



West Virginia *Single Audit*

For the Year Ended June 30, 2018

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, 2018, 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 December 21, 2018. 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 was not audited in accordance with *Government Auditing Standards*, the West Virginia Housing Development Fund, School Building Authority of West Virginia, 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.; The Glenville State College Foundation, Inc.; The Marshall University Foundation, Inc.; New River Community and Technical College Foundation, Inc.; Provident Group-Marshall Properties, LLC; The 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.; WVU at Parkersburg Foundation, Inc; and BlueRidge Community and Technical College 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 first 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 have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be material weakness.

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*.

State of West Virginia's Response to Findings

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



December 21, 2018



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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, 2018. 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. We did not audit the State of West Virginia's compliance with the compliance requirements referred to above that are applicable to the Capitalization Grant for Clean Water Revolving Fund, that comprise expenditures of approximately \$20.7 million. These compliance requirements were audited by other auditors whose report thereon has been furnished to us. Our opinion on compliance, in so far as it relates to the major program referred to above is based solely upon the report of other auditors.

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 \$314,655,185 collectively, in federal awards which are not included in the State of West Virginia's schedule of expenditures of federal awards during the year ended June 30, 2018. 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, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the State of West Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 adverse, qualified, and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the State of West Virginia’s compliance.

Basis for Adverse Opinion on Disaster Grants – Public Assistance (Presidentially Declared Disasters), Hazard Mitigation Grant (HMGP), and Emergency Management Performance Grants

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

| Finding Number | CFDA Number | Program or Cluster Name | Compliance Requirement |
|-----------------------|--------------------|---|--|
| 2018–027 | 97.036 | Disaster Grants – Public Assistance (Presidentially Declared Disasters) | Cash Management |
| 2018–028 | 97.036 | Disaster Grants – Public Assistance (Presidentially Declared Disasters) | Cash Management |
| 2018–029 | 97.036 | Disaster Grants – Public Assistance (Presidentially Declared Disasters) | Subrecipient Monitoring |
| 2018–030 | 97.039 | Hazard Mitigation Grant (HMGP) | Cash Management |
| 2018–031 | 97.039 | Hazard Mitigation Grant (HMGP) | Eligibility |
| 2018–032 | 97.039 | Hazard Mitigation Grant (HMGP) | Matching, Level of Effort and Earmarking |
| 2018–033 | 97.039 | Hazard Mitigation Grant (HMGP) | Reporting |
| 2018–034 | 97.039 | Hazard Mitigation Grant (HMGP) | Subrecipient Monitoring |
| 2018–035 | 97.042 | Emergency Management Performance Grants | Reporting |
| 2018–036 | 97.042 | Emergency Management Performance Grants | Activities Allowed or Unallowed and Allowable Cost/Cost Principles |
| 2018–037 | 97.042 | Emergency Management Performance Grants | Cash Management |
| 2018–038 | 97.042 | Emergency Management Performance Grants | Eligibility |
| 2018–039 | 97.042 | Emergency Management Performance Grants | Matching, Level of Effort and Earmarking |
| 2018–040 | 97.042 | Emergency Management Performance Grants | Matching, Level of Effort and Earmarking |
| 2018–041 | 97.042 | Emergency Management Performance Grants | Reporting |
| 2018–042 | 97.042 | Emergency Management Performance Grants | Subrecipient Monitoring |
| 2018–043 | 97.042 | Emergency Management Performance Grants | Special Tests and Provisions – Closeout Reporting |

| Finding Number | CFDA Number | Program or Cluster Name | Compliance Requirement |
|-----------------------|--------------------|---|---|
| 2018-044 | 97.042 | Emergency Management Performance Grants | Special Tests and Provisions – Training Exercise Plan Requirement |

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

Adverse Opinion on Disaster Grants – Public Assistance (Presidentially Declared Disasters), Hazard Mitigation Grant (HMGP), and Emergency Management Performance Grants

In our opinion, because of the significance of the matters 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), Hazard Mitigation Grant, and Emergency Management Performance Grants for the year ended June 30, 2018.

Basis for Qualified Opinion on National Guard Military Operations and Maintenance (O&M) Projects; Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii; Student Financial Assistance Cluster; Temporary Assistance For Needy Families (TANF) Cluster; Low-Income Home Energy Assistance; and Adoption Assistance

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

| Finding Number | CFDA Number | Program or Cluster Name | Compliance Requirement |
|-----------------------|---|---|--|
| 2018-002 | 12.401 | National Guard Military Operations and Maintenance (O&M) Projects | Period of Availability of Federal Funds/Period of Performance |
| 2018-003 | 12.401 | National Guard Military Operations and Maintenance (O&M) Projects | Program Income |
| 2018-004 | 14.228 | Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii | Reporting |
| 2018-005 | 14.228 | Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii | Activities Allowed or Unallowed and Procurement and Suspension and Debarment |
| 2018-011 | 84.007/84.033/ 84.038/84.063/ 84.268/84.379/ 93.264/93.342/ 93.364/93.925 | Student Financial Assistance Cluster | Special Tests and Provisions – Disbursements to or on Behalf of Students |
| 2018-012 | 84.007/84.033/ 84.038/84.063/ 84.268/84.379/ 93.264/93.342/ 93.364/93.925 | Student Financial Assistance Cluster | Special Tests and Provisions – Enrollment Reporting |

| Finding Number | CFDA Number | Program or Cluster Name | Compliance Requirement |
|-----------------------|--------------------|--|--|
| 2018-018 | 93.558 | Temporary Assistance for Needy Families (TANF) Cluster | Reporting |
| 2018-020 | 93.558 | Temporary Assistance for Needy Families (TANF) Cluster | Special Tests and Provisions – Child Support Non-Cooperation |
| 2018-021 | 93.568 | Low-Income Home Energy Assistance | Activities Allowed or Unallowed and Eligibility |
| 2018-023 | 93.659 | Adoption Assistance | Eligibility |

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

Qualified Opinion on National Guard Military Operations and Maintenance (O&M) Projects; Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii; Student Financial Assistance Cluster; Temporary Assistance For Needy Families (TANF) Cluster; Low-Income Home Energy Assistance; and Adoption Assistance

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State of West Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on National Guard Military Operations and Maintenance (O&M) Projects; Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii; Student Financial Assistance Cluster; Temporary Assistance For Needy Families (TANF) Cluster; Low-Income Home Energy Assistance; and Adoption Assistance for the year ended June 30, 2018.

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, 2018.

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 described and listed below:

| Finding Number | CFDA Number | Program or Cluster Name | Compliance Requirement |
|-----------------------|---------------------------------|---|---|
| 2018-006 | 20.205/20.219/ 20.224/23.003 | Highways Planning and Construction Cluster | Period of Performance |
| 2018-008 | 20.205/20.219/ 20.224/23.003 | Highways Planning and Construction Cluster | Special Tests and Provisions – Wage Rate Requirements |
| 2018-014 | 84.126 | Rehabilitation Services—Vocational Rehabilitation Grants to State | Eligibility |
| 2018-015 | 84.126 | Rehabilitation Services—Vocational Rehabilitation Grants to State | Reporting |

| Finding Number | CFDA Number | Program or Cluster Name | Compliance Requirement |
|-----------------------|--------------------------|---|---|
| 2018-016 | 84.126 | Rehabilitation Services—Vocational Rehabilitation Grants to State | Special Tests and Provisions – Completion of IPEs |
| 2018-024 | 93.775/93.777/ 93.778 | Medicaid Cluster | Activities Allowed or Unallowed and Allowable Costs/Cost Principles |

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 response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 types of 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 have not been identified. However, as discussed below, we did identify 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 and as listed below to be material weaknesses.

| Finding Number | CFDA Number | Program or Cluster Name | Compliance Requirement |
|-----------------------|--------------------|---|---|
| 2018-002 | 12.401 | National Guard Military Operations and Maintenance (O&M) Projects | Period of Availability of Federal Funds/Period of Performance |
| 2018-004 | 14.228 | Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii | Reporting |

| Finding Number | CFDA Number | Program or Cluster Name | Compliance Requirement |
|-----------------------|--|--|--|
| 2018-005 | 14.228 | Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | Activities Allowed or Unallowed and Procurement and Suspension and Debarment |
| 2018-006 | 20.205/20.219/ 20.224/23.003 | Highways Planning and Construction Cluster | Period of Performance |
| 2018-012 | 84.007/84.033/ 84.038/84.063/ 84.268/84.379/ 93.264/93.342/ 93.364/93.925 | Student Financial Assistance Cluster | Special Tests and Provisions – Enrollment Reporting |
| 2018-017 | 93.558, 93.568, 93.575/93.596, 93.658, 93.659, 93.767, 93.775/ 93.777/93.778 | Temporary Assistance for Needy Families (TANF) Cluster, Low-Income Home Energy Assistance, Child Care and Development Fund (CCDF) Cluster, Foster Care—Title IV-E, Adoption Assistance, Children's Health Insurance Program (CHIP), Medicaid Cluster | Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility; Level of Effort, Special Tests and Provisions – Operation of a Foster Care Demonstration Project, Special Tests and Provisions – Payment Rate Setting and Application |
| 2018-019 | 93.558 | Temporary Assistance for Needy Families (TANF) Cluster | Special Tests and Provisions – Child Support Non-Cooperation, Penalty for Refusal to work, and Adult Custodial Parent of Child Under Six When Child Care Not Available |
| 2018-021 | 93.568 | Low-Income Home Energy Assistance | Activities Allowed or Unallowed and Eligibility |
| 2018-022 | 93.575/93.596 | Child Care and Development Fund (CCDF) Cluster | Special Tests and Provisions – Fraud Detection and Repayment Controls |
| 2018-023 | 93.659 | Adoption Assistance | Eligibility |
| 2018-027 | 97.036 | Disaster Grants – Public Assistance (Presidentially Declared Disasters) | Cash Management |
| 2018-028 | 97.036 | Disaster Grants – Public Assistance (Presidentially Declared Disasters) | Cash Management |
| 2018-029 | 97.036 | Disaster Grants – Public Assistance (Presidentially Declared Disasters) | Subrecipient Monitoring |
| 2018-030 | 97.039 | Hazard Mitigation Grant (HMGP) | Cash Management |
| 2018-031 | 97.039 | Hazard Mitigation Grant (HMGP) | Eligibility |
| 2018-034 | 97.039 | Hazard Mitigation Grant (HMGP) | Subrecipient Monitoring |
| 2018-036 | 97.042 | Emergency Management Performance Grants | Activities Allowed or Unallowed |

| Finding Number | CFDA Number | Program or Cluster Name | Compliance Requirement |
|-----------------------|--------------------|---|---|
| 2018-037 | 97.042 | Emergency Management Performance Grants | Cash Management |
| 2018-038 | 97.042 | Emergency Management Performance Grants | Eligibility |
| 2018-039 | 97.042 | Emergency Management Performance Grants | Matching, Level of Effort and Earmarking |
| 2018-040 | 97.042 | Emergency Management Performance Grants | Matching, Level of Effort and Earmarking |
| 2018-041 | 97.042 | Emergency Management Performance Grants | Reporting |
| 2018-042 | 97.042 | Emergency Management Performance Grants | Subrecipient Monitoring |
| 2018-043 | 97.042 | Emergency Management Performance Grants | Special Tests and Provisions – Closeout Reporting |
| 2018-044 | 97.042 | Emergency Management Performance Grants | Special Tests and Provisions – Training Exercise Plan Requirement |

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 and as listed below to be significant deficiencies.

| Finding Number | CFDA Number | Program or Cluster Name | Compliance Requirement |
|-----------------------|---|---|---|
| 2018-003 | 12.401 | National Guard Military Operations and Maintenance (O&M) Projects | Program Income |
| 2018-007 | 20.205/20.219/ 20.224/23.003 | Highways Planning and Construction Cluster | Reporting |
| 2018-008 | 20.205/20.219/ 20.224/23.003 | Highways Planning and Construction Cluster | Special Tests and Provisions – Wage Rate Requirements |
| 2018-009 | 84.007/84.033/ 84.038/84.063/ 84.268/84.379/ 93.264/93.342/ 93.364/93.925 | Student Financial Assistance Cluster | Reporting |
| 2018-010 | 84.007/84.033/ 84.038/84.063/ 84.268/84.379/ 93.264/93.342/ 93.364/93.925 | Student Financial Assistance Cluster | Cash Management |

| Finding Number | CFDA Number | Program or Cluster Name | Compliance Requirement |
|-----------------------|---|---|--|
| 2018-011 | 84.007/84.033/ 84.038/84.063/ 84.268/84.379/ 93.264/93.342/ 93.364/93.925 | Student Financial Assistance Cluster | Special Tests and Provisions – Disbursements to or on Behalf of Students |
| 2018-013 | 84.007/84.033/ 84.038/84.063/ 84.268/84.379/ 93.264/93.342/ 93.364/93.925 | Student Financial Assistance Cluster | Special Tests and Provisions – Borrower Data Transmission and Reconciliation |
| 2018-014 | 84.126 | Rehabilitation Services—Vocational Rehabilitation Grants to State | Eligibility |
| 2018-015 | 84.126 | Rehabilitation Services—Vocational Rehabilitation Grants to State | Reporting |
| 2018-016 | 84.126 | Rehabilitation Services—Vocational Rehabilitation Grants to State | Special Tests and Provisions – Completion of IPES |
| 2018-018 | 93.558 | Temporary Assistance for Needy Families (TANF) Cluster | Reporting |
| 2018-024 | 93.775/93.777/ 93.778 | Medicaid Cluster | Activities Allowed or Unallowed and Allowable Costs/Cost Principles |
| 2018-025 | 97.036 | Disaster Grants – Public Assistance (Presidentially Declared Disasters) | Reporting |
| 2018-026 | 97.036 | Disaster Grants – Public Assistance (Presidentially Declared Disasters) | Activities Allowed or Unallowed |
| 2018-032 | 97.039 | Hazard Mitigation Grant (HMGP) | Matching, Level of Effort and Earmarking |
| 2018-033 | 97.039 | Hazard Mitigation Grant (HMGP) | Reporting |
| 2018-035 | 97.042 | Emergency Management Performance Grants | Reporting |

The State of West Virginia’s responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and 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 responses.

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, 2018, and have issued our report thereon dated December 21, 2018, 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Ernst + Young LLP

February 8, 2019



***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, 2018

| FEDERAL CFDA / GRANT/ CONTRACT NUMBER | NAME OF PROGRAM | STATE OF WEST VIRGINIA EXPENDITURES | TOTAL SUBRECIPIENT EXPENDITURES | TOTAL FEDERAL EXPENDITURES |
|---|---|---|---------------------------------------|----------------------------------|
| <u>DEPARTMENT OF AGRICULTURE</u> | | | | |
| 10.025 | PLANT AND ANIMAL DISEASE, PEST CONTROL, AND ANIMAL CARE | \$640,252 | \$0 | \$640,252 |
| 10.028 | WILDLIFE SERVICES | \$8,908 | \$0 | \$8,908 |
| 10.072 | WETLANDS RESERVE PROGRAM | \$8,738 | \$0 | \$8,738 |
| 10.117 | BIOFUEL INFRASTRUCTURE PARTNERSHIP | \$0 | \$1,059,374 | \$1,059,374 |
| 10.170 | SPECIALTY CROP BLOCK GRANT PROGRAM - FARM BILL | \$73,076 | \$142,470 | \$215,546 |
| 10.174 | ACER ACCESS DEVELOPMENT PROGRAM | \$5,782 | \$0 | \$5,782 |
| 10.202*** | COOPERATIVE FORESTRY RESEARCH PAYMENTS TO AGRICULTURAL EXPERIMENT STATIONS UNDER THE | \$654,977 | \$0 | \$654,977 |
| 10.203*** | HATCH ACT | \$3,447,496 | \$0 | \$3,447,496 |
| 10.207*** | ANIMAL HEALTH AND DISEASE RESEARCH | \$15,200 | \$0 | \$15,200 |
| 10.216 | 1890 INSTITUTION CAPACITY BUILDING GRANTS | \$291 | \$0 | \$291 |
| 10.304 | HOMELAND SECURITY AGRICULTURAL | \$22,144 | \$0 | \$22,144 |
| 10.310 | AGRICULTURAL AND FOOD RESEARCH INITIATIVE (AFRI) CROP PROTECTION AND PEST MANAGEMENT COMPETITIVE GRANTS PROGRAM | \$10,742 | \$0 | \$10,742 |
| 10.329 | COOPERATIVE AGREEMENTS WITH STATES FOR INTRASTATE MEAT AND POULTRY INSPECTION | \$922 | \$0 | \$922 |
| 10.475 | FOOD SAFETY COOPERATIVE AGREEMENTS | \$589,505 | \$0 | \$589,505 |
| 10.479 | COOPERATIVE EXTENSION SERVICE | \$252,215 | \$0 | \$252,215 |
| 10.500 | SNAP RECIPIENT INTEGRITY EDUCATION GRANT | \$4,671,402 | \$75,951 | \$4,747,353 |
| 10.535 | PROFESSIONAL STANDARDS FOR SCHOOL NUTRITION EMPLOYEES | \$4,367 | \$0 | \$4,367 |
| 10.547 | WIC SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN | \$0 | \$31,500 | \$31,500 |
| 10.557 | CHILD AND ADULT CARE FOOD PROGRAM | \$20,083,903 | \$9,012,621 | \$29,096,524 |
| 10.558 | STATE ADMINISTRATIVE EXPENSES FOR CHILD NUTRITION | \$67,161 | \$17,144,899 | \$17,212,060 |
| 10.560 | WIC FARMERS' MARKET NUTRITION PROGRAM (FMNP) | \$2,807,284 | \$0 | \$2,807,284 |
| 10.572 | TEAM NUTRITION GRANTS | \$57,933 | \$0 | \$57,933 |
| 10.574 | FARM TO SCHOOL GRANT PROGRAM | \$0 | (\$25,034) | (\$25,034) |
| 10.575 | SENIOR FARMERS MARKET NUTRITION PROGRAM | \$13,022 | \$0 | \$13,022 |
| 10.576 | CHILD NUTRITION DISCRETIONARY GRANTS LIMITED AVAILABILITY | \$463,279 | \$0 | \$463,279 |
| 10.579 | FRESH FRUIT AND VEGETABLE PROGRAM | \$0 | \$161,301 | \$161,301 |
| 10.582 | COOPERATIVE FORESTRY ASSISTANCE | \$41,264 | \$1,652,597 | \$1,693,861 |
| 10.664 | SCHOOLS AND ROADS-GRANTS TO STATES AND FOREST SERVICE | \$919,629 | \$139,675 | \$1,059,304 |
| 10.665 | SCHOOLS AND ROADS CLUSTER | \$1,685,549 | \$0 | \$1,685,549 |
| 10.676 | FOREST LEGACY PROGRAM | \$38,570 | \$0 | \$38,570 |
| 10.678 | FOREST STEWARDSHIP PROGRAM | \$22,640 | \$0 | \$22,640 |
| 10.680 | FOREST HEALTH PROTECTION | \$356,044 | \$0 | \$356,044 |
| 10.684 | INTERNATIONAL FORESTRY PROGRAMS | \$31,908 | \$0 | \$31,908 |
| 10.868 | RURAL ENERGY FOR AMERICA PROGRAM | \$92,440 | \$0 | \$92,440 |
| 10.902 | SOIL AND WATER CONSERVATION | \$218,097 | \$0 | \$218,097 |
| 10.903 | SOIL SURVEY | \$2,752 | \$0 | \$2,752 |
| 10.912 | ENVIRONMENTAL QUALITY INCENTIVES PROGRAM | \$248,535 | \$0 | \$248,535 |
| 10.913 | FARM AND RANCH LANDS PROTECTION PROGRAM | \$33,323 | \$0 | \$33,323 |
| 10.916 | WATERSHED REHABILITATION PROGRAM | \$3,505,943 | \$0 | \$3,505,943 |
| <u>SNAP CLUSTER</u> | | | | |
| 10.551 | SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM | \$451,228,131 | \$0 | \$451,228,131 |
| 10.561 | <u>TOTAL SNAP CLUSTER</u> | <u>\$17,071,522</u> | <u>\$3,890,256</u> | <u>\$20,961,778</u> |
| <u>CHILD NUTRITION CLUSTER</u> | | | | |
| 10.553 | SCHOOL BREAKFAST PROGRAM (SBP) | \$146,445 | \$41,713,600 | \$41,860,045 |
| 10.555 | NATIONAL SCHOOL LUNCH PROGRAM (NSLP) | \$10,306,632 | \$79,529,197 | \$89,835,829 |
| 10.556 | SPECIAL MILK PROGRAM FOR CHILDREN (SMP) | \$0 | \$11,992 | \$11,992 |
| 10.559 | SUMMER FOOD SERVICE PROGRAM FOR CHILDREN (SFSPC) | \$3,792 | \$1,873,784 | \$1,877,576 |
| <u>TOTAL CHILD NUTRITION CLUSTER</u> | | <u>\$10,456,869</u> | <u>\$123,128,573</u> | <u>\$133,585,442</u> |
| <u>FOOD DISTRIBUTION CLUSTER</u> | | | | |
| 10.565 | COMMODITY SUPPLEMENTAL FOOD PROGRAM | \$1,255,783 | \$370,655 | \$1,626,438 |
| 10.568 | EMERGENCY FOOD ASSISTANCE PROGRAM (ADMINISTRATIVE COSTS) | \$20,271 | \$557,426 | \$577,697 |
| 10.569 | EMERGENCY FOOD ASSISTANCE PROGRAM (FOOD COMMODITIES) | \$3,857,467 | \$0 | \$3,857,467 |
| <u>TOTAL FOOD DISTRIBUTION CLUSTER</u> | | <u>\$5,133,521</u> | <u>\$928,081</u> | <u>\$6,061,602</u> |

**STATE OF WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FEDERAL GRANTOR LISTING
FOR THE YEAR ENDING JUNE 30, 2018**

| FEDERAL CFDA / GRANT/ CONTRACT NUMBER | NAME OF PROGRAM | STATE OF WEST VIRGINIA EXPENDITURES | TOTAL SUBRECIPIENT EXPENDITURES | TOTAL FEDERAL EXPENDITURES |
|--|---|---|---------------------------------------|----------------------------------|
| 10.U01 | THE IMPACT OF CLIMATE CHANGE ON COASTAL ALASKA FOREST CARBON SEQUESTRATION | \$6,874 | \$0 | \$6,874 |
| 10.U02 | NATIONAL VISITOR USE MONITORING | \$185,354 | \$62,461 | \$247,815 |
| 10.U03 | REGION 6 ROUND 3 NVUM | \$1 | \$0 | \$1 |
| TOTAL DEPARTMENT OF AGRICULTURE | | \$525,177,565 | \$157,404,725 | \$682,582,290 |
| DEPARTMENT OF COMMERCE | | | | |
| 11.307 | ECONOMIC ADJUSTMENT ASSISTANCE AND ECONOMIC DEVELOPMENT CLUSTER | \$153,534 | \$0 | \$153,534 |
| 11.549 | STATE AND LOCAL IMPLEMENTATION GRANT PROGRAM ARRA - STATE BROADBAND DATA AND DEVELOPMENT GRANT PROGRAM | \$134,223 | \$0 | \$134,223 |
| 11.558 | | \$4,574 | \$0 | \$4,574 |
| 11.620 | SCIENCE, TECHNOLOGY, BUSINESS AND/OR EDUCATION OUTREACH | \$40,377 | \$0 | \$40,377 |
| TOTAL DEPARTMENT OF COMMERCE | | \$332,708 | \$0 | \$332,708 |
| DEPARTMENT OF DEFENSE | | | | |
| 12.002 | PROCUREMENT TECHNICAL ASSISTANCE FOR BUSINESS FIRMS STATE MEMORANDUM OF AGREEMENT PROGRAM FOR THE | \$919 | \$0 | \$919 |
| 12.113 | REIMBURSEMENT OF TECHNICAL SERVICES | \$184,879 | \$0 | \$184,879 |
| 12.400 | MILITARY CONSTRUCTION, NATIONAL GUARD NATIONAL GUARD MILITARY OPERATIONS AND MAINTENANCE (O&M) PROJECTS | \$582,383 | \$0 | \$582,383 |
| 12.401 | | \$25,604,542 | \$0 | \$25,604,542 |
| 12.404 | NATIONAL GUARD CHALLENGE PROGRAM | \$5,478,352 | \$0 | \$5,478,352 |
| 12.617 | ECONOMIC ADJUSTMENT ASSISTANCE FOR STATE GOVERNMENTS BASIC, APPLIED, AND ADVANCED RESEARCH IN SCIENCE AND ENGINEERING | \$235,193 | \$184,313 | \$419,506 |
| 12.630 | | \$95,653 | \$0 | \$95,653 |
| 12.900 | LANGUAGE GRANT PROGRAM | \$22,308 | \$67,414 | \$89,722 |
| 12.902 | INFORMATION SECURITY GRANT PROGRAM | \$49,045 | \$0 | \$49,045 |
| TOTAL DEPARTMENT OF DEFENSE | | \$32,253,274 | \$251,727 | \$32,505,001 |
| DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | |
| 14.110 | MANUFACTURED HOME LOAN INSURANCE-FINANCING PURCHASE OF MANUFACTURED HOMES AS PRINCIPAL RESIDENCES OF BORROWERS COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM AND | \$71,241 | \$0 | \$71,241 |
| 14.228 | NON-ENTITLEMENT GRANTS IN HAWAII | \$1,991,044 | \$14,079,770 | \$16,070,814 |
| 14.231 | EMERGENCY SOLUTIONS GRANT PROGRAM | \$36,793 | \$1,338,393 | \$1,375,186 |
| 14.241 | HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS | \$7,293 | \$351,709 | \$359,002 |
| 14.400 | EQUAL OPPORTUNITY IN HOUSING | \$45,059 | \$0 | \$45,059 |
| TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | \$2,151,430 | \$15,769,872 | \$17,921,302 |
| DEPARTMENT OF THE INTERIOR | | | | |
| 15.250 | REGULATION OF SURFACE COAL MINING AND SURFACE EFFECTS OF UNDERGROUND COAL MINING | \$10,779,392 | \$0 | \$10,779,392 |
| 15.252 | ABANDONED MINE LAND RECLAMATION (AMLR) SCIENCE AND TECHNOLOGY PROJECTS RELATED TO COAL MINING AND RECLAMATION | \$43,166,770 | \$15,740,938 | \$58,907,708 |
| 15.255 | | \$107,269 | \$7,755 | \$115,024 |
| 15.433 | FLOOD CONTROL ACT LANDS | \$263,680 | \$229 | \$263,909 |
| 15.608 | FISH AND WILDLIFE MANAGEMENT ASSISTANCE | \$38,845 | \$0 | \$38,845 |
| 15.615 | COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND | \$113,916 | \$0 | \$113,916 |
| 15.634 | STATE WILDLIFE GRANTS ENDANGERED SPECIES CONSERVATION - RECOVERY IMPLEMENTATION FUNDS | \$635,573 | \$0 | \$635,573 |
| 15.657 | | \$47,353 | \$0 | \$47,353 |
| 15.808 | U.S. GEOLOGICAL SURVEY - RESEARCH AND DATA COLLECTION | \$3,659 | \$0 | \$3,659 |
| 15.810 | NATIONAL COOPERATIVE GEOLOGIC MAPPING | \$77,002 | \$0 | \$77,002 |
| 15.812 | COOPERATIVE RESEARCH UNITS PROGRAM | \$50,160 | \$0 | \$50,160 |
| 15.814 | NATIONAL GEOLOGICAL AND GEOPHYSICAL DATA PRESERVATION | \$2,301 | \$0 | \$2,301 |
| 15.904 | HISTORIC PRESERVATION FUND GRANTS-IN-AID | \$672,403 | \$192,962 | \$865,365 |
| 15.916 | OUTDOOR RECREATION-ACQUISITION, DEVELOPMENT AND PLANNING | \$2,301 | \$674,447 | \$676,748 |
| 15.922 | NATIVE AMERICAN GRAVES PROTECTION AND REPATRIATION ACT | (\$26,600) | \$0 | (\$26,600) |
| 15.939 | NATIONAL HERITAGE AREA FEDERAL FINANCIAL ASSISTANCE COOPERATIVE RESEARCH AND TRAINING PROGRAMS - RESOURCES OF THE NATIONAL PARK SYSTEM | \$243,469 | \$0 | \$243,469 |
| 15.945 | | \$7,100 | \$0 | \$7,100 |
| 15.981 | WATER USE AND DATA RESEARCH | \$32,420 | \$0 | \$32,420 |

