

West Virginia Single Audit



For the Year Ended June 30, 2016

STATE OF WEST VIRGINIA SINGLE AUDIT

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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 Jim Justice, Governor
of the State of West Virginia

We have audited, in accordance with 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, 2016, 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 April 30, 2017. 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, the West Virginia Water Development Authority 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.; The 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.

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. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the 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. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses and are reported as items 2016-001 and 2016-002.

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.



April 30, 2017



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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 the Uniform Guidance

The Honorable Jim Justice, 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) *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, 2016. 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 (a proprietary fund), and the following discretely presented component units; 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 \$304,640,027 collectively, in federal awards which are not included in the schedule of expenditures of federal awards during the year ended June 30, 2016. Our audit, described below, did not include the operations of this proprietary fund and these discretely presented component units, because they engaged other auditors to perform an audit of compliance in accordance with audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards 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; audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*. Those standards and the Uniform Guidance 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 Adverse Opinion on Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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

Finding Number	CFDA Number	Program or Cluster Name	Compliance Requirement
2016-024	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Subrecipient Monitoring
2016-025	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Reporting
2016-026	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Cash Management
2016-027	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Reporting
2016-028	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Matching
2016-029	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Special Tests and Provisions – Project Accounting

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

Adverse Opinion on Disaster Grants – Public Assistance (Presidentially Declared Disasters)

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the State of West Virginia did not comply, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Disaster Grants – Public Assistance (Presidentially Declared Disasters) for the year ended June 30, 2016.

Basis for Qualified Opinion on Workforce Investment Act National Emergency Grants, Student Financial Assistance Cluster, Rehabilitation Services – Vocational Rehabilitation Grants to States, 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:

Finding Number	CFDA Number	Program or Cluster Name	Compliance Requirement
2016-004	17.277	Workforce Investment Act National Emergency Grants	Cash Management
2016-008	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
2016-012	84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States	Eligibility
2016-018	93.568	Low-Income Home Energy Assistance	Allowable Costs/Cost Principles and Eligibility

Finding Number	CFDA Number	Program or Cluster Name	Compliance Requirement
2016-022	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 Workforce Investment Act National Emergency Grants, Student Financial Assistance Cluster, Rehabilitation Services - Vocational Rehabilitation Grants to States, 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 Workforce Investment Act National Emergency Grants, Student Financial Assistance Cluster, Rehabilitation Services - Vocational Rehabilitation Grants to States, Low-Income Home Energy Assistance, and Adoption Assistance for the year ended June 30, 2016.

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, 2016.

Other Matters

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

Finding Number	CFDA Number	Program or Cluster Name	Compliance Requirement
2016-003	17.225	Unemployment Insurance	Reporting
2016-014	93.094	Well-Integrated Screening and Evaluation for Women Across the Nation	Reporting
2016-015	93.558	Temporary Assistance for Needy Families	Eligibility
2016-019	93.568	Low-Income Home Energy Assistance	Reporting
2016-023	96.001	Social Security – Disability Insurance	Reporting

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 the Uniform Guidance, 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.

Finding Number	CFDA Number	Program or Cluster Name	Compliance Requirement
2016-004	17.277	Workforce Investment Act National Emergency Grants	Cash Management
2016-005	17.277	Workforce Investment Act National Emergency Grants	Reporting and Subrecipient Monitoring
2016-006	84.007/84.033/84.038/ 84.063/84.268/84.379/ 93.264/93.342/93.364	Student Financial Assistance Cluster	Special Tests and Provisions – Borrower Data Transmission and Reconciliation
2016-008	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
2016-010	84.007/84.033/84.038/ 84.063/84.268/84.379/ 93.264/93.342/93.364	Student Financial Assistance Cluster	Special Tests and Provisions – Return of Title IV Funds
2016-012	84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States	Eligibility
2016-013	84.126	Rehabilitation Services – Vocational Rehabilitation – Grants to States	Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Period of Availability of Federal Funds/Period of Performance

Finding Number	CFDA Number	Program or Cluster Name	Compliance Requirement
2016-016	93.558	Temporary Assistance for Needy Families	Special Tests and Provisions
2016-017	10.551/10.561/93.558/ 93.775/93.777/93.778/ 93.568/93.575/93.596/ 93.767/93.659/93.658	Temporary Assistance for Needy Families; Medicaid Cluster; Low-Income Home Energy Assistance; Child Care and Development Fund Cluster; Children's Health Insurance Program; Adoption Assistance; Foster Care – Title IV-E; Supplemental Nutrition Assistance Program Cluster	Activities Allowed or Unallowed; Allowable Costs/ Cost Principles; Eligibility; Period of Availability of Federal Funds/Period of Performance; Special Tests and Provisions, as applicable
2016-018	93.568	Low-Income Home Energy Assistance	Allowable Costs/Cost Principles and Eligibility
2016-019	93.568	Low-Income Home Energy Assistance	Reporting
2016-020	93.575/93.596	Child Care and Development Fund Cluster	Allowable Costs/Cost Principles; Eligibility
2016-021	93.575/93.596	Child Care and Development Fund Cluster	Special Tests and Provisions – Fraud Detection and Repayment
2016-022	93.659	Adoption Assistance	Eligibility
2016-024	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Subrecipient Monitoring
2016-025	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Reporting
2016-026	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Cash Management
2016-027	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Reporting
2016-028	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Matching
2016-029	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Special Tests and Provisions – Project Accounting

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.

Finding Number	CFDA Number	Program or Cluster Name	Compliance Requirement
2016-003	17.225	Unemployment Insurance	Reporting
2016-007	84.007/84.033/84.038/ 84.063/84.268/84.379/ 93.264/93.342/93.364	Student Financial Assistance Cluster	Cash Management

Finding Number	CFDA Number	Program or Cluster Name	Compliance Requirement
2016-009	84.007/84.033/84.038/ 84.063/84.268/84.379/ 93.264/93.342/93.364	Student Financial Assistance Cluster	Program Income
2016-011	84.007/84.033/84.038/ 84.063/84.268/84.379/ 93.264/93.342/93.364	Student Financial Assistance Cluster	Special Tests and Provisions – Verification
2016-015	93.558	Temporary Assistance for Needy Families	Eligibility
2016-023	96.001	Social Security – Disability Insurance	Reporting

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the State of West Virginia as of and for the year ended June 30, 2016, and have issued our report thereon dated April 30, 2017, 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 the Uniform Guidance 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 19, 2017

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

STATE OF WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FEDERAL GRANTOR LISTING
FOR THE YEAR ENDING JUNE 30, 2016

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT EXPENDITURES	TOTAL FEDERAL EXPENDITURES
<u>OFFICE OF DRUG CONTROL POLICY</u>				
G13AP0001A	APPALACHIAN HIDTA (NOTE 3)	\$26,873	\$0	\$26,873
G15AP0001A	APPALACHIAN HIDTA (NOTE 3)	\$428,583	\$0	\$428,583
G16AP0001A	APPALACHIAN HIDTA (NOTE 3)	\$37,550	\$0	\$37,550
<u>TOTAL OFFICE OF DRUG CONTROL POLICY</u>		<u>\$493,006</u>	<u>\$0</u>	<u>\$493,006</u>
<u>DEPARTMENT OF AGRICULTURE</u>				
10.025	PLANT AND ANIMAL DISEASE, PEST CONTROL, AND ANIMAL CARE	\$539,178	\$0	\$539,178
10.028	WILDLIFE SERVICES	\$10,000	\$0	\$10,000
10.072	WETLANDS RESERVE PROGRAM	\$23,204	\$0	\$23,204
10.170	SPECIALTY CROP BLOCK GRANT PROGRAM - FARM BILL	\$32,035	\$115,239	\$147,274
10.171	ORGANIC CERTIFICATION COST SHARE PROGRAMS	\$7,350	\$0	\$7,350
10.202***	COOPERATIVE FORESTRY RESEARCH PAYMENTS TO AGRICULTURAL EXPERIMENT STATIONS UNDER THE	\$456,555	\$0	\$456,555
10.203***	HATCH ACT	\$2,784,273	\$0	\$2,784,273
10.207	ANIMAL HEALTH AND DISEASE RESEARCH	\$7,408	\$0	\$7,408
10.216	1890 INSTITUTION CAPACITY BUILDING GRANTS	\$19,910	\$0	\$19,910
10.458	CROP INSURANCE EDUCATION IN TARGETED STATES COOPERATIVE AGREEMENTS WITH STATES FOR INTRASTATE MEAT	\$141,297	\$64,058	\$205,355
10.475	AND POULTRY INSPECTION	\$578,532	\$0	\$578,532
10.479	FOOD SAFETY COOPERATIVE AGREEMENTS	\$119,461	\$0	\$119,461
10.500	COOPERATIVE EXTENSION SERVICE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN,	\$4,996,493	\$0	\$4,996,493
10.557	INFANTS, AND CHILDREN	\$23,372,546	\$8,159,779	\$31,532,325
10.558	CHILD AND ADULT CARE FOOD PROGRAM	\$321,457	\$16,586,706	\$16,908,163
10.560	STATE ADMINISTRATIVE EXPENSES FOR CHILD NUTRITION	\$1,913,786	\$0	\$1,913,786
10.572	WIC FARMERS' MARKET NUTRITION PROGRAM (FMNP)	\$54,657	\$0	\$54,657
10.574	TEAM NUTRITION GRANTS	\$0	(\$223,849)	(\$223,849)
10.575	FARM TO SCHOOL GRANT PROGRAM	\$9,197	\$52,546	\$61,743
10.576	SENIOR FARMERS MARKET NUTRITION PROGRAM	\$383,565	\$0	\$383,565
10.579	CHILD NUTRITION DISCRETIONARY GRANTS LIMITED AVAILABILITY	\$0	\$244,242	\$244,242
10.582	FRESH FRUIT AND VEGETABLE PROGRAM	\$74,410	\$2,301,171	\$2,375,581
10.664	COOPERATIVE FORESTRY ASSISTANCE SCHOOLS AND ROADS-GRANTS TO STATES AND FOREST SERVICE	\$688,865	\$192,783	\$881,648
10.665	SCHOOLS AND ROADS CLUSTER	\$1,637,954	\$0	\$1,637,954
10.676	FOREST LEGACY PROGRAM	\$313,520	\$0	\$313,520
10.678	FOREST STEWARDSHIP PROGRAM	\$67,892	\$0	\$67,892
10.680	FOREST HEALTH PROTECTION	\$31,436	\$0	\$31,436
10.684	INTERNATIONAL FORESTRY PROGRAMS	\$66,363	\$0	\$66,363
10.902	SOIL AND WATER CONSERVATION	\$1,986	\$0	\$1,986
10.903	SOIL SURVEY	\$216,150	\$0	\$216,150
10.912	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	\$97,590	\$0	\$97,590
10.913	FARM AND RANCH LANDS PROTECTION PROGRAM	\$75,510	\$0	\$75,510
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	\$24,023	\$0	\$24,023
10.916	WATERSHED REHABILITATION PROGRAM	\$58,516	\$0	\$58,516
<u>SNAP CLUSTER</u>				
10.551	SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL	\$496,106,680	\$0	\$496,106,680
10.561	NUTRITION ASSISTANCE PROGRAM	\$16,907,422	\$4,276,754	\$21,184,176
<u>TOTAL SNAP CLUSTER</u>		<u>\$513,014,102</u>	<u>\$4,276,754</u>	<u>\$517,290,856</u>
<u>CHILD NUTRITION CLUSTER</u>				
10.553	SCHOOL BREAKFAST PROGRAM (SBP)	\$160,271	\$41,273,697	\$41,433,968
10.555	NATIONAL SCHOOL LUNCH PROGRAM (NSLP)	\$387,072	\$78,237,147	\$78,624,219
10.556	SPECIAL MILK PROGRAM FOR CHILDREN (SMP)	\$0	\$21,380	\$21,380
10.559	SUMMER FOOD SERVICE PROGRAM FOR CHILDREN (SFSPC)	\$41,202	\$1,541,228	\$1,582,430
<u>TOTAL CHILD NUTRITION CLUSTER</u>		<u>\$588,545</u>	<u>\$121,073,452</u>	<u>\$121,661,997</u>
<u>FOOD DISTRIBUTION CLUSTER</u>				
10.568	EMERGENCY FOOD ASSISTANCE PROGRAM (ADMINISTRATIVE COSTS)	\$17,171	\$455,021	\$472,192
10.569	EMERGENCY FOOD ASSISTANCE PROGRAM (FOOD COMMODITIES)	\$2,548,789	\$0	\$2,548,789
<u>TOTAL FOOD DISTRIBUTION CLUSTER</u>		<u>\$2,565,960</u>	<u>\$455,021</u>	<u>\$3,020,981</u>
13-JV-11242301-076	ASSESSING AND MAPPING FOREST CANOPY DAMAGE FROM SUPERSTORM SANDY	\$3,508	\$0	\$3,508
15-JV-11261975-070	THE IMPACT OF CLIMATE CHANGE ON COASTAL ALASKA FOREST CARBON SEQUESTRATION	\$11,274	\$0	\$11,274

**STATE OF WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FEDERAL GRANTOR LISTING
FOR THE YEAR ENDING JUNE 30, 2016**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT EXPENDITURES	TOTAL FEDERAL EXPENDITURES
MONONGHALIA				
NATIONAL FORREST NFS 2010-CR- 11062759-030	STUDY OF NEW CRAYFISH SPECIES REGION 6 ROUND 3 NVUM	\$1,750	\$0	\$1,750
TOTAL DEPARTMENT OF AGRICULTURE		\$514,145	\$0	\$514,145
DEPARTMENT OF COMMERCE				
11.111	FOREIGN-TRADE ZONES IN THE UNITED STATES INVESTMENTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT	(\$348)	\$0	(\$348)
11.300	FACILITIES AND ECONOMIC DEVELOPMENT CLUSTER	\$1,557,401	\$0	\$1,557,401
11.549	STATE AND LOCAL IMPLEMENTATION GRANT PROGRAM ARRA - STATE BROADBAND DATA AND DEVELOPMENT GRANT PROGRAM	\$71,605	\$0	\$71,605
11.558	MANUFACTURING EXTENSION PARTNERSHIP	\$0	\$6,500	\$6,500
11.611	ADVANCED TECHNOLOGY PROGRAM	\$225,523	\$0	\$225,523
11.612	SCIENCE, TECHNOLOGY, BUSINESS AND/OR EDUCATION OUTREACH	\$6,286	\$0	\$6,286
11.620		\$14,280	\$0	\$14,280
TOTAL DEPARTMENT OF COMMERCE		\$1,874,747	\$6,500	\$1,881,247
DEPARTMENT OF DEFENSE				
12.113	STATE MEMORANDUM OF AGREEMENT PROGRAM FOR THE REIMBURSEMENT OF TECHNICAL SERVICES	\$219,278	\$0	\$219,278
12.400	MILITARY CONSTRUCTION, NATIONAL GUARD NATIONAL GUARD MILITARY OPERATIONS AND MAINTENANCE (O&M) PROJECTS	\$3,063,618	\$0	\$3,063,618
12.401	NATIONAL GUARD CHALLENGE PROGRAM	\$27,423,506	\$0	\$27,423,506
12.404	LANGUAGE GRANT PROGRAM	\$3,602,936	\$0	\$3,602,936
12.900		\$34,306	\$38,551	\$72,857
N624701328026, N624701227014	CONTRACTS - US NAVY SURGAR GROVE	\$10,000	\$0	\$10,000
TOTAL DEPARTMENT OF DEFENSE		\$34,353,644	\$38,551	\$34,392,195
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
14.110	MANUFACTURED HOME LOAN INSURANCE-FINANCING PURCHASE OF MANUFACTURED HOMES AS PRINCIPAL RESIDENCES OF BORROWERS	\$65,306	\$0	\$65,306
14.228	COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM AND NON-ENTITLEMENT GRANTS IN HAWAII	\$404,497	\$9,659,335	\$10,063,832
14.231	EMERGENCY SOLUTIONS GRANT PROGRAM	\$65,768	\$1,286,302	\$1,352,070
14.241	HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	\$10,958	\$320,901	\$331,859
14.400	EQUAL OPPORTUNITY IN HOUSING	\$161,211	\$0	\$161,211
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		\$707,740	\$11,266,538	\$11,974,278
DEPARTMENT OF THE INTERIOR				
15.250	REGULATION OF SURFACE COAL MINING AND SURFACE EFFECTS OF UNDERGROUND COAL MINING	\$12,144,344	\$0	\$12,144,344
15.252	ABANDONED MINE LAND RECLAMATION (AMLR)	\$24,077,911	\$16,171,358	\$40,249,269
15.433	FLOOD CONTROL ACT LANDS	\$370,472	\$0	\$370,472
15.622	SPORTFISHING AND BOATING SAFETY ACT	\$60,930	\$0	\$60,930
15.634	STATE WILDLIFE GRANTS ENDANGERED SPECIES CONSERVATION - RECOVERY IMPLEMENTATION FUNDS	\$1,273,416	\$0	\$1,273,416
15.657		\$94,615	\$0	\$94,615
15.808	U.S. GEOLOGICAL SURVEY-RESEARCH AND DATA COLLECTION	\$1,986	\$0	\$1,986
15.810	NATIONAL COOPERATIVE GEOLOGIC MAPPING	\$82,021	\$0	\$82,021
15.812	COOPERATIVE RESEARCH UNITS PROGRAM	\$22,698	\$0	\$22,698
15.814	NATIONAL GEOLOGICAL AND GEOPHYSICAL DATA PRESERVATION	\$17,178	\$0	\$17,178
15.904	HISTORIC PRESERVATION FUND GRANTS-IN-AID OUTDOOR RECREATION-ACQUISITION, DEVELOPMENT AND PLANNING	\$669,170	\$178,717	\$847,887
15.916		\$22,139	\$510,409	\$532,548
15.922	NATIVE AMERICAN GRAVES PROTECTION AND REPATRIATION ACT	\$20,032	\$0	\$20,032
15.939	NATIONAL HERITAGE AREA FEDERAL FINANCIAL ASSISTANCE	\$312,927	\$0	\$312,927
FISH AND WILDLIFE CLUSTER				
15.605	SPORT FISH RESTORATION PROGRAM	\$2,508,790	\$0	\$2,508,790
15.611	WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION	\$5,279,549	\$0	\$5,279,549
TOTAL FISH AND WILDLIFE CLUSTER		\$7,788,339	\$0	\$7,788,339
15.H6000082000 # P11AC60552***	Order VULNERABILITY OF SENSITIVE KARST HABITATS CONTAINING RTE SPECIES IN CHO	\$32,648	\$0	\$32,648
TOTAL DEPARTMENT OF THE INTERIOR		\$46,990,826	\$16,860,484	\$63,851,310

