

# WEST VIRGINIA

## SINGLE AUDIT

FOR THE YEAR ENDED  
JUNE 30, 2011



# ***STATE OF WEST VIRGINIA***

## ***SINGLE AUDIT***

### **TABLE OF CONTENTS**

	<b>Page</b>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	1
Report of Independent Auditor's on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	3
Schedule of Expenditures of Federal Awards .....	7
Notes to Schedule of Expenditures of Federal Awards .....	15
Findings, Questioned Costs, and Management Responses .....	33
Summary Schedule of Prior Audit Findings .....	139



---

---

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

---

---

**Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in  
Accordance With *Government Auditing Standards***

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely 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, 2011, and have issued our report thereon dated February 13, 2012. We conducted our audit 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. Other auditors audited the financial statements of certain entities within the governmental activities, the business-type activities, the aggregate discretely presented component units, the major funds and the aggregate remaining fund information, which represent 58% of total assets, 74% of net assets and 14% of total revenues for the governmental activities; 82% of total assets, 85% of net assets and 58% of total revenues for the business-type activities; 100% of total assets, 100% net assets and 100% of revenues for the aggregate discretely presented component units; 88% of total assets, 85% of total net assets and 98% of total revenues of Transportation; 100% of total assets, 100% net assets and 100% of revenues of the following major funds – Tobacco Settlement Finance Authority, Water Pollution Control Revolving Fund, Workers’ Compensation, Unemployment Compensation and West Virginia Infrastructure and Jobs Development Council; and 87% of total assets, 89% of net assets/fund balance and 68% of the total revenues/additions for the aggregate remaining fund information, respectively, as described in our report on the State of West Virginia’s basic financial statements. The financial statements of the West Virginia Investment Management Board and the following discretely presented component units of the Higher Education Fund Component Unit: 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., New River Community and Technical College Foundation, Inc., Provident-Marshall, L.L.C., The Shepherd University Foundation, Inc., Southern West Virginia Community College Foundation, Inc., West Liberty State University Foundation, Inc., West Virginia Northern Community College Foundation, Inc., West Virginia School of Osteopathic Medicine Foundation, Inc., West Virginia State University Foundation, Inc., and WVU at Parkersburg Foundation, Inc. were audited by other auditors in accordance with auditing standards generally accepted in the United States, but were not audited in accordance with *Government Auditing Standards*. 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.

**Internal control over financial reporting**

Management of the State of West Virginia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the State of West Virginia’s internal control over financial reporting as a basis for designing our auditing procedures

for the purpose of expressing our opinions 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State of West Virginia's internal control over financial reporting.

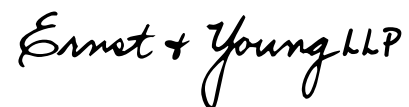
Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses. A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs designated as items 2011-1 to 2011-3 and 2011-46 to be material weaknesses.

### **Compliance and other matters**

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

The State of West Virginia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the State of West Virginia's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the State of West Virginia, the State's cognizant agency, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

February 13, 2012

**Report of Independent Auditor's on Compliance With  
Requirements That Could Have a Direct and Material Effect on Each  
Major Program and on Internal Control Over Compliance in Accordance  
With OMB Circular A-133**

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

**Compliance**

We have audited the State of West Virginia's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the State of West Virginia's federal programs for the year ended June 30, 2011. 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 State Revolving Fund and portions of the Capitalization Grant for Drinking Water State Revolving Fund and the State Fiscal Stabilization Fund Cluster, that comprise expenditures of approximately \$26.0 million and \$6.0 million, respectively. These major programs and portions of major programs, respectively, were audited by other auditors whose reports thereon have been furnished to us. Our opinion on compliance, insofar as it relates to the major programs and portions of major programs referred to above, except for the State Fiscal Stabilization Fund Cluster for which we rendered a qualified compliance opinion, is based solely upon the reports of other auditors. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the State of West Virginia's management. Our responsibility is to express an opinion on State of West Virginia's compliance based on our audit.

The State of West Virginia's basic financial statements include the operations of the Housing Development Fund, the West Virginia University Research Corporation, the West Virginia State Research Corporation and Marshall University Research Corporation which are not included in the Schedule of Expenditures of Federal Awards for the year ended June 30, 2011. Our audit, described below, did not include the operations of these discretely presented component units, because these entities engaged other auditors to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal

program occurred. An audit includes examining, on a test basis, evidence about the State of West Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the State of West Virginia's compliance with those requirements.

As described in items 2011-5 (Highway Planning and Construction Cluster only), 2011-6, 2011-12, 2011-14, 2011-24, 2011-31, 2011-39, 2011-50, 2011-53, 2011-54, 2011-58 and 2011-59 in the accompanying schedule of findings and questioned costs, the State of West Virginia did not comply with the requirements regarding allowable costs/cost principles applicable to the Low-Income Home Energy Assistance and Foster Care-Title IV-E programs; cash management applicable to the State Fiscal Stabilization Fund Cluster and Disaster Grants-Public Assistance (Presidentially Declared Disasters) programs; eligibility applicable to the Low-Income Home Energy Assistance and Foster Care-Title IV-E programs; reporting applicable to the Highway Planning and Construction Cluster, subrecipient monitoring applicable to the ARRA-Broadband Technology Opportunities Program, State Fiscal Stabilization Fund Cluster, Weatherization Assistance for Low-Income Persons, Abandoned Mine Land Reclamation (AMLR) and Public Assistance (Presidentially Declared Disasters) programs; and special tests and provisions-borrower data transmission and reconciliations applicable to the Student Financial Assistance Cluster. Compliance with such requirements is necessary, in our opinion, for the State of West Virginia to comply with requirements applicable to these programs.

In our opinion, based on our audit and the reports of other auditors, except for the noncompliance described in the preceding paragraph, the State of West Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2011-7 to 2011-11, 2011-13, 2011-16 to 2011-20, 2011-22, 2011-23, 2011-25 to 2011-30, 2011-32 to 2011-36, 2011-38, 2011-40 to 2011-43, 2011-45, 2011-48, 2011-52 and 2011-55 to 2011-57.

### **Internal control over compliance**

The management of the State of West Virginia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the State of West Virginia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of West Virginia's internal control over compliance. Our consideration of internal control did not include the aforementioned major federal programs, which were audited by other auditors, whose reports have been provided to us. Our report on internal control over compliance, insofar as it relates to the aforementioned major federal programs, is based solely on the reports of the other auditors.



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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2011-5 to 2011-8, 2011-11, 2011-12, 2011-14, 2011-15, 2011-17, 2011-24 to 2011-26, 2011-28, 2011-30, 2011-31, 2011-34, 2011-37 to 2011-39, 2011-43, 2011-44, 2011-46, 2011-47, 2011-50 to 2011-54 and 2011-57 to 2011-59 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2011-4, 2011-9, 2011-10, 2011-13, 2011-16, 2011-18 to 2011-23, 2011-27, 2011-29, 2011-32, 2011-33, 2011-35, 2011-36, 2011-40, 2011-42, 2011-45, 2011-48, 2011-49, 2011-55 and 2011-56 to be significant deficiencies.

The State of West Virginia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the State of West Virginia's responses and, accordingly, we express no opinion on the responses.

### **Schedule of expenditures of federal awards**

We have audited 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, 2011, and have issued our report thereon dated February 13, 2012, which expressed reliance on other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. This schedule is the responsibility of the management of the State of West Virginia. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management of the State of West Virginia, the State's cognizant agency, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Ernst + Young LLP*

March 30, 2012, except for the paragraph on the Schedule of Expenditures of Federal Awards, as to which the date is February 13, 2012

---

***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, 2011**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
<u>OFFICE OF DRUG CONTROL POLICY</u>				
G10AP0001A	APPALACHIAN HIDTA (NOTE 3)	\$285,350	\$0	\$285,350
G11AP0001A	APPALACHIAN HIDTA (NOTE 3)	\$100,126	\$0	\$100,126
I9PAPP501	APPALACHIAN HIDTA (NOTE 3)	\$9,284	\$0	\$9,284
<u>TOTAL OFFICE OF DRUG CONTROL POLICY</u>		<u>\$394,760</u>	<u>\$0</u>	<u>\$394,760</u>
<u>DEPARTMENT OF AGRICULTURE</u>				
10.025	PLANT AND ANIMAL DISEASE, PEST CONTROL, AND ANIMAL CARE	\$563,196	\$0	\$563,196
10.163	MARKET PROTECTION AND PROMOTION	\$3,090	\$0	\$3,090
10.170	SPECIALTY CROP BLOCK GRANT PROGRAM - FARM BILL	\$145,835	\$0	\$145,835
10.206	GRANTS FOR AGRICULTURAL RESEARCH-COMPETITIVE RESEARCH GRANTS	\$3,257	\$0	\$3,257
10.207	ANIMAL HEALTH AND DISEASE RESEARCH	\$5,388	\$0	\$5,388
10.214	MORRILL-NELSON FUNDS FOR FOOD AND AGRICULTURAL HIGHER EDUCATION	\$741	\$0	\$741
10.225	COMMUNITY FOOD PROJECTS	\$5,646	\$0	\$5,646
10.458	CROP INSURANCE EDUCATION IN TARGETED STATES	\$213,188	\$0	\$213,188
10.475	COOPERATIVE AGREEMENTS WITH STATES FOR INTRASTATE MEAT AND POULTRY INSPECTION	\$557,891	\$0	\$557,891
10.479	FOOD SAFETY COOPERATIVE AGREEMENTS	\$111,907	\$0	\$111,907
10.500	COOPERATIVE EXTENSION SERVICE	\$5,386,232	\$72,766	\$5,458,998
10.557	SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN	\$27,300,392	\$9,470,204	\$36,770,596
10.558	CHILD AND ADULT CARE FOOD PROGRAM	\$180,304	\$14,576,614	\$14,756,918
10.560	STATE ADMINISTRATIVE EXPENSES FOR CHILD NUTRITION	\$9,626,785	\$10,231	\$9,637,016
10.572	WIC FARMERS' MARKET NUTRITION PROGRAM (FMNP)	\$71,572	\$0	\$71,572
10.574	TEAM NUTRITION GRANTS	\$85,860	\$0	\$85,860
10.576	SENIOR FARMERS MARKET NUTRITION PROGRAM	\$396,001	\$0	\$396,001
10.579	CHILD NUTRITION DISCRETIONARY GRANTS LIMITED AVAILABILITY	\$0	\$73,700	\$73,700
10.579	ARRA - CHILD NUTRITION DISCRETIONARY GRANTS LIMITED AVAILABILITY	\$0	\$22,060	\$22,060
		<u>\$0</u>	<u>\$95,760</u>	<u>\$95,760</u>
10.582	FRESH FRUIT AND VEGETABLE PROGRAM	\$27,923	\$1,258,842	\$1,286,765
10.664	COOPERATIVE FORESTRY ASSISTANCE	\$917,596	\$51,912	\$969,508
10.676	FOREST LEGACY PROGRAM	\$79,343	\$0	\$79,343
10.678	FOREST STEWARDSHIP PROGRAM	\$167,097	\$0	\$167,097
10.680	FOREST HEALTH PROTECTION	\$288,726	\$0	\$288,726
10.769	RURAL BUSINESS ENTERPRISE GRANTS	\$1,383	\$0	\$1,383
10.902	SOIL AND WATER CONSERVATION	\$94,834	\$0	\$94,834
10.903	SOIL SURVEY	\$277,976	\$0	\$277,976
10.905	PLANT MATERIALS FOR CONSERVATION	\$1,941	\$0	\$1,941
10.912	ENVIRONMENTAL QUALITY INCENTIVES PROGRAM	\$40,125	\$0	\$40,125
10.914	WILDLIFE HABITAT INCENTIVE PROGRAM	\$15,008	\$0	\$15,008
10.917	AGRICULTURAL MANAGEMENT ASSISTANCE	\$38,184	\$0	\$38,184
NOTE 5A	SNAP CLUSTER	\$508,792,421	\$3,143,718	\$511,936,139
NOTE 5B	CHILD NUTRITION CLUSTER	\$869,250	\$76,340,199	\$77,209,449
NOTE 5C	EMERGENCY FOOD ASSISTANCE CLUSTER	\$4,645,449	\$0	\$4,645,449
NOTE 5D	SCHOOLS AND ROADS CLUSTER	\$352,822	\$1,840,440	\$2,193,262
07-JV-11242300-099 UNDER 02	SOIL CARBON MODELING	\$35,488	\$0	\$35,488
10-8100-1507-CA	TAXONOMY OF SPATHIUS AGRILI YANG (BRACONIDAE) ND NATIVE SPATHIUS SPECIES: DEVELOPMENT OF IDENTIFICATION TOOLS	\$27,485	\$0	\$27,485
10-CR-11060500-052	ALTERNATIVE TRANSPORTATION STUDY: MOUNT BAKER-SNOQUALMIE NF	\$7,992	\$0	\$7,992
AGR # 68-7482-8-436Y	FRAGIPAN INFLUENCE IN WV	\$22,315	\$0	\$22,315
AGR# 68-7482-9-506 CA#683A7586	NRAC 385 VALUE OF ECONOMIC BENEFITS OF THE NATIONAL COOPERATIVE SOIL SURVEY PROGRAM	\$18,778	\$0	\$18,778
NFS 10-CR-11060120-038	DESCHUTES NF SOCIAL CARRYING CAPACITY	\$39,647	\$0	\$39,647
NFS 2010-CR-11062759-030	REGION 6 ROUND 3 NVUM	\$246,441	\$162,659	\$409,100
NSF 06-CR-10062759-439 WV-717A16	RECREATION USE MONITORING DISTANCE LEARNING & TELEMEDICINE GRANT PROGRAM	\$108,803	\$109,348	\$218,151
		<u>\$268,399</u>	<u>\$0</u>	<u>\$268,399</u>
<u>TOTAL DEPARTMENT OF AGRICULTURE</u>		<u>\$562,042,711</u>	<u>\$107,132,693</u>	<u>\$669,175,404</u>
<u>DEPARTMENT OF COMMERCE</u>				
11.463	HABITAT CONSERVATION	\$396,147	\$0	\$396,147
11.555	PUBLIC SAFETY INTEROPERABLE COMMUNICATIONS GRANT PROGRAM	\$0	\$594,497	\$594,497
11.557	ARRA - BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP)	\$11,546,515	\$19,371,012	\$30,917,527
11.558	ARRA - STATE BROADBAND DATA AND DEVELOPMENT GRANT PROGRAM	\$517,295	\$0	\$517,295
11.609	MEASUREMENT AND ENGINEERING RESEARCH AND STANDARDS	\$3,315	\$0	\$3,315
11.802	MINORITY BUSINESS RESOURCE DEVELOPMENT	\$245,241	\$0	\$245,241
NOTE 5E	ECONOMIC DEVELOPMENT CLUSTER	\$330,098	\$6,250	\$336,348
<u>TOTAL DEPARTMENT OF COMMERCE</u>		<u>\$13,038,611</u>	<u>\$19,971,759</u>	<u>\$33,010,370</u>
<u>DEPARTMENT OF DEFENSE</u>				
12.113	STATE MEMORANDUM OF AGREEMENT PROGRAM FOR THE REIMBURSEMENT OF TECHNICAL SERVICES	\$69,361	\$0	\$69,361
12.300	BASIC AND APPLIED SCIENTIFIC RESEARCH	\$185,521	\$0	\$185,521
12.400	MILITARY CONSTRUCTION, NATIONAL GUARD	\$47,173,512	\$0	\$47,173,512
12.400	ARRA - MILITARY CONSTRUCTION, NATIONAL GUARD	\$1,533,861	\$0	\$1,533,861
		<u>\$48,707,373</u>	<u>\$0</u>	<u>\$48,707,373</u>
12.401	NATIONAL GUARD MILITARY OPERATIONS AND MAINTENANCE (O&M) PROJECTS	\$17,286,331	\$0	\$17,286,331

**STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FEDERAL GRANTOR LISTING  
FOR THE YEAR ENDING JUNE 30, 2011**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
12.404	NATIONAL GUARD CHALLENGE PROGRAM	\$3,947,114	\$0	\$3,947,114
12.901	MATHEMATICAL SCIENCES GRANTS PROGRAM	\$37,385	\$38,636	\$76,021
12.402	NATIONAL GUARD SPECIAL MILITARY OPERATIONS & PROJECTS	\$1,247,686	\$0	\$1,247,686
84.815	TROOPS TO TEACHERS	\$72,570	\$0	\$72,570
DABT 60-96-C-0014	ROTC	\$7,500	\$0	\$7,500
<u>TOTAL DEPARTMENT OF DEFENSE</u>		<u>\$71,560,841</u>	<u>\$38,636</u>	<u>\$71,599,477</u>
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
14.110	MANUFACTURED HOME LOAN INSURANCE-FINANCING PURCHASE OF MANUFACTURED HOMES AS PRINCIPAL RESIDENCES OF BORROWERS	\$40,516	\$0	\$40,516
14.231	EMERGENCY SHELTER GRANTS PROGRAM	\$82,718	\$922,211	\$1,004,929
14.235	SUPPORTIVE HOUSING PROGRAM	\$11,403	\$14,770	\$26,173
14.241	HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	\$5,875	\$698,971	\$704,846
14.246	COMMUNITY DEVELOPMENT BLOCK GRANTS/BROWNFIELDS ECONOMIC DEVELOPMENT INITIATIVE	\$361,095	\$0	\$361,095
14.251	ECONOMIC DEVELOPMENT INITIATIVE-SPECIAL PROJECT, NEIGHBORHOOD INITIATIVE AND MISCELLANEOUS GRANTS	\$190,504	\$0	\$190,504
14.257	ARRA - HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM (RECOVERY ACT FUNDED)	\$69,998	\$4,150,785	\$4,220,783
14.400	EQUAL OPPORTUNITY IN HOUSING	\$8,224	\$0	\$8,224
NOTE 5F	CDBG - STATE-ADMINISTERED CDBG CLUSTER	\$1,187,836	\$31,145,312	\$32,333,148
<u>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>		<u>\$1,958,169</u>	<u>\$36,932,049</u>	<u>\$38,890,218</u>
<u>DEPARTMENT OF THE INTERIOR</u>				
15.250	REGULATION OF SURFACE COAL MINING AND SURFACE EFFECTS OF UNDERGROUND COAL MINING	\$11,678,469	\$0	\$11,678,469
15.252	ABANDONED MINE LAND RECLAMATION (AMLR) PROGRAM	\$33,092,956	\$15,524,762	\$48,617,718
15.608	FISH AND WILDLIFE MANAGEMENT ASSISTANCE	\$61,423	\$0	\$61,423
15.615	COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND	\$42,000	\$0	\$42,000
15.633	LANDOWNER INCENTIVE PROGRAM	\$36,622	\$0	\$36,622
15.634	STATE WILDLIFE GRANTS	\$443,712	\$0	\$443,712
15.808	U.S. GEOLOGICAL SURVEY-RESEARCH AND DATA COLLECTION	\$119,000	\$0	\$119,000
15.810	NATIONAL COOPERATIVE GEOLOGIC MAPPING PROGRAM	\$14,994	\$0	\$14,994
15.904	HISTORIC PRESERVATION FUND GRANTS-IN-AID	\$618,089	\$97,115	\$715,204
15.916	OUTDOOR RECREATION-ACQUISITION, DEVELOPMENT AND PLANNING	\$2,304	\$70,359	\$72,663
NOTE 5G	FISH AND WILDLIFE CLUSTER	\$6,992,368	\$0	\$6,992,368
4000-8-9004	NATIONAL PARK SERVICE GRANT	\$62,799	\$0	\$62,799
50181-5-J034	CERULEAN WARBLER FOREST MANAGEMENT PROJECT	(\$6,000)	\$0	(\$6,000)
CONTRACT 777	NATIONAL PARK SERVICE VEGETATIVE MAPPING	\$31,809	\$0	\$31,809
H600008200 Order #	CAVE ASSESSMENTS IN THE CHESAPEAKE AND OHIO CANAL NATIONAL HISTORIC PARK (CESU)	\$4,385	\$0	\$4,385
J3100110007				
J2270080024/H6000082000	MAPPING SUPPORT FOR NPS	\$31,327	\$0	\$31,327
J4160070401/H6000C02000	CONTROL AND EVALUATION OF MORROW'S HONEYSUCKLE TO PROMOTE WOODCOCK AND OTHER WILDLIFE ON THE FORT NECESSITY NATIONAL BATTLEFIELD (CESU)	\$2,102	\$0	\$2,102
J5471100018/H6000082000	THE EVALUATION OF SELECT GRSM CHESTNUT SITES FOR THE INCIDENCE OF BIOLOGICAL CONTROL AGENTS OF CRYPHONECTRIA PARASITICA	\$8,200	\$0	\$8,200
<u>TOTAL DEPARTMENT OF THE INTERIOR</u>		<u>\$53,236,559</u>	<u>\$15,692,236</u>	<u>\$68,928,795</u>
<u>DEPARTMENT OF JUSTICE</u>				
16.017	SEXUAL ASSAULT SERVICES FORMULA PROGRAM	\$0	\$151,460	\$151,460
16.523	JUVENILE ACCOUNTABILITY BLOCK GRANTS	\$16,066	\$391,978	\$408,044
16.529	EDUCATION, TRAINING, AND ENHANCED SERVICES TO END VIOLENCE AGAINST AND ABUSE OF WOMEN WITH DISABILITIES	\$8,230	\$0	\$8,230
16.540	JUVENILE JUSTICE AND DELINQUENCY PREVENTION-ALLOCATION TO STATES	\$64,525	\$578,157	\$642,682
16.543	MISSING CHILDREN'S ASSISTANCE	\$297,247	\$0	\$297,247
16.548	TITLE V-DELINQUENCY PREVENTION PROGRAM	\$2,116	\$94,370	\$96,486
16.550	STATE JUSTICE STATISTICS PROGRAM FOR STATISTICAL ANALYSIS CENTERS	\$55,461	\$0	\$55,461
16.554	NATIONAL CRIMINAL HISTORY IMPROVEMENT PROGRAM (NCHIP)	\$13,045	\$24,539	\$37,584
16.560	NATIONAL INSTITUTE OF JUSTICE RESEARCH, EVALUATION, AND DEVELOPMENT PROJECT GRANTS	\$65,154	\$39,872	\$105,026
16.575	CRIME VICTIM ASSISTANCE	\$100,814	\$2,438,254	\$2,539,068
16.576	CRIME VICTIM COMPENSATION	\$634,000	\$0	\$634,000
16.579	EDWARD BYRNE MEMORIAL FORMULA GRANT PROGRAM	\$459,959	\$2,326,230	\$2,786,189
16.580	EDWARD BYRNE MEMORIAL STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE DISCRETIONARY GRANTS PROGRAM	\$274,056	\$0	\$274,056
16.588	VIOLENCE AGAINST WOMEN FORMULA GRANTS	\$59,359	\$983,540	\$1,042,899
16.588	ARRA - RECOVERY ACT-VIOLENCE AGAINST WOMEN FORMULA GRANTS	\$19,393	\$367,394	\$386,787
		<u>\$78,752</u>	<u>\$1,350,934</u>	<u>\$1,429,686</u>
16.589	RURAL DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, AND STALKING ASSISTANCE PROGRAM	\$6,649	\$161,106	\$167,755
16.590	GRANTS TO ENCOURAGE ARREST POLICIES AND ENFORCEMENT OF PROTECTION ORDERS	\$259,066	\$337,871	\$596,937
16.593	RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS	\$3,747	\$90,561	\$94,308
16.607	BULLETPROOF VEST PARTNERSHIP PROGRAM	\$0	\$4,522	\$4,522
16.609	COMMUNITY PROSECUTION AND PROJECT SAFE NEIGHBORHOODS	\$3,968	\$57,208	\$61,176
16.710	PUBLIC SAFETY PARTNERSHIP AND COMMUNITY POLICING GRANTS	\$11,685	\$104,647	\$116,332
16.727	ENFORCING UNDERAGE DRINKING LAWS PROGRAM	\$16,255	\$390,300	\$406,555
16.734	SPECIAL DATA COLLECTIONS AND STATISTICAL STUDIES	\$4,755	\$0	\$4,755
16.741	FORENSIC DNA BACKLOG REDUCTION PROGRAM	\$280,531	\$0	\$280,531

**STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FEDERAL GRANTOR LISTING  
FOR THE YEAR ENDING JUNE 30, 2011**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
16.742	PAUL COVERDELL FORENSIC SCIENCES IMPROVEMENT GRANT PROGRAM	\$57,902	\$0	\$57,902
16.745	CRIMINAL AND JUVENILE JUSTICE AND MENTAL HEALTH COLLABORATION PROGRAM	\$31,801	\$0	\$31,801
16.800	ARRA - RECOVERY ACT - INTERNET CRIMES AGAINST CHILDREN TASK FORCE PROGRAM (ICAC)	\$193,981	\$0	\$193,981
16.801	ARRA - RECOVERY ACT - STATE VICTIM ASSISTANCE FORMULA GRANT PROGRAM	\$16,427	\$256,704	\$273,131
16.810	ARRA - RECOVERY ACT - ASSISTANCE TO RURAL LAW ENFORCEMENT TO COMBAT CRIME AND DRUGS COMPETITIVE GRANT PROGRAM	\$83,398	\$0	\$83,398
16.816	JOHN R. JUSTICE PROSECUTORS AND DEFENDERS INCENTIVE ACT	\$3,108	\$0	\$3,108
NOTE 5H	JAG PROGRAM CLUSTER	\$1,030,380	\$1,799,761	\$2,830,141
2001100	MISCELLANEOUS JUSTICE PROGRAMS	\$430,086	\$0	\$430,086
2001HSWXK035	REGIONAL COMMUNITY POLICING INSTITUTE	\$37,132	\$0	\$37,132
2004-PM-BX-008	PRESCRIPTION DRUG MONITORING PROGRAM	\$5,000	\$0	\$5,000
2007-WA-AX-0001	UNIVERSITY COORDINATED COMMUNITY COUNCIL ON DOMESTIC VIOLENCE AT WVUS	\$34,996	\$0	\$34,996
PL-106-170	SOCIAL SECURITY INMATE INCENTIVE	\$3,888	\$0	\$3,888
WV-1	PURDUE PHARMA SETTLEMENT	\$5,591,753	\$696,145	\$6,287,898
WV-2	EQUITABLE SHARING PROGRAM-JUSTICE	\$1,393	\$0	\$1,393
<b>TOTAL DEPARTMENT OF JUSTICE</b>		<b>\$10,177,326</b>	<b>\$11,294,619</b>	<b>\$21,471,945</b>
<b>DEPARTMENT OF LABOR</b>				
17.002	LABOR FORCE STATISTICS	\$840,493	\$0	\$840,493
17.005	COMPENSATION AND WORKING CONDITIONS	\$106,146	\$0	\$106,146
17.203	LABOR CERTIFICATION FOR ALIEN WORKERS	(\$52)	\$0	(\$52)
17.225	UNEMPLOYMENT INSURANCE - NOTE 4	\$686,798,470	\$0	\$686,798,470
17.225	ARRA - UNEMPLOYMENT INSURANCE - NOTE 4	\$1,021,146	\$0	\$1,021,146
		<b>\$687,819,616</b>	<b>\$0</b>	<b>\$687,819,616</b>
17.235	SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM	\$59,284	\$1,221,040	\$1,280,324
17.245	TRADE ADJUSTMENT ASSISTANCE	\$8,978,718	\$0	\$8,978,718
17.246	EMPLOYMENT AND TRAINING ASSISTANCE-DISLOCATED WORKERS	(\$6,656)	\$0	(\$6,656)
17.253	WELFARE-TO-WORK GRANTS TO STATES AND LOCALITIES	\$1,102,398	\$0	\$1,102,398
17.261	WIA PILOTS, DEMONSTRATIONS, AND RESEARCH PROJECTS	(\$27,191)	\$0	(\$27,191)
17.266	WORK INCENTIVES GRANT	\$2,010	\$27,230	\$29,240
17.267	INCENTIVE GRANTS - WIA SECTION 503	(\$1,263)	\$0	(\$1,263)
17.269	COMMUNITY BASED JOB TRAINING GRANTS	\$194,453	\$0	\$194,453
17.271	WORK OPPORTUNITY TAX CREDIT PROGRAM (WOTC)	\$136,920	\$0	\$136,920
17.273	TEMPORARY LABOR CERTIFICATION FOR FOREIGN WORKERS	\$57,032	\$0	\$57,032
17.275	PROGRAM OF COMPETITIVE GRANTS FOR WORKER TRAINING AND PLACEMENT IN HIGH GROWTH AND EMERGING INDUSTRY SECTORS	\$1,084,393	\$1,234,813	\$2,319,206
17.504	CONSULTATION AGREEMENTS	\$488,658	\$0	\$488,658
17.600	MINE HEALTH AND SAFETY GRANTS	\$548,965	\$0	\$548,965
17.999	MISCELLANEOUS LABOR PROGRAMS	(\$11,671)	\$2,592,611	\$2,580,940
NOTE 5I	EMPLOYMENT SERVICE CLUSTER	\$8,017,884	\$0	\$8,017,884
NOTE 5J	WIA CLUSTER	\$3,805,790	\$9,494,234	\$13,300,024
<b>TOTAL DEPARTMENT OF LABOR</b>		<b>\$713,195,927</b>	<b>\$14,569,928</b>	<b>\$727,765,855</b>
<b>DEPARTMENT OF TRANSPORTATION</b>				
20.215	HIGHWAY TRAINING AND EDUCATION	\$31,900	\$0	\$31,900
20.218	NATIONAL MOTOR CARRIER SAFETY	\$1,647,824	\$0	\$1,647,824
20.505	FEDERAL TRANSIT METROPOLITAN PLANNING GRANTS	\$88,265	\$0	\$88,265
20.509	FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS	\$1,949,792	\$4,010,071	\$5,959,863
20.509	ARRA - FORMULA GRANTS FOR OTHER THAN URBANIZED AREAS	\$626,904	\$1,105,185	\$1,732,089
		<b>\$2,576,696</b>	<b>\$5,115,256</b>	<b>\$7,691,952</b>
20.607	ALCOHOL OPEN CONTAINER REQUIREMENTS	\$1,448,792	\$539,836	\$1,988,628
20.608	MINIMUM PENALTIES FOR REPEAT OFFENDERS FOR DRIVING WHILE INTOXICATED	\$518,017	\$0	\$518,017
20.614	NATIONAL HIGHWAY TRANSPORTATION SAFETY ADMINISTRATION DISCRETIONARY SAFETY GRANTS	\$45,734	\$0	\$45,734
20.700	PIPELINE SAFETY PROGRAM BASE GRANTS	\$348,681	\$0	\$348,681
NOTE 5L	FEDERAL TRANSIT CLUSTER	\$3,634,633	\$2,752	\$3,637,385
NOTE 5M	TRANSIT SERVICES PROGRAMS CLUSTER	\$1,797,902	\$503,785	\$2,301,687
NOTE 5N	HIGHWAY SAFETY CLUSTER	\$1,996,846	\$2,534,702	\$4,531,548
CD-08-54-1	FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION	\$501,927	\$0	\$501,927
CD-09-54-1	FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION	\$257,414	\$0	\$257,414
WV-26-7009-00	ENERGY RELEASE RATE CALCULATIONS FOR LAMODEL	\$30,991	\$0	\$30,991
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>		<b>\$14,925,622</b>	<b>\$8,696,331</b>	<b>\$23,621,953</b>
<b>DEPARTMENT OF THE TREASURY</b>				
21.999	JOBS AND GROWTH TAX RELIEF RECONCILIATION ACT OF 2003	\$606,193	\$0	\$606,193
WV-3	EQUITABLE SHARING PROGRAM-TREASURY	\$16,018	\$0	\$16,018
<b>TOTAL DEPARTMENT OF THE TREASURY</b>		<b>\$622,211</b>	<b>\$0</b>	<b>\$622,211</b>
<b>APPALACHIAN REGIONAL COMMISSION</b>				
23.001	APPALACHIAN REGIONAL DEVELOPMENT (SEE INDIVIDUAL APPALACHIAN PROGRAMS)	\$129,716	\$0	\$129,716
23.002	APPALACHIAN AREA DEVELOPMENT	\$56,013	\$3,285,633	\$3,341,646
23.011	APPALACHIAN RESEARCH, TECHNICAL ASSISTANCE, AND DEMONSTRATION PROJECTS	\$185,618	\$229,473	\$415,091
<b>TOTAL APPALACHIAN REGIONAL COMMISSION</b>		<b>\$371,347</b>	<b>\$3,515,106</b>	<b>\$3,886,453</b>

**STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FEDERAL GRANTOR LISTING  
FOR THE YEAR ENDING JUNE 30, 2011**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
<u>EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</u>				
30.001	EMPLOYMENT DISCRIMINATION-TITLE VII OF THE CIVIL RIGHTS ACT OF 1964	\$175,991	\$0	\$175,991
<b>TOTAL EQUAL EMPLOYMENT OPPORTUNITY COMMISSION</b>		<b>\$175,991</b>	<b>\$0</b>	<b>\$175,991</b>
<u>GENERAL SERVICES ADMINISTRATION</u>				
39.003	DONATION OF FEDERAL SURPLUS PERSONAL PROPERTY	\$160,663	\$0	\$160,663
<b>TOTAL GENERAL SERVICES ADMINISTRATION</b>		<b>\$160,663</b>	<b>\$0</b>	<b>\$160,663</b>
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>				
43.001	SCIENCE	\$1,373,474	\$0	\$1,373,474
43.002	AERONAUTICS	\$12,041	\$0	\$12,041
<b>TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>		<b>\$1,385,515</b>	<b>\$0</b>	<b>\$1,385,515</b>
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>				
45.025	PROMOTION OF THE ARTS-PARTNERSHIP AGREEMENTS	\$342,509	\$377,677	\$720,186
45.310	GRANTS TO STATES	\$1,277,034	\$389,383	\$1,666,417
45.312	NATIONAL LEADERSHIP GRANTS	\$36,400	\$0	\$36,400
<b>TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>		<b>\$1,655,943</b>	<b>\$767,060</b>	<b>\$2,423,003</b>
<u>NATIONAL SCIENCE FOUNDATION</u>				
47.070	COMPUTER AND INFORMATION SCIENCE AND ENGINEERING	\$31,064	\$0	\$31,064
47.075	SOCIAL, BEHAVIORAL, AND ECONOMIC SCIENCES	\$16,529	\$0	\$16,529
47.076	EDUCATION AND HUMAN RESOURCES	\$83,736	\$604,804	\$688,540
47.077	ACADEMIC RESEARCH INFRASTRUCTURE	\$17,527	\$0	\$17,527
47.081	OFFICE OF EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH	\$300,201	\$1,829,489	\$2,129,690
47.082	ARRA - TRANS-NSF RECOVERY ACT RESEARCH SUPPORT	\$62,904	\$1,303,055	\$1,365,959
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>		<b>\$511,961</b>	<b>\$3,737,348</b>	<b>\$4,249,309</b>
<u>SMALL BUSINESS ADMINISTRATION</u>				
59.037	SMALL BUSINESS DEVELOPMENT CENTERS	\$592,325	\$0	\$592,325
<b>TOTAL SMALL BUSINESS ADMINISTRATION</b>		<b>\$592,325</b>	<b>\$0</b>	<b>\$592,325</b>
<u>DEPARTMENT OF VETERANS AFFAIRS</u>				
64.015	VETERANS STATE NURSING HOME CARE	\$2,679,737	\$0	\$2,679,737
64.124	ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE	\$143,359	\$0	\$143,359
64.203	STATE CEMETERY GRANTS	\$5,086,663	\$0	\$5,086,663
<b>TOTAL DEPARTMENT OF VETERANS AFFAIRS</b>		<b>\$7,909,759</b>	<b>\$0</b>	<b>\$7,909,759</b>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>				
66.001	AIR POLLUTION CONTROL PROGRAM SUPPORT	\$1,628,958	\$0	\$1,628,958
66.032	STATE INDOOR RADON GRANTS	\$20,580	\$55,272	\$75,852
66.034	SURVEYS, STUDIES, RESEARCH, INVESTIGATIONS, DEMONSTRATIONS, AND SPECIAL PURPOSE ACTIVITIES RELATING TO THE CLEAN AIR ACT	\$23,155	\$0	\$23,155
66.040	STATE CLEAN DIESEL GRANT PROGRAM	\$0	\$273,708	\$273,708
66.202	CONGRESSIONALLY MANDATED PROJECTS	\$133,540	\$0	\$133,540
66.419	WATER POLLUTION CONTROL STATE, INTERSTATE, AND TRIBAL PROGRAM SUPPORT	\$1,920,818	\$51,736	\$1,972,554
66.432	STATE PUBLIC WATER SYSTEM SUPERVISION	\$621,639	\$0	\$621,639
66.433	STATE UNDERGROUND WATER SOURCE PROTECTION	\$191,134	\$0	\$191,134
66.438	CONSTRUCTION MANAGEMENT ASSISTANCE	\$2,064	\$0	\$2,064
66.454	WATER QUALITY MANAGEMENT PLANNING	\$130,084	\$154,129	\$284,213
66.454	ARRA - WATER QUALITY MANAGEMENT PLANNING	\$110,475	\$165,496	\$275,971
		<b>\$240,559</b>	<b>\$319,625</b>	<b>\$560,184</b>
66.458	CAPITALIZATION GRANTS FOR CLEAN WATER STATE REVOLVING FUNDS	\$0	\$11,125,142	\$11,125,142
66.458	ARRA - CAPITALIZATION GRANTS FOR CLEAN WATER STATE REVOLVING FUNDS	\$0	\$24,527,030	\$24,527,030
		<b>\$0</b>	<b>\$35,652,172</b>	<b>\$35,652,172</b>
66.460	NONPOINT SOURCE IMPLEMENTATION GRANTS	\$1,288,146	\$707,753	\$1,995,899
66.461	REGIONAL WETLAND PROGRAM DEVELOPMENT GRANTS	\$16,961	\$0	\$16,961
66.466	CHESAPEAKE BAY PROGRAM	\$622,559	\$114,654	\$737,213
66.467	WASTEWATER OPERATOR TRAINING GRANT PROGRAM (TECHNICAL ASSISTANCE)	\$15,246	\$0	\$15,246
66.468	CAPITALIZATION GRANTS FOR DRINKING WATER STATE REVOLVING FUND	\$2,784,042	\$15,716,292	\$18,500,334
66.468	ARRA - CAPITALIZATION GRANTS FOR DRINKING WATER STATE REVOLVING FUND	\$0	\$11,202,187	\$11,202,187
		<b>\$2,784,042</b>	<b>\$26,918,479</b>	<b>\$29,702,521</b>
66.471	STATE GRANTS TO REIMBURSE OPERATORS OF SMALL WATER SYSTEMS FOR TRAINING AND CERTIFICATION COSTS	\$406,845	\$0	\$406,845
66.474	WATER PROTECTION GRANTS TO THE STATES	\$34,328	\$4,598	\$38,926
66.605	PERFORMANCE PARTNERSHIP GRANTS	\$461,608	\$0	\$461,608
66.606	SURVEYS, STUDIES, INVESTIGATIONS AND SPECIAL PURPOSE GRANTS	\$464,293	\$0	\$464,293
66.608	ENVIRONMENTAL INFORMATION EXCHANGE NETWORK GRANT PROGRAM AND RELATED ASSISTANCE	\$141,979	\$0	\$141,979
66.701	TOXIC SUBSTANCES COMPLIANCE MONITORING COOPERATIVE AGREEMENTS	\$109,701	\$0	\$109,701
66.707	TSCA TITLE IV STATE LEAD GRANTS-CERTIFICATION OF LEAD-BASED PAINT PROFESSIONALS	\$161,281	\$0	\$161,281
66.708	POLLUTION PREVENTION GRANTS PROGRAM	\$0	\$130,000	\$130,000
66.801	HAZARDOUS WASTE MANAGEMENT STATE PROGRAM SUPPORT	\$2,893,179	\$0	\$2,893,179
66.802	SUPERFUND STATE, POLITICAL SUBDIVISION, AND INDIAN TRIBE SITE-SPECIFIC COOPERATIVE AGREEMENTS	\$269,896	\$0	\$269,896
66.804	STATE AND TRIBAL UNDERGROUND STORAGE TANKS PROGRAM	\$558,305	\$4,800	\$563,105

**STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FEDERAL GRANTOR LISTING  
FOR THE YEAR ENDING JUNE 30, 2011**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
66.805	LEAKING UNDERGROUND STORAGE TANK TRUST FUND CORRECTIVE ACTION PROGRAM	\$700,992	\$0	\$700,992
66.805	ARRA - LEAKING UNDERGROUND STORAGE TANK TRUST FUND CORRECTIVE ACTION PROGRAM	\$756,032	\$0	\$756,032
		<u>\$1,457,024</u>	<u>\$0</u>	<u>\$1,457,024</u>
66.809	SUPERFUND STATE AND INDIAN TRIBE CORE PROGRAM COOPERATIVE AGREEMENTS	\$342,578	\$0	\$342,578
66.814	BROWNFIELDS TRAINING, RESEARCH, AND TECHNICAL ASSISTANCE GRANTS AND COOPERATIVE AGREEMENTS	\$30,230	\$27,000	\$57,230
WV-4	MISC. FEDERAL AWARD PROGRAMS	\$134,483	\$0	\$134,483
<u>TOTAL ENVIRONMENTAL PROTECTION AGENCY</u>		<u>\$16,975,131</u>	<u>\$64,259,797</u>	<u>\$81,234,928</u>
<u>DEPARTMENT OF ENERGY</u>				
81.041	STATE ENERGY PROGRAM	\$209,652	\$49,412	\$259,064
81.041	ARRA - STATE ENERGY PROGRAM	\$8,551,009	\$2,794,505	\$11,345,514
		<u>\$8,760,661</u>	<u>\$2,843,917</u>	<u>\$11,604,578</u>
81.042	WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS	\$92,814	\$3,378,335	\$3,471,149
81.042	ARRA - WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS	\$660,676	\$12,001,117	\$12,661,793
		<u>\$753,490</u>	<u>\$15,379,452</u>	<u>\$16,132,942</u>
81.050	ENERGY EXTENSION SERVICE	\$1,156	\$0	\$1,156
81.119	STATE ENERGY PROGRAM SPECIAL PROJECTS	\$118,723	\$50,415	\$169,138
81.119	ARRA - STATE ENERGY PROGRAM SPECIAL PROJECTS	\$157,671	\$87,411	\$245,082
		<u>\$276,394</u>	<u>\$137,826</u>	<u>\$414,220</u>
81.122	ARRA - ELECTRICITY DELIVERY AND ENERGY RELIABILITY, RESEARCH, DEVELOPMENT AND ANALYSIS	\$241,418	\$8,500	\$249,918
81.127	ENERGY EFFICIENT APPLIANCE REBATE PROGRAM (EEARP)	\$22,802	\$1,592,605	\$1,615,407
81.128	ARRA - ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PROGRAM (EECBG)	\$52,615	\$2,472,164	\$2,524,779
DE-FE0011460	MICROSTRUCTURE ANALYSIS OF CR-BASED SUPERALLOYS	\$9,864	\$0	\$9,864
DOE-IPA	DOE - INTERGOVERNMENTAL PERSONNEL ACT	\$139,893	\$0	\$139,893
WV-5	PETROLEUM VIOLATION ESCROW FUNDS	\$182,339	\$55,530	\$237,869
<u>TOTAL DEPARTMENT OF ENERGY</u>		<u>\$10,440,632</u>	<u>\$22,489,994</u>	<u>\$32,930,626</u>
<u>DEPARTMENT OF EDUCATION</u>				
84.002	ADULT EDUCATION - BASIC GRANTS TO STATES	\$460,010	\$3,770,539	\$4,230,549
84.011	MIGRANT EDUCATION-STATE GRANT PROGRAM	\$555	\$126,639	\$127,194
84.013	TITLE I PROGRAM FOR NEGLECTED AND DELINQUENT CHILDREN	\$644,363	\$0	\$644,363
84.031	HIGHER EDUCATION-INSTITUTIONAL AID	\$3,234,786	\$0	\$3,234,786
84.048	CAREER AND TECHNICAL EDUCATION-BASIC GRANTS TO STATES	\$3,071,386	\$5,010,686	\$8,082,072
84.069	LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP	\$574,000	\$0	\$574,000
84.116	FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION	\$87,782	\$78,377	\$166,159
84.128	REHABILITATION SERVICES-SERVICE PROJECTS	\$0	\$122,500	\$122,500
84.176	DOUGLAS TEACHER SCHOLARSHIPS	(\$2,100)	\$0	(\$2,100)
84.184	SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES-NATIONAL PROGRAMS	\$244,887	\$155,598	\$400,485
84.185	BYRD HONORS SCHOLARSHIPS	\$240,844	\$0	\$240,844
84.186	SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES-STATE GRANTS	\$116,452	\$854,849	\$971,301
84.187	SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH SIGNIFICANT DISABILITIES	\$506,704	\$0	\$506,704
84.213	EVEN START-STATE EDUCATIONAL AGENCIES	\$13,568	\$355,014	\$368,582
84.215	FUND FOR THE IMPROVEMENT OF EDUCATION	\$104,994	\$14,175	\$119,169
84.243	TECH-PREP EDUCATION	\$25,602	\$694,597	\$720,199
84.265	REHABILITATION TRAINING-STATE VOCATIONAL REHABILITATION UNIT IN-SERVICE TRAINING	\$111,707	\$0	\$111,707
84.286	READY TO TEACH	\$41,393	\$0	\$41,393
84.287	TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS	\$269,913	\$6,454,604	\$6,724,517
84.293	FOREIGN LANGUAGE ASSISTANCE	\$86,559	\$16,105	\$102,664
84.323	SPECIAL EDUCATION - STATE PERSONNEL DEVELOPMENT	\$546,247	\$116,493	\$662,740
84.326	SPECIAL EDUCATION-TECHNICAL ASSISTANCE AND DISSEMINATION TO IMPROVE SERVICES AND RESULTS FOR CHILDREN WITH DISABILITIES	\$108,538	\$12,515	\$121,053
84.330	ADVANCED PLACEMENT PROGRAM	\$60,883	\$59,382	\$120,265
84.331	GRANTS TO STATES FOR INCARCERATED YOUTH OFFENDERS	\$125,571	\$0	\$125,571
84.334	GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS	\$7,368,307	\$1,956,626	\$9,324,933
84.335	CHILD CARE ACCESS MEANS PARENTS IN SCHOOL	\$16,939	\$0	\$16,939
84.350	TRANSITION TO TEACHING	\$730,323	\$13,510	\$743,833
84.357	READING FIRST STATE GRANTS	\$910,262	\$1,108,716	\$2,018,978
84.358	RURAL EDUCATION	\$311,959	\$2,613,995	\$2,925,954
84.365	ENGLISH LANGUAGE ACQUISITION GRANTS	\$131,123	\$519,417	\$650,540
84.366	MATHEMATICS AND SCIENCE PARTNERSHIPS	\$120,348	\$483,787	\$604,135
84.367	IMPROVING TEACHER QUALITY STATE GRANTS	\$1,114,294	\$21,258,116	\$22,372,410
84.369	GRANTS FOR STATE ASSESSMENTS AND RELATED ACTIVITIES	\$4,140,424	\$4,630	\$4,145,054
84.371	STRIVING READERS	\$3,215	\$0	\$3,215
84.373	SPECIAL EDUCATION_TECHNICAL ASSISTANCE ON STATE DATA COLLECTION	\$172,047	\$38,034	\$210,081
84.378	COLLEGE ACCESS CHALLENGE GRANT PROGRAM	\$851,326	\$25,000	\$876,326
NOTE 5O	TITLE I, PART A CLUSTER	\$1,107,954	\$111,248,088	\$112,356,042
NOTE 5P	SPECIAL EDUCATION CLUSTER (IDEA)	\$6,545,037	\$97,138,954	\$103,683,991
NOTE 5Q	TRIO CLUSTER	\$4,728,234	\$0	\$4,728,234
NOTE 5R	VOCATIONAL REHABILITATION CLUSTER	\$39,472,814	\$1,288,346	\$40,761,160
NOTE 5S	INDEPENDENT LIVING STATE GRANTS CLUSTER	\$0	\$168,902	\$168,902



**STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FEDERAL GRANTOR LISTING  
FOR THE YEAR ENDING JUNE 30, 2011**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
NOTE 5T	INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND CLUSTER	\$252,724	\$0	\$252,724
NOTE 5U	EARLY INTERVENTION SERVICES (IDEA) CLUSTER	\$2,432,729	\$1,138,422	\$3,571,151
NOTE 5V	EDUCATION OF HOMELESS CHILDREN AND YOUTH CLUSTER	\$86,752	\$370,278	\$457,030
NOTE 5W	EDUCATIONAL TECHNOLOGY STATE GRANTS CLUSTER	\$156,315	\$4,136,794	\$4,293,109
NOTE 5X	SCHOOL IMPROVEMENT GRANTS CLUSTER	\$247,350	\$3,440,759	\$3,688,109
NOTE 5Y	STATE FISCAL STABILIZATION FUND CLUSTER	\$41,767,129	\$95,519,852	\$137,286,981
84.116P	ERMA BYRD SCHOLARSHIP PROGRAM	\$30,000	\$0	\$30,000
CO-13764E	APPALACHIAN HIGHER EDUCATION NETWORK	\$38,474	\$0	\$38,474
ED-03-CO-0058	PERFORMANCE BASED DATA MANAGEMENT INITIATIVE	\$142,264	\$50,000	\$192,264
VA06	VETERAN'S CERTIFICATION	\$435	\$0	\$435
<b>TOTAL DEPARTMENT OF EDUCATION</b>		<b>\$123,553,422</b>	<b>\$360,364,299</b>	<b>\$483,917,721</b>
<b>ELECTION ASSISTANCE COMMISSION</b>				
90.401	HELP AMERICA VOTE ACT REQUIREMENTS PAYMENTS	\$563,543	\$0	\$563,543
<b>TOTAL ELECTION ASSISTANCE COMMISSION</b>		<b>\$563,543</b>	<b>\$0</b>	<b>\$563,543</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
93.041	SPECIAL PROGRAMS FOR THE AGING-TITLE VII, CHAPTER 3-PROGRAMS FOR PREVENTION OF ELDER ABUSE, NEGLECT, AND EXPLOITATION	\$946	\$24,426	\$25,372
93.042	SPECIAL PROGRAMS FOR THE AGING-TITLE VII, CHAPTER 2-LONG TERM CARE OMBUDSMAN SERVICES FOR OLDER INDIVIDUALS	\$100,485	\$12,156	\$112,641
93.043	SPECIAL PROGRAMS FOR THE AGING-TITLE III, PART D-DISEASE PREVENTION AND HEALTH PROMOTION SERVICES	\$0	\$153,585	\$153,585
93.048	SPECIAL PROGRAMS FOR THE AGING-TITLE IV AND TITLE II - DISCRETIONARY PROJECTS	\$15,479	\$111,071	\$126,550
93.052	NATIONAL FAMILY CAREGIVER SUPPORT, TITLE III, PART E	\$24,990	\$1,121,274	\$1,146,264
93.069	PUBLIC HEALTH EMERGENCY PREPAREDNESS	\$2,165,416	\$5,333,240	\$7,498,656
93.071	MEDICARE ENROLLMENT ASSISTANCE PROGRAM	\$0	\$204,652	\$204,652
93.103	FOOD AND DRUG ADMINISTRATION-RESEARCH	\$3,455	\$0	\$3,455
93.110	MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS	\$177,985	\$66,994	\$244,979
93.116	PROJECT GRANTS AND COOPERATIVE AGREEMENTS FOR TUBERCULOSIS CONTROL PROGRAMS	\$351,324	\$0	\$351,324
93.127	EMERGENCY MEDICAL SERVICES FOR CHILDREN	\$109,379	\$30,444	\$139,823
93.130	COOPERATIVE AGREEMENTS TO STATES/TERRITORIES FOR THE COORDINATION AND DEVELOPMENT OF PRIMARY CARE OFFICES	\$126,668	\$83,704	\$210,372
93.134	GRANTS TO INCREASE ORGAN DONATIONS	\$31,794	\$0	\$31,794
93.136	INJURY PREVENTION AND CONTROL RESEARCH AND STATE AND COMMUNITY BASED PROGRAMS	\$11,942	\$207,468	\$219,410
93.150	PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH)	\$0	\$297,132	\$297,132
93.165	GRANTS TO STATES FOR LOAN REPAYMENT PROGRAM	\$0	\$200,064	\$200,064
93.197	CHILDHOOD LEAD POISONING PREVENTION PROJECTS-STATE AND LOCAL CHILDHOOD LEAD POISONING PREVENTION AND SURVEILLANCE OF BLOOD LEAD LEVELS IN CHILDREN	\$13,305	\$0	\$13,305
93.217	FAMILY PLANNING-SERVICES	\$2,483,391	\$0	\$2,483,391
93.234	TRAUMATIC BRAIN INJURY STATE DEMONSTRATION GRANT PROGRAM	\$247,966	\$0	\$247,966
93.240	STATE CAPACITY BUILDING	\$82,324	\$0	\$82,324
93.241	STATE RURAL HOSPITAL FLEXIBILITY PROGRAM	\$167,492	\$304,432	\$471,924
93.243	SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES_PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	\$175,801	\$4,597,684	\$4,773,485
93.251	UNIVERSAL NEWBORN HEARING SCREENING	\$113,410	\$77,999	\$191,409
93.256	STATE PLANNING GRANTS HEALTH CARE ACCESS FOR THE UNINSURED	\$156,032	\$746,721	\$902,753
93.283	CENTERS FOR DISEASE CONTROL AND PREVENTION-INVESTIGATIONS AND TECHNICAL ASSISTANCE	\$6,970,493	\$2,747,177	\$9,717,670
93.301	SMALL RURAL HOSPITAL IMPROVEMENT GRANT PROGRAM	\$0	\$194,235	\$194,235
93.414	ARRA - STATE PRIMARY CARE OFFICES	\$32,466	\$20,885	\$53,351
93.505	AFFORDABLE CARE ACT (ACA) MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING PROGRAM	\$61,803	\$0	\$61,803
93.507	STRENGTHENING PUBLIC HEALTH INFRASTRUCTURE FOR IMPROVED HEALTH OUTCOMES	\$30,287	\$0	\$30,287
93.511	AFFORDABLE CARE ACT (ACA) GRANTS TO STATES FOR HEALTH INSURANCE PREMIUM REVIEW	\$55,192	\$0	\$55,192
93.518	AFFORDABLE CARE ACT - MEDICARE IMPROVEMENTS FOR PATIENTS AND PROVIDERS	\$0	\$200,627	\$200,627
93.519	AFFORDABLE CARE ACT (ACA) - CONSUMER ASSISTANCE PROGRAM GRANTS	\$17,958	\$0	\$17,958
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	\$92,124	\$14,109	\$106,233
93.525	STATE PLANNING AND ESTABLISHMENT GRANTS FOR THE AFFORDABLE CARE ACT (ACA)'S EXCHANGES	\$35,511	\$0	\$35,511
93.556	PROMOTING SAFE AND STABLE FAMILIES	\$2,381,106	\$540,060	\$2,921,166
93.560	FAMILY SUPPORT PAYMENTS TO STATES-ASSISTANCE PAYMENTS	(\$23,997)	\$0	(\$23,997)
93.563	CHILD SUPPORT ENFORCEMENT	\$27,535,719	\$0	\$27,535,719
93.563	ARRA - CHILD SUPPORT ENFORCEMENT	\$3,328,895	\$0	\$3,328,895
		<b>\$30,864,614</b>	<b>\$0</b>	<b>\$30,864,614</b>
93.566	REFUGEE AND ENTRANT ASSISTANCE-STATE ADMINISTERED PROGRAMS	\$46,814	\$96,229	\$143,043
93.568	LOW-INCOME HOME ENERGY ASSISTANCE	\$34,270,697	\$5,625,686	\$39,896,383
93.586	STATE COURT IMPROVEMENT PROGRAM	\$454,807	\$0	\$454,807
93.590	COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS	\$36,917	\$216,929	\$253,846
93.597	GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS	\$134,724	\$0	\$134,724

**STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FEDERAL GRANTOR LISTING  
FOR THE YEAR ENDING JUNE 30, 2011**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
93.599	CHAFEE EDUCATION AND TRAINING VOUCHERS PROGRAM (ETV)	\$331,367	\$29,732	\$361,099
93.603	ADOPTION INCENTIVE PAYMENTS	\$51,330	\$0	\$51,330
93.630	DEVELOPMENTAL DISABILITIES BASIC SUPPORT AND ADVOCACY GRANTS	\$278,728	\$651,413	\$930,141
93.643	CHILDREN'S JUSTICE GRANTS TO STATES	\$132,776	\$0	\$132,776
93.645	CHILD WELFARE SERVICES-STATE GRANTS	\$1,753,814	\$0	\$1,753,814
93.658	FOSTER CARE-TITLE IV-E	\$23,991,254	\$703,968	\$24,695,222
93.658	ARRA - FOSTER CARE-TITLE IV-E	\$920,186	\$0	\$920,186
		\$24,911,440	\$703,968	\$25,615,408
93.659	ADOPTION ASSISTANCE	\$17,271,819	\$0	\$17,271,819
93.659	ARRA - ADOPTION ASSISTANCE	\$733,769	\$0	\$733,769
		\$18,005,588	\$0	\$18,005,588
93.667	SOCIAL SERVICES BLOCK GRANT	\$10,086,676	\$0	\$10,086,676
93.669	CHILD ABUSE AND NEGLECT STATE GRANTS	\$219,173	\$69,970	\$289,143
93.671	FAMILY VIOLENCE PREVENTION AND SERVICES/GRANTS FOR BATTERED WOMEN'S SHELTERS-GRANTS TO STATES AND INDIAN TRIBES	\$0	\$941,291	\$941,291
93.674	CHAFEE FOSTER CARE INDEPENDENCE PROGRAM	\$360,496	\$571,033	\$931,529
93.717	ARRA - PREVENTING HEALTHCARE-ASSOCIATED INFECTIONS	\$48,435	\$0	\$48,435
93.719	ARRA - STATE GRANTS TO PROMOTE HEALTH INFORMATION TECHNOLOGY	\$437,758	\$0	\$437,758
93.721	ARRA - HEALTH INFORMATION TECHNOLOGY PROFESSIONALS IN HEALTH CARE	\$59,285	\$0	\$59,285
93.723	ARRA - PREVENTION AND WELLNESS-STATE, TERRITORIES AND PACIFIC ISLANDS	\$419,192	\$138,019	\$557,211
93.724	ARRA - PREVENTION AND WELLNESS - COMMUNITIES PUTTING PREVENTION TO WORK FUNDING OPPORTUNITIES ANNOUNCEMENT (FOA)	\$640,894	\$1,487,104	\$2,127,998
93.725	ARRA - COMMUNITIES PUTTING PREVENTION TO WORK: CHRONIC DISEASE SELF- MANAGEMENT PROGRAM	\$8,464	\$118,004	\$126,468
93.767	STATE CHILDREN'S INSURANCE PROGRAM	\$42,357,923	\$0	\$42,357,923
93.768	MEDICAID INFRASTRUCTURE GRANTS TO SUPPORT THE COMPETITIVE EMPLOYMENT OF PEOPLE WITH DISABILITIES	\$184,982	\$550,864	\$735,846
93.779	CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS) RESEARCH, DEMONSTRATIONS AND EVALUATIONS	\$139,646	\$522,905	\$662,551
93.791	MONEY FOLLOWS THE PERSON	\$2,451	\$113,696	\$116,147
93.793	MEDICAID TRANSFORMATION GRANTS	\$2,685,466	\$651,603	\$3,337,069
93.824	AREA HEALTH EDUCATION CENTERS INFRASTRUCTURE DEVELOPMENT AWARDS (NOTE 3)	\$55,129	\$0	\$55,129
93.887	HEALTH CARE AND OTHER FACILITIES	\$108,249	\$0	\$108,249
93.889	NATIONAL BIOTERRORISM HOSPITAL PREPAREDNESS PROGRAM	\$545,323	\$1,098,839	\$1,644,162
93.913	GRANTS TO STATES FOR OPERATION OF OFFICES OF RURAL HEALTH	\$111,547	\$61,267	\$172,814
93.917	HIV CARE FORMULA GRANTS	\$2,316,794	\$480,000	\$2,796,794
93.926	HEALTHY START INITIATIVE (NOTE 3)	\$184,581	\$0	\$184,581
93.938	COOPERATIVE AGREEMENTS TO SUPPORT COMPREHENSIVE SCHOOL HEALTH PROGRAMS TO PREVENT THE SPREAD OF HIV AND OTHER IMPORTANT HEALTH PROBLEMS	\$655,125	\$68,516	\$723,641
93.940	HIV PREVENTION ACTIVITIES-HEALTH DEPARTMENT BASED	\$926,591	\$733,920	\$1,660,511
93.944	HUMAN IMMUNODEFICIENCY VIRUS (HIV)/ACQUIRED IMMUNODEFICIENCY VIRUS SYNDROME (AIDS) SURVEILLANCE	\$118,358	\$0	\$118,358
93.946	COOPERATIVE AGREEMENTS TO SUPPORT STATE-BASED SAFE MOTHERHOOD AND INFANT HEALTH INITIATIVE PROGRAMS	\$109,699	\$0	\$109,699
93.958	BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES	\$488,224	\$1,875,406	\$2,363,630
93.959	BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	\$417,824	\$7,766,508	\$8,184,332
93.965	COAL MINERS RESPIRATORY IMPAIRMENT TREATMENT CLINICS AND SERVICES	\$109,986	\$1,432,613	\$1,542,599
93.969	GERIATRIC EDUCATION CENTERS (NOTE 3)	\$9,643	\$0	\$9,643
93.977	PREVENTIVE HEALTH SERVICES-SEXUALLY TRANSMITTED DISEASES CONTROL GRANTS	\$666,264	\$0	\$666,264
93.982	MENTAL HEALTH DISASTER ASSISTANCE AND EMERGENCY MENTAL HEALTH	\$1,063	\$127,928	\$128,991
93.991	PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	\$489,096	\$497,983	\$987,079
93.994	MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	\$4,914,889	\$1,306,744	\$6,221,633
NOTE 5Z	AGING CLUSTER	\$308,446	\$9,273,091	\$9,581,537
NOTE 5AA	IMMUNIZATION CLUSTER	\$1,128,990	\$988,175	\$2,117,165
NOTE 5AB	TANF CLUSTER	\$171,794,732	\$16,274,432	\$188,069,164
NOTE 5AC	CSBG CLUSTER	\$506,486	\$11,789,562	\$12,296,048
NOTE 5AD	CCDF CLUSTER	\$24,075,296	\$13,684,884	\$37,760,180
NOTE 5AE	HEAD START CLUSTER	\$38,678	\$117,064	\$155,742
NOTE 5AF	MEDICAID CLUSTER	\$2,258,860,201	\$3,384,692	\$2,262,244,893
050805WV5002	WAIVED LABS	\$6,926	\$0	\$6,926
0805WV5002	CLINICAL LABORATORY IMPROVEMENT AMENDMENTS	\$125,076	\$0	\$125,076
20020507251	VITAL STATISTICS COOP PROGRAM	\$125,187	\$0	\$125,187
200540049P	FOOD INSPECTIONS	\$41,246	\$0	\$41,246
223024448	MAMMOGRAPHY QUALITY ACT	\$53,622	\$0	\$53,622
280-06-1600	OLMSTEAD COMMUNITY INTEGRATION	\$0	\$5,659	\$5,659
93.293	NATIONAL CENTER FOR CHRONIC DISEASE PREV AND HEALTH PROMO-IMPROVING HEALTH AND EDUCATIONAL OUTCOMES OF YOUNG PEOPLE	(\$2,296)	\$0	(\$2,296)
93070	ADDRESSING ASTHMA	\$259,025	\$233,416	\$492,441
HHSF223200640090P/001	FEDERAL FOOD, DRUG AND COSMETIC ACT	\$901	\$0	\$901
HHS-N-285-2005-23641C	CHRONIC MIGRAINE TREATMENT TRIAL (CMTT) STUDY	\$536	\$0	\$536
HHSP23320074107EC	NATIONAL HEALTH INFORMATION NETWORK II (NHIN2)	(\$23,973)	\$0	(\$23,973)
SEOW	STATE EPIDEMIOLOGICAL OUTCOMES WORKGROUP	\$2,545	\$0	\$2,545
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		<b>\$2,654,666,993</b>	<b>\$100,979,284</b>	<b>\$2,755,646,277</b>

**STATE OF WEST VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FEDERAL GRANTOR LISTING  
FOR THE YEAR ENDING JUNE 30, 2011**

FEDERAL CFDA GRANT/CONTRACT NUMBER	NAME OF PROGRAM	STATE OF WEST VIRGINIA EXPENDITURES	TOTAL SUBRECIPIENT AWARDS	TOTAL FEDERAL EXPENDITURES
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
94.003	STATE COMMISSIONS	\$223,737	\$0	\$223,737
94.004	LEARN AND SERVE AMERICA-SCHOOL AND COMMUNITY BASED PROGRAMS	\$15,697	\$67,202	\$82,899
94.006	AMERICORPS	\$24,400	\$2,853,534	\$2,877,934
94.006	ARRA - AMERICORPS	\$0	\$29,355	\$29,355
		<u>\$24,400</u>	<u>\$2,882,889</u>	<u>\$2,907,289</u>
94.007	PROGRAM DEVELOPMENT AND INNOVATION GRANTS	\$14,814	\$16,328	\$31,142
94.009	TRAINING AND TECHNICAL ASSISTANCE	\$98,827	\$0	\$98,827
94.013	VOLUNTEERS IN SERVICE TO AMERICA	\$9,175	\$0	\$9,175
<u>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>		<u>\$386,650</u>	<u>\$2,966,419</u>	<u>\$3,353,069</u>
<u>SOCIAL SECURITY ADMINISTRATION</u>				
96.008	SOCIAL SECURITY: WORK INCENTIVES PLANNING AND ASSISTANCE PROGRAM	\$6,461	\$245,403	\$251,864
NOTE 5AG	DISABILITY INSURANCE/SSI CLUSTER	\$21,710,885	\$0	\$21,710,885
SS000860067	ENUMERATION AT BIRTH	\$44,708	\$0	\$44,708
<u>TOTAL SOCIAL SECURITY ADMINISTRATION</u>		<u>\$21,762,054</u>	<u>\$245,403</u>	<u>\$22,007,457</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
97.001	PILOT DEMONSTRATION OR EARMARKED PROJECTS	\$0	\$279,202	\$279,202
97.007	HOMELAND SECURITY PREPAREDNESS TECHNICAL ASSISTANCE PROGRAM	\$113,688	\$0	\$113,688
97.012	BOATING SAFETY FINANCIAL ASSISTANCE	\$999,444	\$0	\$999,444
97.023	COMMUNITY ASSISTANCE PROGRAM-STATE SUPPORT SERVICES ELEMENT (CAP-SSSE)	\$153,924	\$0	\$153,924
97.029	FLOOD MITIGATION ASSISTANCE	\$1,044,995	\$0	\$1,044,995
97.036	DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS)	\$10,348,940	\$5,755,071	\$16,104,011
97.039	HAZARD MITIGATION GRANT	\$0	\$1,179,761	\$1,179,761
97.041	NATIONAL DAM SAFETY PROGRAM	\$35,164	\$15,890	\$51,054
97.042	EMERGENCY MANAGEMENT PERFORMANCE GRANTS	\$1,259,935	\$2,277,211	\$3,537,146
97.045	COOPERATING TECHNICAL PARTNERS	\$31,480	\$0	\$31,480
97.050	PRESIDENTIAL DECLARED DISASTER ASSISTANCE TO INDIVIDUALS AND HOUSEHOLDS_ OTHER NEEDS	\$337,049	\$1	\$337,050
97.056	PORT SECURITY GRANT PROGRAM	\$0	\$77,275	\$77,275
97.070	MAP MODERNIZATION MANAGEMENT SUPPORT	\$29,436	\$0	\$29,436
97.078	BUFFER ZONE PROTECTION PROGRAM (BZPP)	\$338,342	\$237,876	\$576,218
97.110	SEVERE REPETITIVE LOSS PROGRAM	\$243,035	\$0	\$243,035
97.111	REGIONAL CATASTROPHIC PREPAREDNESS GRANT PROGRAM	\$0	\$498,531	\$498,531
NOTE 5AH	HOMELAND SECURITY CLUSTER	\$90,772	\$5,048,512	\$5,139,284
<u>TOTAL DEPARTMENT OF HOMELAND SECURITY</u>		<u>\$15,026,204</u>	<u>\$15,369,330</u>	<u>\$30,395,534</u>
<u>MULTIPLE FEDERAL AGENCY CLUSTER</u>				
NOTE 5K	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$514,458,102	\$10,313,980	\$524,772,082
NOTE 5AI	STUDENT FINANCIAL ASSISTANCE CLUSTER	\$648,067,493	\$0	\$648,067,493
NOTE 5AJ	RESEARCH AND DEVELOPMENT CLUSTER	\$3,545,931	\$74,968	\$3,620,899
<u>TOTAL MULTIPLE FEDERAL AGENCY CLUSTER</u>		<u>\$1,166,071,526</u>	<u>\$10,388,948</u>	<u>\$1,176,460,474</u>
<u>TOTAL EXPENDITURES OF FEDERAL AWARDS</u>		<u>\$5,463,362,396</u>	<u>\$799,411,239</u>	<u>\$6,262,773,635</u>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 1. BASIS OF ACCOUNTING**

The Schedule of Expenditures of Federal Awards (the Schedule) has been prepared on the cash basis of accounting except for the federal awards expended from the U.S. Department of Transportation, which are presented on the accrual basis. 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, then federal contract numbers, and then state assigned numbers. Federal contract numbers are used if the CFDA number is not available. Numbers were assigned to awards that had no identifying numbers as listed in Note 7.