STATE OF WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FEDERAL GRANTOR LISTING
FOR THE YEAR ENDING JUNE 30, 2018

| FEDERAL CFDA / GRANT/ CONTRACT NUMBER | NAME OF PROGRAM | STATE OF WEST VIRGINIA EXPENDITURES | TOTAL SUBRECIPIENT EXPENDITURES | TOTAL FEDERAL EXPENDITURES |
|--|---|---|---------------------------------------|----------------------------------|
| FISH AND WILDLIFE CLUSTER | | | | |
| 15.605 | SPORT FISH RESTORATION | \$11,084,696 | \$0 | \$11,084,696 |
| 15.611 | WILDLIFE RESTORATION AND BASIC HUNTER EDUCATION | \$4,075,123 | \$0 | \$4,075,123 |
| | TOTAL FISH AND WILDLIFE CLUSTER | \$15,159,819 | \$0 | \$15,159,819 |
| 15.U04 | WV COOPERATIVE FISH AND WILDLIFE RESEARCH UNIT | \$44,018 | \$0 | \$44,018 |
| TOTAL DEPARTMENT OF THE INTERIOR | | \$71,420,850 | \$16,616,331 | \$88,037,181 |
| DEPARTMENT OF JUSTICE | | | | |
| 16.017 | SEXUAL ASSAULT SERVICES FORMULA PROGRAM | \$4,947 | \$362,402 | \$367,349 |
| | GRANTS TO REDUCE DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, AND STALKING ON CAMPUS | \$158,928 | \$0 | \$158,928 |
| 16.540 | JUVENILE JUSTICE AND DELINQUENCY PREVENTION | \$53,487 | \$548,471 | \$601,958 |
| 16.543 | MISSING CHILDREN'S ASSISTANCE | \$333,555 | \$0 | \$333,555 |
| 16.550 | STATE JUSTICE STATISTICS PROGRAM FOR STATISTICAL ANALYSIS CENTERS | \$45,362 | \$71,280 | \$116,642 |
| 16.554 | NATIONAL CRIMINAL HISTORY IMPROVEMENT PROGRAM (NCHIP) CRIMINAL JUSTICE RESEARCH AND DEVELOPMENT-GRADUATE RESEARCH FELLOWSHIPS | \$653,095 | \$0 | \$653,095 |
| 16.562 | CRIME VICTIM ASSISTANCE | \$105,398 | \$0 | \$105,398 |
| 16.575 | CRIME VICTIM COMPENSATION | \$103,079 | \$3,856,307 | \$3,959,386 |
| 16.576 | CRIME VICTIM ASSISTANCE/DISCRETIONARY GRANTS | \$1,159,000 | \$0 | \$1,159,000 |
| 16.582 | DRUG COURT DISCRETIONARY GRANT PROGRAM | \$297,619 | \$2,972,601 | \$3,270,220 |
| 16.585 | VIOLENCE AGAINST WOMEN FORMULA GRANTS | \$457,363 | \$0 | \$457,363 |
| 16.588 | RURAL DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, AND STALKING ASSISTANCE PROGRAM | \$125,325 | \$956,747 | \$1,082,072 |
| 16.589 | GRANTS TO ENCOURAGE ARREST POLICIES AND ENFORCEMENT OF PROTECTION ORDERS PROGRAM | \$6,407 | \$159,686 | \$166,093 |
| 16.590 | RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS | \$52,056 | \$169,393 | \$221,449 |
| 16.593 | PUBLIC SAFETY PARTNERSHIP AND COMMUNITY POLICING GRANTS | \$47,669 | \$43,346 | \$91,015 |
| 16.710 | PREA PROGRAM: STRATEGIC SUPPORT FOR PREA IMPLEMENTATION | \$52,820 | \$0 | \$52,820 |
| 16.735 | EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM | \$410,522 | \$47,899 | \$458,421 |
| 16.738 | DNA BACKLOG REDUCTION PROGRAM | \$214,697 | \$297,564 | \$512,261 |
| 16.741 | PAUL COVERDELL FORENSIC SCIENCES IMPROVEMENT GRANT PROGRAM | \$427,065 | \$0 | \$427,065 |
| 16.742 | NICS ACT RECORD IMPROVEMENT PROGRAM | \$49,126 | \$62,843 | \$111,969 |
| 16.813 | JOHN R. JUSTICE PROSECUTORS AND DEFENDERS INCENTIVE ACT | \$1,847,798 | \$0 | \$1,847,798 |
| 16.816 | INNOVATIONS IN COMMUNITY-BASED CRIME REDUCTION | \$33,002 | \$0 | \$33,002 |
| 16.817 | NATIONAL SEXUAL ASSAULT KIT INITIATIVE | (\$3,799) | \$0 | (\$3,799) |
| 16.833 | COMPREHENSIVE OPIOID ABUSE SITE-BASED PROGRAM | \$67,211 | \$73,851 | \$141,062 |
| 16.838 | EQUITABLE SHARING PROGRAM | \$1,941 | \$0 | \$1,941 |
| 16.922 | MISCELLANEOUS JUSTICE PROGRAMS | \$232 | \$0 | \$232 |
| 16.U05 | EQUITABLE SHARING PROGRAM-JUSTICE | \$679,132 | \$0 | \$679,132 |
| 16.U06 | PURDUE PHARMA SETTLEMENT | \$129,024 | \$0 | \$129,024 |
| 16.U07 | | \$155,503 | \$0 | \$155,503 |
| TOTAL DEPARTMENT OF JUSTICE | | \$7,667,564 | \$9,622,390 | \$17,289,954 |
| DEPARTMENT OF LABOR | | | | |
| 17.002 | LABOR FORCE STATISTICS | \$669,420 | \$0 | \$669,420 |
| 17.005 | COMPENSATION AND WORKING CONDITIONS | \$87,624 | \$0 | \$87,624 |
| 17.225 | UNEMPLOYMENT INSURANCE (NOTE 4) | \$360,863,179 | \$0 | \$360,863,179 |
| 17.235 | SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM | \$35,737 | \$768,695 | \$804,432 |
| 17.245 | TRADE ADJUSTMENT ASSISTANCE | \$2,621,649 | \$0 | \$2,621,649 |
| 17.260 | WIA - DISLOCATED WORKERS | \$4,690 | \$0 | \$4,690 |
| 17.266 | WORK INCENTIVE GRANTS | \$346 | \$0 | \$346 |
| 17.268 | H-1B JOB TRAINING GRANTS | \$796,295 | \$0 | \$796,295 |
| 17.269 | COMMUNITY BASED JOB TRAINING GRANTS | \$1,034,559 | \$0 | \$1,034,559 |
| 17.271 | WORK OPPORTUNITY TAX CREDIT PROGRAM (WOTC) | \$83,192 | \$0 | \$83,192 |
| 17.273 | TEMPORARY LABOR CERTIFICATION FOR FOREIGN WORKERS | \$39,957 | \$0 | \$39,957 |

STATE OF WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FEDERAL GRANTOR LISTING
FOR THE YEAR ENDING JUNE 30, 2018

| FEDERAL CFDA / GRANT/ CONTRACT NUMBER | NAME OF PROGRAM | STATE OF WEST VIRGINIA EXPENDITURES | TOTAL SUBRECIPIENT EXPENDITURES | TOTAL FEDERAL EXPENDITURES |
|--|---|---|---------------------------------------|----------------------------------|
| 17.277 | WIOA NATIONAL DISLOCATED WORKER GRANTS/WIA NATIONAL EMERGENCY GRANTS | \$1,041,724 | \$6,195,420 | \$7,237,144 |
| 17.281 | WIOA DISLOCATED WORKER NATIONAL RESERVE TECHNICAL ASSISTANCE AND TRAINING | \$1,578 | \$0 | \$1,578 |
| 17.282 | TRADE ADJUSTMENT ASSISTANCE COMMUNITY COLLEGE AND CAREER TRAINING (TAACCCT) GRANTS | \$3,357,977 | \$0 | \$3,357,977 |
| 17.285 | APPRENTICESHIP USA GRANTS | \$63,169 | \$0 | \$63,169 |
| 17.504 | CONSULTATION AGREEMENTS | \$354,573 | \$0 | \$354,573 |
| 17.600 | MINE HEALTH AND SAFETY GRANTS | \$488,713 | \$0 | \$488,713 |
| 17.U08 | MISCELLANEOUS LABOR PROGRAMS | \$345,983 | \$0 | \$345,983 |
| <u>EMPLOYMENT SERVICE CLUSTER</u> | | | | |
| 17.207 | EMPLOYMENT SERVICE/WAGNER-PEYSER FUNDED ACTIVITIES | \$6,115,151 | \$0 | \$6,115,151 |
| 17.801 | DISABLED VETERANS' OUTREACH PROGRAM (DVOP) | \$777,800 | \$0 | \$777,800 |
| 17.804 | LOCAL VETERANS' EMPLOYMENT REPRESENTATIVE (LVER) PROGRAM | \$114,297 | \$0 | \$114,297 |
| | <u>TOTAL EMPLOYMENT SERVICE CLUSTER</u> | <u>\$7,007,248</u> | <u>\$0</u> | <u>\$7,007,248</u> |
| <u>WIOA CLUSTER</u> | | | | |
| 17.258 | WIA/WIOA ADULT PROGRAM | \$685,416 | \$4,244,955 | \$4,930,371 |
| 17.259 | WIA/WIOA YOUTH ACTIVITIES | \$718,226 | \$4,606,654 | \$5,324,880 |
| 17.278 | WIA/WIOA DISLOCATED WORKER FORMULA GRANTS | \$748,354 | \$4,886,937 | \$5,635,291 |
| | <u>TOTAL WIOA CLUSTER</u> | <u>\$2,151,996</u> | <u>\$13,738,546</u> | <u>\$15,890,542</u> |
| <u>TOTAL DEPARTMENT OF LABOR</u> | | <u>\$381,049,609</u> | <u>\$20,702,661</u> | <u>\$401,752,270</u> |
| <u>DEPARTMENT OF STATE</u> | | | | |
| 19.009 | ACADEMIC EXCHANGE PROGRAMS - UNDERGRADUATE PROGRAMS | \$9,504 | \$0 | \$9,504 |
| <u>TOTAL DEPARTMENT OF STATE</u> | | <u>\$9,504</u> | <u>\$0</u> | <u>\$9,504</u> |
| <u>DEPARTMENT OF TRANSPORTATION</u> | | | | |
| 20.205* | HIGHWAY PLANNING AND CONSTRUCTION | \$372,529,181 | \$4,049,462 | \$376,578,643 |
| 20.218 | MOTOR CARRIER SAFETY ASSISTANCE | \$2,124,039 | \$0 | \$2,124,039 |
| 20.219* | RECREATIONAL TRAILS PROGRAM | \$1,133,655 | \$651,676 | \$1,785,331 |
| 20.224* | FEDERAL LANDS ACCESS PROGRAM | \$14,635 | \$0 | \$14,635 |
| 20.232 | COMMERCIAL DRIVER'S LICENSE PROGRAM IMPLEMENTATION GRANT | \$1,310,191 | \$0 | \$1,310,191 |
| 20.237 | MOTOR CARRIER SAFETY ASSISTANCE HIGH PRIORITY GRANTS AND COOPERATIVE AGREEMENTS | \$9,869 | \$0 | \$9,869 |
| 20.505 | METROPOLITAN TRANSPORTATION PLANNING AND STATE AND NON-METROPOLITAN PLANNING AND RESEARCH | \$3,593 | \$41,387 | \$44,980 |
| 20.509 | FORMULA GRANTS FOR RURAL AREAS | \$1,003,519 | \$7,033,521 | \$8,037,040 |
| 20.513 | ENHANCED MOBILITY FOR SENIORS AND INDIVIDUALS WITH DISABILITIES AND TRANSIT SERVICES PROGRAMS CLUSTER | \$1,465,302 | \$1,320,707 | \$2,786,009 |
| 20.514 | PUBLIC TRANSPORTATION RESEARCH, TECHNICAL ASSISTANCE, AND TRAINING | \$11,627 | \$10,058 | \$21,685 |
| 20.528 | RAIL FIXED GUIDEWAY PUBLIC TRANSPORTATION SYSTEM STATE SAFETY OVERSIGHT FORMULA GRANT PROGRAM | \$195,314 | \$0 | \$195,314 |
| 20.607 | ALCOHOL OPEN CONTAINER REQUIREMENTS | \$3,386,194 | \$34,893 | \$3,421,087 |
| 20.614 | NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION (NHTSA) DISCRETIONARY SAFETY GRANTS AND COOPERATIVE AGREEMENTS | \$52,466 | \$0 | \$52,466 |
| 20.700 | PIPELINE SAFETY PROGRAM STATE BASE GRANT | \$650,144 | \$0 | \$650,144 |
| 20.703 | INTERAGENCY HAZARDOUS MATERIALS PUBLIC SECTOR TRAINING AND PLANNING GRANTS | \$15,083 | \$22,978 | \$38,061 |
| 20.724 | PIPELINE SAFETY RESEARCH COMPETITIVE ACADEMIC AGREEMENT PROGRAM (CAAP) | \$282,942 | \$0 | \$282,942 |
| 20.933 | NATIONAL INFRASTRUCTURE INVESTMENTS | \$7,254,466 | \$0 | \$7,254,466 |
| <u>FEDERAL TRANSIT CLUSTER</u> | | | | |
| 20.500 | FEDERAL TRANSIT - CAPITAL INVESTMENT GRANTS | \$37,136 | \$0 | \$37,136 |
| 20.525 | STATE OF GOOD REPAIR GRANTS PROGRAM | \$86,726 | \$0 | \$86,726 |
| 20.526 | BUS AND BUS FACILITIES FORMULA PROGRAM | \$451,723 | \$0 | \$451,723 |
| | <u>TOTAL FEDERAL TRANSIT CLUSTER</u> | <u>\$575,585</u> | <u>\$0</u> | <u>\$575,585</u> |

STATE OF WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FEDERAL GRANTOR LISTING
FOR THE YEAR ENDING JUNE 30, 2018

| FEDERAL CFDA / GRANT/ CONTRACT NUMBER | NAME OF PROGRAM | STATE OF WEST VIRGINIA EXPENDITURES | TOTAL SUBRECIPIENT EXPENDITURES | TOTAL FEDERAL EXPENDITURES |
|---|--|---|---------------------------------------|----------------------------------|
| <u>HIGHWAY SAFETY CLUSTER</u> | | | | |
| 20.600 | STATE AND COMMUNITY HIGHWAY SAFETY | \$972,889 | \$1,133,123 | \$2,106,012 |
| | ALCOHOL IMPAIRED DRIVING COUNTERMEASURES INCENTIVE | | | |
| 20.601 | GRANTS I | \$409,655 | \$0 | \$409,655 |
| 20.609 | SAFETY BELT PERFORMANCE GRANTS | \$0 | \$33,678 | \$33,678 |
| | STATE TRAFFIC SAFETY INFORMATION SYSTEM IMPROVEMENTS | | | |
| 20.610 | GRANTS | \$0 | \$90,160 | \$90,160 |
| 20.612 | INCENTIVE GRANT PROGRAM TO INCREASE MOTORCYCLIST SAFETY | \$26,519 | \$1,551 | \$28,070 |
| 20.613 | CHILD SAFETY AND CHILD BOOSTER SEAT INCENTIVE GRANTS | \$1,309 | \$0 | \$1,309 |
| 20.616 | NATIONAL PRIORITY SAFETY PROGRAMS | \$1,087,687 | \$1,294,660 | \$2,382,347 |
| | <u>TOTAL HIGHWAY SAFETY CLUSTER</u> | <u>\$2,498,059</u> | <u>\$2,553,172</u> | <u>\$5,051,231</u> |
| 20.U09 | WV DOT PHASE III TRAILS PROJECT | \$25,551 | \$0 | \$25,551 |
| 20.U10 | WV DOT PHASE II SCANNING PROJECT | \$125,331 | \$0 | \$125,331 |
| <u>TOTAL DEPARTMENT OF TRANSPORTATION</u> | | <u>\$394,666,746</u> | <u>\$15,717,854</u> | <u>\$410,384,600</u> |
| <u>APPALACHIAN REGIONAL COMMISSION</u> | | | | |
| 23.001 | APPALACHIAN REGIONAL DEVELOPMENT | \$691,703 | \$0 | \$691,703 |
| 23.002 | APPALACHIAN AREA DEVELOPMENT | \$252,010 | \$329,806 | \$581,816 |
| 23.003* | APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM | \$13,048,788 | \$0 | \$13,048,788 |
| | APPALACHIAN RESEARCH, TECHNICAL ASSISTANCE, AND | | | |
| | DEMONSTRATION PROJECTS | \$108,658 | \$0 | \$108,658 |
| <u>TOTAL APPALACHIAN REGIONAL COMMISSION</u> | | <u>\$14,101,159</u> | <u>\$329,806</u> | <u>\$14,430,965</u> |
| <u>EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u> | | | | |
| | EMPLOYMENT DISCRIMINATION-TITLE VII OF THE CIVIL RIGHTS ACT OF | | | |
| 30.001 | 1964 | \$88,716 | \$0 | \$88,716 |
| <u>TOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u> | | <u>\$88,716</u> | <u>\$0</u> | <u>\$88,716</u> |
| <u>GENERAL SERVICES ADMINISTRATION</u> | | | | |
| 39.003 | DONATION OF FEDERAL SURPLUS PERSONAL PROPERTY | \$71,923 | \$0 | \$71,923 |
| <u>TOTAL GENERAL SERVICES ADMINISTRATION</u> | | <u>\$71,923</u> | <u>\$0</u> | <u>\$71,923</u> |
| <u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u> | | | | |
| 43.001 | SCIENCE | \$278,017 | \$0 | \$278,017 |
| 43.008 | EDUCATION (NOTE 3) | \$16,805 | \$0 | \$16,805 |
| <u>TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u> | | <u>\$294,822</u> | <u>\$0</u> | <u>\$294,822</u> |
| <u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u> | | | | |
| 45.025 | PROMOTION OF THE ARTS-PARTNERSHIP AGREEMENTS | \$320,425 | \$190,970 | \$511,395 |
| | PROMOTION OF THE HUMANITIES - DIVISION OF PRESERVATION AND | | | |
| | ACCESS | \$5,994 | \$0 | \$5,994 |
| 45.163 | PROMOTION OF THE HUMANITIES-PROFESSIONAL DEVELOPMENT | \$144,247 | \$0 | \$144,247 |
| 45.310 | GRANTS TO STATES | \$747,616 | \$394,217 | \$1,141,833 |
| <u>TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u> | | <u>\$1,218,282</u> | <u>\$585,187</u> | <u>\$1,803,469</u> |
| <u>NATIONAL SCIENCE FOUNDATION</u> | | | | |
| 47.041*** | ENGINEERING GRANTS | \$7,250 | \$0 | \$7,250 |
| 47.049*** | MATHEMATICAL AND PHYSICAL SCIENCES | \$11,854 | \$0 | \$11,854 |
| 47.076*** | EDUCATION AND HUMAN RESOURCES | \$457,681 | \$0 | \$457,681 |
| | OFFICE OF EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE | | | |
| | RESEARCH | \$413,541 | \$3,729,423 | \$4,142,964 |
| 47.083*** | OFFICE OF INTEGRATIVE ACTIVITIES | \$19,099 | \$0 | \$19,099 |
| <u>TOTAL NATIONAL SCIENCE FOUNDATION</u> | | <u>\$909,425</u> | <u>\$3,729,423</u> | <u>\$4,638,848</u> |
| <u>SMALL BUSINESS ADMINISTRATION</u> | | | | |
| 59.037 | SMALL BUSINESS DEVELOPMENT CENTERS | \$804,423 | \$0 | \$804,423 |
| 59.061 | STATE TRADE EXPANSION | \$53,000 | \$110,817 | \$163,817 |
| <u>TOTAL SMALL BUSINESS ADMINISTRATION</u> | | <u>\$857,423</u> | <u>\$110,817</u> | <u>\$968,240</u> |
| <u>DEPARTMENT OF VETERANS AFFAIRS</u> | | | | |
| 64.015 | VETERANS STATE NURSING HOME CARE | \$10,984,343 | \$0 | \$10,984,343 |
| 64.028 | POST-9/11 VETERANS EDUCATIONAL ASSISTANCE | \$302,318 | \$0 | \$302,318 |
| 64.124 | ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE | \$160,502 | \$0 | \$160,502 |
| | PREVENTABLE HOSPITALIZATIONS AMONG VETERANS WITH DIABETES | \$86,970 | \$0 | \$86,970 |
| <u>TOTAL DEPARTMENT OF VETERANS AFFAIRS</u> | | <u>\$11,534,133</u> | <u>\$0</u> | <u>\$11,534,133</u> |

**STATE OF WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FEDERAL GRANTOR LISTING
FOR THE YEAR ENDING JUNE 30, 2018**

| FEDERAL CFDA / GRANT/ CONTRACT NUMBER | NAME OF PROGRAM | STATE OF WEST VIRGINIA EXPENDITURES | TOTAL SUBRECIPIENT EXPENDITURES | TOTAL FEDERAL EXPENDITURES |
|--|--|---|---------------------------------------|----------------------------------|
| <u>ENVIRONMENTAL PROTECTION AGENCY</u> | | | | |
| 66.001 | AIR POLLUTION CONTROL PROGRAM SUPPORT | \$1,430,024 | \$0 | \$1,430,024 |
| 66.032 | STATE INDOOR RADON GRANTS | \$20,047 | \$52,708 | \$72,755 |
| 66.034 | SURVEYS, STUDIES, RESEARCH, INVESTIGATIONS, DEMONSTRATIONS, AND SPECIAL PURPOSE ACTIVITIES RELATING TO THE CLEAN AIR ACT | \$354,110 | \$0 | \$354,110 |
| 66.204 | MULTIPURPOSE GRANTS TO STATES AND TRIBES | \$160,811 | \$0 | \$160,811 |
| 66.419 | WATER POLLUTION CONTROL STATE, INTERSTATE, AND TRIBAL PROGRAM SUPPORT | \$2,069,591 | \$40,000 | \$2,109,591 |
| 66.432 | STATE PUBLIC WATER SYSTEM SUPERVISION | \$608,461 | \$0 | \$608,461 |
| 66.433 | STATE UNDERGROUND WATER SOURCE PROTECTION | \$157,151 | \$0 | \$157,151 |
| 66.454 | WATER QUALITY MANAGEMENT PLANNING | \$149,859 | \$35,012 | \$184,871 |
| 66.458 | CAPITALIZATION GRANTS FOR CLEAN WATER STATE REVOLVING FUNDS AND CLEAN WATER STATE REVOLVING FUND CLUSTER | \$0 | \$20,668,000 | \$20,668,000 |
| 66.460 | NONPOINT SOURCE IMPLEMENTATION GRANTS | \$892,409 | \$577,166 | \$1,469,575 |
| 66.461 | REGIONAL WETLAND PROGRAM DEVELOPMENT GRANTS | \$180,345 | \$0 | \$180,345 |
| 66.466 | CHESAPEAKE BAY PROGRAM | \$1,367,118 | \$385,168 | \$1,752,286 |
| 66.468 | CAPITALIZATION GRANTS FOR DRINKING WATER STATE REVOLVING FUNDS AND DRINKING WATER STATE REVOLVING FUND CLUSTER | \$2,673,257 | \$304,264 | \$2,977,521 |
| 66.605 | PERFORMANCE PARTNERSHIP GRANTS | \$344,096 | \$0 | \$344,096 |
| 66.608 | ENVIRONMENTAL INFORMATION EXCHANGE NETWORK GRANT PROGRAM AND RELATED ASSISTANCE | \$2,613 | \$0 | \$2,613 |
| 66.701 | TOXIC SUBSTANCES COMPLIANCE MONITORING COOPERATIVE AGREEMENTS | \$121,626 | \$0 | \$121,626 |
| 66.707 | TSCA TITLE IV STATE LEAD GRANTS CERTIFICATION OF LEAD-BASED PAINT PROFESSIONALS | \$99,024 | \$0 | \$99,024 |
| 66.708 | POLLUTION PREVENTION GRANTS PROGRAM | \$89,143 | \$0 | \$89,143 |
| 66.801 | HAZARDOUS WASTE MANAGEMENT STATE PROGRAM SUPPORT | \$1,832,932 | \$0 | \$1,832,932 |
| 66.802 | SUPERFUND STATE, POLITICAL SUBDIVISION, AND INDIAN TRIBE SITE- SPECIFIC COOPERATIVE AGREEMENTS | \$344,715 | \$0 | \$344,715 |
| 66.804 | UNDERGROUND STORAGE TANK PREVENTION, DETECTION AND COMPLIANCE PROGRAM | \$435,882 | \$0 | \$435,882 |
| 66.805 | LEAKING UNDERGROUND STORAGE TANK TRUST FUND CORRECTIVE ACTION PROGRAM | \$355,838 | \$0 | \$355,838 |
| 66.809 | SUPERFUND STATE AND INDIAN TRIBE CORE PROGRAM COOPERATIVE AGREEMENTS | \$129,530 | \$0 | \$129,530 |
| 66.817 | STATE AND TRIBAL RESPONSE PROGRAM GRANTS | \$487,761 | \$0 | \$487,761 |
| 66.818 | BROWNFIELD ASSESSMENT AND CLEANUP COOPERATIVE AGREEMENTS | \$147,054 | \$0 | \$147,054 |
| 66.U12 | OPERATIONALIZING WETLAND FUNCTIONAL ASSESSMENT IN WV | \$46,589 | \$0 | \$46,589 |
| 66.U13 | MISC. FEDERAL AWARD PROGRAMS | (\$934,395) | \$0 | (\$934,395) |
| <u>ENVIRONMENTAL PROTECTION AGENCY</u> | | \$13,565,591 | \$22,062,318 | \$35,627,909 |
| <u>DEPARTMENT OF ENERGY</u> | | | | |
| 81.041 | STATE ENERGY PROGRAM | \$507,538 | \$10,939 | \$518,477 |
| 81.042 | WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS | \$189,393 | \$2,888,800 | \$3,078,193 |
| 81.057 | UNIVERSITY COAL RESEARCH | \$75,382 | \$0 | \$75,382 |
| 81.086 | CONSERVATION RESEARCH AND DEVELOPMENT | \$19,676 | \$0 | \$19,676 |
| 81.087 | RENEWABLE ENERGY RESEARCH AND DEVELOPMENT | \$7,988 | \$0 | \$7,988 |
| 81.089*** | FOSSIL ENERGY RESEARCH AND DEVELOPMENT (NOTE 3) ENERGY EFFICIENCY AND RENEWABLE ENERGY INFORMATION DISSEMINATION, OUTREACH, TRAINING AND TECHNICAL | \$96,069 | \$0 | \$96,069 |
| 81.117 | ANALYSIS/ASSISTANCE | \$206,434 | \$0 | \$206,434 |
| 81.119 | STATE ENERGY PROGRAM SPECIAL PROJECTS | \$48,090 | \$47,301 | \$95,391 |
| <u>TOTAL DEPARTMENT OF ENERGY</u> | | \$1,150,570 | \$2,947,040 | \$4,097,610 |
| <u>DEPARTMENT OF EDUCATION</u> | | | | |
| 84.002 | ADULT EDUCATION - BASIC GRANTS TO STATES FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS | \$976,496 | \$2,946,053 | \$3,922,549 |
| 84.007** | (FSEOG) | \$3,423,531 | \$0 | \$3,423,531 |
| 84.010 | TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES | \$731,543 | \$81,979,527 | \$82,711,070 |
| 84.013 | TITLE I STATE AGENCY PROGRAM FOR NEGLECTED AND DELINQUENT CHILDREN AND YOUTH | \$843,853 | \$0 | \$843,853 |