**STATE OF WEST VIRGINIA
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FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT EXPENDITURES	TOTAL FEDERAL EXPENDITURES
<u>DEPARTMENT OF JUSTICE</u>				
16.017	SEXUAL ASSAULT SERVICES FORMULA PROGRAM	\$1,660	\$267,564	\$269,224
16.523	JUVENILE ACCOUNTABILITY BLOCK GRANTS	\$5,126	\$69,765	\$74,891
16.525	GRANTS TO REDUCE DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, AND STALKING ON CAMPUS	\$123,463	\$0	\$123,463
16.528	ENHANCED TRAINING AND SERVICES TO END VIOLENCE AND ABUSE OF WOMEN LATER IN LIFE	\$3,233	\$74,714	\$77,947
16.540	JUVENILE JUSTICE AND DELINQUENCY PREVENTION-ALLOCATION TO STATES	\$41,344	\$128,555	\$169,899
16.543	MISSING CHILDREN'S ASSISTANCE	\$387,163	\$0	\$387,163
16.550	STATE JUSTICE STATISTICS PROGRAM FOR STATISTICAL ANALYSIS CENTERS	\$47,382	\$0	\$47,382
16.554	NATIONAL CRIMINAL HISTORY IMPROVEMENT PROGRAM (NCHIP)	\$1,071,518	\$0	\$1,071,518
16.562	CRIMINAL JUSTICE RESEARCH AND DEVELOPMENT-GRADUATE RESEARCH FELLOWSHIPS	\$37,733	\$0	\$37,733
16.575	CRIME VICTIM ASSISTANCE	\$199,183	\$2,677,778	\$2,876,961
16.579	EDWARD BYRNE MEMORIAL FORMULA GRANT PROGRAM	\$417,645	\$1,129,804	\$1,547,449
16.585	DRUG COURT DISCRETIONARY GRANT PROGRAM	\$366,417	\$0	\$366,417
16.588	VIOLENCE AGAINST WOMEN FORMULA GRANTS	\$139,150	\$1,023,329	\$1,162,479
16.589	RURAL DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, AND STALKING ASSISTANCE PROGRAM	\$682	\$23,131	\$23,813
16.590	GRANTS TO ENCOURAGE ARREST POLICIES AND ENFORCEMENT OF PROTECTION ORDERS PROGRAM	\$199,548	\$495,277	\$694,825
16.593	RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS	\$4,077	\$50,223	\$54,300
16.607	BULLETPROOF VEST PARTNERSHIP PROGRAM	\$700	\$0	\$700
16.710	PUBLIC SAFETY PARTNERSHIP AND COMMUNITY POLICING GRANTS	\$717,203	\$0	\$717,203
16.727	ENFORCING UNDERAGE DRINKING LAWS PROGRAM PREA PROGRAM: DEMONSTRATION PROJECTS TO ESTABLISH "ZERO TOLERANCE" CULTURES FOR SEXUAL ASSAULT IN CORRECTIONAL FACILITIES	\$0	\$45,309	\$45,309
16.735	EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	\$3	\$29,668	\$29,671
16.738	PROGRAM	\$129,650	\$0	\$129,650
16.741	DNA BACKLOG REDUCTION PROGRAM	\$467,758	\$0	\$467,758
16.742	PAUL COVERDELL FORENSIC SCIENCES IMPROVEMENT GRANT PROGRAM	\$72,134	\$44,062	\$116,196
16.745	CRIMINAL AND JUVENILE JUSTICE AND MENTAL HEALTH COLLABORATION PROGRAM	\$36,293	\$0	\$36,293
16.813	NICS ACT RECORD IMPROVEMENT PROGRAM	\$1,010,111	\$0	\$1,010,111
16.816	JOHN R. JUSTICE PROSECUTORS AND DEFENDERS INCENTIVE ACT	\$1,323	\$0	\$1,323
16.817	BYRNE CRIMINAL JUSTICE INNOVATION PROGRAM	\$4,279	\$0	\$4,279
16.833	NATIONAL SEXUAL ASSAULT KIT INITIATIVE	\$2,094	\$0	\$2,094
16.922	EQUITABLE SHARING PROGRAM	\$7,387	\$0	\$7,387
2001100	MISCELLANEOUS JUSTICE PROGRAMS	\$898,912	\$0	\$898,912
2001HSWXK035	REGIONAL COMMUNITY POLICING INSTITUTE	\$20,872	\$0	\$20,872
E/S-JUSTICE	EQUITABLE SHARING PROGRAM-JUSTICE	\$1,606,199	\$0	\$1,606,199
PURDUE	PURDUE PHARMA SETTLEMENT	\$700,157	\$15,000	\$715,157
<u>TOTAL DEPARTMENT OF JUSTICE</u>		<u>\$8,720,399</u>	<u>\$6,074,179</u>	<u>\$14,794,578</u>
<u>DEPARTMENT OF LABOR</u>				
17.002	LABOR FORCE STATISTICS	\$648,964	\$0	\$648,964
17.005	COMPENSATION AND WORKING CONDITIONS	\$212,776	\$0	\$212,776
17.225	UNEMPLOYMENT INSURANCE (NOTE 4)	\$465,748,668	\$0	\$465,748,668
17.235	SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM	\$59,291	\$809,596	\$868,887
17.245	TRADE ADJUSTMENT ASSISTANCE	\$3,147,635	\$0	\$3,147,635
17.267	INCENTIVE GRANTS - WIA SECTION 503	\$62,887	\$233,955	\$296,842
17.271	WORK OPPORTUNITY TAX CREDIT PROGRAM (WOTC)	\$245,341	\$0	\$245,341
17.273	TEMPORARY LABOR CERTIFICATION FOR FOREIGN WORKERS ARRA- PROGRAM OF COMPETITIVE GRANTS FOR WORKER TRAINING AND PLACEMENT IN HIGH GROWTH AND EMERGING INDUSTRY SECTORS	\$96,867	\$0	\$96,867
17.275	WORKFORCE INVESTMENT ACT (WIA) NATIONAL EMERGENCY GRANTS	\$9,444	\$0	\$9,444
17.277	WIA/WIOA DISLOCATED WORKER NATIONAL RESERVE TECHNICAL ASSISTANCE AND TRAINING	\$2,037,159	\$8,330,529	\$10,367,688
17.281	TRADE ADJUSTMENT ASSISTANCE COMMUNITY COLLEGE AND CAREER TRAINING (TAACCCT) GRANTS	\$122,255	\$0	\$122,255
17.282	CONSULTATION AGREEMENTS	\$12,087,776	\$0	\$12,087,776
17.504	MINE HEALTH AND SAFETY GRANTS	\$433,946	\$0	\$433,946
17.600		\$977,761	\$0	\$977,761

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<u>EMPLOYMENT SERVICE CLUSTER</u>				
17.207	EMPLOYMENT SERVICE/WAGNER-PEYSER FUNDED ACTIVITIES	\$6,357,493	\$0	\$6,357,493
17.801	DISABLED VETERANS' OUTREACH PROGRAM (DVOP)	\$819,959	\$0	\$819,959
17.804	LOCAL VETERANS' EMPLOYMENT REPRESENTATIVE (LVER) PROGRAM	\$205,432	\$0	\$205,432
	<u>TOTAL EMPLOYMENT SERVICE CLUSTER</u>	\$7,382,884	\$0	\$7,382,884
<u>WIA/WIOA CLUSTER</u>				
17.258	WIA/WIOA - ADULT PROGRAM	\$401,927	\$3,625,862	\$4,027,789
17.259	WIA/WIOA - YOUTH ACTIVITIES	\$853,093	\$3,324,597	\$4,177,690
17.278	WIA/WIOA DISLOCATED WORKER FORMULA GRANTS	\$1,274,747	\$3,737,949	\$5,012,696
	<u>TOTAL WIA/WIOA CLUSTER</u>	\$2,529,767	\$10,688,408	\$13,218,175
17.999	MISCELLANEOUS LABOR PROGRAMS	(\$2,175,167)	\$0	(\$2,175,167)
DOL-OPS-16-P-00002	OCCUPATIONAL MEDICINE ELECTIVE	\$3,200	\$0	\$3,200
<u>TOTAL DEPARTMENT OF LABOR</u>		\$493,631,454	\$20,062,488	\$513,693,942
<u>DEPARTMENT OF TRANSPORTATION</u>				
20.205*	HIGHWAY PLANNING AND CONSTRUCTION	\$409,074,090	\$5,398,007	\$414,472,097
20.215	HIGHWAY TRAINING AND EDUCATION	\$14,330	\$0	\$14,330
20.218	NATIONAL MOTOR CARRIER SAFETY	\$1,688,687	\$0	\$1,688,687
20.219*	RECREATIONAL TRAILS PROGRAM	\$842,808	\$0	\$842,808
20.232	COMMERCIAL DRIVER'S LICENSE PROGRAM IMPROVEMENT GRANT	\$179,712	\$0	\$179,712
20.237	COMMERCIAL VEHICLE INFORMATION SYSTEMS AND NETWORKS METROPOLITAN TRANSPORTATION PLANNING AND STATE AND NON-	\$7,050	\$0	\$7,050
20.505	METROPOLITAN PLANNING AND RESEARCH	\$80,659	\$80,205	\$160,864
20.509	FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS	\$1,199,733	\$5,286,218	\$6,485,951
20.514	PUBLIC TRANSPORTATION RESEARCH	\$1,337	\$0	\$1,337
20.528	RAIL FIXED GUIDEWAY PUBLIC TRANSPORTATION SYSTEM STATE SAFETY OVERSIGHT FORMULA GRANT PROGRAM	\$79,971	\$0	\$79,971
20.607	ALCOHOL OPEN CONTAINER REQUIREMENTS NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA)	\$4,408,177	\$1,358,780	\$5,766,957
20.614	DISCRETIONARY SAFETY GRANTS	\$51,410	\$0	\$51,410
20.700	PIPELINE SAFETY PROGRAM STATE BASE GRANT INTERAGENCY HAZARDOUS MATERIALS PUBLIC SECTOR TRAINING	\$627,958	\$0	\$627,958
20.703	AND PLANNING GRANTS PIPELINE SAFETY RESEARCH COMPETITIVE ACADEMIC AGREEMENT	\$114,990	\$113,130	\$228,120
20.724	PROGRAM (CAAP)	\$29,388	\$0	\$29,388
20.933	NATIONAL INFRASTRUCTURE INVESTMENTS	\$1,886,795	\$0	\$1,886,795
<u>FEDERAL TRANSIT CLUSTER</u>				
20.500	FEDERAL TRANSIT - CAPITAL INVESTMENT GRANTS	(\$24,570)	\$0	(\$24,570)
20.525	STATE OF GOOD REPAIR GRANTS PROGRAM	\$959,307	\$0	\$959,307
20.526	BUS AND BUS FACILITIES FORMULA PROGRAM	\$1,199,400	\$0	\$1,199,400
	<u>TOTAL FEDERAL TRANSIT CLUSTER</u>	\$2,134,137	\$0	\$2,134,137
<u>TRANSIT SERVICES PROGRAMS CLUSTER</u>				
20.513	ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	\$1,349,115	\$685,127	\$2,034,242
20.516	JOB ACCESS AND REVERSE COMMUTE PROGRAM	\$4	\$882	\$886
20.521	NEW FREEDOM PROGRAM	\$17,342	\$122,594	\$139,936
	<u>TOTAL TRANSIT SERVICES PROGRAMS CLUSTER</u>	\$1,366,461	\$808,603	\$2,175,064
<u>HIGHWAY SAFETY CLUSTER</u>				
20.600	STATE AND COMMUNITY HIGHWAY SAFETY ALCOHOL IMPAIRED DRIVING COUNTERMEASURES INCENTIVE	\$732,351	\$1,021,764	\$1,754,115
20.601	GRANTS I	\$743,375	\$340,559	\$1,083,934
20.609	SAFETY BELT PERFORMANCE GRANTS STATE TRAFFIC SAFETY INFORMATION SYSTEM IMPROVEMENTS	\$0	\$97,365	\$97,365
20.610	GRANTS	\$48,680	\$694,975	\$743,655
20.612	INCENTIVE GRANT PROGRAM TO INCREASE MOTORCYCLIST SAFETY	\$36,459	\$7,079	\$43,538
20.613	CHILD SAFETY AND CHILD BOOSTER SEAT INCENTIVE GRANTS	\$3,955	\$14,973	\$18,928
20.616	NATIONAL PRIORITY SAFETY PROGRAMS	\$913,219	\$89,960	\$1,003,179
	<u>TOTAL HIGHWAY SAFETY CLUSTER</u>	\$2,478,039	\$2,266,675	\$4,744,714
<u>TOTAL DEPARTMENT OF TRANSPORTATION</u>		\$426,265,732	\$15,311,618	\$441,577,350
<u>DEPARTMENT OF THE TREASURY</u>				
E/S-TREASURY	EQUITABLE SHARING PROGRAM-TREASURY	\$177,111	\$0	\$177,111
<u>TOTAL DEPARTMENT OF THE TREASURY</u>		\$177,111	\$0	\$177,111

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<u>APPALACHIAN REGIONAL COMMISSION</u>				
23.002	APPALACHIAN AREA DEVELOPMENT	\$356,295	\$814,866	\$1,171,161
23.003*	APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM	\$3,636,371	\$0	\$3,636,371
23.011	APPALACHIAN RESEARCH, TECHNICAL ASSISTANCE, AND DEMONSTRATION PROJECTS	\$88,004	\$0	\$88,004
CO-18491-16	APPALACHIAN REGIONAL COMMISSION TECH HIRE GRANT	\$5,000	\$0	\$5,000
<u>TOTAL APPALACHIAN REGIONAL COMMISSION</u>		<u>\$4,085,670</u>	<u>\$814,866</u>	<u>\$4,900,536</u>
<u>EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u>				
30.001	EMPLOYMENT DISCRIMINATION-TITLE VII OF THE CIVIL RIGHTS ACT OF 1964	\$288,870	\$0	\$288,870
<u>TOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u>		<u>\$288,870</u>	<u>\$0</u>	<u>\$288,870</u>
<u>GENERAL SERVICES ADMINISTRATION</u>				
39.003	DONATION OF FEDERAL SURPLUS PERSONAL PROPERTY	\$45,626	\$0	\$45,626
<u>TOTAL GENERAL SERVICES ADMINISTRATION</u>		<u>\$45,626</u>	<u>\$0</u>	<u>\$45,626</u>
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>				
43.001	SCIENCE	\$301,224	\$0	\$301,224
43.008	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NOTE 3)	\$25,680	\$0	\$25,680
<u>TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>		<u>\$326,904</u>	<u>\$0</u>	<u>\$326,904</u>
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>				
45.025	PROMOTION OF THE ARTS-PARTNERSHIP AGREEMENTS	\$342,472	\$286,261	\$628,733
45.163	PROMOTION OF THE HUMANITIES-PROFESSIONAL DEVELOPMENT	\$9,778	\$0	\$9,778
45.310	GRANTS TO STATES	\$704,280	\$230,965	\$935,245
<u>TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>		<u>\$1,056,530</u>	<u>\$517,226</u>	<u>\$1,573,756</u>
<u>NATIONAL SCIENCE FOUNDATION</u>				
47.049****	MATHEMATICAL AND PHYSICAL SCIENCES	(\$14,783)	\$0	(\$14,783)
47.076****	EDUCATION AND HUMAN RESOURCES OFFICE OF EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH	\$519,509	\$0	\$519,509
47.081****		\$455,263	\$3,020,995	\$3,476,258
<u>TOTAL NATIONAL SCIENCE FOUNDATION</u>		<u>\$959,989</u>	<u>\$3,020,995</u>	<u>\$3,980,984</u>
<u>SMALL BUSINESS ADMINISTRATION</u>				
59.037	SMALL BUSINESS DEVELOPMENT CENTERS	\$737,476	\$0	\$737,476
59.061	STATE TRADE AND EXPORT PROMOTION PILOT GRANT PROGRAM ENTREPRENEURIAL DEVELOPMENT DISASTER ASSISTANCE (DISASTER RELIEF APPROPRIATIONS ACT)	\$0	\$63,900	\$63,900
59.064		\$51,529	\$0	\$51,529
<u>TOTAL SMALL BUSINESS ADMINISTRATION</u>		<u>\$789,005</u>	<u>\$63,900</u>	<u>\$852,905</u>
<u>DEPARTMENT OF VETERANS AFFAIRS</u>				
64.015	VETERANS STATE NURSING HOME CARE	\$7,063,530	\$0	\$7,063,530
64.124	ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE GEOGRAPHICAL DIFFERENCES IN PREVENTABLE HOSPITALIZATIONS AMONG VETERANS WITH DIABETES	\$145,065	\$0	\$145,065
IPA		\$65,534	\$0	\$65,534
<u>TOTAL DEPARTMENT OF VETERANS AFFAIRS</u>		<u>\$7,274,129</u>	<u>\$0</u>	<u>\$7,274,129</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>				
66.001	AIR POLLUTION CONTROL PROGRAM SUPPORT	\$1,429,145	\$0	\$1,429,145
66.032	STATE INDOOR RADON GRANTS SURVEYS, STUDIES, RESEARCH, INVESTIGATIONS, DEMONSTRATIONS, AND SPECIAL PURPOSE ACTIVITIES RELATING TO THE CLEAN AIR ACT	\$46,931	\$33,964	\$80,895
66.034		\$548,802	\$0	\$548,802
66.202	CONGRESSIONALLY MANDATED PROJECTS WATER POLLUTION CONTROL STATE, INTERSTATE, AND TRIBAL PROGRAM SUPPORT	\$7,983	\$0	\$7,983
66.419		\$2,129,568	\$0	\$2,129,568
66.432	STATE PUBLIC WATER SYSTEM SUPERVISION	\$812,525	\$0	\$812,525
66.433	STATE UNDERGROUND WATER SOURCE PROTECTION	\$115,457	\$0	\$115,457
66.454	WATER QUALITY MANAGEMENT PLANNING CAPITALIZATION GRANTS FOR CLEAN WATER STATE REVOLVING FUNDS AND CLEAN WATER STATE REVOLVING FUND CLUSTER	\$231,411	\$44,614	\$276,025
66.458		\$0	\$21,745,000	\$21,745,000
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	\$1,121,058	\$790,031	\$1,911,089
66.461	REGIONAL WETLAND PROGRAM DEVELOPMENT GRANTS	\$115,587	\$0	\$115,587
66.466	CHESAPEAKE BAY PROGRAM CAPITALIZATION GRANTS FOR DRINKING WATER STATE REVOLVING FUNDS AND DRINKING WATER STATE REVOLVING FUND CLUSTER	\$1,045,625	\$287,117	\$1,332,742
66.468		\$8,968,841	\$371,604	\$9,340,445
66.474	WATER PROTECTION GRANTS TO THE STATES	\$11,927	\$2,996	\$14,923
66.605	PERFORMANCE PARTNERSHIP GRANTS	\$287,068	\$0	\$287,068

