costs/Cost Principles

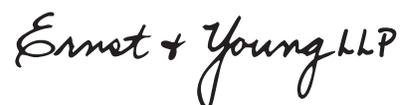
<b>Finding Number</b>	<b>CFDA Number</b>	<b>Program or Cluster Name</b>	<b>Compliance Requirement</b>
2015-012	20.205/20.219/23.003	Highway Planning and Construction Cluster	Activities Allowed or Unallowed; Allowable Costs/Cost Principles
2015-016	84.027/84.173	Special Education Cluster (IDEA)	Reporting
2015-022	93.558	Temporary Assistance for Needy Families	Special Tests and Provisions: Work Participation Rate
2015-028	93.658	Foster Care – Title IV-E	Special Tests and Provisions: Payment Rate Setting and Application

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, 2015, and have issued our report thereon dated May 9, 2016, 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 expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



May 26, 2016  
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  
FOR THE YEAR ENDING JUNE 30, 2015**

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>				
G14AP0001A	APPALACHIAN HIDTA (NOTE 3)	\$436,107	\$0	\$436,107
G15AP0001A	APPALACHIAN HIDTA (NOTE 3)	\$82,767	\$0	\$82,767
<b><u>TOTAL OFFICE OF DRUG CONTROL POLICY</u></b>		<b><u>\$518,874</u></b>	<b><u>\$0</u></b>	<b><u>\$518,874</u></b>
<b><u>DEPARTMENT OF AGRICULTURE</u></b>				
10.025	PLANT AND ANIMAL DISEASE, PEST CONTROL, AND ANIMAL CARE	\$648,914	\$0	\$648,914
10.072	WETLANDS RESERVE PROGRAM	\$13,834	\$0	\$13,834
10.170	SPECIALITY CROP BLOCK GRANT PROGRAM - FARM BILL	\$52,707	\$114,798	\$167,505
10.171	ORGANIC CERTIFICATION COST SHARE PROGRAMS GRANTS FOR AGRICULTURAL RESEARCH-COMPETITIVE RESEARCH GRANTS	\$4,838	\$0	\$4,838
10.206	ANIMAL HEALTH AND DISEASE RESEARCH	\$2,873	\$0	\$2,873
10.207	1890 INSTITUTION CAPACITY BUILDING GRANTS	\$13,366	\$0	\$13,366
10.216	AGRICULTURAL MARKET AND ECONOMIC RESEARCH	\$20,142	\$0	\$20,142
10.290	CROP INSURANCE EDUCATION IN TARGETED STATES	\$2,463	\$0	\$2,463
10.458	COOPERATIVE AGREEMENTS WITH STATES FOR INTRASTATE MEAT	\$5,969	\$66,508	\$72,477
10.475	AND POULTRY INSPECTION	\$686,374	\$0	\$686,374
10.500	COOPERATIVE EXTENSION SERVICE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN,	\$4,752,325	\$0	\$4,752,325
10.557	INFANTS, AND CHILDREN	\$24,241,541	\$7,677,221	\$31,918,762
10.558	CHILD AND ADULT CARE FOOD PROGRAM	\$578,716	\$15,928,307	\$16,507,023
10.560	STATE ADMINISTRATIVE EXPENSES FOR CHILD NUTRITION	\$1,767,534	\$0	\$1,767,534
10.572	WIC FARMERS' MARKET NUTRITION PROGRAM (FMNP)	\$49,846	\$0	\$49,846
10.574	TEAM NUTRITION GRANTS	\$14,871	\$269,376	\$284,247
10.575	FARM TO SCHOOL GRANT PROGRAM	\$0	\$44,325	\$44,325
10.576	SENIOR FARMERS MARKET NUTRITION PROGRAM	\$444,558	\$0	\$444,558
10.582	FRESH FRUIT AND VEGETABLE PROGRAM	\$59,390	\$1,827,596	\$1,886,986
10.664	COOPERATIVE FORESTRY ASSISTANCE	\$748,172	\$131,602	\$879,774
10.665	SCHOOLS AND ROADS-GRANTS TO STATES	\$1,669,609	\$0	\$1,669,609
10.675	URBAN AND COMMUNITY FORESTRY PROGRAM	\$14,205	\$0	\$14,205
10.676	FOREST LEGACY PROGRAM	\$604,019	\$0	\$604,019
10.678	FOREST STEWARDSHIP PROGRAM	\$102,645	\$0	\$102,645
10.680	FOREST HEALTH PROTECTION	\$66,793	\$0	\$66,793
10.684	INTERNATIONAL FORESTRY PROGRAMS	\$98,095	\$0	\$98,095
10.855	DISTANCE LEARNING AND TELEMEDICINE LOANS AND GRANTS	\$112,013	\$0	\$112,013
10.902	SOIL AND WATER CONSERVATION	\$344	\$0	\$344
10.903	SOIL SURVEY	\$195,364	\$0	\$195,364
10.905	PLANT MATERIALS FOR CONSERVATION	\$3,954	\$0	\$3,954
10.912	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	\$173,133	\$0	\$173,133
10.913	FARMLAND PROTECTION PROGRAM	\$49,232	\$0	\$49,232
NOTE 5A	SNAP CLUSTER	\$507,485,137	\$3,920,201	\$511,405,338
NOTE 5B	CHILD NUTRITION CLUSTER	\$9,694,502	\$103,731,015	\$113,425,517
NOTE 5C	FOOD DISTRIBUTION CLUSTER	\$3,377,668	\$383,362	\$3,761,030
13-CS-11092100-008	CONTRACT - FOREST SERVICE AQUATIC RESTORATION ASSESSING AND MAPPING FOREST CANOPY DAMAGE FROM	\$1,232	\$0	\$1,232
13-JV-11242301-076	SUPERSTORM SANDY	\$17,488	\$0	\$17,488
MONONGHALIA				
NATIONAL FORREST	STUDY OF NEW CRAYFISH SPECIES	\$658	\$0	\$658
NFS 2010-CR-				
11062759-030	REGION 6 ROUND 3 NVUM	\$514,948	\$0	\$514,948
<b><u>TOTAL DEPARTMENT OF AGRICULTURE</u></b>		<b><u>\$558,289,472</u></b>	<b><u>\$134,094,311</u></b>	<b><u>\$692,383,783</u></b>
<b><u>DEPARTMENT OF COMMERCE</u></b>				
11.300	INVESTMENTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT FACILITIES	\$3,692,599	\$0	\$3,692,599
11.549	STATE AND LOCAL IMPLEMENTATION GRANT PROGRAM ARRA - BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM	\$25,826	\$0	\$25,826
11.557	(BTOP) ARRA - STATE BROADBAND DATA AND DEVELOPMENT GRANT PROGRAM	\$8,624	\$0	\$8,624
11.558	PROGRAM	\$345,651	\$346,528	\$692,179
11.611	MANUFACTURING EXTENSION PARTNERSHIP	\$206,337	\$0	\$206,337
<b><u>TOTAL DEPARTMENT OF COMMERCE</u></b>		<b><u>\$4,279,037</u></b>	<b><u>\$346,528</u></b>	<b><u>\$4,625,565</u></b>
<b><u>DEPARTMENT OF DEFENSE</u></b>				
12.113	STATE MEMORANDUM OF AGREEMENT PROGRAM FOR THE REIMBURSEMENT OF TECHNICAL SERVICES	\$52,308	\$0	\$52,308
12.400	MILITARY CONSTRUCTION, NATIONAL GUARD NATIONAL GUARD MILITARY OPERATIONS AND MAINTENANCE (O&M)	\$15,144,011	\$0	\$15,144,011
12.401	PROJECTS	\$22,245,039	\$0	\$22,245,039
12.404	NATIONAL GUARD CHALLENGE PROGRAM	\$3,518,276	\$0	\$3,518,276

**STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARD  
FOR THE YEAR ENDING JUNE 30, 2015**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
12.900	LANGUAGE GRANT PROGRAM	\$28,443	\$76,155	\$104,598
12.402	NATIONAL GUARD SPECIAL MILITARY OPERATIONS & PROJECTS	\$4,474	\$0	\$4,474
N624701328026, N624701227014	CONTRACTS - US NAVY SURGAR GROVE	\$15,000	\$0	\$15,000
<b>TOTAL DEPARTMENT OF DEFENSE</b>		<b>\$41,007,551</b>	<b>\$76,155</b>	<b>\$41,083,706</b>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
14.110	MANUFACTURED HOME LOAN INSURANCE-FINANCING PURCHASE OF MANUFACTURED HOMES AS PRINCIPAL RESIDENCES OF BORROWERS	\$71,447	\$0	\$71,447
14.228	COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM AND NON-ENTITLEMENT GRANTS IN HAWAII	\$438,971	\$9,226,447	\$9,665,418
14.231	EMERGENCY SOLUTIONS GRANT PROGRAM	\$69,882	\$1,582,614	\$1,652,496
14.241	HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	\$9,659	\$334,297	\$343,956
14.400	EQUAL OPPORTUNITY IN HOUSING	\$148,386	\$0	\$148,386
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		<b>\$738,345</b>	<b>\$11,143,358</b>	<b>\$11,881,703</b>
<b>DEPARTMENT OF THE INTERIOR</b>				
15.250	REGULATION OF SURFACE COAL MINING AND SURFACE EFFECTS OF UNDERGROUND COAL MINING	\$12,036,985	(\$8,654)	\$12,028,331
15.252	ABANDONED MINE LAND RECLAMATION (AMLR) PROGRAM SCIENCE AND TECHNOLOGY PROJECTS RELATED TO COAL MINING AND RECLAMATION	\$31,020,629	\$14,754,941	\$45,775,570
15.255	FLOOD CONTROL ACT LANDS	\$21,863	\$40,400	\$62,263
15.433	ENDANGERED SPECIES CONSERVATION	\$430,583	\$0	\$430,583
15.612	SPORTFISHING AND BOATING SAFETY ACT	\$21,808	\$0	\$21,808
15.622	STATE WILDLIFE GRANTS	\$0	\$64,070	\$64,070
15.634	ENDANGERED SPECIES CONSERVATION - RECOVERY IMPLEMENTATION FUNDS	\$470,267	\$0	\$470,267
15.657	U.S. GEOLOGICAL SURVEY-RESEARCH AND DATA COLLECTION	\$117,161	\$0	\$117,161
15.808	NATIONAL COOPERATIVE GEOLOGIC MAPPING PROGRAM	\$115,037	\$0	\$115,037
15.810	HISTORIC PRESERVATION FUND GRANTS-IN-AID	\$75,514	\$0	\$75,514
15.904	OUTDOOR RECREATION-ACQUISITION, DEVELOPMENT AND PLANNING	\$511,158	\$132,515	\$643,673
15.916	NATIVE AMERICAN GRAVES PROTECTION AND REPATRIATION ACT	\$20,587	\$354,831	\$375,418
15.922	FISH AND WILDLIFE CLUSTER	\$12,580	\$0	\$12,580
NOTE 5D	COAL HERITAGE AREA DISCOVERY CENTER - 2013NCH17	\$6,522,876	\$0	\$6,522,876
H4511-10-0001	GOLDEN EAGLE DEMOGRAPHY: GENETIC APPROACHES TO POPULATION BIOLOGY IN THE FACE OF RENEWABLE ENERGY	\$397,565	\$0	\$397,565
L12AC20102	DEVELOPMENT IN THE CALIFORNIA DESERT	\$10,355	\$0	\$10,355
<b>TOTAL DEPARTMENT OF THE INTERIOR</b>		<b>\$51,784,968</b>	<b>\$15,338,103</b>	<b>\$67,123,071</b>
<b>DEPARTMENT OF JUSTICE</b>				
16.017	SEXUAL ASSAULT SERVICES FORMULA PROGRAM	\$2,402	\$207,898	\$210,300
16.523	JUVENILE ACCOUNTABILITY BLOCK GRANTS GRANTS TO REDUCE DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, AND STALKING ON CAMPUS	\$14,006	\$135,217	\$149,223
16.525	ENHANCED TRAINING AND SERVICES TO END VIOLENCE AND ABUSE OF WOMEN LATER IN LIFE	\$87,003	\$131,940	\$218,943
16.528	JUVENILE JUSTICE AND DELINQUENCY PREVENTION-ALLOCATION TO STATES	\$4,356	\$25,380	\$29,736
16.540	MISSING CHILDREN'S ASSISTANCE	\$41,759	\$242,220	\$283,979
16.543	TITLE V-DELINQUENCY PREVENTION PROGRAM	\$330,789	\$0	\$330,789
16.548	STATE JUSTICE STATISTICS PROGRAM FOR STATISTICAL ANALYSIS CENTERS	\$0	\$26,213	\$26,213
16.550	NATIONAL CRIMINAL HISTORY IMPROVEMENT PROGRAM (NCHIP)	\$55,377	\$0	\$55,377
16.554	CRIME VICTIM ASSISTANCE	\$304,962	\$30,161	\$335,123
16.575	CRIME VICTIM COMPENSATION	\$154,150	\$2,506,525	\$2,660,675
16.576	EDWARD BYRNE MEMORIAL FORMULA GRANT PROGRAM	\$757,000	\$0	\$757,000
16.579	DRUG COURT DISCRETIONARY GRANT PROGRAM	\$493,355	\$985,251	\$1,478,606
16.585	VIOLENCE AGAINST WOMEN FORMULA GRANTS	\$236,272	\$0	\$236,272
16.588	GRANTS TO ENCOURAGE ARREST POLICIES AND ENFORCEMENT OF PROTECTION ORDERS PROGRAM	\$182,864	\$1,038,660	\$1,221,524
16.590	RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS	\$23,192	\$637,272	\$660,464
16.593	BULLETPROOF VEST PARTNERSHIP PROGRAM	\$15,355	\$28,423	\$43,778
16.607	PUBLIC SAFETY PARTNERSHIP AND COMMUNITY POLICING GRANTS	\$22,284	\$0	\$22,284
16.710	ENFORCING UNDERAGE DRINKING LAWS PROGRAM	\$136,625	\$0	\$136,625
16.727	PREA PROGRAM: DEMONSTRATION PROJECTS TO ESTABLISH "ZERO TOLERANCE" CULTURES FOR SEXUAL ASSAULT IN CORRECTIONAL FACILITIES	\$68	\$7,470	\$7,538
16.735		\$0	\$5,573	\$5,573