**STATE OF WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FEDERAL GRANTOR LISTING
FOR THE YEAR ENDING JUNE 30, 2018**

| FEDERAL CFDA / GRANT/ CONTRACT NUMBER | NAME OF PROGRAM | STATE OF WEST VIRGINIA EXPENDITURES | TOTAL SUBRECIPIENT EXPENDITURES | TOTAL FEDERAL EXPENDITURES |
|--|--|---|---------------------------------------|----------------------------------|
| 84.031 | HIGHER EDUCATION-INSTITUTIONAL AID | \$4,377,142 | \$0 | \$4,377,142 |
| 84.033** | FEDERAL WORK-STUDY PROGRAM (FWS) | \$3,452,078 | \$0 | \$3,452,078 |
| 84.038** | FEDERAL PERKINS LOAN (FPL) - FEDERAL CAPITAL CONTRIBUTIONS | \$45,808,627 | \$0 | \$45,808,627 |
| 84.048 | CAREER AND TECHNICAL EDUCATION-BASIC GRANTS TO STATES | \$3,473,321 | \$5,708,405 | \$9,181,726 |
| 84.063** | FEDERAL PELL GRANT PROGRAM (PELL) | \$113,928,606 | \$0 | \$113,928,606 |
| 84.126 | REHABILITATION SERVICES-VOCATIONAL REHABILITATION GRANTS TO STATES | \$30,070,708 | \$236,639 | \$30,307,347 |
| 84.169 | INDEPENDENT LIVING-STATE GRANTS | \$0 | \$332,458 | \$332,458 |
| 84.177 | INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND | \$441,279 | \$0 | \$441,279 |
| 84.181 | SPECIAL EDUCATION - GRANTS FOR INFANTS AND FAMILIES SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH THE MOST SIGNIFICANT DISABILITIES | \$1,772,469 | \$419,887 | \$2,192,356 |
| 84.187 | EDUCATION FOR HOMELESS CHILDREN AND YOUTH | \$213,152 | \$0 | \$213,152 |
| 84.196 | FEDERAL DIRECT STUDENT LOANS | \$58,468 | \$283,403 | \$341,871 |
| 84.268** | TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS | \$450,828,066 | \$0 | \$450,828,066 |
| 84.287 | SPECIAL EDUCATION-TECHNICAL ASSISTANCE AND DISSEMINATION TO IMPROVE SERVICES AND RESULTS FOR CHILDREN WITH DISABILITIES | \$287,090 | \$6,307,079 | \$6,594,169 |
| 84.326 | ADVANCED PLACEMENT PROGRAM (ADVANCED PLACEMENT TEST FEE; ADVANCED PLACEMENT INCENTIVE PROGRAM GRANTS) | \$76,889 | \$26,845 | \$103,734 |
| 84.330 | GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS | \$0 | \$55,489 | \$55,489 |
| 84.334 | CHILD CARE ACCESS MEANS PARENTS IN SCHOOL | \$1,668,144 | \$601,384 | \$2,269,528 |
| 84.335 | RURAL EDUCATION | \$65,821 | \$0 | \$65,821 |
| 84.358 | ENGLISH LANGUAGE ACQUISITION STATE GRANTS | \$24,819 | \$1,820,953 | \$1,845,772 |
| 84.365 | MATHEMATICS AND SCIENCE PARTNERSHIPS | \$141,722 | \$535,805 | \$677,527 |
| 84.366 | SUPPORTING EFFECTIVE INSTRUCTION STATE GRANT | \$759,881 | \$304,874 | \$1,064,755 |
| 84.367 | GRANTS FOR STATE ASSESSMENTS AND RELATED ACTIVITIES | \$466,246 | \$14,942,965 | \$15,409,211 |
| 84.369 | NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT (SMART) GRANTS (SMART GRANTS) | \$2,043,654 | \$0 | \$2,043,654 |
| 84.376 | SCHOOL IMPROVEMENT GRANTS | \$65,870 | \$0 | \$65,870 |
| 84.377 | TEACHER EDUCATION ASSISTANCE FOR COLLEGE AND HIGHER EDUCATION GRANTS (TEACH GRANTS) | \$28,361 | \$949,961 | \$978,322 |
| 84.379** | STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM | \$475,032 | \$0 | \$475,032 |
| 84.424 | | \$57,048 | \$397,003 | \$454,051 |
| | <u>SPECIAL EDUCATION CLUSTER (IDEA)</u> | | | |
| 84.027 | SPECIAL EDUCATION-GRANTS TO STATES (IDEA, PART B) | \$6,885,131 | \$67,003,787 | \$73,888,918 |
| 84.173 | SPECIAL EDUCATION-PRESCHOOL GRANTS (IDEA PRESCHOOL) | \$434,552 | \$2,754,883 | \$3,189,435 |
| | <u>TOTAL SPECIAL EDUCATION CLUSTER (IDEA)</u> | <u>\$7,319,683</u> | <u>\$69,758,670</u> | <u>\$77,078,353</u> |
| | <u>TRIO CLUSTER</u> | | | |
| 84.042 | TRIO-STUDENT SUPPORT SERVICES | \$1,571,584 | \$0 | \$1,571,584 |
| 84.044 | TRIO-TALENT SEARCH | \$207,223 | \$0 | \$207,223 |
| 84.047 | TRIO-UPWARD BOUND | \$1,700,897 | \$0 | \$1,700,897 |
| 84.066 | TRIO-EDUCATIONAL OPPORTUNITY CENTERS | \$156,115 | \$0 | \$156,115 |
| 84.217 | TRIO-MCNAIR POST-BACCALAUREATE ACHIEVEMENT | \$294,501 | \$0 | \$294,501 |
| | <u>TOTAL TRIO CLUSTER</u> | <u>\$3,930,320</u> | <u>\$0</u> | <u>\$3,930,320</u> |
| 84.U14 | NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS | \$127,295 | \$0 | \$127,295 |
| | <u>TOTAL DEPARTMENT OF EDUCATION</u> | <u>\$677,937,214</u> | <u>\$187,607,400</u> | <u>\$865,544,614</u> |
| | <u>ELECTION ASSISTANCE COMMISSION</u> | | | |
| 90.401 | HELP AMERICA VOTE ACT REQUIREMENTS PAYMENTS | \$221,001 | \$0 | \$221,001 |
| | <u>TOTAL ELECTION ASSISTANCE COMMISSION</u> | <u>\$221,001</u> | <u>\$0</u> | <u>\$221,001</u> |
| | <u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | |
| 93.003 | PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND | \$138 | \$0 | \$138 |
| 93.041 | SPECIAL PROGRAMS FOR THE AGING-TITLE VII, CHAPTER 3-PROGRAMS FOR PREVENTION OF ELDER ABUSE, NEGLECT, AND EXPLOITATION | \$564 | \$25,000 | \$25,564 |
| 93.042 | SPECIAL PROGRAMS FOR THE AGING-TITLE VII, CHAPTER 2-LONG TERM CARE OMBUDSMAN SERVICES FOR OLDER INDIVIDUALS | \$86,036 | \$11,488 | \$97,524 |

**STATE OF WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FEDERAL GRANTOR LISTING
FOR THE YEAR ENDING JUNE 30, 2018**

| FEDERAL CFDA / GRANT/ CONTRACT NUMBER | NAME OF PROGRAM | STATE OF WEST VIRGINIA EXPENDITURES | TOTAL SUBRECIPIENT EXPENDITURES | TOTAL FEDERAL EXPENDITURES |
|--|--|---|---------------------------------------|----------------------------------|
| 93.043 | SPECIAL PROGRAMS FOR THE AGING-TITLE III, PART D-DISEASE PREVENTION AND HEALTH PROMOTION SERVICES | \$23,245 | \$97,982 | \$121,227 |
| 93.048 | SPECIAL PROGRAMS FOR THE AGING-TITLE IV AND TITLE II - DISCRETIONARY PROJECTS | \$49,345 | \$110,567 | \$159,912 |
| 93.051 | ALZHEIMER'S DISEASE DEMONSTRATION GRANTS TO STATES | \$48,516 | \$116,000 | \$164,516 |
| 93.052 | NATIONAL FAMILY CAREGIVER SUPPORT, TITLE III, PART E | \$57,516 | \$869,620 | \$927,136 |
| 93.069 | PUBLIC HEALTH EMERGENCY PREPAREDNESS | \$12,236 | \$60,000 | \$72,236 |
| 93.070 | ENVIRONMENTAL PUBLIC HEALTH AND EMERGENCY RESPONSE | \$71,060 | \$0 | \$71,060 |
| 93.071 | MEDICARE ENROLLMENT ASSISTANCE PROGRAM | \$45 | \$238,772 | \$238,817 |
| 93.073 | BIRTH DEFECTS AND DEVELOPMENTAL DISABILITIES - PREVENTION AND SURVEILLANCE | \$67,831 | \$190,150 | \$257,981 |
| 93.074 | HOSPITAL PREPAREDNESS PROGRAM (HPP) AND PUBLIC HEALTH EMERGENCY PREPAREDNESS (PHEP) ALIGNED COOPERATIVE AGREEMENTS | \$2,542,469 | \$4,133,310 | \$6,675,779 |
| 93.079 | COOPERATIVE AGREEMENTS TO PROMOTE ADOLESCENT HEALTH THROUGH SCHOOL-BASED HIV/STD PREVENTION AND SCHOOL-BASED SURVEILLANCE | \$48,191 | \$3,546 | \$51,737 |
| 93.090 | GUARDIANSHIP ASSISTANCE | \$1,236,487 | \$0 | \$1,236,487 |
| 93.092 | AFFORDABLE CARE ACT (ACA) PERSONAL RESPONSIBILITY EDUCATION PROGRAM | \$14,720 | \$187,328 | \$202,048 |
| 93.094 | WELL-INTEGRATED SCREENING AND EVALUATION FOR WOMEN ACROSS THE NATION | \$391,001 | \$146,612 | \$537,613 |
| 93.103 | FOOD AND DRUG ADMINISTRATION-RESEARCH | \$976,023 | \$0 | \$976,023 |
| 93.110 | MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS PROJECT GRANTS AND COOPERATIVE AGREEMENTS FOR | \$99,702 | \$105,309 | \$205,011 |
| 93.116 | TUBERCULOSIS CONTROL PROGRAMS | \$144,920 | \$0 | \$144,920 |
| 93.127 | EMERGENCY MEDICAL SERVICES FOR CHILDREN | \$107,348 | \$29,497 | \$136,845 |
| 93.130 | COOPERATIVE AGREEMENTS TO STATES/TERRITORIES FOR THE COORDINATION AND DEVELOPMENT OF PRIMARY CARE OFFICES | \$224,749 | \$45,000 | \$269,749 |
| 93.135 | CENTERS FOR RESEARCH AND DEMONSTRATION FOR HEALTH PROMOTION AND DISEASE PREVENTION | \$10,172 | \$0 | \$10,172 |
| 93.136 | INJURY PREVENTION AND CONTROL RESEARCH AND STATE AND COMMUNITY BASED PROGRAMS | \$805,755 | \$912,611 | \$1,718,366 |
| 93.150 | PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH) | \$2,824 | \$230,663 | \$233,487 |
| 93.165 | GRANTS TO STATES FOR LOAN REPAYMENT PROGRAM | \$0 | \$77,500 | \$77,500 |
| 93.217 | FAMILY PLANNING SERVICES | \$2,386,669 | \$0 | \$2,386,669 |
| 93.234 | TRAUMATIC BRAIN INJURY STATE DEMONSTRATION GRANT PROGRAM | \$281,669 | \$0 | \$281,669 |
| 93.235 | TITLE V STATE SEXUAL RISK AVOIDANCE EDUCATION (TITLE V STATE SRAE) PROGRAM | \$5,771 | \$400,125 | \$405,896 |
| 93.236 | GRANTS TO STATES TO SUPPORT ORAL HEALTH WORKFORCE ACTIVITIES | \$74,465 | \$584,005 | \$658,470 |
| 93.241 | STATE RURAL HOSPITAL FLEXIBILITY PROGRAM | \$120,382 | \$330,639 | \$451,021 |
| 93.243 | SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES_PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE | \$520,508 | \$5,652,332 | \$6,172,840 |
| 93.251 | UNIVERSAL NEWBORN HEARING SCREENING | \$68,210 | \$28,291 | \$96,501 |
| 93.264** | NURSING FACULTY LOAN PROGRAM (NFLP) | \$170,015 | \$0 | \$170,015 |
| 93.268 | IMMUNIZATION COOPERATIVE AGREEMENTS | \$547,055 | \$135,083 | \$682,138 |
| 93.270 | VIRAL HEPATITIS PREVENTION AND CONTROL | \$132,637 | \$0 | \$132,637 |
| 93.279 | DRUG ABUSE AND ADDICTION RESEARCH PROGRAMS | \$14,412 | \$0 | \$14,412 |
| 93.283 | CENTERS FOR DISEASE CONTROL AND PREVENTION_INVESTIGATIONS AND TECHNICAL ASSISTANCE | \$292,187 | \$388,252 | \$680,439 |
| 93.301 | SMALL RURAL HOSPITAL IMPROVEMENT GRANT PROGRAM | \$0 | \$107,697 | \$107,697 |
| 93.305 | PPHF 2018: OFFICE OF SMOKING AND HEALTH - NATIONAL STATE BASED TOBACCO CONTROL PROGRAMS - FINANCED IN PART BY 2018 PREVENTION AND PUBLIC HEALTH FUNDS (PPHF) | \$264,902 | \$88,572 | \$353,474 |
| 93.319 | OUTREACH PROGRAMS TO REDUCE THE PREVALENCE OF OBESITY IN HIGH RISK RURAL AREAS | \$428,863 | \$33,842 | \$462,705 |
| 93.323 | EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC) | \$751,443 | \$0 | \$751,443 |

**STATE OF WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FEDERAL GRANTOR LISTING
FOR THE YEAR ENDING JUNE 30, 2018**

| FEDERAL CFDA / GRANT/ CONTRACT NUMBER | NAME OF PROGRAM | STATE OF WEST VIRGINIA EXPENDITURES | TOTAL SUBRECIPIENT EXPENDITURES | TOTAL FEDERAL EXPENDITURES |
|--|--|---|---------------------------------------|----------------------------------|
| 93.342** | HEALTH PROFESSIONS STUDENT LOANS, INCLUDING PRIMARY CARE LOANS AND LOANS FOR DISADVANTAGED STUDENTS (HPSL/PCL/LDS) | \$7,791,144 | \$0 | \$7,791,144 |
| 93.359 | NURSE EDUCATION, PRACTICE QUALITY AND RETENTION GRANTS | \$442,062 | \$0 | \$442,062 |
| 93.364** | NURSING STUDENT LOANS (NSL) | \$739,915 | \$0 | \$739,915 |
| 93.424 | NON-ACA/PPHF - BUILDING CAPACITY OF THE PUBLIC HEALTH SYSTEM TO IMPROVE POPULATION HEALTH THROUGH NATIONAL NONPROFIT ORGANIZATIONS | \$2,093 | \$84,469 | \$86,562 |
| 93.506 | ACA NATIONWIDE PROGRAM FOR NATIONAL AND STATE BACKGROUND CHECKS FOR DIRECT PATIENT ACCESS EMPLOYEES OF LONG TERM CARE FACILITIES AND PROVIDERS | \$1,526,936 | \$0 | \$1,526,936 |
| 93.511 | AFFORDABLE CARE ACT (ACA) GRANTS TO STATES FOR HEALTH INSURANCE PREMIUM REVIEW | \$720 | \$0 | \$720 |
| 93.521 | THE AFFORDABLE CARE ACT: BUILDING EPIDEMIOLOGY, LABORATORY, AND HEALTH INFORMATION SYSTEMS CAPACITY IN THE EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASE (ELC) AND EMERGING INFECTIONS PROGRAM (EIP) COOPERATIVE AGREEMENTS;PPHF | \$228,038 | \$180,273 | \$408,311 |
| 93.524 | BUILDING CAPACITY OF THE PUBLIC HEALTH SYSTEM TO IMPROVE POPULATION HEALTH THROUGH NATIONAL, NON-PROFIT ORGANIZATIONS- FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS (PPHF) | \$0 | \$5,708 | \$5,708 |
| 93.539 | PPHF CAPACITY BUILDING ASSISTANCE TO STRENGTHEN PUBLIC HEALTH IMMUNIZATION INFRASTRUCTURE AND PERFORMANCE FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS | \$573,801 | \$604,091 | \$1,177,892 |
| 93.556 | PROMOTING SAFE AND STABLE FAMILIES | \$1,116,775 | \$725,840 | \$1,842,615 |
| 93.558 | TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) | \$92,121,332 | \$9,644,993 | \$101,766,325 |
| 93.560 | FAMILY SUPPORT PAYMENTS TO STATES-ASSISTANCE PAYMENTS | (\$8,347) | \$0 | (\$8,347) |
| 93.563 | CHILD SUPPORT ENFORCEMENT | \$24,695,138 | \$0 | \$24,695,138 |
| 93.566 | REFUGEE AND ENTRANT ASSISTANCE STATE/REPLACEMENT DESIGNEE ADMINISTERED PROGRAMS | \$5,054 | \$75,000 | \$80,054 |
| 93.568 | LOW-INCOME HOME ENERGY ASSISTANCE | \$19,864,755 | \$7,700,299 | \$27,565,054 |
| 93.569 | COMMUNITY SERVICES BLOCK GRANTS | \$259,481 | \$6,970,229 | \$7,229,710 |
| 93.586 | STATE COURT IMPROVEMENT PROGRAM | \$278,755 | \$0 | \$278,755 |
| 93.590 | COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS | \$0 | \$235,903 | \$235,903 |
| 93.597 | GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS | \$117,870 | \$0 | \$117,870 |
| 93.599 | CHAFEE EDUCATION AND TRAINING VOUCHERS PROGRAM (ETV) | \$478,648 | \$39,785 | \$518,433 |
| 93.600 | HEAD START | \$14,737 | \$60,482 | \$75,219 |
| 93.603 | ADOPTION AND LEGAL GUARDIANSHIP INCENTIVE PAYMENTS | \$49,568 | \$124,204 | \$173,772 |
| 93.609 | THE AFFORDABLE CARE ACT - MEDICAID ADULT QUALITY GRANTS DEVELOPMENTAL DISABILITIES BASIC SUPPORT AND ADVOCACY GRANTS | \$304,247 | \$0 | \$304,247 |
| 93.630 | | \$204,762 | \$378,780 | \$583,542 |
| 93.643 | CHILDREN'S JUSTICE GRANTS TO STATES | \$133,031 | \$0 | \$133,031 |
| 93.645 | STEPHANIE TUBBS JONES CHILD WELFARE SERVICES PROGRAM | \$1,686,400 | \$0 | \$1,686,400 |
| 93.658 | FOSTER CARE-TITLE IV-E | \$52,935,362 | \$2,577,749 | \$55,513,111 |
| 93.659 | ADOPTION ASSISTANCE | \$39,121,456 | \$116,508 | \$39,237,964 |
| 93.667 | SOCIAL SERVICES BLOCK GRANT | \$19,967,868 | \$0 | \$19,967,868 |
| 93.669 | CHILD ABUSE AND NEGLECT STATE GRANTS | \$38,035 | \$105,615 | \$143,650 |
| 93.671 | FAMILY VIOLENCE PREVENTION AND SERVICES/DOMESTIC VIOLENCE SHELTER AND SUPPORTIVE SERVICES | \$0 | \$878,957 | \$878,957 |
| 93.674 | CHAFEE FOSTER CARE INDEPENDENCE PROGRAM | \$996,478 | \$713,103 | \$1,709,581 |
| 93.701*** | ARRA - TRANS-NIH RECOVERY ACT RESEARCH SUPPORT (NOTE 3) | \$15,550 | \$0 | \$15,550 |
| 93.713 | ARRA - CHILD CARE AND DEVELOPMENT BLOCK GRANT MENTAL AND BEHAVIORAL HEALTH EDUCATION AND TRAINING GRANTS | (\$1,397) | \$0 | (\$1,397) |
| 93.732 | | \$24,058 | \$0 | \$24,058 |
| 93.733 | CAPACITY BUILDING ASSISTANCE TO STRENGTHEN PUBLIC HEALTH IMMUNIZATION INFRASTRUCTURE AND PERFORMANCE - FINANCED IN PART BY THE PREVENTION AND PUBLIC HEALTH FUND (PPHF) | \$9,318 | \$0 | \$9,318 |
| 93.735 | STATE PUBLIC HEALTH APPROACHES FOR ENSURING QUITLINE CAPACITY - FUNDED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS (PPHF) | \$36,643 | \$0 | \$36,643 |

**STATE OF WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FEDERAL GRANTOR LISTING
FOR THE YEAR ENDING JUNE 30, 2018**

| FEDERAL CFDA / GRANT/ CONTRACT NUMBER | NAME OF PROGRAM | STATE OF WEST VIRGINIA EXPENDITURES | TOTAL SUBRECIPIENT EXPENDITURES | TOTAL FEDERAL EXPENDITURES |
|---|--|---|---------------------------------------|----------------------------------|
| 93.745 | PPHF: HEALTH CARE SURVEILLANCE/HEALTH STATISTICS- SURVEILLANCE PROGRAM ANNOUNCEMENT: BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS (PPHF) | \$195,472 | \$0 | \$195,472 |
| 93.753 | CHILD LEAD POISONING PREVENTION SURVEILLANCE FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH (PPHF) PROGRAM | \$164,058 | \$0 | \$164,058 |
| 93.757 | STATE AND LOCAL PUBLIC HEALTH ACTIONS TO PREVENT OBESITY, DIABETES, HEART DISEASE, AND STROKE (PPHF) | \$226,772 | \$211,375 | \$438,147 |
| 93.758 | PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT FUNDED SOLELY WITH PREVENTION AND PUBLIC HEALTH FUNDS (PPHF) | \$654,051 | \$437,661 | \$1,091,712 |
| 93.767 | CHILDREN'S HEALTH INSURANCE PROGRAM | \$68,660,487 | \$10,190 | \$68,670,677 |
| 93.779 | CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) RESEARCH, DEMONSTRATIONS AND EVALUATIONS | \$79,596 | \$314,495 | \$394,091 |
| 93.788 | OPIOID STR | \$18,119 | \$2,379,689 | \$2,397,808 |
| 93.791 | MONEY FOLLOWS THE PERSON REBALANCING DEMONSTRATION ORGANIZED APPROACHES TO INCREASE COLORECTAL CANCER SCREENING | \$1,890,793 | \$1,222,625 | \$3,113,418 |
| 93.800 | DOMESTIC EBOLA SUPPLEMENT TO THE EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC) | \$484,781 | \$73,700 | \$558,481 |
| 93.815 | HOSPITAL PREPAREDNESS PROGRAM (HPP) EBOLA PREPAREDNESS AND RESPONSE ACTIVITIES | \$107,541 | \$114,177 | \$221,718 |
| 93.817 | BIOMEDICAL RESEARCH AND RESEARCH TRAINING (NOTE 3) | \$0 | \$339,337 | \$339,337 |
| 93.859*** | HEALTH CARE AND OTHER FACILITIES | \$849,603 | \$0 | \$849,603 |
| 93.887 | CANCER PREVENTION AND CONTROL PROGRAMS FOR STATE, TERRITORIAL AND TRIBAL ORGANIZATIONS | \$828 | \$0 | \$828 |
| 93.898 | GRANTS TO STATES FOR OPERATION OF STATE OFFICES OF RURAL HEALTH | \$1,516,889 | \$268,216 | \$1,785,105 |
| 93.913 | HIV CARE FORMULA GRANTS | \$109,264 | \$0 | \$109,264 |
| 93.917 | SCHOLARSHIPS FOR HEALTH PROFESSIONS STUDENTS FROM DISADVANTAGED BACKGROUNDS | \$3,490,226 | \$1,720,132 | \$5,210,358 |
| 93.925** | HIV PREVENTION ACTIVITIES-HEALTH DEPARTMENT BASED | \$617,837 | \$0 | \$617,837 |
| 93.940 | HUMAN IMMUNODEFICIENCY VIRUS (HIV)/ACQUIRED IMMUNODEFICIENCY VIRUS SYNDROME (AIDS) SURVEILLANCE ASSISTANCE PROGRAMS FOR CHRONIC DISEASE PREVENTION AND CONTROL | \$628,127 | \$5,310 | \$633,437 |
| 93.944 | COOPERATIVE AGREEMENTS TO SUPPORT STATE-BASED SAFE MOTHERHOOD AND INFANT HEALTH INITIATIVE PROGRAMS | \$169,449 | \$0 | \$169,449 |
| 93.945 | BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES | \$367,264 | \$64,369 | \$431,633 |
| 93.946 | BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE | \$89,957 | \$0 | \$89,957 |
| 93.958 | COAL MINERS RESPIRATORY IMPAIRMENT TREATMENT CLINICS AND SERVICES | \$251,104 | \$2,499,830 | \$2,750,934 |
| 93.959 | SEXUALLY TRANSMITTED DISEASES (STD) PREVENTION AND CONTROL GRANTS | \$366,311 | \$7,759,202 | \$8,125,513 |
| 93.965 | MENTAL HEALTH DISASTER ASSISTANCE AND EMERGENCY MENTAL HEALTH | \$134,415 | \$1,085,482 | \$1,219,897 |
| 93.977 | MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES | \$388,846 | \$0 | \$388,846 |
| 93.982 | | \$0 | \$545,600 | \$545,600 |
| 93.994 | | \$3,096,093 | \$1,827,021 | \$4,923,114 |
| <u>AGING CLUSTER</u> | | | | |
| 93.044 | SPECIAL PROGRAMS FOR THE AGING-TITLE III, PART B-GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS | \$109,951 | \$2,414,145 | \$2,524,096 |
| 93.045 | SPECIAL PROGRAMS FOR THE AGING-TITLE III, PART C-NUTRITION SERVICES | \$246,711 | \$4,556,918 | \$4,803,629 |
| 93.053 | NUTRITION SERVICES INCENTIVE PROGRAM | \$0 | \$1,414,805 | \$1,414,805 |
| | <u>TOTAL AGING CLUSTER</u> | <u>\$356,662</u> | <u>\$8,385,868</u> | <u>\$8,742,530</u> |
| <u>MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING CLUSTER</u> | | | | |
| 93.505 | AFFORDABLE CARE ACT (ACA) - MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING PROGRAM | \$17,842 | \$2,161,787 | \$2,179,629 |
| 93.870 | MATERNAL, INFANT AND EARLY CHILDHOOD HOME VISITING GRANT PROGRAM | \$394,576 | \$4,938,084 | \$5,332,660 |
| | <u>TOTAL MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING CLUSTER</u> | <u>\$412,418</u> | <u>\$7,099,871</u> | <u>\$7,512,289</u> |