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66.608	ENVIRONMENTAL INFORMATION EXCHANGE NETWORK GRANT PROGRAM AND RELATED ASSISTANCE	\$3,066	\$0	\$3,066
66.701	TOXIC SUBSTANCES COMPLIANCE MONITORING COOPERATIVE AGREEMENTS	\$80,644	\$0	\$80,644
66.707	TSCA TITLE IV STATE LEAD GRANTS CERTIFICATION OF LEAD-BASED PAINT PROFESSIONALS	\$160,535	\$0	\$160,535
66.801	HAZARDOUS WASTE MANAGEMENT STATE PROGRAM SUPPORT SUPERFUND STATE, POLITICAL SUBDIVISION, AND INDIAN TRIBE SITE-	\$2,388,934	\$0	\$2,388,934
66.802	SPECIFIC COOPERATIVE AGREEMENTS UNDERGROUND STORAGE TANK PREVENTION, DETECTION AND	\$120,942	\$0	\$120,942
66.804	COMPLIANCE PROGRAM LEAKING UNDERGROUND STORAGE TANK TRUST FUND CORRECTIVE	\$383,931	\$0	\$383,931
66.805	ACTION PROGRAM SUPERFUND STATE AND INDIAN TRIBE CORE PROGRAM COOPERATIVE	\$573,454	\$0	\$573,454
66.809	AGREEMENTS BROWNFIELD ASSESSMENT AND CLEANUP COOPERATIVE	\$183,946	\$0	\$183,946
66.818	AGREEMENTS	\$1,702	\$0	\$1,702
DEPMISCFED01	MISC. FEDERAL AWARD PROGRAMS	(\$94,646)	\$0	(\$94,646)
TOTAL ENVIRONMENTAL PROTECTION AGENCY		\$20,674,436	\$23,275,326	\$43,949,762
DEPARTMENT OF ENERGY				
81.041	STATE ENERGY PROGRAM	\$363,875	\$45,639	\$409,514
81.042	WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS	\$479,655	\$2,256,662	\$2,736,317
81.057	UNIVERSITY COAL RESEARCH	\$39,881	\$0	\$39,881
81.086	CONSERVATION RESEARCH AND DEVELOPMENT	\$55,511	\$0	\$55,511
81.089***	FOSSIL ENERGY RESEARCH AND DEVELOPMENT ENERGY EFFICIENCY AND RENEWABLE ENERGY INFORMATION DISSEMINATION, OUTREACH, TRAINING AND TECHNICAL	\$69,942	\$0	\$69,942
81.117	ANALYSIS/ASSISTANCE	\$289,269	\$0	\$289,269
CONTRACT 188074	VOLUNTARY SECURITY ENHANCEMENTS AND MAINTENANCE	\$18,010	\$0	\$18,010
OIL	PETROLEUM VIOLATION ESCROW FUNDS	\$0	\$9,155	\$9,155
TOTAL DEPARTMENT OF ENERGY		\$1,316,143	\$2,311,456	\$3,627,599
DEPARTMENT OF EDUCATION				
84.002	ADULT EDUCATION - BASIC GRANTS TO STATES FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS	\$393,014	\$3,155,316	\$3,548,330
84.007**	(FSEOG)	\$3,629,987	\$0	\$3,629,987
84.010	TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES TITLE I STATE AGENCY PROGRAM FOR NEGLECTED AND DELINQUENT	\$1,197,410	\$86,927,559	\$88,124,969
84.013	CHILDREN AND YOUTH	\$1,127,968	\$0	\$1,127,968
84.031	HIGHER EDUCATION-INSTITUTIONAL AID	\$2,961,118	\$0	\$2,961,118
84.033**	FEDERAL WORK-STUDY PROGRAM (FWS)	\$3,512,064	\$0	\$3,512,064
84.038**	FEDERAL PERKINS LOAN (FPL) - FEDERAL CAPITAL CONTRIBUTIONS	\$50,257,882	\$0	\$50,257,882
84.048	CAREER AND TECHNICAL EDUCATION-BASIC GRANTS TO STATES	\$3,162,382	\$5,624,271	\$8,786,653
84.063**	FEDERAL PELL GRANT PROGRAM (PELL) REHABILITATION SERVICES-VOCATIONAL REHABILITATION GRANTS TO STATES	\$114,804,665	\$0	\$114,804,665
84.126	INDEPENDENT LIVING-STATE GRANTS	\$34,868,855	\$1,951,595	\$36,820,450
84.169	INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND	\$0	\$19,086	\$19,086
84.177	SPECIAL EDUCATION - GRANTS FOR INFANTS AND FAMILIES	\$25,772	\$0	\$25,772
84.181	SCHOOL SAFETY NATIONAL ACTIVITIES	\$1,698,959	\$403,346	\$2,102,305
84.184	SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH THE MOST SIGNIFICANT DISABILITIES	\$719,031	\$207,538	\$926,569
84.187	EDUCATION FOR HOMELESS CHILDREN AND YOUTH	\$450,000	\$0	\$450,000
84.196	FUND FOR THE IMPROVEMENT OF EDUCATION	\$83,930	\$318,566	\$402,496
84.215	REHABILITATION TRAINING-STATE VOCATIONAL REHABILITATION UNIT	\$4	\$0	\$4
84.265	IN-SERVICE TRAINING	\$49,197	\$0	\$49,197
84.268**	FEDERAL DIRECT STUDENT LOANS (DIRECT LOAN)	\$452,438,154	\$0	\$452,438,154
84.287	TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS SPECIAL EDUCATION-TECHNICAL ASSISTANCE AND DISSEMINATION TO IMPROVE SERVICES AND RESULTS FOR CHILDREN WITH DISABILITIES	\$241,343	\$6,877,773	\$7,119,116
84.326	ADVANCED PLACEMENT PROGRAM (ADVANCED PLACEMENT TEST FEE; ADVANCED PLACEMENT INCENTIVE PROGRAM GRANTS)	\$102,632	\$32,049	\$134,681
84.330	GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS	\$142,362	\$79,669	\$222,031
84.334	CHILD CARE ACCESS MEANS PARENTS IN SCHOOL	\$2,220,147	\$1,312,602	\$3,532,749
84.335	VOCATIONAL EDUCATION-OCCUPATIONAL AND EMPLOYMENT	\$193,615	\$0	\$193,615
84.346	INFORMATION STATE GRANTS	\$85,058	\$0	\$85,058
84.358	RURAL EDUCATION	\$19,017	\$2,270,586	\$2,289,603

**STATE OF WEST VIRGINIA
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FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT EXPENDITURES	TOTAL FEDERAL EXPENDITURES
84.365	ENGLISH LANGUAGE ACQUISITION STATE GRANTS	\$113,862	\$493,939	\$607,801
84.366	MATHEMATICS AND SCIENCE PARTNERSHIPS	\$4,035	\$544,099	\$548,134
84.367	SUPPORTING EFFECTIVE INSTRUCTION STATE GRANT	\$639,823	\$19,351,161	\$19,990,984
84.369	GRANTS FOR STATE ASSESSMENTS AND RELATED ACTIVITIES	\$1,821,058	\$1,234,971	\$3,056,029
84.372	STATEWIDE LONGITUDINAL DATA SYSTEMS	\$1,924,146	\$0	\$1,924,146
	NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT (SMART) GRANTS (SMART GRANTS)	\$11,938	\$0	\$11,938
84.377	SCHOOL IMPROVEMENT GRANTS	\$1,280,127	\$0	\$1,280,127
84.378	COLLEGE ACCESS CHALLENGE GRANT PROGRAM	\$754,269	\$70,000	\$824,269
	TEACHER EDUCATION ASSISTANCE FOR COLLEGE AND HIGHER EDUCATION GRANTS (TEACH GRANTS)	\$506,272	\$0	\$506,272
84.388	ARRA- SCHOOL IMPROVEMENT GRANTS, RECOVERY ACT	\$270	\$0	\$270
	<u>SPECIAL EDUCATION CLUSTER (IDEA)</u>			
84.027	SPECIAL EDUCATION-GRANTS TO STATES (IDEA, PART B)	\$6,444,293	\$71,548,555	\$77,992,848
84.173	SPECIAL EDUCATION-PRESCHOOL GRANTS (IDEA PRESCHOOL)	\$549,259	\$2,831,230	\$3,380,489
	<u>TOTAL SPECIAL EDUCATION CLUSTER (IDEA)</u>	<u>\$6,993,552</u>	<u>\$74,379,785</u>	<u>\$81,373,337</u>
	<u>TRIO CLUSTER</u>			
84.042	TRIO-STUDENT SUPPORT SERVICES	\$1,481,926	\$0	\$1,481,926
84.044	TRIO-TALENT SEARCH	\$254,999	\$0	\$254,999
84.047	TRIO-UPWARD BOUND	\$1,541,681	\$0	\$1,541,681
84.066	TRIO-EDUCATIONAL OPPORTUNITY CENTERS	\$297,051	\$0	\$297,051
84.217	TRIO-MCNAIR POST-BACCALAUREATE ACHIEVEMENT	\$435,485	\$0	\$435,485
	<u>TOTAL TRIO CLUSTER</u>	<u>\$4,011,142</u>	<u>\$0</u>	<u>\$4,011,142</u>
CO-13764E	APPALACHIAN HIGHER EDUCATION NETWORK	\$2,968	\$0	\$2,968
ED-03-CO-0058	PERFORMANCE BASED DATA MANAGEMENT INITIATIVE	\$104,711	\$0	\$104,711
ED-IES-14-C-NAEP 2014	NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS	\$31,964	\$0	\$31,964
VA06	VETERAN'S CERTIFICATION	\$2,278	\$0	\$2,278
	<u>TOTAL DEPARTMENT OF EDUCATION</u>	<u>\$692,586,981</u>	<u>\$205,253,911</u>	<u>\$897,840,892</u>
	<u>ELECTION ASSISTANCE COMMISSION</u>			
90.401	HELP AMERICA VOTE ACT REQUIREMENTS PAYMENTS	\$385,250	\$0	\$385,250
	<u>TOTAL ELECTION ASSISTANCE COMMISSION</u>	<u>\$385,250</u>	<u>\$0</u>	<u>\$385,250</u>
	<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
93.041	SPECIAL PROGRAMS FOR THE AGING-TITLE VII, CHAPTER 3- PROGRAMS FOR PREVENTION OF ELDER ABUSE, NEGLECT, AND EXPLOITATION	\$17,917	\$6,590	\$24,507
93.042	SPECIAL PROGRAMS FOR THE AGING-TITLE VII, CHAPTER 2-LONG TERM CARE OMBUDSMAN SERVICES FOR OLDER INDIVIDUALS	\$112,057	\$7,800	\$119,857
93.043	SPECIAL PROGRAMS FOR THE AGING-TITLE III, PART D-DISEASE PREVENTION AND HEALTH PROMOTION SERVICES	\$5,343	\$120,367	\$125,710
93.048	SPECIAL PROGRAMS FOR THE AGING-TITLE IV AND TITLE II - DISCRETIONARY PROJECTS	\$30,375	\$254,500	\$284,875
93.051	ALZHEIMER'S DISEASE DEMONSTRATION GRANTS TO STATES	\$333	\$0	\$333
93.052	NATIONAL FAMILY CAREGIVER SUPPORT, TITLE III, PART E	\$66,042	\$889,605	\$955,647
93.069	PUBLIC HEALTH EMERGENCY PREPAREDNESS	\$7,280	\$135	\$7,415
93.071	MEDICARE ENROLLMENT ASSISTANCE PROGRAM HOSPITAL PREPAREDNESS PROGRAM (HPP) AND PUBLIC HEALTH EMERGENCY PREPAREDNESS (PHEP) ALIGNED COOPERATIVE	\$2,779	\$233,430	\$236,209
93.074	AGREEMENTS COOPERATIVE AGREEMENTS TO PROMOTE ADOLESCENT HEALTH THROUGH SCHOOL-BASED HIV/STD PREVENTION AND SCHOOL-BASED	\$2,087,952	\$4,261,709	\$6,349,661
93.079	SURVEILLANCE AFFORDABLE CARE ACT (ACA) PERSONAL RESPONSIBILITY	\$14,204	\$0	\$14,204
93.092	EDUCATION PROGRAM WELL-INTEGRATED SCREENING AND EVALUATION FOR WOMEN	\$6,368	\$216,599	\$222,967
93.094	ACROSS THE NATION	\$230,634	\$371,361	\$601,995
93.103	FOOD AND DRUG ADMINISTRATION-RESEARCH MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED	\$598,197	\$0	\$598,197
93.110	PROGRAMS PROJECT GRANTS AND COOPERATIVE AGREEMENTS FOR	\$88,152	\$271,285	\$359,437
93.116	TUBERCULOSIS CONTROL PROGRAMS	\$126,992	\$0	\$126,992
93.127	EMERGENCY MEDICAL SERVICES FOR CHILDREN COOPERATIVE AGREEMENTS TO STATES/TERRITORIES FOR THE	\$80,057	\$55,181	\$135,238
93.130	COORDINATION AND DEVELOPMENT OF PRIMARY CARE OFFICES INJURY PREVENTION AND CONTROL RESEARCH AND STATE AND	\$40,805	\$132,062	\$172,867
93.136	COMMUNITY BASED PROGRAMS	\$2,824	\$652,571	\$655,395

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	PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS			
93.150	(PATH)	\$3,000	\$375,457	\$378,457
93.165	GRANTS TO STATES FOR LOAN REPAYMENT PROGRAM	\$0	\$150,000	\$150,000
93.217	FAMILY PLANNING-SERVICES	\$2,213,104	\$0	\$2,213,104
	TRAUMATIC BRAIN INJURY STATE DEMONSTRATION GRANT			
93.234	PROGRAM	\$215,469	\$0	\$215,469
93.235	ABSTINENCE EDUCATION PROGRAM	\$285	\$190,300	\$190,585
	GRANTS TO STATES TO SUPPORT ORAL HEALTH WORKFORCE			
93.236	ACTIVITIES	\$51,714	\$200,000	\$251,714
93.241	STATE RURAL HOSPITAL FLEXIBILITY PROGRAM	\$133,878	\$138,682	\$272,560
	SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES:PROJECTS OF			
93.243	REGIONAL AND NATIONAL SIGNIFICANCE	\$499,380	\$4,523,664	\$5,023,044
93.251	UNIVERSAL NEWBORN HEARING SCREENING	\$48,992	\$83,933	\$132,925
93.264**	NURSE FACULTY LOAN PROGRAM (NFLP)	\$5,864,881	\$0	\$5,864,881
93.268	IMMUNIZATION COOPERATIVE AGREEMENTS	\$1,114,638	\$607,513	\$1,722,151
93.270	ADULT VIRAL HEPATITIS PREVENTION AND CONTROL	\$69,278	\$0	\$69,278
	CENTERS FOR DISEASE CONTROL AND PREVENTION:INVESTIGATIONS			
93.283	AND TECHNICAL ASSISTANCE	\$2,258,054	\$916,042	\$3,174,096
93.301	SMALL RURAL HOSPITAL IMPROVEMENT GRANT PROGRAM	\$0	\$255,552	\$255,552
93.305	NATIONAL STATE BASED TOBACCO CONTROL PROGRAMS	\$78,247	\$0	\$78,247
	OUTREACH PROGRAMS TO REDUCE THE PREVALENCE OF OBESITY IN			
93.319	HIGH RISK RURAL AREAS	\$429,330	\$0	\$429,330
	EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECCTIOUS			
93.323	DISEASES (ELC)	\$452,407	\$0	\$452,407
93.324	STATE HEALTH INSURANCE ASSISTANCE PROGRAM	\$52,044	\$0	\$52,044
93.336	BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM	\$190,084	\$0	\$190,084
	HEALTH PROFESSIONS STUDENT LOANS, INCLUDING PRIMARY CARE			
93.342**	LOANS AND LOANS FOR DISADVANTAGED STUDENTS (HPSL/PCL/LDS)	\$1,239,035	\$0	\$1,239,035
93.359	NURSE EDUCATION, PRACTICE AND RETENTION GRANTS	\$360,176	\$0	\$360,176
93.364**	NURSING STUDENT LOANS (NSL)	\$646,874	\$0	\$646,874
93.389***	NATIONAL CENTER FOR RESEARCH RESOURCES	\$218,294	\$0	\$218,294
	NON-ACA/PPHF-BUILDING CAPACITY OF THE PUBLIC HEALTH SYSTEM			
93.424	TO IMPROVE POPULATION HEALTH THROUGH NATIONAL NONPROFIT			
	ORGANIZATIONS	\$612	\$0	\$612
	AFFORDABLE CARE ACT (ACA) MATERNAL, INFANT, AND EARLY			
93.505	CHILDHOOD HOME VISITING PROGRAM	\$978,922	\$5,969,652	\$6,948,574
	ACA NATIONWIDE PROGRAM FOR NATIONAL AND STATE			
93.506	BACKGROUND CHECKS FOR DIRECT PATIENT ACCESS EMPLOYEES OF	\$197,659	\$3,313	\$200,972
93.507	LONG TERM CARE FACILITIES AND PROVIDERS	\$96,308	\$0	\$96,308
	PPHF NATIONAL PUBLIC HEALTH IMPROVEMENT INITIATIVE			
93.511	AFFORDABLE CARE ACT (ACA) GRANTS TO STATES FOR HEALTH	\$35,725	\$0	\$35,725
	INSURANCE PREMIUM REVIEW			
93.521	THE AFFORDABLE CARE ACT: BUILDING EPIDEMIOLOGY,	\$481,635	\$249,024	\$730,659
	LABORATORY, AND HEALTH INFORMATION SYSTEMS CAPACITY IN THE			
	EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS			
	DISEASE (ELC) AND EMERGING INFECTIONS PROGRAM (EIP)			
	COOPERATIVE AGREEMENTS;PPHF			
93.524	BUILDING CAPACITY OF THE PUBLIC HEALTH SYSTEM TO IMPROVE	\$0	\$15,000	\$15,000
	POPULATION HEALTH THROUGH NATIONAL NONPROFIT			
	ORGANIZATIONS			
93.525	STATE PLANNING AND ESTABLISHMENT GRANTS FOR THE	\$987,778	\$114,304	\$1,102,082
	AFFORDABLE CARE ACT (ACA)'S EXCHANGES			
	PPHF: COMMUNITY TRANSFORMATION GRANTS AND NATIONAL			
	DISSEMINATION AND SUPPORT FOR COMMUNITY TRANSFORMATION			
93.531	GRANTS - FINANCED SOLELY BY PREVENTINON AND PUBLIC HEALTH	(\$4,375)	\$0	(\$4,375)
	FUNDS			
	PPHF CAPACITY BUILDING ASSISTANCE TO STRENGTHEN PUBLIC			
93.539	HEALTH IMMUNIZATION INFRASTRUCTURE AND PERFORMANCE	\$180,326	\$31,726	\$212,052
93.556	FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS	\$1,522,366	\$661,787	\$2,184,153
	PROMOTING SAFE AND STABLE FAMILIES			
93.558	TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) STATE	\$61,182,920	\$9,668,108	\$70,851,028
93.560	PROGRAMS AND TANF CLUSTER	(\$11,799)	\$0	(\$11,799)
93.563	FAMILY SUPPORT PAYMENTS TO STATES-ASSISTANCE PAYMENTS	\$29,106,564	\$0	\$29,106,564
	CHILD SUPPORT ENFORCEMENT			
	REFUGEE AND ENTRANT ASSISTANCE-STATE ADMINISTERED			
93.566	PROGRAMS	\$8,567	\$74,992	\$83,559
93.568	LOW-INCOME HOME ENERGY ASSISTANCE	\$23,558,141	\$4,840,129	\$28,398,270
93.569	COMMUNITY SERVICES BLOCK GRANTS	\$504,340	\$7,207,702	\$7,712,042
93.586	STATE COURT IMPROVEMENT PROGRAM	\$336,308	\$0	\$336,308
93.590	COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS	\$41,590	\$250,793	\$292,383