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 Family Education Loans (CFDA number 84.032) and Federal Direct Student Loans (Direct Loan) (CFDA number 84.268) that are made directly to individual students.

**NOTE 2. REPORTING ENTITY**

The Schedule includes various departments, agencies, boards and commissions governed by the legislature, judiciary and/or constitutional officers of the State of West Virginia (the State). The reporting entity also includes the State's institutions of public higher education. Certain institutions of higher education within the State maintain separate research corporations. These corporations receive various federal awards for research and development and other programs. Each of the research corporations has a

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 2. REPORTING ENTITY (Continued)**

separate audit performed in accordance with OMB Circular A-133, and accordingly, a separate A-133 submission has been made (see Note 6).

The Schedule does not include federal funds received and expended by certain independent authorities and other organizations included in the reporting entity under the criteria of the Governmental Accounting Standards Board, as described in Note 1 to the State's basic financial statements published in the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. The West Virginia Housing Development Fund and the West Virginia Educational Broadcasting Authority and Affiliates, which are discretely presented component units, elect to have their own single audit and their own schedule of expenditures of federal awards. These component units are required to submit their own single audit report to the federal audit clearinghouse.

**NOTE 3. INDIRECT/PASS-THROUGH FEDERAL FUNDS**

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

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

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 4. UNEMPLOYMENT INSURANCE PROGRAM (UI)  
(CFDA NUMBER 17.225)**

The U.S. Department of Labor, in consultation with the Office of Management and Budget officials, has determined that for the purpose of audits and reporting under OMB Circular A-133, state UI funds as well as federal funds should be considered federal awards for determining Type A programs. The State receives federal funds for administrative purposes. State unemployment taxes must be deposited to a state account in the Federal Unemployment Trust Fund, used only to pay benefits under the federally approved state law. State UI funds as well as federal funds are included on the Schedule. The following schedule provides a breakdown of the state and federal portions of the total expended under CFDA number 17.225:

	<b>Beginning Balance July 1, 2010</b>	<b>Receipts</b>	<b>Expenditures</b>	<b>Ending Balance June 30, 2011</b>
State UI Funds	\$ (63,699)	\$428,456,345	\$428,155,872	\$ 236,774
Federal UI Funds	<u>1,666,402</u>	<u>259,967,211</u>	<u>259,663,744</u>	<u>1,969,869</u>
Total	<u>\$1,602,703</u>	<u>\$688,423,556</u>	<u>\$687,819,616</u>	<u>\$2,206,643</u>

**NOTE 5. PROGRAM CLUSTERS**

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

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5. PROGRAM CLUSTERS (Continued)**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(A) SNAP Cluster</b>			
USDA	10.551	Supplemental Nutrition Assistance Program (SNAP)	\$495,776,875
	10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Program	15,326,121
	10.561	ARRA - State Administrative Matching Grants for Supplemental Nutrition Assistance Program	<u>833,143</u>
		Total State Administrative Matching Grants for Supplemental Nutrition Assistance Program	<u>16,159,264</u>
		<b>Total SNAP Cluster</b>	<u><u>\$511,936,139</u></u>
<b>(B) Child Nutrition Cluster</b>			
USDA	10.553	School Breakfast Program (SBP)	\$19,553,292
	10.555	National School Lunch Program (NSLP)	55,386,276
	10.556	Special Milk Program for Children (SMP)	30,837
	10.559	Summer Food Service Program for Children (SFSPC)	<u>2,239,044</u>
		<b>Total Child Nutrition Cluster</b>	<u><u>\$77,209,449</u></u>
<b>(C) Emergency Food Assistance Cluster</b>			
USDA	10.568	Emergency Food Assistance Program (Administrative Costs)	\$ 347,797
	10.568	ARRA - Emergency Food Assistance Program (Administrative Costs)	<u>223,074</u>
		Total Emergency Food Assistance Program (Administrative Costs)	570,871

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5. PROGRAM CLUSTERS (Continued)**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(C) Emergency Food Assistance Cluster (Continued)</b>			
	10.569	Emergency Food Assistance Program (Food Commodities)	4,074,578
		<b>Total Emergency Food Assistance Cluster</b>	<u>\$4,645,449</u>
<b>(D) Schools and Roads Cluster</b>			
USDA	10.665	Schools and Roads - Grants to States	\$2,193,262
		<b>Total Schools and Roads Cluster</b>	<u>\$2,193,262</u>
<b>(E) Economic Development Cluster</b>			
DOC	11.307	Economic Adjustment Assistance	\$336,348
		<b>Total Economic Development Cluster</b>	<u>\$336,348</u>
<b>(F) CDBG – State-Administered CDBG Cluster</b>			
HUD	14.228	Community Development Block Grants/ State’s Program and Non-Entitlement Grants in Hawaii (State Administered Small Cities Program)	\$30,787,761



**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5. PROGRAM CLUSTERS (Continued)**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(F) CDBG – State-Administered CDBG Cluster (Continued)</b>			
	14.255	Community Development Block Grants/ State’s Program and Non-Entitlement Grants in Hawaii (Recovery Act Funded) (State Administered Small Cities Program)	<u>1,545,387</u>
		<b>Total CDBG – State-Administered CDBG Program Cluster</b>	<u><u>\$32,333,148</u></u>
<b>(G) Fish and Wildlife Cluster</b>			
DOI	15.605	Sport Fish Restoration Program	\$3,383,478
	15.611	Wildlife Restoration	<u>3,608,890</u>
		<b>Total Fish and Wildlife Cluster</b>	<u><u>\$6,992,368</u></u>
<b>(H) JAG Program Cluster</b>			
DOJ	16.803	ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	<u>2,830,141</u>
		<b>Total JAG Program Cluster</b>	<u><u>\$2,830,141</u></u>
<b>(I) Employment Service Cluster</b>			
DOL	17.207	Employment Service	\$6,263,663
	17.207	ARRA - Employment Service	<u>774,415</u>
		<b>Total Employment Service Cluster</b>	7,038,078

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5. PROGRAM CLUSTERS (Continued)**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(I) Employment Service Cluster (Continued)</b>			
	17.801	Disabled Veterans' Outreach Program (DVOP)	388,263
	17.804	Local Veterans' Employment Representative Program (LVER)	<u>591,543</u>
		<b>Total Employment Service Cluster</b>	<u><u>\$8,017,884</u></u>
<b>(J) WIA Cluster</b>			
DOL	17.258	WIA Adult Program	\$ 5,285,793
	17.258	ARRA - WIA Adult Program	<u>568,380</u>
		Total WIA Adult Program	5,854,173
	17.259	WIA Youth Activities	3,936,506
	17.259	ARRA - WIA Youth Activities	<u>890,735</u>
		Total WIA Youth Activities	4,827,241
	17.260	WIA Dislocated Workers	1,460,839
	17.260	ARRA - WIA Dislocated Workers	<u>1,157,771</u>
		Total WIA Dislocated Workers	2,618,610
		<b>Total WIA Cluster</b>	<u><u>\$13,300,024</u></u>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5. PROGRAM CLUSTERS (Continued)**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(K) Highway Planning and Construction Cluster</b>			
DOT	20.205	Highway Planning and Construction	\$390,384,015
	20.205	ARRA - Highway Planning and Construction	<u>75,938,702</u>
		Total Highway Planning and Construction	466,322,717
	20.219	Recreational Trails Program	742,481
ARC	23.003	Appalachian Development Highway System	<u>57,706,884</u>
		<b>Total Highway Planning and Construction Cluster</b>	<u><u>\$524,772,082</u></u>
<b>(L) Federal Transit Cluster</b>			
DOT	20.500	Federal Transit Capital Investment Grants	<u>\$3,637,385</u>
		<b>Total Federal Transit Cluster</b>	<u><u>\$3,637,385</u></u>
<b>(M) Transit Services Programs Cluster</b>			
DOT	20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	\$1,627,279
	20.516	Job Access - Reverse Commute Program	363,250
	20.521	New Freedom Program	<u>311,158</u>
		<b>Total Transit Services Programs Cluster</b>	<u><u>\$2,301,687</u></u>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5. PROGRAM CLUSTERS (Continued)**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(N) Highway Safety Cluster</b>			
DOT	20.600	State and Community Highway Safety	\$1,729,378
	20.601	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	1,268,058
	20.609	Safety Belt Performance Grants	1,112,993
	20.610	State Traffic Safety Information System Improvements Grants	91,517
	20.611	Incentive Grant Program to Prohibit Racial Profiling	96,825
	20.612	Incentive Grant Program to Increase Motorcyclist Safety	101,782
	20.613	Child Safety and Child Booster Seat Incentive Grants	<u>130,995</u>
		<b>Total Highway Safety Cluster</b>	<u><u>\$4,531,548</u></u>
<b>(O) Title 1, Part A Cluster</b>			
ED	84.010	Title 1 Grants to Local Educational Agencies (Title 1, Part A of the ESEA)	\$ 88,918,467
	84.389	ARRA - Title 1 Grants to Local Educational Agencies, Recovery Act	<u>23,437,575</u>
		<b>Total Title 1, Part A Cluster</b>	<u><u>\$112,356,042</u></u>
<b>(P) Special Education Cluster (IDEA)</b>			
ED	84.027	Special Education - Grants to States (IDEA, Part B)	\$ 71,890,118
	84.173	Special Education - Preschool Grants (IDEA Preschool)	3,457,248

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5. PROGRAM CLUSTERS (Continued)**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(P) Special Education Cluster (IDEA) (Continued)</b>			
	84.391	ARRA - Special Education - Grants to States (IDEA, Part B), Recovery Act	27,157,306
	84.392	ARRA - Special Education - Preschool Grants (IDEA Preschool), Recovery Act	<u>1,179,319</u>
		<b>Total Special Education Cluster (IDEA)</b>	<u><u>\$103,683,991</u></u>
<b>(Q) TRIO Cluster</b>			
ED	84.042	TRIO - Student Support Services	\$1,846,271
	84.044	TRIO - Talent Search	236,753
	84.047	TRIO - Upward Bound	1,829,275
	84.066	TRIO - Educational Opportunity Centers	318,820
	84.217	TRIO - McNair Post-Baccalaureate Achievement	<u>497,115</u>
		<b>Total TRIO Cluster</b>	<u><u>\$4,728,234</u></u>
<b>(R) Vocational Rehabilitation Cluster</b>			
ED	84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	\$38,165,921
	84.390	ARRA - Rehabilitation Services - Vocational Rehabilitation Grants to States, Recovery Act	<u>2,595,239</u>
		<b>Total Vocational Rehabilitation Cluster</b>	<u><u>\$40,761,160</u></u>
<b>(S) Independent Living State Grants Cluster</b>			
ED	84.169	Independent Living - State Grants	\$108,174
	84.398	ARRA - Independent Living - State Grants, Recovery Act	<u>60,728</u>
		<b>Total Independent Living State Grants Cluster</b>	<u><u>\$168,902</u></u>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5. PROGRAM CLUSTERS (Continued)**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(T) Independent Living Services for Older Individuals Who Are Blind Cluster</b>			
ED	84.177	Independent Living Services for Older Individuals Who Are Blind	\$195,914
	84.399	ARRA - Independent Living Services for Older Individuals Who Are Blind, Recovery Act	<u>56,810</u>
		<b>Total Independent Living Services for Older Individuals Who Are Blind Cluster</b>	<u><u>\$252,724</u></u>
<b>(U) Early Intervention Services (IDEA) Cluster</b>			
ED	84.181	Special Education - Grants for Infants and Families	\$2,227,429
	84.393	ARRA - Special Education - Grants for Infants and Families, Recovery Act	<u>1,343,722</u>
		<b>Total Early Intervention Services (IDEA) Cluster</b>	<u><u>\$3,571,151</u></u>
<b>(V) Education of Homeless Children and Youth Cluster</b>			
ED	84.196	Education for Homeless Children and Youth	\$323,527
	84.387	ARRA - Education for Homeless Children and Youth, Recovery Act	<u>133,503</u>
		<b>Total Education of Homeless Children and Youth Cluster</b>	<u><u>\$457,030</u></u>
<b>(W) Educational Technology State Grants Cluster</b>			
ED	84.318	Education Technology State Grants (Enhancing Education through Technology Program)	\$1,985,413
	84.386	ARRA - Education Technology State Grants, Recovery Act (Enhancing Education through Technology Program)	<u>2,307,696</u>
		<b>Total Educational Technology State Grants Cluster</b>	<u><u>\$4,293,109</u></u>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5. PROGRAM CLUSTERS (Continued)**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(X) School Improvement Grants Cluster</b>			
ED	84.377	School Improvement Grants	\$ 868,416
	84.388	ARRA - School Improvement Grants, Recovery Act	<u>2,819,693</u>
		<b>Total School Improvement Grants Cluster</b>	<u><u>\$3,688,109</u></u>
<b>(Y) State Fiscal Stabilization Fund Cluster</b>			
ED	84.394	ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)	\$112,972,183
	84.397	ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	<u>24,314,798</u>
		<b>Total State Fiscal Stabilization Fund Cluster</b>	<u><u>\$137,286,981</u></u>
<b>(Z) Aging Cluster</b>			
HHS	93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	\$2,862,629
	93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services	4,836,192
	93.053	Nutrition Services Incentive Program	<u>1,882,716</u>
		<b>Total Aging Cluster</b>	<u><u>\$9,581,537</u></u>
<b>(AA) Immunization Cluster</b>			
HHS	93.268	Immunization	\$1,682,082
	93.712	ARRA - Immunization	<u>435,083</u>
		<b>Total Immunization Cluster</b>	<u><u>\$2,117,165</u></u>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5. PROGRAM CLUSTERS (Continued)**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(AB) TANF Cluster</b>			
HHS	93.558	Temporary Assistance for Needy Families (TANF) State Programs	\$151,671,915
	93.714	ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs, Recovery Act	<u>36,397,249</u>
		<b>Total TANF Cluster</b>	<u><u>\$188,069,164</u></u>
<b>(AC) CSBG Cluster</b>			
HHS	93.569	Community Services Block Grants	\$ 8,169,701
	93.710	ARRA - Community Services Block Grants	<u>4,126,347</u>
		<b>Total CSBG Cluster</b>	<u><u>\$12,296,048</u></u>
<b>(AD) CCDF Cluster</b>			
HHS	93.575	Child Care and Development Block Grant	\$13,951,326
	93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	18,421,001
	93.713	ARRA - Child Care and Development Block Grant	<u>5,387,853</u>
		<b>Total CCDF Cluster</b>	<u><u>\$37,760,180</u></u>
<b>(AE) Head Start Cluster</b>			
HHS	93.600	Head Start	\$118,879
	93.708	ARRA - Head Start, Recovery Act	<u>36,863</u>
		<b>Total Head Start Cluster</b>	<u><u>\$155,742</u></u>



**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5. PROGRAM CLUSTERS (Continued)**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(AF) Medicaid Cluster</b>			
HHS	93.775	State Medicaid Fraud Control Units	\$ 819,906
	93.777	State Survey and Certification of Health Care Providers and Suppliers	3,381,195
	93.778	Medical Assistance Program (Medicaid)	2,131,918,573
	93.778	ARRA - Medical Assistance Program (Medicaid)	<u>126,125,219</u>
		Total Medical Assistance Program	<u>2,258,043,792</u>
		<b>Total Medicaid Cluster</b>	<u><u>\$2,262,244,893</u></u>
<b>(AG) Disability Insurance/SSI Cluster</b>			
SSA	96.001	Social Security - Disability Insurance	<u>\$21,710,885</u>
		<b>Total Disability Insurance/SSI Cluster</b>	<u><u>\$21,710,885</u></u>
<b>(AH) Homeland Security Cluster</b>			
DHS	97.067	Homeland Security Grant Program	<u>\$5,139,284</u>
		<b>Total Homeland Security Cluster</b>	<u><u>\$5,139,284</u></u>
<b>(AI) Student Financial Assistance Cluster</b>			
ED	84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)	\$ 3,789,908
	84.032	Federal Family Education Loans (FFEL)	10,470,790
	84.033	Federal Work-Study Program (FWS)	3,481,805

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5. PROGRAM CLUSTERS (Continued)**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(AI) Student Financial Assistance Cluster (Continued)</b>			
	84.038	Federal Perkins Loans (FPL) - Federal Capital Contributions	6,320,905
	84.063	Federal Pell Grant Program (PELL)	155,199,151
	84.268	Federal Direct Student Loans (Direct Loan)	463,662,979
	84.375	Academic Competitiveness Grants (ACG)	2,208,459
	84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants (SMART Grants)	1,641,225
	84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	<u>449,067</u>
		Subtotal Department of Education	<u>647,224,289</u>
HHS	93.342	Health Professions Student Loans, including Primary Care Loans and Loans for Disadvantaged Students (HPSL/PCL/LDS)	20,250
	93.364	Nursing Student Loans (NSL)	548,360
	93.407	ARRA - Scholarships for Disadvantage Students (ARRA - SDS)	111,013
	93.925	Scholarships for Disadvantaged Students (SDS)	<u>163,581</u>
		Subtotal Department of Health and Human Services	<u>843,204</u>
		<b>Total Student Financial Assistance Cluster (Expenditures Only)</b>	<b><u>648,067,493</u></b>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 5. PROGRAM CLUSTERS (Continued)**

<u>Federal Agency</u>	<u>CFDA Number</u>	<u>Name of Program</u>	<u>Total Expenditures</u>
<b>(AI) Student Financial Assistance Cluster (Continued)</b>			
Loans outstanding, with continuing compliance requirements, are as follows:			
	84.038	FPL	46,792,235
	93.342	HPSL	5,928,145
	93.364	NSL	<u>678,716</u>
		Total Loans Outstanding	<u>53,399,096</u>
		<b>Total Student Financial Assistance Cluster</b>	<b><u>\$701,466,589</u></b>
	<u>Federal CFDA Number</u>	<u>Federal Grantor/Pass-Through Grantor/Program</u>	<u>Federal Expenditures</u>
<b>(AJ) Research and Development Cluster</b>			
<b>Department of Agriculture</b>			
	10.202	Cooperative Forestry Research	\$ 469,377
	10.203	Payments to Agricultural Experiment Station Under the Hatch Act	<u>2,807,089</u>
		<b>Total Department of Agriculture</b>	<b><u>3,276,466</u></b>
<b>Department of Energy</b>			
	81.087	Renewable Energy Research and Development	219,202
	81.089	Fossil Energy Research and Development	<u>125,231</u>
		<b>Total Department of Energy</b>	<b><u>344,433</u></b>
		<b>Total Research and Development Cluster</b>	<b><u>\$3,620,899</u></b>

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 6. COMPONENT UNITS**

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

West Virginia University Research Corporation (Issued by Deloitte & Touche LLP dated November 28, 2011)	<u>\$ 81,973,683</u>
Marshall University Research Corporation (Issued by Deloitte & Touche LLP dated October 11, 2011)	<u>\$ 40,203,268</u>
West Virginia State Research Corporation (Issued by Deloitte & Touche LLP dated February 22, 2012)	<u>\$ 7,906,663</u>
West Virginia Housing Development Fund (Issued by Gibbons & Kawash dated August 31, 2011)	<u>\$ 73,475,477</u>

**NOTE 7. MISCELLANEOUS PROGRAMS**

The following numeric references indicate that no CFDA number was available for publication. These expenditure amounts consist of numerous small grants. The individual grant information is not readily available. Therefore, a reference WV plus sequenced numbering is assigned for identification purposes.

<u>Reference Number</u>	<u>Program Name</u>	<u>State Agency</u>	<u>Federal Agency</u>
WV-1	Purdue Pharma Settlement	Justice and Community Services Division of Juvenile Services Division of Public Safety Department of Health Supreme Court of Appeals	Department of Justice
WV-2	Equitable Sharing Program-Justice	Division of Public Safety	Department of Justice
WV-3	Equitable Sharing Program-Treasury	Division of Public Safety	Department of the Treasury
WV-4	Miscellaneous Federal Award Programs	Department of Environmental Protection	Environmental Protection Agency
WV-5	Petroleum Violation Escrow Funds	Department of Energy and Higher Education	Department of Energy

**STATE OF WEST VIRGINIA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE 8. SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM  
(SNAP)**

The reported expenditures for benefits under the SNAP (CFDA No. 10.551) are supported by both regularly appropriated funds and incremental funding made available under section 101 of the American Recovery and Reinvestment Act of 2009. The portion of the total expenditures for SNAP benefits that is supported by Recovery Act funds varies according to fluctuations in the cost of the Thrifty Food Plan, and to changes in participating household's income, deductions, and assets. This condition prevents USDA from obtaining the regular and Recovery Act components of SNAP benefits expenditures through normal program reporting processes. As an alternative, USDA has computed a weighted average percentage to be applied to the national aggregate SNAP benefits provided to households in order to allocate an appropriate portion thereof to Recovery Act funds. This methodology generates valid results at the national aggregate level but not at the individual State level. Therefore, we cannot validly disaggregate the regular and Recovery Act components of our reported expenditures for SNAP benefits. At the national aggregate level, however, Recovery Act funds account for 16.55 percent of USDA's total expenditures for SNAP benefits in the Federal fiscal year ended September 30, 2011.

---

***FINDINGS,  
QUESTIONED COSTS,  
AND  
MANAGEMENT  
RESPONSES***

---

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2011**

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

**Financial statements section:**

Type of auditors' report issued (unqualified, qualified, adverse or disclaimer):

Unqualified, with reliance on other auditors

Internal control over financial reporting:

Material weakness(es) identified?

<u>  X  </u>	Yes	<u>        </u>	No
<u>        </u>	Yes	<u>  X  </u>	None Reported

Significant deficiency(ies) identified?

<u>        </u>	Yes	<u>  X  </u>	No
-----------------	-----	--------------	----

Noncompliance material to financial statements noted?

**Federal awards section:**

Internal control over major programs:

Material weakness(es) identified?

<u>  X  </u>	Yes	<u>        </u>	No
<u>  X  </u>	Yes	<u>        </u>	None Reported

Significant deficiency(ies) identified?

Type of auditors' report issued on compliance for major programs (unqualified, qualified, adverse or disclaimer):

Unqualified for all major programs except for the Foster Care—Title IV–E, \$131.3 million of the State Fiscal Stabilization Fund Cluster, ARRA-Broadband Technology Opportunities Program, Weatherization Assistance for Low-Income Persons, Disaster Grants – Public Assistance (Presidentially Declared Disasters), Abandoned Mine Land Reclamation (AMLR) Program, Low-Income Home Energy Assistance programs, the Highway Planning and Construction Cluster and the Student Financial Assistance Cluster, which were qualified.

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?

<u>  X  </u>	Yes	<u>        </u>	No
--------------	-----	-----------------	----

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**Identification of Major Programs**

**Audited by Ernst & Young:**

<b>CFDA Number(s)</b>	<b>Reportable Findings</b>	<b>Name of Federal Program or Cluster</b>
10.551/10.561*	2011-7, 46, 47	SNAP Cluster
10.557	2011-7, 9	Special Supplemental Nutrition Program for Women, Infants and Children
11.557*	2011-6, 10, 11, 12	ARRA-Broadband Technology Opportunities Program
12.400*	None	Military Construction, National Guard
14.228/14.255*	2011-5, 13	CDBG – State Administered Small Cities Program Cluster
15.252	2011-14	Abandoned Mine Land Reclamation (AMLR) Program
17.225*	2011-15	Unemployment Insurance
20.205*/20.219/ 23.003	2011-5, 7	Highway Planning and Construction Cluster
66.468*,#	None	Capitalization Grants for Drinking Water State Revolving Fund
81.042*	2011-6, 16, 17	Weatherization Assistance for Low-Income Persons
84.007/84.032/ 84.033/84.037/ 84.038/84.063/ 84.268/84.375/ 84.376/84.379/ 84.408/93.264/ 93.342/93.364/ 93.407/93.408/ 93.925	2011-18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36	Student Financial Assistance Cluster
84.010/84.389*	None	Title I, Part A Cluster
84.027/84.173/ 84.391*/84.392*	None	Special Education Cluster (IDEA)
84.126/84.390*	2011-37, 38	Vocational Rehabilitation Cluster
84.367	None	Improving Teacher Quality State Grants
84.394*/84.397*,^	2011-5, 6, 8, 39, 40	State Fiscal Stabilization Fund Cluster
93.558/93.714*	2011-7, 42, 43, 44, 45, 46, 47	TANF Cluster
93.563*	2011-47, 48, 49	Child Support Enforcement
93.568	2011-46, 47, 50	Low-Income Home Energy Assistance
93.575/93.596/ 93.713*	2011-46, 47, 51, 52	CCDF Cluster
93.658*	2011-46, 47, 53, 54	Foster Care—Title IV-E
93.767	2011-46, 55, 56	State Children’s Health Insurance Program
93.775/93.777/ 93.778*	2011-46, 47, 57	Medicaid Cluster
97.036	2011-8, 58, 59	Disaster Grants – Public Assistance (Presidentially Declared Disasters)





**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**Part II. Financial Statement Findings Section**

<b>Reference Number</b>	<b>Findings</b>	<b>Questioned Costs</b>
2011-1	Capital Assets	N/A
2011-2	Tax Reconciliation and Tax Refunds Payable	N/A
2011-3	Commitments and Contingencies	N/A
2011-46*	DHHR Information System and Related Business Process Controls	N/A

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

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

<b>Reference Number</b>	<b>Findings</b>	<b>Questioned Costs</b>
2011-4	Schedule of Expenditures of Federal Awards	N/A
2011-5*	1512 Reporting	N/A
2011-6*	Subrecipient Monitoring – American Recovery and Reinvestment Act	N/A
2011-7	Transparency Act Reporting	Unknown
2011-8*	Subrecipient Identification on Schedule of Expenditures of Federal Awards	N/A
2011-9	FNS Review	Unknown
2011-10*	Schedule of Expenditures of Federal Awards	N/A
2011-11*	Cash Management	Unknown
2011-12*	Subrecipient Monitoring	Unknown
2011-13*	Reporting – Internal Control and Compliance	N/A
2011-14	Subrecipient Monitoring – Audit Reports	Unknown
2011-15*	Internal Controls Over Reporting	N/A
2011-16*	Financial Reporting	N/A
2011-17*	Subrecipient Cash Management	Unknown
2011-18	Cash Management	\$383
2011-19	Fiscal Operations Report and Application to Participate	N/A
2011-20	Schedule of Expenditures of Federal Awards	N/A
2011-21	Return of Title IV Funds	N/A
2011-22	Special Tests and Provisions – Enrollment Reporting	N/A
2011-23	Cash Management	N/A
2011-24	Borrower Data Transmission and Reconciliation	N/A
2011-25	Schedule of Expenditures of Federal Awards	N/A
2011-26	Schedule of Expenditures of Federal Awards	N/A
2011-27	Special Tests and Provisions – Enrollment Reporting	N/A
2011-28	Schedule of Expenditures of Federal Awards	N/A
2011-29	Matching	\$10,030
2011-30	Schedule of Expenditures of Federal Awards	N/A
2011-31	Special Tests and Provisions – Borrower Data Transmission and Reconciliation	N/A
2011-32	Special Tests and Provisions – Loan Defaults	N/A
2011-33	Fiscal Operations Report and Application to Participate	N/A
2011-34	Schedule of Expenditures of Federal Awards	N/A
2011-35	Earmarking	N/A
2011-36	Fiscal Operations Report and Application to Participate	N/A
2011-37*	Reporting	N/A
2011-38*	Physical Inventory Count	Unknown
2011-39*	Cash Management	Unknown
2011-40*	Lack of Supporting Documentation	Unknown
2011-41	Program Income	\$219,410
2011-42*	Eligibility	Unknown
2011-43*	Eligibility and Supporting Documents	\$460
2011-44*	Special Tests and Provisions – Sanctions	Unknown

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

<b>Reference Number</b>	<b>Findings</b>	<b>Questioned Costs</b>
2011-45*	Reporting	Unknown
2011-46*	DHHR Information System and Related Business Process Controls	N/A
2011-47*	Time and Attendance Authorization Procedures	Unknown
2011-48*	Interstate Case	Unknown
2011-49*	Medical Support Enforcement	Unknown
2011-50	Allowability and Eligibility	\$327
2011-51*	Disaster Recovery Plan	N/A
2011-52*	Reporting	N/A
2011-53*	Eligibility Requirements	\$25,799
2011-54*	Allowability and Eligibility	Unknown
2011-55	Eligibility	\$160.65
2011-56	Reporting	N/A
2011-57*	Quality Control Error Rate	Unknown
2011-58	Subrecipient Monitoring	Unknown
2011-59	Subrecipient Cash Management Monitoring	Unknown

\* Finding 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, 2011**

**2011-1 CAPITAL ASSETS**  
**(Prior Year Finding 2010-2)**

**State Agency**  
Various

**Criteria:** As stated in the Capital Asset Policies Manual, “Agencies are required to complete an annual Inventory Certification Cover Sheet and submit to the Purchasing Division by July 15 of every year.” This control procedure is used by the Financial Accounting and Reporting Section to require the agencies to certify the existence of assets purchased and the accuracy of the agency’s capital assets that are reported in the State’s Comprehensive Annual Financial Report (CAFR).

Also, the West Virginia Purchasing Division guidelines state, in part:

“... any item which has an original acquisition cost of \$1,000 or more and useful life of one year or more is required to be entered into the West Virginia Financial Information Management System (WVFIMS) Fixed Asset System.

All equipment over \$1,000 will have a numbered equipment identification tag ... tags are to be placed on all items of property/equipment in such a manner that it can easily be seen and read.