STATE OF WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FEDERAL GRANTOR LISTING
FOR THE YEAR ENDING JUNE 30, 2018

| FEDERAL CFDA / GRANT/ CONTRACT NUMBER | NAME OF PROGRAM | STATE OF WEST VIRGINIA EXPENDITURES | TOTAL SUBRECIPIENT EXPENDITURES | TOTAL FEDERAL EXPENDITURES |
|--|--|---|---------------------------------------|----------------------------------|
| <u>CCDF CLUSTER</u> | | | | |
| 93.575 | CHILD CARE AND DEVELOPMENT BLOCK GRANT | \$10,940,108 | \$9,491,830 | \$20,431,938 |
| 93.596 | CHILD CARE MANDATORY AND MATCHING FUNDS OF THE CHILD CARE AND DEVELOPMENT FUND | \$18,014,471 | \$2,461,728 | \$20,476,199 |
| | <u>TOTAL CCDF CLUSTER</u> | <u>\$28,954,579</u> | <u>\$11,953,558</u> | <u>\$40,908,137</u> |
| <u>MEDICAID CLUSTER</u> | | | | |
| 93.775 | STATE MEDICAID FRAUD CONTROL UNITS | \$776,426 | \$0 | \$776,426 |
| 93.777 | STATE SURVEY AND CERTIFICATION OF HEALTH CARE PROVIDERS AND SUPPLIERS (TITLE XVIII) MEDICARE | \$3,953,499 | \$0 | \$3,953,499 |
| 93.778 | MEDICAL ASSISTANCE PROGRAM | \$3,044,705,576 | \$1,890,893 | \$3,046,596,469 |
| ARRA 93.778 | ARRA - MEDICAL ASSISTANCE PROGRAM | \$5,066,667 | \$0 | \$5,066,667 |
| | <u>TOTAL MEDICAID CLUSTER</u> | <u>\$3,054,502,168</u> | <u>\$1,890,893</u> | <u>\$3,056,393,061</u> |
| 93.U15 | WAIVED LABS | (\$12) | \$0 | (\$12) |
| 93.U16 | CLINICAL LABORATORY IMPROVEMENT AMENDMENTS | \$141,501 | \$0 | \$141,501 |
| 93.U17 | PTD BUSINESS CASE (IPA ASSIGNMENT) | \$11,960 | \$0 | \$11,960 |
| 93.U18 | NTDI EY2010 | \$45 | \$0 | \$45 |
| 93.U19 | VITAL STATISTICS COOP PROGRAM | \$224,218 | \$0 | \$224,218 |
| 93.U20 | FOOD INSPECTIONS | \$30,478 | \$0 | \$30,478 |
| 93.U21 | MAMMOGRAPHY QUALITY ACT | \$21,197 | \$0 | \$21,197 |
| 93.U22 | DEATH RECORDS | (\$58) | \$0 | (\$58) |
| 93.U23 | TOBACCO WORKPLAN | \$382,230 | \$173,429 | \$555,659 |
| 93.U24 | MEDICAID 1115 SUD WAIVER EVALUATION RESEARCH AND ANALYSIS OF POTENTIAL SECTION 1115 WAIVER OPTIONS | \$43,453 | \$0 | \$43,453 |
| 93.U25 | | \$19,965 | \$0 | \$19,965 |
| 93.U26 | DHHR HEALTH PROMOTION AND CHRONIC DISEASE STRATEGIC PLANNING AND EVALUATION COORDINATION INDEPENDENT VERIFICATION AND VALIDATION | \$47,359 | \$0 | \$47,359 |
| 93.U27 | | \$60,321 | \$0 | \$60,321 |
| 93.U28 | FEDERAL FOOD, DRUG AND COSMETIC ACT | \$1,025 | \$0 | \$1,025 |
| 93.U29 | NATIONAL HEALTH INFORMATION NETWORK II (NHIN2) EVALUATION OF PERSONAL RESPONSIBILITY EDUCATION PROGRAM (PREP) | \$1 | \$0 | \$1 |
| 93.U30 | | \$20,345 | \$0 | \$20,345 |
| <u>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | <u>\$3,448,638,105</u> | <u>\$96,943,811</u> | <u>\$3,545,581,916</u> |
| <u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u> | | | | |
| 94.003 | STATE COMMISSIONS | \$273,064 | \$0 | \$273,064 |
| 94.006 | AMERICORPS | (\$1,640) | \$3,587,666 | \$3,586,026 |
| 94.009 | TRAINING AND TECHNICAL ASSISTANCE | \$68,805 | \$0 | \$68,805 |
| 94.013 | VOLUNTEERS IN SERVICE TO AMERICA | \$45,313 | \$0 | \$45,313 |
| 94.021 | VOLUNTEER GENERATION FUND | \$18,013 | \$2,943 | \$20,956 |
| <u>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u> | | <u>\$403,555</u> | <u>\$3,590,609</u> | <u>\$3,994,164</u> |
| <u>EXECUTIVE OFFICE OF THE PRESIDENT</u> | | | | |
| 95.001 | HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM (NOTE 3) | \$767,097 | \$0 | \$767,097 |
| <u>EXECUTIVE OFFICE OF THE PRESIDENT</u> | | <u>\$767,097</u> | <u>\$0</u> | <u>\$767,097</u> |
| <u>SOCIAL SECURITY ADMINISTRATION</u> | | | | |
| 96.001 | SOCIAL SECURITY-DISABILITY INSURANCE (DI) AND DISABILITY INSURANCE/SSI CLUSTER | \$18,329,033 | \$0 | \$18,329,033 |
| 96.008 | SOCIAL SECURITY - WORK INCENTIVES PLANNING AND ASSISTANCE PROGRAM | \$0 | \$103,100 | \$103,100 |
| 96.U31 | DEATH RECORDS | \$4,378 | \$0 | \$4,378 |
| 96.U32 | ENUMERATION AT BIRTH | \$68,738 | \$0 | \$68,738 |
| <u>TOTAL SOCIAL SECURITY ADMINISTRATION</u> | | <u>\$18,402,149</u> | <u>\$103,100</u> | <u>\$18,505,249</u> |

STATE OF WEST VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FEDERAL GRANTOR LISTING
FOR THE YEAR ENDING JUNE 30, 2018

| FEDERAL CFDA / GRANT/ CONTRACT NUMBER | NAME OF PROGRAM | STATE OF WEST VIRGINIA EXPENDITURES | TOTAL SUBRECIPIENT EXPENDITURES | TOTAL FEDERAL EXPENDITURES |
|--|---|---|---------------------------------------|----------------------------------|
| <u>DEPARTMENT OF HOMELAND SECURITY</u> | | | | |
| 97.012 | BOATING SAFETY FINANCIAL ASSISTANCE COMMUNITY ASSISTANCE PROGRAM STATE SUPPORT SERVICES | \$580,073 | \$0 | \$580,073 |
| 97.023 | ELEMENT (CAP-SSSE) | \$66,429 | \$0 | \$66,429 |
| 97.032 | CRISIS COUNSELING DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS) | \$0 | (\$98,192) | (\$98,192) |
| 97.036 | DECLARED DISASTERS) | \$17,294,818 | \$15,164,213 | \$32,459,031 |
| 97.039 | HAZARD MITIGATION GRANT | \$593,036 | \$4,735,620 | \$5,328,656 |
| 97.041 | NATIONAL DAM SAFETY PROGRAM | \$68,036 | \$0 | \$68,036 |
| 97.042 | EMERGENCY MANAGEMENT PERFORMANCE GRANTS | \$1,826,127 | \$3,245,967 | \$5,072,094 |
| 97.044 | ASSISTANCE TO FIREFIGHTERS GRANT | \$501,354 | \$0 | \$501,354 |
| 97.045 | COOPERATING TECHNICAL PARTNERS | \$52,870 | \$2,549 | \$55,419 |
| 97.047 | PRE-DISASTER MITIGATION | \$195,868 | \$0 | \$195,868 |
| 97.056 | PORT SECURITY GRANT PROGRAM | \$200,631 | \$0 | \$200,631 |
| 97.067 | HOMELAND SECURITY GRANT PROGRAM | \$583,441 | \$2,811,462 | \$3,394,903 |
| 97.088 | DISASTER ASSISTANCE PROJECTS | \$47,548 | \$2,070,684 | \$2,118,232 |
| <u>TOTAL DEPARTMENT OF HOMELAND SECURITY</u> | | <u>\$22,010,231</u> | <u>\$27,932,303</u> | <u>\$49,942,534</u> |
| <u>TOTAL EXPENDITURES OF FEDERAL AWARDS</u> | | <u>\$5,626,900,646</u> | <u>\$582,027,374</u> | <u>\$6,208,928,020</u> |

* HIGHWAY PLANNING AND CONSTRUCTION CLUSTER, TOTAL STATE OF WEST VIRGINIA EXPENDITURES \$386,726,259
TOTAL SUBRECIPIENT EXPENDITURES \$4,701,138 AND TOTAL FEDERAL EXPENDITURES \$391,427,397.

** STUDENT FINANCIAL ASSISTANCE CLUSTER, TOTAL STATE OF WEST VIRGINIA EXPENDITURES \$627,234,851
TOTAL SUBRECIPIENT EXPENDITURES \$0 AND TOTAL FEDERAL EXPENDITURES \$627,234,851.

*** RESEARCH AND DEVELOPMENT CLUSTER, TOTAL STATE OF WEST VIRGINIA EXPENDITURES \$5,988,320
TOTAL SUBRECIPIENT EXPENDITURES \$3,729,423, AND TOTAL FEDERAL EXPENDITURES \$9,717,743.

The accompanying notes are an integral part of this schedule.

**STATE OF WEST VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 (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, 2018. 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, 2018**

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 with identifying numbers HDTA17 and HDTA18.

The West Virginia Research Corporation passed funds to the West Virginia School of Osteopathic Medicine for CFDA Number 93.859 with pass-through entity identifying numbers 12-303-WVSOM-4 and 12-303-WVSOM-5, and also to Shepherd University for CFDA Number 43.008 with pass-through identifying number 91-175C-SU and for CFDA Number 93.859 with pass-through identifying numbers 01-054B-SU6 and 01-054B-SU-7. The West Virginia Research Corporation also passed funds to the West Virginia Geological and Economic Survey for CFDA Number 81.087 with pass-through identifying number 17-463-WVGES.

The Marshall University Research Corporation passed funds to the West Virginia School of Osteopathic Medicine for CFDA Number 93.859 with pass-through identifying numbers P1800873 and P1801984.

The Battelle Research Institute and Tetra Tech passed funds to the West Virginia Geological and Economic Survey for CFDA Number 81.089 with identifying numbers 354860, 3377572, 507700, and 1137982.

The Emmes Corporation pass funds to West Virginia University for CFDA Number 93.701 with identifying number 1 U01 NS062835-01A1.

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.

**STATE OF WEST VIRGINIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

| | <u>Beginning Balance</u> <u>July 1, 2017</u> <u>As Adjusted</u> | <u>Receipts</u> | <u>Expenditures</u> | <u>Ending Balance</u> <u>June 30, 2018</u> |
|------------------|---|----------------------|----------------------|---|
| State UI Funds | \$ (319,385) | \$346,976,395 | \$347,144,413 | \$ (487,403) |
| Federal UI Funds | <u>428,761</u> | <u>14,144,314</u> | <u>13,718,766</u> | <u>854,309</u> |
| Total | <u>\$ 109,376</u> | <u>\$361,120,709</u> | <u>\$360,863,179</u> | <u>\$ 366,906</u> |

NOTE 5. LOANS OUTSTANDING

Loans outstanding as of June 30, 2018, with continuing compliance requirements, are as follows:

| <u>CFDA</u> | | |
|---------------|---|-----------------------|
| <u>Number</u> | <u>Name of Program</u> | <u>Ending Balance</u> |
| 84.038 | Federal Perkins Loan (FPL) – Federal Capital Contribution | \$38,632,545 |
| 93.264 | Nurse Faculty Loan Program (NFLP) | 163,997 |
| 93.342 | Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students (HPSL/PCL/LDS) | 6,951,878 |
| 93.364 | Nursing Student Loans (NSL) | <u>652,380</u> |
| | Total Loans Outstanding | <u>\$46,400,800</u> |

NOTE 6. APPROVED PROJECT WORKSHEETS

The State incurred eligible expenditures in FY 2017 and the Federal Emergency Management Agency (FEMA) approved the State's project worksheets in FY 2018. The State recorded the eligible expenditures of \$2,153,175 in CFDA 97.036 on this year's SEFA.

NOTE 7. INDIRECT COST RATE

Per Uniform Guidance 2 CFR § 200.510(b)(6), auditees 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, 2018**

NOTE 8. COMPONENT UNITS / PROPRIETARY FUND

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

| | |
|--|-----------------------|
| West Virginia University Research Corporation | <u>\$ 96,668,381</u> |
| Marshall University Research Corporation | <u>\$ 17,229,934</u> |
| West Virginia State University Research and Development Corporation | <u>\$ 12,513,853</u> |
| West Virginia Housing Development Fund | <u>\$ 186,054,123</u> |
| West Virginia Drinking Water Treatment Revolving Loan Fund | <u>\$ 2,188,894</u> |

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

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

Section I. Summary of Auditor’s Results

Financial statements:

| | |
|--|--|
| Type of report the auditors 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 federal 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 National Guard Military Operations and Maintenance (O&M) Projects; Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii; Student Financial Assistance Cluster; Temporary Assistance For Needy Families (TANF) Cluster; Low-Income Home Energy Assistance; and Adoption Assistance, which were qualified and the Disaster Grants – Public Assistance (Presidentially Declared Disasters), Hazard Mitigation Grant (HMPG), and Emergency Management Performance Grants, which were 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, 2018**

Identification of Major Federal Programs:

Audited by Ernst & Young:

| CFDA Number(s) | Reportable Findings | Name of Federal Program or Cluster |
|---|------------------------------------|---|
| 10.551/10.561 | None | Supplemental Nutrition Assistance Program (SNAP) Cluster |
| 12.401 | 2018–002, 003 | National Guard Military Operations and Maintenance (O&M) Projects |
| 14.228 | 2018–004, 005 | Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii |
| 15.252 | None | Abandoned Mine Land Reclamation (AMLR) Program |
| 20.205/20.219/ 20.224/23.003 | 2018–006, 007, 008 | Highway Planning and Construction Cluster |
| 84.007/84.033/ 84.038/84.063/ 84.268/84.379/ 93.264/93.342/ 93.364/93.925 | 2018–009, 010, 011, 012, 013 | Student Financial Assistance Cluster |
| 84.010 | None | Title I Grants to Local Educational Agencies |
| 84.126 | 2018–014, 015, 016 | Rehabilitation Services—Vocational Rehabilitation Grants to States |
| 93.558 | 2018–017, 018, 019, 020 | Temporary Assistance for Needy Families (TANF) Cluster |
| 93.563 | None | Child Support Enforcement |
| 93.568 | 2018–017, 021 | Low-Income Home Energy Assistance |
| 93.575/93.596 | 2018–017, 022 | Child Care and Development Fund (CCDF) Cluster |
| 93.658 | 2018–017 | Foster Care—Title IV-E |
| 93.659 | 2018–017, 023 | Adoption Assistance |
| 93.767 | 2018–017 | Children's Health Insurance Program (CHIP) |
| 93.775/93.777/ *93.778 & ARRA | 2018–017, 024 | Medicaid Cluster |

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

Identification of Major Federal Programs (continued):

Audited by Ernst & Young:

| CFDA Number(s) | Reportable Findings | Name of Federal Program or Cluster |
|----------------|---|---|
| 97.036 | 2018-025, 026, 027, 028, 029 | Disaster Grants – Public Assistance (Presidentially Declared Disasters) |
| 97.039 | 2018-030, 031, 032, 033, 034 | Hazard Mitigation Grant (HMGP) |
| 97.042 | 2018-035, 036, 037, 038, 039, 040, 041, 042, 043, 044 | Emergency Management Performance Grants |

Audited by other auditors:

| | | |
|--------|------|---|
| 66.458 | None | Capitalization Grants for Clean Water State Revolving Funds |
|--------|------|---|

Dollar threshold used to distinguish between Type A and B programs: \$ 18,626,784

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, 2018**

Section II. Financial Statement Findings

| Reference Number | Findings | Questioned Costs |
|------------------|-----------------------------------|------------------|
| 2018-001 | Financial Statement Close Process | N/A |

Section III. Federal Award Findings and Questioned Costs

| Reference Number | Findings | Questioned Costs |
|------------------|---|------------------|
| 2018-002 | Period of Performance | \$28,478 |
| 2018-003 | Program Income Monitoring | \$376,693 |
| 2018-004 | Reporting | N/A |
| 2018-005 | Internal Controls Over Allowability and Procurement | \$880,658 |
| 2018-006 | Federal Highways Administration Period of Performance | \$3,664,218 |
| 2018-007 | Internal Controls Over Schedule of Expenditures and Federal Awards | N/A |
| 2018-008 | Wage Rate Requirements | \$2,877,461 |
| 2018-009 | Internal Controls Over Schedule of Expenditures of Federal Awards | N/A |
| 2018-010 | Internal Controls Over Cash Management | N/A |
| 2018-011 | Special Tests and Provisions – Disbursements to or on Behalf of Students | N/A |
| 2018-012 | Special Tests and Provisions – Enrollment Reporting | N/A |
| 2018-013 | Special Tests and Provisions – Internal Controls Over Borrower Data Transmission and Reconciliation | N/A |
| 2018-014 | Eligibility | N/A |
| 2018-015 | Reporting | N/A |
| 2018-016 | Special Tests and provisions – Completion of Individual Plan for Employment (IPEs) | Unknown |
| 2018-017 | DHHR Information System and Related Business Process Controls | N/A |
| 2018-018 | Reporting | Unknown |
| 2018-019 | Special Tests and Provisions – Internal Controls Over Child Support Non-cooperation, Penalty for Refusal to Work, and Adult Custodial Parent of Child Under Six When Child Care Not Available | N/A |
| 2018-020 | Special Tests and Provisions – Child Support Non-Cooperation | Unknown |
| 2018-021 | Allowability and Eligibility | \$1,930 |
| 2018-022 | Special Tests and Provisions – Fraud Detection and Repayment Controls | N/A |

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

Section III. Federal Award Findings and Questioned Costs

(continued):

| Reference Number | Findings | Questioned Costs |
|-------------------------|--|-------------------------|
| 2018-023 | Eligibility Documentation | \$2,431 |
| 2018-024 | Activities Allowed or Unallowed and Allowable Costs/Cost Principles | \$0.26 |
| 2018-025 | Internal Controls Over Reporting | N/A |
| 2018-026 | Internal Control Over Allowability | N/A |
| 2018-027 | Cash Management | Unknown |
| 2018-028 | Subrecipient Cash Management | N/A |
| 2018-029 | Subrecipient Monitoring | Unknown |
| 2018-030 | Subrecipient Cash Management | N/A |
| 2018-031 | Subrecipient Eligibility | \$1,578,214 |
| 2018-032 | Matching | \$104,117 |
| 2018-033 | Reporting | \$143,369 |
| 2018-034 | Subrecipient Monitoring | Unknown |
| 2018-035 | Schedule of Expenditures of Federal Awards | N/A |
| 2018-036 | Allowability | \$922,168 |
| 2018-037 | Subrecipient Cash Management | N/A |
| 2018-038 | Eligibility for Subrecipients | \$901,411 |
| 2018-039 | Earmarking | Unknown |
| 2018-040 | Matching | \$40,203 |
| 2018-041 | Reporting | \$1,914 |
| 2018-042 | Subrecipient Monitoring | Unknown |
| 2018-043 | Special Tests and Provisions – Closeout Reporting Requirements | N/A |
| 2018-044 | Special Tests and Provisions – Training and Exercise Plan Requirements | N/A |

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

2018-001 FINANCIAL STATEMENT CLOSE PROCESS

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 and 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: Significant accounting adjustments were identified as a result of our audit procedures in the following accounts: Medicaid drug rebate receivable, Medicaid liability, and the related expense accounts related to the government-wide and the general fund financial statements. Reclassification adjustments were identified related to fund balance on the government-wide statement of net position. Significant adjustments were identified related to the implementation of GASB 75, *Accounting and Financial Reporting for Post-Employment Benefits other than Pensions*.

Questioned Costs: N/A

Context: Management recorded significant audit adjustments in order to prepare accurate financial statements as of June 30, 2018 and for the year then ended.

Cause: Management indicated that the deficiency noted above is due to the timing of obtaining information from the respective agencies.

Effect: Management recorded significant audit adjustments in order to prepare accurate financial statements as of June 30, 2018, and for the year then ended.

Recommendation: Management should work closely with the respective agencies to understand the information provided and determine the accounting implications. In addition, 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, 2018**

2018–002 PERIOD OF PERFORMANCE

| | | |
|-------------------------------------|--|-------------------------------------|
| Federal Program Information: | Federal Agency and Program Name U.S. Department of Defense National Guard Military Operations and Maintenance (O&M) Projects | CFDA # 12.401 |
|-------------------------------------|--|-------------------------------------|

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

OMB Circular A-133 section 300b states that the DHHR is responsible for maintaining “internal control over Federal programs that provides reasonable assurance that management is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”

2 CFR 200.309 states that “a non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance.”

2 CFR 200.343(b) requires that “unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.”

A-102 Common Rule (§____.23) states that “where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.”

Condition: Three of the sixteen transactions tested from grants with performance period beginning dates during the audit period were incorrectly charged to the grant. Expenditures were incurred prior to the period of performance beginning. One of the twenty-one transactions tested from grants with performance period ending dates during the audit period were not liquidated within the 90-day period.

Questioned Costs: \$28,478 – CFDA #12.401; \$9,163 related to Grant Award W912L8-18-2-1001 and \$19,315 related to Grant Award W912L8-18-2-1002

Context: Total federal expenditures for National Guard Military Operations and Maintenance (O&M) Projects program were \$25,604,542 for the year ended June 30, 2018. The four transactions incurred outside the period of performance or the liquidation period represent \$28,478 of total expenditures tested for period of performance and liquidation of \$152,124.

Cause: The National Guard Military Operations and Maintenance (O&M) does not have adequate internal controls and policies and procedures in place to ensure that expenditures are being incurred within the period of performance and liquidated within the period of liquidation.

STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018

2018-002 PERIOD OF PERFORMANCE
(continued)

Effect: O&M is not in compliance with federal statutes, regulations, and the terms of the conditions of the federal award. Expenditures were charged to the grant that are not allowable.

Recommendation: We recommend that the National Guard Military Operations and Maintenance (O&M) implement internal controls and policies and procedures to ensure that expenditures are incurred within the period of performance and liquidated within 90 days after the period of performance.

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, 2018**

2018–003 PROGRAM INCOME MONITORING

| | | |
|-------------------------------------|--|-------------------------------------|
| Federal Program Information: | Federal Agency and Program Name U.S. Department of Defense National Guard Military Operations and Maintenance (O&M) Projects | CFDA # 12.401 |
|-------------------------------------|--|-------------------------------------|

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

2 CFR 200.307(e)(1) states that “ordinarily program income must be deducted from total allowable costs to determine the net allowable costs. Program income must be used for current costs unless the Federal awarding agency authorizes otherwise. Program income that the non-Federal entity did not anticipate at the time of the Federal award must be used to reduce the Federal award and non-Federal entity contributions rather than to increase the funds committed to the project.”

Condition: According to a monitoring report from the Office of the United States Property and Fiscal Officer for West Virginia, the West Virginia Army National Guard (WVARNG) did not track, report, or remit program income earned through the operation of the Full Time Dining Operations Cooperative Agreement (the Agreement) in accordance with the Agreement and applicable regulations.

Questioned Costs: \$376,693 – CFDA #12.401 related to Grant Award W9128L8-18-2-1008

Context: The program income related to the operation of the Full Time Dining Operation Cooperative Agreement was \$376,693 for fiscal 2018. Total federal expenditures for National Guard Military Operations and Maintenance (O&M) Projects program were \$25,604,542 for the year ended June 30, 2018.

Cause: WVARNG does not have adequate internal controls and policies and procedures in place to ensure that program income is being tracked, reported and used to offset future program draws.

Effect: WVARNG is not in compliance with federal statutes, regulations, and the terms of the conditions of the federal award. Program income earned and not identified timely and returned to the federal program.

Recommendation: We recommend that WVARNG implement internal controls and policies and procedures to ensure that program income was being tracked, reported, and remitted back to the federal government as required in a timely manner.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018-003 PROGRAM INCOME MONITORING
(continued)**

| | |
|---|--|
| 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, 2018**

2018-004 REPORTING

| | | |
|-------------------------------------|--|---------------|
| Federal Program Information: | Federal Agency and Program Name | CFDA # |
| | U.S. Department of Housing and Urban Development Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | 14.228 |
| | Grant Award B14DC540001 | |
| | Grant Award B15DC540001 | |
| | Grant Award B16DC540001 | |
| | Grant Award B17DC540001 | |
| | Grant Award B16DL540001 | |

Criteria: CFR 200.303 requires that the West Virginia Community Advancement and Development Office (WV CAD) 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)."

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."

Per 29 CFR section 97.20, "Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

Condition: Management of the West Virginia Community Advancement and Development Office (WV CAD) prepared and submitted the Consolidated Annual Performance and Evaluation Report (CAPER) and the HUD 60002 Section 3 Summary Report without going through an appropriate review and approval process. We identified a difference between the supporting documentation and the Amount Expended During the Program Year for CDBG in the CAPER, Section CR-15-Resources and Investments 91.520(a). CDBG reported \$9,588,462 and provided supporting documentation for \$14,659,530.

Questioned Costs: N/A

Context: Total federal expenditures for the Community Development Block Grants program were \$16,070,814, for the year ended June 30, 2018.

Cause: WV CAD does not have adequate internal controls policies and procedures in place over the reporting process.

Effect: WV CAD is not in compliance with the federal rules and regulations regarding reporting. Reports could be filed with errors or lack of supporting documentation and not be identified by management.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018-004 REPORTING
(continued)**

Recommendation: We recommend that WV CAD implement more robust internal 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, 2018**

2018–005 INTERNAL CONTROLS OVER ALLOWABILITY AND PROCUREMENT

| | | |
|-------------------------------------|--|---------------|
| Federal Program Information: | Federal Agency and Program Name | CFDA # |
| | U.S. Department of Housing and Urban Development Community Development Block Grants/State’s Program and Non-Entitlement Grants in Hawaii | 14.228 |
| | Grant Award B14DC540001 | |
| | Grant Award B15DC540001 | |
| | Grant Award B16DC540001 | |
| | Grant Award B17DC540001 | |
| | Grant Award B16DL540001 | |

Criteria: CFR 200.303 requires that the West Virginia Community Advancement and Development Office (WV CAD) 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).”

2 CFR 200.320(b) requires that “Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.”

Condition: During our testing of 60 expenditures for allowability, we noted that for 1 of the 60 payments there was a lack of supporting documentation for price or rate quotations from qualified sources resulting in an invalid task order. Additionally, WV CAD is required to file HUD Form 7015.15 and receive back HUD Form 7015.16 prior to entering into any contracts. Seven contracts were entered into committing Disaster Recovery funding prior to the date upon which WV CAD received HUD Form 7015.16, Authority to use Grant Funds.

Questioned Costs: \$880,658 – CFDA #14.228 related to Grant Award B16DL540001

Context: Total federal expenditures for the Community Development Block Grants program were \$16,070,814, of which total nonsubrecipient federal expenditures were \$1,991,044, for the year ended June 30, 2018.

Cause: WV CAD does not have adequate internal controls and policies and procedures in place to ensure that payments are made only when a valid task order is in place.

Effect: Task orders may not be properly approved resulting in disallowed costs.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018-005 INTERNAL CONTROLS OVER ALLOWABILITY AND PROCUREMENT
(continued)**

Recommendation: We recommend that WV CAD implement internal controls over the disbursement process to ensure that all task orders and other supporting documentation are obtained prior to payments being made. Additionally, they should ensure that all task orders are valid.

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, 2018**

2018–006 FEDERAL HIGHWAYS ADMINISTRATION PERIOD OF PERFORMANCE

| | | |
|-------------------------------------|---|--|
| Federal Program Information: | Federal Agency and Program Name U.S. Department of Transportation Highways Planning and Construction Cluster | CFDA # 20.205/20.219/ 20.224/23.003 |
|-------------------------------------|---|--|

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

2 CFR 200.309 requires that “a non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity.”

Condition: The West Virginia Division of Highways “Division” had project agreements that had no end dates in the award agreements. Thus, it cannot be determined whether costs incurred pursuant to those agreements were incurred within the period of performance.

Questioned Costs: \$3,664,218 – CFDA #20.205

Context: Total federal expenditures for the Highways Planning and Construction Cluster were \$391,427,397 for the year ended June 30, 2018. Management identified program agreements from fiscal 2015 through fiscal 2018 that did not have end dates. Total federal expenditures related to project agreements without end dates for fiscal year 2018 was \$3,664,218.

Cause: The Division does not have adequate internal controls and policies and procedures in place to ensure that all projects had end dates.

Effect: The Division was not in compliance with federal statutes, regulations, and the terms of the conditions of the federal award including period of performance requirements.

Recommendation: We recommend that the Division implement internal controls and policies and procedures to ensure that all project agreements have end dates and that no additional costs are incurred after such dates.