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93.597	GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS	\$101,999	\$0	\$101,999
93.599	CHAFEE EDUCATION AND TRAINING VOUCHERS PROGRAM (ETV)	\$568,454	\$33,119	\$601,573
93.600	HEAD START	\$0	\$64,984	\$64,984
93.603	ADOPTION AND LEGAL GUARDIANSHIP INCENTIVE PAYMENTS	\$1,008,714	\$26,200	\$1,034,914
93.609	THE AFFORDABLE CARE ACT - MEDICAID ADULT QUALITY GRANTS ACA - STATE INNOVATION MODELS: FUNDING FOR MODEL DESIGN AND	\$152,083	\$0	\$152,083
93.624	MODEL TESTING ASSISTANCE DEVELOPMENTAL DISABILITIES BASIC SUPPORT AND ADVOCACY	\$1,234,157	\$0	\$1,234,157
93.630	GRANTS	\$225,810	\$456,951	\$682,761
93.643	CHILDREN'S JUSTICE GRANTS TO STATES	\$131,217	\$0	\$131,217
93.645	STEPHANIE TUBBS JONES CHILD WELFARE SERVICES PROGRAM	\$1,691,846	\$0	\$1,691,846
93.658	FOSTER CARE-TITLE IV-E	\$40,477,094	\$2,429,534	\$42,906,628
93.659	ADOPTION ASSISTANCE	\$29,291,724	\$0	\$29,291,724
93.667	SOCIAL SERVICES BLOCK GRANT	\$20,114,639	\$0	\$20,114,639
93.669	CHILD ABUSE AND NEGLECT STATE GRANTS FAMILY VIOLENCE PREVENTION AND SERVICES/DOMESTIC VIOLENCE	\$802	\$107,837	\$108,639
93.671	SHELTER AND SUPPORTIVE SERVICES	\$0	\$951,842	\$951,842
93.674	CHAFEE FOSTER CARE INDEPENDENCE PROGRAM	\$1,514,398	\$865,373	\$2,379,771
93.701	ARRA - TRANS-NIH RECOVERY ACT RESEARCH SUPPORT	\$44,416	\$0	\$44,416
93.713	ARRA - CHILD CARE AND DEVELOPMENT BLOCK GRANT CAPACITY BUILDING ASSISTANCE TO STRENGTHEN PUBLIC HEALTH IMMUNIZATION INFRASTRUCTURE AND PERFORMANCE - FINANCED IN	(\$2,552)	\$0	(\$2,552)
93.733	PART BY THE PREVENTION AND PUBLIC HEALTH FUND (PPHF) STATE PUBLIC HEALTH APPROACHES FOR ENSURING QUILINE CAPACITY - FUNDED IN PART BY PREVENTION AND PUBLIC HEALTH	\$3,555	\$0	\$3,555
93.735	FUNDS (PPHF) PPHF COOPERATIVE AGREEMENTS FOR PRESCRIPTION DRUG MONITORING PROGRAM ELECTRONIC HEALTH RECORD (HER)	\$115,946	\$126,208	\$242,154
93.748	INTEGRATION AND INTEROPERABILITY EXPANSION CHILD LEAD POISONING PREVENTION SURVEILLANCE FINANCED IN	\$168,884	\$0	\$168,884
93.753	PART BY PREVENTION AND PUBLIC HEALTH (PPHF) PROGRAM STATE PUBLIC HEALTH ACTIONS TO PREVENT AND CONTROL DIABETES, HEART DISEASE, OBESITY AND ASSOCIATED RISK FACTORS AND PROMOTE SCHOOL HEALTH FINANCED IN PART BY	\$159,553	\$0	\$159,553
93.757	PREVENTION AND PUBLIC HEALTH FUNDING (PPHF) PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT FUNDED	\$771,409	\$335,823	\$1,107,232
93.758	SOLELY WITH PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	\$623,287	\$591,716	\$1,215,003
93.767	CHILDREN'S HEALTH INSURANCE PROGRAM CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) RESEARCH, DEMONSTRATIONS AND EVALUATIONS	\$55,650,852	\$0	\$55,650,852
93.779	MONEY FOLLOWS THE PERSON REBALANCING DEMONSTRATION	\$69,246	\$353,994	\$423,240
93.791	ORGANIZED APPROACHES TO INCREASE COLORECTAL CANCER SCREENING	\$1,354,636	\$451,655	\$1,806,291
93.800	DOMESTIC EBOLA SUPPLEMENT TO THE EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC) HOSPITAL PREPAREDNESS PROGRAM (HPP) EBOLA PREPAREDNESS	\$463,878	\$0	\$463,878
93.815	AND RESPONSE ACTIVITIES	\$83,119	\$0	\$83,119
93.817	AREA HEALTH EDUCATION CENTERS INFRASTRUCTURE DEVELOPMENT AWARDS (NOTE 3)	\$0	\$692,415	\$692,415
93.824	DEVELOPMENT AWARDS (NOTE 3)	\$65,220	\$0	\$65,220
93.855***	ALLERGY AND INFECTIOUS DISEASES RESEARCH	\$50,839	\$0	\$50,839
93.859***	BIOMEDICAL RESEARCH AND RESEARCH TRAINING	\$325,439	\$0	\$325,439
93.887	HEALTH CARE AND OTHER FACILITIES	\$424,151	\$0	\$424,151
93.889	NATIONAL BIOTERRORISM HOSPITAL PREPAREDNESS PROGRAM GRANTS TO STATES FOR OPERATION OF OFFICES OF RURAL	\$3,120	\$0	\$3,120
93.913	HEALTH	\$139,058	\$0	\$139,058
93.917	HIV CARE FORMULA GRANTS	\$3,748,472	\$1,584,546	\$5,333,018
93.940	HIV PREVENTION ACTIVITIES-HEALTH DEPARTMENT BASED HUMAN IMMUNODEFICIENCY VIRUS (HIV)/ACQUIRED	\$576,166	\$139,267	\$715,433
93.944	IMMUNODEFICIENCY VIRUS SYNDROME (AIDS) SURVEILLANCE ASSISTANCE PROGRAMS FOR CHRONIC DISEASE PREVENTION AND	\$172,292	\$0	\$172,292
93.945	CONTROL COOPERATIVE AGREEMENTS TO SUPPORT STATE-BASED SAFE	\$57,065	\$0	\$57,065
93.946	MOTHERHOOD AND INFANT HEALTH INITIATIVE PROGRAMS	\$107,385	\$0	\$107,385
93.958	BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE	\$572,168	\$1,628,130	\$2,200,298
93.959	ABUSE COAL MINERS RESPIRATORY IMPAIRMENT TREATMENT CLINICS AND	\$396,991	\$7,517,448	\$7,914,439
93.965	SERVICES PREVENTIVE HEALTH SERVICES-SEXUALLY TRANSMITTED DISEASES	\$123,233	\$1,101,977	\$1,225,210
93.977	CONTROL GRANTS	\$517,688	\$0	\$517,688

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93.994	MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	\$4,018,103	\$1,280,055	\$5,298,158
	<u>AGING CLUSTER</u>			
93.044	SPECIAL PROGRAMS FOR THE AGING-TITLE III, PART B-GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS	\$236,213	\$3,009,573	\$3,245,786
93.045	SPECIAL PROGRAMS FOR THE AGING-TITLE III, PART C-NUTRITION SERVICES	\$230,400	\$4,778,768	\$5,009,168
93.053	NUTRITION SERVICES INCENTIVE PROGRAM	\$0	\$1,322,496	\$1,322,496
	<u>TOTAL AGING CLUSTER</u>	\$466,613	\$9,110,837	\$9,577,450
	<u>CCDF CLUSTER</u>			
93.575	CHILD CARE AND DEVELOPMENT BLOCK GRANT	\$7,048,142	\$6,262,612	\$13,310,754
93.596	CHILD CARE MANDATORY AND MATCHING FUNDS OF THE CHILD CARE AND DEVELOPMENT FUND	\$14,024,484	\$2,488,349	\$16,512,833
	<u>TOTAL CCDF CLUSTER</u>	\$21,072,626	\$8,750,961	\$29,823,587
	<u>MEDICAID CLUSTER</u>			
93.775	STATE MEDICAID FRAUD CONTROL UNITS	\$963,019	\$0	\$963,019
93.777	STATE SURVEY AND CERTIFICATION OF HEALTH CARE PROVIDERS AND SUPPLIERS (TITLE XVIII) MEDICARE	\$4,300,012	\$0	\$4,300,012
93.778	MEDICAL ASSISTANCE PROGRAM	\$2,987,086,248	\$1,435,352	\$2,988,521,600
93.778	ARRA - MEDICAL ASSISTANCE PROGRAM	\$6,750,560	\$0	\$6,750,560
	<u>MEDICAID CLUSTER</u>	\$2,999,099,839	\$1,435,352	\$3,000,535,191
050805WV5002	WAIVED LABS	\$7,485	\$0	\$7,485
0805WV5002	CLINICAL LABORATORY IMPROVEMENT AMENDMENTS	\$120,504	\$0	\$120,504
12IPA1213312	NIOSH ASSIGNMENT - COORDINATOR, HEALTHCARE & SOCIAL ASSISTANCE SECTOR	\$23,328	\$0	\$23,328
14FED1418075 M01	PTD BUSINESS CASE (IPA ASSIGNMENT)	\$11,299	\$0	\$11,299
14FED1418109 -				
IPA1418109 Total	MODELING OF NANOTOXICOLOGY DATA	\$40,012	\$0	\$40,012
200-2011-M-3923	NTDI EY2010	\$119,328	\$0	\$119,328
200-2011-M-39231	NATIONAL DEATH INDEX	(\$3,450)	\$0	(\$3,450)
20020507251	VITAL STATISTICS COOP PROGRAM	\$129,475	\$0	\$129,475
200540049P	FOOD INSPECTIONS	\$32,206	\$0	\$32,206
223024448	MAMMOGRAPHY QUALITY ACT	\$42,131	\$0	\$42,131
9179393	TOBACCO WORKPLAN	\$674,906	\$0	\$674,906
HHSF223200640090P/				
001	FEDERAL FOOD, DRUG AND COSMETIC ACT	\$1,762	\$0	\$1,762
	<u>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>	\$3,328,015,682	\$84,037,092	\$3,412,052,774
	<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
94.003	STATE COMMISSIONS	\$243,301	\$0	\$243,301
94.006	AMERICORPS	\$164,672	\$3,816,225	\$3,980,897
94.013	VOLUNTEERS IN SERVICE TO AMERICA	\$54,739	\$0	\$54,739
	<u>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>	\$462,712	\$3,816,225	\$4,278,937
	<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>			
95.001	HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM	\$10,370	\$0	\$10,370
	<u>TOTAL EXECUTIVE OFFICE OF THE PRESIDENT</u>	\$10,370	\$0	\$10,370
	<u>SOCIAL SECURITY ADMINISTRATION</u>			
96.001	SOCIAL SECURITY-DISABILITY INSURANCE (DI)	\$19,136,717	\$0	\$19,136,717
	SOCIAL SECURITY-WORK INCENTIVES PLANNING AND ASSISTANCE PROGRAM	\$0	\$469,668	\$469,668
96.008	PROGRAM	\$0	\$469,668	\$469,668
55000660056	DEATH RECORDS	\$54,812	\$0	\$54,812
SS000860067	ENUMERATION AT BIRTH	\$47,061	\$0	\$47,061
	<u>TOTAL SOCIAL SECURITY ADMINISTRATION</u>	\$19,238,590	\$469,668	\$19,708,258
	<u>DEPARTMENT OF HOMELAND SECURITY</u>			
97.012	BOATING SAFETY FINANCIAL ASSISTANCE	\$301,971	\$0	\$301,971
	COMMUNITY ASSISTANCE PROGRAM STATE SUPPORT SERVICES			
97.023	ELEMENT (CAP-SSSE)	\$200,890	\$0	\$200,890
	DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	\$25,874,899	\$4,567,726	\$30,442,625
97.036	HAZARD MITIGATION GRANT	\$0	\$718,327	\$718,327
97.039	HAZARD MITIGATION GRANT	\$0	\$718,327	\$718,327
97.041	NATIONAL DAM SAFETY PROGRAM	\$81,052	\$0	\$81,052
97.042	EMERGENCY MANAGEMENT PERFORMANCE GRANTS	\$1,138,066	\$2,118,257	\$3,256,323
97.045	COOPERATING TECHNICAL PARTNERS	\$0	\$34,625	\$34,625
97.047	PRE-DISASTER MITIGATION	\$0	\$359,074	\$359,074

**STATE OF WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FEDERAL GRANTOR LISTING
FOR THE YEAR ENDING JUNE 30, 2016**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT EXPENDITURES	TOTAL FEDERAL EXPENDITURES
97.056	PORT SECURITY GRANT PROGRAM	\$142,479	\$0	\$142,479
97.067	HOMELAND SECURITY GRANT PROGRAM	\$521,627	\$4,754,067	\$5,275,694
<u>TOTAL DEPARTMENT OF HOMELAND SECURITY</u>		<u>\$28,260,984</u>	<u>\$12,552,076</u>	<u>\$40,813,060</u>
<u>TOTAL EXPENDITURES OF FEDERAL AWARDS</u>		<u>\$5,674,816,933</u>	<u>\$559,051,001</u>	<u>\$6,233,867,934</u>

* HIGHWAY PLANNING AND CONSTRUCTION CLUSTER, TOTAL STATE OF WEST VIRGINIA EXPENDITURES \$413,553,269, TOTAL SUBRECIPIENT EXPENDITURES \$5,398,007 AND TOTAL FEDERAL EXPENDITURES \$418,951,276.

** STUDENT FINANCIAL ASSISTANCE CLUSTER, TOTAL STATE OF WEST VIRGINIA EXPENDITURES \$632,899,814, TOTAL SUBRECIPIENT EXPENDITURES \$0 AND TOTAL FEDERAL EXPENDITURES \$632,899,814.

*** RESEARCH AND DEVELOPMENT CLUSTER, TOTAL STATE OF WEST VIRGINIA EXPENDITURES \$4,897,979, TOTAL SUBRECIPIENT EXPENDITURES \$3,020,995, AND TOTAL FEDERAL EXPENDITURES \$7,918,974.

**STATE OF WEST VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 the Uniform Guidance, and accordingly, a separate submission has been made (see Note 8).

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, 2016. 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 (see Note 8).

**STATE OF WEST VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 to Shepherd University for CFDA Number 43.008.

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 the Uniform Guidance, state UI funds as well as federal funds should be considered federal awards for determining Type A programs. The State receives federal funds for administrative purposes. State unemployment taxes must be deposited to a state account in the Federal Unemployment Trust Fund, used only to pay benefits under the federally approved state law. State UI funds as well as federal funds are included on the Schedule.

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

	Beginning Balance <u>July 1, 2015</u>	<u>Receipts</u>	<u>Expenditures</u>	Ending Balance <u>June 30, 2016</u>
State UI Funds	\$ (451,305)	\$446,346,416	\$446,295,959	\$ (400,848)
Federal UI Funds	<u>3,556,894</u>	<u>15,901,693</u>	<u>19,452,709</u>	<u>5,878</u>
Total	\$ <u>3,105,589</u>	<u>\$462,248,109</u>	<u>\$465,748,668</u>	<u>\$ (394,970)</u>

**STATE OF WEST VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 5. LOANS OUTSTANDING

Loans outstanding as of June 30, 2016, with continuing compliance requirements, are as follows:

<u>CFDA Number</u>	<u>Name of Program</u>	<u>Ending Balance</u>
84.038	Federal Perkins Loan (FPL) – Federal Capital Contribution	\$42,930,068
93.264	Nurse Faculty Loan Program (NFLP)	6,005,238
93.342	Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students (HPSL/PCL/LDS)	221,382
93.364	Nursing Student Loans (NSL)	<u>551,676</u>
	Total Loans Outstanding	<u>\$49,708,364</u>

NOTE 6. APPROVED PROJECT WORKSHEETS

The State incurred eligible expenditures in FY 2015 and the Federal Emergency Management Agency (FEMA) approved the State's project worksheets in FY 2016. The State recorded the eligible expenditures of \$2,983,708 on CFDA 97.036 on this year's SEFA.

NOTE 7. INDIRECT COST RATE

Per Uniform Guidance 2 CFR § 200.510(b)(6), agencies are required to disclose whether or not they elect to use the 10 percent de minimis cost rate that 2 CFR § 200.414(f) allows for nonfederal entities that have never received a negotiated indirect cost rate. The State does not elect to use the 10 percent de minimis cost rate.

**STATE OF WEST VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 8. COMPONENT UNITS / PROPRIETARY FUND

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

West Virginia University Research Corporation (Issued by Clifton, Larson, and Allen dated January 23, 2017)	<u>\$ 90,610,135</u>
Marshall University Research Corporation (Issued by Hayflich CPAs dated October 19, 2016)	<u>\$ 16,596,433</u>
West Virginia State Research Corporation (Issued by Hayflich CPAs dated January 11, 2017)	<u>\$ 9,135,509</u>
West Virginia Housing Development Fund (Issued by Gibbons & Kawash, A.C. dated Oct. 24 & Dec. 6, 2016)	<u>\$ 181,571,133</u>
West Virginia Drinking Water Treatment Revolving Fund (Issued by Gibbons & Kawash, A.C. dated October 18, 2016)	<u>\$ 6,726,817</u>



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

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

Section I. Summary of Auditor's Results

Financial statements:

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP (unmodified, qualified, adverse or disclaimer):	Unmodified, with reference to other auditors		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> X </u>	Yes	<u> </u> No
Significant deficiency(ies) identified?	<u> </u>	Yes	<u> X </u> None reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u> No

Federal awards:

Internal control over major programs:			
Material weakness(es) identified?	<u> X </u>	Yes	<u> </u> No
Significant deficiency(ies) identified?	<u> X </u>	Yes	<u> </u> None reported
Type of auditors' report issued on compliance for major federal programs (unmodified, qualified, adverse or disclaimer):	Unmodified for all major programs except for the Workforce Investment Act National Emergency Grants, Student Financial Assistance Cluster, Rehabilitation Services – Vocational Rehabilitation Grants to States, Low-Income Home Energy Assistance, and Adoption Assistance, which were qualified, and the Disaster Grants – Public Assistance (Presidentially Declared Disasters) which was adverse.		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> X </u>	Yes	<u> </u> No

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

Identification of Major Programs

CFDA Number(s)	Reportable Findings	Name of Federal Program or Cluster
10.551/10.561	2016-017	Supplemental Nutrition Assistance Program (SNAP) Cluster
10.553/10.555/ 10.556/10.559	None	Child Nutrition Cluster
10.557	None	Special Supplemental Nutrition Program for Women, Infants and Children
10.558	None	Child and Adult Care Food Program
17.225	2016-003	Unemployment Insurance
17.277	2016-004, 005	Workforce Investment Act (WIA) National Emergency Grants
84.007/84.033/ 84.038/84.063/ 84.268/84.379/ 93.264/93.342/ 93.364	2016-006, 007, 008, 009, 010, 011	Student Financial Assistance Cluster
84.027/84.173	None	Special Education Cluster (IDEA)
84.126	2016-012, 013	Rehabilitation Services – Vocational Rehabilitation Grants to States
93.558	2016-015, 016, 017	Temporary Assistance for Needy Families
93.568	2016-017, 018, 019	Low-Income Home Energy Assistance
93.575/93.596	2016-017, 020, 021	Child Care and Development Fund (CCDF) Cluster
93.658	2016-017	Foster Care – Title IV-E
93.659	2016-017, 022	Adoption Assistance
93.667	None	Social Services Block Grant
93.767	2016-017	Children’s Health Insurance Program
93.775/93.777/ 93.778*	2016-017	Medicaid Cluster

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

Identification of Major Programs (continued)

CFDA Number(s)	Reportable Findings	Name of Federal Program or Cluster
96.001	2016-023	Social Security – Disability Insurance
97.036	2016-024, 025, 026, 027, 028, 029	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and B programs \$ 18,701,604

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, 2016**

Section II. Financial Statement Findings

Reference Number	Findings	Questioned Costs
2016-001	Financial Statement Close Process	N/A
2016-002	Schedule of Expenditures of Federal Awards	N/A

Section III. Federal Award Findings and Questioned Costs

Reference Number	Findings	Questioned Costs
2016-003	Reporting	N/A
2016-004	Cash Management	Unknown
2016-005	Inadequate Policies and Procedures Over Reporting and Subrecipient Monitoring	N/A
2016-006	Special Tests and Provisions – Borrower Data Transmission and Reconciliation	N/A
2016-007	Cash Management	N/A
2016-008	Special Tests and Provisions – Enrollment Reporting	N/A
2016-009	Program Income	N/A
2016-010	Special Tests and Provisions – Return of Title IV Funds	N/A
2016-011	Special Tests and Provisions – Verification	N/A
2016-012	Eligibility	N/A
2016-013	WVDRS Transaction Approval Controls	N/A
2016-014	Schedule of Expenditures of Federal Awards	\$42,951
2016-015	Eligibility	\$301
2016-016	Special Tests and Provisions – Sanctions Controls	N/A
2016-017	DHHR Information System and Related Business Process Controls	N/A
2016-018	Allowability and Eligibility	\$4,707
2016-019	Reporting Documentation	N/A
2016-020	Disaster Recovery Plan	N/A
2016-021	Special Tests and Provisions – Fraud Detection and Repayment Controls	N/A
2016-022	Eligibility Documentation	\$4,039
2016-023	Reporting Compliance	N/A
2016-024	Subrecipient Monitoring	Unknown
2016-025	Internal Controls Over Reporting	N/A
2016-026	Cash Management	Unknown
2016-027	Schedule of Expenditures of Federal Awards	Unknown
2016-028	Matching	Unknown
2016-029	Special Tests and Provisions – Project Accounting	Unknown

STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

2016-001 FINANCIAL STATEMENT CLOSE PROCESS
(Prior Year Findings 2015-003, 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: Management encountered significant accounting and reporting delays that resulted in the untimely preparation of government-wide financial statements.