All fields are required in WVFIMS as it applies to the equipment ... tag number, item description, serial number ....” Agencies are responsible for maintaining equipment from date of purchase to date of retirement, such as keeping equipment secure, entering assets into WVFIMS, conducting physical inventories, submitting annual certification, retiring assets properly, etc., all in accordance with policies and procedures.

**Condition:** Based on our procedures, we noted the following instances of noncompliance with State equipment policies and procedures:

In our sample test of 25, 5 capital asset certification letters were not received in a timely manner and 2 certification letters were not received as of our testing date. In addition one organization had not performed an inventory within the last three years which is required of all agency-owned assets.

In our capital asset addition testing, we identified capital asset additions of \$19.9 million, net of \$1.4 million in accumulated depreciation, that should have been capitalized in 2010 and prior. In addition, we identified a 2011 capital asset disposal net of accumulated depreciation of \$2.6 million that should have been expensed as of June 30, 2010.

**Questioned Costs:** N/A

**Context:** Capital assets recorded in governmental activities of the primary government were \$9.1 billion at June 30, 2011.

**Cause:** Management indicated that capital asset guideline noncompliance was due to staffing limitations and lack of training and knowledge related to compliance requirements. Because of decentralization of the capital asset management process, additions or deletions might not be reported in the WVFIMS Fixed Asset System and ultimately not reported in the CAFR timely.

**Effect:** The deficiencies noted in the controls over capital assets could result in capital assets not being recorded or depreciated in the CAFR. Deficient controls could result in increased risk of theft, especially for portable electronic items (e.g., computers, cameras).

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2011**

**2011-1 CAPITAL ASSETS**  
**(Prior Year Finding 2010-2) (continued)**

**State Agency**  
Various

**Recommendation:** In order to safeguard assets from unauthorized use or disposition and enhance the reliability of the capital asset amounts reported in the financial statements, we recommend that procedures be implemented to ensure that the capital assets policies and guidelines are adhered to by State agencies. Periodic training covering general procedures as well as focused training in deficient areas should be considered to enhance compliance.

**Views of Responsible Officials and Planned Corrective Actions:** Capital asset policies and procedures are included in GAAP training every spring. An additional class has also been added to the agenda for the State Auditor's Office annual training. West Virginia State Code requires all computers and firearms be added to the fixed asset system regardless of cost, since these types of assets are more susceptible to theft. The Purchasing Division has implemented additional procedures to ensure that agencies are complying with asset certification regulations. Additional procedures have been implemented; reviewing the budgeted capital expenditures to each agency's actual assets added.

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2011**

**2011–2 TAX RECONCILIATION AND TAX REFUNDS PAYABLE**

**State Agency**

Department of Revenue (Revenue) and Financial  
Accounting and Reporting Section (FARS)

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

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

- During our tax refunds payable testing, we concluded that the estimated liability for corporate income taxes was understated. Thus, several adjustments were proposed and overall tax refunds payable were increased by \$39.9 million at the general fund level.
- We noted that reconciliation of the Tax subledger (GenTax) to the tax receipts reported in WVFIMS (general ledger) is part of the routine process, but it is only performed once a year. In addition, while the reconciliation was prepared and reviewed, indication of this review was not properly documented.

**Questioned Costs:** N/A

**Context:** The total tax revenue for the year ended June 30, 2011, is approximately \$4.8 billion. Taxes receivable and tax refunds payable approximated \$460.0 million and \$295.7 million, respectively, at June 30, 2011.

**Cause:** Management indicated that the deficiency noted above is due to the complexity of the tax refund estimation process because of the complexity of the State Code and the lack of development of historical refund trends.

**Effect:** The conditions outlined above could cause tax revenue and the related receivable and refunds payable to not be properly recorded in the financial statements and provide opportunities for errors and irregularities.

**Recommendation:** We recommend that FARS and Revenue collaborate to finalize the tax refund reporting and estimation process. While developing historical trends, FARS and Revenue should consider State Code and the implications on the refund estimation process. This will enable management to provide a better estimate of the refunds payable as of fiscal year-end so that accurate information for the financial statements can be provided to FARS in a timely manner.

In addition, Revenue management should establish formal policies and procedures to perform the reconciliation between GenTax and WVFIMS at least monthly in order to resolve unreconciled differences in a timely manner. When developing the reconciliation process, Revenue should consider segregation of duties, review and approval policies and procedures, including the formal documentation of those approvals.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-2 TAX RECONCILIATION AND TAX REFUNDS PAYABLE  
(continued)**

**State Agency**  
Department of Revenue (Revenue) and Financial  
Accounting and Reporting Section (FARS)

<b>Views of Responsible Officials and Planned Corrective Actions:</b>	FARS and Revenue will collaborate to refine the tax refund reporting and estimation process. While further developing historical trends, FARS and Revenue will consider State Code and the implications on the refund estimation process. Reconciliation procedures have been implemented by Revenue utilizing a two person monthly review. The report generated by the monthly reconciliation is verified and reviewed by Revenue's Internal Auditor. Inconsistencies or variations are resolved after further review.
---	---



**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2011**

**2011-3 COMMITMENTS AND CONTINGENCIES**  
**(Prior Year Finding 2010-4)**

**State Agency**  
Various

- Criteria:** The Financial Accounting and Reporting Section (FARS) of the Department of Administration is responsible for the preparation of the State's Comprehensive Annual Financial Report (CAFR). FARS gathers information from both audited and unaudited agencies to prepare the CAFR. The information obtained includes commitments and contingencies, and environmental liabilities. Process and control over the information gathering process should be suitably designed and effectively implemented to ensure all significant commitments and contingencies, including environmental liabilities, are completely captured and reasonably estimated.
- Condition:** During our review of commitments and contingencies, we noted that some State agencies had not provided FARS timely, updated information so that FARS could identify, analyze, and record all commitments and contingencies in the CAFR.
- Subsequent to year-end, as a result of a court action, the Department of Environmental Protection (DEP) was required to perform additional reclamation procedures related to specific sites included in the Special Reclamation Program. We noted that DEP had not provided the necessary information to FARS including the engineering estimate of the additional requirements. As a result, the related liability was understated by \$57.3 million. In addition, we identified a clerical error in a commitment and contingency estimate which resulted in a \$6.2 million understatement.
- Questioned Costs:** N/A
- Context:** The total amount of commitment and contingent liabilities for the governmental activities of the primary government was \$372 million at June 30, 2011.
- Cause:** Policies and procedures are not being followed by all State agencies so that FARS can identify, analyze, and record all commitments and contingencies in the CAFR.
- Effect:** Three audit adjustments that cumulatively were significant, had to be recorded to include additional expenses and related liabilities that were incurred by the State as of June 30, 2011.
- Recommendation:** Proper training should be provided by FARS to all State agencies to emphasize the importance of providing timely, updated information related to the reporting of commitments and contingencies. FARS should continue to address the importance of properly completing the closing book forms and should also require agencies to timely inform FARS when any new updates or information becomes available. These communications should include both potential gain and loss contingencies.
- Views of Responsible Officials and Planned Corrective Actions:** FARS will continue to emphasize at closing process training the importance of reporting timely and accurate information related to commitments and contingencies, including gains and losses. FARS will also emphasize that as more current information becomes available to agencies, that this information must be shared with FARS as soon as it becomes available.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-4 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Prior Year Finding 2010-5)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> Various	<b>CFDA#</b> Various
-------------------------------------	---	-------------------------

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

**Condition:** The Department of Administration Financial Accounting and Reporting Section (FARS) is responsible for preparing the Schedule of Expenditures of Federal Awards (SEFA) for the State using information submitted by State agencies receiving federal monies during the year. The respective State agencies do not always report information and related revisions to the FARS Single Audit coordinator in a timely manner. Late revisions to the SEFA could result in a program going above the Type A program threshold without being identified in a timely manner to allow completion of the necessary audit procedures by the required OMB Circular A-133 deadline. Late revisions to the SEFA could also result in a program that was initially audited as a Type A high-risk and major program going below the Type A program threshold and becoming a Type B program. When the auditor has already audited Type B high-risk programs equal to the number of Type A low-risk programs and a Type A program preliminarily audited as a major program becomes a Type B program in such a fashion, this results in a situation where the auditor incurred time and effort preliminarily auditing a program as major that they were not required to and ultimately should not audit under OMB Circular A-133.

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

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the State included on the SEFA were approximately \$6.3 billion for the fiscal year ended June 30, 2011.

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

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

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

**Recommendation:** We recommend that FARS work with the Governor's Office to seek assistance and develop an action plan to have the State agencies prioritize completion of accurate and complete SEFA information in a timely manner.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-4 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Prior Year Findings 2010-5) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	Various	Various
<b>Views of Responsible Officials and Planned Corrective Actions:</b>	FARS continues to work with the Governor's Office to instill the urgency for timeliness and completeness of the SEFA information that is submitted to FARS. Internal control procedures will be discussed with agency during training sessions to ensure review and approval of SEFA information prior to submission to FARS.	

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-5 1512 REPORTING  
(Prior Year Finding 2010-6)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Housing and Urban Development CDBG - State-Administered Small Cities Program Cluster	14.228/ ARRA-14.255
	U.S. Department of Education State Fiscal Stabilization Fund Cluster	ARRA-84.394/ ARRA-84.397
	Highway Planning and Construction Cluster Highway Planning and Construction Recreation Trails Program	20.205
	Appalachian Development Highway System	ARRA-20.205/ 20.219/23.003

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

**Condition:** State agencies that receive and spend American Recovery and Reinvestment Act (ARRA) funds are required to complete a Section 1512 report on a quarterly basis. There are certain programs that are exempt from this requirement as noted within the applicable guidance. During our testing of the March 31, 2011 Section 1512 reports for the major programs that are required to file a Section 1512 report, it was determined that the required information was completed and sent to the Governor’s Office for batch submission. However, during our review of the Section 1512 reports for the respective major programs, it was determined that there were not adequate internal controls in place at all agencies surrounding the preparation and review of the Section 1512 report for accuracy and completeness prior to submission to the Governor’s Office. In addition, the Governor’s Office has a reporting process in place that includes a listing of key dates as part of the submission process and the reviews that are completed as part of the process. While the process which is completed is documented, evidence for each of the levels of review is not maintained.

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the CDBG Cluster, the State Fiscal Stabilization Fund Cluster and Highway Planning and Construction Cluster were \$32,333,148, \$137,286,981 and \$524,772,082, respectively, for the year ended June 30, 2011. Total federal expenditures for the State of West Virginia for fiscal year ended June 30, 2011, were nearly \$6.3 billion.

**Cause:** Policies and procedures related to the process surrounding the preparation and review of the 1512 reports are documented; however, the review procedures do not appear to be occurring at the respective agency level nor is documentation to support the level of review maintained.

**Effect:** Section 1512 reports may be inaccurate when submitted to the Governor’s Office to be submitted through the Recovery.gov submission process.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-5 1512 REPORTING  
(Prior Year Finding 2010-6) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Housing and Urban Development CDBG - State-Administered Small Cities Program Cluster	14.228/ ARRA-14.255
	U.S. Department of Education State Fiscal Stabilization Fund Cluster	ARRA-84.394/ ARRA-84.397
	Highway Planning and Construction Cluster Highway Planning and Construction Recreation Trails Program	20.205
	Appalachian Development Highway System	ARRA-20.205/ 20.219/23.003

**Recommendation:** We recommend that the individual agencies that are required to prepare and submit Section 1512 reports establish a formal review process over their respective 1512 reports and maintain documentation to evidence the control process. We also recommend that the Governor's Office maintain documentation to support the levels of review which have occurred per the documented internal control processes.

**Views of Responsible Officials and Planned Corrective Actions:** FARS will emphasize at closing process training the importance of reporting timely and accurate information. FARS will also stress the importance of policies and procedures being in place related to reviewing their reports prior to submission and documenting that review.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–6 SUBRECIPIENT MONITORING – AMERICAN RECOVERY AND REINVESTMENT ACT  
(Prior Year Finding 2010–7)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Commerce West Virginia Governor’s Executive Office Broadband Technology Opportunities Program Grant Award NT10BIX5570031	ARRA-11.557
	U.S. Department of Energy Weatherization Assistance for Low-Income Persons Grant Award DE-EE0000085	ARRA-81.042
	U.S. Department of Education State Fiscal Stabilization Fund Cluster Grant Award 2009 Education S394A090049 Grant Award 2009 Government Services S397A090049	ARRA-84.394/ ARRA-84.397

**Criteria:** Per 2 CFR Section 176.210(c), “recipients agree to separately identify to each subrecipient, and document at the time of subaward and at the time of disbursement of funds, the Federal award number, CFDA number, and amount of Recovery Act funds. When a recipient awards Recovery Act funds for an existing program, the information furnished to subrecipients shall distinguish the subawards of incremental Recovery Act funds from regular subawards under the existing program.”

**Condition:** Based on our procedures, we noted that for two of the Recovery Act programs, all subrecipients for the Broadband Technology Opportunities Program and Weatherization Assistance for Low-Income Persons were not notified by the awarding State agency of the above requirement at the time of the subaward. Additionally, we noted that all three Recovery Act programs’ subrecipients were not notified by the awarding State agency of the above requirement at the time of each disbursement of ARRA funds.

**Questioned Cost:** N/A

**Context:** The total amount of ARRA funded subawards made by the programs during the year ended June 30, 2011, was \$126,891,981.

<u>CFDA#</u>	<u>Program</u>	<u>ARRA Subrecipient Expenditures</u>
ARRA-11.557	Broadband Technology Opportunities Program	\$ 19,371,012
ARRA-81.042	ARRA-Weatherization Assistance for Low Income Persons	12,001,117
ARRA-84.394/ ARRA-84.397	State Fiscal Stabilization Fund Cluster	95,519,852
		<u>\$ 126,891,981</u>

**Cause:** The State agencies did not properly identify the CFDA number and amount of Recovery Act funds to each subrecipient at the time of the award. Additionally, the State agencies did not notify subrecipients of the same information at each disbursement of Recovery Act funds.

**Effect:** Management is not able to communicate, in a timely manner, the existence of Recovery Act funds to subrecipients.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–6 SUBRECIPIENT MONITORING - AMERICAN RECOVERY AND REINVESTMENT ACT  
(Prior Year Finding 2010–7) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Commerce West Virginia Governor’s Executive Office Broadband Technology Opportunities Program Grant Award NT10BIX5570031	ARRA-11.557
	U.S. Department of Energy Weatherization Assistance for Low-Income Persons Grant Award DE-EE0000085	ARRA-81.042
	U.S. Department of Education State Fiscal Stabilization Fund Cluster  Grant Award 2009 Education S394A090049 Grant Award 2009 Government Services S397A090049	ARRA-84.394/ ARRA-84.397

**Recommendation:** We recommend that management implement a process to notify all Recovery Act subrecipients of the CFDA number and amount of Recovery Act funds at the time of each subaward and at each subsequent disbursement.

**Views of Responsible Officials and Planned Corrective Actions:** When agencies award federal funds to a subrecipient organization, a grant agreement is used as the official document/instrument for negotiating the terms and conditions assigned to the grant award and related program. The grant agreements and the invoices submitted by subrecipients are legally binding documents that are on file, not only at the subrecipient organization, but also at the State agency and the West Virginia State Auditor’s Office.

DHHR has issued a directive with a form that will be used by its agencies to inform ARRA money recipients that the money is ARRA and include/identify the federal award number, CFDA number, and amount of ARRA funds with each individual disbursement of funds. FARS will issue the same directive to other State agency personnel at GAAP training.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-7 TRANSPARENCY ACT REPORTING**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Agriculture SNAP Cluster	10.551/10.561
	Grant Award 2011 – 1WV400401	
	Women Infants and Children (WIC)	10.557
	Grant Awards 2011 – 2011IW100341	
	Grant Awards 2011 – 2011IW100641	
	Grant Awards 2011 – 2011IW500341	
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF)	93.558
	Grant Award 2011 – 2011G996115	
	U.S. Department of Transportation U.S. Appalachian Regional Commission Highway Planning and Construction Cluster	
	Highway Planning and Construction	20.205
	Recreation Trails Program	20.219/23.003
	Appalachian Development Highway System	

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

**Condition:** State agencies that make first tier subawards using non-ARRA funds are required to comply with the Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282) Transparency Act), as amended by Section 6202(a) of the Government Funding Transparency Act of 2008 (Pub. L. No. P11-252), that relate to subaward reporting. During our audit procedures, it was noted that the SNAP Cluster and WIC did not comply with the timeliness requirement related to this reporting. In addition there was no evidence of review prior to submission. It was also noted for the TANF Cluster and Highway Planning and Construction Cluster that the required reports were not submitted.

**Questioned Costs:** Unknown

**Context:** Total expenditures for the above major programs were \$1,261,547,981 for the year ended June 30, 2011.

<u>CFDA#</u>	<u>Program</u>	<u>Expenditures</u>
10.551/10.561	SNAP Cluster	\$ 511,936,139
10.557	Women Infants and Children (WIC)	36,770,596
93.558/ARRA-10651/ARRA-93.714	Temporary Assistance for Needy Families (TANF)	188,069,164
20.205/ARRA-20.05/20.219/23.003	Highway Planning and Construction Cluster	524,772,082
		\$ 1,261,547,981



**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-7 TRANSPARENCY ACT REPORTING  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Agriculture SNAP Cluster	10.551/10.561
	Grant Award 2011 – 1WV400401	
	Women Infants and Children (WIC)	10.557
	Grant Awards 2011 – 2011IW100341	
	Grant Awards 2011 – 2011IW100641	
	Grant Awards 2011 – 2011IW500341	
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF)	93.558
	Grant Award 2011 – 2011G996115	
	U.S. Department of Transportation U.S. Appalachian Regional Commission Highway Planning and Construction Cluster	
	Highway Planning and Construction	20.205
	Recreation Trails Program	20.219/23.003
	Appalachian Development Highway System	

Total first-tier subawards subject to these reporting requirements for the above major programs after October 1, 2010 were approximately \$24,951,097 for the year ended June 30, 2011.

<b>CFDA#</b>	<b>Program</b>	<b>First-Tier Subawards</b>
10.551/10.561	SNAP Cluster	\$ 3,227,817
10.557	Women Infants and Children (WIC)	9,714,897
93.558	Temporary Assistance for Needy Families (TANF)	1,694,403
20.205/20.219/ 23.003	Highway Planning and Construction Cluster	10,313,980
		<u>\$ 24,951,097</u>

Total federal expenditures for the State of West Virginia for fiscal year ended June 30, 2011, were nearly \$6.3 billion. To be considered timely, these reports must be submitted at the end of the month following the month the subaward was granted. Each report tested, other than Temporary Assistance for Needy Families (TANF) and Highway Planning and Construction Cluster, were submitted approximately three months after the end of the month following the month the subaward was granted.

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

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

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-7 TRANSPARENCY ACT REPORTING  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Agriculture SNAP Cluster Grant Award 2011 – 1WV400401	10.551/10.561
	Women Infants and Children (WIC) Grant Awards 2011 – 2011IW100341 Grant Awards 2011 – 2011IW100641 Grant Awards 2011 – 2011IW500341	10.557
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Grant Award 2011 – 2011G996115	93.558
	U.S. Department of Transportation U.S. Appalachian Regional Commission Highway Planning and Construction Cluster Highway Planning and Construction Recreation Trails Program Appalachian Development Highway System	20.205 20.219/23.003

**Views of Responsible Officials and Planned Corrective Actions:** FARS will emphasize at closing process training the importance of reporting timely and accurate information. FARS will also stress the importance of policies and procedures being in place related to reviewing their reports prior to submission and documenting that review.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-8 SUBRECIPIENT IDENTIFICATION ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education State Fiscal Stabilization Fund Cluster	ARRA-84.394/ ARRA-84.397
	Grant Award 2009 Education S394A090049	
	Grant Award 2009 Government Services S397A090049	
	U.S. Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
	Grant Award FEMA-0-1696-WV	
	Grant Award FEMA-0-1769-WV	
	Grant Award FEMA-0-1838-WV	
	Grant Award FEMA-0-1881-WV	
	Grant Award FEMA-0-1893-WV	
	Grant Award FEMA-0-1903-WV	
	Grant Award FEMA-0-1918-WV	

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

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

**Condition:** During our OMB Circular A-133 audit compliance procedures for the State Fiscal Stabilization Fund Cluster and the Disaster Grants – Public Assistance (Presidentially-Declared Disasters) programs, we noted that the initial SEFA’s provided by the two State agencies had other State agencies transfers included within the subrecipient disbursements which inflated the true level subrecipient expenditures. This, in effect, overstated the amount of subrecipient expenditures and reported during the period.

The State of West Virginia defines a "subrecipient" as any person or government department, agency, or establishment that received federal financial awards to carry out or administer a program but not an individual who is a beneficiary of such a program. Other State agencies are not identified as subrecipients because the State of West Virginia is considered to be one entity.”

The expenditures of funds between the awarding agency and the State agency do not constitute subrecipient expenditures that are required to be reported as a SEFA item as it merely represents a transfer of funds between agencies. This inaccurate presentation at the agency level violated State policies and procedures, and required extensive transfer reconciliation procedures to resolve the reclassification issue.

**Questioned Costs:** N/A

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-8 SUBRECIPIENT IDENTIFICATION ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education State Fiscal Stabilization Fund Cluster	ARRA-84.394/ ARRA-84.397
	Grant Award 2009 Education S394A090049	
	Grant Award 2009 Government Services S397A090049	
	U.S. Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
	Grant Award FEMA-0-1696-WV	
	Grant Award FEMA-0-1769-WV	
	Grant Award FEMA-0-1838-WV	
	Grant Award FEMA-0-1881-WV	
	Grant Award FEMA-0-1893-WV	
	Grant Award FEMA-0-1903-WV	
	Grant Award FEMA-0-1918-WV	

**Context:** The total amount of subrecipient expenditures initially reported by the agencies for the programs for the year ended June 30, 2011, was \$154,577,783 whereas the reconciled Statewide SEFA reported subrecipient expenditures of \$101,274,923 for the respective programs. This initial overstatement of \$53,302,860 in subrecipient expenditures resulted in a revision to the planned audit strategy once FARS reconciled the transfer amounts among state agencies.

<b>CFDA#</b>	<b>Program</b>	<b>Agency SEFA Subrecipient Expenditures</b>	<b>Statewide SEFA Subrecipient Expenditures</b>
ARRA-84.394/ ARRA-84.397	State Fiscal Stabilization Fund Cluster	\$ 137,173,942	\$ 95,519,852
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	17,403,841	5,755,071
		<u>\$ 154,577,783</u>	<u>\$ 101,274,923</u>

**Cause:** The respective agencies did not properly identify the disbursements to other State agencies as such because they were maintaining their records as though the State agencies were subrecipients.

**Effect:** Subrecipient expenditures on the initial SEFA were overstated.

**Recommendation:** Agencies should ensure that appropriate SEFA preparation and reconciliation procedures are in place to address potential reconciliation issues. Additionally, agencies should follow FARS closing book instructions, specifically forms 9C and 9D, in order to properly identify and report transfers to other State agencies appropriately and not as subrecipient expenditures.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-8 SUBRECIPIENT IDENTIFICATION ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education State Fiscal Stabilization Fund Cluster	ARRA-84.394/ ARRA-84.397
	Grant Award 2009 Education S394A090049	
	Grant Award 2009 Government Services S397A090049	
	U.S. Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
	Grant Award FEMA-0-1696-WV	
	Grant Award FEMA-0-1769-WV	
	Grant Award FEMA-0-1838-WV	
	Grant Award FEMA-0-1881-WV	
	Grant Award FEMA-0-1893-WV	
	Grant Award FEMA-0-1903-WV	
	Grant Award FEMA-0-1918-WV	

**Views of Responsible Officials and Planned Corrective Actions:** FARS will work with the auditors and agencies to devise a better SEFA procedure to distinguish between subrecipient awards and transfers to State agencies.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-9 FNS REVIEW**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Agriculture	
	WIC	10.557
	Grant Award 2011 2011IW100341	
	Grant Award 2011 2011IW100641	
	Grant Award 2011 2011IW500341	

- Criteria:**
- FNS Handbook 901, Section 6.7.6 states: “State agencies should execute service agreements when Information Technology (IT) services (such as telecommunications, network installation and maintenance, hardware installation and maintenance, and system planning services) are to be provided by their internal IT department or by other State and local agencies.” In accordance with OMB Circular A-87, WIC State Agencies must submit a plan for each year in which centralized IT costs are claimed under Federal awards. The plan should include (a) a projection of the next year's allocated central service cost (based either on actual costs for the most recently completed year or the budget projection for the coming year), and (b) a reconciliation of actual allocated central service costs to the estimated costs used for either the most recently completed year or the year immediately preceding the most recently completed year that includes at a minimum: 1) Adherence to Program Regulations; 2) Priority of Service; 3) Equipment Disposition and Property Management Requirements; 4) Administrative Fee Structure; and 5) Staffing Changes. Federal Regulation 246.12(h)(3)(wviii) states that “in addition to claims collection, the vendor may be sanctioned for vendor violations in accordance with the State agency’s sanction schedule.”
  - FNS Handbook 901, Section 8.4.8 states: “Personnel who manage, operate, program, maintain, or use a system should be aware of their security responsibilities. Security awareness training should be provided in addition to functional training, before system users are allowed access to the system. This training should be conducted periodically, at least on an annual basis.”

**Condition:** During fiscal year 2011, the U.S. Department of Agriculture completed a West Virginia fiscal year 2010 State Technical Assistance Review (STAR) review of the WIC program for the functional area of Information Systems. This review resulted in two findings:

- The State agency does not have a service agreement or memorandum of understanding (MOU) in place with its centralized IT office.
- The State agency does not provide annual security training to staff with access to the system.

**Questioned Cost:** Unknown

**Context:** Total federal expenditures for the Special Supplemental Nutrition Program for Women Infants and Children (WIC) program were \$36,770,596 for the year ended June 30, 2011.

**Cause:** The WIC program has not established proper policies and procedures to manage information system compliance.

**Effect:** The WIC program is not in compliance with compliance requirements related to information systems.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-9 FNS REVIEW  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Agriculture WIC	10.557
	Grant Award 2011 2011IW100341	
	Grant Award 2011 2011IW100641	
	Grant Award 2011 2011IW500341	

**Recommendation:** The WIC program should implement the recommended corrective action indicated in the review by the U.S. Department of Agriculture including the following 1) establish and execute a service agreement or MOU with the centralized IT office and 2) develop and provide security training to staff on an annual basis.

**Views of Responsible Officials and Planned Corrective Actions:** The DHHR Office of Management Information Services is working with the West Virginia Office of Technology in an effort to address the findings referenced within the fiscal year 2010 State Technical Assistance Review (STAR) report of the WIC program for the functional area of Information Systems.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–10 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

**Criteria:** OMB Circular A-133 Section 300a states, “The auditee shall prepare appropriate financial statements including the schedule of expenditures of Federal awards.”

**Condition:** During our testing of the Schedule of Expenditures of Federal Awards (SEFA) for the BTOP program, we noted that the Governor’s Office initially reported all program expenditures as subrecipient expenditures for the year ended June 30, 2011. Upon further testing, it was determined that the transactions should have been identified by the respective expenditure object codes utilized within FIMS.

**Questioned Costs:** N/A

**Context:** The Governor’s Office reported ARRA BTOP awards to subrecipients on the SEFA as \$30,671,307 with no nonsubrecipient expenditures for the year ended June 30, 2011. However, the overall State SEFA reported nonsubrecipient expenditures of \$11,546,515 and expenditures awards of \$19,371,012, for total expenditures of \$30,917,527. Additionally, expenditures reported on, the agency SEFA were understated by \$246,220 in the aggregate.

**Cause:** Policies and procedures related to preparation and review of the SEFA are not being followed, therefore allowing for errors. FIMS Fund and Object code expenditures should be reconciled with the respective agency’s financial information. Additionally, each agency receives a monthly report from the State Auditor’s Office (SAR) that details the receipts and expenditures during the period, and this report should also be reconciled to FIMS fund activity and separately maintained financial information, as applicable.

**Effect:** Improper reporting on the Governor’s Office SEFA results in inaccurate reporting in the State of West Virginia’s SEFA.

**Recommendation:** We recommend that the Governor’s Office implement a monthly reconciliation process, utilizing both the monthly State Auditor Reports (SARs) and an exported monthly Crystal Report for Fund 8717 CFDA# 11.557 to ensure that the SEFA is accurate and in agreement with amounts actually being input into the State’s FIMS system. This will allow for proper reporting of federal expenditures. We also recommend that the Governor’s Office prepare the SEFA to properly reflect the actual object codes related to expenditures that are incurred. This will result in an agency SEFA which reconciles with amounts actually being reported in the State’s FIMS system and subsequently allow for proper reporting of federal expenditures, in the aggregate and by object.

**Views of Responsible Officials and Planned Corrective Actions:** We will revisit the formal procedures surrounding our SEFA and make necessary corrections. Further, we will include a monthly reconciliation process to ensure balance between the State Auditor Reports, SEFA and FIMS. We will also incorporate validation procedures and use to reflect accurate object codes for the program.



**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–11 CASH MANAGEMENT**

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

**Criteria:** OMB Circular A-102, Section 2(a) requires grantor agency to “establish methods and procedures for transferring funds to minimize the time elapsing between the transfer to recipients of grants and cooperative agreements and the recipient’s need for the funds.”

**Condition:** For the period of July 1, 2010 through June 30, 2011, the Governor’s Office had developed procedures for cash management; however these procedures failed to minimize the time elapsing between when a cash drawdown was received and subsequently disbursed.

**Questioned Costs:** Unknown

**Context:** Out of a sample of 9 ARRA transactions selected in our cash management testing, one cash drawdown was not expended within three days of the receipt of the federal funds. This item represented \$99,058 out of a total sample of \$3,261,828.45. Total federal expenditures for the BTOP program for the fiscal year ended June 30, 2011 were \$30,917,527, all of which were ARRA funded expenditures.

**Cause:** Although procedures were in place through June 30, 2011, they failed to minimize the time between when an advance cash draw was received and when the funds were disbursed.

**Effect:** The Governor’s Office is not in compliance with the federal rules and regulations regarding cash management.

**Recommendation:** We recommend that the Governor’s Office adhere to procedures whereby they do not request federal funds too far in advance such that federal cash draws are received and expended within a three-day time frame.

**Views of Responsible Officials and Planned Corrective Actions:** We acknowledge the one cash drawdown not expended within the three-business day time frame. We will immediately take necessary actions to eliminate this error in the future.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–12 SUBRECIPIENT MONITORING**

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

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

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.

OMB Circular A-133 Subpart D §400 requires that a pass-through entity “ensure that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.” Subrecipients must have required audits completed within nine months of their fiscal year end, and must provide copies of their audit reports to the primary recipient. Subpart D §400 also requires that a pass-through entity “issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.”

**Condition:** Although the BTOP program has developed monitoring procedures for BTOP subrecipients, we noted the following:

There was no official monitoring log maintained; WVBTOP indicated that their subrecipients are being monitored; however they were unable to provide evidence as to the programmatic monitoring activities conducted during the award year.

**Questioned Costs:** Unknown

**Context:** Total awards to the 2 subrecipients of the BTOP program for fiscal year ended June 30, 2011, were \$19,371,012.

**Cause:** WVBTOP does not have formalized procedures in place for the programmatic monitoring of subrecipients and did not retain the documentation necessary to substantiate the subrecipient programmatic monitoring procedures completed during the fiscal year.

**Effect:** Inadequate monitoring documentation could result in WVBTOP being unable to determine, in a timely manner, the existence of material noncompliance or control deficiencies with subrecipients that may be identified through the programmatic monitoring process. Also, the inability of WVBTOP to maintain the monitoring documentation related to audit finding(s) and subsequent follow-up with subrecipients results in noncompliance with applicable requirements.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–12 SUBRECIPIENT MONITORING  
(continued)**

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

**Recommendation:** WVBTOP should develop formalized procedures for the programmatic monitoring of subrecipients such that they properly maintain and update monitoring logs as well as retain monitoring documentation.

**Views of Responsible Officials and Planned Corrective Actions:** We agree with the finding in this area. Although we monitored subrecipients during the noted fiscal year, we did not fully document these processes. Prior to the audit but subsequent to June 30, 2011, as the subrecipients began actual build-out of the project in earnest, we did begin a formal monitoring, response, and follow-up process. Further, we had site visits to monitor the subrecipients. We will continue to improve these processes and develop new processes to ensure full monitoring. For FY12 we are in compliance and will remain in compliance.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–13 REPORTING – INTERNAL CONTROL AND COMPLIANCE**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Housing and Urban Development CDBG – State-Administered Cluster	14.228/ ARRA-14.255
	Grant Award B-10-DC-54-0001	

**Criteria:** The management of the West Virginia Development Office (WVDO) is responsible for establishing and maintaining effective internal controls over compliance.

Per 24 CFR Subtitle A, Part 6.10(c), “each recipient shall keep records and submit to the Responsible Official, timely, complete, and accurate data at such times and in such form as the Responsible Official may determine to be necessary to ascertain whether the recipient has complied or is complying with this part.”

**Condition:** We reviewed the U.S. Department of Housing and Urban Development (HUD) Form 60002 report for the year ended June 30, 2011, noting that there was a documented review process. However, during testing of the report, it was noted that the following required items, Line Item #9 Program Code and the Totals of columns B through F, were omitted from the final submitted report. Additionally, we noted discrepancies within Part II Line Item #1B and #1D of the report which did not agree to supporting documentation.