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, 2018**

2018–007 INTERNAL CONTROLS OVER SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS

| | | |
|-------------------------------------|---|--|
| Federal Program Information: | Federal Agency and Program Name U.S. Department of Transportation Highways Planning and Construction Cluster | CFDA # 20.205/20.219/ 20.224/23.003 |
|-------------------------------------|---|--|

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

Condition: The Division is not reconciling wvOASIS expenditures to the underlying expenditures in the detail system, REMIS. The West Virginia Division of Highways (Division) is currently using two systems for financial reporting. The Advanced Solution with Integrated Systems (wvOASIS) is the State’s ERP accounting system and is used by the Division to process revenue and expenditure transactions of \$391,427,397. The Remote Entry Management Information System (REMIS) is used by the Division for project accounting which includes job cost, payroll, and billing. REMIS is also used by the Division for the preparation of the schedule of expenditures and federal awards.

Questioned Costs: N/A

Context: Total expenditures for the Highways Planning and Construction Cluster were \$391,427,397 for the year ended June 30, 2018.

Cause: The Division has not established internal controls or policies or procedures to reconcile the expenditures reported in the two systems for the year ended June 30, 2018.

Effect: Differences between the two systems could exist and may not be timely detected or corrected leading to misstatements in the schedule of expenditures of federal awards.

Recommendation: We recommend that reconciliations between the two systems be performed, reviewed and approved to ensure completeness and accuracy of the schedule of expenditures of federal awards.

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, 2018**

2018–008 WAGE RATE REQUIREMENTS

| | | |
|-------------------------------------|---|--|
| Federal Program Information: | Federal Agency and Program Name U.S. Department of Transportation Highways Planning and Construction Cluster | CFDA # 20.205/20.219/ 20.224/23.003 |
|-------------------------------------|---|--|

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

40 USC 3141-3144 requires that all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (DOL). The contractor or subcontractor must submit the required certified payrolls.

Condition: For two of the twenty-five projects selected for testing, there was no documentation that the certified payrolls were received or reviewed by an individual at the West Virginia Division of Highways (the Division).

Questioned Costs: \$2,877,461 – CFDA #20.205

Context: Total federal payroll expenditures and total federal expenditures for the Highways Planning and Construction Cluster program were \$19,437,813 and \$391,427,397, respectively, for the year ended June 30, 2018. The two projects without certified payroll represent \$2,877,461 of expenditures out of a total population tested for wage rate requirements of \$32,780,066.

Cause: The Division does not have adequate internal controls and policies and procedures in place to ensure that certified payrolls are being submitted and reviewed timely.

Effect: The Division is not in compliance with federal statutes, regulations, and the terms of the conditions of the federal award. Laborers may not be paid wages at the DOL prevailing wage rate.

Recommendation: We recommend that the Division implement policies and procedures to ensure that certified payrolls are being submitted and reviewed timely by program personnel.

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, 2018**

**2018–009 INTERNAL CONTROLS OVER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Prior Year Finding 2017–004)**

| 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/ 93.364/93.925 |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

Condition: New River Community and Technical College’s internal controls are not adequate to ensure that the Schedule of Expenditures of Federal Awards (SEFA) accurately reports all federal student financial assistance. The institution did not have adequate segregation of duties over the process; the preparer of the SEFA was also the reviewer.

Questioned Costs: N/A

Context: Total Student Financial Assistance (SFA) cluster expenditures for the State of West Virginia were \$627,234,851 for the year ended June 30, 2018. Total SFA cluster expenditures for New River Community and Technical College were \$4,609,194 for the year ended June 30, 2018.

Cause: New River Community and Technical College does not have adequate internal controls to ensure the SEFA is accurate.

Effect: New River Community and Technical College is not properly reviewing their SEFA and errors and/or misstatements could go undetected. This could result in not charging SFA awards correctly.

Recommendation: We recommend that New River Community and Technical College ensure staff responsible for the preparation of the SEFA have the resources needed to accurately prepare the SEFA and that there are segregation of duties in the preparation and review of 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, 2018**

2018–010 INTERNAL CONTROLS OVER 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/ 93.364/93.925 |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

Condition: For the seven cash drawdowns selected from West Liberty University and the five cash drawdowns selected from West Virginia Northern Community and Technical College 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 (SFA) cluster expenditures were \$627,234,851 for the year ended June 30, 2018. SFA cluster expenditures for West Liberty University and West Virginia Northern Community and Technical College were \$20,556,015 and \$5,226,315, for the year ended June 30, 2018.

Cause: Internal controls and policies and procedures relating to cash management are not robust enough to ensure a second level review and approval are performed.

Effect: The institution could drawdown incorrect or excess cash amounts resulting in noncompliance with federal regulations.

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, 2018**

2018–011 SPECIAL TESTS AND PROVISIONS – DISBURSEMENTS TO OR ON BEHALF OF STUDENTS

| 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/ 93.364/93.925 |

Criteria: 2 CFR 200.303 requires a non-federal entity 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).

34 CFR 668.165(a)(2), requires that, “Except in the case of a post-withdrawal disbursement made in accordance with §668.22(a)(5), if an institution credits a student ledger account with Direct Loan, Federal Perkins Loan, or TEACH Grant program funds, the institution must notify the student or parent of— (i) The anticipated date and amount of the disbursement; (ii) The student's or parent's right to cancel all or a portion of that loan, loan disbursement, TEACH Grant, or TEACH Grant disbursement and have the loan proceeds or TEACH Grant proceeds returned to the Secretary; and (iii) The procedures and time by which the student or parent must notify the institution that he or she wishes to cancel the loan, loan disbursement, TEACH Grant, or TEACH Grant disbursement. (3) The institution must provide the notice described in paragraph (a)(2) of this section in writing”

Condition: For the two disbursement notifications selected for testing at West Virginia State University, the institution did not provide the following in writing: the anticipated date and the amount of disbursement. For one of the disbursement notifications selected for testing at Shepherd University and one selected for West Virginia University at Parkersburg, the institution could not provide documentation of the letter sent to the student. The total sample selected for testing was 60.

Questioned Costs: N/A

Context: Total Direct Loan, Federal Perkins Loan, and TEACH Grant expenditures for the SFA cluster were \$497,111,725 for the year ended June 30, 2018. The total Direct Loan, Federal Perkins Loan, and TEACH Grant expenditures for West Virginia State University, Shepherd University, and West Virginia University at Parkersburg were \$12,223,418, \$18,317,661, and \$5,465,483, respectively for the year ended June 30, 2018.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

2018–011 SPECIAL TESTS AND PROVISIONS – DISBURSEMENTS TO OR ON BEHALF OF STUDENTS

Cause: Internal controls and policies and procedures related to the institutions' disbursement notifications did not encompass all of the required elements.

Effect: Institutions were not in compliance with the requirements related to disbursement notification. Policies and procedures related to the institutions' disbursement notifications did not encompass all of the required elements.

Recommendation: We recommend that the institutions implement internal controls and policies and procedures to ensure that all required information is part of the disbursement notifications sent to students and that supporting documentation for disbursement notifications is maintained and archived to allow for evidence of the institution's compliance with federal guidelines.

Views of Responsible Officials 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, 2018**

**2018–012 SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING
(Prior Year Findings 2017–006, 2016–008, 2015–015, 2014–011, 2013–028, 2012–43, 2012–47,
2012–49, 2011–22)**

| 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/ 93.364/93.925 |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

34 CFR section 685.309(b) requires that institutions must “(1) Upon receipt of an enrollment report from the Secretary, a school must update all information included in the report and return the report to the Secretary - (i) In the manner and format prescribed by the Secretary; and (ii) Within the timeframe prescribed by the Secretary. (2) Unless it expects to submit its next updated enrollment report to the Secretary within the next 60 days, a school must notify the Secretary within 30 days after the date the school discovers that - (i) A loan under title IV of the Act was made to or on behalf of a student who was enrolled or accepted for enrollment at the school, and the student has ceased to be enrolled on at least a half-time basis or failed to enroll on at least a half-time basis for the period for which the loan was intended; or (ii) A student who is enrolled at the school and who received a loan under title IV of the Act has changed his or her permanent address.

Condition: For one student selected from West Liberty University, one student selected from Fairmont State University, and one student selected from Pierpont Community and Technical College in our compliance sample of 60 students who withdrew, graduated, or enrolled but never attended, the respective institutions did not promptly notify the appropriate entities of a change in the student’s status in a timely and accurate manner.

For the students noted above, 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).

Further the following institutions did not have internal controls in place surrounding the enrollment reporting process for the selections made: West Virginia State University and West Virginia University at Parkersburg.

Questioned Costs: N/A

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018–012 SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING
(Prior Year Findings 2017–006, 2016–008, 2015–015, 2014–011, 2013–028, 2012–43, 2012–47,
2012–49, 2011–22) (continued)**

Context: Total Direct Loan and Pell expenditures for the SFA cluster in total were \$564,756,672 for the year ended June 30, 2018. The total Direct Loan and Pell expenditures for West Liberty University, Fairmont State University, Pierpont Community and Technical College, West Virginia State University and West Virginia University at Parkersburg were \$17,804,943, \$24,674,202, \$8,567,902, \$17,195,181, and \$10,802,530, respectively for the year ended June 30, 2018.

Cause: Furthermore, the following institutions did not have internal controls in place surrounding the enrollment reporting process for the selections made: West Virginia State University and West Virginia University at Parkersburg.

Effect: The institutions are not promptly notifying the NSLDS of changes in student status in an accurate manner; thus, inaccurate information is reported to the NSLDS.

Recommendation: This is a repeat finding. 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, 2018**

**2018–013 SPECIAL TESTS AND PROVISIONS – INTERNAL CONTROLS OVER BORROWER DATA
TRANSMISSION AND RECONCILIATION
(Prior Year Findings 2017–007, 2016–006)**

| 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/ 93.364/93.925 |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

Condition: For the two months selected for testing of Direct Loan School Account Statement (SAS) reconciliation requirements at both West Liberty University and West Virginia University at Parkersburg, proper reconciliations were completed by the institutions; however, there were no policies or procedures in place to review the SAS reconciliations.

Questioned Costs: N/A

Context: Total Direct Loan expenditures for the SFA cluster in total were \$450,828,066 for the year ended June 30, 2018. The total Direct Loan expenditures for West Liberty University and West Virginia University at Parkersburg were \$13,903,587 and \$5,465,483, respectively for the year ended June 30, 2018.

Cause: Written procedures detailing the process to reconcile loans from Common Origination and Disbursement (COD) records 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.

Recommendation: We recommend that management implement a 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.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018–013 SPECIAL TESTS AND PROVISIONS – INTERNAL CONTROLS OVER BORROWER DATA
TRANSMISSION AND RECONCILIATION
(Prior Year Findings 2017–007, 2016–006) (continued)**

| | |
|---|--|
| 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, 2018**

2018–014 ELIGIBILITY

(Prior Year Findings 2017–008, 2016–012)

| | | |
|-------------------------------------|---|---------------|
| Federal Program Information: | Federal Agency and Program Name | CFDA # |
| | U.S. Department of Education | |
| | Rehabilitation Services—Vocational Rehabilitation | |
| | Grants to State | 84.126 |
| | Grant Award H126A180073 | |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

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: During testing of the Case Service Report (RSA-911), a performance report that provides various data elements to the U.S. Department of Education, it was noted that 138 individuals out of the 12,256 individuals reported did not have an eligibility determination performed within the required 60 days from the date of application. A sample of 10 individuals were selected from the 138, of those individuals 7 did not have an authorized extension on file.

Questioned Costs: N/A

Context: Total federal expenditures for the Vocational Rehabilitation Grant were \$30,307,347 for the year ended June 30, 2018.

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 internal controls and 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, 2018**

2018–015 REPORTING

| | | |
|-------------------------------------|---|---|
| Federal Program Information: | Federal Agency and Program Name U.S. Department of Education Rehabilitation Services—Vocational Rehabilitation Grants to State Grant Award H126A180073 | CFDA # 84.126 |
|-------------------------------------|---|---|

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

2 CFR 200.302(b)(2) required that financial management system of each non-federal entity must provide “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. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient must not be required to establish an accrual accounting system. This recipient may develop accrual data for its reports on the basis of an analysis of the documentation on hand. Similarly, a pass-through entity must not require a subrecipient to establish an accrual accounting system and must allow the subrecipient to develop accrual data for its reports on the basis of an analysis of the documentation on hand.”

Condition: The West Virginia Division of Rehabilitation Services (WVDRS) is responsible for preparing the SF-425, Federal Financial Report, semiannually. The SF-425 is used to track the status of financial data tied to a particular Federal Grant Award. The SF-425 report should be complete, accurate, and prepared in accordance with the required accounting basis. There was an error in reporting the amount of cash receipts on the March 31, 2018, report. The amount of a cash draw down on April 6, 2018 of \$3,038,948, was erroneously included as part of cash receipts for the quarter ended March 31, 2018.

Questioned Costs: N/A

Context: Total federal expenditures for the Vocational Rehabilitation Grant were \$30,307,347 for the year ended June 30, 2018.

Cause: WVDRS appears to have policies and procedures in place to review the SF-425 prior to submission; however, it has failed to actively enforce those procedures.

Effect: The cumulative amount of actual cash received from the Federal agency as of the reporting period end date was overstated \$3,038,948.

Recommendation: We recommend that WVDRS enforce the existing policies and procedures surrounding the review and approval of the SF-425 report prior to submission.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018–015 REPORTING
(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, 2018**

**2018–016 SPECIAL TESTS AND PROVISIONS – COMPLETION OF INDIVIDUAL PLAN FOR
EMPLOYMENT (IPES)**

| | | |
|-------------------------------------|---|---|
| Federal Program Information: | Federal Agency and Program Name U.S. Department of Education Rehabilitation Services—Vocational Rehabilitation Grants to State Grant Award H126A180073 | CFDA # 84.126 |
|-------------------------------------|---|---|

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

29 USC §722(b)(3)(F), states that if an individual is determined eligible for Vocational Rehabilitation (VR) services, the West Virginia Division of Rehabilitation Services (WVDRS) and the eligible individual must develop an Individualized Plan for Employment (IPE) as soon as possible, but not later than a deadline of 90 days after the date of the determination of eligibility, unless WVDRS and the eligible individual agree to an extension of that deadline to a specific date by which the individualized plan for employment shall be completed.

Condition: Two of the 40 eligible individual IPEs tested were not completed within 90 days or within the period of extension.

Questioned Costs: Unknown

Context: Total federal expenditures for the Vocational Rehabilitation Grant were \$30,307,347 for the year ended June 30, 2018.

Cause: WVDRS appears to have policies and procedures in place to address completion of IPEs; however, it has failed to actively monitor the compliance of those policies and procedures.

Effect: Federal expenditures could be made for individuals who do not meet the requirements of the program.

Recommendation: We recommend that WVDRS monitor and enforce the existing policies and procedures surrounding the timely completion of IPEs for eligible participants.

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, 2018**

**2018–017 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS
(Prior Year Findings 2017–002, 2016–017, 2015–025, 2014–016, 2013–034, 2012–51, 2011–46,
2010–43, 2009–43, 2008–55)**

| Federal Program Information: | Federal Agency and Program Name | CFDA # |
|-------------------------------------|--|--------------------------|
| | U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Cluster | 93.558 |
| | Grant Awards 2016G996115, 2017G996115, and 2018G996115 | |
| | Low-Income Home Energy Assistance | 93.568 |
| | Grant Awards G-16B1WVLIEA, G-17B1WVLIEA, G-1701WVLIE4, and G-18B1WVLIEA | |
| | Child Care and Development Fund (CCDF) Cluster | 93.575/93.596 |
| | Grant Awards G1701WVCCDF and G1801WVCCDF | |
| | Foster Care—Title IV-E | 93.658 |
| | Grant Awards 1701WVFOST and 1801WVFOST | |
| | Adoption Assistance | 93.659 |
| | Grant Awards 1701WVADPT and 1801WVADPT | |
| | Children’s Health Insurance Program (CHIP) | 93.767 |
| | Grant Awards 1705WV5021 and 1805WV5021 | |
| | Medicaid Cluster | 93.775/93.777/ 93.778 |
| | Grant Awards 1705WV5MAP, 1705WV5ADM, 1705WVIMPL, 1705WVINCT, 1805WV5MAP, 1805WV5ADM, 1805WVIMPL, and 1805WVINCT | |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

Condition: **Family and Children Tracking System (FACTS):** (West Virginia Department of Health and Human Resources (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 detect 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.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018–017 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS
(Prior Year Findings 2017–002, 2016–017, 2015–025, 2014–016, 2013–034, 2012–51, 2011–46,
2010–43, 2009–43, 2008–55) (continued)**

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

Questioned Costs: N/A

Context: Total federal expenditures for these programs can be located in the Schedule of Expenditures of Federal Awards.

The table below identifies the programs and federal compliance requirements impacted.

| Federal Program | System | Compliance Requirements Impacted |
|--|--------|---|
| Children’s Health Insurance Program (CHIP) | RAPIDS | Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility; Level of Effort |
| Temporary Assistance for Needy Families (TANF) Cluster | RAPIDS | Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility |
| Low-Income Home Energy Assistance | RAPIDS | Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility |
| Medicaid Cluster | RAPIDS | Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility |
| Adoption Assistance | FACTS | Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility |
| Foster Care – Title IV-E | FACTS | Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Special Tests and Provisions – Operation of a Foster Care Demonstration Project, Special Tests and Provisions – Payment Rate Setting and Application |
| Child Care and Development Fund (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 improper segregation of duties issue.

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

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018–017 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS
(Prior Year Findings 2017–002, 2016–017, 2015–025, 2014–016, 2013–034, 2012–51, 2011–46,
2010–43, 2009–43, 2008–55) (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 detect control should be implemented that would require a review of all individual cases and payments with the same request and approval worker to ensure that cases and payments created and approved were appropriate.

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

**Views of
Responsible
Officials 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, 2018**

2018–018 REPORTING

| | | |
|-------------------------------------|---|---|
| Federal Program Information: | Federal Agency and Program Name U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Cluster Grant Award 2018 – 2017G996115 Grant Award 2017 – 2016G996115 | CFDA # 93.558 |
|-------------------------------------|---|---|

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

45 CFR section 265.9(c)(5) requires “each State must provide the average monthly total number or the total number of eligible families served for which the state claims Maintenance of Effort (MOE) expenditures at the end of the fiscal year.”

Condition: In the ACF 204 report submitted to the federal government for the federal fiscal year ended September 30, 2018, the key line item “Total Number of Families Served under the Program with MOE Funds” was overstated by 6,079 cases by using actual caseload, rather than using average caseload throughout the year.

Questioned Costs: Unknown

Context: Total federal expenditures for TANF for the fiscal year ended June 30, 2018, were \$101,766,325. The total amount of State MOE for the federal fiscal year ended September 30, 2018, was \$34,446,446.

Cause: Formula errors in supporting documentation resulted in an incorrect submission to the federal government which was not identified during the review process.

Effect: The TANF program is not in compliance with federal requirements regarding the accuracy of number of families served under the program that are to be reported on the ACF 204 report.

Recommendation: Management should refine their precision of review to include a review of the formulas in the supporting spreadsheets related to specific program requirements.

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, 2018**

**2018–019 SPECIAL TESTS AND PROVISIONS – INTERNAL CONTROLS OVER CHILD SUPPORT
NON-COOPERATION, PENALTY FOR REFUSAL TO WORK, AND ADULT CUSTODIAL
PARENT OF CHILD UNDER SIX WHEN CHILD CARE NOT AVAILABLE
(Prior Year Findings 2017–010, 2016–016, 2015–024, 2014–018, 2013–036, 2012–56, 2011–44,
2010–41)**

| | | |
|-------------------------------------|--|---------------|
| Federal Program Information: | Federal Agency and Program Name | CFDA # |
| | U.S. Department of Health and Human Services | |
| | Temporary Assistance for Needy Families (TANF) | |
| | Cluster | 93.558 |
| | Grant Award 2018–2017G996115 | |
| | Grant Award 2017–2016G996115 | |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

Condition: The West Virginia Department of Health and Human Resources (DHHR) has policies and procedures in place surrounding the issuance or removal of sanctions, however, DHHR could not provide adequate documentation that the control was operating effectively.

Questioned Costs: N/A

Context: Total federal expenditures for TANF for the fiscal year ended June 30, 2018, were \$101,766,325.

Cause: There is lack of sufficient documentary evidence to support that the controls are operating as designed related to 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: We recommend that DHHR management maintain sufficient documentation to evidence its internal control over the issuance or removal of sanctions.

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, 2018**

2018–020 SPECIAL TESTS AND PROVISIONS – CHILD SUPPORT NON-COOPERATION

| | | |
|-------------------------------------|---|---|
| Federal Program Information: | Federal Agency and Program Name U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Cluster Grant Award 2018–2017G996115 | CFDA # 93.558 |
|-------------------------------------|---|---|

Criteria: 2 CFR Section 200.608 (d) states the 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.”

Condition: For 1 of the 40 cases tested for child support non-cooperation, the benefit recipient had no sanction for child support during the year and should not have been included in the population for this compliance requirement. This conflicting data caused the auditor to be unable to determine if population was complete and accurate to test the compliance requirement.

Questioned Costs: Unknown

Context: Total federal expenditures for TANF for the fiscal year ended June 30, 2018, were \$101,766,325.

Cause: There are insufficient internal controls in place surrounding the generation and review of populations provided to the auditor.

Effect: The auditor was unable to determine if the auditee was in compliance with the specified compliance requirement.

Recommendation: We recommend that management implement policies and procedures to ensure that complete and accurate population data can be generated from RAPIDS for the compliance area.

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, 2018**

2018–021 ALLOWABILITY AND ELIGIBILITY

| | | |
|-------------------------------------|--|---------------|
| 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–16B1WVLIEA | |
| | Grant Award G–17B1WVLIEA | |
| | Grant Award G–1701WVLIEA | |
| | Grant Award G–18B1WVLIEA | |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

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 two of the 60 cases reviewed, there was not adequate documentation surrounding the caseworker’s verification of the recipient’s income.

For one of the 60 cases, there was conflicting information between the case records and electronic records regarding heat source and calculation.

For four of the 60 cases, there was not adequate documentation surrounding the caseworker’s verification of the recipient’s utility bill or wood/coal receipt.

Questioned Costs: \$1,930 – CFDA #93.568; \$1,641 related to Grant Award G–18B1WVLIEA and \$289 related to Grant Award G–17B1WVLIEA

Context: The seven instances represent \$1,930 of benefit payments out of total benefit payments \$16,715. Total payments for benefit assistance for the LIHEAP program for the fiscal year ended June 30, 2018, were \$18,330,558. The federal expenditures for the LIHEAP program for the fiscal year ended June 30, 2018, were \$27,565,054.

Cause: The program has internal controls and policies and procedures in place, however, the control is not robust enough to identify benefit payment issues including that supporting documentation is maintained.

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

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018–021 ALLOWABILITY AND ELIGIBILITY
(continued)**

Recommendation: 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 review and approvals are obtained and the appropriate 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, 2018**

**2018–022 SPECIAL TESTS AND PROVISIONS – FRAUD DETECTION AND REPAYMENT CONTROLS
(Prior Years Findings 2017–014, 2016–021)**

| | | |
|-------------------------------------|--|---------------|
| 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 G1701WVCCDF | |

Criteria: 2 CFR 200.303 states that a non-federal entity 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).

Condition: Child Care payments resulting from fraud are identified and documented within quarterly reconciliation spreadsheets. The current year quarterly reconciliation spreadsheets identified two fraudulent claims established in the previous fiscal year but were not reported until fiscal year 2018.

Questioned Costs: N/A

Context: Total federal expenditures for the CCDF Cluster for fiscal year ended June 30, 2018, were \$40,908,137.

Cause: DHHR experienced significant staff turnover during the fiscal year which caused a lack of timeliness 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: DHHR should ensure its internal controls and policies and procedures are robust enough to ensure fraudulent claims are identified and tracked through the reconciliation process beginning in the year of identification. In addition, 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.

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, 2018**

2018–023 ELIGIBILITY DOCUMENTATION

(Prior Year Findings 2017–015, 2016–022, 2015–029, 2014–024, 2013–040, 2012–59)

| | | |
|-------------------------------------|--|---------------|
| Federal Program Information: | Federal Agency and Program Name | CFDA # |
| | U.S. Department of Health and Human Services | |
| | Adoption Assistance | 93.659 |
| | Grant Awards 1701WVADPT and 1801WVADPT | |

Criteria: 2 CFR 200.303 requires that the DHHR 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).

Section 473 of the Social Security Act requires that the Adoption Assistance Agreement must be in effect prior to the adoptive parents’ receipt of the Adoption Subsidy. Also, 45 CFR 1356.40 requires 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: Five of the 60 cases reviewed for eligibility did not have documents on file to determine eligibility:

- One case had an Adoption Placement Agreement signed after the Adoption Assistance Agreement. The total payment amount associated with this case was \$600, charged to Grant Award 1801WVADPT.
- Two cases were missing the Adoption Placement Agreement, Adoption Assistance Agreement, Release and Consent form, and the IV-E eligibility determination form. The total payment amount associated with these cases was \$631 (\$315.52 each), charged to Grant Award 1801WVADPT.
- One case did not specify a subsidy amount in the Adoption Assistance Agreement, and the Adoption Placement Agreement was not signed or dated by the Social Worker. The total payment amount associated with this case was \$600, charged to Grant Award 1701WVADPT.
- One case was missing the Adoption Placement Agreement and the Adoption Assistance Agreement. The total payment amount associated with this case was \$600, charged to Grant Award 1701WVADPT.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

2018–023 ELIGIBILITY DOCUMENTATION

(Prior Year Findings 2017–015, 2016–022, 2015–029, 2014–024, 2013–040, 2012–59) (continued)

Questioned Costs: \$2,431 – CFDA #93.659; \$1,231 related to Grant Award 1801WVADPT and \$1,200 related to Grant Award 1701WVADPT

Context: The five instances represent \$2,431 of adoption payments out of a total population of benefit payments tested for eligibility of \$34,705. Total federal expenditures for the Adoption Assistance program were \$39,237,964 for the year ended June 30, 2018.

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. Potentially ineligible claims were 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, 2018**

2018–024 ACTIVITIES ALLOWED OR UNALLOWED AND ALLOWABLE COSTS/COST PRINCIPLES

| | | |
|-------------------------------------|---|---|
| Federal Program Information: | Federal Agency and Program Name U.S. Department of Health and Human Services Medicaid Cluster Grant Awards 1705WV5MAP;1705WV5ADM;1705WVIMPL; 1705WVINCT;1805WV5MAP;1805WV5ADM; 1805WVINCT;1805WVIMPL | CFDA # 93.775/93.777/ 93.778 |
|-------------------------------------|---|---|

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

42 CFR 435.10 requires a “State plan must (a) Provide that the requirements of this part are met; and (b) Specify the groups to whom Medicaid is provided, as specified in subparts B, C, D of this part, and the conditions of eligibility for individuals in those groups. Per the Medicaid State Plan, “the Bureau for Medical Services, the single State agency, is the Office of State Government responsible for the administration of the plan under Title XIX of the Social Security Act. The Bureau for Medical Services has the authority to make rules and regulations that it follows in administering the plan or that are binding upon local agencies that administer the plan.” Per the Bureau of Medical Services manual, chapter 800 section 2, the Rate Setting Division sets payment rates for services provided by hospitals, physicians, and other health care providers participating in the West Virginia Medicaid program. Rates are set annually for more than 35,000 covered services. Additionally, the Unit is responsible for setting rates for the Bureau’s supplemental payments.”

Condition: One of the 60 transactions tested was not calculated and paid using the correct resource-based related value scale (RBRVS) fee schedule.

Questioned Costs: \$0.26 – CFDA #93.778 related to Grant Award 1805WV5MAP

Context: The exception represented \$0.26 of the total \$16,381 sampled. Total federal expenditures for the Medicaid program were \$3,056,393,061 for the year ended June 30, 2018.

Cause: One of the indices included in the rate calculation of Resource Based Relative Value Scale (RBRVS Fee schedule) was omitted. It was not updated to reflect the “West Virginia specific” index. The omitted index applied to claims with a date of service January 1, 2018, through April 30, 2018. The error resulted in an overpayment to providers. Because the WV DHHR discovered its own error, the RBRVS fee schedule was changed on May 1, 2018, to correct the error in the calculation. If a claim with a date of service from January 1, 2018, to April 30, 2018, was submitted for payment after May 1, 2018, the new fee schedule was applied.