- 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.

Questioned Costs: N/A

Context: Management was not able to produce accurate financial statements for the State of West Virginia until April 2017.

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 Single Audit performed in accordance with the audit requirements of the Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Recommendation: Management has spent a significant amount of time to date in fiscal year 2017 focused on compiling fiscal year 2016 information. Consequently, sufficient resources should be devoted to refining the fiscal year 2017 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).

Management should evaluate new GASB pronouncements earlier and determine their impact on the financial statements.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

2016–002 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Prior Year Findings 2015–004, 2014–005)

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

Criteria: 2 CFR 200.510(b) states “The auditee must also prepare a schedule of expenditures of Federal awards (SEFA) for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended.”

2 CFR 200.512(a) states, “The audit must be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period.”

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 Uniform Guidance deadline.

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 \$6,233,867,934 for the fiscal year ended June 30, 2016.

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.

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

STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

2016-002 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Prior Year Findings 2015-004, 2014-005) (continued)

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 and
Planned Corrective
Actions:**

Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016-003 REPORTING

Federal Program Information:	Federal Agency and Program Name U.S. Department of Labor Unemployment Insurance	CFDA# 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.”

2 CFR 200.303(a) requires that a non-Federal entity must “establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with the Federal statutes, regulations, and the terms and conditions of the Federal award.” Federal regulation at 2 CFR § 200.302 (b)(4) requires that a non-Federal entity’s financial management system provide effective controls over, and accountability for, all funds, property, and other assets and that the non-federal entity adequately safeguard all assets and assure that they are used solely for authorized purposes.

Condition: The Unemployment Insurance program is required to file the Trade Act Participant Report (TAPR) on a quarterly basis. The TAPR provides information on participant characteristics, services and benefits received, and outcomes achieved under the state and federal unemployment compensation programs. During fiscal year 2016, the Unemployment Insurance program did not track modifications and updates to the Structured Query Language (SQL) script that is used to extract data from the Data Reporting and Validation System (DVRS) to populate the TAPR.

Questioned Costs: N/A

Context: Total federal disbursements for the Unemployment Insurance program were \$465,748,668 for the fiscal year ended June 30, 2016.

Cause: A change in personnel resulted in a change in procedures surrounding modifications made to the SQL script.

Effect: Data reported in the TAPR may not be accurate.

Recommendation: We recommend that management of the Unemployment Insurance program implement procedures to track and document modifications and updates to the SQL script in the form of a change log.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016-004 CASH MANAGEMENT

Federal Program Information:	Federal Agency and Program Name U.S. Department of Labor Workforce Investment Act (WIA) National Emergency Grants Grant Award EM-23404-12-60-A-54 Grant Award EM-25882-14-60-A-54 Grant Award EM-27369-15-60-A-54 Grant Award EM-27433-15-60-A-54	CFDA# 17.277
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Criteria: 2 CFR 200.303(a) requires that a non-Federal entity must “establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with the Federal statutes, regulations, and the terms and conditions of the Federal award.” Federal regulation at 2 CFR § 200.302 (b)(4) requires that a non-Federal entity’s financial management system provide effective controls over, and accountability for, all funds, property, and other assets and that the non-federal entity adequately safeguard all assets and assure that they are used solely for authorized purposes. Additionally, 2 CFR § 200.302(b)(6) requires written procedures to implement the requirements of § 200.305 regarding payment of grant funds. Furthermore, 31 CFR 205.33 requires that “a State must minimize the time between the drawdown of Federal funds from the Federal government and their disbursement for Federal program purposes. A Federal Program Agency must limit a funds transfer to a State to the minimum amounts needed by the State and must time the disbursement to be in accord with the actual, immediate cash requirements of the State in carrying out a Federal assistance program or project. The timing and amount of funds transfers must be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs. States should exercise sound cash management in funds transfers to subgrantees.”

OMB Circular A-133 section 300b states that WorkForce West Virginia 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.”

Condition: WorkForce West Virginia (WV) is not retaining documentation that demonstrates its needs for cash draws. Additionally, WV implemented a new accounting system; however, did not update its Fiscal and Administrative Management Procedures Handbook to incorporate procedural changes due to their change in accounting systems. While reviewing subrecipient requests to WV, U.S. Department of Labor, Employment and Training Administration (ETA) found that a subrecipient was working with a budget that included \$4,081,036 in funds that had not yet been released by the ETA. Additionally, WV is not requiring subrecipients to document their immediate cash needs prior to advancing them grant funds.

Questioned Costs: Unknown

Context: Total federal expenditures for the WIA program were \$10,367,688 for the year ended June 30, 2016. This includes \$8,330,529 in subrecipient expenditures.

Cause: WV does not have adequate policies and procedures in place over the cash management process.

STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

2016-004 CASH MANAGEMENT
(continued)

Effect: WWV is not in compliance with the federal rules and regulations regarding cash management.

Recommendation: We recommend that WWV develop policies and procedures to ensure that cash drawdowns for its own operations and for those of its subrecipients are based on immediate cash needs and adequately supported. Documentation should include support showing the expenditures that support the need for a cash advance.

WWV must ensure that cash drawdowns for its own operations and for those of its NDWG sub-recipient are based on immediate cash needs and adequately supported. WWV must provide ETA with adequate written policies and procedures that ensure that it maintains proper controls and support for its cash drawdowns based on its own operations and those of sub-recipients. Subsequent to ETA's review of written policies and procedures, WWV must submit evidence that it is adhering to implemented written policies and procedures.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016–005 INADEQUATE POLICIES AND PROCEDURES OVER REPORTING AND SUBRECIPIENT MONITORING

Federal Program Information:	Federal Agency and Program Name	CFDA#
	U.S. Department of Labor	
	Workforce Investment Act (WIA) National Emergency Grants	17.277
	Grant Award EM-23404-12-60-A-54	
	Grant Award EM-25882-14-60-A-54	
	Grant Award EM-27369-15-60-A-54	
	Grant Award EM-27433-15-60-A-54	

Criteria: 2 CFR 200.303(a) requires that non-Federal entities must “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.” Additionally, 2 CFR 302(a) requires that states expend and account for its Federal award in accordance with state laws and procedures for expending and accounting for the state’s own funds and that the management system be sufficient to trace, document and report the federal expenditures. Also, CFR 200.400 states that there is a fundamental principle that non-Federal entities are responsible for the efficient and effective administration of award through use of sound management practices; and administering Federal funds in compliance with agreements, program objectives, and the terms and conditions of Federal award. Furthermore, 2 CFR 200.302(b)(2) requires accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in 200.327 Financial reporting and 200.328 Monitoring and reporting program performance.

OMB Circular A-133 section 300b states that WorkForce West Virginia 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.”

Condition: According to a Federal monitoring report by the U.S. Department of Labor, WorkForce West Virginia (WWV) is not providing consistent, complete or accurate policy guidance to the Local Workforce Areas or its grantees. Furthermore, ETA noted that WWV is not accurately reporting expenditures and unliquidated obligation on the quarterly ETA-9130 reports.

Questioned Costs: N/A

Context: Total federal expenditures for the WIA program were \$10,367,688 for the year ended June 30, 2016.

Cause: WWV did not update their policies and procedures to reflect procedural changes when they changed accounting systems. Additionally, WWV does not have consistent, complete guidance to provide to Local Workforce Areas or its grantees. Furthermore, WWV does not have adequate policies and procedures in place to ensure that ETA-9130 reports are accurate or that subrecipients are working within their approved budgets.

Effect: WWV may not be in compliance with Federal statutes, regulations and the terms of the conditions of the Federal award. WWV may not be submitting an accurate ETA-9130 report or be in compliance with the federal rules and regulations regarding reporting.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016–005 INADEQUATE POLICIES AND PROCEDURES OVER REPORTING AND SUBRECIPIENT MONITORING
(continued)**

Recommendation: We recommend that WWV implement the required action specified by the ETA.

WWV must develop and implement policy guidance for serving the underemployed that is consistent with the requirements of WIOA and any additional requirements issued with NDWG awards. Additionally, WWV must provide to ETA, written procedures that explain the process used for developing, updating and disseminating policies and procedures.

WWV must ensure that it is submitting accurate ETA-9130 reports. WWV must provide to ETA implemented procedures and evidence for the quarter ended September 30, 2016, that demonstrates that WWV correctly reports: its own unliquidated obligations on the ETA-9130 report; and its sub-recipients costs, including sub-recipient expenditures, accruals and obligations.

WWV must provide evidence that all Fiscal and Administrative Procedures have been adequately updated to reflect the all accounting system changes and that all updates are approved by WWV’s Director of Fiscal and Administrative Management (FAM) and the Deputy Executive Director of FAM and Management Analysis.

WWV must provide ETA with the executed change order that releases the additional funding of \$4,081,036. WWV must also develop policies and procedures that ensure that NDWG sub-recipients are working within its approved budgets.

**Views of
Responsible
Officials and
Planned Corrective
Actions:**

Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016–006 SPECIAL TESTS AND PROVISIONS – BORROWER DATA TRANSMISSION AND RECONCILIATION

Federal Program Information:	Federal Agency and Program Name	CFDA#
	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: 2 CFR 200.303 states that the Institutions 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: For the two months selected for testing of Direct Loan School Account Statement (SAS) reconciliation requirements at West Virginia University and Shepherd University, proper reconciliations were completed by the institution however, the institution did not have procedures in place to review the reconciliations.

Questioned Costs: N/A

Context: Total Direct Loan expenditures for the SFA cluster in total were \$452,438,154 for the year ended June 30, 2016.

Cause: Written procedures detailing the process to reconcile loans from COD to Banner exist, as provided in narrative form during the audit. However, management represented that a formal reconciliation review process has not been successfully implemented.

Effect: The absence of proper reconciliations could result in the institution’s financial records for Direct Loan expenditures to be improperly stated.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016-006 SPECIAL TESTS AND PROVISIONS – BORROWER DATA TRANSMISSION AND RECONCILIATION
(continued)**

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

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016-007 CASH MANAGEMENT

Federal Program Information:	Federal Agency and Program Name	CFDA#
	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: 2 CFR 200.303 states that the West Virginia Department of Education 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: For twelve of the twelve cash drawdowns selected from Mountwest Community and Technical College (Mountwest) in our internal control testing, no evidence of review and approval of the drawdown was maintained.

Questioned Costs: N/A

Context: Total student financial assistance expenditures for Mountwest and for the Student Financial Assistance cluster in total were \$7,245,563 and \$632,899,814, respectively, for the year ended June 30, 2016.

Cause: Policies and procedures relating to the controls in place over cash management are in place; however, documentation of the control occurrence was not maintained by management.

Effect: The institution could maintain excess cash resulting in noncompliance with 34 CFR 668.166(a)(1).

Recommendation: We recommend that the institution strengthen their procedures to ensure drawdown requests are properly reviewed and approved.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016–008 SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING
(Prior Year Finding 2015–015)**

Federal Program Information:	Federal Agency and Program Name	CFDA#
	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: 2 CFR 200.303 states that the Institutions 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.”

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 Mountwest Community and Technical College (Mountwest), the three students selected from Shepherd University (Shepherd), one student selected from New River Community and Technical College, two students selected from West Liberty University (West Liberty) and one student selected from West Virginia Northern Community and Technical College (Northern) in our 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.

STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

2016–008 SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING
(Prior Year Finding 2015–015) (continued)

Further the following institutions did not have internal controls in place surrounding the enrollment reporting process: Mountwest Community and Technical College, West Virginia State University, BlueRidge Community and Technical College, Shepherd University, West Virginia University – Parkersburg, West Liberty University, and West Virginia Northern Community and Technical College.

Questioned Costs: N/A

Context: Total Direct Loan expenditures for the SFA cluster in total were \$452,438,154 for the year ended June 30, 2016.

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 status in an accurate manner; thus, inaccurate information is reported to the NSLDS.

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 and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016–009 PROGRAM INCOME

Federal Program Information:	Federal Agency and Program Name	CFDA#
	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: 2 CFR 200.303 states that the West Virginia Department of Education 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: The institutions are required to have internal controls in place surrounding the program income process. During our testing of the institution, it was determined that West Virginia State University (WVSU) did not have a formalized internal control process, such as a formalized review and approval control, surrounding the program income process.

Questioned Costs: N/A

Context: Total federal Perkins Loans expenditures for the Student Financial Aid cluster were \$50,257,882 for the year ended June 30, 2016.

Cause: Turnover within the institution’s Finance Department led to employees taking on additional tasks and thus certain responsibilities were not addressed in a timely manner.

Effect: Principal and interest repayments made by students and reimbursements for cancelled loans may not be properly accounted for in the institution’s records in a timely manner, may not be properly calculated, or may not be used in accordance with program requirements.

Recommendation: We recommend that the institution strengthen their control procedures by having reconciliations reviewed in a timely manner.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016–010 SPECIAL TESTS AND PROVISIONS – RETURN OF TITLE IV FUNDS

Federal Program Information:	Federal Agency and Program Name	CFDA#
	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: 2 CFR 200.303 states that the Institutions 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: The institutions are required to have internal controls in place surrounding the calculation of the return of Title IV funds. During our testing of Shepherd University, BlueRidge Community and Technical College, West Virginia University – Parkersburg, and West Virginia State University, it was determined that these institutions did not have a formalized internal control process, such as a formalized review and approval control, surrounding the calculation of Title IV funds.

Questioned Costs: N/A

Context: Total expenditures for the SFA cluster in total were \$632,899,814 for the year ended June 30, 2016.

Cause: Formal review and approval process is not in place related to the calculation of the return of Title IV funds nor is evidence of the review maintained.

Effect: The absence of a review process for the return of Title IV funds could result in the institution’s financial records for federal expenditures to be improperly stated.

Recommendation: The institutions should ensure that that the return of Title IV funds calculation is performed and saved as documented in the institution’s written procedure, including retaining documentation of timely supervisor review and approval.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016-010 SPECIAL TESTS AND PROVISIONS – RETURN OF TITLE IV FUNDS
(continued)**

Views of Responsible Officials and Planned Corrective Actions:	Management acknowledges the finding. See corrective action plan.
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**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016–011 SPECIAL TESTS AND PROVISIONS – VERIFICATION

Federal Program Information:	Federal Agency and Program Name 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 Cluster	CFDA# 84.007/84.033/ 84.038/84.063/ 84.268/84.379/ 93.264/93.342/ 93.364
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Criteria: 2 CFR 200.303 states that the West Virginia Department of Education 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.”

In accordance with 34 CFR Section 668.57, acceptable documentation for verification of student aid application information includes (a) Adjusted Gross Income (AGI), income earned from work, and U.S. income tax paid and (d) Untaxed income and benefits.

Condition: For 1 of the 9 students in our control sample of students who were verified at Mountwest Community and Technical College (Mountwest), there was no evidence of a file reviewer before the verification was completed. For 1 of the 60 students in our compliance testing samples the wrong income from the tax return was keyed into the system at Mountwest Community and Technical College.

Questioned Costs: N/A

Context: Total student financial aid expenditures for Mountwest and for the Student Financial Aid cluster in total were \$7,245,563 and \$632,899,814, respectively, for the year ended June 30, 2016.

Cause: The institution did not maintain evidence of review of the verification file and the wrong income from the tax form was keyed into banner.

STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

2016–011 SPECIAL TESTS AND PROVISIONS – VERIFICATION
(continued)

Effect: The institution did not input the correct information from the student’s records during the verification process which could lead to the institution improperly calculating the student’s need and expected family contribution. This could result in an improper amount of financial aid being awarded to the student.

Recommendation: We recommend that Mountwest implement policies and procedures to ensure that the correct information is obtained from students’ records during the verification process and maintain evidence of the verification file reviews.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016–012 ELIGIBILITY
(Prior Year Finding 2015–018)**

Federal Program Information:	Federal Agency and Program Name	CFDA#
	U.S. Department of Education	
	Rehabilitation Services – Vocational Rehabilitation	
	Grants to State	84.126
	Grant Awards H126A160073	

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: Three 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 \$36,820,450 for the year ended June 30, 2016.

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 and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016–013 WVDRS TRANSACTION APPROVAL CONTROLS
(Prior Year Finding 2015–020)**

Federal Program Information:	Federal Agency and Program Name U.S. Department of Education Rehabilitation Services – Vocational Rehabilitation Grants to State Grant Awards H126A150073/H126A160073	CFDA# 84.126
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Criteria: 2 CFR 200.303(a) requires that a non-Federal entity must “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.”

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 from July 1, 2015 through May 31, 2016 for either program.

For Vocational Rehabilitation, approval was not maintained in the system or evidenced on the source documents for 19 of 60 payroll transactions

Questioned Costs: N/A

Context: Payroll expenditures for the impacted time frame and total federal expenditures for the Vocational Rehabilitation Grant were \$7,422,392 and \$36,820,450, respectively, for the year ended June 30, 2016.

Cause: On June 1, 2016, WVDRS changed payroll systems from EPICS to Kronos. Prior to the switching from the EPICS payroll system to the Kronos time keeping system on June 1, 2016, certain classes of employees were not required to keep timecards by management. Since moving to the Kronos system on June 1, 2016, all employees must now keep timecards. Because the system was implemented for the last month of the year, some of our testing samples include payroll that may not have been appropriately approved. Since changing to the Kronos system, the WVDRS now has a control in place.

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

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

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

2016–014 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Program Information:	Federal Agency and Program Name	CFDA#
	U.S. Department of Health and Human Services	
	Well-Integrated Screening and Evaluation for Women	
	Across the Nation	93.094
	Grant Award 2016–5 NU58DP004864-03-00	

Criteria: Title 2 Section 200.502(a) states that “The determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs. Generally, the activity pertains to events that require the non-Federal entity to comply with Federal statutes, regulations, and the terms and conditions of Federal awards, such as: expenditure/expense transactions associated with awards including grants, cost-reimbursement contracts under the FAR, compacts with Indian Tribes, cooperative agreements, and direct appropriations; the disbursement of funds to subrecipients; the use of loan proceeds under loan and loan guarantee programs; the receipt of property; the receipt of surplus property; the receipt or use of program income; the distribution or use of food commodities; the disbursement of amounts entitling the non-Federal entity to an interest subsidy; and the period when insurance is in force.