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FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
16.738	EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT			
16.741	PROGRAM DNA BACKLOG REDUCTION PROGRAM	\$408,945	\$0	\$408,945
16.742	PAUL COVERDELL FORENSIC SCIENCES IMPROVEMENT GRANT PROGRAM	\$150,945	\$0	\$150,945
16.745	CRIMINAL AND JUVENILE JUSTICE AND MENTAL HEALTH COLLABORATION PROGRAM	\$19,374	\$23,619	\$42,993
16.812	SECOND CHANCE ACT PRISONER REENTRY INITIATIVE	\$8,250	\$0	\$8,250
16.813	NICS ACT RECORD IMPROVEMENT PROGRAM	\$1,095	\$42,616	\$43,711
16.816	JOHN R. JUSTICE PROSECUTORS AND DEFENDERS INCENTIVE ACT	\$1,184,248	\$0	\$1,184,248
2001100	BYRNE CRIMINAL JUSTICE INNOVATION PROGRAM	\$48,690	\$0	\$48,690
2001HSWXK035	MISCELLANEOUS JUSTICE PROGRAMS	\$4,228	\$0	\$4,228
E/S-JUSTICE	REGIONAL COMMUNITY POLICING INSTITUTE	\$849,550	\$0	\$849,550
PURDUE	EQUITABLE SHARING PROGRAM-JUSTICE	\$35,540	\$0	\$35,540
WVSUMISCFED001	PURDUE PHARMA SETTLEMENT	\$431,178	\$0	\$431,178
	MISCELLANEOUS	\$1,012,864	\$39,114	\$1,051,978
		\$50,000	\$0	\$50,000
<b><u>TOTAL DEPARTMENT OF JUSTICE</u></b>		<b>\$7,066,726</b>	<b>\$6,113,552</b>	<b>\$13,180,278</b>
<b><u>DEPARTMENT OF LABOR</u></b>				
17.002	LABOR FORCE STATISTICS	\$691,194	\$0	\$691,194
17.005	COMPENSATION AND WORKING CONDITIONS	\$54,270	\$0	\$54,270
17.225	UNEMPLOYMENT INSURANCE (NOTE 4)	\$436,363,371	\$0	\$436,363,371
17.235	SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM	\$65,271	\$907,049	\$972,320
17.245	TRADE ADJUSTMENT ASSISTANCE	\$3,990,648	\$0	\$3,990,648
17.267	INCENTIVE GRANTS - WIA SECTION 503	\$6,039	\$67,719	\$73,758
17.271	WORK OPPORTUNITY TAX CREDIT PROGRAM (WOTC)	\$175,493	\$0	\$175,493
17.273	TEMPORARY LABOR CERTIFICATION FOR FOREIGN WORKERS WORKFORCE INVESTMENT ACT (WIA) NATIONAL EMERGENCY GRANTS	\$101,193	\$0	\$101,193
17.277	WIA/WIOA DISLOCATED WORKER NATIONAL RESERVE TECHNICAL ASSISTANCE AND TRAINING	\$850,802	\$3,382,264	\$4,233,066
17.281	TRADE ADJUSTMENT ASSISTANCE COMMUNITY COLLEGE AND CAREER TRAINING (TAACCCT) GRANTS	\$6,287	\$0	\$6,287
17.282	CONSULTATION AGREEMENTS	\$8,938,010	\$0	\$8,938,010
17.504	MINE HEALTH AND SAFETY GRANTS	\$402,314	\$0	\$402,314
17.600	EMPLOYMENT SERVICE CLUSTER	\$75,000	\$0	\$75,000
NOTE 5E	WIA CLUSTER	\$6,346,654	\$0	\$6,346,654
NOTE 5F	MISCELLANEOUS LABOR PROGRAMS	\$1,569,074	\$10,135,763	\$11,704,837
17.999		\$1,847,946	\$0	\$1,847,946
<b><u>TOTAL DEPARTMENT OF LABOR</u></b>		<b>\$461,483,566</b>	<b>\$14,492,795</b>	<b>\$475,976,361</b>
<b><u>DEPARTMENT OF STATE</u></b>				
19.040	PUBLIC DIPLOMACY PROGRAMS	(\$66)	\$0	(\$66)
<b><u>TOTAL DEPARTMENT OF STATE</u></b>		<b>(\$66)</b>	<b>\$0</b>	<b>(\$66)</b>
<b><u>DEPARTMENT OF TRANSPORTATION</u></b>				
20.218	NATIONAL MOTOR CARRIER SAFETY	\$1,904,598	\$0	\$1,904,598
20.237	COMMERCIAL VEHICLE INFORMATION SYSTEMS AND NETWORKS METROPOLITAN TRANSPORTATION PLANNING AND STATE AND NON- METROPOLITAN PLANNING AND RESEARCH	\$6,450	\$0	\$6,450
20.505	FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS	\$154,309	\$30,731	\$185,040
20.509	RAIL FIXED GUIDEWAY PUBLIC TRANSPORTATION SYSTEM STATE	\$3,257,621	\$5,299,125	\$8,556,746
20.528	SAFETY OVERSIGHT FORMULA GRANT PROGRAM	\$70,062	\$0	\$70,062
20.607	ALCOHOL OPEN CONTAINER REQUIREMENTS NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA)	\$6,145,400	\$1,156,128	\$7,301,528
20.614	DISCRETIONARY SAFETY GRANTS	\$52,290	\$0	\$52,290
20.700	PIPELINE SAFETY PROGRAM STATE BASE GRANT INTERAGENCY HAZARDOUS MATERIALS PUBLIC SECTOR TRAINING AND PLANNING GRANTS	\$592,539	\$0	\$592,539
20.703	NATIONAL INFRASTRUCTURE INVESTMENTS	\$0	\$99,300	\$99,300
20.933	FEDERAL TRANSIT CLUSTER	\$8,478,009	\$0	\$8,478,009
NOTE 5G	TRANSIT SERVICES PROGRAMS CLUSTER	\$115,676	\$0	\$115,676
NOTE 5H	HIGHWAY SAFETY CLUSTER	\$1,229,287	\$829,614	\$2,058,901
NOTE 5I		\$2,000,465	\$1,475,546	\$3,476,011
<b><u>TOTAL DEPARTMENT OF TRANSPORTATION</u></b>		<b>\$24,006,706</b>	<b>\$8,890,444</b>	<b>\$32,897,150</b>
<b><u>DEPARTMENT OF THE TREASURY</u></b>				
E/S-TREASURY	EQUITABLE SHARING PROGRAM-TREASURY	\$489,237	\$0	\$489,237
<b><u>TOTAL DEPARTMENT OF THE TREASURY</u></b>		<b>\$489,237</b>	<b>\$0</b>	<b>\$489,237</b>
<b><u>APPALACHIAN REGIONAL COMMISSION</u></b>				
23.002	APPALACHIAN AREA DEVELOPMENT	\$281,507	\$678,376	\$959,883

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23.011	APPALACHIAN RESEARCH, TECHNICAL ASSISTANCE, AND DEMONSTRATION PROJECTS	\$3,993	\$0	\$3,993
<b><u>TOTAL APPALACHIAN REGIONAL COMMISSION</u></b>		<b><u>\$285,500</u></b>	<b><u>\$678,376</u></b>	<b><u>\$963,876</u></b>
<b><u>EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u></b>				
30.001	EMPLOYMENT DISCRIMINATION-TITLE VII OF THE CIVIL RIGHTS ACT OF 1964	\$268,100	\$0	\$268,100
<b><u>TOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u></b>		<b><u>\$268,100</u></b>	<b><u>\$0</u></b>	<b><u>\$268,100</u></b>
<b><u>GENERAL SERVICES ADMINISTRATION</u></b>				
39.003	DONATION OF FEDERAL SURPLUS PERSONAL PROPERTY	\$30,280	\$0	\$30,280
<b><u>TOTAL GENERAL SERVICES ADMINISTRATION</u></b>		<b><u>\$30,280</u></b>	<b><u>\$0</u></b>	<b><u>\$30,280</u></b>
<b><u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u></b>				
43.001	SCIENCE	\$306,050	\$0	\$306,050
43.008	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NOTE 3)	\$17,000	\$0	\$17,000
<b><u>TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u></b>		<b><u>\$323,050</u></b>	<b><u>\$0</u></b>	<b><u>\$323,050</u></b>
<b><u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u></b>				
45.025	PROMOTION OF THE ARTS-PARTNERSHIP AGREEMENTS	\$370,350	\$465,921	\$836,271
45.310	GRANTS TO STATES	\$1,268,454	\$230,281	\$1,498,735
<b><u>TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u></b>		<b><u>\$1,638,804</u></b>	<b><u>\$696,202</u></b>	<b><u>\$2,335,006</u></b>
<b><u>SMALL BUSINESS ADMINISTRATION</u></b>				
59.037	SMALL BUSINESS DEVELOPMENT CENTERS ENTREPRENEURIAL DEVELOPMENT DISASTER ASSISTANCE (DISASTER RELIEF APPROPRIATIONS ACT)	\$650,830	\$0	\$650,830
59.064	RELIEF APPROPRIATIONS ACT)	\$24,989	\$0	\$24,989
<b><u>TOTAL SMALL BUSINESS ADMINISTRATION</u></b>		<b><u>\$675,819</u></b>	<b><u>\$0</u></b>	<b><u>\$675,819</u></b>
<b><u>DEPARTMENT OF VETERANS AFFAIRS</u></b>				
64.015	VETERANS STATE NURSING HOME CARE	\$6,716,093	\$0	\$6,716,093
64.124	ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE GEOGRAPHICAL DIFFERENCES IN PREVENTABLE HOSPITALIZATIONS AMONG VETERANS WITH DIABETES	\$125,684	\$0	\$125,684
IPA		\$76,782	\$0	\$76,782
<b><u>TOTAL DEPARTMENT OF VETERANS AFFAIRS</u></b>		<b><u>\$6,918,559</u></b>	<b><u>\$0</u></b>	<b><u>\$6,918,559</u></b>
<b><u>ENVIRONMENTAL PROTECTION AGENCY</u></b>				
66.001	AIR POLLUTION CONTROL PROGRAM SUPPORT	\$1,392,638	\$0	\$1,392,638
66.032	STATE INDOOR RADON GRANTS SURVEYS, STUDIES, RESEARCH, INVESTIGATIONS, DEMONSTRATIONS, AND SPECIAL PURPOSE ACTIVITIES RELATING TO THE CLEAN AIR ACT	\$12,200	\$36,004	\$48,204
66.034	ACT	\$22,997	\$0	\$22,997
66.202	CONGRESSIONALLY MANDATED PROJECTS WATER POLLUTION CONTROL STATE, INTERSTATE, AND TRIBAL PROGRAM SUPPORT	\$17,480	\$0	\$17,480
66.419	PROGRAM SUPPORT	\$2,216,173	\$45,000	\$2,261,173
66.432	STATE PUBLIC WATER SYSTEM SUPERVISION	\$821,408	\$0	\$821,408
66.433	STATE UNDERGROUND WATER SOURCE PROTECTION	\$158,999	\$0	\$158,999
66.454	WATER QUALITY MANAGEMENT PLANNING CAPITALIZATION GRANTS FOR CLEAN WATER STATE REVOLVING FUNDS	\$136,637	\$39,553	\$176,190
66.458	FUNDS	\$0	\$21,856,000	\$21,856,000
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	\$928,607	\$734,665	\$1,663,272
66.461	REGIONAL WETLAND PROGRAM DEVELOPMENT GRANTS	\$29,986	\$0	\$29,986
66.466	CHESAPEAKE BAY PROGRAM CAPITALIZATION GRANTS FOR DRINKING WATER STATE REVOLVING FUNDS	\$1,271,830	\$249,596	\$1,521,426
66.468	FUNDS	\$12,321,345	\$244,540	\$12,565,885
66.474	WATER PROTECTION GRANTS TO THE STATES	\$22,498	\$3,846	\$26,344
66.605	PERFORMANCE PARTNERSHIP GRANTS SURVEYS, STUDIES, INVESTIGATIONS AND SPECIAL PURPOSE GRANTS	\$368,371	\$0	\$368,371
66.606	GRANTS	\$289,466	\$0	\$289,466
66.608	ENVIRONMENTAL INFORMATION EXCHANGE NETWORK GRANT PROGRAM AND RELATED ASSISTANCE	\$289	\$0	\$289
66.701	TOXIC SUBSTANCES COMPLIANCE MONITORING COOPERATIVE AGREEMENTS	\$47,262	\$0	\$47,262
66.707	TSCA TITLE IV STATE LEAD GRANTS CERTIFICATION OF LEAD-BASED PAINT PROFESSIONALS	\$87,330	\$0	\$87,330
66.708	POLLUTION PREVENTION GRANTS PROGRAM	\$0	\$120,000	\$120,000
66.801	HAZARDOUS WASTE MANAGEMENT STATE PROGRAM SUPPORT SUPERFUND STATE, POLITICAL SUBDIVISION, AND INDIAN TRIBE SITE- SPECIFIC COOPERATIVE AGREEMENTS	\$2,109,357	\$0	\$2,109,357
66.802	UNDERGROUND STORAGE TANK PREVENTION, DETECTION AND COMPLIANCE PROGRAM	\$66,895	\$0	\$66,895
66.804	COMPLIANCE PROGRAM	\$288,891	\$0	\$288,891

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66.805	LEAKING UNDERGROUND STORAGE TANK TRUST FUND CORRECTIVE ACTION PROGRAM	\$489,074	\$0	\$489,074
66.809	SUPERFUND STATE AND INDIAN TRIBE CORE PROGRAM COOPERATIVE AGREEMENTS	\$289,619	\$0	\$289,619
66.818	BROWNFIELD ASSESSMENT AND CLEANUP COOPERATIVE AGREEMENTS	\$24,904	\$0	\$24,904
DEPMISCFED01	MISC. FEDERAL AWARD PROGRAMS	\$74,167	\$0	\$74,167
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>		<b>\$23,488,423</b>	<b>\$23,329,204</b>	<b>\$46,817,627</b>
<b>DEPARTMENT OF ENERGY</b>				
81.041	STATE ENERGY PROGRAM	\$369,089	\$134,946	\$504,035
81.042	WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS ENERGY EFFICIENCY AND RENEWABLE ENERGY INFORMATION DISSEMINATION, OUTREACH, TRAINING AND TECHNICAL	\$566,060	\$1,889,058	\$2,455,118
81.117	ANALYSIS/ASSISTANCE	\$227,295	\$0	\$227,295
OIL	PETROLEUM VIOLATION ESCROW FUNDS	\$69,660	\$92,982	\$162,642
<b>TOTAL DEPARTMENT OF ENERGY</b>		<b>\$1,232,104</b>	<b>\$2,116,986</b>	<b>\$3,349,090</b>
<b>DEPARTMENT OF EDUCATION</b>				
84.002	ADULT EDUCATION - BASIC GRANTS TO STATES	\$712,224	\$2,334,826	\$3,047,050
84.010	TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES TITLE I STATE AGENCY PROGRAM FOR NEGLECTED AND DELINQUENT CHILDREN AND YOUTH	\$1,275,846	\$91,197,163	\$92,473,009
84.013	HIGHER EDUCATION-INSTITUTIONAL AID	\$899,570	\$0	\$899,570
84.031	CAREER AND TECHNICAL EDUCATION-BASIC GRANTS TO STATES	\$2,906,031	\$0	\$2,906,031
84.048	REHABILITATION SERVICES-VOCATIONAL REHABILITATION GRANTS TO STATES	\$2,587,349	\$4,870,204	\$7,457,553
84.126	INDEPENDENT LIVING-STATE GRANTS	\$35,278,888	\$579,708	\$35,858,596
84.169	INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND	\$0	\$668,759	\$668,759
84.177	SPECIAL EDUCATION - GRANTS FOR INFANTS AND FAMILIES SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES-NATIONAL PROGRAMS	\$73,211	\$0	\$73,211
84.181	EDUCATION FOR HOMELESS CHILDREN AND YOUTH	\$1,681,578	\$414,680	\$2,096,258
84.184	FUND FOR THE IMPROVEMENT OF EDUCATION	\$96,706	\$1,094,660	\$1,191,366
84.196	REHABILITATION TRAINING-STATE VOCATIONAL REHABILITATION UNIT	\$117,443	\$316,256	\$433,699
84.215	IN-SERVICE TRAINING	\$1,571	\$0	\$1,571
84.265	TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS	(\$2,411)	\$0	(\$2,411)
84.287	SPECIAL EDUCATION-TECHNICAL ASSISTANCE AND DISSEMINATION TO IMPROVE SERVICES AND RESULTS FOR CHILDREN WITH DISABILITIES ADVANCED PLACEMENT PROGRAM (ADVANCED PLACEMENT TEST FEE; ADVANCED PLACEMENT INCENTIVE PROGRAM GRANTS) GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS	\$262,639	\$6,516,656	\$6,779,295
84.326	CHILD CARE ACCESS MEANS PARENTS IN SCHOOL	\$103,663	\$19,932	\$123,595
84.330	TRANSITION TO TEACHING	\$0	\$62,693	\$62,693
84.334	RURAL EDUCATION	\$1,852,637	\$580,955	\$2,433,592
84.335	ENGLISH LANGUAGE ACQUISITION STATE GRANTS	\$186,969	\$0	\$186,969
84.350	MATHEMATICS AND SCIENCE PARTNERSHIPS	\$62,261	\$0	\$62,261
84.358	IMPROVING TEACHER QUALITY STATE GRANTS	\$136,823	\$2,463,882	\$2,600,705
84.365	GRANTS FOR STATE ASSESSMENTS AND RELATED ACTIVITIES	\$134,739	\$532,420	\$667,159
84.366	STATEWIDE LONGITUDINAL DATA SYSTEMS	\$62,086	\$581,875	\$643,961
84.367	COLLEGE ACCESS CHALLENGE GRANT PROGRAM	\$257,076	\$20,297,058	\$20,554,134
84.369	SPECIAL EDUCATION CLUSTER (IDEA)	\$1,428,832	\$0	\$1,428,832
84.372	TRIO CLUSTER	\$1,720,001	\$0	\$1,720,001
84.378	SCHOOL IMPROVEMENT GRANTS CLUSTER	\$1,120,123	\$23,769	\$1,143,892
NOTE 5J	APPALACHIAN HIGHER EDUCATION NETWORK	\$5,931,738	\$67,475,085	\$73,406,823
NOTE 5K	PERFORMANCE BASED DATA MANAGEMENT INITIATIVE	\$4,319,040	\$0	\$4,319,040
NOTE 5L	NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS	\$28,211	\$3,255,886	\$3,284,097
CO-13764E	VETERAN'S CERTIFICATION	\$9,973	\$0	\$9,973
ED-03-CO-0058		\$91,016	\$0	\$91,016
ED-IES-14-C-NAEP		\$39,053	\$0	\$39,053
2014		\$899	\$0	\$899
VA06		\$899	\$0	\$899
<b>TOTAL DEPARTMENT OF EDUCATION</b>		<b>\$63,375,785</b>	<b>\$203,286,467</b>	<b>\$266,662,252</b>
<b>ELECTION ASSISTANCE COMMISSION</b>				
90.401	HELP AMERICA VOTE ACT REQUIREMENTS PAYMENTS	\$287,700	\$0	\$287,700
<b>TOTAL ELECTION ASSISTANCE COMMISSION</b>		<b>\$287,700</b>	<b>\$0</b>	<b>\$287,700</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
93.041	SPECIAL PROGRAMS FOR THE AGING-TITLE VII, CHAPTER 3-PROGRAMS FOR PREVENTION OF ELDER ABUSE, NEGLECT, AND EXPLOITATION	\$4,811	\$9,357	\$14,168

