

COMMONWEALTH OF VIRGINIA
SINGLE AUDIT REPORT

For the Year Ended

June 30, 1997

***AUDITOR OF
PUBLIC
ACCOUNTS***



COMMONWEALTH OF VIRGINIA

EXECUTIVE SUMMARY

The results of our single audit of the Commonwealth of Virginia for the year ended June 30, 1997 are summarized below:

- We issued an unqualified opinion on the general purpose financial statements;
- We did not identify material weaknesses in the internal control over financial reporting; however, we did find certain matters that we consider reportable conditions;
- We did not identify instances of noncompliance with selected provisions of applicable laws and regulations which could have a material effect on the general purpose financial statements;
- We did not identify material weaknesses in the internal control over major programs; however, we did find certain matters and material noncompliance with selected provisions of laws and regulations related to major programs required to be reported in accordance with Circular A-133, Section .510(a); and
- We issued an unqualified opinion on the Commonwealth's compliance with requirements applicable to each major program.

Our audit findings are reported in the accompanying schedule of findings and questioned costs.

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ACRONYMS OF AGENCIES AND INSTITUTIONS AND STATE
AGENCY CONTACTS

March 24, 1998

The Honorable James S. Gilmore, III
Governor of Virginia
State Capitol
Richmond, Virginia

The Honorable W. Tayloe Murphy, Jr.
Chairman, Joint Legislative Audit
and Review Commission
General Assembly Building
Richmond, Virginia

We are pleased to submit the statewide **Single Audit Report of the Commonwealth of Virginia**, covering the fiscal year ended June 30, 1997.

The "Single Audit Report for the Commonwealth of Virginia" discloses the Commonwealth's compliance with requirements applicable to federal financial assistance programs. The statewide Single Audit Report provides the General Assembly and agency management with a means to determine how internal controls affect federal funds and whether agencies are complying with federal laws and regulations.

I would like to express my appreciation to the many individuals whose efforts assisted in preparing this report. This report could not have been accomplished without the professionalism and dedication demonstrated by the staff within this Office. We would like to recognize the agency and institution management, and federal program and financial staffs for their cooperation and assistance in resolving single audit issues.

We believe this report represents a significant indication of the sound fiscal operations of federal funds in the Commonwealth. The report should greatly assist agency management in administering federal programs and enhance their dealings with federal agencies.

Auditor of Public Accounts

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the general purpose financial statements of the Commonwealth of Virginia, as of and for the year ended June 30, 1997, and have issued our report thereon dated December 12, 1997. This report relates only to the Commonwealth and not to certain agencies and component units that were audited by other auditors discussed in Note 1-B of the “Notes to Financial Statements.”

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Commonwealth of Virginia’s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the individual state agencies and institutions.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commonwealth of Virginia’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Commonwealth’s ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. These reportable conditions are described in the accompanying “Schedule of Findings and Questioned Costs” as items 97-1 through 97-29.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

We also noted other matters involving the internal control over financial reporting that we have reported to the management of the individual state agencies and institutions.

This report is intended for the information of the Governor and General Assembly of Virginia, management, federal awarding agencies, pass-through entities, and the people of the Commonwealth of Virginia. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Arthur J. Kucharski". The signature is fluid and cursive, with a large initial "A" and "K".

AUDITOR OF PUBLIC ACCOUNTS
December 12, 1997

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of the Commonwealth of Virginia with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. The Commonwealth's major federal programs are identified in the "Summary of Auditor's Results" section of the accompanying "Schedule of Findings and Questioned Costs." Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Commonwealth's management. Our responsibility is to express an opinion on the Commonwealth's compliance based on our audit. This report relates only to the Commonwealth and not to the agencies and component units discussed in Note 1 of the "Notes to the Schedule of Expenditures of Federal Awards."

We conducted our audits of compliance in accordance with generally accepted auditing standards; 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 Commonwealth'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 on the Commonwealth's compliance with those requirements.

In our opinion, the Commonwealth of Virginia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997. However, the results of our auditing procedures disclosed 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 97-30 through 97-32, 97-34 through 97-41, and 97-57 through 97-60.

Internal Control Over Compliance

The management of the Commonwealth is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audits, we considered the Commonwealth's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our 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.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Commonwealth's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. These reportable conditions are described in the accompanying "Schedule of Findings and Questioned Costs" as items 97-32, 97-33, 97-36, 97-38 through 97-58 and 97-60.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Governor and General Assembly of Virginia, management, federal awarding agencies, pass-through entities, and the people of the Commonwealth of Virginia. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Arthur J. Kucharski". The signature is fluid and cursive, with the first name "Arthur" and last name "Kucharski" clearly distinguishable.

AUDITOR OF PUBLIC ACCOUNTS
March 24, 1998

COMMONWEALTH OF VIRGINIA
SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 1997

Financial Statements

Type of auditor's report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weakness identified?	<u>No</u>
Reportable conditions identified not considered to be material weaknesses?	<u>Yes</u>
Noncompliance material to financial statements noted?	<u>No</u>

Federal Awards

Internal Control over major programs:	
Material weakness identified?	<u>No</u>
Reportable conditions identified not considered to be material weaknesses?	<u>Yes</u>
Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	<u>Yes</u>

The Commonwealth's major programs are as follows:

CFDA Number(s)	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
11.307	Special Economic Development and Adjustment Assistance Program – Sudden and Severe Economic Dislocation (SSED) and Long-Term Economic Deterioration (LTED)
14.228	Community Development Block Grants /State's Program
14.239	HOME Investment Partnerships Program
17.207	Employment Service
17.225	Unemployment Insurance
17.246	Employment and Training Assistance – Dislocated Workers
17.250	Job Training Partnership Act
20.205	Highway Planning and Construction
66.466	Chesapeake Bay Program
83.516	Disaster Assistance

84.048		Vocational Education – Basic Grants to States
84.126		Rehabilitation Services – Vocational Rehabilitation Grants to States
93.217		Family Planning – Services
93.268		Childhood Immunization Grants
93.558		Temporary Assistance for Needy Families (TANF)
93.560		Family Support Payments to States - Assistance Payments
93.561		Job Opportunities and Basic Skills Training
93.563		Child Support Enforcement
93.568		Low-Income Home Energy Assistance
93.574		Child Care for Families At-Risk of Welfare Dependency
93.575		Child Care and Development Block Grant
93.596		Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.658		Foster Care-Title IV-E
93.659		Adoption Assistance
93.667		Social Services Block Grant
93.917		HIV Care Formula Grants
93.994		Maternal and Child Health Services Block Grant to the States
(Footnote 2A)		Research and Development Programs
84.007	84.268	Student Financial Assistance Programs
84.032	93.108	
84.033	93.342	
84.038	93.364	
84.063	93.820	
10.553	10.558	Nutrition Cluster
10.555	10.559	
10.556		
10.551	10.561	Food Stamp Cluster
93.775	93.778	Medicaid Cluster
93.777		

Dollar threshold used to distinguish between

Type A programs:

\$12,729,473

Type B programs:

\$ 1,272,947

Commonwealth qualified as low-risk auditee?