Title 2 Section 200.516 states that “Known questioned costs that are greater than \$25,000 for a Federal program which is not audited as a major program. Except for audit follow-up, the auditor is not required under this part to perform audit procedures for such a Federal program; therefore, the auditor will normally not find questioned costs for a program that is not audited as a major program. However, if the auditor does become aware of questioned costs for a Federal program that is not audited as a major program (e.g., as part of audit follow-up or other audit procedures) and the known questioned costs are greater than \$25,000, then the auditor must report this as an audit finding.”

Condition: As reported on the West Virginia Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2016, the West Virginia Department of Health and Human Resources (DHHR) received funds from the United States Department of Health and Human Services (HHS) for the Well-Integrated Screening and Evaluation for Women Across the Nation (WISE Women) program and passed through a portion of those funds to a subrecipient. During our fraud inquiries at one of the state-run universities, we were informed that an employee of the university, who was providing supportive services for the subrecipient, had purposefully and intentionally misused some of the WISE Women funds to purchase goods and services for personal gain. Once discovered, the university dismissed the employee, immediately reported the matter to the DHHR, and began an internal investigation. The DHHR immediately reported the misuse of funds to the HHS, conducted their own investigation, and arrived at an amount to return to the HHS. The DHHR is currently awaiting further instructions from the HHS regarding repayment procedures.

Questioned Costs: \$42,951 – CFDA# 93.094

Context: The federal expenditures for the WISE Women program were \$601,995 for the year ended June 30, 2016.

Cause: The employee who misused the funds violated the policies and procedures in place at the state-run university surrounding the procurement of goods and services.

Effect: Federal funds are used for unallowable goods and services.

STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

2016–014 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(continued)

Recommendation: In addition to completing their investigation, we recommend that the DHHR obtain the results of the investigation conducted by the state-run university, instruct supporting staff at the university to enhance their internal controls if necessary, and continue working with the HHS regarding repayment procedures.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016–015 ELIGIBILITY

Federal Program Information:	Federal Agency and Program Name U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Grant Award 2015 – 2015G996115 Grant Award 2016 – 2016G996115	CFDA# 93.558
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Criteria: Any family that includes an adult or minor child head of household or a spouse of the head of household who has received assistance under any State program funded by federal Temporary Assistance for Needy Families (TANF) funds for 60 months (whether or not consecutive) is ineligible for additional federally funded TANF assistance. However, the State may extend assistance to a family on the basis of hardship, as defined by the State, or if a family member has been battered or subjected to extreme cruelty. In determining the number of months for which the head of household or the spouse of the head of household has received assistance, the State must not count any month during which the adult received the assistance while living in Indian country or in an Alaskan Native Village and the most reliable data available with respect to that month (or a period including that month) indicate at least 50% of the adults living in Indian country or in the village were not employed (42 USC 608(a)(7); 45 CFR sections 264.1(a), (b), and (c)). Further, the average monthly number of families that include an adult or minor child head of household, or the spouse of the head of household, who has received assistance under any State program funded by federal TANF funds for more than 60 countable months (whether or not consecutive) may not exceed 20 percent of the average monthly number of all families to which the State provided assistance during the fiscal year or the immediately preceding fiscal year (but not both), as the State may elect (42 USC 608(a)(7)(C)(ii); 45 CFR sections 264.1(c) and (e)).

Condition: During analysis of the TANF Data Report, ACF 199, one individual was noted to have received TANF benefits for 61 months.

Questioned Costs: \$301 – CFDA# 93.558

Context: Total federal expenditures for TANF for the fiscal year ended June 30, 2016, were \$70,851,028.

Cause: There was a processing error in March 2016 causing the benefit month not to be counted.

Effect: Ineligible claims have been reimbursed using federal funds.

Recommendation: DHHR should periodically review their system processing to ensure that errors have not occurred.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016–016 SPECIAL TESTS AND PROVISIONS – SANCTIONS CONTROLS
(Prior Year Findings 2015–024, 2014–018, 2013–036, 2012–056)**

Federal Program Information:	Federal Agency and Program Name	CFDA#
	U.S. Department of Health and Human Services	
	Temporary Assistance for Needy Families (TANF)	93.558
	Grant Award 2015 – 2014G996115	
	Grant Award 2016 – 2015G996115	

Criteria: 2 CFR 200.303(a) requires that a non-Federal entity must “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.”

The following applies to sanctions imposed on recipients of TANF 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 agency promptly and the TANF 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 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.

Questioned Costs: N/A

STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

2016–016 SPECIAL TESTS AND PROVISIONS – SANCTIONS CONTROLS
(Prior Year Findings 2015–024, 2014–018, 2013–036, 2012–056) (continued)

Context: Total federal expenditures for TANF for the fiscal year ended June 30, 2016 were \$70,851,028.

Cause: There is lack of sufficient documentary evidence to rely on controls surrounding the issuance or removal of sanctions against TANF 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 electronically in the information technology system or by other means.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016–017 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS
(Prior Years Finding 2015–025, 2014–016, 2013–034)**

Federal Program Information:	Federal Agency and Program Name	CFDA#
	U.S. Department of Agriculture Supplemental Nutrition Assistance Program (SNAP) Cluster Grant Awards 1WV400401 and 1WV430459	10.551/10.561
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families Grant Awards 1502WVTANF and 1601WVTANF	93.558
	Low-Income Home Energy Assistance Grant Awards 1501WVLIE4, 15B1WVLIEA, and 16B1WVLIEA	93.568
	Child Care and Development Fund (CCDF) Cluster Grant Awards G1501WVCCDF and G1601WVCCDF	93.575/93.596
	Foster Care – Title IV-E Grant Awards 1501WVFOST and 1601WVFOST	93.658
	Adoption Assistance Grant Awards 1501WVADPT and 1601WVADPT	93.659
	Children’s Health Insurance Program (CHIP) Grant Awards 1505WV5021 and 1605WV5021	93.767
	Medicaid Cluster	93.775/93.777/ 93.778
	Grant Awards 1505WV5MAP, 1505WVADM, 1505WVINCT, 1505WVIMPL, 1605WV5MAP, 1605WV5ADM, 1605WVINCT, and 1605WVINCT	

Criteria: 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.”

45 CFR 95.621 (3) states that “State agencies shall review the ADP system security of installations involved in the administration of HHS programs on a biennial basis. At a minimum, the reviews shall include an evaluation of physical and data security operating procedures, and personnel practices.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016–017 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS
(Prior Years Finding 2015–025, 2014–016, 2013–034) (continued)**

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.”

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 and Adoption Assistance benefits, we noted the following:

- For 26 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 10 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.
- During the testing of FACTS payments, it was noted that a duplicate payment was made for 1 Foster Care case.

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

Recipient Automated Payment Information Data System (RAPIDS) Application Suite: Our testing of the controls surrounding eligibility determination noted that adequate segregation of duties does not exist for the RAPIDS system. No supervisory review is required for case information input into the system. Further, it was noted that approval of disbursements only occurs at the batch level, which does not allow the approval worker to review each transaction individually. Finally it was noted that DHHR is only doing limited ADP Risk Analysis and System Security Reviews related to RAPIDS.

Questioned Costs: N/A

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016–017 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS
(Prior Years Finding 2015–025, 2014–016, 2013–034) (continued)**

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

The table below identifies the programs and federal 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 of Federal Funds/Period of Performance, Special Tests and Provisions – ADP System for SNAP
TANF	RAPIDS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles
LIHEAP	RAPIDS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Period of Availability of Federal Funds/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. Without adequate system security reviews security issues could go undetected.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016–017 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS
(Prior Years Finding 2015–025, 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. We also recommend that a formal ADP risk analysis and system security review be conducted on RAPIDS.

**Views of
Responsible
Officials and
Planned Corrective
Actions:**

Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016–018 ALLOWABILITY AND ELIGIBILITY
(Prior Year Findings 2015–026, 2014–021)**

Federal Program Information:	Federal Agency and Program Name	CFDA#
	U.S. Department of Health and Human Services	
	Low-Income Home Energy Assistance	93.568
	Grant Award G–14B1WVLIEA	
	Grant Award G–1401WVLIE4	
	Grant Award G–15B1WVLIEA	

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

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

For 23 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.

Questioned Costs: \$4,707 – CFDA# 93.568

Context: The twenty-three instances (23 of 60 case files) represent \$4,707 of benefit payments out of total benefit payments \$9,113. Total payments for benefit assistance for the LIHEAP program for the fiscal year ended June 30, 2016 were \$25,412,627. The federal expenditures for the LIHEAP program for the fiscal year ended June 30, 2016, were \$28,398,270.

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 and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016–019 REPORTING DOCUMENTATION

Federal Program Information:	Federal Agency and Program Name U.S. Department of Health and Human Services Low-Income Home Energy Assistance Grant Award G14B1WVLIEA Grant Award G1401WVLIE4 Grant Award G15B1WVLIEA Grant Award G1501 WVLIE4 Grant Award G16B1WVLIEA Grant Award G1601 WVLIE4	CFDA# 93.568
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Criteria: The reporting compliance requirements of LIHEAP require the West Virginia Department of Health and Human Resources (DHHR) to produce an Annual Report on Households Assisted by LIHEAP (OMB No. 0970-0060). As part of the application for block grant funds each year, a report is required for the preceding fiscal year of (1) the number and income levels of the households assisted for each component and any type of LHEAP assistance (heating, cooling, crisis, and weatherization); and (2) the number of households served that contained young children, elderly, or persons with disabilities, or any vulnerable household for each component. Territories with annual allotments of less than \$200,000 and Indian tribes are required to report only on the number of households served for each component (42 USC 8629; 45 CFR section 96.82). Management of the LIHEAP program is responsible for providing all supporting documentation requested for testing during the audit.

2 CFR 200.303(a) requires that a non-Federal entity must “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.”

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.”

Condition: The Annual Report on Households Assisted by LIHEAP was provided. However, documentation to support the number of assisted households and number of applicant households reported was not provided.

Questioned Costs: N/A

Context: The federal expenditures for the LIHEAP program for the fiscal year ended June 30, 2016, were \$28,398,270. The number of assisted households and number of applicant households reported were 62,708 and 66,911, respectively.

Cause: Management of the LIHEAP program did not provide supporting documentation to the auditors.

Effect: The number of assisted households and number of applicant households reported on the Annual Report on Households Assisted by LIHEAP may be incorrect and may affect the amount of block grant funds received.

STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

2016–019 REPORTING DOCUMENTATION
(continued)

Recommendation: We recommend that the DHHR verify the numbers reported on the Annual Report on Households Assisted by LIHEAP by obtaining the appropriate support. Furthermore, Management of the LIHEAP program should ensure that all documentation supporting transactions or compliance requirements subject to audit be maintained and readily available if requested. Timely receipt of supporting documentation is crucial for the completion of the audit.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016–020 DISASTER RECOVERY PLAN

(Prior Year Findings 2015–027, 2014-022, 2013–38)

Federal Program Information:	Federal Agency and Program Name	CFDA#
	U.S. Department of Health and Human Services	
	Child Care and Development Fund (CCDF) Cluster	93.575/93.596
	Grant Award G1601WVCCDF	
	Grant Award G1501WVCCDF	

Criteria: 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.”

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.”

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, 2016, were \$29,823,587.

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.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016-020 DISASTER RECOVERY PLAN
(Prior Year Findings 2015-027, 2014-022, 2013-38) (continued)**

Views of Responsible Officials and Planned Corrective Actions:	Management acknowledges the finding. See corrective action plan.
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**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016–021 SPECIAL TESTS AND PROVISIONS – FRAUD DETECTION AND REPAYMENT CONTROLS

Federal Program Information:	Federal Agency and Program Name U.S. Department of Health and Human Services Child Care and Development Fund (CCDF) Cluster Grant Award G1601WVCCDF Grant Award G1501WVCCDF	CFDA# 93.575/93.596
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Criteria: 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.”

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.”

Condition: Child Care payments resulting from fraud are identified and documented within quarterly reconciliation spreadsheets. The current year quarterly reconciliation spreadsheets identified fraudulent claims established in the previous fiscal year that had not been identified in the previous fiscal year quarterly reconciliation spreadsheets.

Questioned Costs: N/A

Context: Total federal expenditures for the CCDF Cluster for fiscal year ended June 30, 2016, were \$29,823,587.

Cause: The West Virginia Department of Health and Human Resources experienced a lot of staff turnover during the fiscal year which caused inconsistencies in the way fraudulent claims were identified and reported.

Effect: Payments resulting from fraud may not be identified and recovered in a reasonable amount of time.

Recommendation: The West Virginia Department of Health and Human Resources should adequately train new staff on the processes and controls surrounding the fraud detection and recovery reconciliation process to ensure that all fraudulent claims are identified in the appropriate fiscal year.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016–021 SPECIAL TESTS AND PROVISIONS – FRAUD DETECTION AND REPAYMENT CONTROLS
(continued)**

Views of Responsible Officials and Planned Corrective Actions:	Management acknowledges the finding. See corrective action plan.
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**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016–022 ELIGIBILITY DOCUMENTATION
(Prior Year Finding 2015–029)**

Federal Program Information:	Federal Agency and Program Name U.S. Department of Health and Human Services Adoption Assistance Grant Award 1501WVADPT Grant Award 1601WVADPT	CFDA# 93.659
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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: Seven of the 60 cases reviewed for eligibility did not have documents on file to determine eligibility. One of the 60 cases reviewed for eligibility did not have a IV-E Adoption Assistance Eligibility Determination Form on file. One of the 60 cases reviewed for eligibility had an Adoption Agreement that was signed before the Adoption Placement Agreement. Four of the 60 cases reviewed for eligibility did not have a signed consent form on file. Three of 60 cases did not have an Adoption Placement Agreement.

Questioned Costs: \$4,039 – CFDA# 93.659

Context: The seven instances represent \$4,039 out of a total of \$41,465 in total payments tested for eligibility. Total federal expenditures for the Adoption Assistance program were \$29,291,724 for the year ended June 30, 2016.

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 and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016–023 REPORTING COMPLIANCE

Federal Program Information:	Federal Agency and Program Name U.S. Social Security Administration Social Security – Disability Insurance Grant Awards 04-16 04 WVD100/ 04-15 04WVDI00/ 04-14 04WVDI00	CFDA# 96.001
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Criteria: The West Virginia Division of Rehabilitation Services is responsible for preparing the SSA-4514, *Time Report of Personnel Services for Disability Determinations Services* quarterly. The Form SSA-4513 is used to report all obligations (liquidated and unliquidated) on quarterly basis from each State agency. The quarterly reports will report status of cumulative obligations from the beginning of the fiscal year to date of report. Per 2 CFR Part 200, Subpart F of the Uniform Guidance, the auditor is to select a sample of reports to “Perform tests of the underlying data to verify that the data were accumulated and summarized in accordance with the required or stated criteria and methodology, including the accuracy and completeness of the reports.” The auditor is also required to “test mathematical accuracy of reports and supporting worksheets.”

Condition: There was an error in the SSA-4514, *Time Report of Personnel Services for Disability Determination Services* report as submitted.

Questioned Costs: N/A

Context: Total federal expenditures for the Social Security Disability Insurance grants were \$19,136,717 for the year ended June 30, 2016.

Cause: The number of hours reported to the Social Security Administration were incorrect due to a mathematical error in a supporting spreadsheet.

Effect: The number of hours reported on the June 30, 2016 SSA-4514, *Time Report of Personnel Services for Disability Determination Services* report’s Medical Consultant line was understated by 552.5 hours.

Recommendation: The West Virginia Division of Rehabilitation Services management should implement policies and procedures to strengthen the review of the reports and supporting documentation.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016–024 SUBRECIPIENT MONITORING

Federal Program Information:	Federal Agency and Program Name	CFDA#
	U.S. Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
	Grant Award FEMA–4061-DR-WV	
	Grant Award FEMA–4071-DR-WV	
	Grant Award FEMA–4236-DR-WV	
	Grant Award FEMA–4210-DR-WV	
	Grant Award FEMA–4093-DR-WV	
	Grant Award FEMA–4221-DR-WV	
	Grant Award FEMA–4220-DR-WV	
	Grant Award FEMA–4219-DR-WV	
	Grant Award FEMA–4132-DR-WV	
	Grant Award FEMA–3366-EM-WV	
	Grant Award FEMA–1918-DR-WV	

Criteria: 2 CFR 200.331 establishes pass-through entity responsibilities which include (1) monitoring “the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved,” and (2) ensuring that subrecipients expending \$750,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements for that fiscal year.

OMB Circular No. A-133, Subpart D §400 requires a pass-through entity to “monitor the activities of subrecipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.” Pass-through entities are required to develop monitoring procedures including programmatic and financial monitoring to ensure subrecipients have used federal funds for authorized purposes.

Condition: We noted the following issues related to subrecipient monitoring for the West Virginia Division of Homeland Security and Emergency Management (DHSEM):

- DHSEM is not documenting programmatic on-site monitoring.
- DHSEM was unable to provide documentation of which subrecipients had audits completed and filed with DHSEM. Further, management indicated that they review completed auditor reports posted to the State Auditor’s website; however, there is no evidence of this review or documentation regarding resolution of any issues identified.

Questioned Costs: Unknown

Context: Total federal expenditures for subrecipients and total federal expenditures for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program were \$4,567,726 and \$30,442,625, respectively, for the year ended June 30, 2016.

Cause: Management indicated discussions have been held and they are working on a process, but we did not receive any evidence that subrecipient monitoring or audit reports have been tracked or kept on file.

STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

2016-024 SUBRECIPIENT MONITORING
(continued)

Effect: DHSEM does not have effective policies and procedures and evidential matter to support subrecipient monitoring; therefore, management may not be able to identify issues in a timely manner.

Recommendation: DHSEM should develop formalized policies for developing and tracking subrecipient monitoring reports and for receiving and tracking subrecipient audit reports. Additionally, procedures should be established to evaluate and follow-up on any instances of subrecipient compliance or internal control findings to ensure they are resolved in a timely manner.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016–025 INTERNAL CONTROLS OVER REPORTING

Federal Program Information:	Federal Agency and Program Name	CFDA#
	U.S. Department of Homeland Security	
	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
	Grant Award FEMA–4061-DR-WV	
	Grant Award FEMA–4071-DR-WV	
	Grant Award FEMA–4236-DR-WV	
	Grant Award FEMA–4210-DR-WV	
	Grant Award FEMA–4093-DR-WV	
	Grant Award FEMA–4221-DR-WV	
	Grant Award FEMA–4220-DR-WV	
	Grant Award FEMA–4219-DR-WV	
	Grant Award FEMA–4132-DR-WV	
	Grant Award FEMA–3366-EM-WV	
	Grant Award FEMA–1918-DR-WV	

Criteria: 2 CFR 200.303(a) requires that a non-Federal entity must “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.”

OMB Circular A-133 section 300b states that the non-federal entity 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.”

Condition: Management of the West Virginia Division of Homeland Security and Emergency Management (DHSEM) prepared and submitted the SF-425, *Federal Financial Reports*, without going through an appropriate review and approval process.

Questioned Costs: N/A

Context: Total federal expenditures for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program were \$30,442,625, for the year ended June 30, 2016.

Cause: DHSEM does not have adequate policies and procedures in place over the reporting process.

Effect: DHSEM is not in compliance with the federal rules and regulations regarding reporting.