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93.042	SPECIAL PROGRAMS FOR THE AGING-TITLE VII, CHAPTER 2-LONG TERM CARE OMBUDSMAN SERVICES FOR OLDER INDIVIDUALS	\$97,371	\$7,800	\$105,171
93.043	SPECIAL PROGRAMS FOR THE AGING-TITLE III, PART D-DISEASE PREVENTION AND HEALTH PROMOTION SERVICES	\$3,821	\$101,716	\$105,537
93.048	SPECIAL PROGRAMS FOR THE AGING-TITLE IV AND TITLE II - DISCRETIONARY PROJECTS	\$35,311	\$95,748	\$131,059
93.052	NATIONAL FAMILY CAREGIVER SUPPORT, TITLE III, PART E LABORATORY LEADERSHIP, WORKFORCE TRAINING AND MANAGEMENT DEVELOPMENT, IMPROVING PUBLIC HEALTH	\$78,604	\$759,904	\$838,508
93.065	LABORATORY INFRASTRUCTURE	\$4,024	\$0	\$4,024
93.069	PUBLIC HEALTH EMERGENCY PREPAREDNESS	\$363,677	\$772,014	\$1,135,691
93.070	ENVIRONMENTAL PUBLIC HEALTH AND EMERGENCY RESPONSE	\$61,277	\$60,862	\$122,139
93.071	MEDICARE ENROLLMENT ASSISTANCE PROGRAM	\$12,643	\$226,515	\$239,158
93.074	HOSPITAL PREPAREDNESS PROGRAM (HPP) AND PUBLIC HEALTH EMERGENCY PREPAREDNESS (PHEP) ALIGNED COOPERATIVE AGREEMENTS	\$1,599,214	\$2,748,464	\$4,347,678
93.079	COOPERATIVE AGREEMENTS TO PROMOTE ADOLESCENT HEALTH THROUGH SCHOOL-BASED HIV/STD PREVENTION AND SCHOOL-BASED SURVEILLANCE	\$70,437	\$0	\$70,437
93.092	AFFORDABLE CARE ACT (ACA) PERSONAL RESPONSIBILITY EDUCATION PROGRAM	\$4,322	\$258,472	\$262,794
93.094	WELL-INTEGRATED SCREENING AND EVALUATION FOR WOMEN ACROSS THE NATION	\$178,770	\$205,510	\$384,280
93.103	FOOD AND DRUG ADMINISTRATION-RESEARCH	\$498,773	\$0	\$498,773
93.110	MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS	\$100,223	\$220,873	\$321,096
93.116	PROJECT GRANTS AND COOPERATIVE AGREEMENTS FOR TUBERCULOSIS CONTROL PROGRAMS	\$255,638	\$5,000	\$260,638
93.127	EMERGENCY MEDICAL SERVICES FOR CHILDREN	\$92,738	\$36,872	\$129,610
93.130	COOPERATIVE AGREEMENTS TO STATES/TERRITORIES FOR THE COORDINATION AND DEVELOPMENT OF PRIMARY CARE OFFICES	\$92,091	\$95,629	\$187,720
93.136	INJURY PREVENTION AND CONTROL RESEARCH AND STATE AND COMMUNITY BASED PROGRAMS	\$16,108	\$254,312	\$270,420
93.150	PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH)	\$0	\$238,438	\$238,438
93.165	GRANTS TO STATES FOR LOAN REPAYMENT PROGRAM	\$0	\$150,000	\$150,000
93.217	FAMILY PLANNING-SERVICES	\$1,884,287	\$0	\$1,884,287
93.234	TRAUMATIC BRAIN INJURY STATE DEMONSTRATION GRANT PROGRAM	\$231,051	\$0	\$231,051
93.235	ABSTINENCE EDUCATION PROGRAM	\$1,883	\$209,610	\$211,493
93.236	GRANTS TO STATES TO SUPPORT ORAL HEALTH WORKFORCE ACTIVITIES	\$130,228	\$400,000	\$530,228
93.241	STATE RURAL HOSPITAL FLEXIBILITY PROGRAM	\$171,276	\$340,614	\$511,890
93.243	SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES_PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	\$277,291	\$2,496,638	\$2,773,929
93.251	UNIVERSAL NEWBORN HEARING SCREENING	\$121,709	\$50,000	\$171,709
93.268	IMMUNIZATION COOPERATIVE AGREEMENTS	\$1,081,628	\$656,808	\$1,738,436
93.270	ADULT VIRAL HEPATITIS PREVENTION AND CONTROL CENTERS FOR DISEASE CONTROL AND PREVENTION_INVESTIGATIONS	\$70,160	\$0	\$70,160
93.283	AND TECHNICAL ASSISTANCE	\$3,388,701	\$863,137	\$4,251,838
93.301	SMALL RURAL HOSPITAL IMPROVEMENT GRANT PROGRAM	\$2,019	\$175,317	\$177,336
93.324	STATE HEALTH INSURANCE ASSISTANCE PROGRAM	\$1,560	\$8,675	\$10,235
93.336	BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM	\$51,850	\$0	\$51,850
93.389	NATIONAL CENTER FOR RESEARCH RESOURCES	\$173,484	\$0	\$173,484
93.505	AFFORDABLE CARE ACT (ACA) MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING PROGRAM	\$599,058	\$2,676,829	\$3,275,887
93.506	ACA NATIONWIDE PROGRAM FOR NATIONAL AND STATE BACKGROUND CHECKS FOR DIRECT PATIENT ACCESS EMPLOYEES OF LONG TERM CARE FACILITIES AND PROVIDERS	\$77,846	\$0	\$77,846
93.507	PPHF NATIONAL PUBLIC HEALTH IMPROVEMENT INITIATIVE	\$445,046	\$14,560	\$459,606
93.511	AFFORDABLE CARE ACT (ACA) GRANTS TO STATES FOR HEALTH INSURANCE PREMIUM REVIEW	\$25,080	\$0	\$25,080
93.521	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)	\$930,701	\$158,775	\$1,089,476
93.525	COOPERATIVE AGREEMENTS;PPHF STATE PLANNING AND ESTABLISHMENT GRANTS FOR THE AFFORDABLE CARE ACT (ACA)'S EXCHANGES	\$5,024,111	\$0	\$5,024,111

**STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARD  
FOR THE YEAR ENDING JUNE 30, 2015**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
	PPHF: COMMUNITY TRANSFORMATION GRANTS AND NATIONAL DISSEMINATION AND SUPPORT FOR COMMUNITY TRANSFORMATION GRANTS - FINANCED SOLELY BY PREVENTION AND PUBLIC HEALTH FUNDS	\$136,869	\$978,301	\$1,115,170
93.531	PROMOTING SAFE AND STABLE FAMILIES	\$1,602,722	\$605,987	\$2,208,709
93.556	TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) STATE PROGRAMS	\$73,519,209	\$9,140,469	\$82,659,678
93.558	FAMILY SUPPORT PAYMENTS TO STATES-ASSISTANCE PAYMENTS	(\$12,689)	\$0	(\$12,689)
93.560	CHILD SUPPORT ENFORCEMENT	\$25,515,653	\$0	\$25,515,653
93.563	REFUGEE AND ENTRANT ASSISTANCE-STATE ADMINISTERED PROGRAMS	\$18,990	\$74,037	\$93,027
93.566	LOW-INCOME HOME ENERGY ASSISTANCE	\$21,848,215	\$4,156,650	\$26,004,865
93.568	COMMUNITY SERVICES BLOCK GRANTS	\$361,991	\$6,847,784	\$7,209,775
93.569	STATE COURT IMPROVEMENT PROGRAM	\$288,177	\$0	\$288,177
93.586	COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS	\$15,253	\$187,421	\$202,674
93.590	GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS	\$98,052	\$0	\$98,052
93.597	CHAFEE EDUCATION AND TRAINING VOUCHERS PROGRAM (ETV)	\$522,720	\$29,997	\$552,717
93.599	HEAD START	(\$10,866)	\$115,576	\$104,710
93.600	ADOPTION AND LEGAL GUARDIANSHIP INCENTIVE PAYMENTS	\$346,638	\$0	\$346,638
93.603	THE AFFORDABLE CARE ACT - MEDICAID ADULT QUALITY GRANTS	\$165,906	\$0	\$165,906
93.609	ACA - STATE INNOVATION MODELS: FUNDING FOR MODEL DESIGN AND MODEL TESTING ASSISTANCE	\$27,437	\$0	\$27,437
93.624	DEVELOPMENTAL DISABILITIES BASIC SUPPORT AND ADVOCACY GRANTS	\$249,621	\$410,592	\$660,213
93.630	CHILDREN'S JUSTICE GRANTS TO STATES	\$207,592	\$30,803	\$238,395
93.643	STEPHANIE TUBBS JONES CHILD WELFARE SERVICES PROGRAM	\$1,694,315	\$0	\$1,694,315
93.645	FOSTER CARE-TITLE IV-E	\$38,083,391	\$660,897	\$38,744,288
93.658	ADOPTION ASSISTANCE	\$22,858,337	\$0	\$22,858,337
93.659	SOCIAL SERVICES BLOCK GRANT	\$18,461,422	\$0	\$18,461,422
93.667	CHILD ABUSE AND NEGLECT STATE GRANTS	\$6,370	\$106,466	\$112,836
93.669	FAMILY VIOLENCE PREVENTION AND SERVICES/DOMESTIC VIOLENCE SHELTER AND SUPPORTIVE SERVICES	\$14,087	\$840,663	\$854,750
93.671	CHAFEE FOSTER CARE INDEPENDENCE PROGRAM	\$641,428	\$531,893	\$1,173,321
93.674	ARRA - TRANS-NIH RECOVERY ACT RESEARCH SUPPORT	\$12,352	\$0	\$12,352
93.701	ARRA - CHILD CARE AND DEVELOPMENT BLOCK GRANT	(\$1,228)	\$0	(\$1,228)
93.713	ARRA - HEALTH INFORMATION TECHNOLOGY PROFESSIONALS IN HEALTH CARE (NOTE 3)	\$136,582	\$0	\$136,582
93.721	STATE PUBLIC HEALTH APPROACHES FOR ENSURING QUITLINE CAPACITY - FUNDED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	\$0	\$49,729	\$49,729
93.735	PPHF: BREAST AND CERVICAL CANCER SCREENING OPPORTUNITIES FOR STATES, TRIBES AND TERRITORIES SOLELY FINANCED BY PREVENTION AND PUBLIC HEALTH FUNDS	(\$370)	\$0	(\$370)
93.744	PPHF: HEALTH CARE SURVEILLANCE/HEALTH STATISTICS-SURVEILLANCE PROGRAM ANNOUNCEMENT: BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	\$5,000	\$0	\$5,000
93.745	CHILD LEAD POISONING PREVENTION SURVEILLANCE FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH (PPHF) PROGRAM	\$48,256	\$0	\$48,256
93.753	STATE AND LOCAL PUBLIC HEALTH ACTIONS TO PREVENT OBESITY, DIABETES, HEART DISEASE AND STROKE (PPHF)	\$615,543	\$42,000	\$657,543
93.757	PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT FUNDED SOLELY WITH PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	\$52,864	\$482,914	\$535,778
93.758	CHILDREN'S HEALTH INSURANCE PROGRAM	\$51,681,692	\$0	\$51,681,692
93.767	CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) RESEARCH, DEMONSTRATIONS AND EVALUATIONS	\$94,360	\$365,640	\$460,000
93.779	MONEY FOLLOWS THE PERSON REBALANCING DEMONSTRATION	\$72,692	\$981,064	\$1,053,756
93.791	AREA HEALTH EDUCATION CENTERS INFRASTRUCTURE DEVELOPMENT AWARDS (NOTE 3)	\$65,202	\$0	\$65,202
93.824	ALLERGY AND INFECTIOUS DISEASES RESEARCH	\$124,306	\$0	\$124,306
93.855	BIOMEDICAL RESEARCH AND RESEARCH TRAINING	\$197,984	\$0	\$197,984
93.859	HEALTH CARE AND OTHER FACILITIES	\$1,231,868	\$0	\$1,231,868
93.887	NATIONAL BIOTERRORISM HOSPITAL PREPAREDNESS PROGRAM	\$40,352	\$790,304	\$830,656
93.889	GRANTS TO STATES FOR OPERATION OF OFFICES OF RURAL HEALTH	\$158,552	\$0	\$158,552
93.913	HIV CARE FORMULA GRANTS	\$3,812,935	\$1,021,950	\$4,834,885
93.917	HIV PREVENTION ACTIVITIES-HEALTH DEPARTMENT BASED	\$564,649	\$161,029	\$725,678
93.940	HUMAN IMMUNODEFICIENCY VIRUS (HIV)/ACQUIRED IMMUNODEFICIENCY VIRUS SYNDROME (AIDS) SURVEILLANCE	\$173,563	\$0	\$173,563
93.944	ASSISTANCE PROGRAMS FOR CHRONIC DISEASE PREVENTION AND CONTROL	\$43,314	\$0	\$43,314
93.945				

**STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARD  
FOR THE YEAR ENDING JUNE 30, 2015**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
93.946	COOPERATIVE AGREEMENTS TO SUPPORT STATE-BASED SAFE MOTHERHOOD AND INFANT HEALTH INITIATIVE PROGRAMS	\$116,763	\$0	\$116,763
93.958	BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES	\$405,219	\$1,345,378	\$1,750,597
93.959	BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	\$310,102	\$6,503,682	\$6,813,784
93.965	COAL MINERS RESPIRATORY IMPAIRMENT TREATMENT CLINICS AND SERVICES	\$141,017	\$1,099,721	\$1,240,738
93.969	PPHF-2012 GERIATRIC EDUCATION CENTERS (NOTE 3)	\$10,652	\$0	\$10,652
93.977	PREVENTIVE HEALTH SERVICES-SEXUALLY TRANSMITTED DISEASES CONTROL GRANTS	\$602,621	\$0	\$602,621
93.991	PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	\$54,491	\$247,402	\$301,893
93.994	MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	\$4,884,837	\$1,570,599	\$6,455,436
NOTE 5M	AGING CLUSTER	\$496,191	\$8,914,901	\$9,411,092
NOTE 5N	CCDF CLUSTER	\$22,312,230	\$8,702,437	\$31,014,667
NOTE 5O	MEDICAID CLUSTER	\$2,903,906,933	\$2,089,662	\$2,905,996,595
050805WV5002	WAIVED LABS	\$7,800	\$0	\$7,800
0805WV5002	CLINICAL LABORATORY IMPROVEMENT AMENDMENTS	\$137,718	\$0	\$137,718
12IPA1213312	NIOSH ASSIGNMENT - COORDINATOR, HEALTHCARE & SOCIAL ASSISTANCE SECTOR	\$72,491	\$0	\$72,491
14FED1418109 -				
IPA1418109 Total	MODELING OF NANOTOXICOLOGY DATA	\$13,026	\$0	\$13,026
1G1CMS331408	STATE OF WEST VIRGINIA INNOVATION MODEL DESIGN	\$108,799	\$0	\$108,799
200-2011-M-39231	NATIONAL DEATH INDEX	\$3,450	\$0	\$3,450
20020507251	VITAL STATISTICS COOP PROGRAM	\$123,660	\$0	\$123,660
200540049P	FOOD INSPECTIONS	\$21,406	\$0	\$21,406
223024448	MAMMOGRAPHY QUALITY ACT	\$25,037	\$0	\$25,037
52200630047	NATIONAL DEATH INDEX	\$9,926	\$0	\$9,926
9179393	TOBACCO WORKPLAN	\$591,975	\$0	\$591,975
HHSF223200640090P/				
001	FEDERAL FOOD, DRUG AND COSMETIC ACT	\$1,816	\$0	\$1,816
U58DP005488	PROGRAMS TO REDUCE OBESITY IN HIGH OBESITY AREAS	\$193,581	\$0	\$193,581
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		<b>\$3,218,601,871</b>	<b>\$73,384,397</b>	<b>\$3,291,986,268</b>
<b><u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u></b>				
94.003	STATE COMMISSIONS	\$278,055	\$0	\$278,055
94.006	AMERICORPS	\$169,942	\$3,460,646	\$3,630,588
94.013	VOLUNTEERS IN SERVICE TO AMERICA	\$63,154	\$0	\$63,154
<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>		<b>\$511,151</b>	<b>\$3,460,646</b>	<b>\$3,971,797</b>
<b><u>EXECUTIVE OFFICE OF THE PRESIDENT</u></b>				
95.001	HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM	\$16,550	\$0	\$16,550
<b>TOTAL EXECUTIVE OFFICE OF THE PRESIDENT</b>		<b>\$16,550</b>	<b>\$0</b>	<b>\$16,550</b>
<b><u>SOCIAL SECURITY ADMINISTRATION</u></b>				
96.001	SOCIAL SECURITY-DISABILITY INSURANCE (DI)	\$18,532,011	\$0	\$18,532,011
55000660056	DEATH RECORDS	\$6,633	\$0	\$6,633
SS000860067	ENUMERATION AT BIRTH	\$54,153	\$0	\$54,153
<b>TOTAL SOCIAL SECURITY ADMINISTRATION</b>		<b>\$18,592,797</b>	<b>\$0</b>	<b>\$18,592,797</b>
<b><u>DEPARTMENT OF HOMELAND SECURITY</u></b>				
97.012	BOATING SAFETY FINANCIAL ASSISTANCE	\$405,844	\$0	\$405,844
	COMMUNITY ASSISTANCE PROGRAM STATE SUPPORT SERVICES			
97.023	ELEMENT (CAP-SSSE)	\$271	\$0	\$271
	DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)			
97.036	HAZARD MITIGATION GRANT	\$11,536,553	\$4,818,878	\$16,355,431
97.039	NATIONAL DAM SAFETY PROGRAM	\$0	\$43,073	\$43,073
97.041	EMERGENCY MANAGEMENT PERFORMANCE GRANTS	\$45,175	\$0	\$45,175
97.042	COOPERATING TECHNICAL PARTNERS	\$205,701	\$1,185,919	\$1,391,620
97.045	PORT SECURITY GRANT PROGRAM	\$5,000	\$50,000	\$55,000
97.056	HOMELAND SECURITY GRANT PROGRAM	\$0	\$6,756	\$6,756
97.067		\$801,361	\$7,490,066	\$8,291,427
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>		<b>\$12,999,905</b>	<b>\$13,594,692</b>	<b>\$26,594,597</b>
<b><u>MULTIPLE FEDERAL AGENCY CLUSTER</u></b>				
NOTE 5P	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$355,417,540	\$7,895,003	\$363,312,543
NOTE 5Q	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$594,026,081	\$0	\$594,026,081
NOTE 5R	RESEARCH AND DEVELOPMENT CLUSTER	\$4,334,021	\$4,627,700	\$8,961,721
<b>TOTAL MULTIPLE FEDERAL AGENCY CLUSTER</b>		<b>\$953,777,642</b>	<b>\$12,522,703</b>	<b>\$966,300,345</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b>\$5,452,688,456</b>	<b>\$523,564,919</b>	<b>\$5,976,253,375</b>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 6).