Effect: Medicaid providers were overpaid for Medicaid services.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018–024 ACTIVITIES ALLOWED OR UNALLOWED AND ALLOWABLE COSTS/COST PRINCIPLES
(continued)**

Recommendation: We recommend that management implement internal controls and policies and procedures to require a review the RBRVS fee schedule for any updates before they are input into production calculations for errors prior to adopting the rate schedules.

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, 2018**

**2018–025 INTERNAL CONTROLS OVER REPORTING
(Prior Year Findings 2017–020, 2016–025)**

| 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–4059-DR–WV | |
| | Grant Award FEMA–4273-DR–WV | |
| | Grant Award FEMA–4331-DR–WV | |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).

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 revisions to SF-425, *Federal Financial Reports*, without going through an appropriate review and approval process. Additionally, the required quarterly performance reports, the FEMA Form 009-0-111, are not reviewed and approved.

Questioned Costs: N/A

Context: Total federal expenditures for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program were \$32,459,031 for the year ended June 30, 2018.

Cause: DHSEM does not have adequate internal controls and policies and procedures in place over the reporting process to require an appropriate review and approval.

Effect: Federal reports may be submitted with errors or lack of supporting documentation and not be identified on a timely basis.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018-025 INTERNAL CONTROLS OVER REPORTING
(Prior Year Findings 2017-020, 2016-025) (continued)**

Recommendation: We recommend that DHSEM internal controls and policies and procedures over the report preparation and submission process. 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, 2018**

2018–026 INTERNAL CONTROL OVER ALLOWABILITY

| 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–4059-DR-WV | |
| | Grant Award FEMA–4273-DR-WV | |
| | Grant Award FEMA–4331-DR-WV | |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).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: One of the forty payroll transactions and one of the forty nonpayroll transactions selected for testing from the West Virginia Division of Highways (the Division) expenditures were not properly reviewed and approved.

Questioned Costs: N/A

Context: Total federal expenditures for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program were \$32,459,031, for the year ended June 30, 2018.

Cause: The Division does not have adequate policies and procedures in place to ensure all transactions are reviewed and approved.

Effect: The Division may not identify noncompliance with federal statutes, regulations, and the terms of the conditions of the federal award including allowability. Expenditures may be paid that are not allowable.

Recommendation: We recommend that the Division implement internal controls and policies and procedures to ensure that expenditures are properly reviewed and approved before being charged to a federal award.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018-026 INTERNAL CONTROL OVER ALLOWABILITY
(continued)**

| | |
|---|--|
| 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, 2018**

**2018–027 CASH MANAGEMENT
(Prior Year Finding 2017–017)**

| 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–4059-DR-WV | |
| | Grant Award FEMA–4273-DR-WV | |
| | Grant Award FEMA–4331-DR-WV | |

Criteria: 2 CFR 200.305(b)(8) requires that a non-Federal entity must “maintain advance payments of Federal awards in interest-bearing accounts, unless the following apply.

- i. The non-Federal entity receives less than \$120,000 in Federal awards per year.
- ii. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
- iii. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
- iv. A foreign government or banking system prohibits or precludes interest bearing accounts.”

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.”

Condition: The West Virginia School Building Authority (SBA) was not holding their advance payments of federal awards in interest-bearing accounts during fiscal year 2018. Beginning in February 2018, the SBA began transferring the advance payments to interest-bearing accounts. By June 30, 2018, the SBA had transferred all funds to interest bearing accounts. In addition, interest earned in excess of \$500 for fiscal 2018 was not remitted back to the Department of Health and Human Services, Payment Management System.

Questioned Costs: Unknown

STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018

2018–027 CASH MANAGEMENT

(Prior Year Finding 2017–017) (continued)

- Context:** Total advance payments of federal awards held in non-interest-bearing accounts until February 2018 for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program were \$6,238,757, which originated in the prior fiscal years. Beginning in February 2018, the SBA began transferring the advance payments to interest-bearing accounts. By June 30, 2018, the SBA had transferred all funds to interest bearing accounts. As of June 30, 2018, interest earned on the interest-bearing accounts was \$17,657. However, interest earned in excess of \$500 was not remitted back to the Department of Health and Human Services, Payment Management System.
- Cause:** The SBA was not aware of the requirement to hold advance payments in interest-bearing accounts until the middle of fiscal year 2018. Furthermore, the SBA failed to remit interest earned on the unexpended amounts to the WV Department of Homeland Security (DHSEM); therefore, DHSEM did not remit the interest earned to the US Department of Homeland Security Emergency Management on an annual basis.
- Effect:** The DHSEM is not in compliance with the federal rules and regulations regarding cash management.
- Recommendation:** We recommend that the DHSEM develop internal controls and policies and procedures to ensure that all advance payments of federal awards be held in interest-bearing accounts and to ensure that interest earned on cash advances is tracked and remitted to the Federal government on an annual 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, 2018**

2018–028 SUBRECIPIENT CASH MANAGEMENT

| 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–4059-DR-WV | |
| | Grant Award FEMA–4273-DR-WV | |
| | Grant Award FEMA–4331-DR-WV | |

Criteria: 2 CFR 200.303 requires that 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).

OMB Circular A-133 section 300b requires 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.”

2 CFR 200.305(b) requires that “payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity.”

Additionally, 2 CFR 200.305(b)(3) states that “when the reimbursement method is used, the Federal awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper.”

OMB Circular A-110 requires that procedures be implemented to ensure that subrecipients minimize the time elapsing between the transfer of Federal funds from the recipient and the disbursement of funds for program purposes.

Condition: For eight of the forty subrecipient payments selected for testing, the West Virginia Division of Homeland Security and Emergency Management (DHSEM) failed to reimburse the subrecipients within 30 calendar days after receipt of the billing.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018–028 SUBRECIPIENT CASH MANAGEMENT
(continued)**

Questioned Costs: N/A

Context: Total federal and subrecipient expenditures for the Disaster Grants – Public Assistance (Presidentially Declared Disasters) program were \$32,459,031 and 15,164,213, respectively, for the year ended June 30, 2018. The eight instances represent \$938,299 of expenditures out of a total population tested for subrecipient cash management of \$5,614,185.

Cause: DHSEM does not have adequate internal controls and policies and procedures in place over subrecipient payment requests to ensure federal funds are being reimbursed timely for expenditures incurred.

Effect: DHSEM is not in compliance with the cash management requirements of this program. DHSEM is not reimbursing subrecipients on a timely basis.

Recommendation: We recommend that DHSEM implement internal controls and policies and procedures over the subrecipient payment process to ensure that reimbursements are made within 30 calendar days after receipt of the billing.

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, 2018**

2018-029 SUBRECIPIENT MONITORING

(Prior Years Findings 2017-018, 2016-024) (continued)

Recommendation: DHSEM should continue to follow their formalized policies implemented at year-end for developing and tracking subrecipient monitoring reports, for receiving and tracking subrecipient audit reports, and for following 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, 2018**

2018-030 SUBRECIPIENT CASH MANAGEMENT

| Federal Program Information: | Federal Agency and Program Name | CFDA # |
|-------------------------------------|--|---------------|
| | U.S. Department of Homeland Security | |
| | Hazard Mitigation Grant (HMGP) | 97.039 |
| | 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-4059-DR-WV | |
| | Grant Award FEMA-4273-DR-WV | |
| | Grant Award FEMA-4331-DR-WV | |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).”

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.”

2 CFR 200.305(b) requires that “payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity.”

Additionally, 2 CFR 200.305(b)(3) states that “when the reimbursement method is used, the Federal awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper.”

OMB Circular A-110 requires that procedures be implemented to ensure that subrecipients minimize the time elapsing between the transfer of Federal funds from the recipient and the disbursement of funds for program purposes.

Condition: For eight of the sixteen subrecipient payments selected for testing, the West Virginia Division of Homeland Security and Emergency Management (DHSEM) failed to reimburse the subrecipients within 30 calendar days after receipt of the billing.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018–030 SUBRECIPIENT CASH MANAGEMENT
(continued)**

Questioned Costs: N/A

Context: Total federal expenditures for subrecipients and total federal expenditures for the Hazard Mitigation Grant program were \$4,735,620 and \$5,328,656, respectively, for the year ended June 30, 2018. The eight instances represent \$787,913 of expenditures out of a total population tested for subrecipient cash management of \$1,282,255.

Cause: DHSEM does not have adequate internal controls and policies and procedures in place over subrecipient payment requests to ensure federal funds are being reimbursed timely for expenditures incurred.

Effect: DHSEM is not in compliance with federal statutes, regulations, and the terms of the conditions of the federal award. By not reimbursing subrecipients for expenditures incurred timely, the completion of projects may be delayed and vendors may not be paid timely.

Recommendation: We recommend that DHSEM implement internal controls and policies and procedures over the subrecipient payment process to ensure that reimbursements are made within 30 calendar days after receipt of the billing.

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, 2018**

2018-031 SUBRECIPIENT ELIGIBILITY

| | | |
|-------------------------------------|--|-----------------------------|
| Federal Program Information: | Federal Agency and Program Name U.S. Department of Homeland Security Hazard Mitigation Grant (HMGP) 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-4059-DR-WV Grant Award FEMA-4273-DR-WV Grant Award FEMA-4331-DR-WV | CFDA # 97.039 |
|-------------------------------------|--|-----------------------------|

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).”

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.”

Condition: DHSEM did not provide timely supporting documentation to the auditors. Missing supporting documentation includes:

Eligibility for Subrecipients

- For 6 of the 8 subrecipients selected for testing, DHSEM did not provide the FEMA Approved Mitigation Plan to allow the auditors to determine if eligibility requirements were met. Total federal expenditures for these subrecipients were \$1,578,214.
- For 8 of the 8 subrecipients selected for testing, DHSEM did not provide the signed grant agreement with the subrecipient.

Subrecipient Monitoring

- For 8 of the 8 subawards selected for testing, DHSEM did not provide documentation to show that the subrecipient was made aware of the award information required by 2 CFR section 200.331(a).

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018–031 AUDIT DOCUMENTATION
(continued)**

Questioned Costs: \$1,578,214 – CFDA #97.039; \$3,261 related to Grant Award FEMA–4132-DR–WV, \$1,203,187 related to Grant Award FEMA–4210-DR–WV, \$281,024 related to Grant Award FEMA–4220-DR–WV, \$50,451 related to Grant Award FEMA–4221-DR–WV, and \$40,291 related to Grant Award FEMA–4273-DR–WV

Context: Total federal expenditures for subrecipients and total federal expenditures for the Hazard Mitigation Grant program were \$4,735,620 and \$5,328,656, respectively, for the year ended June 30, 2018.

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

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

Recommendation: We recommend that DHSEM 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, 2018**

2018-032 MATCHING

| | | |
|-------------------------------------|--|-----------------------------|
| Federal Program Information: | Federal Agency and Program Name U.S. Department of Homeland Security Hazard Mitigation Grant (HMGP) 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-4059-DR-WV Grant Award FEMA-4273-DR-WV Grant Award FEMA-4331-DR-WV | CFDA # 97.039 |
|-------------------------------------|--|-----------------------------|

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).”

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.”

44 CFR 206.432(c) states that “all mitigation measures approved under the State’s grant will be subject to the cost sharing provisions established in the FEMA-State Agreement. FEMA may contribute up to 75 percent of the cost of measures approved for funding under the Hazard Mitigation Grant Program for major disasters declared on or after June 10, 1993” and “FEMA will not contribute to costs above the Federally approved estimate.”

Condition: For 4 of the 23 transactions selected for matching, the West Virginia Division of Homeland Security and Emergency Management (DHSEM) failed to properly match 25 percent of the expenditure incurred.

Questioned Costs: \$104,117 – CFDA #97.039; \$1,214 related to Grant Award FEMA-4273-DR-WV and \$102,903 related to Grant Award FEMA-4331-DR-WV

Context: Total federal expenditures for the Hazard Mitigation Grant program were \$5,328,656 for the year ended June 30, 2018. The four instances represent \$104,117 of expenditures out of a total population tested for matching of \$2,183,922.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018-032 MATCHING
(continued)**

Cause: DHSEM does not have adequate internal controls and policies and procedures in place over the matching to ensure that the matching requirement is being met.

Effect: DHSEM is not in compliance with federal statutes, regulations, and the terms of the conditions of the federal award.

Recommendation: We recommend that DHSEM implement internal controls and policies and procedures over the matching process to ensure that the proper state match is being applied to all expenditures incurred.

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, 2018**

2018-033 REPORTING

| | | |
|-------------------------------------|--|-----------------------------|
| Federal Program Information: | Federal Agency and Program Name U.S. Department of Homeland Security Hazard Mitigation Grant (HMGP) 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-4059-DR-WV Grant Award FEMA-4273-DR-WV Grant Award FEMA-4331-DR-WV | CFDA # 97.039 |
|-------------------------------------|--|-----------------------------|

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).”

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.”

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

Condition: For three of the nine SF-425, *Federal Financial Reports*, and both of the Quarterly Performance Reports selected for testing, management of the West Virginia Division of Homeland Security and Emergency Management (DHSEM) prepared and submitted the reports, without going through an appropriate review and approval process. In addition, there was no documentation to support the amounts reported in one SF-425 report, for the reporting period July 1, 2017 to September 30, 2017, selected for testing.

Questioned Costs: \$143,369 – CFDA #97.039 related to Grant Award FEMA-4273-WV

Context: Total federal expenditures for the Hazard Mitigation Grant program were \$5,328,656 for the year ended June 30, 2018.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018-033 REPORTING
(continued)**

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

Effect: DHSEM is not in compliance with the federal rules and regulations regarding reporting. Reporting errors could occur and not be identified on a timely basis.

Recommendation: We recommend that DHSEM review its internal controls and policies and procedures over the report review and approval 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, 2018**

2018–034 SUBRECIPIENT MONITORING

| Federal Program Information: | Federal Agency and Program Name | CFDA # |
|-------------------------------------|--|---------------|
| | U.S. Department of Homeland Security Hazard Mitigation Grant (HMGP) | 97.039 |
| | 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–4059-DR-WV | |
| | Grant Award FEMA–4273-DR-WV | |
| | Grant Award FEMA–4331-DR-WV | |

Criteria: 2 CFR 200.303 requires that the West Virginia Division of Homeland Security and Emergency Management 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).

OMB Circular A-133 section 300b requires that the West Virginia Division of Homeland Security and Emergency Management is responsible for maintaining “internal control over Federal programs that provides reasonable assurance that management is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”

2 CFR 200.331 establishes pass-through entity responsibilities which include evaluating (b) each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring, (d) 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 (f) Verify that every subrecipient is audited as required by Subpart F—Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

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.

STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018

2018-034 SUBRECIPIENT MONITORING
(continued)

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

- DHSEM is not completing subrecipient risk assessments.
- Management indicated that they review completed auditor's 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 Hazard Mitigation Grant program were \$4,735,620 and \$5,328,656, respectively, for the year ended June 30, 2018.

Cause: Management of DHSEM implemented monitoring policies and procedures in June 2018, but did not have adequate staff with appropriate training to complete the monitoring process during the fiscal year.

Effect: Subrecipients may not be in compliance with the terms of the subrecipient grant agreement, have unallowable expenditures and or audit findings that are not identified timely and corrected.

Recommendation: DHSEM should implement their formalized policies developed at year-end for developing and tracking subrecipient monitoring reports, for receiving and tracking subrecipient audit reports, and for following 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, 2018**

2018–035 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal Program Information: | Federal Agency and Program Name | CFDA # |
|-------------------------------------|---|---------------|
| | U.S. Department of Homeland Security | |
| | Emergency Management Performance Grants | 97.042 |
| | Grant Award EMW-2014-EP-00044 | |
| | Grant Award EMW-2015-EP-00050 | |
| | Grant Award EMP-2016-EP-00002 | |
| | Grant Award EMP-2017-EP-00005 | |
| | Grant Award EMP-2018-EP-00003 | |

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.

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: The West Virginia Division of Homeland Security and Emergency Management’s (DHSEM) internal controls are not adequate to ensure the that the Schedule of Expenditures of Federal Awards (SEFA) accurately reports all federal assistance. Our review of the SEFA for fiscal year 2018 identified that various transactions occurring in 2017 were improperly excluded from the 2017 SEFA and included on the 2018 SEFA. The total amount of 2017 expenditures reported on the 2018 SEFA was \$103,342.

Questioned Costs: N/A

Context: Total federal expenditures for the Emergency Management Performance Grant program were \$5,072,094 for the year ended June 30, 2018.

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

Effect: DHSEM is improperly reporting their federal expenditures and federal awards may not be accurately charged.

Recommendation: We recommend that DHSEM 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, 2018**

2018–036 ALLOWABILITY

| | | |
|-------------------------------------|---|---------------|
| Federal Program Information: | Federal Agency and Program Name | CFDA # |
| | U.S. Department of Homeland Security | |
| | Emergency Management Performance Grants | 97.042 |
| | Grant Award EMW-2014-EP-00044 | |
| | Grant Award EMW-2015-EP-00050 | |
| | Grant Award EMP-2016-EP-00002 | |
| | Grant Award EMP-2017-EP-00005 | |
| | Grant Award EMP-2018-EP-00003 | |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).”

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.”

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.”

Condition: Six of the 40 payroll transactions selected for testing were not properly reviewed and approved. Additionally, for 38 of the 40 payroll transactions selected for testing, the amount charged to the program was not able to be reconciled back to the employee’s pay stub for the period selected for testing. Further, support was not provided for \$848,870 in expenditures listed on the SEFA.

Questioned Costs: \$922,168 – CFDA #97.042

Context: Total federal expenditures for the Emergency Management Performance Grant program were \$5,072,094 for the year ended June 30, 2018. The 38 instances represent \$73,298 of payroll expenditures out of a total population tested of \$77,421. Total payroll for the year for the program was \$209,222. Additionally, support was not provided for \$848,870 in expenditures listed of the SEFA.

Cause: The West Virginia Division of Homeland Security and Emergency Management (DHSEM) does not have adequate internal controls and policies and procedures in place to ensure all transactions are reviewed and approved and that supporting documentation is retained.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018-036 ALLOWABILITY
(continued)**

Effect: DHSEM is not in compliance with federal statutes, regulations, and the terms of the conditions of the federal award. Expenditures were paid that were not supported by the DHSEM.

Recommendation: We recommend that DHSEM implement controls to ensure that expenditures are properly reviewed and approved before being charged to a federal award and that supporting documentation is retained.

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, 2018**

2018–037 SUBRECIPIENT CASH MANAGEMENT

| | | |
|-------------------------------------|--|---------------|
| Federal Program Information: | Federal Agency and Program Name | CFDA # |
| | U.S. Department of Homeland Security | |
| | Emergency Management Performance Grant | 97.042 |
| | Grant Award EMW-2014-EP-00044 | |
| | Grant Award EMW-2015-EP-00050 | |
| | Grant Award EMP-2016-EP-00002 | |
| | Grant Award EMP-2017-EP-00005 | |
| | Grant Award EMP-2018-EP-00003 | |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).”

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.”

2 CFR 200.305(b) requires that “payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity.”

Additionally, 2 CFR 200.305(b)(3) states that “when the reimbursement method is used, the Federal awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper.”

OMB Circular A-110 requires that procedures be implemented to ensure that subrecipients minimize the time elapsing between the transfer of Federal funds from the recipient and the disbursement of funds for program purposes.

Condition: For nine of the ten subrecipient payments selected for testing, the West Virginia Division of Homeland Security and Emergency Management (DHSEM) failed to reimburse the subrecipients within 30 calendar days after receipt of the billing.

Questioned Costs: N/A

Context: Total federal expenditures for subrecipients and total federal expenditures for the Emergency Management Performance Grant program were \$3,245,967 and \$5,072,094, respectively, for the year ended June 30, 2018. The nine instances represent \$406,953 of expenditures out of a total population tested for subrecipient cash management of \$433,622.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018-037 SUBRECIPIENT CASH MANAGEMENT
(continued)**

Cause: DHSEM does not have adequate internal controls and policies and procedures in place over subrecipient payment requests to ensure federal funds are being reimbursed timely for expenditures incurred.

Effect: DHSEM is not in compliance with federal statutes, regulations, and the terms of the conditions of the federal award. By not reimbursing subrecipients for expenditures incurred timely, the completion of projects may be delayed and vendors may not be paid timely.

Recommendation: We recommend that DHSEM implement internal controls and policies and procedures over the subrecipient payment process to ensure that reimbursements are made within 30 calendar days after receipt of the billing.

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, 2018**

2018–038 ELIGIBILITY FOR SUBRECIPIENTS

| | | |
|-------------------------------------|---|---------------|
| Federal Program Information: | Federal Agency and Program Name | CFDA # |
| | U.S. Department of Homeland Security | |
| | Emergency Management Performance Grants | 97.042 |
| | Grant Award EMW-2014-EP-00044 | |
| | Grant Award EMW-2015-EP-00050 | |
| | Grant Award EMP-2016-EP-00002 | |
| | Grant Award EMP-2017-EP-00005 | |
| | Grant Award EMP-2018-EP-00003 | |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).”

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.”

2 CFR 200.333 requires “Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient.”

Condition: The West Virginia Division of Homeland Security and Emergency Management (DHSEM) did not obtain and/or maintain documentation of subrecipient Emergency Operations Plans Grants (EMPG) as required to determine that the subrecipient is eligible for any of the 19 subrecipients selected for testing.

Questioned Costs: \$901,411 – CFDA #97.042; \$273,157 related to Grant Award EMW-2014-EP-00044 and \$628,254 related to Grant Award EMW-2015-EP-00050

Context: Total federal expenditures for subrecipients and total federal expenditures for the Emergency Management Performance Grant program were \$3,245,967 and \$5,072,094, respectively, for the year ended June 30, 2018. Total expenditures for subrecipients tested were \$901,411.

Cause: DHSEM does not have adequate internal controls and policies and procedures in place over the subrecipient eligibility process.

Effect: DHSEM may not be in compliance with the federal statutes and regulations regarding subrecipient eligibility. Funding may be awarded to subrecipients who have not complied with EMPG funding guidelines.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018-038 ELIGIBILITY FOR SUBRECIPIENTS
(continued)**

Recommendation: We recommend that DHSEM review its internal controls and policies and procedures regarding the subrecipient eligibility process. At a minimum, DHSEM should implement a tracking system with a documented review and approval process that ensures an eligibility determination for each potential subrecipient. 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, 2018**

2018-039 EARMARKING

| | | |
|-------------------------------------|---|---------------|
| Federal Program Information: | Federal Agency and Program Name | CFDA # |
| | U.S. Department of Homeland Security | |
| | Emergency Management Performance Grants | 97.042 |
| | Grant Award EMW-2014-EP-00044 | |
| | Grant Award EMW-2015-EP-00050 | |
| | Grant Award EMP-2016-EP-00002 | |
| | Grant Award EMP-2017-EP-00005 | |
| | Grant Award EMP-2018-EP-00003 | |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).”

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.”

The U.S. Department of Homeland Security’s Notice of Funding Opportunity for the Emergency Management Performance Grant (EMPG) allows that a State Emergency Management Agency “may use up to five percent (5%) of the EMPG award for M&A purposes.” Management and Administration (M&A) activities are those directly related to managing and administering the EMPG award.

Condition: The West Virginia Division of Homeland Security and Emergency Management (DHSEM) charged M&A expenditures to EMPG grants, but DHSEM management did not track these expenditures to ensure compliance with applicable earmarking requirements noted in the award.

Questioned Costs: Unknown

Context: Total federal expenditures for the Emergency Management Performance Grant program were \$5,072,094 for the year ended June 30, 2018.

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

Effect: DHSEM may not be in compliance with the federal statutes and regulations regarding earmarking. M&A expenditures could exceed maximum allowable thresholds.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018-039 EARMARKING
(continued)**

Recommendation: We recommend that DHSEM implement internal controls and policies and procedures regarding earmarking and M&A tracking process. At a minimum, DHSEM should implement a tracking system with a documented review and approval process that ensures M&A expenditure amounts do not exceed maximum allowable thresholds. 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, 2018**

2018-040 MATCHING

| | | |
|-------------------------------------|---|---------------|
| Federal Program Information: | Federal Agency and Program Name | CFDA # |
| | U.S. Department of Homeland Security | |
| | Emergency Management Performance Grants | 97.042 |
| | Grant Award EMW-2014-EP-00044 | |
| | Grant Award EMW-2015-EP-00050 | |
| | Grant Award EMP-2016-EP-00002 | |
| | Grant Award EMP-2017-EP-00005 | |
| | Grant Award EMP-2018-EP-00003 | |

Criteria: CFR 200.303 requires that a non-federal entity 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).”

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.”

The U.S. Department of Homeland Security’s Notice of Funding Opportunity for the Emergency Management Performance Grant (EMPG) states that “the Federal share that is used towards the EMPG budget shall not exceed 50 percent of the total budget. The state must equally match (cash or in-kind) the Federal contribution pursuant to Sections 611(j) and 613 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. No. 93-288), as amended, (42 U.S.C. §§ 5121et seq.). Unless otherwise authorized by law, Federal funds cannot be matched with other Federal funds.”

Condition: For 1 of the 36 transactions selected for testing, the West Virginia Division of Homeland Security and Emergency Management (DHSEM) failed to properly match 50 percent of the expenditure incurred as required per the grant agreement.

Questioned Costs: \$40,203 – CFDA #97.042 related to Grant Award EMP-2016-EP-00002

Context: Total federal expenditures for the Emergency Management Performance Grant program were \$5,072,094 for the year ended June 30, 2018. The one instance represents \$40,203 of expenditures out of a total population tested for matching of \$561,238.

Cause: DHSEM does not have adequate internal controls and policies and procedures in place over the matching to ensure that the matching requirement is being met.

Effect: DHSEM is not in compliance with federal statutes, regulations, and the terms of the conditions of the federal award.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018-040 MATCHING
(continued)**

Recommendation: We recommend that DHSEM implement internal controls and policies and procedures over the matching process to ensure that the proper state match is being applied to all expenditures incurred.

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, 2018**

2018–041 REPORTING

| | | |
|-------------------------------------|--|---------------|
| Federal Program Information: | Federal Agency and Program Name | CFDA # |
| | U.S. Department of Homeland Security | |
| | Emergency Management Performance Grant | 97.042 |
| | Grant Award EMW-2014-EP-00044 | |
| | Grant Award EMW-2015-EP-00050 | |
| | Grant Award EMP-2016-EP-00002 | |
| | Grant Award EMP-2017-EP-00005 | |
| | Grant Award EMP-2018-EP-00003 | |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).”

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.”

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

Condition: Management of the West Virginia Division of Homeland Security and Emergency Management (DHSEM) prepared and submitted various reports required under the Emergency Management Performance Grant program without going through an appropriate review and approval process. Reports submitted without approval included the following:

- SF-425, *Federal Financial Reports*
- SF-PPR, *Performance Progress Reports*
- BSIR, *Biannual Strategy Implementation Reports*
- THIRA, *Threat and Hazard Identification and Risk Assessment*
- SPR, *State Preparedness Report*

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018-041 REPORTING
(continued)**

In addition, there was no documentation to support the expenditure amounts reported in one SF-425 (2014 EMPG grant from July 1, 2017 through September 30, 2017 and 2016 EMPG grant from January 1, 2018 through March 31, 2018 reports), *Federal Financial Reports*, and the expended and obligated balance in all BSIR, *Biannual Strategy Implementation Reports*, performance reports selected for testing which consisted of the following:

- EMPG 2014 January 1, 2018 through June 30, 2018
- EMPG 2015 January 1, 2018 through June 30, 2018
- EMPG 2016 July 1, 2017 through December 31, 2017, and January 1, 2018 through June 30, 2018
- EMPG 2017 July 1, 2017 through December 31, 2017

Questioned Costs: \$1,914 – CFDA #97.042 Grant Award EMW-2014-EP-00044

Context: Total federal expenditures for the Emergency Management Performance Grant program were \$5,072,094 for the year ended June 30, 2018.

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

Effect: DHSEM is not in compliance with the federal rules and regulations regarding reporting. Reporting errors could occur and not be identified on a timely basis.