No

FINANCIAL STATEMENT FINDINGS

DATA PROCESSING CONTROLS

Access Controls

97-1. Improve Medicaid Information Security Administration

Applicable to: Department of Medical Assistance Services

Repeated findings in prior years have indicated weaknesses in security controls. These weaknesses allowed several individuals to have inappropriate update access to the Medicaid Management Information System (MMIS). All seven individuals noted in the 1996 audit report had inappropriate access and continued to have this access throughout 1997. Additionally, one individual at the Department's fiscal agent, not identified in the prior year, has inappropriate update access to MMIS in relation to her job duties. We also found inappropriate access granted to the Department's enrollment personnel broker.

The Department should continue its efforts to enforce security policy and review user access to reduce the risks associated with inappropriate access to Medicaid data. The Department took considerable action to address security issues since our last review. This effort includes centralizing security administration, improving security policy for users not employed by the Department, and reviewing user access. However, these controls affect fiscal year 1998 activities, and security administration remains a problem for 1997.

Management Plan for Corrective Action

We concur with the finding. In the aftermath of the former security officer's resignation, the Department has instituted a security committee to address issues involving security. The Security committee has take steps to implement the following measures:

- *Delegation of routine security authorization for the Department of Social Services and other state agencies to fiscal Agent personnel.*
- *Shift of Department personnel to review and monitor First Health's security reports and logs.*
- *Enhancement to security database and reports.*
- *Development of a supervisor security education program.*
- *Search for a comprehensive security package for all of the Department's systems.*

The Security Committee will continue to develop additional measures to institutionalize a centralized security management function at the Department. The responsible person is William Burnett, acting Security Office and the Department estimated completion of corrective action by November 1, 1998.

97-2. Improve Access Controls

Applicable to: Department of Motor Vehicles

Internal and external users have inappropriate access to driver conviction records, accident information, and financial records. External users include State Police, insurance industry personnel, and local governments. These users access the Citizens Service System (CSS) that contains driver conviction records, accident information, financial records, and other critical information. Motor Vehicles does not have formal access monitoring procedures for CSS. The lack of procedures exposes customers' confidential information, jeopardizes public trust, and increases the risk of inappropriate transactions to occur and go undetected. Motor Vehicles should develop and implement procedures that require periodic monitoring of access privileges and elimination of inappropriate access.

Motor Vehicles has not taken corrective action on the prior year audit finding to delete terminated employee access timely. Our review of Motor Vehicles' Internal Audit review found this finding still present. Unnecessary logon ids increase the risk of unauthorized access and creation of unauthorized transactions. Motor Vehicles developed procedures and issued a management memorandum, in regard to the procedures, after the audit period. Motor Vehicles should continue to implement these procedures.

Motor Vehicles does not have adequate procedures for timely removal of Commonwealth Accounting and Reporting System (CARS) access for terminated employees. Two employees continued to have access privileges although they terminated three months and nine months, respectively. The lack of adequate procedures exposes the agency to the risk of unauthorized access and creation of unauthorized transactions. Motor Vehicles should establish procedures that will delete CARS access in a timely manner.

Motor Vehicles does not monitor on-line dealer inquiry of customer information. The on-line dealer program allows dealers to process registration information when selling a vehicle. The dealer accesses a third party vendor, VINNET or CVR, who transfers information to the Motor Vehicles CSS system. Motor Vehicles assigns the initial access to the dealer; however, the monitoring of inquiries is the responsibility of the third party vendor. Motor Vehicles should develop reporting procedures with the vendor to identify inappropriate inquiries.

Management Plan for Corrective Action

DMV will review existing prescribed employee access levels, make modifications where needed to improve the security of the confidential information contained in our records, and then ensure that all employee access levels are changed, as needed, to comply with the new prescribed profiles. These actions are ongoing.

DMV believes that our current approach to external use agreement monitoring properly reflects the risk of inappropriate access, for two reasons:

- *Of the complaints that DMV has received over the last five years, we estimate that inappropriate access occurred in approximately one percent of them.*
- *DMV is confident that its use agreement customers are monitoring the access activities of their employees (as required under the current use agreements). This is because use agreement customers periodically contact us to obtain the information that we store on all accesses, for use in their investigations and subsequent disciplinary actions.*

The Assistant Commissioner, Management Information Systems Administration, is the individual responsible for implementing the above corrective action.

97-3. Review Systems Access

Applicable to: Department of Taxation

The Department of Taxation's systems contain confidential information that management must secure. Employees with inappropriate access may review confidential data, enter unauthorized transactions, or change important data without management's detection. Taxation has many users and there is a need for quick available access; however, Taxation should ensure only authorized users access computer processes.

We understand that Taxation has developed user access profiles using job descriptions. Taxation will use these profiles to establish an employee's user access; however, they have not implemented the profiles as of the date of this report. Implementation of the profiles is contingent upon management and Internal audit's approval.

Management Plan for Corrective Action

Security Administration (SA) and Internal Audit (IA) are coordinating a review process with agency management to establish State Tax Accounting and Reporting System (STARS) access profiles for employees based on job function/duties. To provide a framework for evaluating profile access, Information Technology Support Services (ITSS) has identified a baseline of access (profile access) granted to employees having the same personnel classification. Implementation of profile access will be based on management's access recommendation and Internal Audit's independent review.

Action Tasks:

- *Validate profiles – each Office's management*
- *Review profiles – IA*
- *Approve profiles – each Office's Assistant Commissioner*

- *Revise profiles with changes to comply with standards – SA*

The above action tasks will be done for each Office, in the following order:

- *District Offices / Interstate Audit*
- *Office of Customer Services*
- *Office of Information Resource Management*
- *Office of Compliance*
- *Office of Commissioner*
- *Office of Fiscal Research*
- *Office of Tax Policy*

Jane E. Bailey, Assistant Tax Commissioner, Office of Information Resource Management, is the individual responsible for implementing the access profiles. Completion is expected by May 15, 1998.

97-4. Enhance Systems Access Monitoring Procedures

Applicable to: State Lottery Department

A critical access control is the periodic review of employees' access to determine if their granted access reflects changes or cancellations of rights because of job transfers, changing job responsibilities, or termination. The Lottery's procedures consist of a comparison of a current employee listing to the employee computer access rights for the AS/400 and Stratus. By not conducting effective reviews, the Lottery incurs the risk of failing to detect an employee's inappropriate access, which is incompatible with current job responsibilities.

Our review of this procedure found instances in which employees should have had their computer access changed. For example, we found the reassignment of two former employee user identifications to current employees without any review of assigned systems access. Lack of review led to two employees having inappropriate access to the Virginia Sales Incentive System (VSIS).

We also found that one employee had access to critical screens in the Claims subsystem, although she transferred out of the Validations Section eight years ago. Her present duties do not require access to the Claims subsystem. We recommend that Lottery strengthen internal procedures to detect and prevent unnecessary or inappropriate access to computer systems.

As noted in the prior year, the Stratus system does not provide comprehensive user access reports, which renders periodic access reviews inefficient and ineffective. Lottery has identified the requirements for a system that would facilitate the review process and has issued a Request for Proposal (RFP). Lottery should continue this effort.