Recommendation: We recommend that DHSEM 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.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016–026 CASH MANAGEMENT

Federal Program Information:	Federal Agency and Program Name	CFDA#
	U.S. Department of Highways	
	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
	Grant Award FEMA–4236-DR–WV	
	Grant Award FEMA–4210-DR–WV	
	Grant Award FEMA–4221-DR–WV	
	Grant Award FEMA–4220-DR–WV	
	Grant Award FEMA–4219-DR–WV	

Criteria: 2 CFR 200.303(a) requires that a non-Federal entity must “establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with the Federal statutes, regulations, and the terms and conditions of the Federal award.” Furthermore, 31 CFR 205.33(a) requires that “a State must minimize the time between the drawdown of Federal funds from the Federal government and their disbursement for Federal program purposes. A Federal Program Agency must limit a funds transfer to a State to the minimum amounts needed by the State and must time the disbursement to be in accord with the actual, immediate cash requirements of the State in carrying out a Federal assistance program or project. The timing and amount of funds transfers must be as close as is administratively feasible to a State’s actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs. States should exercise sound cash management in funds transfers to subgrantees.”

2 CFR 200.305(b)(9) states that “interest earned on Federal advance funds deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services, Payment Management System.”

OMB Circular A-133 section 300b states that the non-federal entity 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.”

Condition: The Department of Highways (DOH) is not tracking federal and state funds separately in order to track the interest earned that should be remitted back to the Federal government. Further, management did not maintain supporting documentation indicating that the drawdown was appropriately reviewed and approved.

Questioned Costs: Unknown

Context: Total federal expenditures for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program were \$30,442,625, for the year ended June 30, 2016.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016-026 CASH MANAGEMENT
(continued)**

Cause: DOH does not have adequate policies and procedures in place over the cash management process. There is no method in place to track interest earned on cash advances.

Effect: DOH is not in compliance with the federal rules and regulations regarding cash management.

Recommendation: We recommend that DOH develop policies and procedures to ensure that interest on cash advances is tracked and subsequently remitted back to the Federal government as required. Further, we recommend that management maintain supporting documentation indicating that the drawdowns were appropriately reviewed and approved.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016–027 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Program Information:	Federal Agency and Program Name	CFDA#
	U.S. Department of Highways Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
	Grant Award FEMA–4236-DR–WV	
	Grant Award FEMA–4210-DR–WV	
	Grant Award FEMA–4221-DR–WV	
	Grant Award FEMA–4220-DR–WV	
	Grant Award FEMA–4219-DR–WV	

Criteria: 2 CFR 200.508(b) states, “The auditee must prepare appropriate financial statements, including the schedule of expenditures of Federal awards.” The Federal Office of Management and Budget issues instructions on how to prepare this schedule.

OMB Circular A-133 section 300a states, “The auditee shall prepare appropriate financial statements including the Schedule of Expenditures of Federal Awards.”

Condition: The Department of Highways (DOH) internal controls are not adequate to ensure that the Schedule of Expenditures of Federal Awards (SEFA) accurately reports all federal assistance. Out review of the SEFA for fiscal year 2016 identified that the total amount reported on the SEFA was initially overstated by \$7,624,527.

Questioned Costs: Unknown

Context: Total federal expenditures for DOH Disaster Grants – Public Assistance (Presidentially Declared Disasters) program were \$30,442,625 for the year ended June 30, 2016.

Cause: DOH has not implemented adequate internal controls to ensure the SEFA is accurate.

Effect: DOH is not properly reporting their federal expenditures and major programs may not be appropriately identified on a timely basis.

Recommendation: We recommend that DOH ensure staff responsible for the preparation of the SEFA have the resources needed to accurately prepare the SEFA.

Views of Responsible Officials and Planned Corrective Actions: Management acknowledges the finding. See corrective action plan.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016-028 MATCHING

Federal Program Information:	Federal Agency and Program Name	CFDA#
	U.S. Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
	Grant Award FEMA-4061-DR-WV	
	Grant Award FEMA-4071-DR-WV	
	Grant Award FEMA-4236-DR-WV	
	Grant Award FEMA-4210-DR-WV	
	Grant Award FEMA-4093-DR-WV	
	Grant Award FEMA-4221-DR-WV	
	Grant Award FEMA-4220-DR-WV	
	Grant Award FEMA-4219-DR-WV	
	Grant Award FEMA-4132-DR-WV	
	Grant Award FEMA-3366-EM-WV	
	Grant Award FEMA-1918-DR-WV	

Criteria: 2 CFR 200.508(d) says an auditee must “provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit required by this part.”

2 CFR 200.303(a) requires that a non-Federal entity must “establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with the Federal statutes, regulations, and the terms and conditions of the Federal award.”

OMB Circular A-133 section 300b states that the non-federal entity 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.”

Condition: DHSEM did not provide timely supporting documentation to the auditors. Missing supporting documentation included a listing of projects that were closed out during the fiscal year. Without this information, matching could not be tested.

Questioned Costs: Unknown

Context: Total federal expenditures for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program were \$30,442,625, for the year ended June 30, 2016.

Cause: DHSEM was not able to provide timely supporting documentation to the auditors.

Effect: Critical data supporting all compliance requirements are not adequately maintained by DHSEM for use by the auditors.

Recommendation: DHSEM should ensure that all documentation supporting transactions or compliance requirements subject to audit be maintained and readily available if requested. Timely receipt of supporting documentation is crucial for the completion of the audit.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016-028 MATCHING
(continued)**

Views of Responsible Officials and Planned Corrective Actions:	Management acknowledges the finding. See corrective action plan.
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**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

2016-029 SPECIAL TESTS AND PROVISIONS – PROJECT ACCOUNTING

Federal Program Information:	Federal Agency and Program Name	CFDA#
	U.S. Department of Homeland Security	
	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
	Grant Award FEMA-4061-DR-WV	
	Grant Award FEMA-4071-DR-WV	
	Grant Award FEMA-4236-DR-WV	
	Grant Award FEMA-4210-DR-WV	
	Grant Award FEMA-4093-DR-WV	
	Grant Award FEMA-4221-DR-WV	
	Grant Award FEMA-4220-DR-WV	
	Grant Award FEMA-4219-DR-WV	
	Grant Award FEMA-4132-DR-WV	
	Grant Award FEMA-3366-EM-WV	
	Grant Award FEMA-1918-DR-WV	

Criteria: 2 CFR 200.508(d) says an auditee must “provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit required by this part.”

2 CFR 200.303(a) requires that a non-Federal entity must “establish and maintain effective internal controls over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with the Federal statutes, regulations, and the terms and conditions of the Federal award.”

OMB Circular A-133 section 300b states that the non-federal entity 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.”

Condition: DHSEM did not provide timely supporting documentation to the auditors. Missing supporting documentation included a listing of projects that were closed out during the fiscal year. Without this information, project accounting could not be tested.

Questioned Costs: Unknown

Context: Total federal expenditures for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program were \$30,442,625, for the year ended June 30, 2016.

Cause: DHSEM was not able to provide timely supporting documentation to the auditors.

Effect: Critical data supporting all compliance requirements are not adequately maintained by DHSEM for use by the auditors.

Recommendation: DHSEM should ensure that all documentation supporting transactions or compliance requirements subject to audit be maintained and readily available if requested. Timely receipt of supporting documentation is crucial for the completion of the audit.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016**

**2016-029 SPECIAL TESTS AND PROVISIONS – PROJECT ACCOUNTING
(continued)**

Views of Responsible Officials and Planned Corrective Actions:	Management acknowledges the finding. See corrective action plan.
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***CORRECTIVE
ACTION
PLAN***



STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
Financial Accounting & Reporting Section
2101 Washington Street, East
Charleston, WV 25305

Dave Mullins
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Single Audit Coordinator
(304) 558-4083

CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

2016-001 FINANCIAL STATEMENT CLOSE PROCESS

Overall State
CFDA Number Not Applicable

As of May 19, 2017, the Financial Accounting and Reporting Section (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 2017 information to ensure that accurate and 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 enable FARS to have appropriate supervision and review of less experience staff. The additional staff will also help management in the timely evaluation on the impact of new GASB pronouncements.

2016-002 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 continues to evaluate the current staffing levels and will seek assistance in having the required reporting completed by the federally mandated timeline.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**2016-003 REPORTING
WORKFORCE West Virginia
CFDA Number 17.225**

WorkForce WV (WWV) will implement procedures to maintain a change log and document all changes to the Trade Act Participation Report (TAPR) extract script.

**2016-004 CASH MANAGEMENT
WORKFORCE West Virginia
CFDA Number 17.277**

WWV has developed and implemented policies and procedures for cash management for both internal operations and those of sub-recipients. These include WWV maintaining supporting documentation for cash advance requests. These have been submitted to U.S. Department of Labor, Employment and Training Administration (ETA) for review and approval.

**2016-005 INADEQUATE POLICIES AND PROCEDURES OVER
REPORTING AND SUBRECIPIENT MONITORING
WORKFORCE West Virginia
CFDA Number 17.277**

WWV has developed significant updates to financial management policies and procedures that will ensure accuracy. Procedures were updated for the following categories:

- cash management
- accounts payables
- procurement
- fixed assets
- sub-recipient monitoring
- ETA – 9130 reporting

These have been provided to the ETA for review and approval. WWV will provide staff training once the policies and procedures have been approved by ETA.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**2016-006 SPECIAL TESTS AND PROVISIONS – BORROWER DATA
TRANSMISSION AND RECONCILIATION
Shepherd University and West Virginia University
CFDA Numbers 87.007, 84.033, 84.038, 84.063, 84.268, 84.379,
93.264, 93.342, and 93.364**

Shepherd University (Shepherd) response

Shepherd historically has an informally documented monthly reconciliation plan in place for direct loans. A notebook is kept with information from every month for the academic year. It is a two-step process with the financial aid manager initiating the reconciliation using Direct Loan (DL) Tools. All discrepancies are reviewed and corrected by the director using Banner and Common Origination and Disbursement (COD). Beginning in 2016-2017, Shepherd University has stopped using the DL Tools for reconciliation; and has formalized the two-step process with the financial aid manager initiating the reconciliation on a monthly basis using Banner and COD. All discrepancies are reviewed and corrected by the senior financial aid counselor. To document the review, the reconciliation preparer and reviewer are documenting their correspondence via email communication. Shephard's policy and procedures have been updated to reflect these changes.

West Virginia University response

West Virginia University (WVU) will enhance its procedures to include a supervisor's review and approval of the monthly reconciliations being performed. As part of the procedures, documentation of the review and approval process will be maintained.

**2016-007 CASH MANAGEMENT
Mountwest Community and Technical College
CFDA Numbers 87.007, 84.033, 84.038, 84.063, 84.268, 84.379,
93.264, 93.342, and 93.364**

Mountwest Community and Technical College (Mountwest) had a review process procedure in place that was the responsibility of the Chief Financial Officer. Each drawdown request was reviewed and processed. In the internal controls there is a distinct separation of



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

duties, where the person responsible for initiating the draw is not the same person who processes drawdowns from Title IV funds. The actual recording of the drawdown is performed by another employee. To document the review, the reviewer of the processing action requests will affix their signature and date reviewed on respective documents. There has been no instance where excess cash was maintained at the college.

2016-008 SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING

BlueRidge Community and Technical College, Mountwest Community and Technical College, New River Community and Technical College, West Virginia Northern Community and Technical College, West Virginia State University, Shepherd University, West Liberty University, and West Virginia University - Parkersburg

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

BlueRidge Community and Technical College (BlueRidge) response

BlueRidge has improved the internal control process regarding the Enrollment Verification Process by maintaining documentation of each step that is performed. Documentation of the audit files are saved; if any changes are required, a second audit will be conducted and files saved. Prior to the final file being uploaded to the National Student Clearinghouse (Clearinghouse), a quality review is conducted on a random sample and documentation is maintained. Final files are then uploaded to the Clearinghouse's secure File Transfer Protocol (FTP) site and any error reports are reviewed by a separate staff member. Accepted Clearinghouse files are saved and reviewed for rejects.

Mountwest response

Mountwest's Registrar's Office will communicate the dates of enrollment file transmissions each year with the Financial Aid Office. This communication will aid in the coordination and verification of the files going to National Student Loan Data System (NSLDS) in the required amount of time. The first enrollment file will be sent right after the schedule adjustment period each semester with subsequent



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

transmissions every 30-45 days and an end of term transmission no later than two weeks after classes end.

New River Community and Technical College (New River) response

New River will verify the file layout prior to submission to NSLDS for any new enhancements to prevent an incorrect file being submitted. If errors or delays occur in the future, New River will contact Clearinghouse much earlier in the process to seek assistance in correcting the issue.

West Virginia Northern Community and Technical College (Northern) response

Northern will report all students directly to NSLDS while continuing to report to the Clearinghouse for enrollment verifications and additional services. Northern will add a step to its R2T4 process where the financial aid office includes a copy of the NSLDS enrollment screen in its documentation of the withdraw. Northern anticipates this will not create an overlap with mixed information to NSLDS but are aware and cautious that this could occur. Northern is exploring, prior to the 2017-2018 term, avenues of direct batch reporting to NSLDS through the Banner system.

Shepherd response

Shepherd has developed additional procedures for enrollment reporting. While the Registrar's Office continues to send transmissions to the Clearinghouse on a monthly basis, the Office of Financial Aid (OFA) has implemented the following practices:

1. The Registrar's Office notifies the OFA when a student withdraws from Shepherd. If an R2T4 calculation is performed and reviewed by the senior counselor, the withdraw date is manually reported on NSLDS. If it is past the date for an R2T4, the counselor will manually update the withdraw date on NSLDS within thirty days of the withdrawal.
2. When degrees are confirmed in August, December, and May, the Registrar's Office will send a list of graduates to the OFA. A financial aid counselor will manually update NSLDS with the graduation date within thirty days of said graduation.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

3. Beginning with the fall 2017 term, a financial aid counselor will run a report at the end of the add/drop period of all students that have enrolled less than half time. These students will have those dates manually updated on NSLDS by a counselor. At the beginning of each month thereafter, a report will be run and all students that have dropped below half time will have that date manually updated on NSLDS.

West Liberty University (West Liberty) response

West Liberty decided to enhance the reporting processes by double checking all graduated and withdrawn students in NSLDS with a Financial Aid Counselor as they complete the checks with Exit Counseling. This will allow for a second layer of control to check completion, as well as correct status dates. Weekly Withdrawn Student files will be uploaded, to allow for more timely reporting.

West Virginia State University (WVSU) response

The Office of Student Financial Assistance (SFA) has established an internal control improvement plan which involves increasing communication between the IT Department and the SFA. WVSU will ask the IT Department to share with The SFA confirmation of the submission dates. WVSU will work closely with the Registrar to correct any rejected files and report corrected data to the Clearinghouse within the 30 day required timeframe. If there is a concern that a file has not been sent or received, the Director of SFA will work with the Registrar and the IT Department to confirm the enrollment report has been submitted within the required reporting timeline. The Director of SFA will make sure the changes are reflected on NSLDS within the 30 day requirement.

WVU - Parkersburg (WVUP) response

WVUP will implement a process in which the Records Office will forward the confirmation information to the Director of Financial Aid. The financial aid staff, with NSLDS access, will review enrollment verification submission to make sure it is posted to NSLDS within the required timeframe.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2016-009 PROGRAM INCOME

West Virginia State University

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

WVSU is working on strengthening the control procedures by printing and signing all reconciled monthly ECSI (Perkins Loans) reports. Previously WVSU was not formally documenting the monthly report reconciliation that was being performed by viewing the reports via the web and the ECSI system for accuracy.

2016-010 SPECIAL TESTS AND PROVISIONS – RETURN OF TITLE IV FUNDS

BlueRidge Community and Technical College, West Virginia State University, Shepherd University, West Virginia University - Parkersburg

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

BlueRidge response

Blueridge has improved the internal control process regarding the calculation of the return to Title IV funds process. The Financial Aid (FA) Director will systematically review accounts for the need to conduct a Title IV aid return; for those needing a return the FA Counselors will complete the return process utilizing the return worksheets on Financial Aid Administrators (FAA) Access. Once the worksheet is complete the FA Director will conduct a quality review; then the FA Counselors will submit the return and funding information to the Finance Office. The Senior Counselor will update accounts as appropriate. This notification is also provided to the FA Director and the Vice President of Enrollment Management. The FA office will notify students of the return process by providing the student with a copy of the return worksheet.

Shepherd response

Shepherd created a R2T4 Review Form to be used by a financial aid counselor when the calculation is completed. The review form is signed by the counselor that prepared the calculation and all documentation is



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

given to the senior financial aid counselor to review. Once the second review is complete, the review form is signed by the senior counselor and a letter is generated for the director to review and sign. Shepherd's policy and procedures have been updated to reflect these changes.

WVSU response

The Office of Student Financial Assistance has established an internal control procedure for Return of Title IV Funds. The Financial Aid Counselor responsible for performing the R2T4 calculations will follow the policy for calculating the returns for withdrawn students. The Financial Aid Counselor will provide the calculation to the Associate Director for verification. The Associate Director will review the calculations and sign off on the form created for this process. This process will be saved and documented in the Office of Student Financial Assistance's Policy and Procedures Manual.

WVU Parkersburg response

WVUP will implement a process in which every R2T4 calculation is reviewed and signed off by 2 members of financial aid staff, to ensure all information and calculations are complete and correct.

2016-011 SPECIAL TESTS AND PROVISIONS – VERIFICATION
Mountwest Community and Technical College
CFDA Numbers 87.007, 84.033, 84.038, 84.063, 84.268, 84.379,
93.264, 93.342, and 93.364

Mountwest response

Mountwest employees will initial the internal file worksheets to document that the initial review was completed. The second reviewer will document the file with their initials to verify that a second review was completed. The Internal Professional Judgement Worksheet will be used and annotated with initials for each professional judgement decision.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2016-012 ELIGIBILITY
Division of Rehabilitation Services
CFDA Number 84.126

The Department of Health and Human Resources (DHHR) Bureau for Children and Families (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 or transferring specialized agency adoptions to the state office. Furthermore, the BCF will also continue reviewing case files 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.

2016-013 WVDRS TRANSACTION APPROVAL CONTROLS
Division of Rehabilitation Services
CFDA Numbers 84.126

Division of Rehabilitation Services (DRS) has reviewed all policies and procedures that are currently in place related to payroll and developed new policies and procedures needed to ensure payroll is properly approved. The DRS has taken corrective action to ensure that the methods for approvals are implemented on a consistent basis. The implementation of the KRONOS payroll system has corrected this finding.

2016-014 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Department of Health and Human Resources
CFDA Numbers 93.094

The DHHR will continue with the course of action already in place, including but not limited to working with the state-run university to resolve the matter and working with the U.S. Department of Health and Human Services (DHHS) regarding repayment, as the total amount associated with the misuse of funds might cross several project periods and might be a higher amount than the \$42,951 questioned by the auditors.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2016-015 ELIGIBILITY
Department of Health and Human Resources
CFDA Number 93.558

The root cause of the condition that led to the finding was that a batch job that advances the ADCW Ticker did not run successfully for March 2016. The "ADCW Ticker" is also referred to as the "TANF Clock." The TANF Clock advances with each TANF cash benefit issuance cycle. The DHHR BCF believes that the condition was a one-time incident that happened due to a change in vendors that handled the data system. Per the DHHR Office of Management Information Services, the problem was corrected in June 2016.