Recommendation: We recommend that DHSEM review its internal controls and policies and procedures over the report review and approval 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, 2018**

2018–042 SUBRECIPIENT MONITORING

| Federal Program Information: | Federal Agency and Program Name | CFDA # |
|-------------------------------------|--|---------------|
| | U.S. Department of Homeland Security | |
| | Emergency Management Performance Grant | 97.042 |
| | Grant Award EMW-2014-EP-00044 | |
| | Grant Award EMW-2015-EP-00050 | |
| | Grant Award EMP-2016-EP-00002 | |
| | Grant Award EMP-2017-EP-00005 | |
| | Grant Award EMP-2018-EP-00003 | |

Criteria: 2 CFR 200.303 requires that the West Virginia Department of Homeland Security 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).”

OMB Circular A-133 section 300b requires that the West Virginia Homeland Security is responsible for maintaining “internal control over Federal programs that provides reasonable assurance that management is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”

2 CFR 200.331 establishes pass-through entity responsibilities which include evaluating (b) “each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring”, (d) 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 (f) verifying “that every subrecipient is audited as required by Subpart F—Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.”

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.

STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018

2018–042 SUBRECIPIENT MONITORING
(continued)

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

- DHSEM is not completing subrecipient risk assessments.
- DHSEM is not documenting monitoring.
- 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 Emergency Management Performance Grant program were \$3,245,967 and \$5,072,094, respectively, for the year ended June 30, 2018.

Cause: Management of DHSEM did not have internal controls or policies and procedures in place over subrecipient monitoring for the period of July 1, 2017 through May 31, 2018.

Effect: Subrecipients may not be in compliance with the terms of the subrecipient grant agreement, have unallowable expenditures and or audit findings that are not identified timely and corrected.

Recommendation: DHSEM should implement their formalized policies developed at year-end for developing and tracking subrecipient monitoring reports, for receiving and tracking subrecipient audit reports, and for following 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, 2018**

2018–043 SPECIAL TESTS AND PROVISIONS – CLOSEOUT REPORTING REQUIREMENTS

| | | |
|-------------------------------------|---|---------------|
| Federal Program Information: | Federal Agency and Program Name | CFDA # |
| | U.S. Department of Homeland Security | |
| | Emergency Management Performance Grants | 97.042 |
| | Grant Award EMW-2014-EP-00044 | |
| | Grant Award EMW-2015-EP-00050 | |
| | Grant Award EMP-2016-EP-00002 | |
| | Grant Award EMP-2017-EP-00005 | |
| | Grant Award EMP-2018-EP-00003 | |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).”

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.”

44 CFR 13.50(b) states that “within 90 days after the expiration or termination of the grant, the grantee must submit all financial, performance, and other reports required as a condition of the grant.”

2 CFR 200.343(a) states that “the non-Federal entity must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested by the non-Federal entity.”

The U.S. Department of Homeland Security’s Notice of Funding Opportunity for the Emergency Management Performance Grant (EMPG) requires that grantees must submit a final closeout reporting package once a grant is closed.

Condition: The West Virginia Division of Homeland Security and Emergency Management (DHSEM) did not submit the required closeout reporting package within 90 days of the expiration of the grant award.

Questioned Costs: N/A

Context: Total federal expenditures for the Emergency Management Performance Grant program were \$5,072,094 for the year ended June 30, 2018.

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

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018-043 SPECIAL TESTS AND PROVISIONS – CLOSEOUT REPORTING REQUIREMENTS
(continued)**

Effect: DHSEM is not in compliance with the federal statutes and regulations regarding the closeout reporting requirements. The grant may not be properly closed out resulting in FEMA having to administratively close the award; if this action is taken, consideration for subsequent awards to DHSEM may be impacted or restricted.

Recommendation: We recommend that DHSEM review its internal controls and policies and procedures in place over the close out reporting process. At a minimum, controls should be in place to ensure that all required reports are submitted within the 90 days of the expiration or termination of the grant award.

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, 2018**

2018-044 SPECIAL TESTS AND PROVISIONS – TRAINING AND EXERCISE PLAN REQUIREMENTS

| Federal Program Information: | Federal Agency and Program Name | CFDA # |
|-------------------------------------|---|---------------|
| | U.S. Department of Homeland Security | |
| | Emergency Management Performance Grants | 97.042 |
| | Grant Award EMW-2014-EP-00044 | |
| | Grant Award EMW-2015-EP-00050 | |
| | Grant Award EMP-2016-EP-00002 | |
| | Grant Award EMP-2017-EP-00005 | |
| | Grant Award EMP-2018-EP-00003 | |

Criteria: 2 CFR 200.303 requires that a non-federal entity 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).”

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.”

The U.S. Department of Homeland Security’s Notice of Funding Opportunity for the Emergency Management Performance Grant (EMPG) requires that recipients “develop a multi-year Training and Exercise Plan (TEP) that identifies a combination of exercises and associated training requirements identified in the Training and Exercise Plan Workshop (TEWP). The recipient must “conduct no less than four quarterly exercises of any type and one full-scale exercise within a 12-month period.” The recipient must submit an After Action Report/Improvement Plan (AAR/IP) to report on the required exercises to the Regional EMPG Program Manager no later than 90 days after completion of the exercise.

The U.S. Department of Homeland Security’s Notice of Funding Opportunity for the Emergency Management Performance Grant (EMPG) also states that “all EMPG Program funded personnel shall complete the following training requirements and record proof of completion: NIMS Training, Independent Study (IS) 100, IS 200, IS 700, and IS 800. In addition, personnel shall complete either the Independent Study courses identified in the Professional Development Series or the National Emergency Management Basic Academy delivered either by the Emergency Management Institute (EMI) or at a sponsored State, local, tribal, territorial, regional or other, designated location.” Furthermore, “all EMPG-funded personnel shall participate in no fewer than three exercises in a 12-month period.”

Condition: Although the required exercises were completed and are tracked by the State Exercise Coordinator, there is no documentation of the review of the AAR/IP reports submitted to the Regional EMPG Program Manager. Additionally, there is no documentation indicating that the AAR/IP reports were submitted within 90 days of the completion of the exercise.

**STATE OF WEST VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the Year Ended June 30, 2018**

**2018-044 SPECIAL TESTS AND PROVISIONS – TRAINING AND EXERCISE PLAN REQUIREMENTS
(continued)**

For 21 of the 22 employees selected for testing, DHSEM was not able to provide documentation that the employees met the required training requirements noted above.

Questioned Costs: N/A

Context: Total federal expenditures for the Emergency Management Performance Grant program were \$5,072,094 for the year ended June 30, 2018.

Cause: DHSEM does not have adequate internal controls and policies and procedures in place over the Training and Exercise Plan requirements.

The West Virginia Division of Homeland Security and Emergency Management (DHSEM) does not have internal controls and policies and procedures in place to ensure that all EMPG-funded personnel complete the required training or participate in at least three exercises in 12-month period.

Effect: DHSEM is not in compliance with the federal rules and regulations regarding the Training and Exercise Plan requirements. The required AAR/IP reports documenting the exercises are not reviewed and submitted within the required 90 day period. EMPG-funded personnel may not be participating in the required number of exercises or receiving adequate training since sufficient policies and procedures are not in place to track the training received by each employee.

Recommendation: We recommend that DHSEM implement internal controls and policies and procedures regarding the Training and Exercise Plan requirements, including implementing policies and procedures over the submission of the AAR/IP reports and over employee training and exercise participation. At a minimum, DHSEM should document review and approval of the AAR/IP reports to ensure they are in compliance with the requirements of the grant award and submitted timely. DHSEM should also implement a tracking system with a documented review and approval process that ensures all EMPG-funded personnel complete the required training and participate in the required number of exercises.

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

***CORRECTIVE
ACTION
PLAN***



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

Dave Mullins
Acting Director of Finance
(304) 558-6181

Betsy Chapman
Single Audit Coordinator
(304) 558-4083

CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

CONTACT PERSON

For finding resolution and Single Audit matters, please contact Betsy Chapman, West Virginia Department of Administration, Financial Accounting and Reporting Section, 2101 Washington Street, E., Charleston, WV 25305 (Telephone 304-558-4083 ext. 301). E-mail: Betsy.Chapman@wv.gov. The respective state agency identified in each finding is responsible for the corrective action plan.

2018-001 FINANCIAL STATEMENT CLOSE PROCESS Financial Accounting and Reporting Section CFDA Number Not Applicable

The Financial Accounting and Reporting Section (FARS) will work closely with the Department of Health and Human Resources to understand the information provided and to better coordinate the timely receipt of information to allow staff adequate time to review. FARS will also evaluate the impact of new GASB pronouncements timelier.

2018-002 PERIOD OF PERFORMANCE National Guard Military Operations and Maintenance (O&M) CFDA Number 12.401

Regarding the three transactions that were incurred prior to the beginning dates of the performance period, O&M has implemented additional internal control procedures to prevent this from happening in the future. In September 2018, before the transition from federal fiscal year 2018 to 2019, O&M reminded all accounts payable personnel to be cognizant of the service period dates on invoices. O&M instructed staff to split the invoice payments so that the appropriate service periods were charged to the proper federal year. This process will continue on an annual basis. The agency level document approvers were also reminded to look at service periods on payment documents to make sure the correct federal fiscal year is being charged. O&M will also perform internal audits of sample transactions occurring each month to monitor the implementation of these procedures beginning in February 2019.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

For the one transaction where the performance period payments were not liquidated within the 90 day period, O&M has implemented the internal control procedures mentioned above. In addition to these procedures, O&M is developing procedures to track open contracts with service periods after the 90 day period. O&M will prepare a list of grants that have valid extension requests. Each month, O&M will review the status of the outstanding payments to be made against the grants to determine if the grants can be closed out or if an additional extension request will need submitted for approval. These additional procedures will be implemented beginning in February 2019.

**2018-003 PROGRAM INCOME MONITORING
National Guard Military Operations and Maintenance (O&M)
CFDA Number 12.401**

Regarding the United States Property and Fiscal Office (USPFO) report, O&M agrees that program income was earned related to this program. However, O&M disagrees with the amount of program income earned by the Full Time Dining Operations Cooperative Agreement. O&M will be meeting with various staff members and USPFO staff in the next month to determine the allowable expenses in calculating Program Income for this cooperative agreement. O&M is currently tracking Program Income based on the audit criteria and calculations as defined in the agreement. In December 2018, O&M began tracking program income on reimbursement vouchers. O&M started deducting the program income earned from the audit from the appropriate vouchers. By March 31, 2019, O&M will have an agreement of the allowable expenses and completed procedures for tracking and allocating total cost of previous Program Income earned, as well as accounting for current Program Income for this cooperative agreement.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**2018-004 INTERNAL CONTROLS OVER REPORTING
West Virginia Community Advancement and Development
Office (WVCAD)
CFDA Number 14.228**

WVCAD is in the process of developing internal control policies and procedures as they relate to the review and approval of the reporting process.

**2018-005 INTERNAL CONTROLS OVER ALLOWABILITY AND
PROCUREMENT
West Virginia Community Advancement and Development
Office (WVCAD)
CFDA Number 14.228**

WVCAD agrees that Horne Invoice 3259, dated 8/11/2017, in the amount of \$96,250 was not paid in accordance with purchasing guidelines within WV Code §5A-3-17. However, no one in the Administrative Services Division (the finance group who pay the invoices and procurement group that work with Central Purchasing) were aware of the existence of task orders 3 through 8 until February 27, 2018 when they were first brought to the Administrative Services Division's attention. At that time, the Administrative Services Division notified the Central Purchasing Division in Department of Administration who notified the Governor's Office who then put a hold on the program. The Administrative Services Division also met with WVCAD management and the Commerce Secretary and Deputy Secretary to make them aware of the issues. The invoice in question was paid against the original contract; therefore, reducing the amount available of the original contract. It did not result in additional dollars paid to the vendor above the original contract amount.

In July 2018, a new department-wide standard operating procedure was implemented for purchases over \$25,000 requiring additional levels of review and approval to ensure that all task orders and supporting documentation are obtained and valid prior to payment. Directors and procurement staff attended a mandatory meeting where procurement



**CORRECTIVE ACTION PLAN
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

issues were discussed, and the agencies had input into the development of the SOP before its implementation.

Seven contracts were entered prior to receiving the Authority to Use Grant Funds, but no work was assigned, or money expended to any contractor prior to the funds being released. There has been significant staff turnover with those who were involved in the procurement and decision-making process at the time the contracts were signed, but it's WVCAD's understanding this was an allowable action for pre-award costs. WVCAD has reached out to HUD to for additional guidance on this topic. Once HUD provides clarification, WVCAD will incorporate all guidance into this finding, future action, and include any necessary updates in the Policies and Procedures for the CDBG-DR program. WVCAD plans to have these policies implemented before October 2019.

**2018-006 FEDERAL HIGHWAYS ADMINISTRATION PAYBACK
 Division of Highways (DOH)
 CFDA Number 20.205, 20.219, 20.224, 23.003**

A policy and procedure has been developed to address Performance End Dates (PED). It is in its final stages of review and will be implemented in March 2019. In addition, DOH has revised the BF98 (DOH Authorization Request) form to include a field for the PED when a new project is being established.

**2018-007 SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS
 Division of Highways (DOH)
 CFDA Number 20.205, 20.219, 20.224, 23.003**

DOH understands the importance and necessity of having a timely review and reconciliation of the records used in the preparation of the financial statements. The Financial Reporting Section will work to improve their reconciliation procedures between REMIS and wvOASIS.



**CORRECTIVE ACTION PLAN
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**2018-008 WAGE RATE REQUIREMENTS
 Division of Highways (DOH)
 CFDA Number 20.205, 20.219, 20.224, 23.003**

DOH will reissue previous guidance to all current project supervisors on the overall importance of accurately documenting labor compliance. DOH will also provide additional training for supervisors with a specific focus on reviewing and documenting certified payrolls. DOH will implement additional training for newly hired engineers and project supervisors that will cover labor compliance enforcement and reviewing certified payrolls beginning in April 2019.

**2018-009 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 New River Community and Technical College (New River)
 CFDA Number 84.007, 84.033, 84.038, 84.063, 84.268, 84.379,
 93.264, 93.342, 93.364, 93.925**

New River has made the internal control correction that the preparer and the reviewer of the SEFA will not be the same person.

**2018-010 CASH MANAGEMENT
 West Liberty University and West Virginia Northern
 Community and Technical College
 CFDA Number 84.007, 84.033, 84.038, 84.063, 84.268, 84.379,
 93.264, 93.342, 93.364, 93.925**

West Liberty University (West Liberty) response

West Liberty’s CFO monitors cash on a daily basis and it is the view of West Liberty that no incorrect or excess cash amounts are drawn down that would result in noncompliance of federal law. To strengthen and tighten the internal controls over the draw down process, West Liberty implemented a formal review and approval over this process in July 2018.

**West Virginia Northern Community and Technical College
 (Northern) Response**

Northern has strengthened internal controls regarding the draw down/return of Student Financial Assistance (SFA) funds. In



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

October 2018, a second review of the supporting documentation was added before initiation of any drawdown or return of funds can be submitted.

2018-011 SPECIAL TESTS AND PROVISIONS – DISBURSEMENTS TO OR ON BEHALF OF STUDENTS
West Virginia State University, Shepherd University, and West Virginia University at Parkersburg
CFDA Number 84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.264, 93.342, 93.364, 93.925

West Virginia State University (WVSU) response

WVSU management implemented a corrective action plan to address this matter in December 2018. The Office of Student Financial Aid met with the Information Technology Department and updated the student/parent borrower Right to Cancel notification. The updates include borrower specific loan information with the amount and date of disbursement disclosed. All required information is now present on the Right to Cancel notification. Policies and procedures were updated based on the corrective action plan. In compliance with the updates, all supporting documentation will be maintained and archived by the Office of Student Financial Aid.

Shepherd University (Shepherd) response

Shepherd has implemented a corrective plan of action. Beginning in October 2018, when sending the disbursement notifications, Shepherd is including the financial aid manager to receive all emails in order to maintain evidence of the delivery of the emails sent to students and parents.

West Virginia University at Parkersburg (WVUP) response

WVUP had not verified the disbursement notifications from the third-party refund vendor in several semesters, and were unaware that the notification process changed to something less detailed because of efficiency considerations. WVUP is very aware of being accountable for the vendor's processes. Upon discovery of the changes to the vendor's process, WVUP will no longer be relying on the vendor to provide the



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

required disbursement information. Beginning with the Spring 2019 semester, WVUP is implementing a disbursement notification process that will send the required information concerning aid disbursement using the Banner system so that it can be documented and tracked by student. The new notification process will ensure that all students are properly notified. Any disbursement notifications provided by the vendor will be in addition to WVUP's institutional notification.

2018-012 SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING

**West Liberty University, Fairmont State University, Pierpont Community and Technical College, West Virginia State University, and West Virginia University at Parkersburg
CFDA Number 84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.264, 93.342, 93.364, 93.925**

West Liberty University (West Liberty) response

In FY 2019, West Liberty has updated the reporting to all graduated students within 20 days through Student Clearinghouse to meet all federal requirements. To increase accuracy in reporting, West Liberty has also started manually checking graduated students in National Student Loan Data System (NSLDS) on day 25 to ensure the federal regulation on reporting for graduates is met.

Fairmont State University (Fairmont) response

Fairmont's Registrar has implemented a corrective action plan to address the enrollment reporting finding, effective November 1, 2018. All future transmission dates will be reviewed to ensure the enrollment reporting for subsequent term files occur every 30 days beginning with the 1st day of the term. In addition, the schedule will be reviewed and modified with the coordination of Fairmont's NSLDS school representative to ensure the 30-day reporting requirement is met.

Pierpont Community and Technical College (Pierpont) response

Pierpont's Registrar staff updates Clearinghouse per the Clearinghouse schedule, which then is updated in NSLDS. Pierpont's financial aid office will follow a procedure to spot check the NSLDS reporting once every 30 days for accuracy which began in April 2017. Pierpont will work



**CORRECTIVE ACTION PLAN
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

with Clearinghouse to determine if NSLDS can be updated timely, or if manual updates will need to be made moving forward.

West Virginia State University (WVSU) response

WVSU’s registrar established a process in December 2018 to check submission files prior to sending them to the National Clearinghouse. The Office of Registration will confirm the report is correct prior to submission and document this step. If errors occur once submission files are sent, the Office of the Registrar will continue to document for resolution. A folder of all issues will be kept of all enrollment errors. Confirmation of receipt will be documented.

West Virginia University at Parkersburg (WVUP) response

WVUP acknowledges the enrollment verification process lacked sufficient documentation for the auditors to verify the review had been conducted. In response to this finding, WVUP has modified the policy and procedures to require the financial aid staff to review all enrollment report files submitted to the National Clearinghouse by records staff for accuracy and completeness no less than every 30 days. In addition, WVUP will create a routine form so that staff involved in review and verification process can sign off and date when the process has been completed.

2018-013 SPECIAL TESTS AND PROVISIONS – BORROWER DATA TRANSMISSION AND RECONCILIATION

West Liberty University and West Virginia University at Parkersburg

CFDA Number 84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.264, 93.342, 93.364, 93.925

West Liberty University (West Liberty) response

In October 2018, West Liberty was informed of the internal controls required over the reconciliation process. At that time, one counselor was responsible for pulling in files from COD and Banner to complete all reconciliation requirements. All loans and grants were updated and documented with the counselor. In October 2018, West Liberty implemented policies and procedures whereby a counselor is still completing the reconciliation process, but the Director of Financial Aid



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

is reviewing all reconciliations for completion as well as spot checking updates and monthly balances.

West Virginia University at Parkersburg (WVUP) response

WVUP performs a proper reconciliation of the Direct Loan School Account Statement to the amounts disbursed to students. However, WVUP agrees that written policies and procedures need to be developed to ensure compliance with this requirement. Therefore, WVUP Financial Aid officials are in the process of writing and implementing new policies and procedures for the Direct Loan implementation process, including the usage of the SAS reports in a monthly reconciliation process. These policies and procedures will be effective for the spring 2019 semester. WVUP will utilize the Direct Loan Reconciliation participant guide provided by the Department of Education to ensure that policies and procedures are compliant. The new policy will include the utilization of a routine form so that staff involved in the review and verification process can sign off and date when the process is complete.

2018-014 ELIGIBILITY

Division of Rehabilitation Services (DRS) CFDA Number 84.126

DRS will continue to review and strengthen training and procedures around eligibility timeframes and form completion, as well as continue to remind clients they have a shared responsibility to follow through and remain in contact with their counselor.

2018-015 REPORTING

Division of Rehabilitation Services (DRS) CFDA Number 84.126

DRS agrees that the April 6, 2018 draw was included in the report. Total cash draws matched the G5 system at the date of preparation rather than the report ending date. DRS will ensure appropriate report review procedures are enforced to specifically compare cash draw and reporting cut-off dates before submission.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**2018-016 SPECIAL TESTS AND PROVISIONS – COMPLETION OF IPES
Division of Rehabilitation Services (DRS)
CFDA Number 84.126**

After reviewing this finding, DRS has implemented additional steps to enforce the agency's policies and procedures. Specifically, a new feature has been added to the electronic case management system to actively alert counselors and their direct manager prior to the 90-day deadline for IPE development. An automated email will be sent to the counselor and their direct manager with a list of cases that have been in Status 10 for 75 or more days without an extension. This active alert will ensure that IPEs are developed in a timelier manner and allow for DRS managers to have increased awareness of case activity. This increased awareness will enable managers to proactively provide supervision and guidance to counselors to ensure that cases are moved from application to eligibility to IPE development in a timely manner. Additionally, DRS does not concur with the effect of the finding, "Federal Expenditures could be made for individuals who do not meet the requirements of the program." DRS has internal controls and safeguards in place to ensure compliance with federal regulations, including the prevention of federal expenditures made for individuals who do not meet the requirements of the program.

**2018-017 DHHR INFORMATION SYSTEM AND RELATED BUSINESS
PROCESS CONTROLS
Department of Health and Human Resources (DHHR)
CFDA Number 93.558, 93.568, 93.575, 93.596, 93.658, 93.659,
93.767, 93.775, 93.777, 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 (Bureau for Children and Families – BCF). It is not a system issue because the system is simply supporting the business rules requested by the DHHR BCF. Nonetheless, many controls and verifications exist around the establishment of eligibility for Federal



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CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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 DHHR BCF is on record as defending their decision to not require an additional 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 BCF. However, the U.S. Department of Health and Human Services 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 plans to begin migration or implementation in October 2020. The CCWIS will replace the SACWIS and the DHHR will be evaluating the new CCWIS and the related control structure to 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 DHHR BCF at the time the system was developed and implemented. However, the adoption subsidy function is limited to only a few individuals in the entire state through database and 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. When defining the system requirements for the new CCWIS, the DHHR will work with the DHHR BCF to establish an approval process for adoption assistance benefit payments.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2018-018 **REPORTING** **Department of Health and Human Resources (DHHR)** **CFDA Number 93.558**

To address the condition and correct the total number of families served under the Work Supports program with maintenance of effort funds for federal fiscal year 2018, the DHHR submitted a revised Annual Report on TANF Programs under 45 CFR 265.9(c) and State Maintenance of Effort Programs (Form ACF-204) to the HHS Administration for Children and Families, Office of Family Assistance, on January 9, 2019. The total number of families served under the Work Supports program with maintenance of effort funds for federal fiscal year 2018 was revised to 606, which represents the average monthly total for the fiscal year.

Preparing the ACF-204 report is a joint effort between the DHHR Bureau for Children and Families, which is a programmatic bureau, and the DHHR Office of Grants Management, which is an office under DHHR Finance. To address the overall cause of the finding, but also considering beyond the incorrect formula that led to the number of families being overstated, the DHHR will expand its overall internal controls surrounding the ACF-204 report by reexamining federal due dates in relation to internal processes and procedures; requiring additional levels of review within the Bureau for Children and Families (programmatic staff and finance staff) and the Office of Grants Management, as may be possible and practicable given internal resources and constraints (e.g., staffing); and requiring stronger assurances/confirmations (i.e., accountability) from the Bureau for Children and Families and the Office of Grants Management prior to certification of the report externally to the HHS Administration for Children and Families.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2018-019 SPECIAL TESTS AND PROVISIONS – CHILD SUPPORT NON-COOPERATION, PENALTY FOR REFUSAL TO WORK, AND ADULT CUSTODIAL PARENT OF CHILD UNDER SIX WHEN CHILD CARE NOT AVAILABLE

**Department of Health and Human Resources (DHHR)
CFDA Number 93.558**

The DHHR Bureau for Children and Families (BCF) maintains a log of instances in which a supervisor approves his or her own sanction. The BCF Policy Unit periodically reviews the log to ensure the sanctions are reasonable; are applied in accordance with the policies and procedures currently in place within the BCF surrounding the issuance and removal of sanctions, as outlined within the West Virginia Income Maintenance Manual; and are documented within the Recipient Automated Payment Information Data System (RAPIDS). To improve upon the log, the BCF Policy Unit will add documentation for each approval and denial, which will include case records, emails, memos to the file, and other documents scanned by the Family Support Specialist and/or Family Support Supervisor.

The BCF Policy Unit will also review the current policy surrounding the issuance and removal of sanctions and will update the policy for clarity if deemed necessary, particularly in relation to the need to maintain documentation that the policy is operating effectively (i.e., maintain documentation surrounding all steps of the sanction process). The BCF Policy unit will then work with the BCF Division of Training to review the online Blackboard course surrounding the issuance and removal of sanctions, will update the course if necessary, and will ensure that all Family Support Specialists and Family Support Supervisors are current with their training. Finally, as an additional level of control, the BCF Policy Unit will create a Sanction Desk Guide for distribution to all WV WORKS field staff, including but not limited to the Family Support Specialists and Family Support Supervisors.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2018-020 SPECIAL TESTS AND PROVISIONS – SANCTIONS COMPLIANCE Department of Health and Human Resources (DHHR) CFDA Number 93.558

The DHHR has already informed the relevant parties of this matter and will ensure to the maximum extent possible that the auditors receive complete and accurate populations surrounding child support non-cooperation during fieldwork for fiscal year 2019. There are currently general controls in place within the DHHR Bureau for Children and Families (BCF) and the DHHR Office of Management Information Services surrounding populations and other reports from the Recipient Automated Payment Information Data System (RAPIDS). To address the issue surrounding child support non-cooperation, the sanctions related thereto, and the need to provide the auditors with complete and accurate populations for all matters related to sanctions (not just child support non-cooperation), the DHHR Office of Internal Control and Policy Development will compile and organize the various policies and procedures surrounding sanctions (i.e., will gain a greater understanding of the controls already in place), will analyze those controls against the Federal compliance requirements, and will schedule a meeting with the relevant parties internal and external to the DHHR prior to the start of fieldwork for the West Virginia Single Audit for the year ended June 30, 2019. This will ensure that all relevant parties understand the compliance requirement, the existing controls within the DHHR, the audit approach and the required populations needed by the auditors for sampling.

The relevant parties will include the DHHR BCF; the DHHR Office of Management Information Services; the State's independent auditors; and the independent contractor that maintains RAPIDS and generates the populations for the auditors.



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**2018-021 ALLOWABILITY AND ELIGIBILITY
Department of Health and Human Resources (DHHR)
CFDA Number 93.568**

The LIEAP Coordinator will create and send out a LIEAP Desk Guide and LIEAP Application Checklist in February 2019 to all field staff that process LIEAP Applications. The LIEAP Coordinator will review a random sample of pending and non-PSC (Public Service Commission) utility cases for accuracy.

**2018-022 SPECIAL TESTS AND PROVISIONS – FRAUD DETECTION AND REPAYMENT CONTROLS
Department of Health and Human Resources (DHHR)
CFDA Number 93.575 and 93.596**

Corrective action was taken in September 2018. To address the finding, the DHHR Bureau for Children and Families (BCF) developed a new tracking tool, the purpose of which is to ensure, among other things, that all fraudulent claims are identified in the appropriate fiscal year. More specifically, the new tracking tool will ensure that all fraudulent payments identified in a fiscal year are included within the population provided to the State's independent auditors, irrespective of whether any repayments have been received and added to the expenses claimed for the fiscal year. The DHHR BCF transmitted the new tracking tool to the Resource and Referral Agencies on August 14, 2018, via email. To account for the tracking tool within policy, the Division of Early Care and Education also updated Section 2.3 (Operational and Administrative Requirements) of the Policy and Procedure Manual for Child Care Resource and Referral Services on September 21, 2018.