**Questioned Cost:** N/A

**Context:** Total expenditures of the CDBG Cluster were \$32,333,148 for the year ended June 30, 2011.

**Cause:** The WVDO’s established procedures for review and approval of required reports are not functioning as designed.

The WVDO has not received adequate training for completion of the HUD Form 60002. During completion of the report, WVDO was not fully aware of required line items and how certain amounts reported were to be calculated.

**Effect:** Management is not able to determine, in a timely manner, the existence of material noncompliance related to performance data that may be identified through the review/approval process prior to submission to the United States Department of Housing and Urban Development.

**Recommendation:** Internal controls surrounding this report are not effective to detect instances of noncompliance which occurred during the fiscal year. We recommend that management strengthen its review process over the Form 60002 reports to ensure that amounts are reported accurately and timely. Additionally, we recommend that WVDO seek guidance from HUD to ensure that the appropriate information is being reported on the Form 60002 and that documentation supporting all final reported data is retained in WVDO records.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-13 REPORTING – INTERNAL CONTROL AND COMPLIANCE  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Housing and Urban Development CDBG – State-Administered Cluster	14.228/ ARRA-14.255
	Grant Award B-10-DC-54-0001	

**Views of Responsible Officials and Planned Corrective Actions:** In compliance with HUD requirements, the West Virginia Development Office submits to HUD annually Form 60002 for reporting of Section 3 activities. For fiscal year 2011 reporting, it appears that the totals for columns B, C, D, E, and F were not carried down to the final total column. It also appears that the Program Code was inadvertently left off. A corrected and completed report has been resubmitted and accepted by HUD. Management has established a check list for review of this form to ensure that each block has been completed before submission. Additionally, management has contacted HUD to seek training in this area, not only for WVDO staff, but for CDBG project administrators as well, for clearer interpretation of HUD definitions.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–14 SUBRECIPIENT MONITORING – AUDIT REPORTS  
(Prior Year Finding 2010–12)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Interior Abandoned Mine Land Reclamation (AMLR) Grant Award S08AP12551	15.252

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

All subrecipients subject to OMB Circular A-133 spending more than \$500,000 in federal awards must have required audits completed in accordance with OMB Circular A-133 and provide copies of their audit reports to the primary recipient. The required audits must be completed within nine months of the end of the subrecipient’s audit period.

**Condition:** We tested AMLR subrecipient monitoring for 4 of 16 subrecipients and noted that one of the subrecipient audit reports tested was neither received by the Federal Clearinghouse nor by the program administrator by the ninth month following the end of the subrecipient’s fiscal year, as required by OMB Circular A-133. Furthermore, per our review of the AMLR subrecipient monitoring log, there were seven other subrecipient audits that were not received by the program administrator or the Federal Clearinghouse by the required nine-month submission due date.

**Questioned Costs:** Unknown

**Context:** For the one subrecipient identified above who had not submitted their A-133 audit report to AMLR or the Federal Clearinghouse, there were no disbursements made during the year ended June 30, 2011, whereas disbursements to this same subrecipient were \$1,718,378 for the year ended June 30, 2010. The total disbursements made to the other seven subrecipients identified above that were not in compliance were \$11,230,230 for the year ended June 30, 2011 and \$11,950,791 for the year ended June 30, 2010. Total federal expenditures to all subrecipients for AMLR were \$15,524,762 for the year ended June 30, 2011. Total federal expenditures for AMLR were \$48,617,718 for the year ended June 30, 2011.

**Cause:** Management indicated that the subgrant unit of AMLR has had continual contact with subrecipients in efforts to receive the audit report by the required deadline. Management indicated that there were delays in the timing of the audit for various reasons which caused the audit to not be submitted in a timely manner.

**Effect:** AMLR is unable to determine, in a timely manner, the existence of material noncompliance or internal control issues with subrecipients that may be identified through the monitoring process.

**Recommendation:** AMLR currently has procedures in place to monitor and track subrecipient audit reports. Management should continue to implement and enhance these procedures and follow up with subrecipients subject to OMB Circular A-133 requirements to ensure that the required audits are completed in a timely manner.

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2011**

**2011–14 SUBRECIPIENT MONITORING – AUDIT REPORTS**  
**(Prior Year Finding 2010–12) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Interior	
	Abandoned Mine Land Reclamation (AMLR)	15.252
	Grant Award S08AP12551	

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

The Department of Environmental Protection (DEP) exercises due diligence in its continual contact with subrecipients to reinforce their responsibilities and deadlines according to OMB Circular A-133 and the subgrant terms and conditions as issued by the Department. The DEP has formalized standard operating procedures specifying the timing and frequency of correspondence to subrecipients subject to OMB Circular A-133 requirements. This is to ensure that the required audits are completed and submitted to both the Department and the Clearinghouse according to the required deadlines and that all identified audit findings are resolved in a timely manner. The Department has limited ability to enforce the submission of these audits.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–15 INTERNAL CONTROLS OVER REPORTING  
(Prior Year Finding 2010–14)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Labor Unemployment Insurance (UI)  Grant Award UI-19617-10-55-A-54	<b>CFDA#</b>  17.225 and ARRA-17.225
-------------------------------------	--	---

**Criteria:** The management of WorkForce West Virginia (WWV) is responsible for establishing and maintaining effective internal controls over compliance. Additionally, a fundamental concept of internal control is adequate segregation of incompatible duties, the premise being that responsibilities for authorizing transactions, recording transactions, and maintaining custody of assets are assigned to different employees.

**Condition:** During the fiscal year ended June 30, 2011, WorkForce West Virginia did not have a documented review and approval process for the data entry nor approval by someone independent of the data entry of the “Statement of Expenditures and Adjustments of Federal Funds for Unemployment Compensation for Federal Employees and Ex-service Members” report (ETA-191) and the “UI Financial Transaction Summary” report (ETA-2112).

**Questioned Costs:** N/A

**Context:** Total federal disbursements for the UI were \$687,819,616 for the year ended June 30, 2011. Total federal disbursements of Unemployment Compensation for former federal employees (UCFE) and for ex-service members (UCX) were \$8,259,586.

**Cause:** During the UI Single Audit for the year-ended June 30, 2010, WWV had not established effective internal controls over the data entry and submission of the ETA-191 report and ETA-2112 report. After the issue was discovered, management began reviewing all reports prior to their submission. However, due to the timing of the prior year Single Audit, several of the reports for the year ended June 30, 2011 were not reviewed prior to submission. Proper supervisory review and approval of all reports prior to submission is vital to preventing and detecting potential errors.

**Effect:** WWV was unable to determine, in a timely manner, the existence of material noncompliance at the program level that may be identified through the application of effective controls and monitoring of those controls.

**Recommendation:** We recommend that WWV implement compensating controls over the data entry and submission of all reports. At a minimum, such controls should include a documented review and approval 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:** The reports in question for fiscal year ended June 30, 2011 were submitted before the prior year finding was issued. Since receipt of the prior year finding, no reports have been submitted without review and approval. Immediately upon receipt of the prior year finding and recommendation in January 2011, reviewing responsibilities of UI Trust Fund Reports, including the ETA-191 and ETA-2112, were assigned. The reports and the back-up documentation were reviewed in January 2011 for the months of July 2010 through December 2010. The review and approval process that was implemented in January 2011 has been followed since that time. Signed reports and back-up documentation are kept on file.



**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–16 FINANCIAL REPORTING  
(Prior Year Finding 2010–19)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Energy	
	Weatherization Assistance for Low-Income Persons	81.042 and ARRA-81.042
	Grant Award 2009 DE-EE0000085	
	Grant Award 2010 DE-EE0000085	
	Grant Award 2009 ARRA DE-EE0000101	
	Grant Award 2010 ARRA DE-EE0000101	

**Criteria:** The Weatherization program is required to file the Federal Financial Report (FFR) (SF-425). Recipients use the FFR as a standardized format to report the financial status of their federal awards as well as, when applicable, cash status.

**Condition:** We tested a sample of four out of a population of eight SF-425 reports and we noted that two of the SF-425 reports had not been submitted by the required due date.

**Questioned Costs:** N/A

**Context:** The SF-425 report for the Department of Energy (DOE) Regular Weatherization funds from July 1, 2010 to September 30, 2010 was not submitted until June 13, 2011. Additionally, the DOE Regular Weatherization report from April 1, 2011 through June 30, 2011 was not submitted until August 30, 2011. While we did not test the two quarters in between the periods we selected, it is apparent that all quarters relating to the DOE Regular Weatherization funds had not been submitted timely (i.e., within thirty days after reporting period-end date).

**Cause:** During FY 2010, The Department of Energy grant period for the Weatherization grant(s) ran from April 1 through March 31. However, the Governor's Office of Economic Opportunity (GOEO) obtained approval to extend the grant period to include up through June 30 in order to align the federal grant award with the State of West Virginia's fiscal year. Additionally, an approved carryover amount from the previous years' grant increased the current year grant. As a result of the various grant changes, the DOE online reporting system developed a condition that, based upon grant information within the system, would reject any report which did not meet the criteria and thus prevented the GOEO from submitting the quarterly report in a timely manner. The GOEO was diligent in their communication with the DOE in order to resolve the issue such that future quarterly reports could be submitted as well.

Absence of review and approval noted on the reports was mainly due to executive turnover during the fiscal year.

**Effect:** The quarterly SF-425 reports containing financial status information relating to the federal awards were not submitted in a timely manner. In a typical situation, when a recipient fails to submit required financial management reports on a timely basis, the federal granting agency can suspend drawdowns until reporting requirements are met. As the DOE was aware of the situation preventing the late submission, We noted the GOEO was not in any danger of drawdown suspension.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–16 FINANCIAL REPORTING  
(Prior Year Finding 2010–19) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Energy	
	Weatherization Assistance for Low-Income Persons	81.042 and ARRA-81.042
	Grant Award 2009 DE-EE0000085	
	Grant Award 2010 DE-EE0000085	
	Grant Award 2009 ARRA DE-EE0000101	
	Grant Award 2010 ARRA DE-EE0000101	

Absence of reviewer sign-off could result in inaccurate data being reported on the federal reports filed with the grantor agency.

**Recommendation:** The GOEO should implement formal review procedures that include appropriate documentation to ensure that federal reports are appropriately reviewed and approved prior to timely submission.

**Views of Responsible Officials and Planned Corrective Actions:** During Program Year 2010, July 1, 2010 to June 30, 2011, the GOEO encountered several problems in the DOE reporting system, Performance and Accountability for Grants in Energy (PAGE). Initially, DOE had us separate the PY2009 DOE Annual and PY2010 grants, as PY2009 was for two years. PAGE was not designed to handle the same grant for two years, and many of the cumulative amounts did not report accurate numbers on total completions or funds spent. Also, because of that, several of the submitted and approved reports for both DOE Annual and ARRA had to be released back for corrections to be made.

If the GOEO fails to submit required financial management reports on a timely basis, the federal granting agency will suspend drawdowns until reporting requirements are met. Because the DOE was aware of the situation preventing the submission in a timely manner and it was not the GOEO's fault, the GOEO was not in any danger of drawdown suspension or debarments. Since PAGE is updated, the GOEO has not had this problem and all the subsequent SF-425 reports for DOE and ARRA have been submitted in timely manner.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–17 SUBRECIPIENT CASH MANAGEMENT**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Energy Weatherization Assistance for Low-Income Persons  Grant Award 2009 DE-EE0000085 Grant Award 2010 DE-EE0000085 Grant Award 2009 ARRA DE-EE0000101 Grant Award 2010 ARRA DE-EE0000101	<b>CFDA#</b>  81.042 and ARRA-81.042
-------------------------------------	---	---

**Criteria:** OMB Circular A-102, Section 2(a) requires grantor agency to “establish methods and procedures for transferring funds to minimize the time elapsing between the transfer to recipients of grants and cooperative agreements and the recipient’s need for the funds.” Furthermore, OMB Circular A-133 requires interest earned on federal cash draws to be remitted to the appropriate agency in a timely manner.

**Condition:** During our testing of 11 Cash Management drawdowns requested from the Department of Education by the Governor’s Office of Economic Opportunity (GOEO), we noted that 2 of the 11 drawdowns were not subsequently expended within the three-business day time frame.

**Questioned Costs:** Unknown

**Context:** Total federal expenditures for the Weatherization program for the fiscal year ended June 30, 2011 were \$16,132,942, of which \$3,471,149 were for non-ARRA expenditures while \$12,661,793 were for ARRA expenditures. The two non-ARRA transactions within our testing, noted above, which were not in compliance with the applicable time frame totaled \$22,300 out of a total sample of \$1,764,606.

**Cause:** Although procedures were in place through June 30, 2011, these procedures related only to non-payroll transactions. Per discussion with the GOEO, they are required by the Governor’s Office to request advances for subsequent payroll disbursements early enough so that the payroll pre-edits which are scheduled approximately eight days prior to the actual payroll disbursement date can be completed. Additionally, approval by the Budget and Auditor’s Offices must occur and the total payroll funded by three business days prior to the payroll date. Based upon this process, the Governor’s Office required the GOEO to request funds well in advance of the payroll disbursement date, thus making them noncompliant with the applicable requirements.

**Effect:** The GOEO may have excess federal cash on hand and not remitting interest earned on the excess federal cash to the Department of Energy; therefore, the GOEO is not in compliance with the federal rules and regulations regarding cash management.

**Recommendation:** We recommend that the GOEO strengthen the drawdown procedures to ensure that cash draws are received and expended within a three-day time frame.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–17 SUBRECIPIENT CASH MANAGEMENT  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Energy	
	Weatherization Assistance for Low-Income Persons	81.042 and ARRA-81.042
	Grant Award 2009 DE-EE0000085	
	Grant Award 2010 DE-EE0000085	
	Grant Award 2009 ARRA DE-EE0000101	
	Grant Award 2010 ARRA DE-EE0000101	

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

The Governor’s Office provided the GOEO with an EPICS schedule to assist us with assuring that funds are available in time for the payroll to be processed. We have been told that failure to do so will result in payroll for the entire state to be delayed. Dates in red within the schedule show the deadline for the Governor’s Office to complete regular payroll edits. The Governor’s Office must submit those by 4:00 p.m. After that, the W documents are created in EPICS and sent back to the agency for review. Agencies then have 2.5 days to approve the payroll (W) document. The agency must approve the W document by noon and send it to the Budget Office for review and approval. The Budget Office forwards it to the State Auditors’ Office for approval. Only after that approval are the funds available so that employee checks can be cut and/or direct deposits made. So, while payroll checks are dated (and employees have access to the funds) on the last business day of the month, the actual transaction that makes it possible for paychecks to be processed takes place several days earlier.

GOEO has no control over when the payroll documents are prepared and approved. Our role is to assure that sufficient funds are available to make payroll during the appropriate payroll approval time frame so that processes are not disrupted for other agencies in State government which must actually process the payroll checks and direct deposits for all State government employees once the W documents are completed.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–18 CASH MANAGEMENT**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Criteria:** Per 31 CFR Section 668.163(c)(4), entities are required to remit to the Secretary any interest earned in excess of \$250 on Direct Loan, Federal Pell Grant, ACT, National SMART Grant, TEACH Grant, FSEOG, and FWS program funds maintained in interest-bearing bank accounts or investment accounts.

**Condition:** During our testing of cash management we noted for FY 2011, Bluefield State College had not remitted any interest earned on Student Financial Assistance Cluster funds, in excess of \$250, back to the federal government.

**Questioned Costs:** \$383

**Context:** During FY 2011, Bluefield State College earned interest on Federal Student Financial Assistance Cluster funds of \$633. The Bluefield State College failed to return interest earned in excess of \$250 back to the federal government.

**Cause:** Management did not implement policies and procedures to ensure interest earned on Federal Student Financial Assistance Cluster funds were returned to the federal government timely.

**Effect:** Bluefield State College is earning interest on federal funds drawn down for Student Financial Assistance Cluster purposes and not remitting interest over \$250 causing a noncompliance issue with 34 CFR 668.163(c)(4).

**Recommendation:** We recommend that the College implement policies and procedures to ensure that interest earned on Federal Student Financial Aid funds is returned to the federal government in a timely manner.

**Views of Responsible Officials and Planned Corrective Actions:** Interest has been remitted to of Education for FY 2011. The College has developed a procedure whereby it will be remitted June of each fiscal year for interest earned June through May. The interest earned for the month of June will not be known until the first part of July of the following year.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–19 FISCAL OPERATIONS REPORT AND APPLICATION TO PARTICIPATE**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

- Criteria:** ED Form 646-1, *Fiscal Operations Report and Application to Participate* (FISAP) (OMB No. 1845-0030) – This electronic report is submitted annually to receive funds for the campus-based programs. The College uses the *Fiscal Operations Report* portion to report its expenditures in the previous award year and the *Application to Participate* portion to apply for the following year. FISAPs are required to be submitted by October 1 following the end of the award year (which is always June 30). For example, by October 1, 2011, the institution should submit its FISAP that includes the *Fiscal Operations Report* for the award year ended June 30, 2011, and the *Application to Participate* for the 2012-2013 award year (FPL, FWS, FSEOG, 34 CFR Section 673.3; Instruction Booklet for *Fiscal Operations Report and Application to Participate*).
- Condition:** During our testing of the FISAP, it was noted that Bluefield State College only included students enrolled in the fall semester in the total student enrollment number.
- Questioned Costs:** N/A
- Context:** Bluefield State College prepared the FISAP and submitted it on time; however, only the 2,101 students enrolled in the fall semester were included in the reported amount for total students enrolled during the year. The amount of students that should have been reported for the entire year was 2,586. Upon further review it was noted that the same instance occurred in the prior year in which only the 2,058 students enrolled in the fall semester were included in the reported amount for total students enrolled during the year. The amount of students that should have been reported for the entire year was 2,637.
- Cause:** Management’s review process of the FISAP did not detect the improper number of students reported on the FISAP in the current year.
- Effect:** The U.S. Department of Education uses the information in the Application to Participate and in the Fiscal Operations Report to determine the amount of funds the College will receive for each campus-based program. The College must submit accurate data. If not, the College might not receive all the funds to which the College is entitled, or the College might be required to return funds that the College was not entitled to receive.
- Recommendation:** We recommend the College strengthen the procedures used to review the FISAP to ensure all aspects of the report are properly reviewed and all enrollment totals are accurate.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–19 FISCAL OPERATIONS REPORT AND APPLICATION TO PARTICIPATE  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Views of Responsible Officials and Planned Corrective Actions:** Data was correct on the current year FISAP. Enrollment data will be reported accurately in the future and required data elements reviewed.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–20 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

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

**Condition:** During the current year testing of the Schedule of Expenditures of Federal Awards it was noted that West Virginia University duplicated the reported expenditures for CFDA#93.925 on the original SEFA prepared by management. This duplication was corrected and the SEFA resubmitted.

**Questioned Costs:** N/A

**Context:** Total Scholarships for Health Profession Students from Disadvantaged Backgrounds expenditures were \$23,318 for the year ended June 30, 2011.

**Cause:** A formal review process related to the Schedule of Expenditures of Federal Awards is not in place.

**Effect:** As a result of reporting expenditures twice, expenditures for the Scholarships for Health Profession Students from Disadvantaged Backgrounds program would be overstated; however, upon making management aware of this, we were provided an updated Schedule of Expenditures of Federal Awards to properly report the expenditures for this program only once.

**Recommendation:** The institution should formalize review policies and procedures over the Schedule of Expenditures of Federal Awards to ensure the report is prepared in accordance with federal guidelines.

**Views of Responsible Officials and Planned Corrective Actions:** West Virginia University agrees with this recommendation and has implemented procedures to have the Schedule of Expenditures of Federal Awards reviewed and approved by multiple parties to ensure that the report is prepared in accordance with federal guidelines.



**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–21 RETURN OF TITLE IV FUNDS**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Criteria:** 34 CFR §668.22 states when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student’s withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institution’s determination that the student withdrew, the difference must be returned to the Title IV programs.

**Condition:** For 2 of the 25 students in our program compliance sample of students who withdrew, dropped out, or enrolled but never attended within the refund period, we noted clerical errors in the refund calculation. The amounts paid to the two students were not impacted by the underlying clerical errors.

**Questioned Costs:** N/A

**Context:** Total Title IV Refunds for West Virginia University were \$842,968 for the year ended June 30, 2011.

**Cause:** A review process related to the return of Title IV funds is not in place.

**Effect:** The institution is not properly calculating return of Title IV calculations which could lead to incorrect amounts being returned to the Title IV programs.

**Recommendation:** The institution should implement review policies and procedures to ensure that refunds are correctly calculated, proper documentation is maintained and refunds are returned to the federal government in accordance with federal guidelines.

**Views of Responsible Officials and Planned Corrective Actions:** West Virginia agrees with this recommendation and has implemented new procedures, inclusive of reviewing/monitoring steps, and assigned an additional resource to ensure that refunds are correctly calculated, proper documentation is maintained and refunds are returned to the federal government in accordance with federal guidelines.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–22 SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

- Criteria:** 34 CFR section 685.309(b) states a school shall—
- (1) Upon receipt of a student status confirmation report from the Secretary, complete and return that report to the Secretary within 30 days of receipt; and
  - (2) Unless it expects to submit its next student status confirmation report to the Secretary within the next 60 days, notify the Secretary within 30 days if it discovers that a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who—
    - (i) Enrolled at that school but has ceased to be enrolled on at least a half-time basis;
    - (ii) Has been accepted for enrollment at that school but failed to enroll on at least a half-time basis for the period for which the loan was intended; or
    - (iii) Has changed his or her permanent address.
- Condition:** For 1 of the 25 students in our program compliance sample of students who withdrew, graduated, or enrolled but never attended, we noted the institution did not promptly notify the appropriate entities of a change in the student’s status in a timely and accurate manner. The student graduated during May 2011; however, this had not been reported to NSLDS until our inquiry based upon our review of the student’s academic information.
- Questioned Costs:** N/A
- Context:** Total Direct Loan expenditures for West Virginia University were \$214,016,787 for the year ended June 30, 2011.
- Cause:** The student was originally reported under an incorrect social security number.
- Effect:** The institution is not promptly notifying the proper agencies of changes in student statuses in a timely and accurate manner.
- Recommendation:** The institution should review enrollment reporting information to make certain students are reported under the correct social security number to ensure that changes in the student’s status are reported in accordance with federal guidelines.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–22 SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Views of Responsible Officials and Planned Corrective Actions:** West Virginia University agrees with this recommendation and implemented procedures to identify and correct discrepancies in the student enrollment information regarding the social security number.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–23 CASH MANAGEMENT**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Criteria:** Per 31 CFR Section 205.12(b)(5), entities are required to maintain supporting documentation showing that the costs for which reimbursement was requested were paid prior to the date of the reimbursement request. OMB Circular A-102, Section 2(a) requires grantor agency to “establish methods and procedures for transferring funds to minimize the time elapsing between the transfer to recipients of grants and cooperative agreements and the recipient’s need for the funds.”

**Condition:** During our testing of 17 Cash Management drawdowns requested by the institution from the U.S. Department of Education, we noted that for 1 of the 17 drawdowns requested by the institution, the institution did not disburse the funds within the required time frame.

**Questioned Costs:** N/A

**Context:** Total Student Financial Assistance Cluster net draws for West Virginia University were \$258,433,119 for the year ended June 30, 2011.

**Cause:** Management did not follow their policies and procedures to minimize the time between the transfer of federal funds and the disbursement of funds for program purposes.

**Effect:** The institution had drawn down federal funds of \$461,585 on November 22, 2010, the majority of the amount drawn had not been previously disbursed to students nor was it disbursed within the required time frame after being drawn. This is in violation of the compliance requirement that programs are to minimize the time between the transfer of federal funds and the disbursement of funds for program purposes.

**Recommendation:** We recommend that the institution strengthen their control procedures to minimize the time elapsing between drawdown and the recipient’s need.

**Views of Responsible Officials and Planned Corrective Actions:** West Virginia University’s current procedures are designed to draw after funds are expended which should minimize the time elapsing between drawdown and the recipient’s need. The event in question was the result of a human error. Thus, the procedures have been enhanced to include an additional step where another department will verify and agree with the amount of the draw request.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–24 BORROWER DATA TRANSMISSION AND RECONCILIATION**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Criteria:** In accordance with 34 CFR §685.102(b), “Institutions must report all loan disbursements and submit required records to the Direct Loan Servicing System (DLSS) via the Common Origination and Disbursement (COD) within 30 days of disbursement. Each month, the COD provides institutions with a School Account Statement (SAS) data file which consists of a Cash Summary, Cash Detail, and (optional at the request of the school) Loan Detail records. The school is required to reconcile these files to the institution’s financial records.”

**Condition:** West Liberty University (WLU) was unable to provide the Student Account Statements that have been received from COD because they were not retained. As a result, we were unable to select a sample of SAS reconciliations for internal control testing purposes. Since there was no available SAS, we were also unable to select a sample of students to verify that the disbursement dates and amounts in the DLSS are supported by the institution’s records.

**Questioned Costs:** N/A

**Context:** Total Direct Loan expenditures and total Student Financial Assistance Cluster expenditures for West Liberty University were \$14,945,168 and \$20,763,263, respectively, for the year ended June 30, 2011.

**Cause:** Policies and procedures related to the receipt, reconciliation of SAS to the institution’s financial records, and records retention are not in place.

**Effect:** WLU was not in compliance with the requirements related to the Borrower Data Transmission and Reconciliation process.

**Recommendation:** The institution should implement policies and procedures to ensure that the SAS data files are maintained and available for testing. Such procedures should provide for the timely reconciliation of the SAS to the institution’s financial records and to ensure that all borrowers that are included in the DLSS are supported by the institution’s records.

**Views of Responsible Officials and Planned Corrective Actions:** West Liberty University Financial Aid has begun to download all provided SAS files into Banner through EdConnect. Once the SAS files are downloaded, they are printed. Once printed, each ‘unbooked’ loan transaction is checked against our records and updated in Banner and COD to match accordingly if necessary. West Liberty University Financial Aid will continue to update all loan transactions monthly through the SAS files provided.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–25 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Criteria:** Subpart D, §\_\_\_.300(d) of OMB Circular A-133 states “Auditees shall prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §\_\_\_.310.” Section §\_\_\_.310(b)(3) of OMB Circular A-133 states “Auditees must complete the SEFA and include CFDA numbers provided in Federal awards/subawards and associated expenditures.”

**Condition:** During our testing of the Schedule of Expenditures of Federal Awards (SEFA) for West Virginia University-Parkersburg (WVUP), we noted that WVUP improperly reported current year expenditures for CFDA# 84.032, Federal Family Education Loans (FFEL), and CFDA# 84.268, Federal Direct Student Loans (Direct Loan). The respective overstatement and understatement have been quantified within the context.

**Questioned Costs:** N/A

**Context:** On the SEFA, WVUP overstated FFEL expenditures by \$12,331,031 and understated Direct Loans by \$12,283,775. Total federal expenditures which should have been reported for the FFEL program were \$145,015 and for the Direct Loan program were \$12,283,775 as of June 30, 2011. Total Student Financial Assistance Cluster expenditures were \$24,806,163.

**Cause:** Policies and procedures related to preparation and review of the SEFA are not being followed, therefore allowing for errors which are not being detected.

**Effect:** Improper reporting on the SEFA results in inaccurate reporting in the State of West Virginia’s SEFA.

**Recommendation:** We recommend that WVUP implement a review process that is closely followed. Such procedures should include the formal documentation that the appropriate review was preformed to ensure proper reporting of federal awards and expenditures.

**Views of Responsible Officials and Planned Corrective Actions:** This oversight was corrected shortly after the SFA Cluster audit. An additional step to review this breakdown has been added to our SEFA process to prevent this oversight from occurring in the future.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–26 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Criteria:** Subpart D, §\_\_\_.300(d) of OMB Circular A-133 states, “Auditees shall prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §\_\_\_.310.” Section §\_\_\_.310(b)(3) of OMB Circular A-133 states “Auditees must complete the SEFA and include CFDA numbers provided in Federal awards/subawards and associated expenditures.”

**Condition:** During our testing of the Schedule of Expenditures of Federal Awards (SEFA) for Mountwest Community and Technical College (MCTC), we noted that MCTC improperly reported current year expenditures for CFDA# 84.007, FSEOG, as CFDA# 84.033, FWS. Refer to the context for specific overstatement and understatement amounts.

**Questioned Costs:** N/A

**Context:** On the SEFA, MCTC overstated FWS expenditures by \$25,796 and understated FESOG by \$25,796. Total federal expenditures which should have been reported for the FSEOG program were \$114,446 and for the FWS program were \$89,183 as of June 30, 2011. Total Student Financial Assistance Cluster expenditures were \$13,420,590.

**Cause:** Policies and procedures related to preparation and review of the SEFA are not being followed, therefore allowing for errors which are not being detected.

**Effect:** Improper reporting on the SEFA results in inaccurate reporting in the State of West Virginia’s SEFA.

**Recommendation:** We recommend that MCTC implement a review process that is closely followed. Such procedures should include the formal documentation that the appropriate review was performed to ensure proper reporting of federal awards and expenditures.

**Views of Responsible Officials and Planned Corrective Actions:** In this Fiscal Year (as in prior Fiscal Years) the SEFA information was prepared by the Controller, and was reviewed and approved by the Vice President and CFO. This review is documented through the signature of the Vice President and CFO on the reporting forms for SEFA reporting that were submitted to FARS, where it is signed that this review was conducted.

In order to account for the federal funds as documented in this finding, any future transfers between federal funds will be displayed as revenue in the federal program where the award is finally used.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–27 SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

- Criteria:** 34 CFR section 685.309(b) states, “a school shall—
- (1) Upon receipt of a student status confirmation report from the Secretary, complete and return that report to the Secretary within 30 days of receipt; and
  - (2) Unless it expects to submit its next student status confirmation report to the Secretary within the next 60 days, notify the Secretary within 30 days if it discovers that a Direct Subsidized, Direct Unsubsidized, or Direct PLUS Loan has been made to or on behalf of a student who—
    - (i) Enrolled at that school but has ceased to be enrolled on at least a half-time basis;
    - (ii) Has been accepted for enrollment at that school but failed to enroll on at least a half-time basis for the period for which the loan was intended; or
    - (iii) Has changed his or her permanent address.

Section 1.3 of the NSLDS Reporting Guide further states—

“Students are considered to be in school and continuously enrolled during academic year holiday and vacation periods, as well as during the summer between academic years (even if not enrolled in a summer session), as long as there is reason to believe that they intend to enroll for the next regularly scheduled term. For example, students should not be reported as: “Withdrawn” at the end of the spring term if they are expected to re-enroll for the fall term. If they do not return as expected, status must be changed to “Withdrawn” within 30 days of that determination, or within 30 days of the start of the new term, whichever occurs first, with an effective date of the last date of attendance.”

**Condition:** For 1 of the 2 students in our internal control sample of students who withdrew, graduated, or enrolled but never attended, we noted the institution did not report the student’s proper effective date upon determining that they would not re-enroll for the fall term. The student’s last date of attendance was April 29, 2011; however; the institution reported an effective withdraw date of May 6, 2011.

**Questioned Costs:** N/A

**Context:** Total Direct Loan expenditures for Mountwest Community and Technical College were \$7,238,410 for the year ended June 30, 2011.



**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–27 SPECIAL TESTS AND PROVISIONS – ENROLLMENT REPORTING  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Cause:** The student was improperly reported as effectively withdrawing on the last day of the semester.

**Effect:** The institution is not reporting the proper effective date for student status changes.

**Recommendation:** The institution should closely review enrollment reporting information to ensure that students are reported with the proper effective withdrawal date in accordance with federal guidelines.

**Views of Responsible Officials and Planned Corrective Actions:** This student requested grade changes in June 2011, from Fs to Ws, due to being unable to complete the final week of class. Once we received documentation supporting her inability to attend class or contact us until June 2011, we accommodated the grade change from Fs to Ws using the effective date of April 29, 2011, the date she last attended. We had every reason to believe that this student would return to us in the fall 2011, based on the fact that she asked for a grade change rather than accepting the F grades for spring term. We reported her as withdrawn when she did not enroll for the fall 2011 term in our regular reporting cycle, in August 2011. We used our Banner software process to create and extract a file to report to the National Student Clearinghouse. Due to the fact that our software extracted the end date of the term rather than the effective date of the withdrawal on this student, our Chief Information Officer opened a problem ticket with our software support team at WVNET on November 1, 2011. WVNET has been unable to re-create the problem encountered with this student.

We are continuing to work with WVNET and are conducting internal audits to make certain that students who have withdrawals backdated are being correctly reported with the effective last date of attendance in the next enrollment reporting cycle.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–28 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Criteria:** Subpart D, §\_\_\_.300(d) of OMB Circular A-133 states, “Auditees shall prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §\_\_\_.310.” Section §\_\_\_.310(b)(3) of OMB Circular A-133 states “Auditees must complete the SEFA and include CFDA numbers provided in Federal awards/subawards and associated expenditures.”

**Condition:** During our testing of the Schedule of Expenditures of Federal Awards (SEFA) for West Virginia State University (WVSU), we noted that WVSU improperly reported current year expenditures for CFDA# 84.032, Federal Family Education Loans (FFEL), and CFDA# 84.268, Federal Direct Student Loans (Direct Loan). The respective overstatement and understatement have been quantified within the context.