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, 2015. 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, 2015**

**NOTE 3. 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 School of Osteopathic Medicine for CFDA Numbers 93.824 and 93.969, and to Shepherd University for CFDA Number 43.008.

Tidewater Community College passed funds to West Virginia Northern Community & Technical College for CFDA 93.721.

**NOTE 4. 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 Unemployment Insurance 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.

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

	<b>Beginning Balance July 1, 2014</b>			<b>Ending Balance June 30, 2015</b>
	<u>As Adjusted</u>	<u>Receipts</u>	<u>Expenditures</u>	
State UI Funds	\$ (1,066,458)	\$416,782,139	\$416,166,986	\$ (451,305)
Federal UI Funds	<u>1,661,274</u>	<u>22,092,005</u>	<u>20,196,385</u>	<u>3,556,894</u>
Total	\$ <u>594,816</u>	<u>\$438,874,144</u>	<u>\$436,363,371</u>	<u>\$ 3,105,589</u>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 5. 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.

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(A) SNAP Cluster</b>			
USDA	10.551	Supplemental Nutrition Assistance Program (SNAP)	\$494,131,295
	10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	<u>17,274,043</u>
<b>Total SNAP Cluster</b>			<u>\$511,405,338</u>
<b>(B) Child Nutrition Cluster</b>			
USDA	10.553	School Breakfast Program (SBP)	\$ 34,702,199
	10.555	National School Lunch Program (NSLP)	76,977,243
	10.556	Special Milk Program for Children (SMP)	21,547
	10.559	Summer Food Service Program for Children (SFSPC)	<u>1,724,528</u>
<b>Total Child Nutrition Cluster</b>			<u>\$113,425,517</u>
<b>(C) Food Distribution Cluster</b>			
USDA	10.568	Emergency Food Assistance Program (Administrative Costs)	\$ 410,612
		Emergency Food Assistance Program (Food Commodities)	<u>3,350,418</u>
<b>Total Food Distribution Cluster</b>			\$ <u>3,761,030</u>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**(D) Fish and Wildlife Cluster**

DOI	15.605	Sport Fish Restoration Program	\$ 3,043,248
	15.611	Wildlife Restoration and Basic Hunter Education	<u>3,479,628</u>
		<b>Total Fish and Wildlife Cluster</b>	<b>\$ <u>6,522,876</u></b>

**(E) Employment Service Cluster**

DOL	17.207	Employment Service/Wagner-Peyser Funded Activities	\$ 5,451,926
	17.801	Disabled Veterans' Outreach Program (DVOP)	747,652
	17.804	Local Veterans' Employment Representative (LVER) Program	<u>147,076</u>
		<b>Total Employment Service Cluster</b>	<b>\$ <u>6,346,654</u></b>

**(F) WIA Cluster**

DOL	17.258	WIA Adult Program	\$ 3,709,925
	17.259	WIA Youth Activities	3,245,969
	17.278	WIA Dislocated Worker Formula Grants	<u>4,748,943</u>
		<b>Total WIA Cluster</b>	<b>\$ <u>11,704,837</u></b>

<b>Federal CFDA</b>		<b>Total</b>	
<b><u>Agency</u></b>	<b><u>Number</u></b>	<b><u>Name of Program</u></b>	<b><u>Expenditures</u></b>

**(G) Federal Transit Cluster**

DOT	20.500	Federal Transit – Capital Investment Grants	\$ 61,424
	20.526	Bus and Bus Facilities Formula Program	<u>54,252</u>
		<b>Total Federal Transit Cluster</b>	<b>\$ <u>115,676</u></b>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**(H) Transit Services Programs Cluster**

DOT	20.513	Enhanced Mobility for Seniors and Individuals with Disabilities	\$ 1,543,596
	20.516	Job Access and Reverse Commute Program	57,920
	20.521	New Freedom Program	<u>457,385</u>
		<b>Total Transit Services Programs Cluster</b>	<b>\$ <u>2,058,901</u></b>

**(I) Highway Safety Cluster**

DOT	20.600	State and Community Highway Safety	\$ 1,464,862
	20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	1,429,366
	20.609	Safety Belt Performance Grants	116,299
	20.610	State Traffic Safety Information System Improvement Grants	42,331
	20.612	Incentive Grant Program to Increase Motorcyclist Safety	568
	20.613	Child Safety and Child Booster Seats Incentive Grants	73,607
	20.616	National Priority Safety Programs	<u>348,978</u>
		<b>Total Highway Safety Cluster</b>	<b>\$ <u>3,476,011</u></b>

**(J) Special Education Cluster (IDEA)**

ED	84.027	Special Education - Grants to States (IDEA, Part B)	\$70,154,892
	84.173	Special Education - Preschool Grants (IDEA Preschool)	<u>3,251,931</u>
		<b>Total Special Education Cluster (IDEA)</b>	<b>\$ <u>73,406,823</u></b>

**(K) TRIO Cluster**

ED	84.042	TRIO - Student Support Services	\$ 1,797,443
	84.044	TRIO - Talent Search	183,478
	84.047	TRIO - Upward Bound	1,561,597
	84.066	TRIO - Educational Opportunity Centers	307,181
	84.217	TRIO - McNair Post-Baccalaureate Achievement	<u>469,341</u>
		<b>Total TRIO Cluster</b>	<b>\$ <u>4,319,040</u></b>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(L) School Improvement Grants Cluster</b>			
ED	84.377	School Improvement Grants	\$ 2,663,051
	84.388	ARRA - School Improvement Grants, Recovery Act	<u>621,046</u>
		<b>Total School Improvement Grants Cluster</b>	<b>\$ <u>3,284,097</u></b>
<b>(M) Aging Cluster</b>			
HHS	93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	\$ 2,844,864
	93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	4,875,224
	93.053	Nutrition Services Incentive Program	<u>1,691,004</u>
		<b>Total Aging Cluster</b>	<b>\$ <u>9,411,092</u></b>
<b>(N) CCDF Cluster</b>			
HHS	93.575	Child Care and Development Block Grant	\$ 13,599,293
	93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	<u>17,415,374</u>
		<b>Total CCDF Cluster</b>	<b>\$ <u>31,014,667</u></b>
<b>(O) Medicaid Cluster</b>			
HHS	93.775	State Medicaid Fraud Control Units	\$ 1,010,621
	93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	3,082,455
	93.778	Medical Assistance Program	2,888,183,629
	93.778	ARRA – Medical Assistance Program	<u>13,719,890</u>
			2,901,903,519
		<b>Total Medicaid Cluster</b>	<b>\$ <u>2,905,996,595</u></b>
<b>(P) Highway Planning and Construction Cluster</b>			
DOT	20.205	Highway Planning and Construction	\$ 347,257,644
	20.219	Recreational Trails Program	1,742,014
ARC	23.003	Appalachian Development Highway System	<u>14,312,885</u>
		<b>Total Highway Planning and Construction Cluster</b>	<b>\$ <u>363,312,543</u></b>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<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)	\$ 3,751,617
	84.033	Federal Work - Study Program (FWS)	3,611,702
	84.038	Federal Perkins Loan (FPL) - Federal Capital Contributions	7,594,687
	84.063	Federal Pell Grant Program (PELL)	122,023,017
	84.268	Federal Direct Student Loans (Direct Loan)	455,590,796
	84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	<u>601,070</u>
		Subtotal Department of Education	<u>593,172,889</u>
HHS	93.342	Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students (HPSL/PCL/LDS)	783,126
	93.364	Nursing Student Loans (NSL)	<u>70,066</u>
		Subtotal Department of Health & Human Services	<u>853,192</u>
		<b>Total Student Financial Assistance Cluster</b>	<b><u>594,026,081</u></b>

**(Expenditures Only)**

Loans outstanding as of July 1, 2014, with continuing compliance requirements, are as follows:

84.038	Federal Perkins Loan (FPL) – Federal Capital Contributions	41,316,615
93.264	Nurse Faculty Loan Program (NFLP)	268,622
93.342	Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students (HPSL/PCL/LDS)	5,517,675
93.364	Nursing Student Loans (NSL)	<u>500,280</u>
	Total Loans Outstanding	<u>47,603,192</u>
	<b>Total Student Financial Assistance Cluster</b>	<b><u>\$641,629,273</u></b>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(R) Research and Development Cluster</b>			
<b>Department of Agriculture</b>			
	10.202	Cooperative Forestry Research	\$ 555,504
	10.203	Payments to Agricultural Experiment Stations Under the Hatch Act	<u>2,888,226</u>
		<b>Total Department of Agriculture</b>	<u>3,443,730</u>
<b>Department of Interior</b>			
	H6000082000	Vulnerability of Sensitive Karst Habitats	<u>50,887</u>
	Order # P11AC60552	Containing RTE Species in CHOH	
		<b>Total Department of Interior</b>	<u>50,887</u>
<b>National Science Foundation</b>			
		Pass-Through Programs From: University of Wisconsin – Milwaukee – Subrecipient ID number 153405533	
	47.049	Mathematical and Physical Sciences	14,783
	47.076	Education and Human Resources	375,588
		Pass-Through Programs From: Marshall University Research Corp. Subrecipient ID number 1201074	
	47.076	Education and Human Resources	16,894
	47.081	Office of Experimental Program to Stimulate Competitive Research	<u>4,995,611</u>
		<b>Total National Science Foundation</b>	<u>5,402,876</u>
<b>Department of Energy</b>			
	81.087	Renewable Energy Research and Development	3,093
		Pass-Through Programs From: The Battelle Research Institute Subrecipient ID number 354860 Mod 4 and 3377572	
	81.089	Fossil Energy Research and Development	<u>61,135</u>
		<b>Total Department of Energy</b>	<u>64,228</u>
		<b>Total Research and Development Cluster</b>	<u>\$8,961,721</u>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 6. 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	<u>\$ 90,829,576</u>
Marshall University Research Corporation	<u>\$ 16,722,759</u>
West Virginia State University Research and Development Corporation	<u>\$ 9,506,602</u>
West Virginia Housing Development Fund	<u>\$ 167,409,708</u>
West Virginia Drinking Water Treatment Revolving Loan Fund	<u>\$ 7,604,591</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, 2015**

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

**Financial statements section:**

Type of auditors' report issued (unmodified, qualified, adverse or disclaimer): Unmodified, with reference to other auditors

Internal control over financial reporting:

Material weakness(es) identified?   X   Yes        No

Significant deficiency(ies) identified?   X   Yes        No

Noncompliance material to financial statements noted?        Yes   X   No

**Federal awards section:**

Internal control over major programs:

Material weakness(es) identified?   X   Yes        No

Significant deficiency(ies) identified?   X   Yes        No

Type of auditors' report issued on compliance for major programs (unmodified, qualified, adverse or disclaimer): Unmodified for all major programs except for the Child Nutrition Cluster, Special Supplemental Nutrition Program for Women, Infants and Children, Student Financial Assistance Cluster, Low-Income Home Energy Assistance, and Adoption Assistance, which were qualified.

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?   X   Yes        No

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**Identification of Major Programs**

<b>CFDA Number(s)</b>	<b>Reportable Findings</b>	<b>Name of Federal Program or Cluster</b>
10.551/10.561	2015-025	Supplemental Nutrition Assistance Program (SNAP) Cluster
10.553/10.555/ 10.556/10.559	2015-005, 006	Child Nutrition Cluster
10.557	2015-007	Special Supplemental Nutrition Program for Women, Infants and Children
12.401	None	National Guard Military Operations and Maintenance (O&M) Projects
15.252	None	Abandoned Mine Land Reclamation (AMLR) Program
17.225	2015-008, 009, 010	Unemployment Insurance
20.205/20.219/ 23.003	2015-011, 012	Highway Planning and Construction Cluster
66.458	None	Capitalization Grants for Clean Water State Revolving Funds
84.007/84.033/ 84.038/84.063/ 84.268/84.379/ 93.264/93.342/ 93.364	2015-013, 014, 015	Student Financial Assistance (SFA) Cluster
84.010	None	Title I Grants to Local Education Agencies
84.027/84.173	2015-016, 017	Special Education Cluster (IDEA)
84.126	2015-018, 019, 020, 021	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.367	None	Improving Teacher Quality State Grant
93.558	2015-007, 022, 023, 024, 025	Temporary Assistance for Needy Families
93.563	None	Child Support Enforcement
93.568	2015-025, 026	Low-Income Home Energy Assistance

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**Identification of Major Programs (continued)**

CFDA Number(s)	Reportable Findings	Name of Federal Program or Cluster
93.575/93.596	2015-025, 027	Child Care and Development Fund (CCDF) Cluster
93.658	2015-025, 028	Foster Care – Title IV-E
93.659	2015-025, 029	Adoption Assistance
93.667	2015-030	Social Services Block Grant
93.767	2015-025	Children’s Health Insurance Program
93.775/93.777/ 93.778*	2015-025	Medicaid Cluster
96.001	2015-020	Social Security – Disability Insurance

Dollar threshold used to distinguish between Type A and B programs \$ 18,071,570  
 Auditee qualified as low-risk auditee \_\_\_\_\_ Yes   X   No

\* CFDA number includes federally identifiable American Recovery and Reinvestment Act Funds.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**Part II. Financial Statement Findings Section**

<b>Reference Number</b>	<b>Findings</b>	<b>Questioned Costs</b>
2015-001	Tax Receipts and Refunds	N/A
2015-002	Special Reclamation Liability	N/A
2015-003	Financial Statement Close Process	N/A
2015-004	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>
2015-005	Accountability for USDA-Donated Foods	N/A
2015-006	Internal Controls Over Reporting	N/A
2015-007	Subrecipient Monitoring	N/A
2015-008	Cash Management	N/A
2015-009	Internal Controls Over Eligibility	N/A
2015-010	Reporting	N/A
2015-011	Payroll Approval	N/A
2015-012	Activities Allowed or Unallowed/Allowable Costs/Cost Principles	\$29,901
2015-013	Banner IT General Controls	N/A
2015-014	Special Tests and Provisions – Disbursements to or on Behalf of Students	N/A
2015-015	Special Tests and Provisions – Enrollment Reporting	N/A
2015-016	Reporting	N/A
2015-017	Level of Effort – Maintenance of Effort	N/A
2015-018	Eligibility	N/A
2015-019	Level of Effort – Maintenance of Effort	N/A
2015-020	WVDRS Transaction Approval Controls	N/A
2015-021	Indirect Cost Allocation	\$660,626
2015-022	Special Tests and Provisions – Work Participation Rate	N/A
2015-023	Special Tests and Provisions – Sanctions	N/A
2015-024	Special Tests and Provisions – Sanctions Controls	N/A
2015-025	DHHR Information System and Related Business Process Controls	N/A
2015-026	Allowability and Eligibility	\$4,188
2015-027	Disaster Recovery Plan	N/A
2015-028	Special Tests and Provisions – Payment Rate Setting and Application	N/A
2015-029	Eligibility Documentation	\$2,469
2015-030	Earmarking	N/A

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015-001 TAX RECEIPTS AND REFUNDS  
(Prior Year Finding 2014-001)**

**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 wvOASIS. 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 until January 2015.

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, 2015, is approximately \$5.2 billion. Taxes receivable, net of allowance and tax refunds payable approximated \$402.9 million and \$287.3 million, respectively, at June 30, 2015.

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

**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:**     Beginning in January 2015, Revenue has established formal policies and procedures for performance of the reconciliation between GenTax and wvOASIS. We recommend that Revenue continue to perform reconciliation procedures in a timely manner to assure the resolution of unreconciled differences. 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.