Management Plan for Corrective Action

We reviewed the exceptions noted in the auditor's report and found that the employees mentioned in the report did not have access to the Virginia Sales Incentive System (VSIS) or Claims subsystem. Our Review of the VSIS and Claims subsystems showed that the user ids for these employees were defined in the application databases, but the employees' initial menus did not give them the ability to access the systems in question. Additionally, even had the access noted in the report existed, they would not have represented any ability for these employees to perpetrate fraud or affect financial data.

We plan to continue our efforts to obtain a system that will allow us to evaluate more effectively user access on the Stratus System and rely on our Internal Audit Division's reviews of user access to verify that users are limited to those functions that they need to do their jobs. In addition, our Technical Support section receives an employee listing at least quarterly from the Human Resources Division. The listing is compared to current access rights on both the AS/400 and Stratus systems to ensure that changes required due to employee transfers, changes in responsibilities, and terminations are implemented.

David Krebbs is the official charged with implementing these actions. The implementation date is indefinite.

97-5. Strengthen Controls Over Personnel and Payroll Systems

Applicable to: University of Virginia

In our prior audit, we reported several security weaknesses in the Medical Center's personnel and payroll systems. Now, the Academic Division also uses these systems. The following weaknesses remain:

Millenium System

- The system does not require periodic password changes increasing the risk of unauthorized password discovery and continued use.
- Users have unlimited attempts to log on to the system allowing unauthorized users to try repeatedly to gain access by guessing a password.
- Stored passwords for users are not encrypted. Access to the password file will provide direct access to all passwords to an unauthorized user.

All Payroll and Personnel Systems

- The University and Medical Center do not periodically review persons having access to the Automated Employment System, the Personnel Action System, and Millennium applications to ensure all users have appropriate access. This increases the risk of inappropriate access to these systems since users who no longer need access due to termination or change in job assignments may retain their access.

Security over the access to critical personnel and payroll data should include required periodic password changes, limits on the number of failed log-on attempts, encryption of passwords stored in the system, and periodic review of user access.

The University's Millennium software does not provide the above password controls presently. The University's security software, Top Secret, provides those security functions. However, Top Secret only controls access to the mainframe computer. It does not control access to individual applications running on the mainframe. Once an authorized mainframe user passes through Top Secret security, only the application controls prevent inappropriate access to critical files such as personnel and payroll data.

The Chief Information Officer should work with system users to obtain software changes, which require periodic password changes; limit the number of failed log-on attempts, and encrypt stored passwords. Further, supervisors in the personnel and payroll departments should periodically review a list of persons having access to the applications to ensure that access is limited to appropriate users.

Management Plan for Corrective Action

The following changes will be implemented.

A memo will be sent to all existing users and with the establishment of all new users encouraging the changing of the Millennium password every ninety (90) days. A requirement to change the password every ninety (90) days will be implemented in January 1998 for Human Resources and Payroll department employees.

Beginning January 1998, all security access will be reviewed semi-annually to ensure appropriate access. Currently, a report of all terminations and changes in job assignments is reviewed monthly and appropriate action is taken to remove access.

Human Resources will continue to request that the vendor upgrade the security of the software to include limiting attempts to log on to the system and to encrypt stored passwords for users. The University cannot change these parts of the system. Even though the passwords are stored unencrypted, the password field itself is restricted to access by the master security office.

Human Resources and Financial Administration are the areas responsible for implementing these changes. The estimated completion date is January 1998.

97-6. **Strengthen Security Over the PeopleSoft System**

Applicable to: University of Virginia – Medical Center

We identified two security weaknesses in our review of the Medical Center's new financial systems. These weaknesses could lead to unauthorized use or alteration of the Medical Center's critical financial data. Our specific concerns follow:

- PeopleSoft application password security does not limit the number of failed logon attempts, does not require users to periodically change passwords, and does not use a specific password for a user's initial logon.
- The Medical Center has not installed data security firewalls to prevent network access by unauthorized users from outside networks including the Internet. Lack of firewalls make it easier for unauthorized external users to gain access to the financial databases and possibly alter or destroy financial data.

The Medical Center should address these security risks to provide management with the information they need to evaluate the potential exposure against the cost of implementing additional security measures.

Management Plan for Corrective Action

New procedures with all users have been implemented by Medical Center Computing (MCC) to facilitate PeopleSoft password changes with each user. In addition, a recent software fix from PeopleSoft has been applied allowing all users to manage their own passwords. The current release of the software does not provide for a limitation on failed logon attempts and password aging. It is expected that a future release due within 2 years will have these enhanced security features; however, the current procedures significantly reduce the risk of unauthorized access to the system. There has been no evidence of unauthorized access to PeopleSoft for any reason and certainly none due to current password security.

Medical Center Computing has established a committee with representation from MCC, Health Services Foundation (HSF), and Information Technology and Communications (ITC) to develop a firewall strategy consistent with the requirements of all organizations. Once completed, the committee will prepare a Request for Proposal to outsource the development and installation of firewall technologies, including but not limited to packet filtering, proxy servers, access controls, and encryption.

Medical Center Computing is responsible for implementing this plan. The PeopleSoft security enhancements will undergo continuous improvement over the next two years. MCC will choose an implementation vendor for firewalls by May 1, 1998. An implementation date will be determined once the requirements are finalized.

97-7. Periodically Review and Update RACF Security Options

Applicable to: University of Virginia – Medical Center

We reviewed the Medical Center's Resource Access Control Facility (RACF) mainframe security controls and found that the Tape Data Set Protection (TDSP) was set as "inactive." Although the Medical Center has a tape management system, this does not mitigate this security risk. After we questioned the inactive setting, the Security Administrator activated the RACF TDSP option to "warn" and reviews any violations. The Security Administrator should periodically use RACF's Data Security Monitor to review and verify that intended security options are in effect.

Management Plan for Corrective Action

The Tape Data Set Protection has been set to "active." In addition, the security administrator reviews all RACF violations, if any, daily.

The Medical Center Computing (MCC) is responsible for this plan which has been implemented.

97-8. Strengthen Security Over Payroll System

Applicable to: Virginia Polytechnic Institute and State University

We identified several security weaknesses in our review of the University's new client-server payroll system implemented in January 1997. These weaknesses could lead to unauthorized use or alteration of the University's critical payroll data. Our specific concerns are as follows:

- Security does not limit the number of failed logon attempts. Information Resource Management reviews the report of failed logon attempts weekly; however, there is no policy to tell data custodians of these failed attempts. Consequently, data custodians could be unaware that unauthorized users repeatedly try to gain access to their data.
- Users write their password on request forms sent to department heads for approval, to establish a logon ID. It would be relatively easy for someone to observe the ID and password during processing and gain unauthorized access privileges.
- Security does not require periodic password changes for most users. Lack of this basic feature increases the risk of unauthorized use or disclosure from sharing of passwords.
- Password changes flow unencrypted across the network. It is possible for someone to obtain the unencrypted passwords by using a common intercept program.