**Questioned Costs:** N/A

**Context:** On the SEFA, WVSU overstated FFEL expenditures by \$308,233 and understated Direct Loans by \$12,160,477. Total federal expenditures which should have been reported for the FFEL program were \$0 and for the Direct Loan program were \$12,160,477 as of June 30, 2011. Total Student Financial Assistance Cluster expenditures were \$19,169,884.

**Cause:** Policies and procedures related to preparation and review of the SEFA are not being followed, therefore allowing for errors which are not being detected.

**Effect:** Improper reporting on the SEFA results in inaccurate reporting in the State of West Virginia’s SEFA.

**Recommendation:** We recommend that WVSU implement a review process that is closely followed. Such procedures should include the formal documentation that the appropriate review was performed to ensure proper reporting of federal awards and expenditures.

**Views of Responsible Officials and Planned Corrective Actions:** West Virginia State University will comply with your recommendation and implement a review process that includes the formal documentation of the review to ensure proper reporting of federal awards and expenditures. For the error noted in this finding, there were several new employees in critical positions in the Fiscal Affairs office preparing and reviewing the SEFA. As soon as the error was discovered, we notified the State of West Virginia, corrected the error and resent the proper information.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–29 MATCHING**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Criteria:** OMB Circular A-110 (2 CFR section 215.23) provides detailed criteria for acceptable costs and contributions. The following is a list of the basic criteria for acceptable matching:

- Are verifiable from the non-Federal entity’s records.
- Are not included as contributions for any other federally assisted project or program, unless specifically allowed by Federal program laws and regulations.
- Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
- Are allowed under the applicable cost principles.
- Are not paid by the Federal Government under another award, except where authorized by Federal statute to be allowable for cost sharing or matching.
- Are provided for in the approved budget when required by the Federal awarding agency.
- Conform to other applicable provisions of OMB Circular A-110 and the laws, regulations, and provisions of contract or grant agreements applicable to the program.

OMB Circular A-110 requires that the auditor “determine whether the minimum amount or percentage of contributions or matching funds was provided.”

**Condition:** During our testing of the matching requirements for West Virginia State University (WVSU), we noted that the institution did not meet the required match until after our audit procedures identified the discrepancy. WVSU provided support for the initial match of \$53,963 that was based upon estimated expenditures. The match should have been based upon final FSEOG expenditures as reported on the FISAP of \$63,993. The difference of \$10,030 was not processed until November 2011.

**Questioned Costs:** \$10,030

**Context:** The accurate matching amount reported within the FISAP, based upon final FSEOG expenditures, was not properly supported until November 2011 at which time West Virginia State University processed the calculated match remainder of \$10,030. Total Student Financial Assistance Cluster expenditures were \$19,169,884.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–29 MATCHING  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Cause:** Policies and procedures related to the calculation of FSEOG matching requirements and the subsequent transfer of non-federal institution funds had not been followed, therefore allowing for errors which were not detected by management.

**Effect:** Improper match calculations based upon estimated amounts could result in improper reporting within the FISAP.

**Recommendation:** We recommend that WVSU implement a review process that is closely followed. Such procedures should include the formal documentation that the appropriate review was performed to ensure the proper calculation and matching of FSEOG expenditures.

**Views of Responsible Officials and Planned Corrective Actions:** West Virginia State University will comply with your recommendation and implement a review process that includes the formal documentation of the review to ensure proper calculation and matching of FSEOG expenditures.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–30 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

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

**Condition:** During the current year testing of the Schedule of Expenditures of Federal Awards, it was noted that the West Virginia School of Osteopathic Medicine (WVSOM) used the incorrect CFDA number for identifying Federal Direct Loan expenditures.

**Questioned Costs:** N/A

**Context:** Total Direct Loan expenditures were \$28,488,403 for the year ended June 30, 2011.

**Cause:** This was the first year the WVSOM expended Direct Loan funds, so no review was completed to ensure that the correct CFDA number was used.

**Effect:** As a result of using the incorrect CFDA numbers, expenditures for the Federal Direct Loan program were understated and expenditures for the Federal Family Education Loans program were overstated.

**Recommendation:** The West Virginia School of Osteopathic Medicine should ensure that, during the review of the SEFA, a person knowledgeable of the federal awards received and the respective CFDA numbers, reviews each award to ensure each program is reported appropriately and is using the appropriate CFDA number.

**Views of Responsible Officials and Planned Corrective Actions:** WVSOM will comply with providing the correct CFDA numbers.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–31 SPECIAL TESTS AND PROVISIONS – BORROWER DATA TRANSMISSION AND RECONCILIATION**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Criteria:** Institutions must report all loan disbursements and submit required records to the Direct Loan Servicing System (DLSS) via the Common Origination and Disbursement (COD) within 30 days of disbursement (OMB No. 1845-0021). Each month, the COD provides institutions with a School Account Statement (SAS) data file which consists of a Cash Summary, Cash Detail, and (optional at the request of the school) Loan Detail records. The school is required to reconcile these files to the institution’s financial records. Since up to three Direct Loan program years may be open at any given time, schools may receive three SAS data files each month (34 CFR sections 685.102(b), 685.301, and 303).

**Condition:** During our testing of Direct Loan SAS reconciliations for the West Virginia School of Osteopathic Medicine, we noted the following:

- For the four months selected for testing, reconciliations could not be produced.
- For one of the four months selected for testing, a SAS could not be created.

**Questioned Costs:** N/A

**Context:** Total Direct Loan expenditures were \$28,488,403 for the year ended June 30, 2011.

**Cause:** Written procedures detailing the process to reconcile loans from COD to BANNER exist, as provided in narrative form during the audit. However, management represented that a formal reconciliation process has not been successfully implemented. Also, SAS were not and cannot be successfully created for the months of July and August 2010.

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

**Recommendation:** The West Virginia School of Osteopathic Medicine should ensure that SAS are successfully maintained on a monthly basis and that monthly reconciliations are performed and saved as documented in the institution’s written procedure, including documentation of supervisor review and approval.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–31 SPECIAL TESTS AND PROVISIONS – BORROWER DATA TRANSMISSION AND RECONCILIATION  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Views of Responsible Officials and Planned Corrective Actions:** WVSOM will comply as required to reconcile the COD files with the institution’s financial records.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–32 SPECIAL TESTS AND PROVISIONS – LOAN DEFAULTS**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

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

**Condition:** During our compliance testing of student loan files for the West Virginia School of Osteopathic Medicine, we noted the following:

- The West Virginia School of Osteopathic Medicine had a total of 40 students with defaulted loans in FY 2011. For 2 out of a sample of 25 defaulted borrowers tested, a timely exit interview was not conducted by the West Virginia School of Osteopathic Medicine. The interview packages were mailed more than 30 days after the students’ separation dates.

**Questioned Costs:** N/A

**Context:** Total Perkins Loan expenditures were \$323,331 for the year ended June 30, 2011.

**Cause:** Management failed to mail the exit interview packages within the required time frame to demonstrate compliance with the federal regulations.

**Effect:** The lack of timely mailing for the students’ exit interviews is a noncompliance issue with CFR Section 674.42.

**Recommendation:** The West Virginia School of Osteopathic Medicine should implement policies and procedures to ensure that exit interview packages are mailed to all borrowers who leave prior to an exit interview being conducted and that this takes place within the required 30 days after the borrower completes the program.



**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–32 SPECIAL TESTS AND PROVISIONS – LOAN DEFAULTS  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Views of Responsible Officials and Planned Corrective Actions:** WVSOM will comply with timely exit interviews for students leaving WVSOM. Internal procedures have been reviewed and strengthened.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–33 FISCAL OPERATIONS REPORT AND APPLICATION TO PARTICIPATE**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Criteria:** ED Form 646-1, *Fiscal Operations Report and Application to Participate* (FISAP) (OMB No. 1845-0030) – This electronic report is submitted annually to receive funds for the campus-based programs. The University uses the *Fiscal Operations Report* portion to report its expenditures in the previous award year and the *Application to Participate* portion to apply for the following year. FISAPs are required to be submitted by October 1 following the end of the award year (which is always June 30). For example, by October 1, 2011, the institution should submit its FISAP that includes the *Fiscal Operations Report* for the award year ended June 30, 2011, and the *Application to Participate* for the 2012–2013 award year (FPL, FWS, FSEOG 34 CFR Section 673.3; *Instruction Booklet for Fiscal Operations Report and Application to Participate*).

As noted on page V of the instructions for the Fiscal Operations Report for 2010–2011 and the Application to Participate for 2012–2013, all corrections to FISAP data and correction of edit errors must be submitted to the U.S. Department of Education (the Department) by December 15, 2011. If there is a need to make a correction after December 15, 2011, the University must access the eCB website and make the necessary correction. This data will be saved in a Working Copy of the FISAP. The University then must justify the need to make the correction on the Additional Information page in the system. However the University will not be able to submit the correction at this stage in the process. The request must be reviewed by the Department, and the University will be notified if the correction is allowed.

**Condition:** Three line items reported on the June 30, 2011 FISAP for Concord University required revision after the original submission as the amounts reported did not reconcile to supporting documentation.

**Questioned Costs:** N/A

**Context:** The Concord University FISAP required a revision to three amounts reported under Part V, Section G and Section H.

**Cause:** The review process failed to detect, prior to submission, incorrect amounts originally reported on the FISAP.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–33 FISCAL OPERATIONS REPORT AND APPLICATION TO PARTICIPATE  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Effect:** The U.S. Department of Education uses the information in the Application to Participate and in the Fiscal Operations Report to determine the amount of funds the University will receive for each campus-based program. The University must submit accurate data. If not, the University might not receive all the funds to which the University is entitled, or the University might be required to return funds that the University was not entitled to receive. The University must retain accurate and verifiable records for program review and audit purposes.

**Recommendation:** We recommend that the University strengthen their policies and procedures to ensure that the proper documentation is maintained to support the information and amounts included in the Fiscal Operations Report and Application to Participate report submitted to the U.S. Department of Education.

**Views of Responsible Officials and Planned Corrective Actions:** The three line items on the FISAP that required revision were in Part V, Federal Work-Study Program in Sections G and H, that listed students employed in community service activities and as reading tutors. The revisions were submitted to the Department of Education on December 8, 2011 before the December 15, 2011 deadline. In the future, the FISAP will be thoroughly reviewed before submission.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–34 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

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

**Condition:** During the current year testing of the Schedule of Expenditures of Federal Awards, it was noted that the Concord University (Concord) used the incorrect CFDA number for identifying Federal Direct Loan expenditures.

**Questioned Costs:** N/A

**Context:** Total Direct Loan expenditures were \$10,314,074 for the year ended June 30, 2011.

**Cause:** This was the first year Concord University expended Direct Loan funds; no review was completed to ensure the correct CFDA number was used.

**Effect:** As a result of using the wrong CFDA numbers, expenditures for the Federal Direct Loan program would be understated and expenditures for the Federal Family Education Loans program would be overstated.

**Recommendation:** Concord University should ensure that, during the review of the SEFA, a person knowledgeable of the federal awards received and the respective CFDA numbers reviews each award to ensure each program is reported appropriately.

**Views of Responsible Officials and Planned Corrective Actions:** Concord University will comply with providing the correct CFDA numbers.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–35 EARMARKING**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Criteria:** In accordance with 34 CFR 675.18, “(1) For the 2000–2001 award year and subsequent award years, an institution must use at least seven percent of the sum of its initial and supplemental FWS allocations for an award year to compensate students employed in community service activities. In meeting this community service requirement, an institution must include at least one—(i) Reading tutoring project that employs one or more FWS students as reading tutors for children who are preschool age or are in elementary school; or (ii) Family literacy project that employs one or more FWS students in family literacy activities. (2) The Secretary may waive the requirements in paragraph (g)(1) of this section if the Secretary determines that an institution has demonstrated that enforcing the requirements in paragraph (g)(1) of this section would cause a hardship for students at the institution. (3) To the extent practicable, in providing reading tutors for children under paragraph (g)(1)(i), an institution must—(i) Give priority to the employment of students to tutor in reading in schools that are participating in a reading reform project that—(A) Is designed to train teachers how to teach reading on the basis of scientifically-based research on reading; and (B) Is funded under the Elementary and Secondary Education Act of 1965; and (ii) Ensure that any student who is employed in a school participating in a reading reform project described in paragraph (g)(3)(i) of this section receives training from the employing school in the instructional practices used by the school. (4)(i) In meeting the seven percent community service expenditure requirement in paragraph (g)(1) of this section, students may be employed to perform civic education and participation activities in projects that—(A) Teach civics in schools; (B) Raise awareness of government functions or resources; or (C) Increase civic participation. (ii) To the extent practicable, in providing civic education and participation activities under paragraph (g)(4)(i) of this section, an institution must—(A) Give priority to the employment of students in projects that educate or train the public about evacuation, emergency response, and injury prevention strategies relating to natural disasters, acts of terrorism, and other emergency situations; and (B) Ensure that the students receive appropriate training to carry out the educational services required.”

**Condition:** During our testing of earmarking for New River Community and Technical College (NRCTC), we noted the following:

- The institution only earmarked \$3,210 to compensate students employed in a community service activity instead of the required 7% of FWS allocations or \$4,714.

**Questioned Costs:** N/A

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–35 EARMARKING  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Context:** Total Student Financial Assistance Cluster expenditures for NRCTC were \$10,808,483 for the year ended June 30, 2011. Total federal expenditures for Federal Work Study program were \$20,268 for the year ended June 30, 2011.

**Cause:** Management failed to keep track of the status of the Federal Work Study earmarking requirement.

**Effect:** Management has failed to remain in compliance with the COD of Federal Regulations for the Federal Work Study program.

**Recommendation:** The institution should implement policies and procedures to ensure that earmarking requirements are being met throughout the year.

**Views of Responsible Officials and Planned Corrective Actions:** The institution is in the process of developing policies and procedures to insure that the required percentage of the allocation is spent and the earmarking requirements are met. A waiver for underuse of Federal Work Study has been approved by the Department of Education.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–36 FISCAL OPERATIONS REPORT AND APPLICATION TO PARTICIPATE**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education	
	Office of Student Financial Assistance	
	Office of Post Secondary Education	
	U.S. Department of Health and Human Services	
	Health Resources and Services Administration	
	Student Financial Assistance Cluster	84.007/84.032/ 84.033/84.038/ 84.063/84.268/ 84.375/84.376/ 84.379/93.342/ 93.364/93.925

**Criteria:** ED Form 646-1, *Fiscal Operations Report and Application to Participate* (FISAP) (OMB No. 1845-0030) – This electronic report is submitted annually to receive funds for the campus-based programs. The College uses the *Fiscal Operations Report* portion to report its expenditures in the previous award year and the *Application to Participate* portion to apply for the following year. FISAPs are required to be submitted by October 1 following the end of the award year (which is always June 30). For example, by October 1, 2011, the institution should submit its FISAP that includes the *Fiscal Operations Report* for the award year ended June 30, 2011, and the *Application to Participate* for the 2012-2013 award year (FPL, FWS, FSEOG, 34 CFR Section 673.3; Instruction Booklet for *Fiscal Operations Report and Application to Participate*).

**Condition:** During our testing of the FISAP, management could not provide support for the amounts reported at Part V Section F line 24-25 and Part V Section H line 27-29 of the FISAP.

**Questioned Costs:** N/A

**Context:** NRCTC prepared their FISAP and submitted prior to the deadline of October 1, 2011. However, NRCTC did not maintain documentation to support the amounts included in certain sections of the FISAP.

**Cause:** Management should implement a policy to maintain adequate documentation for reports required to be submitted.

**Effect:** NRCTC cannot support the amounts included in the reports to the federal government.

**Recommendation:** We recommend the college implement procedures to ensure that adequate documentation to support reports submitted to the federal government is maintained.

**Views of Responsible Officials and Planned Corrective Actions:** It is the policy of the institution to review prior to submission. The work study program is new to the institution and we are in the process of developing a tracking system to insure that we are able to track the student workers in these two programs. When the FISAP was submitted, it was estimated on these two programs with the intent to do the edits at the specified time. We are in the process of getting additional information to be able to perform these edits and will submit them as a correction. With this process being developed we hope to avoid this problem in the future.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-37 REPORTING**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Education Vocational Rehabilitation Grants to States  Grant Award H126A100073C Grant Award H126A110073-11D	<b>CFDA#</b>  84.126/ ARRA-84.390
-------------------------------------	---	--

**Criteria:** The program is required to file the *RSA-2 Annual Vocational Rehabilitation Program/Cost Report*. Management of the West Virginia Department of Rehabilitation Services (DRS) is responsible for establishing and maintaining effective adequate controls compliance requirements related to the review and approval of the RSA-2 Report.

**Condition:** The annual RSA-2 Report dated September 30, 2010, was not signed or initialed by a reviewer indicating approval. Management agreed that a sign-off was not provided on the RSA-2 report following review.

**Questioned Costs:** N/A

**Context:** Total expenditures reported within the annual RSA-2 Report for the year ended September 30, 2010, were \$52,467,466. Total federal expenditures for the Vocational Rehabilitation Cluster were \$40,761,160 for the year ended June 30, 2011.

**Cause:** DRS appears to have policies and procedures in place for the approval of the RSA-2 Report but has failed to actively enforce the procedures.

**Effect:** DRS has not consistently followed internal control policies and procedures. Without proper review and approval, inaccurate data could be reported on the federal reports filed with the grantor agency.

**Recommendation:** We recommend that the reviewer sign or initial the RSA-2 Report and supporting documentation to indicate proper review and approval. We recommend that the DRS enforce procedures to ensure that the RSA-2 Report is reviewed and approved prior to submission and that the reviewer sign off on the report.

**Views of Responsible Officials and Planned Corrective Actions:** The Agency concurs with the finding and will follow procedures to ensure the FSA-2 Report is properly signed off in the future. The RSA-2 Report for the year ended September 30, 2011, was stamped and initialed before being submitted.



**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–38 PHYSICAL INVENTORY COUNT  
(Prior Year Finding 2010-36)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Education Vocational Rehabilitation Cluster  Grant Award H126A100073C Grant Award H390A090073A	<b>CFDA#</b>  84.126/ ARRA-84.390
-------------------------------------	---	--

**Criteria:** Title 34 CFR 80.32 d(2), *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, states that a physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

**Condition:** Management has not taken a physical inventory of equipment in the past two years.

**Questioned Costs:** Unknown

**Context:** Total equipment purchased with Vocational Rehabilitation Cluster funds for the year ended June 30, 2011 was approximately \$1.2 million. Total federal expenditures for the Vocational Rehabilitation Cluster for the year ended June 30, 2011 were \$40,761,160.

**Cause:** A physical count of equipment inventory was scheduled for the spring of 2011. Before the physical count could commence, the West Virginia Division of Rehabilitation Services main facilities were ordered closed by the Fire Marshall and all employees had to relocate, which took considerable time and resources. The procurement manager was able to complete the physical count of equipment inventory by December 31, 2011.

**Effect:** Amounts reported as fixed assets may not be correct, and the West Virginia Division of Rehabilitation Services is not in compliance with OMB Circular A-102.

**Recommendation:** We recommend that the West Virginia Division of Rehabilitation Services complete a physical inventory of equipment in accordance with the applicable federal guidelines.

**Views of Responsible Officials and Planned Corrective Actions:** Due to extenuating circumstances, the planed biannual inventory did not take place; however, it was completed by December 31, 2011. In the future, physical inventory counts will be conducted every two years in accordance with Title 34 CFR 80.32 d(2).

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–39 CASH MANAGEMENT  
(Prior Year Finding 2010–37)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education State Fiscal Stabilization Fund Cluster	ARRA-84.394/ ARRA-84.397
	Grant Award 2009 Education S394A090049 Grant Award 2009 Government Services S397A090049	

**Criteria:** OMB Circular A-102, Section 2(a) requires grantor agency to “establish methods and procedures for transferring funds to minimize the time elapsing between the transfer to recipients of grants and cooperative agreements and the recipient’s need for the funds.”

**Condition:** During our testing of ten Cash Management drawdowns requested from the U.S. Department of Education by the Governor’s Office via the Governor’s Office of Economic Opportunity (GOEO), we noted that four of the ten drawdowns were not subsequently expended within the three-business day time frame.

**Questioned Costs:** Unknown

**Context:** The four drawdowns within our testing, noted above, which were not in compliance with the applicable time frame, totaled \$3,578,692 out of a total sample of \$15,591,530.

**Cause:** The Governor’s Office did not follow policies and procedures to ensure that advance drawdowns explicitly requested for payroll cash needs were expended within the three-business day time frame.

**Effect:** The Governor’s Office may have excess federal cash on hand and not remitting interest earned on the excess federal cash to the U.S. Department of Education; therefore, the Governor’s Office is not in compliance with the federal rules and regulations regarding cash management.

**Recommendation:** We recommend that the Governor’s Office follow procedures whereby they expend all advance payment drawdowns from the U.S. Department of Education for payroll within the required three-business day time frame.

**Views of Responsible Officials and Planned Corrective Actions:** FARS will work with the Governor’s office and GOEO to create a plan to implement and to minimize the amount of Federal cash on hand, at the agency and with subrecipients.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-40 LACK OF SUPPORTING DOCUMENTATION**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Education State Fiscal Stabilization Fund Cluster  Grant Award 2009 Education S394A090049 Grant Award 2009 Government Services S397A090049	<b>CFDA#</b>  ARRA-84.394/ ARRA-84.397
-------------------------------------	--	---

**Criteria:** At a minimum to show that these costs are reasonable and necessary, as with other similarly situated employees, the entities must maintain contemporaneous documentation to show that individuals for whom salary is paid (in whole or in part) using SFSF funds, worked sufficient hours to justify the salary, the level of salaries were similar to other employees who performed similar work and were paid from other sources, and that the individuals were not paid more than once for the same work. Thus, the documentation should be able to demonstrate that the costs were reasonable for the service provided, that the service was actually provided, and that no other funds were paid for the same service. (See Guidance for Grantees and Auditors, State Fiscal Stabilization Fund, dated December 24, 2009, which is available at the SFSF website).

**Condition:** During our testing of ten institutions of higher education we noted one institution in which the amount requested for reimbursement exceeded the underlying supporting schedule due to a transposition. The amount that should have been requested by West Virginia State University was \$1,026,811, however the amount submitted for reimbursement was \$1,206,811. While the underlying supporting documentation did not agree to the amount requested per the reimbursement request form, the Governor’s Office for Economic Opportunity (GOEO) proceeded to disburse the higher unsubstantiated amount to the West Virginia State University.

**Questioned Costs:** \$180,000

**Context:** Total State Fiscal Stabilization Fund Cluster expenditures were \$137,286,981. Total State Fiscal Stabilization Fund Cluster expenditures for institutions of higher education were \$27,015,842. State Fiscal Stabilization Fund Cluster expenditures for West Virginia State University were \$1,026,811.

**Cause:** Management did not implement policies and procedures to ensure documentation was maintained to support that the costs for which reimbursement was requested were used in accordance with federal regulations.

**Effect:** The institution may request reimbursement for unallowable costs and the GOEO may disburse federal aid for requests that are not supported by reasonable and necessary costs.

**Recommendation:** We recommend that the institution implement procedures to review reimbursement requests prior to submission to ensure the request properly reconciles to underlying costs. Further we recommend that the GOEO implement a review process to ensure amounts disbursed are properly supported prior to awarding the federal funds.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-40 LACK OF SUPPORTING DOCUMENTATION  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Education State Fiscal Stabilization Fund Cluster	ARRA-84.394/ ARRA-84.397
	Grant Award 2009 Education S394A090049	
	Grant Award 2009 Government Services S397A090049	

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

West Virginia State University will comply with your recommendation and implement procedures to review reimbursement requests prior to submission to ensure the request properly reconciles to underlying costs. For the error described in this finding, numbers were transposed on the reimbursement request. When we received the wrong amount of money from the GOEO and realized the mistake, we immediately returned the \$180,000 to the GOEO. The GOEO was in agreement that the money was returned in a timely manner.

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2011**

**2011–41 PROGRAM INCOME**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	Election Assistance Commission	
	Help America Vote Act	90.401

**Criteria:** The *Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments*, 41 CFR 105-71.125, states that:

Program income means gross income received by the subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. The Election Assistance Commission (EAC) has authorized states to add program income to the HAVA grant and use the income for purposes and under conditions of the grant.

The *Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments*, 41 CFR 105-71.141, states that:

Each grantee will report program outlays and program income on a cash or accrual basis as prescribed by the awarding agency.

**Condition:** The Secretary of State (SOS) has not deposited program income, generated by the SOS and the counties from the sale of voter registration lists that was in excess of the costs associated with preparing the lists, into the Help America Vote Act (HAVA) election fund. Both the SOS and each of the seven counties visited, prepared these lists from the SOS's HAVA-funded voter registration system. The program income has also not been reported to the EAC as required.

**Questioned Costs:** \$219,410

**Context:** The SOS received a total of \$219,410 in income, net of production costs, from the sale of voter registration lists. Of this total, \$157,595 was transferred to the counties and \$62,815 was retained by the State. The counties visited also sold voter registration lists. Except for one county, none of these counties maintained records of the amounts of income they generated. The one county that maintained records received approximately \$45,691 from the sale of voter registration lists. The county spent approximately \$11,500 of this amount on election related expenses, including the replacement of State-provided voter registration equipment which had become inoperable.

**Cause:** According to SOS election officials, the State income was deposited in an account to support the State's voter registration program. Under State law, counties are required to deposit the income into the counties' general funds.

**Effect:** The HAVA program is not in compliance with federal rules and regulations which require states to add program income to the HAVA grant and use the income for purposes or conditions of the grant.

**Recommendation:** The SOS should work with the EAC to resolve the conflict between federal and State law which requires that program income be deposited in non-HAVA funds at the State and county levels. Additionally, the SOS should provide guidance to the counties on how to properly record and report program income received from the sale of voter registration lists generated from the State's voter registration database. The SOS should also report such income to the EAC timely.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-41 PROGRAM INCOME  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	Election Assistance Commission	
	Help America Vote Act	90.401

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

W.VA. State Code 3-2-30 requires, in conflict with EAC code, that part of the State-generated monies be paid to the counties. The remainder of the State-generated excess funds is to be placed in a residual fund. County-generated excess funds are to be placed in the county's general revenue fund. Relevant portions of the Code read as follows:

3-2-30. Public inspection of voter registration records in the office of the clerk of the county commission; providing voter lists for noncommercial use; prohibition against resale of voter lists for commercial use or profit.

- (e) The fees received by the clerk of the county commission shall be kept in a separate fund under the supervision of the clerk for the purpose of defraying the cost of the preparation of the voter lists. An unexpended balance in the fund shall be transferred to the general fund of the county commission.
- (f) The Secretary of State may make voter lists available for sale subject to the limitations as provided in this section for counties. The cost for a partial list shall be one and one-half cents per name plus ten dollars for each disk required; the cost for a complete statewide list shall be one-half cent per name and a flat fee of one thousand dollars. Once center per name for each voter from a particular county on each partial list and one-half cent per name for each voter from a particular county on each statewide list sold shall be reimbursed to the appropriate county. The disk fee and one-half cent per name associated with a partial list and the flat fee of one thousand dollars associated with a complete statewide list and the flat fee of one thousand dollars associated with a complete statewide list shall be deposited to a special revenue account for purpose of defraying the cost of preparing the lists.

The auditors recommend that the conflict between State and federal code requirements be resolved by the EAC and the Secretary. The Secretary believes that conflicts in code requirements of other states have been resolved, on some occasions, in the favor of the state by the EAC. The Secretary requests that, given the relatively small amount involved, the EAC concede on the matter.

However, should the EAC determine not to grant an exception, the Secretary asks, for the reasons given in response to NRF reference No. 2400.05, urges that the State be allowed to credit the \$2,800,000 in State expenditures against the total due.

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2011**

**2011–42 ELIGIBILITY**  
**(Prior Year Finding 2010–38)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF)	93.558/ ARRA-93.714
	Grant Award 2011 – 2011G996115	

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

**Condition:** Due to the lack of a nationwide database, the West Virginia Department of Health and Human Resources (DHHR) does not have the ability to fully comply with the TANF federal 60-month eligibility limitation requirement.

**Questioned Costs:** Unknown

**Context:** The fiscal year ended June 30, 2002, was the first year in which the federal 60-month requirement became effective. Total federal expenditures for the TANF Cluster for the fiscal year ended June 30, 2011, were \$188,069,164.

**Cause:** The U.S. Department of Health and Human Services (USDHHS) has not developed a method for tracking claimants who may have received benefits from multiple states.

**Effect:** Ineligible or potentially ineligible claims may have been reimbursed using federal funds.

**Recommendation:** DHHR has developed policies and procedures in accordance with USDHHS guidance regarding surrounding states; however, procedures to ensure claimants are not from other states cannot be developed without a centralized database and the assistance of the USDHHS. On January 15, 2010, the USDHHS Administration for Children and Families (ACF) issued a response letter regarding a prior year finding and recommendation #306908100 for this same issue. The letter stated in part “No further action is required with respect to this recommendation.” However, we recommend that DHHR continue to work with USDHHS to resolve the internal control weakness.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-42 ELIGIBILITY**

(Prior Year Finding 2010-38) (continued)

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Temporary Assistance for Needy Families (TANF)	93.558/ ARRA-93.714
	Grant Award 2011 – 2011G996115	

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

The auditors have recognized that the DHHR has written policies and procedures in place to address the 60-month lifetime eligibility limitation. The DHHR believes that our policies and procedures are very comprehensive and address the 60-month lifetime eligibility limitation to the maximum extent possible. However, because the USDHHS has not created a nationwide database that can provide absolute assurance to all 50 states regarding all claimants of TANF funds, the auditors continue to impose this finding directly upon the DHHR. The auditors recommend that the DHHR continue to work with the USDHHS to resolve this finding.

This finding dates back to the West Virginia Single Audit for the Year Ended June 30, 2002. In an effort to resolve this finding to the full satisfaction of our independent auditors, the DHHR respectfully requests that the USDHHS address the 60-month lifetime eligibility limitation at the Federal level by initiating a coordinated approach amongst the 50 States and, thus, developing a nationwide database for tracking claimants who may have received benefits from multiple states.

If the USDHHS does not plan to develop a nationwide database in the near future, the DHHR requests that the USDHHS, as the federal awarding agency, review the policies and procedures currently in effect within the DHHR and provide a formal determination as to whether our procedures satisfy the underlying requirements of 45 CFR sections 264.1(c) and (e). Otherwise, as implied within the finding, without the assistance of the USDHHS, the DHHR cannot address the condition and is at a loss as to what we can do to resolve this finding.



**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–43 ELIGIBILITY AND SUPPORTING DOCUMENTS  
(Prior Year Finding 2010-39)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF)  Grant Award 2011 – 2011G996115	<b>CFDA#</b>  93.558 ARRA-93.714
-------------------------------------	--	---

**Criteria:** “A state shall require that, as a condition of providing assistance, a member of the family assign to the state the rights the family member may have for support from any other person. This assignment does not exceed the amount of assistance provided (42 USC 608(a)(3)).”

**Condition:** Of the 25 TANF recipients tested, we note one case where there was conflicting information between RAPIDS and the case file regarding the assignment of rights form ES AP-1.

**Questioned Costs:** \$460

**Context:** This case represents \$460 out of a total \$8,648 in total payments tested for eligibility. Total federal expenditures for the TANF Cluster were \$188,069,164 for the fiscal year ended June 30, 2011.

**Cause:** Management indicated that conflicting data and lack of approval was due to caseworker oversight.

**Effect:** Ineligible or potentially ineligible claims may have been reimbursed using federal funds.

**Recommendation:** The Department of Health and Human Resources (DHHR) should provide caseworker training to ensure they understand the importance of entering information into RAPIDS that is accurate. The caseworkers should also be educated on the financial and programmatic impact of entering invalid information into the system, which could result in possible disallowances or reduction in the levels of funding.

**Views of Responsible Officials and Planned Corrective Actions:** Management of the Bureau for Children and Families has provided training to caseworkers, and has developed and implemented procedures to ensure that caseworkers maintain accurate records and input accurate information into the RAPIDS system. Nonetheless, management at the Bureau for Children and Families will review the case in question and will take the necessary actions to ensure that caseworkers are aware of the importance of entering correct information into the RAPIDS system. The Bureau will also make sure that caseworkers are aware that entering conflicting information could result in the loss or reduction in Federal funding.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–44 SPECIAL TESTS AND PROVISIONS – SANCTIONS  
(Prior Year Finding 2010–41)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Temporary Assistance for Needy Families (TANF Cluster)	93.558/ ARRA-93.714
	Grant Award 75-9-1552	
	Grant Award 75-0-1552	

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

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

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

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

**Condition:** The West Virginia Department of Health and Human Resources (DHHR) does not have a formal procedure in place or adequate controls for supervisor approval prior to the issuance or removal of sanctions against TANF recipients within the RAPIDS system.

**Questioned Costs:** Unknown

**Context:** Total federal expenditures for the TANF Cluster for the fiscal year ended June 30, 2011, were \$188,069,164.

**Cause:** DHHR policies and procedures do not require a supervisor approval in RAPIDS prior to the issuance or removal of sanctions against TANF recipients.