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

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2015**

**2015-002 SPECIAL RECLAMATION LIABILITY**  
**(Prior Year Finding 2014-003)**

<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 June 30, 2015, the State overstated the ongoing water liability estimate by \$42 million.
<b>Questioned Costs:</b>	N/A
<b>Context:</b>	As of June 30, 2015, the special reclamation environmental liability was \$271.7 million in the government-wide financial statements.
<b>Cause:</b>	Management indicated that difference in the ongoing water costs is due to them double counting such costs for certain mining sites.
<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 Officials:</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, 2015**

**2015–003 FINANCIAL STATEMENT CLOSE PROCESS**  
**(Prior Year Finding 2014–004)**

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

**Criteria:**                     Critical elements of an entity’s internal control is its ability to record, process, and summarize accounting transactions in a timely manner and to prepare financial reports that give a true and accurate assessment of the entity’s financial status. Timely, accurate financial information is crucial to effective decision-making by management.

Further, a fundamental concept of effective internal control is supervision and review of general ledger activities, including journal entries.

**Condition:**                   Effective July 1, 2014, the State of West Virginia management implemented a new enterprise resource planning system (wvOASIS) utilized in accounting and financial reporting for the State of West Virginia. Management encountered significant accounting and reporting issues while implementing the new system including the following:

- Significant delays in being able to produce reliable reports and financial statements.
- Significant delays in being able to provide opening cash balances that are used as the starting point for the financial statements.
- Significant accounts required significant adjustments which included accounts payable, due to/from the federal government, fund transfers, and deferred inflows and deferred outflows of resources.
- Significant delays in implementing new pronouncements from the Governmental Accounting Standards Board (GASB), particularly the implementation of GASB 68.

**Questioned Costs:**     N/A

**Context:**                     Management was not able to produce accurate financial statements for the State of West Virginia until May 2016. Deferred outflows of resources due to pension contributions made subsequent to the measurement date and before year-end was understated by approximately \$108 million.

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

**Effect:**                       Management was unable to provide financial statements in a timely manner which also delayed the issuance of the OMB Circular A-133 Single Audit report.

**Recommendation:**       Management has spent a significant amount of time to date in fiscal year 2016 focused on compiling fiscal year 2015 information. Consequently, sufficient resources should be devoted to refining the fiscal year 2016 information to date and in the future to ensure that accurate and timely financial statements are produced prospectively. Management should refine their procedures to obtain complete and accurate data timely from wvOASIS and determine the necessary corrective action to prevent such delay from reoccurring (i.e., additional training, hiring additional staff, new policies and procedures).

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015-003 FINANCIAL STATEMENT CLOSE PROCESS  
(Prior Year Finding 2014-004) (continued)**

Management has also spent a significant time in fiscal year 2015 implementing new pronouncements from the GASB that were effective as of July 1, 2014. Management should evaluate new GASB pronouncements earlier and determine their impact on the financial statements.

**Views of  
Responsible  
Officials:**

Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2015**

**2015–004 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(Prior Year Finding 2014–005)**

**Federal Program Information:**    **Federal Agency and Program Name**  
Various

**Criteria:**                    OMB Circular A–133 Section 300a states, “The auditee shall prepare appropriate financial statements including the Schedule of Expenditures of Federal Awards (SEFA).”

OMB Circular A–133 Section 320a states, “The audit shall be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section shall be submitted within the earlier of 30 days after receipt of the auditor’s report(s), or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for the audit.”

**Condition:**                    The West Virginia (the State) Department of Administration Financial Accounting and Reporting Section (FARS) is responsible for preparing the SEFA for the State using information submitted by state agencies expending federal monies during the year. The respective state agencies do not always report information and related revisions to the FARS Single Audit coordinator in a timely manner. Furthermore, the state agencies do not always identify reclassifications needed to report federal expenditures under the correct CFDA. Late revisions and reclassifications to the SEFA could result in a program going above the Type A program threshold without being identified in a timely manner to allow completion of the necessary audit procedures by the required OMB Circular A–133 deadline. Late revisions and reclassifications to the SEFA could also result in a program that was initially audited as a Type A high risk and major program going below the Type A program threshold and becoming a Type B program. Such changes can result in effort being expended auditing a program which does not have to and should not be audited as a major program.

The state agencies are required to have internal controls in place surrounding the completion of their SEFAs which are submitted to FARS. During our testing of the individual major programs, it was determined that many of the individual agencies did not have a formalized internal control process, such as a formalized review and approval control, surrounding the preparation of their SEFAs which were submitted to FARS.

FARS is responsible for submitting the single audit report and data collection form nine months after the State’s fiscal year-end. As a result, FARS was significantly delayed in issuing the single audit report and data collection form.

**Questioned Costs:**    N/A

**Context:**                    Total federal expenditures for the State included on the SEFA were \$5,976,253,375 for the fiscal year ended June 30, 2015.

**Cause:**                    Policies and procedures related to timeliness are not being followed by all state agencies. FARS lacks the enforcement and oversight ability to enforce the established deadlines to ensure timeliness.

Formalized internal control processes are not established around the preparation and review of the SEFAs at the individual agencies.

**Effect:**                    Incorrect SEFAs may be submitted to FARS which could result in inaccurate reporting. Last-minute revisions and reclassifications are made to the SEFA that could result in a major program not being identified in a timely manner or cause effort to be expended auditing a program which does not have to and should not be audited as a major program.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015-004 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Prior Year Finding 2014-005) (continued)**

Federal expenditures are not being reported timely to the Federal Government which could result in delays in future funding for the State.

**Recommendation:** We recommend that FARS continue to work with the Governor's Office to seek assistance in having the state agencies prioritize completion of accurate and complete SEFA information in a timely manner.

We recommend that FARS evaluate current staffing levels and seek assistance in having the required reporting completed by the federally mandated timeline.

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–005 ACCOUNTABILITY FOR USDA-DONATED FOODS**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Agriculture Child Nutrition Cluster	10.553/10.555/ 10.556/10.559
	Grant Award 1WV300309 Grant Award 1WV300301	

**Criteria:** The physical inventory requirements at 7 CFR §250.14 (e) state, “during the annual review required by paragraph (c) of this section, distributing agencies and subdistributing agencies shall take a physical inventory of their storage facilities. The physical inventory shall be reconciled with each storage facility's book inventory. The reconciliation records shall be maintained by the agency that contracted for or maintained the storage facility. Food items that have been lost, stolen, or found to be out of condition, shall be identified and recorded. Potential excessive inventory, as described in paragraph (f) of this section, shall be reported by the subdistributing agency to the distributing agency. Corrective action on each deficiency noted during these inventories shall be initiated immediately, and a written report of those corrective actions shall be forwarded to the distributing agency.”

**Condition:** The West Virginia Department of Agriculture (WVDA) has policies and procedures in place surrounding the physical inventory requirement. Although the annual inventory was conducted by the agency, adequate documentation was not available regarding the reconciliation process.

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the Child Nutrition Cluster were \$113,425,517 for the year ended June 30, 2015. Total USDA donated foods were \$9,077,485 for the year ended June 30, 2015.

**Cause:** There is a lack of sufficient documentary evidence regarding the reconciliation of the physical inventory count.

**Effect:** The WVDA may have food items that have been lost, stolen or found out of condition that have not been identified and recorded, or may have potential excessive inventory not appropriately reported.

**Recommendation:** The WVDA should implement policies and procedures that provide documentary evidence for the review and approval of the physical inventory reconciliation process.

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–006 INTERNAL CONTROLS OVER REPORTING**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Agriculture Child Nutrition Cluster	10.553/10.555/ 10.556/10.559
	Grant Award 1WV300309 Grant Award 1WV300301	
<b>Criteria:</b>	OMB Circular A-133 section 300b states that the West Virginia Department of Education (DOE) 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.	
<b>Condition:</b>	Management prepared and submitted reports without going through the appropriate review and approval process.	
<b>Questioned Costs:</b>	N/A	
<b>Context:</b>	Total federal expenditures for the Child Nutrition program were \$113,425,517 for the year ended June 30, 2015.	
<b>Cause:</b>	In fiscal year 2015, management started relying on the Federal Reporting System to inform the State that reports were submitted incorrectly rather than go through an internal review and approval process.	
<b>Effect:</b>	The West Virginia Department of Education was unable to review and approve reports submitted.	
<b>Recommendation:</b>	We recommend that the West Virginia Department of Education Office of Child Nutrition implement controls over the report submission process. At a minimum, such controls should include a documented review and approval process that ensures reported amounts agree with supporting documentation. We recommend that the review be performed by an individual independent of the data entry process.	
<b>Views of Responsible Officials:</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, 2015**

**2015–007 SUBRECIPIENT MONITORING**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557
	Grant Award 2015CW200141	
	Grant Award 2015IW100341	
	Grant Award 2015IW100641	
	Grant Award 2015IW500341	
	Temporary Assistance for Needy Families (TANF)	93.558
	Grant Award 2015G996115	

**Criteria:** A pass-through entity (PTE) must: Identify the Award and Applicable Requirements – Clearly identify to the subrecipient: (1) the award as a subaward at the time of subaward (or subsequent subaward modification) by providing the information described in 2 CFR section 200.331(a)(1); (2) all requirements imposed by the PTE on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations, and the terms and conditions of the award (2 CFR section 200.331(a)(2)); and (3) any additional requirements that the PTE imposes on the subrecipient in order for the PTE to meet its own responsibility for the Federal award (e.g., financial, performance, and special reports) (2 CFR section 200.331(a)(3)).

**Condition:** In accordance with the Uniform Guidance requirements, the pass-through entity is required to notify the subrecipient of the requirements of the federal monies. Federal Awards issued to subrecipients subsequent to the effective date of the Uniform Guidance did not include the required language to notify subrecipients of the additional information and requirements under the Uniform Guidance.

**Questioned Costs:** N/A

**Context:** Total awards to subrecipients for the TANF Cluster and WIC program falling under the Uniform Guidance were \$60,500 and \$4,159,976, respectively, for the year ended June 30, 2015. Total subrecipient expenditures for the TANF Cluster and WIC program for the year ended June 30, 2015, were \$9,140,469 and \$7,677,271, respectively, and total expenditures were \$82,659,678 and \$31,918,762, respectively.

**Cause:** A formal process was not in place upon the first subaward of Uniform Guidance funds to notify subrecipients of the additional information and requirements. Subsequently the agency developed formal language to be included in all grant awards under the Uniform Guidance.

**Effect:** Inadequate information received by the subrecipients may result in the misuse of funds.

**Recommendation:** The Agency should include language developed to ensure subrecipients are aware of all potential restrictions and requirements of subrecipients under the Uniform Guidance in the award documents.

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015-008 CASH MANAGEMENT**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Labor Unemployment Insurance	17.225

**Criteria:** 29 CFR 97.20 (b)(2) states “Grantees and subgrantees must maintain records which identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.”

**Condition:** An Alternative Trade Adjustment Assistance (ATAA)/Reemployment Trade Adjustment Assistance (RTAA) Central Office Review conducted by WorkForce West Virginia (WV) for the period from October 1, 2014 to March 31, 2015 noted excess cash on hand in the ATAA/RTAA bank account. The source of the funds cannot be determined; however, there is a potential that the excess cash on hand may be federal funds that would need to be returned to the U.S. Department of Labor (DOL).

**Questioned Costs:** N/A

**Context:** Total federal disbursements for the Unemployment Insurance program were \$436,363,371 for the fiscal year ended June 30, 2015. The amount of excess cash in the ATAA/RTAA bank account is \$124,013.

**Cause:** Adequate records were not maintained documenting the source of the funds in questions.

**Effect:** WV may be in possession of federal funds that would need to be returned to the DOL.

**Recommendation:** We recommend that management of WV investigate the source of the excess cash to determine whether the funds are federal. If management determines that federal funds are involved, we recommend that any federal funds be returned to the DOL.

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015-009 INTERNAL CONTROLS OVER ELIGIBILITY  
(Prior Year Finding 2014-007)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Labor Unemployment Insurance	17.225
<b>Criteria:</b>	OMB Circular A-133 section 300b states that management of WorkForce West Virginia (WWV) 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.	
<b>Condition:</b>	For one disbursement out of 40 benefit payments selected for testing, the Unemployment Insurance interviewer did not sign the Benefit Rights Interview Checklist completed by the claimant indicating that the claimant was eligible to receive benefits.	
<b>Questioned Costs:</b>	N/A	
<b>Context:</b>	For the exception identified, the benefit payment was \$380 and total benefits selected for testing were \$13,485. Total federal disbursements for the Unemployment Insurance program were \$436,363,371 for the year ended June 30, 2015.	
<b>Cause:</b>	The interviewer failed to sign off on the claim form submitted by the claimant.	
<b>Effect:</b>	WWV did not maintain effective internal controls over compliance of eligibility.	
<b>Recommendation:</b>	We recommend that management of WWV review controls over compliance of eligibility of benefits to verify that controls are operating effectively.	
<b>Views of Responsible Officials:</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, 2015**

**2015-010 REPORTING**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Labor Unemployment Insurance	<b>CFDA#</b>  17.225
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**Criteria:** Per 29 CFR section 97.20, “Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.”

**Condition:** The Unemployment Insurance program is required to file the ETA 227 on a quarterly basis. The ETA 227 report provides information on overpayments of intrastate and interstate claims under the state and federal unemployment compensation programs. In the ETA 227 report for the quarter ended September 30, 2014, line 401 (Number of Fraud Cases Pending Prosecution at Beginning of Period) was reported incorrectly. The number of cases reported on line 401 of the report was zero because management did not run a report for the number of fraud cases pending prosecution at the beginning of the period to track the data.

**Questioned Costs:** N/A

**Context:** Total federal disbursements for the Unemployment Insurance program were \$436,363,371 for the fiscal year ended June 30, 2015.

**Cause:** A report of pending cases at the beginning of the reporting period was not created to provide data for inclusion in the ETA 227 report.

**Effect:** WWV was not in compliance with reporting requirements.

**Recommendation:** We recommend that management of WWV implement procedures to make staff and management aware of reporting requirements.

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

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2015**

**2015-011 PAYROLL APPROVAL**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Transportation Highway Planning and Construction Cluster	20.205/20.219/ 23.003

**Criteria:** OMB Circular A-133 section 300b states that the West Virginia Department of Transportation (DOT) 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 DOT is responsible for establishing and maintaining adequate controls related to the approval of federally funded payroll charges for employees of DOT.

**Condition:** We reviewed individual federally funded employee payroll cash disbursements during the fiscal year ended June 30, 2015, and noted one instance out of 40 tested where the employee time record for the period was not properly approved.

**Questioned Costs:** N/A

**Context:** Total payroll expenditures and total federal expenditures for this program for the year ended June 30, 2015 were \$23,426,450 and \$363,312,543, respectively.

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

**Effect:** Payment was made without an approved time record supporting the individual's time worked for the period. If controls are not in place to review and maintain time cards, payroll charged to the federal award could be misstated.

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

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–012 ACTIVITIES ALLOWED OR UNALLOWED/ALLOWABLE COSTS/COST PRINCIPLES**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Transportation Highway Planning and Construction Cluster	<b>CFDA#</b>  20.205/20.219/ 23.003
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**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.”

Federal funds can be used only to reimburse costs that are (a) incurred subsequent to the date of authorization to proceed, except for certain property acquisition costs permitted under 23 USC 108; (b) in accordance with the conditions contained in the project agreement and the plans, specifications, and estimates (PS&E); (c) allocable to a specific project; and (d) claimed for reimbursement subsequent to the date of the project agreement (23 CFR sections 1.9, 630.106, and 630.205).

**Condition:** According to a federal monitoring report by the U.S. Department of Transportation, the West Virginia Department of Transportation’s (DOT) activity code 164, *General Supervision and Administration of ROW not chargeable to Specific Accounts or Authorizations*, is being processed as a participating expense. This specific activity code was identified in a December 20, 2012 Federal Highway Administration billing review as ineligible as a participating expense as it entails indirect costs. Indirect costs are only eligible for federal reimbursement if a state DOT has an approved indirect cost plan in place.

**Questioned Costs:** \$29,901

**Context:** Total federal expenditures for DOT for the year ended June 30, 2015, were \$363,312,543. DOT has indirect costs of \$29,901 that were determined to be ineligible determined to be ineligible during fiscal year 2012.

**Cause:** The improper coding of an account caused the Department of Highways personnel to process ineligible charges as participating expenses.

**Effect:** The improper coding of this account has caused DOT to request and receive reimbursement for unallowable costs.

**Recommendation:** Activity code 164 should be programmed as a non-participating expense in the West Virginia Department of Highways system to prevent additional reimbursement of this activity.

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–013 BANNER IT GENERAL CONTROLS  
(Prior Year Finding 2014–009)**

<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/ 84.038/84.063/ 84.268/84.379/ 93.264/93.342/ 93.364

**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. As of 7/1/2015, a process has been put into place where a documentation trail indicating testing acceptance by end-users and proper production approval is retained for all Banner changes.

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.

Administrator level access to the Banner application (Marshall University instance) is granted to three members of the IT department via access to a default, shared ID. 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 for appropriateness based on job responsibilities/functions for the Banner application (Marshall University instance).

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the State of West Virginia SFA cluster were \$594,026,081 as of June 30, 2015.

**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.

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2015**

**2015–013 BANNER IT GENERAL CONTROLS**  
**(Prior Year Finding 2014–009) (continued)**

**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.

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.

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.