- Payroll data flows unencrypted across the network. Without data stream encryption, it is possible for someone to intercept payroll data packets and alter or misuse this critical payroll data.
- The University has not installed security firewalls to appropriately restrict payroll to only authorized users accessing the system from the Internet. A firewall is a computer used to connect a University network or system with the outside world. The firewall can filter or block information flowing in both directions. The network security group does some filtering through routers but the University must find a safe way to restrict access from external networks and still allow internal users to gain the benefits of global connectivity.
- Payroll procedures require approvers to be a certain grade level or above. However, security does not prevent an approver from appointing a proxy who does not meet the grade level requirement to approve transactions in their absence. This could lead to inappropriate employees approving payroll transactions.

The University purchased a software package planned for implementation in December 1997 that has the capability to limit the number of failed logon attempts, require periodic password changes and encrypt password changes flowing across the network. The Human Resource project team is working with the vendor to address the security risk with proxies. The University should address the remaining issues of data stream encryption and firewalls through the completion of the risk assessment.

Management Plan for Corrective Action

The Human Resource Information System (HRIS) Team held subsequent discussions with the vendor (SCT) about appointing proxies at the appropriate grade level. The vendor does not plan to put any edits or security checks in the system. This requires that Virginia Tech take action. The first step is to ensure that the current proxies are appropriate. The HRIS Team will run a report by department for all proxies that are not approvers. The Report will be sent to departments for review and to change anything that does not meet current policy. The second step will have the HRIS Team explore other system alternatives and define a longer term solution.

The Director of Administrative Information Systems is the individual responsible for implementing these steps. The first step is to be completed by February 28, 1998. The second step will be defined by August 31, 1998.

Program Change Controls

97-9. Strengthen File Change Process

Applicable to: Department of Medical Assistance Services

The Department does not have specific process to change drug procedure codes in the “Online Geographic Fee File Audit Trail” (GEOFEE) files. Additionally, no one reviews such changes for accuracy or propriety, nor retains documentation for requested changes. Updates and changes to drug procedure codes are the most frequent changes made to the GEOFEE files.

The GEOFEE file contains the maximum fees and prices for individual procedure codes for each invoice type. Additionally, it provides information for the Medicaid Management Information System (MMIS) to automatically price invoices and check fee-for-service providers’ service limitations.

The lack of specific procedures to change drug codes places the Department at an unnecessary risk of making improper and inaccurate payments. During fiscal year 1997, the Department paid over \$200 million for drugs; almost ten percent of total Medicaid dollars. Department management can not rely on the surveillance and utilization system to identify and detect such errors without accurate drug procedure codes. Any change made to the GEOFEE file generates an Audit Trail report that shows the record key, date, operator and before and after fields. Departmental personnel receive the reports from the fiscal agent for review and verification. The Department should strengthen its file change process for drug procedure codes to minimize the risks of making improper Medicaid payments.

Management Plan for Corrective Action

The Department concurs with this finding and corrective action will be completed by June 30, 1998. The responsible person is Dr. Adiele.

97-10. Improve Program Change Procedures for Testing

Applicable to: Department of Motor Vehicles

The Department of Motor Vehicles’ Internal Audit review of program change procedures found the Customer Service System (CSS) test data was not consistent and no standard procedures for defining test data requirements were present. The CSS computer system maintains demographic and financial data pertaining to Motor Vehicle’s customers. The lack of adequate testing can result in erroneous data, inconvenience to users and customers, and wasted resources. Motor Vehicles should implement standard procedures for developing and maintaining test data.

Management Plan for Corrective Action

In September 1997, Systems Support Group (SSG) completed the addition and revision of all test scripts into a new PC ACCESS application. This was done for three reasons:

- *to assist the CSCnet team in preparing for acceptance testing on the new branch office system, using standardized forms;*
- *to prepare for baseline and user acceptance of Year 2000 testing due to start October 16, 1997; and*
- *to move away from the Q&A package that was not Y2K compliant.*

A review of these changes should resolve this audit point.

97-11. Document Program Changes

Applicable to: Department of Taxation

The Office of Information Resource Management (OIRM) did not complete documentation for the review, approval, and acceptance of program changes tested. Further, OIRM did not have documentation indicating that the program change had been tested, who moved the program into production, or who recompiled the source code into the object code production library. OIRM should document all pertinent information related to program changes to ensure the changes have been properly reviewed and approved.

Management Plan for Corrective Action

The incorrect use of system change forms, SDLC-1(Systems Request), SDLC-3 (Unit and System Test Plan), and QA-017 (Project Implementation Request), are a matter of noncompliance of System Change / Quality Assurance procedures. Here, enhancement of existing project management training procedures would be a major step in resolving the problem.

We have traced the problem of having no documentation of who implemented the project request to an error in the Program Change Audit Report program. Quality Assurance's (QA) automated change control process captures all significant program change data. However, the print field that displays the QA person doing the request was not printing on the report.

Action tasks:

- *Enhance communication of the system change procedures by distributing a copy of the procedures to project managers and requesting that they verify receipt and comprehension.*
- *Enforce compliance of system change procedures by generating an action plan to "spot check" system change documentation for adherence to standards.*
- *Fix the audit report program.*

Jane E. Bailey, Assistant Tax Commissioner, Office of Information Resource Management, is the individual responsible for implementing these processes. Completion is expected by May 8, 1998.

97-12. Strengthen Program Change Controls

Applicable to: Virginia Polytechnic Institute and State University

Legacy Systems

Programmers in the application support group for legacy systems have incompatible duties. Besides writing programs, the programmers move the programs into production and submit them for processing. This combination of duties creates a high risk of permitting unauthorized data processing. In addition, the group does not document the review and approval of all program changes. The group is working on new procedures for program change documentation.

The application support group should separate programming duties from moving programs into production and submitting them for processing. The group should also complete new procedures that require documentation of the review and approval for all program changes before placing them into production. We believe it is important to implement these changes before the application support group assumes responsibility for program changes to new systems.

New Payroll System

Programmers on the Human Resource project team have the responsibility for writing program changes to the Banner software. When the University receives a new version of Banner software, the programmers must determine whether they need to incorporate previous changes into the new version. The project team has not fully documented the process to follow for these program changes. Without sufficient documentation, we believe there is a risk that the project team could not make the necessary changes if anything should happen to certain key programmers.

The Human Resource project team should develop written procedures for program changes. The University is evaluating automated change management software that would help this process. We support the University in its efforts to purchase this software.

Management Plan for Corrective Action

Legacy System-

The Application Support staff are currently reviewing program change control procedures with particular emphasis on segregation of duties and program change documentation. A pilot is planned for later in the 1997-98 fiscal year which will test the feasibility of providing a proper separation of programming duties from moving programs into production and submitting them for processing. Pending completion of a successful pilot, these revised procedures will be implemented in all other Application Support areas.

In addition, a review of similar production processing functions in other business organizations is also planned for the 1997-98 fiscal year. The Application Support staff plans to use a “best practices” approach to these production processing issues based on results of these other business organization reviews.

With regard to proper documentation of review and approval for all program changes, documentation consistency and change control consistency are currently being reviewed for all areas in Application Support. Pending completion of this review, new procedures will be implemented. The new procedures will consist of approval requirements by key user management for the requested change, review and approval of the change request by the Application Support Manager, and a review and approval of change results by user and data processing management. A gradual “phase in” of these procedural changes will begin the current fiscal year.