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

**Recommendation:** We recommend that DHHR management implement policies and procedures that would require supervisor approval prior to the issuance or removal of sanctions. The supervisor approval should be clearly documented, whether in RAPIDS or by other means.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–44 SPECIAL TESTS AND PROVISIONS – SANCTIONS  
(Prior Year Finding 2010–41) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Temporary Assistance for Needy Families (TANF Cluster)	93.558/ ARRA-93.714
	Grant Award 75-9-1552	
	Grant Award 75-0-1552	

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

Although the Bureau for Children and Families does not have a written policy for supervisor approval prior to the issuance or removal of sanctions against TANF recipients, many cases are reviewed with the supervisor prior to sanctioning, especially in cases where the decision to sanction is not easily rendered. While there are not current policies in place, the Bureau utilizes a Performance Assessment Review process and makes suggestions to policies and procedures based on the results of the review. Furthermore, caseworkers are required to allow the client with an opportunity to present good cause before a sanction can become effective. In effect, clients who disagree with a sanction being placed on their case have the ability to present reasons why a sanction should not be levied.

The Bureau for Children and Families does not believe that additional corrective action is required. The auditors did not note any exceptions with sanctions imposed upon a TANF recipient and neither the Federal Personal Responsibility and Work Opportunity Reconciliation Act (PWORA) of 1996 nor the TANF final rule requires a supervisor to approve a sanction prior to a sanction being imposed upon a TANF recipient. The process for determining when a sanction should be applied are clearly articulated in West Virginia Code §9-9-11 (Breach of contract; notice; sanctions) and are outlined in the Personal Responsibility Contract (PRC) on Pages 6 and 7. Furthermore, the West Virginia Income Maintenance Manual, in Chapter 13 and 15, provides clear guidance on when to apply or not apply a sanction. The DHHR can provide copies of these regulatory citations at the request of interested parties and/or the HHS, as might necessary for them to consider the matter and issue a management decision.

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2011**

**2011-45 REPORTING**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Temporary Assistance for Needy Families (TANF)	93.558/ ARRA-93.714
	Grant Award 2010 – 2010G996115	
	Grant Award 2011 – 2011G996115	

**Criteria:** According to 45 CFR section 265.9(c)(5) “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, 2011, the key line item “Total Number of Families Served under the Program with MOE Funds” did not agree to underlying support by 429 cases. We noted an error was found in the calculation in underlying supporting documentation.

**Questioned Costs:** Unknown

**Context:** Total federal expenditures for the TANF Cluster for the fiscal year ended June 30, 2011, were \$188,069,164. The total amount of State MOE for the federal fiscal year ended September 30, 2011, was \$34,446,446.

**Cause:** Management did not review the September 30, 2011 ACF 204 adequately to ensure that the report was accurate and complete prior to submission to the federal government.

**Effect:** The TANF program is not in compliance with federal requirements regarding items that are to be reported on the ACF 204 report.

**Recommendation:** Management should take steps to ensure that reports submitted to the federal government are accurate and appropriately supported by documentation.

**Views of Responsible Officials and Planned Corrective Actions:** The Bureau for Children and Families will develop and implement a process to ensure that information contained in Federal reports is reviewed for accuracy and validity prior to submission of the reports to the Federal government.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–46 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS  
(Prior Year Finding 2010–43)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Cluster Grant Award 75-9-1552 Grant Award 75-0-1552	93.558/ ARRA-93.714
	Medicaid Cluster  Grant Award 75-X-0512	93.775/93.777/ 93.778 and ARRA-93.778
	Low-Income Home Energy Assistance (LIHEAP) Grant Award G-07B1WVLIEA CCDF Cluster	93.568  93.575/93.596/ ARRA-93.713
	Grant Award 17930 Grant Award 17931 Grant Award 17932	
	State Children’s Health Insurance Program Grant Award 7590515/7500515	93.767
	Foster Care—Title IV–E  Grant Award 75-0-1545 Grant Award 75-0-1546	93.658 and ARRA-93.658
	U.S. Department of Agriculture SNAP Cluster  Grant Award 1WV400401 Grant Award 1WV700701	10.551/10.561 and ARRA-10.561

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

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

**Condition:** 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 Family and Children Tracking System (FACTS) information systems. Specifically, users (primarily supervisors) with security level 15 access within the application have the ability to create and approve cases.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–46 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS  
(Prior Year Finding 2010–43) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Cluster Grant Award 75-9-1552 Grant Award 75-0-1552	93.558/ ARRA-93.714
	Medicaid Cluster  Grant Award 75-X-0512	93.775/93.777/ 93.778 and ARRA-93.778
	Low-Income Home Energy Assistance (LIHEAP) Grant Award G-07B1WVLIEA CCDF Cluster	93.568  93.575/93.596/ ARRA-93.713
	Grant Award 17930 Grant Award 17931 Grant Award 17932	
	State Children’s Health Insurance Program Grant Award 7590515/7500515	93.767
	Foster Care—Title IV–E  Grant Award 75-0-1545 Grant Award 75-0-1546	93.658 and ARRA-93.658
	U.S. Department of Agriculture SNAP Cluster  Grant Award 1WV400401 Grant Award 1WV700701	10.551/10.561 and ARRA-10.561

**Questioned Costs:** N/A

**Context:** Total federal expenditures for these programs can be located in the Schedule of Expenditures of Federal Awards. The RAPIDS computer system is utilized to process federal awards for the Medicaid Cluster, Temporary Assistance for Needy Families (TANF) State programs, LIHEAP, State Children’s Health Insurance Program (SCHIP), and the Food Stamps Cluster. The FACTS computer system is utilized to process federal awards for the CCDF Cluster, Foster Care—Title IV–E, and the Adoption Assistance programs. The table below identifies the program and OMB Circular A-133 compliance requirement impacted.

	<u>System</u>	<u>Compliance Requirements Impacted</u>
State Children’s Health Insurance Program (SCHIP)	RAPIDS	Eligibility
SNAP Cluster	RAPIDS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Availability of Federal Funds, Special Tests and Provisions – ADP System for Food Stamps
Temporary Assistance for Needy Families (TANF) Cluster	RAPIDS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–46 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS  
(Prior Year Finding 2010–43) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Cluster Grant Award 75-9-1552 Grant Award 75-0-1552	93.558/ ARRA-93.714
	Medicaid Cluster  Grant Award 75-X-0512	93.775/93.777/ 93.778 and ARRA-93.778
	Low-Income Home Energy Assistance (LIHEAP) Grant Award G-07B1WVLIEA CCDF Cluster	93.568  93.575/93.596/ ARRA-93.713
	Grant Award 17930 Grant Award 17931 Grant Award 17932	
	State Children’s Health Insurance Program Grant Award 7590515/7500515	93.767
	Foster Care—Title IV–E  Grant Award 75-0-1545 Grant Award 75-0-1546	93.658 and ARRA-93.658
	U.S. Department of Agriculture SNAP Cluster  Grant Award 1WV400401 Grant Award 1WV700701	10.551/10.561 and ARRA-10.561

Low-Income Home Energy Assistance (LIHEAP)	RAPIDS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Period of Availability of Federal Funds
Medicaid Cluster	RAPIDS	Eligibility
Adoption Assistance	FACTS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility
CCDF Cluster	FACTS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Period of Availability of Federal Funds
Foster Care—Title IV–E	FACTS	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Eligibility, Period of Availability of Federal Funds

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

Unit supervisors can override the controls imbedded in the FACTS system in order to continue benefits for the recipient.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–46 DHHR INFORMATION SYSTEM AND RELATED BUSINESS PROCESS CONTROLS  
(Prior Year Finding 2010–43) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families (TANF) Cluster Grant Award 75-9-1552 Grant Award 75-0-1552	93.558/ ARRA-93.714
	Medicaid Cluster  Grant Award 75-X-0512	93.775/93.777/ 93.778 and ARRA-93.778
	Low-Income Home Energy Assistance (LIHEAP) Grant Award G-07B1WVLIEA CCDF Cluster	93.568  93.575/93.596/ ARRA-93.713
	Grant Award 17930 Grant Award 17931 Grant Award 17932	
	State Children’s Health Insurance Program Grant Award 7590515/7500515	93.767
	Foster Care—Title IV–E  Grant Award 75-0-1545 Grant Award 75-0-1546	93.658 and ARRA-93.658
	U.S. Department of Agriculture SNAP Cluster  Grant Award 1WV400401 Grant Award 1WV700701	10.551/10.561 and ARRA-10.561

**Effect:** Without proper segregation of duties and absent adequate detect controls, the ability exists for supervisors with the appropriate level of access to create and approve cases within the FACTS application.

**Recommendation:** We recommend that access to the FACTS system various 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. A detective control that would require a review to ensure that cases created and approved were appropriate.

**Views of Responsible Officials and Planned Corrective Actions:** The DHHR implemented a detective control on December 27, 2011, to review and ensure that cases created and approved by the same person are appropriate.



**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–47 TIME AND ATTENDANCE AUTHORIZATION PROCEDURES  
(Prior Year Finding 2010–44)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families	93.558/ ARRA-93.714
	Grant Award G-1102WVTANF Medicaid Cluster	93.775/93.777/ 93.778 and ARRA-93.778
	Grant Award 05-1105WV5MAP Low-Income Home Energy Assistance	93.568
	Grant Award 2011-WX-1003 Child Care Cluster	93.575/93.596/ ARRA-93.713
	Grant Awards 75-1-1515 Foster Care—Title IV–E	93.658 and ARRA-93.658
	Grant Award 1101WV1401 Child Support Enforcement	93.563 and ARRA-93.563
	Grant Award 75-X-1501 U.S. Department of Agriculture SNAP Cluster	10.551/10.561 and ARRA-10.561
	Grant Award 1WV400401	

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

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

**Condition:** We reviewed individual federally funded employee payroll cash disbursements during the fiscal year ended June 30, 2011, and noted the following:

- There were 7 instances out of 39 tested where annual leave form was not signed by a supervisor prior to leave date.
- There was 1 instance out of 39 tested where the time sheet was not approved by the supervisor.

**Questioned Costs:** Unknown

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

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–47 TIME AND ATTENDANCE AUTHORIZATION PROCEDURES  
(Prior Year Finding 2010–44) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families	93.558/ ARRA-93.714
	Grant Award G-1102WVTANF Medicaid Cluster	93.775/93.777/ 93.778 and ARRA-93.778
	Grant Award 05-1105WV5MAP Low-Income Home Energy Assistance Grant Award 2011-WX-1003 Child Care Cluster	93.568  93.575/93.596/ ARRA-93.713
	Grant Awards 75-1-1515 Foster Care—Title IV–E	93.658 and ARRA-93.658
	Grant Award 1101WV1401 Child Support Enforcement	93.563 and ARRA-93.563
	Grant Award 75-X-1501 U.S. Department of Agriculture SNAP Cluster	10.551/10.561 and ARRA-10.561
	Grant Award 1WV400401	

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

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

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

**Views of Responsible Officials and Planned Corrective Actions:** The DHHR plans to resolve this finding via a centralized DHHR approach, towards a consistent application of the policies and procedures currently in place regarding the approval of annual leave forms and time sheets. As one indicating factor of this, please note that in consultation with the National Governors Association Center for Best Practices, the DHHR in July 2011 established ten efficiency initiatives encompassing various areas of need within the DHHR as a whole. One of those initiatives relates to efficiencies with internal processes within the DHHR and includes discussion related specifically to time and attendance records, as an internal support service, and the need to enhance the centralization of DHHR’s support services to ensure operational consistency throughout the agency, eliminate duplication of effort and improve efficiency. Accordingly, the DHHR recently established a workgroup consisting of a diverse assemblage of staff members with expertise in relevant areas of supervision and personnel management, in an effort to resolve the inconsistencies noted within the Condition statement regarding the completion of annual leave forms and time sheets.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–47 TIME AND ATTENDANCE AUTHORIZATION PROCEDURES  
(Prior Year Finding 2010–44) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Temporary Assistance for Needy Families	93.558/ ARRA-93.714
	Grant Award G-1102WVTANF Medicaid Cluster	93.775/93.777/ 93.778 and ARRA-93.778
	Grant Award 05-1105WV5MAP Low-Income Home Energy Assistance Grant Award 2011-WX-1003 Child Care Cluster	93.568  93.575/93.596/ ARRA-93.713
	Grant Awards 75-1-1515 Foster Care—Title IV–E	93.658 and ARRA-93.658
	Grant Award 1101WV1401 Child Support Enforcement	93.563 and ARRA-93.563
	Grant Award 75-X-1501 U.S. Department of Agriculture SNAP Cluster	10.551/10.561 and ARRA-10.561
	Grant Award 1WV400401	

The DHHR utilizes an “Application for Leave with Pay” form for documenting the number of “Hours Annual” and the “Period of Leave” taken by employees. The reasons vary as to why the signature date on an application form is sometimes subsequent to the period of leave, but it is usually the result of unexpected circumstances resulting in the supervisor providing verbal approval to the employee in advance of the leave, yet simply not signing the form until after the period of leave. Other factors for the differing dates include travel time and the varying locations of certain employees and their supervisors relative to the period of leave.

The signature dates on the form are secondary to the foremost control objective within the DHHR, which is to ensure that supervisors do not approve annual leave for employees that do not maintain a sufficient balance of leave. The supervisor must ensure that the employee has an adequate balance of leave prior to the “Period of Leave” as marked on the “Application for Leave with Pay” form and compliance with this objective is documented via the supervisor marking the “Approved” box on that form. If the employee requesting leave did not have an adequate balance of leave prior to the period of leave, the supervisor would mark the “Disapproved” box on the application form and would proceed with compensatory restitution from the employee as related to total hours worked. Please note that all of the employees within the perspective of this finding did in fact have a sufficient balance of annual leave prior to the period of leave in question and those employees were not in danger of using leave that they had not already earned. The DHHR has very specific procedures for time, attendance and the use of annual leave, and supervisors will continue to enforce and monitor those procedures in an effort to ensure overall compliance with the control objectives established within the DHHR.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-48 INTERSTATE CASE  
(Prior Year Finding 2010-45)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Child Support Enforcement	93.563 and ARRA-93.563
	Grant 75-X-1501	

**Criteria:** Per 45 CFR section 303.7 (b) (4), the Responding State IV-D agency is required to:

- Determine that initiating state was notified of new case information within 10 days

**Condition:** We reviewed eligible child support cases during the fiscal year ended June 30, 2011, and noted the following:

- There was 1 instance out of 40 in which new case information was obtained and not provided to the initiating state in the required time frame.

**Questioned Costs:** Unknown

**Context:** Total federal expenditures for the Child Support Enforcement program were \$30,864,614 for the year ended June 30, 2011.

**Cause:** The Department has sound policies and procedures in place for interstate cases, but these policies and procedures were not being followed consistently.

**Effect:** The Department is not in compliance with federal regulations.

**Recommendation:** We recommend that the Department enforce and monitor existing interstate case procedures.

**Views of Responsible Officials and Planned Corrective Actions:** The Bureau for Child Support Enforcement agrees that in one case, an inquiry from an initiating state asking for a status update on a case did not receive a response within the five working days as specified in federal regulations. The Bureau has implemented procedures to identify and address the automated inquiries it receives from IV-D programs in other states within the applicable time frames. The noncompliance with the time frame standard did not affect the collection and disbursement of support, nor did it subject the DHHR to federal financial sanctions. The Bureau's level of compliance with the OCSE Interstate Case processing standard substantially exceeds the level required by the OCSE.

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2011**

**2011-49 MEDICAL SUPPORT ENFORCEMENT**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Child Support Enforcement	93.563 and ARRA-93.563
	Grant 75-X-1501	

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

- According to the Bureau of Child Support Enforcement (BCSE) policy 4040.10.15, the caseworker has a responsibility to transfer all relevant information from related cases when a new case is created.

**Condition:** We reviewed case files for testing of the medical support compliance requirement during the fiscal year ended June 30, 2011, and noted the following:

- There was one instance where the required relevant information was not transferred to the new case file.

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the Child Support Enforcement program were \$30,864,614 for the year ended June 30, 2011. The medical support relevant documentation was not transferred to the new case file.

**Cause:** The DHHR policies and procedures were not being followed consistently. Due to a lack of oversight, DHHR failed to transfer the medical support relevant documentation.

**Effect:** DHHR has not consistently followed internal control policies and procedures which could result in case files missing relevant information regarding eligibility or allowability.

**Recommendation:** We recommend that the DHHR follow its current policies and procedures for the transfer of all relevant information from related cases when a new case is created.

**Views of Responsible Officials and Planned Corrective Actions:** The Bureau agrees that in one case, there was a failure to enter relevant medical support obligation information into the automated case record. This lack of obligation information affects ongoing case processing. However, this failure to complete required data entry did not affect the collection and disbursement of support and is not the basis for any federal financial sanctions. The Bureau's level of compliance with the OCSE Medical Support standard exceeds the level required by the OCSE.

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2011**

**2011–50 ALLOWABILITY AND ELIGIBILITY**  
**(Prior Year Finding 2010–46)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Low-Income Home Energy Assistance (LIHEAP)	93.568
	Grant Award G–11B1WVLIEA	

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

**Condition:** We noted the following during a review of 60 benefit payments for eligibility and allowability:

- For 1 of the 60 benefit payments, the client reported zero income on the application but did not provide support for the caseworker to verify the no income status or complete the ES-LIHEAP-4 Zero Income Heating Cost Verification form but was approved for LIHEAP benefits
- For 4 of the 60 benefit payments, the client did not provide a copy of the heating bill or a current receipt or invoice at the time of application or within 15 calendar days following the date the information was requested
- For 3 of the 60 benefit payments, there was no vendor signature or date on the Emergency LIHEAP DFA-67 form
- For 8 of the 60 benefit payments, Section IV Agency Use was either not completed at all or partially completed by the DHHR caseworker; Additionally, 3 of these same benefit payments did not have the type of LIHEAP funds applied for indicated on the application

**Questioned Costs:** \$327

**Context:** For the one case where the client reported zero income on the application but did not provide support, the benefit payment was \$327. The total of all benefit payments tested was \$11,059. Total payments for assistance benefits for the LIHEAP program for the fiscal year ended June 30, 2011 were \$32,307,284. The federal expenditures for the LIHEAP program for the fiscal year ended June 30, 2011 were \$39,896,383.

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

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

**Recommendation:** DHHR should evaluate the effectiveness of the current training programs for the LIHEAP program to ensure adequate technical training is provided. Furthermore, DHHR should follow established policies and procedures to ensure that necessary approvals are obtained and the necessary documentation is maintained in the recipient case files.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-50 ALLOWABILITY AND ELIGIBILITY  
(Prior Year Finding 2010-46) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	Low-Income Home Energy Assistance (LIHEAP)	93.568
	Grant Award G-11B1WVLIEA	

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

The Bureau for Children and Families continues to review the current training for new and tenured workers to ensure that the training addresses the need to obtain necessary approvals and to maintain adequate documentation in the recipient's case files.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–51 DISASTER RECOVERY PLAN  
(Prior Year Finding 2010–47)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Health and Human Services CCDF Cluster  Grant Award 19265 Grant Award 19266 Grant Award 19267	<b>CFDA#</b>  93.575/93.596/ ARRA-93.713
<b>Criteria:</b>	Management of the West Virginia Department of Health and Human Resources (DHHR) is responsible for establishing and maintaining adequate controls and disaster recovery procedures to safeguard supporting documentation from loss.	
<b>Condition:</b>	DHHR utilizes various service providers for performing certain routine and critical data gathering activities necessary for the operation of its federal and State programs; however, DHHR has not fully developed formal policies and procedures to ensure that these service providers have adequate disaster recovery procedures in place.	
<b>Questioned Costs:</b>	N/A	
<b>Context:</b>	Total disbursements for the CCDF Cluster for fiscal year ended June 30, 2011, were \$37,760,180.	
<b>Cause:</b>	Service providers who maintain certain critical records for the processing of allowability and eligibility of Child Care payments may not have adequate disaster recovery plans in place.	
<b>Effect:</b>	Critical data supporting allowability and eligibility may not be adequately safeguarded from loss which could result in disallowed costs.	
<b>Recommendation:</b>	The DHHR should continue its current efforts to ensure that all regional child care agencies have sufficient disaster recovery and backup procedures in place to safeguard the eligibility and allowability documentation supporting transactions. Furthermore, DHHR should ensure that the procedures are periodically updated and tested for effectiveness and completeness.	
<b>Views of Responsible Officials and Planned Corrective Actions:</b>	<p>There are six Child Care Resource and Referral (RR) Agencies within the State of West Virginia, each of which is dedicated to maintaining provider resources, providing consumer education, managing the Child Care Subsidy Program, referring parents to available providers, and offering other services to improve the quality of childcare, such as provider training and technical assistance.</p> <p>The statewide single audit finding in question, originated during the fiscal year ended June 30, 2006 when a fire destroyed one of the RR agencies; consequently, the agency was unable to provide the auditors with paper copies of requested documentation in support of one of the payments within the audited sample population. While not provided as the original (paper) proof of record, the DHHR was indeed able to provide the auditors with various forms of documentation electronically via the DHHR Family and Children Tracking System (FACTS) in an effort to support the eligibility determination and processing of the payment in question.</p>	



**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–51 DISASTER RECOVERY PLAN  
(Prior Year Finding 2010–47) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services CCDF Cluster	93.575/93.596/ ARRA-93.713
	Grant Award 19265	
	Grant Award 19266	
	Grant Award 19267	

The FACTS system is a customized and automated statewide case management system that provides for online and real time determination of eligibility for childcare services, as well as an automated mechanism for the control and issuance of childcare payments. The FACTS system automatically determines eligibility from information entered during the intake or renewal process (based on average monthly gross income, level of need and other eligibility criteria established by the State of West Virginia). The RR agencies enter most of the information that they collect during the application process into the FACTS system, with the exception of signature pages and certain backup documentation such as original copies of review forms completed by parents and documentation of income or the need for care. Therefore, the key internal control regarding eligibility is review of the application by the caseworker and input of the applicable data to the FACTS system.

With respect to the condition that led to this finding, the auditors did not indicate any improper childcare related payments on the part of the DHHR, nor did they note any instances of noncompliance with Federal rules or regulations. As stated before, the DHHR was able to provide the auditors with various forms of documentation electronically via the FACTS system. Nevertheless, since the RR agency in question was unable to provide original (paper) documentation to satisfy the auditors' requests, the auditors issued a general internal control finding for the Child Care Program with a corresponding recommendation that the DHHR ensure that all RR agencies have sufficient disaster recovery and backup procedures in place to safeguard supporting documentation from loss.

The corrective action plan for this finding has gone through several stages of development and the programmatic bureau within the DHHR unto which this finding applies has made several related attempts towards resolution. The DHHR (at the programmatic bureau level) was originally attempting to address this finding by providing additional funds to the RR agencies and instructing them to purchase the necessary equipment for document imaging, with forthright consideration towards the overarching goal of a compatible and effective disaster recovery plan amongst all of the RR agencies.

At present, all of the RR agencies to which this finding applies have disaster recovery procedures in place but not all of those procedures currently address document imaging and offsite storage of case files and other related programmatic records. During fiscal year 2009, three of the six RR agencies were piloting a document imaging system so that each agency could scan critical documents at the time of the application and renewal process, and then merge those documents with other existing records to create a permanent file for each client. However, the system utilized during the pilot stage did not prove to be very robust and the DHHR (at the programmatic bureau level) feared that the system would not be compatible with other document imaging systems and could not be standardized or enhanced to keep pace with future developments in related technology.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–51 DISASTER RECOVERY PLAN  
(Prior Year Finding 2010–47) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services CCDF Cluster	93.575/93.596/ ARRA-93.713
	Grant Award 19265	
	Grant Award 19266	
	Grant Award 19267	

As the DHHR (at the programmatic bureau level) was working with the RR agencies on developing a document imaging system specific to the RR agencies and the Child Care Program, the DHHR (at the central State agency level) began the initial stages of developing a document imaging system to encompass the DHHR agency as a whole. At that time, due to the limitations noted during the pilot stage for document imaging at the three RR agencies, the DHHR made a decision to halt the efforts at the programmatic bureau level. The intent was that the DHHR would address document imaging at the centralized level, with consideration beyond the RR agencies and redirected towards all of the Federal and State programs under its purview.

The DHHR can confirm that there has been progress regarding the planned development of the department wide document imaging system and that we are prioritizing the project accordingly and with practicality. However, we are still many months away from completion, as there is still the need to resolve certain matters regarding hardware needs and capabilities; correlation of software and compatibility amongst systems; future technology and related enhancements; reporting capabilities and ad hoc reporting options; confidentiality and protection of data; availability of vendors; allocation of costs; etc.

As further indication of the DHHR's desire to resolve this disaster recovery finding via a centralized DHHR approach towards a comprehensive document imaging system, please note that in consultation with the National Governors Association Center for Best Practices, the DHHR in July 2011 established ten efficiency initiatives encompassing various areas of need within the DHHR as a whole. One of those initiatives relates specifically to document imaging and the DHHR established a workgroup consisting of a diverse assemblage of staff members with expertise in relevant areas of finance, law, procurement, information technology and programmatic policy in an effort to resolve the matters noted in the prior paragraph and to ensure continued advancement of our goals and objectives.

The Electronic Document Management RFP (Request for Proposal) Development Group, met in February 2012 with newly assigned project managers from the Office of Technology. The Development Group established a SharePoint site and drafted an RFP, which the Development Group hopes to have finalized and progressing through the approval process by April 2012. An effective evaluation will take some time but the DHHR hopes to have a vendor in place by the end of September 2012.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-52 REPORTING**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Health and Human Services CCDF Cluster  Grant Award 19265 Grant Award 19266 Grant Award 19267	<b>CFDA#</b>  93.575/93.596/ ARRA-93.713
-------------------------------------	---	---

**Criteria:** Per the grant terms and in accordance with 45 CFR 98.65 and ACF instructions, the grantee must submit a quarterly financial status report (ACF-696) of expenditures.

**Condition:** The DHHR maintains various spreadsheets that it utilizes as work papers when compiling supporting documentation and preparing the ACF-696 Financial Reports. The ACF-696 Financial Reports for the quarters ended December 31, 2010 and March 31, 2011 agreed with the support, when initially filed. However, subsequent to the filing dates, the DHHR conducted an internal cash reconciliation process and discovered errors affecting the support related to two line items in the December 31, 2010 report and one line item in the March 31, 2011 report. The DHHR corrected the errors and adjusted the applicable line items, as cumulative totals to date, during each reporting period subsequent to December 31, 2010 and March 31, 2011.

**Questioned Costs:** N/A

**Context:** Total disbursements for the CCDF Cluster for fiscal year ended June 30, 2011, were \$37,760,180. For one of the two quarterly reports reviewed, we noted the Quality Expansion Targeted Funds and Certificate Program Costs/Eligibility Determination amount reported did not agree to supporting documentation by \$499,882 and \$849,722, respectively.

For the second quarterly report reviewed, we noted the Child Care Administration and Systems amount reported did not agree to supporting documentation by \$36,219 and \$945,598, respectively.

**Cause:** There were errors in the links between different spreadsheets that caused the problems. Some of these errors were discovered and were corrected before the report was filed. After the report was filed however, additional errors were discovered while the Grants Cash Division reconciled the cash draws back to the federal reports.

**Effect:** The ACF-696 Financial Report is a report of total expenditures charged to the CCDF program report and is not a report that the grantee submits in order to draw funds against the grant award. The total amount reported on the ACF-696 Financial Report cannot exceed that to which the grantor charged and drew down against the CCDF grant awards. For the reporting periods in question, the errors discovered in the support did indeed affect certain line items of the ACF-696 Financial Report but did not affect the total amounts reported on the ACF-696 Financial Report. Furthermore, the DHHR incurred a level of qualifying expenditures exceeding that to which was available for the CCDF grant awards, thus allowing them to charge the entire amount available for each quarter. Therefore, for the reporting periods in question, there was no effect on the total amounts drawn by the DHHR, charged against the CCDF grants, and reported as bottom line totals on the ACF-696 Financial Reports.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-52 REPORTING  
(continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services CCDF Cluster	93.575/93.596/ ARRA-93.713
	Grant Award 19265	
	Grant Award 19266	
	Grant Award 19267	

**Recommendation:** The DHHR discovered the errors, but it was subsequent to submission of the ACF-696 Financial Reports; therefore, there should be a more thorough review of all spreadsheets utilized to prepare ACF-696 Financial Reports to ensure that reports initially filed are supported by accurate documentation.

**Views of Responsible Officials and Planned Corrective Actions:** The DHHR initiated corrective action upon conducting our internal cash reconciliation process, discovering the error in the links between the spreadsheets, and immediately correcting the links.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–53 ELIGIBILITY REQUIREMENTS  
(Prior Year Finding 2010-48)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Health and Human Services Foster Care—Title IV–E  Grant Award 75–1–1545 Grant Award 75–1–1545	<b>CFDA#</b>  93.658 including ARRA-93.658
<b>Criteria:</b>	The eligibility compliance requirements of the Foster Care—Title IV–E 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.	
<b>Condition:</b>	We reviewed 60 cases for allowability and eligibility and noted the following within 13 of the 60 cases tested: <ul style="list-style-type: none"> <li>• Seven cases did not have documentation supporting a timely redetermination.</li> <li>• In two cases the child was not removed from the home within 60 days of the court order.</li> <li>• Ten cases did not have eligibility established in “FACTS.”</li> <li>• Eight cases did not have permanency plans established in the required time frames.</li> </ul>	
<b>Questioned Costs:</b>	\$25,799	
<b>Context:</b>	The four different exceptions (13 of 60 cases) represent \$25,799 out of a total of \$105,394 in payments tested for eligibility. Total federal expenditures for the Foster Care program were \$25,615,408 for the year ended June 30, 2011.	
<b>Cause:</b>	Due to staff limitations and the number of eligibility requirements, management indicated that they have been unable to stay current with the Foster Care—Title IV–E case files.	
<b>Effect:</b>	Ineligible and potentially ineligible claims could be reimbursed using federal funds.	
<b>Recommendation:</b>	DHHR should review the current staffing and training programs of the Foster Care—Title IV–E Office to ensure sufficient staff levels are maintained and adequate technical training is provided. In addition, DHHR should strengthen its policies and procedures for the review of eligibility redeterminations to ensure that a thorough, consistent, and efficient eligibility redetermination process is followed. Such policies and procedures should include appropriate follow-up on all findings identified during the review process. Further, the policies and procedures should include the utilization of all redetermination features in the Family and Children Tracking System (FACTS), such as verifying that information entered into the FACTS system is accurate.	
<b>Views of Responsible Officials and Planned Corrective Actions:</b>	The U.S. Department of Health and Human Services, Administration for Children and Families conducted a Federal IV-E review in May 2011. As a result of the ACF review, IV-E staff within the DHHR Bureau for Children and Families, Division of Finance is conducting a 100% review of all active cases to ensure that the DHHR complies with all allowability and eligibility requirements for Title IV-E. The Bureau has also developed and implemented training for the eligibility determination staff to ensure consistency and uniformity in the determination process of IV-E cases statewide. Furthermore, monthly calls are held with IV-E staff to discuss progress on the review of active cases.	

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2011**

**2011–54 ALLOWABILITY AND ELIGIBILITY**  
**(Prior Year Finding 2010-49)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Foster Care—Title IV–E	93.658 including ARRA-93.658
	Grant Award 75-1-1545 Grant Award 75-1-1546	

**Criteria:** Title 42, Chapter 7, Subchapter IV, Part E section 675 states, “(B) the status of each child is reviewed periodically but no less frequently than once every six months by either a court or by administrative review (as defined in paragraph (6)) in order to determine the safety of the child, the continuing necessity for and appropriateness of the placement, the extent of compliance with the case plan, and the extent of progress which has been made toward alleviating or mitigating the causes necessitating placement in foster care, and to project a likely date by which the child may be returned to and safely maintained in the home or placed for adoption or legal guardianship.”

**Condition:** Changes in the status of Foster Care clients are not always updated in the Family and Children Tracking System (FACTS) computer system prior to the automatic processing of foster care payments. Furthermore, changes in the status of foster care clients are not always updated and reviewed for appropriateness in the FACTS computer system prior to the automatic processing of Foster Care payments.

**Questioned Costs:** Unknown

**Context:** Retroactive claims adjustments during the fiscal year ended June 30, 2011, amounted to increased claims of approximately \$9,378,394 for children found to be eligible and decreased claims of approximately \$7,162,095 for overpayments to children found to be ineligible. Total federal expenditures for the Foster Care program were \$25,615,408 for the year ended June 30, 2011.

**Cause:** Payments are established in the FACTS computer system to automatically process when foster care payments are processed; however, the West Virginia Department of Health and Human Resources (DHHR) has been unable to ensure that all checks processed by the FACTS computer system are approved by a field staff worker prior to issuance of the check.

**Effect:** Foster families could be overpaid or underpaid with federal monies for foster care services provided and such overpayments or underpayments may not be retroactively corrected in a timely manner.