2016-016 SPECIAL TESTS AND PROVISIONS - SANCTIONS CONTROLS
Department of Health and Human Resources
CFDA Number 93.558

In response to the same finding for fiscal year 2011 (2011-44), the DHHR discussed this matter with the United States Department of Health and Human Services, Administration for Children and Families (ACF) in fiscal year 2014, whereby the ACF reviewed the policies and procedures in effect within the DHHR BCF surrounding the issuance and removal of sanctions and determined the policies and procedures to be adequate. The complimentary controls referenced by the auditors in the condition section of the finding are based on the same policies and procedures reviewed and approved by the ACF. However, given that the control documentation provided to the auditors was not adequate to ensure that sanctions could not be issued or removed against TANF recipients in error or without appropriate cause, the DHHR will reexamine all the correspondence from prior years regarding the complimentary controls and will consider whether it is necessary for the BCF to develop any new policies and procedures as a means to enhance said controls and thus show greater evidence of control activity prior to the issuance or removal of sanctions.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2016-017 **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 DHHR continues to assess the possibility of implementing additional controls related to automatic payments. For the foster care benefit payments that are issued automatically without evidence of someone formally reviewing the payments, this is a long-standing issue that is driven by the business processing rules in place within the DHHR programmatic bureau. It is not a system issue because the system is simply supporting the business rules requested by the BCF. Nonetheless, many controls and verifications exist around the establishment of eligibility for Federal financial participation. Supervisor approval is necessary to place a child in a paid foster care setting, which in turn will generate a monthly payment, but the BCF is on record as defending their decision to not require a hard approval process to release each month's payments, as the administrative burden and related cost of requiring a secondary level of review for all case information entered into the system would far outweigh the benefits derived from such a process.

For the foster care benefit payments that are requested and approved by the same person, this too is a long-standing issue that is driven by the business processing rules in place within the DHHR programmatic bureau. However, the DHHS has issued a new requirement that existing Statewide Automated Child Welfare Information System (SACWIS) make modifications or build new systems to conform to a new set of system requirements known as a Comprehensive Child Welfare Information System (CCWIS). The changes went into effect August 2016, and the state has until October 2019, to begin migration or implementation. The CCWIS will replace the SACWIS and the DHHR is looking towards the new CCWIS as an opportunity to possibly add some levels of approval and thus improve the overall internal controls surrounding foster care benefit payments.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

For the adoption assistance benefit payments, an approval process does not exist within the system, as this too was a business processing rule established by the programmatic bureau at the time the system was developed and implemented. However, the adoption subsidy function is limited to only one individual in the entire state through database and application security roles. Since the subsidy is a negotiated benefit that must be declared for the prospective parents, guardian ad-litem, and judge to approve and sign on the adoption finalization order, the amount and frequency has already been decided upon and documented for all parties in the adoption agreement. Nonetheless, when defining the system requirements for the new CCWIS, the DHHR will attempt to persuade and work with the bureau to establish an approval process for adoption assistance benefit payments.

The DHHR will continue to work with the Office of Management Information Services to resolve the issues in this finding.

2016-018 ALLOWABILITY AND ELIGIBILITY
Department of Health and Human Resources
CFDA Number 93.568

The DHHR BCF addressed the finding in December 2016, by making various revisions to the Income Maintenance Manual, the purpose of which was to clarify the exact manner by which a worker is to complete Section IV of the Low Income Home Energy Assistance Program (LIHEAP) application.

2016-019 REPORTING DOCUMENTATION
Department of Health and Human Resources
CFDA Number 93.568

The DHHR Office of Management Information Services, in conjunction with the BCF, will evaluate the criteria and data ranges within the DHHR system that generates the Annual Report on Households Assisted by LIHEAP, as the report was developed several years ago by a separate vendor and is currently not producing an accurate count of LIHEAP households for the periods requested by the auditors. The DHHR will be working with a new vendor in the coming months to



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

review the report in detail and to make the appropriate modifications as necessary to ensure that future reports can capture all households [and other relevant information] for any period.

2016-020 DISASTER RECOVERY PLAN
Department of Health and Human Resources
CFDA Numbers 93.575 and 93.596

As an alternate solution to the condition that led to the finding, the DHHR BCF plans to utilize the File Cabinet feature in Family and Children Tracking System (FACTS) and instruct the external Research and Referral Agencies to scan pertinent records into the FACTS File Cabinet for the specific cases. The File Cabinet is a distinct function in FACTS that serves as a simple electronic document management system allowing the storage of both software documents (files in electronic format) and images of hard copy documents (scanned pictures of paper documents). The function is entirely integrated into the FACTS case record such that a document is permanently attached exclusively to a case/referral/provider record in which it was entered. Since the documents are only found within the focus of the case/referral/provider, access to the contents are secured to only the users that have the security and permissions to access the type of case/referral/provider.

2016-021 SPECIAL TESTS AND PROVISIONS – FRAUD DETECTION AND REPAYMENT CONTROLS
Department of Health and Human Resources
CFDA Numbers 93.575 and 93.596

The DHHR has already informed the relevant parties of this matter and will ensure the auditors receive the correct reconciliation spreadsheet during fieldwork for fiscal year 2017. Furthermore, although there are policies and procedures and related controls already in place within the DHHR BCF and the Office of Inspector General surrounding fraud detection and recovery procedures for the child care program, to address the issue of staff turnover and the auditors' recommendation to ensure that new staff are adequately trained on the processes and controls, the DHHR will compile and organize the various policies and procedures and will disseminate internally to ensure that every relevant staff



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

member understands his or her current role in the fraud detection and repayment process.

2016-022 ELIGIBILITY DOCUMENTATION **Department of Health and Human Resources** **CFDA Number 93.659**

It is important to note that the State's independent auditors are reviewing cases and related files established as far back as FY 1995 because of adoption payments in fiscal year 2016 and the fact that payments related to adoptions can occur for up to 21 years (current audit is for fiscal year 2016 minus 21 years equals fiscal year 1995). The DHHR BCF implemented additional controls and developed a checklist in fiscal year 2007, the purpose of which was to ensure that documentation is maintained in case files. However, adoptions consummated prior to the date of the checklist (fiscal year 2007) yet tested as part of an ongoing Single Audit are going to be at risk of receiving the finding until fiscal year 2028 because fiscal year 2028 is when payments for adoptions consummated prior to fiscal year 2007 will cease. Nonetheless, the DHHR recognizes that controls can always be improved. With respect to the current year finding and the seven exceptions/cases denoted therein, the DHHR has asked the BCF about the dates of adoption for each of the cases. If the date of adoption for each of those cases is after the date the BCF implemented the checklist, the DHHR will instruct the BCF to establish additional policies and procedures to ensure that necessary documentation is maintained in case files.

2016-023 REPORTING COMPLIANCE **Division of Rehabilitation Services** **CFDA Number 96.001**

While the report did contain accurate data, it did contain a mathematical error which caused one of the line items to be misstated. In response to this error, the agency will strengthen our controls over the review of reports and supporting documentation. Further, DRS contacted the Social Security Administration regarding this report to determine if a corrected report



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

should be submitted. They indicated that an amended report was not necessary. In addition, in March and April 2017, DRS provided our fiscal staff with Uniform Guidance and Reporting training.

2016-024 SUBRECIPEINT MONITORING
Division of Homeland Security and Emergency Management
CFDA Number 97.036

Division of Homeland Security and Emergency Management (DHSEM) has revised their on-site monitoring plan and has hired a CPA firm to perform on-site monitoring visits and fulfill their requirements according to Federal Guidelines. DHSEM will ensure that completed Auditor reports for subrecipients will be documented. This documentation will be accomplished by creating a database and complete forms as reviews are finalized. These forms and the database will be uploaded and maintained on DHSEM's online Sharepoint site. These reviews will be completed and reviewed from off-site as well as within the DHSEM offices.

2016-025 INTERNAL CONTROLS OVER REPORTING
Division of Homeland Security and Emergency Management
CFDA Number 97.036

DHSEM has implemented controls over the report submission by having current staff to ensure that preparation and review and approval are completed by different individuals.

2016-026 CASH MANAGEMENT
Department of Highways
CFDA Number 97.036

Interest earned on the Federal advance funds is currently being calculated. This amount will be returned to the U.S. Department of Health and Human Services, Payment Management System as soon as possible.



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CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**2016-027 SCHEUDLE OF EXPENDITURES OF FEDERAL AWARDS
Department of Highways
CFDA Number 97.036**

Department of Highways will ensure the SEFA is accurate by implementing policies and procedures and reviewing additional reports. This will insure that the agency has internal controls in place to adequately prepare and review the SEFA.

**2016-028 MATCHING
Division of Homeland Security and Emergency Management
CFDA Number 97.036**

DHSEM will ensure that all supporting documentation will be readily available. Maintaining a list of closed projects on a share (internal) network and these documents will be available through wvOASIS.

**2016-029 SPECIAL TESTS AND PROVISIONS – PROJECT ACCOUNTING
Division of Homeland Security and Emergency Management
CFDA Number 97.036**

DHSEM will ensure that all supporting documentation will be readily available. Maintaining a list of closed projects on our shared (internal) network and it will be available through wvOASIS.

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



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2015-001 TAX RECEIPTS AND REFUNDS
2014-001 Department of Revenue and Financial Accounting & Reporting
2013-001 Section
CFDA Number Not Applicable
Resolved

Corrective action was taken in FY 2016.

2015-002 SPECIAL RECLAMATION LIABILITY
2014-003 Financial Accounting and Reporting Section
CFDA Number Not Applicable
Resolved

Corrective action was taken in FY 2016.

2015-003 FINANCIAL STATEMENT CLOSE PROCESS
2014-004 Overall State
CFDA Number Not Applicable
Partially Resolved

As of May 19, 2017, the Financial Accounting and Reporting Section (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 2017 information to ensure that accurate and 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 enable FARS to have appropriate supervision and review. The additional staff will also help management in the timely evaluation on the impact of new GASB pronouncements. See current year finding 2016-001.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2015-004	SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2014-005	Department of Administration - Overall State
2013-003	CFDA Number Not Applicable
2012-5	Partially Resolved
2011-4	
2010-5	
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 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 2016-002.

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

Corrective action taken in FY 2016.

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

Corrective action taken in FY 2016.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Corrective action was taken in FY 2016.

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

Corrective action was taken in FY 2016.

2015-009 INTERNAL CONTROLS OVER ELIGIBILITY
2014-007 WORKFORCE West Virginia (WFVV)
CFDA number 17.225
Resolved

Corrective action was taken in FY 2016.

2015-010 REPORTING
WORKFORCE West Virginia
CFDA Number 17.225
Resolved

Corrective action taken in FY 2016.

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

Corrective action taken in FY 2016.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Corrective action taken in FY 2016.

**2015-013 BANNER IT GENERAL CONTROLS
2014-009 Overall Higher Education
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 2016.

**2015-014 SPECIAL TESTS AND PROVISIONS – DISBURSEMENTS TO
2014-010 OR ON BEHALF OF STUDENTS
2013-025 West Virginia University (WVU)
2012-27 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 2016

**2015-015 SPECIAL TESTS AND PROVISIONS – REPORTING
2014-011 ENROLLMENT
2013-028 Bluefield State College, Pierpont Community and Technical
2012-43 College, and Concord University
2012-47 CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268, 84.379,
2012-49 93.264, 93.342, and 93.364
2011-22 Partially Resolved**

**Bluefield State College response
Resolved**

Corrective action taken in FY 2016.

Pierpont Community and Technical College response



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Resolved

Corrective action taken in FY 2016.

Concord University response

Resolved

Corrective action taken in FY 2016.

While the colleges/universities identified in the prior year finding resolved this matter, the following colleges/universities had a finding in the current year: BlueRidge Community and Technical College, Mountwest Community and Technical College, New River Community and Technical College, West Virginia Northern Community and Technical College, West Virginia State University, Shepherd University, West Liberty University, and West Virginia University – Parkersburg. See current year finding 2016-008 and the related corrective action plan.

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

Corrective action was taken in FY 2016.

**2015-017 LEVEL OF EFFORT – MAINTENANCE OF EFFORT
2014-014 Department of Education (WVDE)
CFDA Numbers 84.027/84.173
Resolved**

Corrective action taken in FY 2016.

**2015-018 ELIGIBILTIY
Division of Rehabilitation Services (DRS)
CFDA Number 84.126
Partially Resolved**



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

The Department of Health and Human Resources (DHHR) Bureau for Children and Families (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 or transferring specialized agency adoptions to the state office. Furthermore, the BCF will also continue reviewing case files 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. See current year finding 2016-012.

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

Corrective action taken in FY 2016.

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

Division of Rehabilitation Services (DRS) has reviewed all policies and procedures that are currently in place related to payroll and developed new policies and procedures needed to ensure payroll is properly approved. The DRS has taken corrective action to ensure that the methods for approvals are implemented on a consistent basis. On June 1, 2016, the implementation of the KRONOS payroll system has corrected this finding. See current year finding 2016-013.

**2015-021 INDIRECT COST ALLOCATION
 2014-015 Division of Rehabilitation Services
 2013-033 CFDA Number 84.126
 2012-50 Resolved**

Corrective action was taken in FY 2016.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Corrective action was taken in FY 2016.

2015-023 SPECIAL TESTS AND PROVISIONS – SANCTIONS
Department of Health and Human Resources
CFDA Number 93.558
Resolved

Corrective action was taken in FY 2016.

2015-024 SPECIAL TESTS AND PROVISIONS - SANCTIONS
2014-019 Department of Health and Human Resources
2013-036 CFDA Number 93.558
2012-56 Partially Resolved
2011-44
2010-41

In response to the same finding for fiscal year 2011 (2011-44), the DHHR discussed this matter with the United States Department of Health and Human Services, Administration for Children and Families (ACF) in fiscal year 2014, whereby the ACF reviewed the policies and procedures in effect within the DHHR BCF surrounding the issuance and removal of sanctions and determined the policies and procedures to be adequate. The complimentary controls referenced by the auditors in the condition section of the finding are based on the same policies and procedures reviewed and approved by the ACF. However, given that the control documentation provided to the auditors was not adequate to ensure that sanctions could not be issued or removed against TANF recipients in error or without appropriate cause, the DHHR will reexamine all the correspondence from prior years regarding the complimentary controls and will consider whether it is necessary for the BCF to develop any new policies and procedures as a means to enhance said controls and thus show greater evidence of control activity prior to the issuance or removal of sanctions. See current year finding 2016-016.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2015-025	DHHR INFORMATION SYSTEM AND RELATED
2014-016	BUSINESS PROCESS CONTROLS
2013-034	Department of Health and Human Resources
2012-51	CFDA Numbers 10.551/10.561, 93.558, 93.775/93.777/93.778
2011-46	and ARRA 93.778, 93.568, 93.575/93.596, 93.767, 93.659,
2010-43	and 93.658
2009-43	Partially Resolved
2008-55	
2007-54	
2006-37	
2005-44	
2005-60	
2004-50	
2003-63	
2002-61	

The DHHR continues to assess the possibility of implementing additional controls related to automatic payments. For the foster care benefit payments that are issued automatically without evidence of someone formally reviewing the payments, this is a long-standing issue that is driven by the business processing rules in place within the DHHR programmatic bureau. It is not a system issue because the system is simply supporting the business rules requested by the BCF. Nonetheless, many controls and verifications exist around the establishment of eligibility for Federal financial participation. Supervisor approval is necessary to place a child in a paid foster care setting, which in turn will generate a monthly payment, but the BCF is on record as defending their decision to not require a hard approval process to release each month's payments, as the administrative burden and related cost of requiring a secondary level of review for all case information entered into the system would far outweigh the benefits derived from such a process.

For the foster care benefit payments that are requested and approved by the same person, this too is a long-standing issue that is driven by the business processing rules in place within the DHHR programmatic bureau. However, the U.S. Department of Health and Human Services (DHHS) has issued a new requirement that existing Statewide



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Automated Child Welfare Information System (SACWIS) make modifications or build new systems to conform to a new set of system requirements known as a Comprehensive Child Welfare Information System (CCWIS). The changes went into effect August 2016, and the state has until October 2019, to begin migration or implementation. The CCWIS will replace the SACWIS and the DHHR is looking towards the new CCWIS as an opportunity to possibly add some levels of approval and thus improve the overall internal controls surrounding foster care benefit payments.

For the adoption assistance benefit payments, an approval process does not exist within the system, as this too was a business processing rule established by the programmatic bureau at the time the system was developed and implemented. However, the adoption subsidy function is limited to only one individual in the entire state through database and application security roles. Since the subsidy is a negotiated benefit that must be declared for the prospective parents, guardian ad-litem, and judge to approve and sign on the adoption finalization order, the amount and frequency has already been decided upon and documented for all parties in the adoption agreement. Nonetheless, when defining the system requirements for the new CCWIS, the DHHR will attempt to persuade and work with the BCF to establish an approval process for adoption assistance benefit payments.

The DHHR will continue to work with the Office of Management Information Services to resolve the issues in this finding. See current year finding 2016-017.

2015-026	ALLOWABILITY AND ELIGIBILITY
2014-021	Department of Health and Human Resources
2013-037	CFDA Number 93.568
2012-57	Partially Resolved
2011-50	
2010-46	
2009-48	
2008-59	
2007-59	



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2006-43
2005-50

The DHHR BCF addressed the finding in December 2016, by making various revisions to the Income Maintenance Manual, the purpose of which was to clarify the exact manner by which a worker is to complete Section IV of the Low Income Home Energy Assistance Program (LIHEAP) application. See current year finding 2016-018.

2015-027 **DISASTER RECOVERY PLAN**
2014-022 **Department of Health and Human Resources**
2013-038 **CFDA Numbers 93.596 and 93.575**
2012-58 **Partially Resolved**
2011-51
2010-47
2009-50
2008-61
2007-62
2006-45

As an alternate solution to the condition that led to the finding, the DHHR BCF plans to utilize the File Cabinet feature in Family and Children Tracking System (FACTS) and instruct the external Research and Referral Agencies to scan pertinent records into the FACTS File Cabinet for the specific cases. The File Cabinet is a distinct function in FACTS that serves as a simple electronic document management system allowing the storage of both software documents (files in electronic format) and images of hard copy documents (scanned pictures of paper documents). The function is entirely integrated into the FACTS case record such that a document is permanently attached exclusively to a case/referral/provider record in which it was entered. Since the documents are only found within the focus of the case/referral/provider, access to the contents are secured to only the users that have the security and permissions to access the type of case/referral/provider. See current year finding 2016-020.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2015-028 **SPECIAL TESTS AND PROVISIONS – PAYMENT**
2014-023 **RATE SETTING AND APPLICATION**
Department of Health and Human Resources
CFDA Number 93.658
Resolved

Corrective action taken in FY 2016.

2015-029 **ELIGIBILITY DOCUMENTATION**
2014-024 **Department of Health and Human Resources**
2013-040 **CFDA Number 93.659**
2012-59 **Partially Resolved**

The State's independent auditors are reviewing cases and related files established as far back as FY 1995 because of adoption payments in fiscal year 2016 and the fact that payments related to adoptions can occur for up to 21 years (current audit is for fiscal year 2016 minus 21 years equals fiscal year 1995). The DHHR BCF implemented additional controls and developed a checklist in fiscal year 2007, the purpose of which was to ensure that documentation is maintained in case files. However, adoptions consummated prior to the date of the checklist (fiscal year 2007) yet tested as part of an ongoing Single Audit are going to be at risk of receiving the finding until fiscal year 2028 because fiscal year 2028 is when payments for adoptions consummated prior to fiscal year 2007 will cease. Nonetheless, the DHHR recognizes that controls can always be improved. With respect to the current year finding and the seven exceptions/cases denoted therein, the DHHR has asked the BCF about the dates of adoption for each of the cases. If the date of adoption for each of those cases is after the date the BCF implemented the checklist, the DHHR will instruct the BCF to establish additional policies and procedures to ensure that necessary documentation is maintained in case files. See current year finding 2016-022.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

2015-030 EARMARKING
2014-025 Department of Health and Human Resources
2013-041 CFDA Number 93.667
Resolved

Corrective action taken in FY 2016.