New Payroll System-

Although there is considerable documentation already available for the system and system changes, the HRIS Team will review and ensure that our procedures for maintaining the documentation are complete.

The Director of Administrative Information Systems is responsible for implementing these procedures. The Legacy System procedures will begin within the current fiscal year, with completion expected by June 1, 1998. A review of documentation procedures for the New Payroll System will be completed by April 30, 1998.

Information Security Programs

97-13. Complete Business Impact Analysis and Disaster Recovery Plan

Applicable to: Department of Health

In May 1997, Health received drafts of a business impact analysis and disaster recovery plan prepared by a private consultant but has not completed the documents as required by the state’s Council on Information Management. A business impact analysis identifies sensitive information systems and a disaster recovery plan provides for continuation of critical business functions in case of disaster. Senior management must ensure that Health’s Office of Information Management (OIM) promptly completes the business impact analysis and disaster recovery plan.

Management Plan for Corrective Action

The draft of the business impact and disaster recovery plan has been reviewed by OIM management. Finalization of the plan was delayed by the extended absence on medical leave of the responsible manager. Jared Florance, M.D., acting Director of OIM, has indicated that the final plan will be in place by July 1998 to correspond with the implementation of the Virginia Information Systems – Integrated On-line Network (VISION).

97-14. Comply with the Standards as Issued by the Council on Information Management

Applicable to: Department of Social Services

As noted in previous audits, Social Services has not implemented measures to safeguard sensitive information in automated systems or to properly manage systems implementation. The lack of consistent leadership in the Division of Information Systems may have contributed to this problem. To ensure compliance with state policies and proper controls over automated systems:

- Social Services should update its business impact analysis, which is a process of identifying an agency's sensitive information systems. Social Services has had significant changes in its information systems. Sensitive information systems contain confidential and/or critical information that requires protection against unauthorized access or disclosure.
- Social Services should complete a risk assessment, which identifies possible threats to sensitive information systems. Once Social Services identifies the vulnerabilities, it can effectively use security safeguards to minimize the potential for future losses.
- Social Services should provide security awareness training on an annual basis. Agencies with sensitive information systems must establish and maintain information technology security awareness and training programs to ensure that all individuals involved in management, operation, programming, maintenance, and/or use of information technologies are aware of their security responsibilities and know how to fulfill them.
- Social Services should complete its Information Systems Strategic Plan. The strategic plan should prioritize Social Services systems development projects, plan for the orderly acquisition of computer resources, and provide an outline of the direction information systems technology is heading within Social Services.
- Social Services should adopt a systems development methodology that is consistent with Council on Information Management recommendations. The development methodology should provide the framework necessary for the efficient and effective completion of systems development projects.

Management Plan for Corrective Action

The Department issued a Statement of Work under our management contract on January 9, 1998 and has begun work to develop a Business Impact Analysis and conduct the first phase of Risk Assessment.

The Department of Social Services believes that it complies with the standard which requires that individuals handling sensitive information receive an information security awareness briefing or be provided with appropriate information. On October 29, 1997, the Department reissued its Information Security Policy Manual. The reissued manual was a more complete rewrite, taking into account current technology (e.g. e-mail and the Internet) and state policy. The manual was issued to every state and local user of DSS information systems and every user was required to read the manual and sign the Information Security Employee and consultant Agreement Form certifying that they will comply with DSS' Information Security Policy. On November 6, 1997, the first Security Coordinators Meeting was held covering such topics as Security Coordinator Roles and Responsibilities, Training and documentation, and Anti-Virus Software.

The Department issued an Information Systems Strategic Vision document in July 1997. This has been the basis for more detailed strategic planning which is in progress now.

The Department is currently operating using ITRM Policy 87-1 with local amendments. This will be reviewed to ensure compliance with ITRM 91-1.

97-15. Implement an Information Security Program At Clinch Valley College

Applicable to: University of Virginia – Clinch Valley College

Clinch Valley College has not implemented an information security program over its information systems. Information Technology Resource Management Standard 95-1, *Information Technology Security* states that agencies with sensitive information systems should conduct a business impact analysis to identify potentially sensitive information and a risk analysis to identify threats to its information. Agencies should develop and periodically test a contingency management plan. Without a business impact analysis, sensitive information at the College may be vulnerable to improper use, theft, alteration, or destruction. College management is now in the process of developing an information security plan according to the requirements of COV ITRM Standard 95-1.

Management Plan for Corrective Action

Clinch Valley College has initiated development of an information security plan to meet the requirements of COV ITRM Standard 95-1. All operational units impacted within the College are participating in the plan.

The review of the business related systems has been completed. Substantial progress has been made on the review of the non financial systems such as the library system. The plan should be fully implemented within six months. Clinch Valley College is responsible for implementing the plan by June 1998.

97-16. Develop and Implement a Comprehensive Information Security Program

Applicable to: Virginia Polytechnic Institute and State University

The University does not have a comprehensive integrated information security program and it is not always clear who sets or enforces security issues or policy. Executive Management has not designated an individual or group as the University's security officer with responsibility for overall information security. Consequently, one technical group has assumed responsibility for access controls to specific systems and software security while another group is responsible for communication and network access security measures. With the implementation of distributed automated systems that will have unencrypted critical data flowing across the network and Internet users accessing the network, we believe it is critical for management to develop a more coordinated approach to managing information security.

University's management has not provided the necessary guidance and resources to ensure completion of a business impact analysis and risk assessment as required by the Council on Information Management. We are very concerned about the lack of priority given to the completion of the analysis and assessment as the University implements new automated systems in a distributed environment without providing Executive Management with an analysis of the potential risks.

Failure to perform this analysis and assessment could lead to Executive Management being unaware of potentially unacceptable risks of unauthorized alteration, use or disclosure of sensitive information. The impact analysis and risk assessment are cornerstones of an effective information security program.

A business impact analysis is a process to identify all potentially sensitive information regardless of where it resides. This means for example that the impact analysis should include academic computing as well as administrative computing. Sensitive information may be confidential and critical to the University's mission and require protection against unauthorized use or disclosure. Examples of confidential information may include students' grades and health records plus faculty's and students' research data and donor records.

A risk analysis provides a measure of the relative vulnerabilities and threats to information resources so that an organization can implement appropriate security safeguards to minimize the potential impact on operations. The risk analysis allows the University to set a level of risk it finds acceptable by balancing the risks, vulnerabilities, threats and countermeasures and their impact on University operations.

We identified several information security risks in our review of the new payroll system that the University should address in its risk assessment. The risk assessment will provide management with the necessary information to evaluate the potential exposure to data integrity and confidentiality against the cost of security measures and their effect on the availability of the data. See finding number 97-8 for details.

The responsibility and accountability for an effective information security program must begin at the Executive Management level and flow down through the University to the individual user. The University's information security program should include security awareness and training programs to ensure that all employees involved in the management, operation, programming, maintenance or use of information systems are aware of their security responsibilities and know how to fulfill them. It is essential for Executive Management to provide guidance, continuing support and involvement in the program.