**Recommendation:** DHHR should review the current staffing and training programs of the Foster Care—Title IV–E Office to ensure sufficient staff levels are maintained and adequate technical training is provided. DHHR should establish policies and procedures to ensure that changes in the status of foster care clients are updated in a timely manner and checks to foster care families in the FACTS computer system are approved prior to issuance.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-54 ALLOWABILITY AND ELIGIBILITY  
(Prior Year Finding 2010-49) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services Foster Care—Title IV-E	93.658 including ARRA-93.658
	Grant Award 75-1-1545	
	Grant Award 75-1-1546	

**Views of Responsible Officials and Planned Corrective Actions:** The validation of an automatic payment request has nothing to do with the eligibility determination of a child; the validation is to ensure that the payment for the child goes to the correct facility that cared for the child. The retro/recon process occurs subsequent to payments and is a component of the Federal Financial Reporting process for IV-E program. The federal government established the retro/recon process because they recognize that at the time of payment, the correct eligibility status for the child may not be known. Therefore, the retro/recon process allows states to “settle” with the federal government.

**STATE OF WEST VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2011**

**2011-55 ELIGIBILITY**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services	
	State Children's Health Insurance Program (SCHIP)	93.767
	Grant Award 1005WV5021	
	Grant Award 1105WV5021	

**Criteria:** In order to be deemed eligible for CHIP coverage, prospective recipients must complete an application and submit it to WVCHIP. According to the CHIP State Plan, "All applications are processed through the electronic eligibility system known as 'RAPIDS.'" Applications must be submitted and recipients deemed eligible prior to receiving coverage.

**Condition:** We reviewed disbursements during FY 2011 and noted that for 1 payment out of 60 selected for testing, the payment was made on behalf of a child whose file did not include an application for enrollment submitted prior to the date of claim.

**Questioned Costs:** Total expenditures for a child made on claims dated prior to the date of application on file in FY 2011 were approximately \$160.65.

**Context:** Total federal expenditures for the SCHIP program were \$42,357,923 for the year ended June 30, 2011. Total expenditures for the SCHIP program for claims tested in our sample of 60 were \$44,866.

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

**Effect:** Federal expenditures were made for medical claims for a child who has not been deemed eligible to receive CHIP benefits.

**Recommendation:** We recommend that SCHIP strengthen the existing policies and procedures surrounding the verification of participant eligibility of claims.

**Views of Responsible Officials and Planned Corrective Actions:** The Bureau for Children and Families continues to review the current training for new and tenured workers to ensure that the training addresses the need to obtain necessary approvals and to maintain adequate documentation in the recipient's case files.



**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-56 REPORTING**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Health and Human Services State Children's Health Insurance Program (SCHIP)	93.767
	Grant Award 1005WV5021	
	Grant Award 1105WV5021	

**Criteria:** According to Federal Financial Report Instructions issued by the Office of Management and Budget, "Quarterly and semi-annual interim reports shall be submitted no later than 30 days after the end of each reporting period."

**Condition:** The SF-425 report for the quarter ended December 31, 2010 was not submitted within the 30-day required time frame in accordance with federal reporting requirements. During our review, it was noted that the report was not submitted until February 4, 2011.

**Questioned Costs:** N/A

**Context:** Total federal expenditures for the SCHIP program for the fiscal year ended June 30, 2011, were \$42,357,923.

**Cause:** Procedures are in place, but are not consistently followed to ensure that financial reports are submitted on or before their required due dates.

**Effect:** The SCHIP program is not in compliance with the federal requirements regarding timely submission of financial reports.

**Recommendation:** We recommend that management take greater steps to ensure that financial reports are submitted to the federal government within the required time frames in accordance with federal reporting requirements.

**Views of Responsible Officials and Planned Corrective Actions:** The December 31, 2010 report was an oversight by the State agency due to issues with staff turnover. The report was submitted as soon as the oversight was identified. There were no issues with federal funds due to this delay.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–57 QUALITY CONTROL ERROR RATE  
(Prior Year Finding 2010–53)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Health and Human Services Medicaid Cluster	<b>CFDA#</b> 93.775/93.777/ 93.778 and ARRA-93.778
	Grant Award 2011 – 05-1105WV5MAP	

**Criteria:** 45 CFR 74.62 outlines the U.S. Department of Health and Human Services’ (USDHHS) right to impose sanctions against a state for failure to meet quality standards. “If a recipient materially fails to comply with the terms and conditions of an award, whether stated in a Federal statute or regulation, an assurance, an application, or a notice of award, the USDHHS awarding agency may, in addition to imposing any of the special conditions outlined in §74.14, take one or more of the following actions, as appropriate in the circumstances:

1. Temporarily withhold cash payments pending correction of the deficiency by the recipient or more severe enforcement action by the USDHHS awarding agency.
2. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
3. Wholly or partly suspend or terminate the current award.
4. Withhold further awards for the project or program.
5. Take any other remedies that may be legally available.”

Furthermore, management is responsible for maintaining adequate internal controls over disbursements to ensure that expenditures are made in accordance with the required guidelines.

The management of the West Virginia Department of Health and Human Resource (WVDHHR) is responsible for establishing and maintaining controls over the processing of payments and eligibility to minimize the risk of errors occurring and not being detected.

**Condition:** The State of West Virginia Quality Control Annual Report dated May 31, 2011, reported that the State’s 12-month sanction error rate for the West Virginia Department of Health and Human Resources’ (DHHR) Medicaid Program (for regular Medicaid cases not the pilot program) increased to 4.95% for fiscal year 2010. The fiscal year 2010 error rate is above the federal tolerance level of 3.00%. Agency errors accounted for 59.5% of the dollar loss, and client errors accounted for 40.5% of the dollar loss.

For this report period, as well as the reporting periods back to fiscal year 1995, the State has participated in a special Quality Assurance pilot project. Centers for Medicare and Medicaid Services (CMS) approved a number of states to participate in alternative Quality Control systems. The purpose of the pilot program was to expand normal quality control functions into areas that had not been explored previously. In addition to enabling states the flexibility to direct their quality assurance efforts on issues of special interest to the state, another incentive for participating in a Medicaid pilot program was that all sanction liabilities would be waived for the pilot status period of time.

**Questioned Costs:** Unknown

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–57 QUALITY CONTROL ERROR RATE  
(Prior Year Finding 2010–53) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b> U.S. Department of Health and Human Services Medicaid Cluster	<b>CFDA#</b> 93.775/93.777/ 93.778 and ARRA-93.778
	Grant Award 2011 – 05-1105WV5MAP	

**Context:** West Virginia’s Medicaid sanction error rate for FY 2010 was 4.95% as compared to the tolerable error level of 3.00%. The liability established was \$-0- due to the State’s participation in the Medicaid pilot program. Participation in this program allows the substitution of the State’s lower limit error rate of .622% in calculation of the liability. Total federal expenditures for Medicaid for the fiscal year ended June 30, 2011 were \$2,262,244,893.

**Cause:** Supervisory review procedures are not adequate to detect errors and maintain payment error rates within a tolerable level.

**Effect:** Ineligible or potentially ineligible claims may have been reimbursed using federal funds. Furthermore, the Medicaid program could potentially be exposed to an error rate liability imposed by the U.S. Department of Health and Human Services.

**Recommendation:** DHHR should increase staff training and strengthen procedures over supervisory review to reduce errors.

**Views of Responsible Officials and Planned Corrective Actions:** The Bureau for Children and Families will continue to conduct targeted supervisory case record reviews, will provide statewide Medicaid refresher training, and will develop an automated case review system.

The targeted supervisory case record review required every Income Maintenance line supervisor to read 10 additional error prone Medicaid cases. This review was done from June – November 2011. The supervisors were required to submit their review findings to the regional program managers for data collection and analysis.

The statewide Medicaid refresher training is for all staff in error prone areas as determined by the 2009 MEQC findings. The training module targets errors caused by income (earned and unearned), assets (life insurance) and third party liability determination. The training is completed on site by the BCF Division of Training at payment accuracy conferences or can also be completed in a web-based format.

The automated case review system will involve the development of a web-based data collection, analysis and reporting system. Case reviews will be entered into a system comprised of customized screens to meet the agency needs.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-58 SUBRECIPIENT MONITORING  
(Prior Year Finding 2010-54)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Homeland Security	
	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
	Grant Award FEMA-0-1696-WV	
	Grant Award FEMA-0-1769-WV	
	Grant Award FEMA-0-1838-WV	
	Grant Award FEMA-0-1881-WV	
	Grant Award FEMA-0-1893-WV	
	Grant Award FEMA-0-1903-WV	
	Grant Award FEMA-0-1918-WV	

**Criteria:** All subrecipients subject to OMB Circular A-133 and spending \$500,000 or more in annual federal awards must have required audits completed in accordance with OMB Circular A-133 and provide copies of their audit reports to the primary recipient.

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

- DHSEM was unable to provide documentation as to which subrecipients had audits completed and filed with DHSEM. Further, management indicated that they review completed auditor reports posted to the State Auditor’s website; however, there is no evidence of this review nor documentation regarding resolution of any issues identified.
- DHSEM is not making subrecipients aware of the CFDA# at the time of an award.

**Questioned Costs:** Unknown

**Context:** Total federal expenditures for subrecipients and total federal expenditures for the Disaster Grants – Public Assistance Presidentially Declared Disasters program were \$5,755,071 and \$16,104,011, respectively, for the year ended June 30, 2011.

**Cause:** Management indicated discussions have been held and they are working on a process, but we did not receive any evidence that audit reports have been tracked or kept on file. A new template has been made to make subrecipients aware of CFDA numbers, but has not yet been put in place because there have been no disasters since it was created.

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

**Recommendation:** DHSEM should develop formalized policies for receiving and tracking subrecipient audit reports. Additionally, procedures should be established to evaluate and follow up on any instances of subrecipient compliance or internal control findings to ensure they are resolved in a timely manner and ensure that the report is on file with the Federal Clearinghouse.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011-58 SUBRECIPIENT MONITORING  
Prior Year finding 2010-54) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Homeland Security	
	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
	Grant Award FEMA-0-1696-WV	
	Grant Award FEMA-0-1769-WV	
	Grant Award FEMA-0-1838-WV	
	Grant Award FEMA-0-1881-WV	
	Grant Award FEMA-0-1893-WV	
	Grant Award FEMA-0-1903-WV	
	Grant Award FEMA-0-1918-WV	

**Views of Responsible Officials and Planned Corrective Actions:** DHSEM’s formalized policies for receiving and tracking subrecipient audit reports began with the 2012 State Fiscal Year. Evaluation and follow-up procedures have been established.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–59 SUBRECIPIENT CASH MANAGEMENT MONITORING  
(Prior Year Finding 2010-55)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Homeland Security	
	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
	Grant Award FEMA–0–1696–WV	
	Grant Award FEMA–0–1769–WV	
	Grant Award FEMA–0–1838–WV	
	Grant Award FEMA–0–1881–WV	
	Grant Award FEMA–0–1893–WV	
	Grant Award FEMA–0–1903–WV	
	Grant Award FEMA–0–1918–WV	

**Criteria:** OMB Circular A-102, Section 2(a) requires grantor agency to “establish methods and procedures for transferring funds to minimize the time elapsing between the transfer to recipients of grants and cooperative agreements and the recipient’s need for the funds.” Furthermore, OMB Circular A-133 requires interest earned by subrecipients on federal cash draws to be remitted to the appropriate agency in a timely manner.

Further, according to the Public Assistance Policy Digest, FEMA 321, dated January 2008, FEMA is responsible for determining eligibility, conducting environmental/historic preservation reviews, approving projects, and making the federal share of the approved amount available to the State through a process known as obligation. Funds that FEMA has obligated are available to the State via electronic transfer, but reside in a federal account until the State is ready to award grants to the appropriate applicants. The State may not request funds more than three business days before the day it disburses them.

The State is responsible for providing the State share of eligible costs and for notifying the applicant that funds are available. The method of payment to the applicant is dependent on whether the project is small or large.

Small projects: payment is made on the basis of an estimate prepared at the time of project approval. The State makes payment of the federal share to the applicant as soon as practicable after FEMA has obligated the federal share.

Large projects: the State makes payments to the applicant on the basis of actual incurred cost as the project proceeds. Once the project is completed, FEMA may adjust the amount initially obligated for the project depending on the accounting of final eligible costs submitted by the State to FEMA.

**Condition:** The West Virginia Division of Homeland Security and Emergency Management Services (WVDHS) does not have policies and procedures in place to minimize the amount of federal cash on hand at the subrecipients. Specifically, WVDHS will disburse the entire federal portion of grant funds for large projects without supporting documentation as to whether the subrecipient has expended the funds prior to disbursement.

**Questioned Costs:** Unknown

**Context:** Total federal expenditures for subrecipients and total federal expenditures for the Disaster Grants – Public Assistance Presidentially Declared Disasters program were \$5,755,071 and \$16,104,011, respectively, for the year ended June 30, 2011.

**STATE OF WEST VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**2011–59 SUBRECIPIENT CASH MANAGEMENT MONITORING  
(Prior Year Finding 2010-55) (continued)**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Homeland Security	
	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036
	Grant Award FEMA–0–1696–WV	
	Grant Award FEMA–0–1769–WV	
	Grant Award FEMA–0–1838–WV	
	Grant Award FEMA–0–1881–WV	
	Grant Award FEMA–0–1893–WV	
	Grant Award FEMA–0–1903–WV	
	Grant Award FEMA–0–1918–WV	

**Cause:** Management did not implement policies and procedures to ensure that subrecipients are on the reimbursement basis or are minimizing the amount of federal cash on hand during FY 2011. Discussions have been held that indicate in the future this policy will be changed so that they will be in compliance, but these policies would potentially come into affect when the next disaster occurs and have not yet been put in place.

**Effect:** Subrecipients may have excess federal cash on hand and are not remitting interest earned on the excess federal cash to the WVDHS; therefore, the WVDHS is in noncompliance with the federal rules and regulations regarding cash management.

**Recommendation:** We recommend that the WVDHS implement policies and procedures to monitor the federal cash on hand with subrecipients and ensure that interest earned on excess federal cash on hand is remitted to the federal grant program.

**Views of Responsible Officials and Planned Corrective Actions:** WVDHSEM has created a plan to implement and to minimize the amount of Federal cash on hand, at the agency and with subrecipients. The plan is in effect for FY 2012.





---

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

---

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2010-5 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**2009-11 Department of Administration**

**2008-31 Partially Resolved**

**2007-32**

**2006-9**

**2005-14**

**2004-72**

**2003-71**

Financial Accounting Reporting Section (FARS) continues to work with the Governor's Office to instill the urgency of timeliness and completeness with the agencies who submit the SEFA information. FARS discussed at closing book training the importance of the internal controls procedures at the agency level. A closing book form was required to be signed by both the preparer and their supervisor as proof that the internal controls procedures were followed prior to the submission of the SEFA to FARS. See current year finding 2011-4.

**2010-6 1512 REPORTING  
Governor's Office  
Not Resolved**

FARS will emphasize at closing process training the importance of reporting timely and accurate information. FARS will also stress the importance of policies and procedures being in place related to reviewing their reports prior to submission and documenting that review. See current year finding 2011-5.

**2010-7 SUBRECIPIENT MONITORING – AMERICAN RECOVERY  
AND REINVESTMENT ACT  
Not Resolved**

When agencies award federal funds to a subrecipient organization, a grant agreement is used as the official document/instrument for negotiating the terms and conditions assigned to the grant award and related program. The grant agreements

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2010-7      SUBRECIPIENT MONITORING – AMERICAN RECOVERY  
AND REINVESTMENT ACT (Continued)**

and the invoices submitted by subrecipients are legally binding documents that are on file, not only at the subrecipient organization, but also at the State agency and the West Virginia State Auditor's Office.

DHHR has issued a directive with a form that will be used by its agencies to inform ARRA money recipients that the money is ARRA and include/identify the Federal award number, CFDA number, and amount of ARRA funds with each individual disbursement of funds. FARS will issue the same directive to other State agency personnel at GAAP training. See current year finding 2011-6.

**2010-8      REPORTING  
Department of Health and Human Resources  
Resolved**

Corrective action taken in FY 2011.

**2010-9      FNS REVIEW  
Department of Health and Human Resources  
Resolved**

Corrective action taken in FY 2011.

**2010-10     VENDOR INVESTIGATIONS  
Department of Health and Human Resources  
Resolved**

Corrective action taken in FY 2011.

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2010-11      SUBRECIPIENT MONITORING – AUDIT REPORTS  
Development Office  
Resolved**

Corrective action taken in FY 2011.

**2010-12      SUBRECIPIENT MONITORING – AUDIT REPORTS  
2009-19      Department of Environmental Protection  
Not Resolved**

The Department of Environmental Protection (DEP) exercises due diligence in its continual contact with subrecipients to reinforce their responsibilities and deadlines according to OMB Circular A-133 and the subgrant terms and conditions as issued by DEP. DEP has formalized standard operating procedures specifying the timing and frequency of correspondence to subrecipients subject to OMB Circular A-133 requirements. This is to ensure that the required audits are completed and submitted to both DEP and the Clearinghouse according to the required deadlines and that all identified audit findings are resolved in a timely manner. DEP has limited ability to force the submission of these audits. See current year finding 2011-14.

**2010-13      DISASTER UNEMPLOYMENT CASH MANAGEMENT,  
REPORTING AND PERIOD OF AVAILABILITY  
WorkForce West Virginia  
Resolved**

Corrective action taken in FY 2011.

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2010-14 INTERNAL CONTROLS OVER REPORTING  
WorkForce West Virginia  
Partially Resolved**

The reports in question for fiscal year ended June 30, 2011 were submitted before the prior year finding was issued. Since receipt of the prior year finding, no reports have been submitted without review and approval. Immediately upon receipt of the prior year finding and recommendation in January 2011, reviewing responsibilities of UI Trust Fund Reports, including the ETA-191 and ETA-2112, were assigned. The reports and the back-up documentation were reviewed in January 2011 for the months of July 2010 through December 2010. The review and approval process that was implemented in January 2011 has been followed since that time. Signed reports and back-up documentation are kept on file. See current year finding 2011-15.

**2010-15 SUBRECIPIENT MONITORING – AUDIT REPORTS  
WorkForce West Virginia  
Resolved**

Corrective action taken in FY 2011.

**2010-16 INFORMATION TECHNOLOGY SYSTEMS CONTROLS  
2009-21 Department of Transportation  
2008-38 Resolved**

**2007-39  
2006-22  
2005-32  
2004-16  
2003-16  
2002-7  
2001-6**

Corrective action taken in FY 2011.

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2010-17**      **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**2009-23**      **Governor's Office of Economic Opportunity**  
**Resolved**

Corrective action taken in FY 2011.

**2010-18**      **INDIRECT COST ALLOCATION**  
**2009-24**      **Governor's Office of Economic Opportunity**  
**Resolved**

Corrective action taken in FY 2011.

**2010-19**      **FINANCIAL REPORTING**  
**2009-27**      **Governor's Office of Economic Opportunity**  
**Not Resolved**

During Program Year 2010, July 1, 2010 to June 30, 2011, the GOEO encountered several problems in the DOE reporting system, Performance and Accountability for Grants in Energy (PAGE). Initially, DOE had us separate the PY 2009 DOE Annual and PY 2010 grants, as PY 2009 was for two years. PAGE was not designed to handle the same grant for two years, and many of the cumulative amounts did not report accurate numbers on total completions or funds spent. Also, because of that, several of the submitted and approved reports for both DOE Annual and ARRA had to be released back for corrections to be made.

If the GOEO fails to submit required financial management reports on a timely basis, the Federal granting agency will suspend drawdowns until reporting requirements are met. Because the DOE was aware of situation preventing the submission in a timely manner and it was not the GOEO's fault, the GOEO was not in any danger of drawdown suspension or debarments. Since PAGE is updated, the GOEO has not had

STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**2010-19 FINANCIAL REPORTING (Continued)**

this problem and all the subsequent SF 425 Reports for DOE and ARRA have been submitted in timely manner. See current year finding 2011-16.

**2010-20 SUBRECIPIENT MONITORING**  
**2009-28 Governor's Office of Economic Opportunity**  
**Resolved**

Corrective action taken in FY 2011.

**2010-21 SPECIAL TEST AND PROVISIONS – LOAN REPAYMENTS**  
**2009-35 AND STUDENT DEFERMENTS**  
**2008-45 Bluefield State College**  
**2007-45 Resolved**

Corrective action taken in FY 2011.

**2010-22 SPECIAL TESTS AND PROVISIONS – FEDERAL WORK**  
**STUDY**  
**Marshall University**  
**Resolved**

Corrective action taken in FY 2011.

**2010-23 SPECIAL TESTS AND PROVISIONS – VERIFICATION**  
**Marshall University**  
**Resolved**

Corrective action taken in FY 2011.

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

- 2010-24      EARMARKING**  
**Mountwest Community and Technical College**  
**Resolved**
- Corrective action taken in FY 2011.
- 2010-25      SPECIAL TESTS AND PROVISIONS – BORROWER**  
**DATA TRANSMISSION AND RECONCILIATION**  
**Mountwest Community and Technical College**  
**Resolved**
- Corrective action taken in FY 2011.
- 2010-26      SPECIAL TESTS AND PROVISIONS – WRITTEN**  
**ARRANGEMENTS**  
**West Virginia State University**  
**Resolved**
- Corrective action taken in FY 2011.
- 2010-27      PRIMARY CARE LOANS**  
**West Virginia School of Osteopathic Medicine**  
**Resolved**
- Corrective action taken in FY 2011.
- 2010-28      FISCAL OPERATIONS REPORT AND APPLICATION**  
**TO PARTICIPATE**  
**Concord University**  
**Not Resolved**

The three line items on the FISAP that required revision were in Part V Federal Work-Study Program in Sections G and H that listed students employed in community service activities and as reading tutors. The revisions were submitted to the



**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2010-28 FISCAL OPERATIONS REPORT AND APPLICATION  
TO PARTICIPATE (Continued)**

Department of Education on December 8, 2011 before the December 15, 2011 deadline. In the future, the FISAP will be thoroughly reviewed before submission. See current year finding 2011-33.

**2010-29 RETURN OF TITLE IV FUNDS  
New River Community and Technical College  
Resolved**

Corrective action taken in FY 2011.

**2010-30 BORROWER DATA TRANSMISSION AND RECONCILIATION  
New River Community and Technical College  
Resolved**

Corrective action taken in FY 2011.

**2010-31 GRANT OVERPAYMENT REPORTING TO THE  
NATIONAL STUDENT LOAN DATA SYSTEM (NSLDS)  
New River Community and Technical College  
Resolved**

Corrective action taken in FY 2011.

**2010-32 SHORT TERM PROGRAMS AT POST-SECONDARY  
VOCATIONAL INSTITUTION  
Pierpont Community and Technical College  
Partially Resolved**

Pierpont has begun the process of clarifying FY 2012 Gainful Employment (GE) regulations and finalizing the policies and procedures for meeting Federal compliance regulations, including position of responsibility and documentation

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2010-32      SHORT TERM PROGRAMS AT POST-SECONDARY  
VOCATIONAL INSTITUTION (Continued)**

maintenance. All non-degree programs and certificate degree programs receiving HEA Title IV funding will be considered GE programs. Pierpont submitted the report to the Department of Education October 27, 2011, containing information on students enrolled in GE programs for FY 2007, 2008, 2009, and 2010 award years. Pierpont Administration in concert with Enrollment Services Management, the Institutional Research Director, IT/WEB Design department, and Financial Aid Director compiled and disclosed the FY 2012 required information on the home page of each GE certificate program by July 1, 2011.

**2010-33      SPECIAL TESTS AND PROVISIONS – VERIFICATION  
Fairmont State University  
Resolved**

Corrective action taken in FY 2011.

**2010-34      SUBRECIPIENT CASH MANAGEMENT  
2009-39      Department of Education  
2008-49      Resolved**

**2007-48  
2006-33  
2005-37  
2004-41  
2003-46  
2002-50**

Corrective action taken in FY 2011.

**2010-35      AMERICAN RECOVERY AND REINVESTMENT ACT  
REPORTING  
Division of Rehabilitation Services  
Resolved**

Corrective action taken in FY 2011.

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2010-36      PHYSICAL INVENTORY COUNT  
Division of Rehabilitation Services  
Not Resolved**

Due to extenuating circumstances, the planned biannual inventory did not take place; however, it was completed by December 31, 2011. In the future, physical inventory counts will be conducted every two years in accordance with Title 34 CFR 80.32 d(2). See current year finding 2011-38.

**2010-37      CASH MANAGEMENT  
Governor's Office of Economic Opportunity  
Not Resolved**

The Governor's Office will make every effort to expend drawdowns within the required three-day timeframe. Subrecipients spending will also be monitored. See current year finding 2011-39.

**2010-38      ELIGIBILITY  
2009-40      Department of Health and Human Resources  
2008-54      Partially Resolved  
2007-55  
2006-38  
2005-45  
2004-52  
2003-55  
2002-56**

The DHHR has the policies and procedures to address this issue to the extent practicable and possible. However, as the auditors stated within the finding, the cause is due to the fact that the U.S. Department of Health and Human Services has not developed a nationwide database or alternate method for tracking claimants who may have received benefits from

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2010-38 ELIGIBILITY (Continued)**

multiple states. This finding may continue until the U.S. Department of Health and Human Services creates a nationwide database to address the 60-month lifetime limit. However, upon the Federal government's issuance of a management decision for this finding, the DHHR may follow-up via a request that the Federal government clarify this matter as necessary to resolve this finding to the satisfaction of the State's auditors. See current year finding 2011-42.

**2010-39 ELIGIBILITY AND SUPPORTING DOCUMENTS**  
**2009-41 Department of Health and Human Resources**  
**Partially Resolved**

Management of the Bureau for Children and Families has provided training to caseworkers and has developed and implemented procedures to ensure that caseworkers maintain accurate records and input accurate information into the RAPIDS system. Cases will be reviewed and the necessary actions taken to ensure that caseworkers are aware of the importance of entering correct information into the RAPIDS system. The Bureau will also make sure that caseworkers are aware that entering conflicting information could result in the loss or reduction in Federal funding. See current year finding 2011-43.

**2010-40 FEDERAL REPORTING**  
**Department of Health and Human Resources**  
**Resolved**

Corrective action taken in FY 2011.

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2010-41      SPECIAL TESTS AND PROVISIONS – SANCTIONS  
Department of Health and Human Resources  
Not Resolved**

The DHHR Bureau for Children and Families concurs, in part, that no written policy exists for supervisors to review worker applied sanctions. However, many of these cases are reviewed with the supervisor prior to sanctioning, especially in cases in which there are circumstances that a sanction decision is not easily rendered.

Furthermore, we have a Performance Assessment Review process, which could result in revisions to process and procedures.

Policy does, however, require workers to allow the client to present good cause before any sanction is actually effective. In effect, clients who disagree with a sanction being placed on their case have the ability to present reasons that a sanction should not be levied. See current year finding 2011-44.

**2010-42      SPECIAL TESTS AND PROVISIONS – EMERGENCY  
FUNDING  
Department of Health and Human Resources  
Resolved**

Corrective action taken in FY 2011.

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2010-43**      **DHHR INFORMATION SYSTEM AND RELATED**  
**2009-43**      **BUSINESS PROCESS CONTROLS**  
**2008-55**      **Department of Health and Human Resources**  
**2007-54**      **Partially Resolved**  
**2006-37**  
**2005-44**  
**2005-60**  
**2004-50**  
**2003-63**  
**2002-61**

The DHHR implemented a detective control on December 27, 2011, to review and ensure that cases created and approved by the same person were appropriate. See current year finding 2011-46.

**2010-44**      **TIME AND ATTENDANCE AUTHORIZATION PROCEDURES**  
**2009-44**      **Department of Health and Human Resources**  
**Partially Resolved**

The Commissioner of the Bureau for Child Support Enforcement drafted a memo to all supervisors/managers with a directive stating that the date the supervisor or manager should use when signing leave slips is the date of the actual approval (whether verbal or written) rather than the date the paper leave slip is completed and signed. DHHR also plans to resolve this finding via a centralized DHHR approach, towards a consistent application of the policies and procedures currently in place regarding the approval of annual leave forms and time sheets. DHHR recently established a workgroup with expertise in relevant areas of supervision and personnel management, in an effort to resolve the inconsistencies noted within the Condition statement regarding the completion of annual leave forms and time sheets. See current year finding 2011-47.

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2010-45**      **INTERSTATE CASE**  
**2009-46**      **Department of Health and Human Resources**  
**Not Resolved**

The Bureau for Child Support Enforcement has a system in place to enforce and monitor existing interstate case procedures, which we will continue to monitor. See current year finding 2011-48.

**2010-46**      **ALLOWABILITY AND ELIGIBILITY**  
**2009-48**      **Department of Health and Human Resources**  
**2008-59**      **Not Resolved**  
**2007-59**  
**2006-43**  
**2005-50**

The Bureau for Children and Families continues to review the current training for new and tenured workers to ensure that the training addresses the need to obtain necessary approvals and to maintain adequate documentation in the recipient's case files. The Bureau will continue with the existing processes and procedures already in place. See current year finding 2011-50.

**2010-47**      **DISASTER RECOVERY PLAN**  
**2009-50**      **Department of Health and Human Resources**  
**2008-61**      **Partially Resolved**  
**2007-62**  
**2006-45**

A SharePoint site was established and a request for proposal was drafted with hopes to have it finalized and progressing through the approval process by April 2012. An effective evaluation will take time but a vendor should be in place by September 2012. See current year finding 2011-51.

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2010-48**      **ELIGIBILITY REQUIREMENTS**  
**2009-52**      **Department of Health and Human Resources**  
**2008-63**      **Not Resolved**  
**2007-64**  
**2006-47**  
**2005-53**  
**2004-61**

The USHHS, Administration for Children and Families, conducted a Federal IV-E review in May 2011. As a result of the ACF review, IV-E staff within the DHHR Bureau for Children and Families, Division of Finance is conducting a 100% review of all active cases to ensure that the DHHR complies with all allowability and eligibility requirements for Title IV-E. The Bureau has also developed and implemented training for the eligibility determination staff to ensure consistency and uniformity in the determination process of IV-E cases statewide. Furthermore, monthly calls are held with IV-E staff to discuss progress on the review of active cases. See current year finding 2011-53.

**2010-49**      **ALLOWABILITY AND ELIGIBILITY**  
**2009-53**      **Department of Health and Human Resources**  
**Not Resolved**

The validating of an automatic payment request has nothing to do with the eligibility determination of a child; the validating is to ensure that the payment for the child goes to the correct facility which cared for the child. The retro/recon process occurs subsequent to payments and is a component of the Federal Financial Reporting process for IV-E program. The federal government established the retro/recon process because they recognize that at the time of payment, the correct eligibility status for the child may not be known. Therefore, the retro/recon process allows states to “settle up” with the federal government. The Bureau for Children and Families will continue with the existing processes and procedures already in place. See current year finding 2011-54.



**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2010-50      PAYMENT DOCUMENTATION  
Department of Health and Human Resources  
Resolved**

Corrective action taken in FY 2011.

**2010-51      ELIGIBILITY DOCUMENTATION  
2009-55      Department of Health and Human Resources  
2008-64      Resolved  
2007-66  
2006-49  
2005-55**

Corrective action taken in FY 2011.

**2010-52      ELIGIBILITY  
2009-56      Department of Health and Human Resources (CHIP)  
Partially Resolved**

Eligibility for CHIP is performed under agreement by the DHHR. CHIP and DHHR hold regular monthly meetings to assure that policy regarding eligibility determinations is being applied properly. However, CHIP has no control over processes in county offices where the eligibility determinations take place. It appears that the original application has been misplaced and cannot be found by the county office. CHIP would have to defer to the DHHR to develop processes to assure that applications are not misplaced or are properly filed in the case record. See current year finding 2011-55.

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2010-53      QUALITY CONTROL ERROR RATE  
Department of Health and Human Resources  
Partially Resolved**

While the DHHR has already reiterated to staff the importance of following internal policies and procedures, we are still analyzing our options and considering the cost/benefit factors associated with enhanced training of existing procedures versus the development of new procedure to address this finding. See current year finding 2011-57.

**2010-54      SUBRECIPIENT MONITORING  
Division of Homeland Security and Emergency  
Management  
Not Resolved**

DHSEM's formalized policies for receiving and tracking subrecipient audit reports began with the FY 2012. Evaluation and follow-up procedures have also been established See current year finding 2011-58.

**2010-55      SUBRECIPIENT CASH MANAGEMENT MONITORING  
Division of Homeland Security and Emergency  
Management  
Not Resolved**

DHSEM has created a plan to implement and to minimize the amount of Federal cash on hand, at the agency and with subrecipients. The plan is in effect for FY 2012. See current year finding 2011-59.

**STATE OF WEST VIRGINIA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**2009-13      ALLOWABLE COSTS  
Department of Administration  
Resolved**

Corrective action taken in FY 2011.

**2009-30      UNALLOWABLE CONSULTANT COSTS  
Governor's Office of Economic Opportunity  
Resolved**

Corrective action taken in FY 2011.

**2009-49      SUBRECIPIENT MONITORING  
2008-60      Governor's Office of Economic Opportunity  
2007-61      Resolved**

Corrective action taken in FY 2011.

**2009-58      PROVIDER ELIGIBILITY DOCUMENTATION  
Department of Health and Human Resources  
Resolved**

Corrective action taken in FY 2011.

**2008-70      OBLIGATING FUNDS  
2007-82      Division of Homeland Security  
2006-59      Resolved**

Corrective action taken in FY 2011.