Management should assigned unique IDs for privileged access to the Banner application; unique IDs will provide accountability of actions performed (versus having multiple administrators share access to a default account).

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  
Officials:**

Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–014 SPECIAL TESTS AND PROVISIONS – DISBURSEMENTS TO OR ON BEHALF OF STUDENTS  
(Prior Year Finding 2014–010)**

<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/ 84.038/84.063/ 84.268/84.379/ 93.264/93.342/ 93.364

**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, WVU did not provide the following in writing: the anticipated date, the amount of disbursement, or the time requirement by which the student or parent could cancel the loan.

**Questioned Costs:** N/A

**Context:** Total expenditures related to Direct Loans, Federal Perkins Loans, and TEACH Grants for WVU and the SFA cluster in total were \$220,096,571 and \$463,786,553, respectively, for the year ended June 30, 2015.

**Cause:** 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. 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, 2015**

**2015–014 SPECIAL TESTS AND PROVISIONS – DISBURSEMENTS TO OR ON BEHALF OF STUDENTS**  
**(Prior Year Finding 2014–010) (continued)**

**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 Officials:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–015 SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING  
(Prior Year Finding 2014–011)**

<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/ 84.038/84.063/ 84.268/84.379/ 93.264/93.342/ 93.364

- 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 the one student selected from Bluefield State College (Bluefield), the two students selected from Pierpont Community and Technical College (Pierpont) and one of the two students selected from Concord University (Concord) 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 the SFA cluster in total were \$455,590,796 for the year ended June 30, 2015.

**Cause:** For the students noted above, due to ineffective internal controls, there were timing and status discrepancies between the information reported by the institution to the Clearinghouse and their subsequent reporting of enrollment detail to National Student Loan Data System (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, 2015**

**2015–015 SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING**  
**(Prior Year Finding 2014–011) (continued)**

**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 Officials:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–016 REPORTING**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Education Special Education Cluster (IDEA) Grant Award H027A140075-14A Grant Award H173A140071	<b>CFDA#</b>  84.027/84.173
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**Criteria:** 34 CFR § 300.645 states that the SEA “must — (a) Establish procedures to be used by LEAs and other educational institutions in counting the number of children with disabilities receiving special education and related services; (b) Set dates by which those agencies and institutions must report to the SEA to ensure that the State complies with §300.640(a); (c) Obtain certification from each agency and institution that an unduplicated and accurate count has been made; (d) Aggregate the data from the count obtained from each agency and institution, and prepare the reports required under §§300.640 through 300.644; and (e) Ensure that documentation is maintained that enables the State and the Secretary to audit the accuracy of the count.”

**Condition:** The number of children with disabilities receiving special education and related services reported by the State on their annual child count report was 44,267, which did not agree to the supporting documentation provided for the report which supported 44,257 children.

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the Special Education Cluster were \$73,406,823 for the year ended June 30, 2015.

**Cause:** The annual child count report was not reconciled to supporting records prior to submission.

**Effect:** Inaccurate information was reported on the annual child count report, which could result in inappropriate allocations of federal funds.

**Recommendation:** The West Virginia Department of Education management should implement policies and procedures to reconcile and review the annual child count report to supporting records prior to submission.

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–017 LEVEL OF EFFORT – MAINTENANCE OF EFFORT  
(Prior Year Finding 2014–014)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Special Education Cluster (IDEA)	84.027/84.173
	Grant Award H027A140075-14A	
	Grant Award H173A140071	

**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.” If, for any fiscal year, a State fails to meet this requirement, including any year for which the State is granted a waiver, the financial support required of the State in future years “shall be the amount that would have been required in the absence of that failure and not the reduced level of the State's support.”

**Condition:** West Virginia’s (the State) Special Education fiscal year 2015 non-federal appropriations were only \$25,609,359; which is less than, the State’s Special Education fiscal year 2014 non-federal requirement which were \$25,860,225.

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the Special Education Cluster were \$73,406,823 for the year ended June 30, 2015.

**Cause:** The Special Education Cluster received less in appropriations from the State Legislature in the federal fiscal year 2015 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:** This is a repeat finding and management should develop an effective corrective action plan to address this matter in a timely manner. The West Virginia Department of Education management and State Legislative officials need to implement and procedures, as well as adequate appropriations each federal fiscal year, to meet the maintenance of effort requirement.

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–018 ELIGIBILITY**

<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 H126A150073	

**Criteria:** 29 USC §722(a)(6), states that the West Virginia Division of Rehabilitation Services (WVDRS) must determine whether an individual is eligible for Vocational Rehabilitation (VR) services within a reasonable period of time, not to exceed 60 days, after the individual has submitted an application for the services unless (a) exceptional and unforeseen circumstances beyond the control of the State VR agency preclude making an eligibility determination within 60 days and the State agency and the individual agree to a specific extension of time; or (b) the State VR Agency is exploring an individual’s abilities, capabilities, and capacity to perform in work situations through trial work experiences.

**Condition:** For one individual out of the 40 individuals reviewed, a signed certificate of eligibility was not available. Further, two of the 40 eligibility determinations reviewed were not completed within 60 days or within the period of extension.

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the Vocational Rehabilitation Grant were \$35,858,596 for the year ended June 30, 2015.

**Cause:** WVDRS appears to have policies and procedures in place to address eligibility; however, it has failed to actively enforce those procedures.

**Effect:** Federal expenditures could be made for individuals who were potentially ineligible.

**Recommendation:** We recommend that WVDRS strengthen the existing policies and procedures surrounding the approval of eligible participants and ensure the appropriate completion of all eligibility determinations on a timely basis.

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–019 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	
	Rehabilitation Services – Vocational Rehabilitation	
	Grants to States	84.126
	Grant Award H126A150073	

**Criteria:** 29 USC § 731 (a)(2)(B) states that “the amount otherwise payable to a State for a fiscal year shall be reduced by the amount by which expenditures from non-Federal sources under the State Plan for any previous fiscal year are less than the total of such expenditures for the fiscal year 2 years prior to that previous fiscal year.”

**Condition:** West Virginia’s Vocational Rehabilitation federal fiscal year 2014 non-federal appropriations were only \$10,495,810; which is less than West Virginia’s Vocational Rehabilitation federal fiscal year 2012 non-federal appropriations of \$11,728,503, which the program was required to meet.

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the Vocational Rehabilitation Grant were \$35,858,596 for the year ended June 30, 2015.

**Cause:** The Vocational Rehabilitation Grant received less in appropriations from the West Virginia Legislature in the federal fiscal year 2014 than the program did in federal fiscal year 2012.

**Effect:** The Vocational Rehabilitation program did not have enough non-federal expenditures to comply with the maintenance of effort requirement.

**Recommendation:** The West Virginia Department of Education management and West Virginia Legislative officials need to implement policies and procedures to meet the maintenance of effort requirement.

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–020 WVDRS TRANSACTION APPROVAL CONTROLS**

<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 Grant Award H126A150073	84.126
	U.S. Social Security Administration Social Security – Disability Insurance Grant Awards 04-15 04WVDI00/04-14 04WVDI00	96.001

**Criteria:** OMB Circular A-133 section 300b states that the West Virginia Division of Rehabilitation Services (WVDRS) 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 WVDRS is responsible for establishing and maintaining adequate controls related to the approval of federally funded payroll and non-payroll transactions.

**Condition:** Payroll transactions for salaried employees were not approved by someone with appropriate approval authority during the year for either program.

For Vocational Rehabilitation, approval was not maintained in the system or evidenced on the source documents for 7 of 40 non-payroll transactions. For States and Social Security – Disability Insurance, approval was not maintained in the system or evidenced on the source documents for 40 of 40 non-payroll transactions.

**Questioned Costs:** N/A

**Context:** Total payroll expenditures and total federal expenditures for the Vocational Rehabilitation Grant were \$7,331,861 and \$35,858,596, respectively, for the year ended June 30, 2015. Total payroll expenditures and total federal expenditures for the States and Social Security – Disability Insurance Grant were \$10,226,118 and \$18,532,011, respectively, for the year ended June 30, 2015.

**Cause:** During fiscal year 2015, the State of West Virginia converted to the wvOASIS accounting information system. The WVDRS uses multiple information systems to record source transactions that are interfaced into the statewide wvOASIS system for ultimate payment. In prior years, WVDRS relied on the approvals within the statewide accounting information system as its key control over the approval process. The current accounting system does not require approval for interfaced transactions. Further, the WVDRS did not modify its control process to account for this lack of authorization.

**Effect:** Without supervisory review at the transactional level, disbursements for unallowable costs or activities could occur.

**Recommendation:** We recommend that DRS strengthen the internal control procedures used to enforce and monitor authorization procedures.

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–021 INDIRECT COST ALLOCATION  
(Prior Year Finding 2014–015)**

<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 2015 Regular H126A150073	
	Grant Award 2014 Regular H126A140073	

**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). The method of allocation utilized 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 States and 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. The approved rate for July 1, 2014 – June 30, 2015 was 4.6%. Management has overcharged the grant \$660,626.

**Questioned Costs:** \$660,626

**Context:** Total federal expenditures for the Vocational Rehabilitation program for the year ended June 30, 2015, were \$35,858,596.

**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 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 utilize the approved indirect cost rate. 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 program.

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–022 SPECIAL TESTS AND PROVISIONS – WORK PARTICIPATION RATE**

<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	
	Grant Award 2015 – 2015G996115	

**Criteria:** The State agency must maintain adequate documentation, verification, and internal control procedures to ensure the accuracy of the data used in calculating work participation rates. In so doing, it must have in place procedures to (a) determine whether its work activities may count for participation rate purposes; (b) determine how to count and verify reported hours of work; (c) identify who is a work-eligible individual; and (d) control internal data transmission and accuracy. Each State agency must comply with its Health and Human Services (HHS) approved Work Verification Plan in effect for the period that is audited. HHS may penalize the State by an amount not less than one percent and not more than five percent of the SFAG for violation of this provision (42 USC 601, 602, 607, and 609); 45 CFR sections 261.60, 261.61, 261.62, 261.63, 261.64, and 261.65).

**Condition:** For 3 of the 15 cases tested for compliance with work participation rate requirements, the Division of Planning and Quality Improvement review sheet was not provided to support the case reviewer’s conclusion regarding the case. Due to the lack of documentation supporting the review, we were unable to determine if the information in the RAPIDS system was consistent with the review or if the State’s work participation requirements were met.

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the TANF Cluster for the fiscal year ended June 30, 2015, were \$82,659,678.

**Cause:** Adequate policies and procedures surrounding document retention were not maintained.

**Effect:** The State may be in violation of their Work Verification Plan and potentially penalized by HHS.

**Recommendation:** We recommend that management follow processes outlined in the Division of Planning and Quality Improvement’s Case Review Process Handbook, and implement controls relating to retention of the case review forms.

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–023 SPECIAL TESTS AND PROVISIONS – SANCTIONS**

<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 Grant Award 2015 – 2015G996115	93.558
<b>Criteria:</b>	State agency must reduce or terminate the assistance payable to the family if an individual in a family receiving assistance refuses to work, subject to any good cause or other exemptions established by the State. HHS may penalize the State by an amount not less than one percent and not more than five percent of the SFAG for violation of this provision (42 USC 609(a)(14); 45 CFR sections 261.14, 261.16, and 261.54).	
<b>Condition:</b>	For 1 of the 40 cases tested for penalty for refusal to work, data was contained in RAPIDS that indicated the recipient was working, and should not have been included in the population. This conflicting data in RAPIDS that caused the auditor to be unable to determine if the benefit was (im)properly reduced.	
<b>Questioned Costs:</b>	N/A	
<b>Context:</b>	Total federal expenditures for the TANF Cluster for the fiscal year ended June 30, 2015, were \$82,659,678.	
<b>Cause:</b>	There are insufficient internal controls in place to ensure information in RAPIDS is accurate relating to the issuance and removal of sanctions.	
<b>Effect:</b>	Recipient benefits may potentially be reduced or increased in error or without appropriate cause.	
<b>Recommendation:</b>	We recommend that management implement policies and procedures to ensure that information in RAPIDS is consistent and accurate.	
<b>Views of Responsible Officials:</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, 2015**

**2015–024 SPECIAL TESTS AND PROVISIONS – SANCTIONS CONTROLS**  
**(Prior Year Finding 2014–019, 2013–036, 2012–056)**

<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	
	Grant Award 2015 – 2015G996115	

**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.

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:** 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. These controls were tested and determined not to be effective.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–024 SPECIAL TESTS AND PROVISIONS – SANCTIONS CONTROLS  
(Prior Year Finding 2014–019, 2013–036, 2012–056) (continued)**

The results of testing are as follows:

Caseworker Training

For 7 of the 40 selected for testing, the training date provided for work occurred after the beginning of fiscal year 2015.

For 3 of the 40 selected for testing, documentation for training was not obtained.

Sanction Review

During fiscal year 2015, the TANF Cluster had procedures in place requiring supervisory approval of second and third level sanctions that reduce recipient benefits. However, there is currently no procedure in place that requires supervisory approval when a sanction is removed from a case, thereby increasing a recipient's benefit amount.

Additionally, a supervisor may approve his/her own sanction that is placed on a case. Current procedures do not require additional review or approval of a sanction placed by a supervisor.

Good Cause Notification

For 1 of the 40 child support non-cooperation cases selected for testing, an interview date or time was not given for recipient of benefits.

For 2 of the 40 child support non-cooperation with good cause cases selected for testing, a good cause letter was not generated.

**Questioned Costs:**

N/A

**Context:**

Total federal expenditures for the TANF Cluster for the fiscal year ended June 30, 2015 were \$82,659,678.

**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 sanctions that are lifted on recipient cases when the benefit amount is increased. We recommend that a log of instances in which a supervisor approves his/her own sanction be maintained and periodically reviewed to ensure the sanctions are reasonable. The supervisor approval and log should be clearly documented, whether in RAPIDS or by other means.

**Views of  
Responsible  
Officials:**

Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–025 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS  
(Prior Year Finding 2014–016, 2013–034)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Agriculture Supplemental Nutrition Assistance Program (SNAP) Cluster Grant Awards 1WV400401, 1WV400439, 1WV420451, 1WV430409, and 1WV430459	10.551/10.561
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Grant Awards 2014G996115 and 2015G996115	93.558
	Low-Income Home Energy Assistance Grant Awards G-14B1WVLIEA, G-1401WVLIE4, and G-15B1WVLIEA	93.568
	Child Care and Development Fund (CCDF) Cluster Grant Awards G1401WVCCDF and G1501WVCCDF	93.575/93.596
	Foster Care – Title IV-E Grant Awards 1401WV1401 and 1501WVFOST	93.658
	Adoption Assistance Grant Awards 1401WV1407 and 1501WVADPT	93.659
	Children’s Health Insurance Program (CHIP) Grant Awards 05-1405WV5021 and 05- 1505WV5021	93.767
	Medicaid Cluster  Grant Awards 05-1405WV5MAP, 05- 1405WV5ADM, 05-1405WVINCT, 05- 1405WVIMPL, 05-1505WV5MAP, and 05- 1505WVADM, 05-1505WVINCT, and 05- 1505WVIMPL	93.775/93.777/ 93.778

**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.”

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.

2 CFR 200.303 states that the West Virginia Department of Health and Human Services must (a) establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). (b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards. (c) Evaluate and monitor the

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2015**

**2015–025 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS**  
**(Prior Year Finding 2014–016, 2013–034) (continued)**

non-Federal entity's compliance with statute, regulations and the terms and conditions of Federal awards. (d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings. (e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.

Management of 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.

**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.
- 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.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–025 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS  
(Prior Year Finding 2014–016, 2013–034) (continued)**

**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:** N/A

**Context:** 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 CCDF Cluster programs. The RAPIDS and FACTS computer system is not an effective internal control system.

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

Federal Program	System	Compliance Requirements Impacted
CHIP	RAPIDS	Eligibility
SNAP Cluster	RAPIDS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Availability/Period of Performance, Special Tests and Provisions – ADP System for SNAP
TANF Cluster	RAPIDS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
LIHEAP	RAPIDS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Period of Availability/Period of Performance
Medicaid Cluster	RAPIDS	Eligibility, Special Tests and Provisions – ADP Risk Analysis and System Security Review
Adoption Assistance	FACTS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility
Foster Care	FACTS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility
CCDF Cluster	FACTS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility

**Cause:** Policies and procedures have not been adequately updated for changes in the processing of eligibility. 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**  
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**For the Year Ended June 30, 2015**

**2015–025 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS**  
**(Prior Year Finding 2014–016, 2013–034) (continued)**

**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  
Officials:**

Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–026 ALLOWABILITY AND ELIGIBILITY  
(Prior Year Finding 2014–021)**

<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	93.568
	Grant Award G–13B1WVLIEA	
	Grant Award G–1401WVLIE4	
	Grant Award G–15B1WVLIEA	

**Criteria:** The eligibility compliance requirements of Low-Income Home Energy Assistance Program (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 18 of the 60 benefit payments, Section IV Agency Use was either not completed at all or partially completed by the DHHR caseworker prior to payment.
- For 1 of the 60 benefit payments, the LIHEAP application amount was calculated as a larger number than it should have been when using the correct heating source.