Management Plan for Corrective Action

The Vice President for Information Systems will assign responsibility for coordination of all information security issues and policies to an individual reporting directly to this executive-level office. This individual will ensure that these university policies are implemented by the various organizations responsible for access-control and network access security. The individual will also be responsible for the development of a security awareness training program that is facilitated through already-in-place training and employee development initiatives. In addition, this individual will chair a security assessment task force, already in place within Information Systems, charged with responsibility for developing a business impact analysis and risk assessment process appropriate to the University's highly networked and distributed environment.

The Vice President for Information Systems implemented these actions February 1, 1998.

Disaster Recovery Plans

97-17. Complete and Document Disaster Recovery Plan for Disbursements

Applicable to: Department of Accounts

As noted in the prior year's audit, the Department of Accounts should complete a contingency plan for processing warrants if the check writing equipment were to become unusable. After Accounts has formulated and tested the feasibility of alternative processing, they must document the process in a disaster recovery plan. Completing the contingency plan will provide the Commonwealth with an added degree of security in the event problems occur. The contingency planning section of COV ITRM Standard 95-1 issued by the Council on Information Management also requires emergency response procedures appropriate to any incident or activity that may endanger lives, property, or the capability to perform essential functions.

Management Plan for Corrective Action

In 1997, the Department of Accounts (DOA) formed a project team to review past efforts and explore the issues regarding the adequacy of disaster recovery for disbursement transactions produced by DOA. Based on this analysis, it was determined that electronic disbursement transactions produced by the Commonwealth Integrated Personnel and Payroll System (CIPPS) (payroll direct deposit) and the Commonwealth

Accounting and Reporting System (CARS) (Financial EDI) inherently include a disaster recovery process.

Both the payroll direct deposit and CARS Financial EDI utilize financial institutions (Crestar Bank and First Union Bank, respectively) to initiate disbursement transactions through the Automated Clearinghouse (ACH). First Union and Crestar Banks utilize “hot sites” for processing ACH files to the Federal Reserve. That is, both institutions have sites other than their primary processing sites in which to receive and process Commonwealth disbursement transactions in the event of a major disaster. This redundancy, coupled with the Department of Information Technology’s disaster backup and recovery of their data center, provides recovery for over 60% of the Commonwealth’s disbursement dollars.

Paper warrants, which constitute less than 40% of the remaining disbursement dollars would require a sophisticated backup process in the case of a disaster. Disaster recovery alternatives have been discussed by the project team and include:

- Converting checkwrite files to an EDI 820 format for transmission to the bank. The bank will convert that file to paper checks and mail them.*
- Finding a user of Troy equipment to serve as a hot site. This may prove to be unfeasible; the last hot site we had identified converted to laser several years ago.*
- Migrating to laser printers for checks. Compatible laser printers are found universally in both the private and public sectors.*

These alternatives must be analyzed further for feasibility and cost. Karen Robinson, Manager of Financial Analysis and Services, is responsible for the corrective action which is to be implemented by June 1999.

97-18. Update Computing Center Disaster Recovery Plan

Applicable to: Virginia Polytechnic Institute and State University

The Computing Center has not updated its disaster recovery plan for recent changes such as the implementation of the new payroll system and the purchase of several additional servers. The Center’s policy requires an annual update to the plan. The employee responsible for updating the plan retired and the Center has not given another employee this responsibility.

The Computing Center should follow its policy and update its disaster recovery plan annually. Lack of an updated plan could leave the University at substantial risk, as the loss of computer systems at certain peak times during payroll processing would significantly impact the University.

Management Plan for Corrective Action

Maintenance of the disaster recovery plan is a responsibility of the Information Resources Management Office (IRM). In 1996, oversight of IRM was moved from the Computing Center to the Administrative Information Systems organization. With the retirement of the manager of IRM, a new person will assume management responsibilities effective January 1, 1998. This individual will be given the responsibility of bringing the disaster recovery plan for administrative computing up to date by April 1, 1998.

Year 2000

97-19. Monitor Year 2000 Conversion

Applicable to: Virginia Commonwealth University

In addressing Year 2000 concerns, the University has appointed a Year 2000 coordinator to oversee the University's conversion. The coordinator has chief responsibility for the project. The University has also established two groups to assist in the conversion process: Year 2000 steering committee and Year 2000 technical support team. The steering committee provides overall guidance and direction for the project. The technical support team performs daily tasks to complete the conversions and upgrades.

The University plans to upgrade its administrative systems with Year 2000 compliant versions supplied by the vendor. The University upgraded its library system with the vendor's Year 2000 compliant version. Proposed completion date for the Year 2000 upgrades is December 1998 for the remaining three administrative systems. The University plans to complete testing for all administrative systems by January 1999. Evaluation of critical departmental and business unit systems and replacement of non-compliant products has a scheduled completion for December 1998. The University should devote adequate resources to the Year 2000 project, to monitor its progress and ensure meeting its completion dates.

Management Plan for Corrective Action

The Vice Provost for Information Technology has been designated as the senior University official responsible for Year 2000 activities. The University has put into place plans and resources to ensure year 2000 compliance of its central administrative systems. Project status reporting and monitoring is being done on a regular basis to University executive management. In addition, the University is intensifying its awareness activities, planning, and monitoring for Year 2000 upgrades for departmental and business unit systems and technologies. The projected completion date is December 1998.

97-20. Monitor Year 2000 Conversion

Applicable to: Virginia Commonwealth University – Medical Center

In addressing Year 2000 concerns, the Hospital has appointed a Year 2000 coordinator to oversee the system and equipment conversions. The coordinator has chief responsibility for the project.

The Hospital has identified all critical systems and plans to convert or replace those systems that are not currently year 2000 compliant by January 1, 1999. This will allow the Hospital one-year to test the new systems. Also, the Hospital has critical medical equipment that will require year 2000 conversion or replacement and has contracted with a vendor to identify the equipment. The vendor plans to provide this information to the Hospital by July 7, 1998.

The Hospital should consider requiring the vendor to provide this information much sooner, since the Board must approve the 1999 budget in February 1998. This information is critical for the Hospital to effectively plan and budget for the associated capital costs. Without sufficient time to plan and budget for equipment conversions or replacements, the Hospital may not complete their plan by the year 2000. The Hospital should devote adequate resources to the Year 2000 project to monitor its progress and ensure that they reasonably meet their completion dates.

Management Plan for Corrective Action

Virginia Commonwealth University – Medical Center concurs with the finding. The vendor will accelerate their work plan and provide the information on critical medical equipment requiring year 2000 conversion or replacement by March 1998. This will allow time for planning and resource allocation during the fiscal year 1999 budget process. That budget, effective July 1, 1998, will be presented for approval to the Board of Directors in June 1998. Trent Crable, Chief Operating Officer, is responsible for implementation of the corrective action plan.

FINANCIAL REPORTING

97-21. Establish Uniform Procedures for Identifying and Accounting for Subrecipient Funds

Applicable to: Department of Accounts

As noted in the prior audit, the Department of Accounts should provide uniform procedures to state agencies and institutions for identifying and accounting for federal subrecipient grant and contract transactions. Accounts has drafted uniform procedures and we recommend they finalize these procedures and distribute them to agencies and institutions.