**2018-023 ELIGIBILITY DOCUMENTATION
Department of Health and Human Resources (DHHR)
CFDA Number 93.659**

The DHHR Bureau for Children and Families developed a revised Adoption Subsidy and Services Standard Operating Procedure (SOP) and distributed it on February 14, 2018, to field staff. The procedure focuses on the steps field staff should be taking to ensure subsidy



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

payments and medical cards are entered promptly after an adoption occurs. Furthermore, the procedure discusses the steps that need to be taken to finalize an adoption record, what items are needed in the record, and how to send this completed record to the state office. Finally, the procedure discusses actions the state office will take should the adoption record be missing information. The implementation of the procedure was March 1, 2018.

The issues regarding signatures being obtained prior to parental relinquishment is a training topic that will be discussed and implemented in the Blackboard trainings. While the past errors that may have occurred with documentation cannot be fixed, strides have been made to ensure that future records are complete and accurate before going to storage.

**2018-024 ACTIVITIES ALLOWED OR UNALLOWED, ALLOWABLE COSTS/COST PRINCIPLES
Department of Health and Human Resources (DHHR)
CFDA Number 93.775, 93.777, and 93.778**

Management will take steps to strengthen existing internal control procedures over the review and approval of the Resource Based Relative Value Scale (RBRVS) rates prior to implementation. Management further believes that recent process changes will provide additional time for rate setting and quality review that will mitigate future opportunities for error. Beginning with the 2019 RBRVS fee schedule, the implementation date has been changed to be effective April 1, 2019 and annually thereafter. This will permit a more thorough quality review prior to implementation of the fee schedule.

**2018-025 INTERNAL CONTROLS OVER REPORTING
Division of Homeland Security and Emergency Management (DHSEM)
CFDA Number 97.036**

DHSEM staff is in the process of writing and/or updating all processes/policies/procedures relating to all aspects of DHSEM with



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

emphasis on Public Assistance Grants awards. Included in the revisions is a policy for internal controls over the submission of federal financial reports (SF 425), including appropriate review and approval processes. DHSEM anticipates having all policies complete and updated by February 15, 2019 with submission to FEMA Region III for review by March 1, 2019.

In the last quarter of FY 2018, DHSEM started to assemble an Internal Review Department. This department will review all policies and procedures prior to implementation and test them during production. The department consists of a CPA, a Quality Advisor, a lead monitor, two monitors, and an internal review/monitoring business manager. As DHSEM progressed through the end of 2018 and into 2019, this emerging team has and will continue to enable process changes.

2018-026 INTERNAL CONTROL OVER ALLOWABILITY
Division of Highways (DOH)
CFDA Number 97.036

DOH will re-emphasize the importance and necessity of the procedures to review and approve expenditures throughout the workforce. These procedures will be distributed to the workforce, and training will be offered to ensure compliance.

2018-027 CASH MANAGEMENT
School Building Authority (SBA)
CFDA Number 97.036

The SBA has developed policies and procedures to ensure that all advance payments of Federal awards be held in interest-bearing accounts. In addition, there is a process in place to monitor accrued interest and remit to the appropriate Department/Agency any amounts over the cash advances in a timely manner.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2018-028 SUBRECIPIENT CASH MANAGEMENT
Division of Homeland Security and Emergency Management
(DHSEM)
CFDA Number 97.036

DHSEM staff is in the process of writing and/or updating all processes/policies/procedures relating to all aspects of DHSEM with emphasis on Public Assistance Grants awards. Included in the revisions is a policy related to the subrecipient payment process, including appropriate review and approval. DHSEM will ensure a section is in the policy specifying the flow of payment documents with emphasis on the actual payment process to ensure that reimbursements are made within 30 calendar days after receipt of billing. DHSEM anticipates having policies implemented by March 1, 2019.

2018-029 SUBRECIPIENT MONITORING
Division of Homeland Security and Emergency Management
(DHSEM)
CFDA Number 97.036

At the end of FY 2018, DHSEM had a FEMA Region III approved monitoring plan and was in the process of executing the plan. DHSEM did not have an adequate staff with appropriate training until late 2018 and a formalized policy was not fully implemented until early 2019.

In the last quarter of FY 2018, DHSEM started to assemble an Internal Review Department. This department will review all policies and procedures prior to implementation and test them during production. The department consists of a CPA, a Quality Advisor, a lead monitor, two monitors, and an internal review/monitoring business manager. As DHSEM progressed through the end of 2018 and into 2019, this emerging monitoring team has and will continue to enable process changes and will help complete the required monitoring steps to ensure compliance.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2018-030 SUBRECIPIENT CASH MANAGEMENT
Division of Homeland Security and Emergency Management
(DHSEM)
CFDA Number 97.039

DHSEM staff is in the process of writing and/or updating all processes/policies/procedures relating to all aspects of DHSEM with emphasis on Hazard Mitigation Grant awards. Included in the revisions is a policy related to the subrecipient payment process, including appropriate review and approval. DHSEM will ensure a section is in the policy specifying the flow of payment documents with emphasis on the actual payment process to ensure that reimbursements are made within 30 calendar days after receipt of billing. DHSEM anticipates having policies implemented by March 31, 2019.

2018-031 AUDIT DOCUMENTATION
Division of Homeland Security and Emergency Management
(DHSEM)
CFDA Number 97.039

Late in 2018, the CPA/Financial Officer for DHSEM resigned for a position with another agency. Shortly after that resignation, DHSEM hired a Chief Financial Officer (CFO). These two personnel changes caused a significant gap in processes.

DHSEM is completing a rewrite of all Financial Policies, a section will be included defining procedures related to documentation retainage. DHSEM will also take steps to determine any necessary action needed to prevent delays with providing supporting documentation from reoccurring.

The placement of the new CFO and the creation of the Internal Review Department will help to eliminate this problem in the future.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2018-032 MATCHING
Division of Homeland Security and Emergency Management (DHSEM)
CFDA Number 97.039

DHSEM staff is in the process of writing and/or updating all processes/policies/procedures relating to all aspects of WV DHSEM with emphasis on Public Assistance and Mitigation Grant awards. Included in the revisions is a policy related to the implementation of a MATCH tracking system, to help ensure that proper state match is being applied to all expenditures incurred. This policy will include steps for appropriate review and approval. DHSEM anticipates having policies implemented by March 31, 2019.

2018-033 REPORTING
Division of Homeland Security and Emergency Management (DHSEM)
CFDA Number 97.039

DHSEM staff is in the process of writing and/or updating all processes/policies/procedures relating to all aspects of DHSEM with emphasis on Public Assistance and Mitigation Grant awards. Included in the revisions is a procedure related to the SF 425 report, including appropriate review and approval process. DHSEM anticipates having policies implemented by April 15, 2019.

2018-034 SUBRECIPIENT MONITORING
Division of Homeland Security and Emergency Management (DHSEM)
CFDA Number 97.039

At the end of FY 2018, DHSEM had a FEMA Region III approved monitoring plan and was in the process of executing the plan. DHSEM did not have an adequate staff with appropriate training until late 2018 and a formalized policy was not fully implemented until early 2019.

In the last quarter of FY 2018, DHSEM started to assemble an Internal Review Department. This department will review all policies and



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

procedures prior to implementation and test them during production. The department consists of a CPA, a Quality Advisor, a lead monitor, two monitors, and an internal review/monitoring business manager. As DHSEM progressed through the end of 2018 and into 2019, this emerging monitoring team has and will continue to enable process changes and will help complete the required monitoring steps to ensure compliance.

**2018-035 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Division of Homeland Security and Emergency Management
(DHSEM)
CFDA Number 97.042**

Late in 2018, the CPA/Financial Officer for DHSEM resigned for a position with another agency. Shortly after that resignation, DHSEM hired a Chief Financial Officer (CFO). These two personnel changes caused a significant gap in processes, leading to the noted SEFA problems.

DHSEM is completing a rewrite of all Financial Policies, including SEFA preparation and balancing. This will be complete by the end of February 2019. We also hired a CPA as lead in our Internal Review Department who will review and test the policy.

In the last quarter of FY 2018, DHSEM started to assemble an Internal Review Department. This department will review all policies and procedures prior to implementation and test them during production. The department consists of a CPA, a Quality Advisor, a lead monitor, two monitors, and an internal review/monitoring business manager. As DHSEM progressed through the end of 2018 and into 2019, this emerging monitoring team has and will continue to enable process changes and will help complete the required monitoring steps to ensure compliance.

Placement of the new CFO and hiring of the CPA will serve to eliminate this problem in the future. DHSEM will balance the SEFA for the remainder of FY 2019 and report status directly to the Internal Review Department.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2018-036 ALLOWABILITY

Division of Homeland Security and Emergency Management (DHSEM)

CFDA Number 97.042

DHSEM is in the process of realigning and adding personnel to the Emergency Management Performance Grants processing section. The addition of these personnel serves to assist in mitigation of this finding.

Beginning the end of February 2019, a specific person will have the responsibility to balance payroll to expenditures. DHSEM Quality Control will by the end of February design a template (dashboard) to clearly indicate progress in this process.

Further, the policies that will be implemented by the end of February 2019, will provide detail sufficient to preclude this problem in the future. These policies will address the review and approval process for all transactions and the retainage of supporting documentation. The Internal Control Section will have the responsibility to monitor the internal controls relating to this finding.

2018-037 SUBRECIPIENT CASH MANAGEMENT

Division of Homeland Security and Emergency Management (DHSEM)

CFDA Number 97.042

DHSEM staff is in the process of writing and/or updating all processes/policies/procedures relating to all aspects of DHSEM with emphasis on Public Assistance Grants and Emergency Management Performance Grants (EMPG) awards. Included in the revisions is a policy related to the subrecipient payment process, including appropriate review and approval. DHSEM will ensure a section is in the policy specifying the flow of payment documents with emphasis on the actual payment process to ensure that reimbursements are made within 30 calendar days after receipt of billing. DHSEM anticipates having policies implemented by the end of February 2019.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

In the last quarter of FY 2018, DHSEM started to assemble an Internal Review Department. This department will review all policies and procedures prior to implementation and test them during production. The department consists of a CPA, a Quality Advisor, a lead monitor, two monitors, and an internal review/monitoring business manager. As DHSEM progressed through the end of 2018 and into 2019, this emerging monitoring team has and will continue to enable process changes and will help complete the required monitoring steps to ensure compliance.

The DHSEM Internal Review Department will implement a process to monitor subrecipient payments by the end of February 2019. An EMPG employee will upkeep the data in the dashboard.

2018-038 ELIGIBILITY FOR SUBRECIPIENTS
Division of Homeland Security and Emergency Management (DHSEM)
CFDA Number 97.042

Using the Notice of Funding Opportunity (NOFO) for all Emergency Management Performance Grants (EMPG) open grants and all upcoming EMPG grants, DHSEM will design a matrix detailing all subrecipient eligibility requirements. All open grants and new grants will be reviewed for allowability based on the grant criteria.

Further, the policies being updated will contain a subrecipient eligibility section, specifically noting that the Internal Review Department will review all grants to ensure proper procedures and approvals were done in determining eligibility for each potential subrecipient. Detailed monthly reports will be provided to the Director on a monthly basis beginning the end of March 2019.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2018-039 EARMARKING
Division of Homeland Security and Emergency Management
(DHSEM)
CFDA Number 97.042

Effective March 1, 2019, DHSEM will design and implement a tracking system detailing exact status of the Emergency Management Performance Grants awards as compared to grant commitments. This will be similar to a checkbook process. This system will help ensure Management and Administrative (M&A) expenditures do not exceed allowable thresholds.

This tracking will be monitored/validated by the Internal Review Department – totally independent of the data entry. The tracker will be reviewed first by internal control and then by the Director on a monthly basis.

The DHSEM policies will detail and contain a section related to internal controls regarding earmarking and M&A process. The policy will be implemented by the end of February 2019.

2018-040 MATCHING
Division of Homeland Security and Emergency Management
(DHSEM)
CFDA Number 97.042

Coupled with the tracker system detailing awards and expenditures, as invoices/vouchers/receipts are applied, they will be reviewed to ensure appropriate match requirements were met. The Internal Review Department will review this process monthly and present to DHSEM.

As DHSEM updates policies, a section will be included related to the matching process to ensure that the proper state match is being applied to all expenditures incurred. Policies will be implemented by the end of February 2019.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2018-041 REPORTING
Division of Homeland Security and Emergency Management
(DHSEM)
CFDA Number 97.042

During February and March 2019, DHSEM will review all reports and implement a process to ensure appropriate review. The Internal Review Department will be responsible for review and making corrections as necessary and overseeing internal controls to ensure reported amounts agree with supporting documentation. Monthly tracker reports will be provided to the Director.

Policies and procedures will be written pertaining to the report review and approval process. DHSEM anticipates having policies implemented by the end of February 2019.

2018-042 SUBRECIPIENT MONITORING
Division of Homeland Security and Emergency Management
(DHSEM)
CFDA Number 97.042

At the end of FY 2018, DHSEM had a FEMA Region III approved monitoring plan and was in the process of executing the plan. DHSEM did not have an adequate staff with appropriate training until late 2018 and a formalized policy was not fully implemented until early 2019.

In the last quarter of FY 2018, DHSEM started to assemble an Internal Review Department. This department will review all policies and procedures prior to implementation and test them during production. The department consists of a CPA, a Quality Advisor, a lead monitor, two monitors, and an internal review/monitoring business manager. As DHSEM progressed through the end of 2018 and into 2019, this emerging monitoring team has and will continue to enable process changes and will help complete the required monitoring steps to ensure compliance.



CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2018-043 **CLOSEOUT REPORTING REQUIREMENTS**
Division of Homeland Security and Emergency Management
(DHSEM)
CFDA Number 97.042

For each Emergency Management Performance Grants (EMPG) open year and new awards, a tracker will detail the process for close out, including the 90-day requirement. This review will be completed monthly by the Internal Review Department who will then report to the Director.

A policy will be written related to the closeout reporting process. Internal controls will also be put in place to ensure all required reports are submitted within 90 days of the expiration or termination of the grant award. DHSEM anticipates having policies implemented by the end of February 2019.

2018-044 **TRAINING AND EXERCISE PLAN REQUIREMENTS**
Division of Homeland Security and Emergency Management
(DHSEM)
CFDA Number 97.042

Using the Notice of Funding Opportunity (NOFO) for all open and upcoming Emergency Management Performance Grants (EMPG) grants, DHSEM will design a matrix/dashboard detailing all required training and exercises. All open grants and new grants will be reviewed for allowability based on the grant criteria to ensure all EMPG personnel complete the required training.

Further, the policies being updated will contain a grants “requirements” section which will include language regarding the training and exercise plan requirements and submission of the AAR/IP reports. The Internal Review Department will review all grants for compliance with requirements of the grant award and ensure that all reports are submitted timely. Detailed monthly reports will be provided to the Director beginning the end of March 2019.

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



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**2017-001 SPECIAL TESTS AND PROVISIONS – EBT CARD SECURITY
 Department of Health and Human Resources (DHHR)
 CFDA Numbers 10.551 and 10.561
 Resolved**

Corrective action taken for FY 2018.

**2017-002 DHHR INFORMATION SYSTEM AND RELATED BUSINESS
 2016-017 PROCESS CONTROLS
 2015-025 Department of Health and Human Resources (DHHR)
 2014-016 CFDA Numbers 10.551, 10.561, 93.558, 93.568, 93.575, 93.596,
 2013-034 93.658, 93.659, and 93.767
 2012-51 Partially Resolved
 2011-46
 2010-43
 2009-43
 2008-55**

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 (Bureau for Children and Families – BCF). It is not a system issue because the system is simply supporting the business rules requested by the DHHR 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 DHHR BCF is on record as defending their decision to not require an additional 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.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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 BCF. However, the U.S. Department of Health and Human Services 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 plans to begin migration or implementation in October 2020. The CCWIS will replace the SACWIS and the DHHR will be evaluating the new CCWIS and the related control structure to 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 DHHR BCF at the time the system was developed and implemented. However, the adoption subsidy function is limited to only a few individuals in the entire state through database and 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. When defining the system requirements for the new CCWIS, the DHHR will work with the DHHR BCF to establish an approval process for adoption assistance benefit payments. See current year finding 2018-017.

2017-003 PROCUREMENT PROCEDURES
Department of Health and Human Resources (DHHR)
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
Resolved

Corrective action taken for FY 2018.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**2017-004 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fairmont State University and West Liberty University
CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268, 84.379,
84.408, 93.264, 93.342, 93.364, and 93.925
Partially Resolved**

While certain colleges/universities identified in the prior year finding resolved this matter, New River Community and Technical College had a finding in the current year. This finding is only partially resolved because each university/college is only responsible for their own internal controls and the updated controls have not been implemented at the above institutions. See current year finding 2018-009 and the related corrective action plan.

**Fairmont State University (FSU) response
Resolved**

Corrective action taken at this institution for FY 2018.

**West Liberty University (WLU) response
Resolved**

Corrective action taken at this institution for FY 2018.

**New River Community and Technical College (New River)
response**

New River has made the internal control correction that the preparer and the reviewer of the SEFA will not be the same person.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

2017-005 SPECIAL TESTS AND PROVISIONS – RETURN OF TITLE IV FUNDS
West Virginia State University and Mountwest Community and Technical College
CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 84.408, 93.264, 93.342, 93.364, and 93.925
Resolved

Corrective action taken for FY 2018.

2017-006 SPECIAL TESTS AND PROVISIONS – ENROLLMENT
2016-008 REPORTING
2015-015 Northern Community and Technical College, Shepherd
2014-011 University, West Liberty University, and West Virginia
2013-028 University - Parkersburg
2012-43 CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268, 84.379,
2012-47 84.408, 93.264, 93.342, 93.364, and 93.925
2012-49 Partially Resolved
2011-22

While Northern Community and Technical College and Shepherd University identified in the prior year finding resolved this matter, West Liberty University, Fairmont State University, Pierpont Community and Technical College, West Virginia State University, and West Virginia University at Parkersburg had a finding in the current year. This finding is only partially resolved because each university/college is only responsible for their own internal controls and the updated controls have not been implemented at the above institutions. See current year finding 2018-012 and the related corrective action plan.

West Virginia Northern Community and Technical College (Northern)
Resolved

Corrective action taken at this institution for FY 2018.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Shepherd University (Shepherd) response
 Resolved**

Corrective action taken at this institution for FY 2018.

West Liberty University (West Liberty) response

In FY 2019, West Liberty has updated the reporting to all graduated students within 20 days through Student Clearinghouse to meet all federal requirements. To increase accuracy in reporting, West Liberty has also started manually checking graduated students in National Student Loan Data System (NSLDS) on day 25 to ensure the federal regulation on reporting for graduates is met.

West Virginia University – Parkersburg (WVUP) response

WVUP acknowledges the enrollment verification process lacked sufficient documentation for the auditors to verify the review had been conducted. In response to this finding, WVUP has modified the policy and procedures to require the financial aid staff to review all enrollment report files submitted to the National Clearinghouse by records staff for accuracy and completeness no less than every 30 days. In addition, WVUP will create a routine form so that staff involved in review and verification process can sign off and date when the process has been completed.

**2017-007 SPECIAL TESTS AND PROVISIONS – BORROWER DATA
 2016-006 TRANSMISSION AND RECONCILIATION**

**Concord University (Concord)
 CFDA Numbers 84.007, 84.033, 84.038, 84.063, 84.268, 84.379,
 84.408, 93.264, 93.342, 93.364, and 93.925
 Partially Resolved**

While certain colleges/universities identified in the prior year finding resolved this matter, West Liberty University and West Virginia University at Parkersburg had a finding in the current year. This finding is only partially resolved because each university/college is only responsible for their own internal controls and the updated controls



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

have not been implemented at the above institutions. See current year finding 2018-013 and the related corrective action plan.

Concord response Resolved

Corrective action taken at this institution for FY 2018.

West Liberty University (West Liberty) response

In October 2018, West Liberty was informed of the internal controls required over the reconciliation process. At that time, one counselor was responsible for pulling in files from COD and Banner to complete all reconciliation requirements. All loans and grants were updated and documented with the counselor. In October 2018, West Liberty implemented policies and procedures whereby a counselor is still completing the reconciliation process, but the Director of Financial Aid is reviewing all reconciliations for completion as well as spot checking updates and monthly balances.

West Virginia University at Parkersburg (WVUP) response

WVUP performs a proper reconciliation of the Direct Loan School Account Statement to the amounts disbursed to students. However, WVUP agrees that written policies and procedures need to be developed to ensure compliance with this requirement. Therefore, WVUP Financial Aid officials are in the process of writing and implementing new policies and procedures for the Direct Loan implementation process, including the usage of the SAS reports in a monthly reconciliation process. These policies and procedures will be effective for the spring 2019 semester. WVUP will utilize the Direct Loan Reconciliation participant guide provided by the Department of Education to ensure that policies and procedures are compliant. The new policy will include the utilization of a routine form so that staff involved in the review and verification process can sign off and date when the process is complete.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

2017-008 ELIGIBILITY
2016-012 Division of Rehabilitation Services (DRS)
2015-018 CFDA Number 84.126
Partially Resolved

DRS will continue to review and strengthen training and procedures around eligibility timeframes and form completion, as well as continue to remind clients they have a shared responsibility to follow through and remain in contact with their counselor. See current year finding 2018-014.

2017-009 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Division of Rehabilitation Services (DRS)
CFDA Number 84.126
Resolved

Corrective action taken for FY 2018.

2017-010 SPECIAL TESTS AND PROVISIONS - CHILD SUPPORT NON-
2016-016 COOPERATION, PENALTY FOR REFUSAL TO WORK, AND
2015-024 ADULT CUSTODIAL PARENT OF CHILD UNDER SIX WHEN
2014-018 CHILD CARE NOT AVAILABLE
2013-036 Department of Health and Human Resources (DHHR)
2012-56 CFDA Number 93.558
2011-44 Partially Resolved
2010-41

The DHHR Bureau for Children and Families (BCF) maintains a log of instances in which a supervisor approves his or her own sanction. The BCF Policy Unit periodically reviews the log to ensure the sanctions are reasonable; are applied in accordance with the policies and procedures currently in place within the BCF surrounding the issuance and removal of sanctions, as outlined within the West Virginia Income Maintenance Manual; and are documented within the Recipient Automated Payment Information Data System (RAPIDS). To improve upon the log, the BCF Policy Unit will add documentation for each approval and denial, which will include case records, emails, memos to



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

the file, and other documents scanned by the Family Support Specialist and/or Family Support Supervisor.

The BCF Policy Unit will also review the current policy surrounding the issuance and removal of sanctions and will update the policy for clarity if deemed necessary, particularly in relation to the need to maintain documentation that the policy is operating effectively (i.e., maintain documentation surrounding all steps of the sanction process). The BCF Policy unit will then work with the BCF Division of Training to review the online Blackboard course surrounding the issuance and removal of sanctions, will update the course if necessary, and will ensure that all Family Support Specialists and Family Support Supervisors are current with their training. Finally, as an additional level of control, the BCF Policy Unit will create a Sanction Desk Guide for distribution to all WV WORKS field staff, including but not limited to the Family Support Specialists and Family Support Supervisors. See current year finding 2018-019.

- 2017-011 ALLOWABILITY AND ELIGIBILITY**
- 2016-018 Department of Health and Human Resources (DHHR)**
- 2015-026 CFDA Number 93.568**
- 2014-021 Resolved**
- 2013-037**
- 2012-57**
- 2011-50**
- 2010-46**
- 2009-48**
- 2008-59**
- 2007-59**
- 2006-43**
- 2005-50**

Corrective action taken for FY 2018.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2017-012 REPORTING DOCUMENTATION
Department of Health and Human Resources (DHHR)
CFDA Number 93.568
Resolved

Corrective action taken for FY 2018.

2017-013 DISASTER RECOVERY PLAN
Department of Health and Human Resources (DHHR)
CFDA Numbers 93.575 and 93.596
Resolved

Corrective action taken for FY 2018.

2017-014 SPECIAL TESTS AND PROVISIONS – FRAUD DETECTION
2016-021 AND REPAYMENT
Department of Health and Human Resources (DHHR)
CFDA Numbers 93.575 and 93.596
Partially Resolved

Corrective action was taken in September 2018. To address the finding, the DHHR Bureau for Children and Families (BCF) developed a new tracking tool, the purpose of which is to ensure, among other things, that all fraudulent claims are identified in the appropriate fiscal year. More specifically, the new tracking tool will ensure that all fraudulent payments identified in a fiscal year are included within the population provided to the State's independent auditors, irrespective of whether any repayments have been received and added to the expenses claimed for the fiscal year. The DHHR BCF transmitted the new tracking tool to the Resource and Referral Agencies on August 14, 2018, via email. To account for the tracking tool within policy, the Division of Early Care and Education also updated Section 2.3 (Operational and Administrative Requirements) of the Policy and Procedure Manual for Child Care Resource and Referral Services on September 21, 2018. See current year finding 2018-022.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

- 2017-015 ELIGIBILITY DOCUMENTATION**
- 2016-022 Department of Health and Human Resources (DHHR)**
- 2015-029 CFDA Number 93.659**
- 2014-024 Partially Resolved**
- 2013-040**
- 2012-59**

The DHHR Bureau for Children and Families developed a revised Adoption Subsidy and Services Standard Operating Procedure (SOP) and distributed it on February 14, 2018, to field staff. The procedure focuses on the steps field staff should be taking to ensure subsidy payments and medical cards are entered promptly after an adoption occurs. Furthermore, the procedure discusses the steps that need to be taken to finalize an adoption record, what items are needed in the record, and how to send this completed record to the state office. Finally, the procedure discusses actions the state office will take should the adoption record be missing information. The implementation of the procedure was March 1, 2018.

The issues regarding signatures being obtained prior to parental relinquishment is a training topic that will be discussed and implemented in the Blackboard trainings. While the past errors that may have occurred with documentation cannot be fixed, strides have been made to ensure that future records are complete and accurate before going to storage. See current year finding 2018-023.

- 2017-016 ELIGIBILITY**
- Department of Health and Human Resources (DHHR)**
- CFDA Numbers 93.775, 93.777, and 93.778**
- Resolved**

Correction action taken for FY 2018.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2017-017 CASH MANAGEMENT
School Building Authority (SBA)
CFDA Number 97.036
Partially Resolved

The SBA has developed policies and procedures to ensure that all advance payments of Federal awards be held in interest-bearing accounts. In addition, there is a process in place to monitor accrued interest and remit to the appropriate Department/Agency any amounts over the cash advances in a timely manner. See current year finding 2018-027.

2017-018 SUBRECIPIENT MONITORING
2016-024 Division of Homeland Security and Emergency Management
(DHSEM)
CFDA Number 97.036
Partially Resolved

At the end of FY 2018, DHSEM had a FEMA Region III approved monitoring plan and was in the process of executing the plan. DHSEM did not have an adequate staff with appropriate training until late 2018 and a formalized policy was not fully implemented until early 2019.

In the last quarter of FY 2018, DHSEM started to assemble an Internal Review Department. This department will review all policies and procedures prior to implementation and test them during production. The department consists of a CPA, a Quality Advisor, a lead monitor, two monitors, and an internal review/monitoring business manager. As DHSEM progressed through the end of 2018 and into 2019, this emerging monitoring team has and will continue to enable process changes and will help complete the required monitoring steps to ensure compliance. See current year finding 2018-029.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**2017-019 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Department of Highways and Division of Homeland Security
and Emergency Management
CFDA Number 97.036
Resolved**

Correction action taken for FY 2018.

**2017-020 INTERNAL CONTROLS OVER REPORTING
Division of Homeland Security and Emergency Management
(DHSEM)
CFDA Number 97.036
Resolved**

Correction action taken for FY 2018.

**2017-021 CASH MANAGEMENT MONITORING FINDING
Division of Homeland Security and Emergency Management
(DHSEM)
CFDA Number 97.036
Resolved**

Correction action taken for FY 2018.