**Questioned Costs:** \$4,188

**Context:** The nineteen instances (19 of 60 case files) represent \$4,188 out of total benefit payments of \$13,872. For the one payment calculated using the wrong heat source the benefit payment was \$229 and the 18 benefit payments with incomplete forms the total was \$3,959. Total payments for benefit assistance for the LIHEAP program for the fiscal year ended June 30, 2015, were \$24,749,747. The federal expenditures for the LIHEAP program for the fiscal year ended June 30, 2015, were \$26,004,865.

**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 Officials:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–027 DISASTER RECOVERY PLAN  
(Prior Year Finding 2014–022, 2013–038)**

<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 G1501WVCCDF	
	Grant Award G1401WVCCDF	

**Criteria:** OMB Circular A-133 section 300b states that the 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.

2 CFR 200.303 states that the West Virginia Department of Health and Human Services must (a) establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). (b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards. (c) Evaluate and monitor the non-Federal entity’s compliance with statute, regulations and the terms and conditions of Federal awards. (d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings. (e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.

**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, 2015, were \$31,014,667.

**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 Officials:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–028 SPECIAL TESTS AND PROVISIONS – PAYMENT RATE SETTING AND APPLICATION  
(Prior Year Finding 2014–023)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Foster Care – Title IV-E	93.658
	Grant Award 1401WV1401 & 1501WVFOST	

**Criteria:** Foster Care – 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 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 maintained regarding the approval of group residential care rates.

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the Foster Care Program for the fiscal year ended June 30, 2015, were \$38,744,288.

**Cause:** There is lack of sufficient documentation evidencing the review 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 Officials:** Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–029 ELIGIBILITY DOCUMENTATION  
(Prior Year Finding 2014–024)**

<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 Grant Award 1401WV1407 Grant Award 15WVADPT	93.659

**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:** Four of the 60 cases reviewed for eligibility did not have documents on file to determine eligibility. 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. Three 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. Four of the 60 cases reviewed for eligibility did not provide necessary information before issuance of payment (adoption was finalized before payment was made).

**Questioned Costs:** \$2,469

**Context:** The four instances represent \$2,469 out of a total of \$35,455 in total payments tested for eligibility. Total federal expenditures for the Adoption Assistance program were \$22,858,337 for the year ended June 30, 2015.

**Cause:** Management indicated that the lack of inclusion of the proper forms in the case files and inconsistency in the timing of sign-offs were oversights 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.

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**2015–030 EARMARKING  
(Prior Year Finding 2014–025)**

<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	
	Grant Award 2015G992342	

**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.

2 CFR 200.303 states that the West Virginia Department of Health and Human Services must (a) establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). (b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards. (c) Evaluate and monitor the non-Federal entity’s compliance with statute, regulations and the terms and conditions of Federal awards. (d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings. (e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.

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:** DHHR has policies and procedures in place surrounding the tracking and calculation of the earmarking requirement. Although the SSBG earmarking requirement was met for the fiscal year ended June 30, 2015, adequate documentation was not available regarding the review or approval of the calculation.

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the SSBG program were \$18,461,422 for the year ended June 30, 2015. Total funds transferred from the TANF Cluster to SSBG were \$11,024,040 for the year ended June 30, 2015.

**Cause:** There is a lack of sufficient documentary evidence to rely on controls surrounding the requirement.

**Effect:** Earmarking requirements may have been tracked or calculated in error.

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2015**

**2015-030 EARMARKING**

**(Prior Year Finding 2014-025) (continued)**

**Recommendation:** DHHR should implement policies and procedures that provide documentary evidence for the review and approval of the earmarking calculation.

**Views of Responsible Officials:** 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, 2015**

**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)

**2015-001 TAX RECEIPTS AND REFUNDS  
Department of Revenue and Financial Accounting and  
Reporting Section  
CFDA Number Not Applicable**

As of January 2015, the Department of Revenue (Revenue) implemented policies and procedures for the performance of the reconciliation between GenTax and wvOASS in order to assure the resolution of unreconciled difference 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 a 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 is then scanned and saved as a PDF on the secure server.

Revenue has implemented procedures for monitoring changes being pushed into the production environment of GenTax. All

**STATE OF WEST VIRGINIA  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

changes that are approved to be moved to production will be provided to the Internal Auditor for review weekly. The Internal Auditor does not have access to develop or migrate changes to GenTax. The Internal Auditor will review the change to verify the change was needed, procedures were followed correctly by the developer, and that no unauthorized changes were migrated into production. No unauthorized changes were found during the review of GenTax application and information technology general controls.

**2015-002 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. The Financial Accounting and Reporting Section (FARS) will review and verify all costs including, the on-going water costs, provided by DEP, are estimated reasonably for use in the Special Reclamation liability.

**2015-003 FINANCIAL STATEMENT CLOSE PROCESS  
Overall State  
CFDA Number Not Applicable**

As of May 26, 2016, FARS is in the process of hiring additional staff to assist in preparing the Comprehensive Annual Financial Report (CAFR) and to refine the fiscal year 2016 information to ensure that accurate timely financial statements are produced. FARS will also refine the procedures to obtain complete and accurate data timely from wvOASIS and determine the necessary action to prevent such delays from reoccurring. 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. The additional

**STATE OF WEST VIRGINIA  
CORRECTIVE ACTION PLAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

staff will also help management in the timely evaluation on the impact of new GASB pronouncements.

**2015-004 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 control procedures at the agency level during the GAAP closing book training which will be held in June and July of 2016. A closing book form is required to be signed by both the preparer and their supervisor as proof that the agency's internal control procedures were followed prior to submission of the SEFA to FARS. FARS continues to evaluate the current staffing levels and will seek assistance in having the required reporting completed by the federally mandated timeline.

**2015-005 ACCOUNTABILITY FOR USDA-DONATED FOODS  
Department of Agriculture  
CFDA Numbers 10.553, 10.555, 10.556, and 10.559**

The West Virginia Department of Agriculture (WVDA) acknowledges and agrees with this finding. In order to address the conditions related to this finding, the following corrective actions are being taken with respect to the Food Distribution Program warehouse operations:

- WVDA's Food Distribution Program implemented an updated electronic food inventory and allocation system. The system went live on March 28, 2016, when the agency transitioned from its Simmons Donated Foods System to USAMeals to manage incoming and outgoing shipments of commodity food items. The new system is more user-friendly, has better tracking and reporting capabilities,

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FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

and will be supported in-house by WVDA Information Technology Division staff. By maintaining the software in-house, enhancements to functionality, reports, and other changes needed to ensure proper recordkeeping can be accomplished in a timelier manner.

- WVDA has initiated immediate review and revision of warehouse procedures in order to improve operating efficiencies and administrative effectiveness. The goal of this process is to ensure the most current federal programmatic requirements and any procedural changes required by the USAMeals inventory system are reflected in the program's policies and procedures.
- Beginning April 2016, warehouse staff will be required to complete monthly physical inventory counts and documented reconciliations to reports generated from the WVDA internal inventory system and the Federal food tracking systems on the last business day of each month. Upon completion of the monthly inventory cycle, documentation of the process must be submitted to the WVDA Executive and Administrative Services Divisions for review.
- A fiscal year-end physical inventory and reconciliation will be completed every year on June 30<sup>th</sup>. This will be a joint effort with WVDA Food Distribution Program and Administrative Services Division staff members. As part of the 2016 inventory and reconciliation process, external auditors will also be on-site to observe and test physical counts. All physical count and subsequent reconciliation data will be provided to FARS as part of the year-end Closing Books process. Documentation of the 2016 April and May monthly and fiscal year-end inventories will also be available for review by the external auditors.

**STATE OF WEST VIRGINIA  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**2015-006    INTERNAL CONTROLS OVER REPORTING  
Department of Education  
CFDA Numbers 10.553, 10.555, 10.556, and 10.559**

The Office of Child Nutrition will have all future Federal Reporting Forms reviewed and signed by the CFO of Internal Operations, prior to submitting the forms through the Federal Reporting System.

**2015-007    SUBRECIPIENT MONITORING  
Department of Health and Human Resources (DHHR)  
CFDA Numbers 10.557 and 93.558**

DHHR utilizes an entity-wide, electronic grant processing system (CRM) for awarding State and Federal (subrecipient) grants. In May 2015, prior to the start of the State's 2016 fiscal year that began on July 1, 2015, DHHR revised its subrecipient grant agreement template and its electronic grant processing system (CRM) to address 2 CFR 200 in a manner that resulted in a smooth transition not only for DHHR, but also for its subrecipients. Therefore, although presented with this finding in April 2016, DHHR had already addressed the matter and resolved the finding in May 2015, by implementing an entity-wide system change to address 2 CFR 200 within all Federal (subrecipient) grant agreements going forward from July 1, 2015.

There were five subrecipient grant agreements that caused this finding, due to those grants being awarded subsequent to December 26, 2014, yet prior to DHHR's implementation date of July 1, 2015. Three of the grants were for Women, Infants, and Children and two were for Temporary Assistance for Needy Families. Speaking towards the effect of this finding, although DHHR referenced the prior OMB Circulars (e.g. A-110 and A-122) within those five grant agreements instead of 2 CFR 200, the information provided to the subrecipients was still adequate and would certainly not be the cause for any misuse of

**STATE OF WEST VIRGINIA  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

funds. DHHR still ensured that those five subawards were clearly identified to the subrecipients as subawards and that the subrecipients had the necessary information and requirements to administer the subawards in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.

**2015-008 CASH MANAGEMENT  
WORKFORCE West Virginia  
CFDA Number 17.225**

WorkForce West Virginia (WFWV) is aware of the excess cash and has worked diligently to identify the funds. However, the grant associated with the excess funds has not been determined. WFWV has included the U.S. Department of Labor (DOL) in discussions regarding excess cash and has followed instructions provided by DOL, but the excess cash remains. DOL will not accept the return of funds without the associated grant number. WFWV decided to segregate the funds to ensure the balance remains unexpended. It is believed the funds could have been received as far back as fiscal year 2007. As the issue has been ongoing for years, not all records are readily available.

WFWV will continue monthly bank reconciliations and ensuring data is correct on the monthly federal reports for each grant. WFWV accountants will now reconcile revenue recorded in wvOASIS to the ledger maintained by the DOL. This additional step confirms that each cash receipt recorded appears both in wvOASIS and on the DOL ledger.

**2015-009 INTERNAL CONTROLS OVER ELIGIBILITY  
WORKFORCE West Virginia  
CFDA Number 17.225**

WFWV has reviewed the current procedures and policies that deal with the compliance of eligibility of benefits and the importance of an official from the agency signing the initial

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claim form which includes the Benefits Rights Interview Checklist. Although WFWV strives to ensure all documents are signed, some new interviewers inadvertently did not place a signature on the documents. To deal with this issue, the agency is mandating that all local office managers reiterate in weekly staff meetings the importance of interviewers ensuring all documents are completed and signed. In addition to this corrective action, the agency is also requesting that a staff member review all documents completed by a new employee for a period of three months instead of 30 days, to ensure that each employee is completing the documents correctly and signing them appropriately.

**2015-010    REPORTING  
WORKFORCE West Virginia  
CFDA Number 17.225**

WFWV was fully aware of this issue of the pending cases not being reported on the ETA 227. This omission was due to the agency's federal partner notifying the agency of this issue after the 4th quarter ETA 227 was filed. This particular issue was corrected on the ETA 227 report for the quarter ending March 31, 2015. The agency was able, through programming, to issue an automated report to capture the pending prosecution cases. Due to this automation, this reporting issue should not occur again. In addition, all staff required to complete any federal Unemployment Insurance (UI) report have been issued current reporting requirements for the reports they are responsible for completing. Each staff member is to review the requirements and ensure that all reports are statistically correct and all items are being reported.

**2015-011    PAYROLL APPROVAL  
Department of Transportation (DOT)  
CFDA Numbers 20.205, 20.219, and 23.003**

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Management will send semi-annual memorandums to all DOT Districts and Divisions reminding them of the DOT policies and procedures in place for approving employee time records. The DOT internal audit staff will continue to review DOT-12's for proper approvals in their organizational audits. The DOT Auditing Division Director has been directed to increase the sample size of DOT-12's that are reviewed during these organizational audits.

**2015-012     ACTIVITIES ALLOWED OR UNALLOWED/ALLOWABLE COSTS  
Department of Transportation (DOT)  
CFDA Numbers 20.205, 20.219, and 23.003**

Management has programmed activity code 164 as a non-participating expense in their system to prevent additional reimbursement of this activity. Management has remitted payment for the question costs amount.

**2015-013     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 has implemented a process to document explicit approval and provided documentation evidence of explicit approvals given in the current Change Management process in the recent audit.
- **Segregation of duties:** Since staff do not write code but rather use the vendor (Ellucian) code when deploying applications to production, the architectural nature of how the Banner system works limits the options for restricting the privileges of individuals when making changes to the production instance. Management has reached out to the application provider (Ellucian) for security assessment and methods to mitigate the issue as current preventative measures are limited. Otherwise, implementing procedures to have a third party to review the application change logs

**STATE OF WEST VIRGINIA  
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and updated modules to ensure that all changes are appropriated with the limited number of current staff skilled and knowledgeable to review and evaluate changes would require additional staffing or major reorganizing and training process.

- **Root access restriction:** Management has restricted privileged access to the root account. Privileged permissions at the operating system layer is only granted to appropriate IT administrators and Database Administrator (DBAs) who require this level of access to perform their job functions. When DBAs need that level of access, they elevate their privileges temporary using Super User DO (SUDO) command with audit trail in place.
- **Periodical review of user access:** Management acknowledges this issue and will work with the different departments to implement controls whereby user access to Banner applications is reviewed and documented on a periodic and at least annual basis. A proposed plan is in discussion to address this issues. A report of user access to Banner will be sent to department managers. The managers 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.

**2015-014 SPECIAL TESTS AND PROVISIONS – DISBURSEMENTS TO OR ON BEHALF OF STUDENTS  
West Virginia University (WVU)  
CFDA Numbers 87.007, 84.033, 84.038, 84.063, 84.268,  
84.379, 93.264, 93.342, and 93.364**

WVU has enhanced the current disbursement notification procedure to ensure that required information is provided to students and/or parents within 30 days before or after a loan or

## WEST VIRGINIA

### STATE OF WEST VIRGINIA CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2015

TEACH grant disbursement. Enhancements were in place for the 2015-2016 academic year.

#### 2015-015 **SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING**

**Bluefield State College, Pierpont Community and Technical College, and Concord University**  
**CFDA Numbers 87.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.264, 93.342, and 93.364**

##### **Bluefield State College response**

Bluefield State College personnel responsible for the reporting to the National Student Clearinghouse (the Clearinghouse) have redefined the process. More controls are now in place to report enrollment verifications in a timely manner, including following up with the Clearinghouse. This ensures that if an error occurs, it is resolved in a timely manner.

##### **Pierpont Community and Technical College response**

Pierpont has discussed the Clearinghouse reporting issues of late submission with those who run the report. The Registrar's Office has changed the timeline on graduation submissions and will ensure reporting in a timely manner. Spot reviews will also be conducted by the Registrar's Office and the IT staff to identify any new issues with Clearinghouse reporting.

##### **Concord response**

Concord University's Student Status Confirmation Report (SSCR) is completed by the Clearinghouse. As of December 31, 2015, the Clearinghouse has implemented a new enhancement to automatically supplement the SSCR by sending to National Student Loan Data System (NSLDS) students who previously appeared on a roster and are actively enrolled at Concord University or another college. This enhancement should address the issue of students who should, but do not, appear on the NSLDS SSCR rosters.

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**2015-016      REPORTNG  
Department of Education (WVDE)  
CFDA Numbers 84.027 and 84.173**

The WVDE has implemented policies and procedures to reconcile the annual child count data prior to submission. Previous discrepancies in the annual child count report have been reconciled and resubmitted to ensure the data is now correct.

**2015-017      LEVEL OF EFFORT – MAINTENANCE OF EFFORT  
Department of Education (WVDE)  
CFDA Numbers 84.027 and 84.173**

Members of the WV State Legislature continue to be made aware of the State Level Maintenance of Effort Requirements under IDEA. Written communication concerning this finding and the amounts that are required for the State to continue meeting this requirement will also be sent to the State Budget Director in an ongoing effort to keep the State Budget Office informed.

**2015-018      ELIGIBILTIY  
Division of Rehabilitation Services  
CFDA Number 84.126**

The agency will continue to review and strengthen training and procedures around eligibility timeframes and form completion.

**2015-019      LEVEL OF EFFORT – MAINTENANCE OF EFFORT  
Division of Rehabilitation Services  
CFDA Numbers 84.126**

The Division of Rehabilitation Services (DRS) did receive less general revenue and reduced the required match accordingly. However, by reducing the amount of the match provided, it allowed for a more consistent match requirement year-to-year.

## WEST VIRGINIA

### STATE OF WEST VIRGINIA CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The agency was able to recover the maintenance of effort reduction during the federal re-allotment process.

**2015-020      WVDRS TRANSACTION APPROVAL CONTROLS**  
**Division of Rehabilitation Services**  
**CFDA Numbers 84.126 and 96.001**

DRS will review all policies and procedures that are currently in place related to payroll and develop any new policies and procedures that are needed to ensure payroll is properly approved. The DRS will take corrective action to ensure that the methods for approvals are implemented on a consistent basis.