Management Plan for Corrective Action

These procedures will be finalized and issued by March 1998. Karen Robinson, Manager of Financial Analysis and Services, is responsible for the corrective action.

INTERNAL SERVICE OPERATIONS

97-22. Refund Federal Share of Over-Recoveries in the Internal Service Funds

Applicable to: Department of Accounts

The Department of Accounts should refund the federal share of prior year internal service fund over recoveries. The Department is resolving this issue with the federal government.

Management Plan for Corrective Action

Department of Accounts personnel met with the Office of the Inspector General during January 1998 while the federal auditors reviewed our plan to repay the over-recoveries. We will resolve this issue once we receive the final disposition from the U.S. Department of Health and Human Services, Division of Cost Allocation. Karen Robinson, Manager of Financial Analysis and Services, is responsible for the corrective action.

97-23. Review MVS Operating System Settings After System Start Up

Applicable to: Department of Information Technology

System engineers do not review critical settings after restarting the Multiple Virtual Storage (MVS) operating system weekly. Settings define the console command terminals, the system libraries, and the operating system events to log. Errors in the settings could disrupt or corrupt computer processing.

The Department has purchased and started testing an automation product that will pre-program the Initial Program Load (IPL) settings at the time of the Initial Program Load. The Department should continue its plan to implement this product by June 30, 1997.

Management Plan for Corrective Action

The Department of Information Technology implemented a PC-based software product, Automation Point, designed to handle outboard IPL functions. This product has been pre-programmed and tested for the IPL settings. The computer operator will not have the ability to change these settings. If a setting should be changed, the Operations Automations Programmer will make the change, test it on the test platform, and implement it on the production system under change control procedures. This IPL function has been implemented on the Y2SA (Year 2000) system. The current project plan is to have Automation Point in production by August 30, 1998. Karen Lusk,

Automated Systems Division Director, is responsible for implementation of this corrective action plan.

97-24. Improve Protection Over Inside Computer Tapes

Applicable to: Department of Information Technology

The Department does not have effective controls to protect tapes transferred between the IBM and Unisys environments. While the Department has File Transfer Protocol (FTP) for file transfers between the IBM and Unisys environments, certain exchanges continue to require tape transfers rather than the more secure file transfer method. The Department should take an active role in promoting customer use of FTP and follow up with agency security officers to ensure they grant only appropriate FTP access.

Management Plan for Corrective Action

The Department has implemented File Transfer Protocol (FTP) between the IBM and Unisys mainframe computer systems. FTP allows data files to be transferred between the two systems at channel speed. There is an average of 18 tapes transferred daily between the IBM and Unisys systems. The break down is 15 from Unisys to IBM and 3 from IBM to Unisys. The bulk of these transfers are processed for State Corporation Commission, Department of Social Services, Department of Accounts, and the Department of Information Technology. The Department will make a commitment to work with each of these agencies in an effort to change the tape transfer to FTP during the remainder of this fiscal year. Larry Amos, Operations Technical Branch Manager, is responsible for implementing this corrective action by June 1998.

97-25. Write Policies and Procedures to Prevent Programs Being Placed into Production by the Person Making the Change

Applicable to: Department of Information Technology

Programmers and Project Leaders can make unauthorized changes to application programs and move those changes into production. Unauthorized changes can make previously reliable applications unreliable, and can expose user organizations to irregularities.

The Department should develop written policies and procedures to prevent unauthorized changes from being placed into production and reduce the possibility of fraud and irregularities. The Department is currently in the process of updating and approving their policies to include procedures that prohibit programmers from moving changed programs into production.

Management Plan for Corrective Action

The Department of Information Technology concurs with the finding. System Maintenance documentation, SDD Directive 011-5 was updated and implemented on August 27, 1997.

Dale Kurowsky, Acting Systems Development Division Director, is responsible for the implementation of this policy.

97-26. Write Policies and Procedures for Documentation of System Software Changes

Applicable to: Department of Information Technology

Policies and procedures for documenting changes to existing and new system software are not complete and are not uniformly followed. Lack of policies extends to maintaining change requests and the use of the automated tracking system for documentation.

The policies and procedures should require the documenting of changes on the automated system. Documenting all changes will provide a formal tracking of what changes actually took place and assist in problem solving. The Department is currently finalizing this policy.

Management Plan for Corrective Action

The Department concurs with the finding. The Services Directorate has updated documentation, "Procedure for the Installation, Modification, and/or Removal of Systems Software." This document will become a Departmental policy.

The Department is in the process of formalizing this document into a Departmental policy. Projected completion date is March 31, 1998. David Kiser, Division Director for MVS Software, is responsible for implementing this policy.

97-27. Write Policies and Procedures for Resolving Data Processing Errors

Applicable to: Department of Information Technology

There are no procedures for console operators to follow when data processing errors occur. Currently, the console operator will log a ticket on the problem in an automated database and fix the problem or call the on-call engineer.

Written policies and procedures for resolving processing errors are necessary because errors disrupt the processing of critical data. Written policies and procedures are particularly important when new individuals replace experienced employees. The Department is currently reviewing a draft policy.

Management Plan for Corrective Action

The Department of Information Technology concurs with the finding. The Department has updated Problem Management System (PMGAP) documentation, "PMGAP Interfaces." This Operational Procedure outlines the handling of problems utilizing the PMGAP. This procedure was updated and implemented June 20, 1997.

The Department is procuring a Help Desk application that will assist the Operations Personnel in opening and logging tickets that reflect processing errors. The selection of a Help Desk application package should be complete by the end of February 1998.

Larry Amos, Operations Technical Branch Manager, was responsible for implementation of this Operational Procedure.

97-28. Write a Formal Policy for Updating Policies and Procedures

Applicable to: Department of Information Technology

There is no policy for updating or revising policies and procedures within the Department. The current unwritten policy is to process updates in the same manner as establishing new policies. A proposed policy and procedure goes to all Department Deputy Directors, Division Directors, and Branch Managers for review and comment. Once the final version is complete, approval rests with the Agency Director and the appropriate Deputy Director. Human Resources maintains an approved copy.

During our review, we received updated versions of policies and procedures that did not have the Director's approval or reside in the Human Resources office. Divisions call Human Resources and ask what they need to do to make changes due to their unfamiliarity with the process. Establishing a formal written policy for updates and revisions of current policies and procedures will provide Divisions with an understanding of the requirements for updates and revisions.

Management Plan for Corrective Action

The Department of Information Technology (DIT) concurs with the finding. The Department will include a policy that specifically addresses how policies are written and updated. The DIT policy manual is in the process of being updated, with some policies and procedures being redone, renumbered, and signed by the DIT Director. The Human Resource Division is implementing the policies and procedures on the DIT Intranet for easy access and viewing by employees.

Implementation date for completion of policy and updating of all the manuals is May 1998. Cindy Mills, Human Resource Division Director, is responsible for implementation.

STATUS OF YEAR 2000

97-29. Status of Year 2000 Compliance for Statewide Systems

Applicable to: Department of Department of Accounts
Department of Planning and Budget
Department of Taxation

Agencies within the Secretary of Finance operate several statewide systems. Except for the PROBUD system operated by Planning and Budget, the systems are not

year 2000 compliant. However, all of the Departments are developing plans to make these systems fully compliant.