**2015-021      INDIRECT COST ALLOCATION**  
**Division of Rehabilitation Services**  
**CFDA Number 84.126**

DRS has developed a method to capture indirect costs more precisely than in the past. A true indirect cost pool has been developed and is used to allocate costs to Disability Determination Services, Vocational Rehabilitation, and Independent Living. All other grant and state programs are ineligible for recovery of indirect costs due to the nature of their distribution. Due to the nature of this situation, the agency took a conservative approach to indirects during fiscal year 2015.

**2015-022      SPECIAL TESTS AND PROVISIONS – WORK**  
**PARTICIPATION RATE**  
**Department of Health and Human Resources**  
**CFDA Number 93.558**

DHHR Bureau for Children and Families (BCF) will implement additional controls surrounding the retention of case review forms and related documentation.

**STATE OF WEST VIRGINIA  
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**2015-023 SPECIAL TESTS AND PROVISIONS – SANCTIONS**  
**Department of Health and Human Resources**  
**CFDA Number 93.558**

The RAPIDS Director of Client Service Delivery will work with the RAPIDS Quality and Reporting unit to develop a standard operating procedure to use when generating and reviewing reports. Leveraging a standard operating procedure will improve quality and integrity of the reported data.

**2015-024 SPECIAL TESTS AND PROVISIONS - SANCTIONS**  
**CONTROLS**  
**Department of Health and Human Resources**  
**CFDA Number 93.558**

DHHR BCF issued a memorandum on March 20, 2015, instructing all regions to ensure that all meetings and training sessions are documented with respect to attendees and content. The BCF also developed a Blackboard training course in 2015 surrounding the issuance and removal of sanctions. However, legislation that passed shortly thereafter changed the rules surrounding the issuance and removal of sanctions, which caused the need for a new Blackboard training course to address the new rules surrounding the issuance and removal of sanctions. The new Blackboard training course was up and running on April 22, 2016.

**2015-025 DHHR INFORMATION SYSTEM AND RELATED**  
**BUSINESS PROCESS CONTROLS**  
**Department of Health and Human Resources**  
**CFDA Numbers 10.551, 10.561, 93.558, 93.568, 93.575,**  
**93.596, 93.658, 93.659, 93.767, 93.775, 93.777, and 93.778**

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, DHHR implemented a detective control

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

**2015-026 ALLOWABILITY AND ELIGIBILITY  
Department of Health and Human Resources  
CFDA Number 93.568**

In an effort to clarify the exact manner by which a DHHR worker is to complete the application, the BCF will revise the Income Maintenance Manual accordingly, and will also revise Section IV of the application to indicate which sections are completed by a DHHR worker and, if applicable, the other agency worker. Furthermore, the BCF will also continue reviewing cases at the state office (central) level and will update its training program to address completion of Section IV of the Low Income Home Energy Assistance Program (LIHEAP) application.

**2015-027 DISASTER RECOVERY PLAN  
Department of Health and Human Resources  
CFDA Numbers 93.575 and 93.596**

DHHR awarded the contract for document imaging on May 1, 2015. DHHR plans to implement document imaging throughout the agency by December 31, 2016, and to roll document imaging out to the resource and referral agencies by March 31, 2017.

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**2015-028 SPECIAL TESTS AND PROVISIONS – PAYMENT  
RATE SETTING AND APPLICATION  
Department of Health and Human Resources  
CFDA Number 93.658**

In October 2015, DHHR implemented procedures to provide documentary evidence over the approval of group residential rates.

**2015-029 ELIGIBILITY DOCUMENTATION  
Department of Health and Human Resources  
CFDA Number 93.659**

BCF released a memorandum on April 27, 2015, to remind staff to ensure that all information is included in the case files prior to archiving the files or transferring specialized agency adoptions to the state office. Furthermore, the BCF will also continue reviewing cases at the state office (central) level to ensure completion and accuracy and will consider updating its training program to address the proper maintenance of eligibility documentation.

**2015-030 EARMARKING  
Department of Health and Human Resources  
CFDA Number 93.667**

DHHR prepared the earmarking calculation but no one outside of the preparer reviewed and signed off on the calculation. Therefore, effective immediately, DHHR will implement a procedure whereby someone other than the person who prepares the calculation will review and sign off on the calculation.

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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**2014-001    TAX RECEIPTS AND REFUNDS**  
**2013-001    Department of Revenue and Financial Accounting &  
Reporting Section**  
**CFDA Number Not Applicable**  
**Partially Resolved**

As of January 2015, the Department of Revenue (Revenue) implemented policies and procedures for the performance of the reconciliation between GenTax and wvOASS in order to assure the resolution of unreconciled difference 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 a 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 is then scanned and saved as a PDF on the secure server.

Revenue has implemented procedures for monitoring changes being pushed into the production environment of GenTax. All changes that are approved to be moved to production will be provided to the Internal Auditor for review weekly. The Internal Auditor does not have access to develop or migrate changes to GenTax. The Internal Auditor will review the change to verify the change was needed, procedures were followed correctly by the developer, and that no unauthorized changes were migrated into production. No unauthorized changes were found during the review of GenTax application and information technology general controls. See current year finding 2015-001.

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**2014-002 CAPITAL ASSETS**  
**2013-002 Overall State**  
**2012-2 CFDA Number Not Applicable**  
**2011-1 Partially Resolved**  
**2010-2**  
**2009-3**  
**2008-7**  
**2007-8**  
**2006-6**

Corrective action taken in FY 2015.

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

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. The Financial Accounting and Reporting Section (FARS) will review and verify all costs including, the on-going water costs, provided by DEP, are estimated reasonably for use in the Special Reclamation. See current year finding 2015-002.

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

As of May 26, 2016, FARS is in the process of hiring additional staff to assist in preparing the Comprehensive Annual Financial Report (CAFR) and to refine the fiscal year 2016 information to ensure that accurate timely financial statements are produced. FARS will also refine the procedures to obtain complete and accurate data timely from wvOASIS and determine the necessary action to prevent such delays from reoccurring. The additional staff will lessen the amount of workpapers needing to be prepared by

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management and allow management more time to review work prepared by staff accountants. The additional staff will also help management in the timely evaluation on the impact of new GASB pronouncements. See current year finding 2015-003.

**2014-005**    **SCHEDULE OF EXPENDITURES OF FEDERAL**  
**2013-003**    **AWARDS**  
**2012-5**      **Department of Administration - Overall State**  
**2011-4**      **CFDA Number Not Applicable**  
**2010-5**      **Partially Resolved**  
**2009-11**  
**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 2016. A closing book form is required to be signed by both the preparer and their supervisor as proof that the agency’s internal control procedures were followed prior to submission of the SEFA to FARS. FARS continues to evaluate the current staffing levels and will seek assistance in having the required reporting completed by the federally mandated timeline. See current year finding 2015-004.

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

Corrective action taken in FY 2015.

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**2014-007 INTERNAL CONTROLS OVER ELIGIBILITY  
WORKFORCE West Virginia (WFWV)  
CFDA number 17.225  
Partially Resolved**

WFWV has reviewed the current procedures and policies that deal with the compliance of eligibility of benefits and the importance of an official from the agency signing the initial claim form which includes the Benefits Rights Interview Checklist. Although WFWV strives to ensure all documents are signed, some new interviewers inadvertently did not place a signature on the documents. To deal with this issue, the agency is mandating that all local office managers reiterate in weekly staff meetings the importance of interviewers ensuring all documents are completed and signed. In addition to this corrective action, the agency is also requesting that a staff member review all documents completed by a new employee for a period of three months instead of 30 days, to ensure that each employee is completing the documents correctly and signing them appropriately. See current year finding 2015-009.

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

Corrective action taken in FY 2015.

**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  
Partially Resolved**

- **Change management:** Management has implemented a process to document explicit approval and provided

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documentation evidence of explicit approvals given in the current Change Management process in the recent audit.

- **Segregation of duties:** Since staff do not write code but rather use the vendor (Ellucian) code when deploying applications to production, the architectural nature of how the Banner system works limits the options for restricting the privileges of individuals when making changes to the production instance. Management has reached out to the application provider (Ellucian) for security assessment and methods to mitigate the issue as current preventative measures are limited. Otherwise, implementing procedures to have a third party to review the application change logs and updated modules to ensure that all changes are appropriated with the limited number of current staff skilled and knowledgeable to review and evaluate changes would require additional staffing or major reorganizing and training process.
- **Root access restriction:** Management has restricted privileged access to the root account. Privileged permissions at the operating system layer is only granted to appropriate IT administrators and DBAs who require this level of access to perform their job functions. When Database Administrator (DBAs) need that level of access, they elevate their privileges temporary using Super User DO (SUDO) command with audit trail in place.
- **Periodical review of user access:** Management acknowledges this issue and will work with the different departments to implement controls whereby user access to Banner applications is reviewed and documented on a periodic and at least annual basis. A proposed plan is in discussion to address this issues. A report of user access to Banner will be sent to department managers. The managers 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. See current year finding 2015-013.

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**2014-010**      **SPECIAL TESTS AND PROVISIONS – DISBURSEMENTS**  
**2013-025**      **TO OR ON BEHALF OF STUDENTS**  
**2012-27**      **West Virginia University (WVU)**  
**CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268,**  
**84.379, 93.264, 93.342, and 93.364**  
**Partially Resolved**

WVU has enhanced the current disbursement notification procedure to ensure that required information is provided to students and/or parents within 30 days before or after a loan or TEACH grant disbursement. Enhancements were in place for the 2015-2016 academic year. See current year finding 2015-014.

**2014-011**      **SPECIAL TESTS AND PROVISIONS –**  
**2013-028**      **REPORTING ENROLLMENT**  
**2012-43**      **Marshall University, West Virginia State University**  
**2012-47**      **Bluefield State College, Pierpont Community and**  
**2012-49**      **Technical College, and Concord University**  
**2011-22**      **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 2015.

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

Corrective action taken in FY 2015.

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**Bluefield State College response  
Partially Resolved**

Bluefield State College personnel responsible for the reporting to the National Student Clearinghouse (the Clearinghouse) have redefined the process. More controls are now in place to report enrollment verifications in a timely manner, including following up with the Clearinghouse. This ensures that if an error occurs, it is resolved in a timely manner. See current year finding 2015-015.

**Pierpont Community and Technical College response  
Partially Resolved**

Pierpont has discussed the Clearinghouse reporting issues of late submission with those who run the report. The Registrar's Office has changed the timeline on graduation submissions and will ensure reporting in a timely manner. Spot reviews will also be conducted by the Registrar's Office and the IT staff to identify any new issues with Clearinghouse reporting. See current year finding 2015-015.

**Concord response  
Partially Resolved**

Concord University's Student Status Confirmation Report (SSCR) is completed by the Clearinghouse. As of December 31, 2015, the Clearinghouse has implemented a new enhancement to automatically supplement the SSCR by sending to National Student Loan Data System (NSLDS) students who previously appeared on a roster and are actively enrolled at Concord University or another college. This enhancement should address the issue of students who should, but do not, appear on the NSLDS SSCR rosters. See current year finding 2015-015.

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**2014-012**    **SPECIAL TESTS AND PROVISIONS – STUDENT**  
**2013-029**    **LOAN REPAYMENTS**  
**2012-29**    **West Virginia 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 2015.

**2014-013**    **SPECIAL TESTS AND PROVISIONS – BORROWER**  
**2013-031**    **DATA TRANSMISSION AND RECONCILIATION**  
**2012-21**    **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**  
**Resolved**

Corrective action taken in FY 2015.

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

Corrective action taken in FY 2015.

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

Members of the WV State Legislature continue to be made aware of the State Level Maintenance of Effort Requirements under IDEA. Written communication concerning this finding and the amounts that are required for the State to continue meeting this requirement will also be sent to the State Budget Director in an

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ongoing effort to keep the State Budget Office informed. See current year finding 2015-017.

**2014-015      INDIRECT COST ALLOCATION**  
**2013-033      Division of Rehabilitation Services (DRS)**  
**2012-50        CFDA Number 84.126**  
**Partially Resolved**

DRS has developed a method to capture indirect costs more precisely than in the past. A true indirect cost pool has been developed and is used to allocate costs to Disability Determination Services, Vocational Rehabilitation, and Independent Living. All other grant and state programs are ineligible for recovery of indirect costs due to the nature of their distribution. Due to the nature of this situation, the agency took a conservative approach to indirects during fiscal year 2015. See current year finding 2015-021.

**2014-016      DHHR INFORMATION SYSTEM AND RELATED**  
**2013-034      BUSINESS PROCESS CONTROLS**  
**2012-51        Department of Health and Human Resources**  
**2011-46        CFDA Numbers 10.551/10.561, 93.558/ARRA 93.714,**  
**2010-43        93.775/93.777/93.778 and ARRA 93.778, 93.568, 93.575/**  
**2009-43        93.596, 93.767, 93.659, and 93.658**  
**2008-55        Partially Resolved**  
**2007-54**  
**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, DHHR implemented a detective control during fiscal year 2012 to address demand payments (Security Level 15

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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 controls within DHHR. DHHR will assess the possibility of implementing additional controls related to automatic payments. See current year finding 2015-025.

**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  
Resolved**

Corrective action taken in FY 2015.

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

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

Corrective action taken in FY 2015.

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

**2013-036 Department of Health and Human Resources  
2012-56 CFDA Number 93.558  
2011-44 Partially Resolved  
2010-41**

DHHR Bureau for Children and Families (BCF) issued a memorandum on March 20, 2015 instructing all regions to ensure that all meetings and training sessions are documented with

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respect to attendees and content. The BCF also developed a Blackboard training course in 2015 surrounding the issuance and removal of sanctions. However, legislation that passed shortly thereafter changed the rules surrounding the issuance and removal of sanctions, which caused the need for a new Blackboard training course to address the new rules surrounding the issuance and removal of sanctions. The new Blackboard training course was up and running on April 22, 2016. See current year finding 2015-024.

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

Corrective action taken in FY 2015.

**2014-021      ALLOWABILITY AND ELIGIBILITY**  
**2013-037      Department of Health and Human Resources**  
**2012-57        CFDA Number 93.568**  
**2011-50        Partially Resolved**  
**2010-46**  
**2009-48**  
**2008-59**  
**2007-59**  
**2006-43**  
**2005-50**

In an effort to clarify the exact manner by which a DHHR worker is to complete the application, the BCF will revise the Income Maintenance Manual accordingly, and will also revise Section IV of the application to indicate which sections are completed by a DHHR worker and, if applicable, the other agency worker. Furthermore, the BCF will also continue reviewing cases at the state office (central) level and will update its training program to address completion of Section IV of the Low Income Home Energy Assistance Program (LIHEAP) application. See current year finding 2015-026.

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<b>2014-022</b>	<b>DISASTER RECOVERY PLAN</b>
<b>2013-038</b>	<b>Department of Health and Human Resources</b>
<b>2012-58</b>	<b>CFDA Numbers 93.596 and 93.575</b>
<b>2011-51</b>	<b>Partially Resolved</b>
<b>2010-47</b>	
<b>2009-50</b>	
<b>2008-61</b>	
<b>2007-62</b>	
<b>2006-45</b>	
	DHHR awarded the contract for document imaging on May 1, 2015. DHHR plans to implement document imaging throughout the agency by December 31, 2016, and to roll document imaging out to the resource and referral agencies by March 31, 2017. See current year finding 2015-027.
<b>2014-023</b>	<b>SPECIAL TESTS AND PROVISIONS – PAYMENT RATE SETTING AND APPLICATION</b>
	<b>Department of Health and Human Resources</b>
	<b>CFDA Number 93.658</b>
	<b>Partially Resolved</b>
	In October 2015, DHHR implemented procedures to provide documentary evidence over the approval of group residential rates. See current year finding 2015-028.
<b>2014-024</b>	<b>ELIGIBILITY DOCUMENTATION</b>
<b>2013-040</b>	<b>Department of Health and Human Resources</b>
<b>2012-59</b>	<b>CFDA Number 93.659</b>
	<b>Partially Resolved</b>
	BCF released a memorandum on April 27, 2015 to remind staff to ensure that all information is included in the case files prior to archiving the files or transferring specialized agency adoptions to the state office. Furthermore, the BCF will also continue reviewing cases at the state office (central) level to ensure completion and accuracy and will consider updating its training program to address

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the proper maintenance of eligibility documentation. See current year finding 2015-029.

**2014-025 EARMARKING**  
**2013-041 Department of Health and Human Resources**  
**CFDA Number 93.667**  
**Partially Resolved**

DHHR prepared the earmarking calculation but no one outside of the preparer reviewed and signed off on the calculation. Therefore, effective immediately, DHHR will implement a procedure whereby someone other than the person who prepares the calculation will review and sign off on the calculation. See current year finding 2015-030.

**2014-026 ELIGIBILITY**  
**2013-042 Department of Health and Human Resources**  
**2012-61 CFDA Number 93.767**  
**2011-55 Resolved**  
**2010-52**  
**2009-56**

Corrective action taken in FY 2015

**2011-9 FNS REVIEW**  
**Department of Health and Human Resources**  
**CFDA Number 10.557**  
**Resolved**

Corrective action taken in FY 2015.