The Department of Accounts operates several systems. The Commonwealth Accounting and Reporting System (CARS) records the state's financial transactions and is the official accounting record of the Commonwealth. Any agency-based accounting system must interface electronically or through magnetic media with CARS. The Commonwealth Integrated Personnel and Payroll System (CIPPS) processes payrolls for classified and hourly employees. The Integrated Human Resources and Information System (IHRIS) is a new system under development which will replace CIPPS and two other personnel support systems. IHRIS implementation will begin the third quarter of fiscal year 1998, with completion anticipated by the year 2000. The Auditor of Public Accounts issued a separate report in January 1998 documenting the status of IHRIS. The Fixed Asset Accounting and Control System (FAACS) tracks fixed assets owned or controlled by the Commonwealth. Agencies record detailed or summary fixed asset accounting information in this system. The Electronic Data Interchange (EDI) electronically transmits payments to localities, non-state agencies, vendors, and state employees. EDI processes approximately 70 percent of state disbursements.

Accounts has substantially completed the assessment phase for CARS and FAACS (batch processing) and partially completed the assessment phase for CIPPS and FAACS (on-line processing). Accounts has begun the renovation phase on CARS, CIPPS, and FAACS. IHRIS will be Year 2000 compliant when implemented. For EDI, Accounts plans to install a Year 2000 compliant upgrade to the Gentran software during the first quarter of 1998. Accounts' estimated costs for the Year 2000 problem is approximately \$2.5 million.

Planning and Budget maintains two statewide systems: the Program Budget System (PROBUD) and the Form 27 Automated Transaction System (FATS). PROBUD receives, collects, balances, and reports budget-related data for the development of the Governor's proposed budget and for subsequent development and monitoring of agency operating plans. FATS allows agencies and Planning and Budget to review, approve, and track operating plan adjustments from initial creation through the update of the Commonwealth's centralized accounting system. The PROBUD system has achieved full Year 2000 compliance; however, Planning and Budget will need to upgrade to a Year 2000 compliant version of Adabas, which is the software that supports the on-line PROBUD system. Software AG expects to release its Adabas Year 2000 product during fiscal year 1998. The Planning and Budget project team expects to complete the conversion in sufficient time to meet Year 2000 processing requirements. Planning and Budget anticipates renovation efforts for FATS to begin in January 1998 with completion by mid-1998. As part of this project, Planning and Budget will upgrade the COBOL programming language within FATS. Planning and Budget estimates the cost at \$120,000 to address the Year 2000 problem.

Taxation processes tax data and keeps detailed information for each taxpayer in its State Tax Accounting and Reporting System (STARS). Currently, Taxation is negotiating an agreement with an outside vendor to replace STARS. Section 58.1-202.1 of the Code of Virginia authorizes the Tax Commissioner to enter into a public-private partnership to finance agency technology needs. This alternative procurement process

authorizes Taxation to purchase new systems without receiving legislative appropriations. The legislature allows Taxation to pay for the system from increased revenue generated by the new systems.

Taxation does not expect the new systems to be fully operational by January 1, 2000, and Taxation's current systems are not Year 2000 compliant. However, Taxation contracted with James Martin Government Consulting (JMGC) to perform a Year 2000 software assessment analysis. JMGC assessed all aspects of the Year 2000 problem at Taxation including internal applications or systems, such as STARS, commercial off-the-shelf hardware and software, facilities and support systems, and infrastructure. In fiscal year 1998, Taxation began fixing the business and individual tax accounting and accounts receivable STARS modules. However, there has been no significant progress in fixing the remaining STARS modules, non-STARS systems, hardware, commercial off-the-shelf software, facilities, or other Year 2000 related areas. Taxation is developing a detailed plan to address these areas and estimates completion of the plan by mid-January 1999. Taxation estimates the cost at \$5.3 million to address the Year 2000 problem.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF AGRICULTURE

Activities Allowed or Unallowed

97-30. Limit Access to Blank WIC Drafts

10.557

Applicable to: Department of Health

Compliance Finding: The Alexandria, Newport News, and Prince George WIC clinics store blank WIC drafts in unsecured areas, allowing all employees access to the drafts. This access by all WIC employees does not allow for adequate accountability and control over blank WIC drafts.

Requirement: 7 CFR Part 246.7, "Certification of Participants," requires grantees control receipt and issuance of supplemental food instruments and ensure secure storage of unissued food instruments. The Virginia WIC Program Procedures Manual, Section D, "WIC Checks," further requires drafts be stored in a locked secure place with access limited to designated staff members.

Recommendation: The WIC Division should emphasize to health departments the importance of safeguarding and limiting access to WIC drafts and require compliance with procedures.

Management Plan for Corrective Action: *Alexandria WIC Clinic (Respondent - Katherine K. Benjamin, Nutrition Supervisor)* We do not concur with the finding. At the Alexandria Health Department blank WIC checks are stored in a lateral file cabinet in the WIC administrative office. When the office is closed, the file cabinet is locked and the key is stored in the desk of one of the Office Service Specialists (OSS). The door to the office is also locked.

During office hours, the file cabinet is not locked, but any time the office is vacated, even momentarily, the door is locked. WIC staff who regularly work at this site have a key to the office door. WIC staff who might need to issue checks know where the file cabinet key is kept so that clients may be served if the OSS staff are not available.

Newport News WIC Clinic (Respondent - Daniel Warren, M.D., Peninsula Health Director) We do not concur with the finding. Blank vouchers are stored in three places. When the initial

order is received, the books are inventoried to ensure the order is complete, and then they are placed in the vault safe in the business office at the front of the building. The books needed for the actual running of the clinics are stored in the WIC clinic area in a closet that remains locked all during the day and evening hours. Each day one book of each food package is placed in a file cabinet with a lock in the back of the WIC clinic area. This file cabinet system was established in July of 1996. Each of the WIC staff members has access to the books. All of the nutrition staff are responsible for issuing vouchers, but on "normal" days there are approximately two people who issue the appropriate vouchers. These two staff members are not responsible for eligibility and/or certifications. Therefore, there is separation of duties. Once the day's clinic is complete, the books are returned to the locked closet for storage for the night. Due to the number of clients we see daily, locking up the vouchers each time and removing the books from the closet when a client needs vouchers and then replacing the books back into the closet would increase the time a client needs to spend in the WIC office interrupting the smooth flow of the clinic visit. WIC is a separate unit from the rest of the health department. The file cabinet is behind the counter in the back of the office area. This area is never without one of our staff members present at all times. Since this process of securing the Food Package voucher books was implemented, there have been no lost or stolen vouchers. Creating a more restrictive process/system would not result in improvement and would in fact, create an unnecessary inconvenience to the staff and clients.

Prince George WIC Clinic (Respondent- Grayson Miller, M.D., Crater Health Director) We do not concur with the finding. Prince George Health Department has a locked file cabinet for the specific purpose of storing blank WIC checks. The checks are always stored in that locked cabinet. We have verified this with the WIC Office Services Specialist.

Reporting

97-31. Properly Prepare Federal Reports

Food Stamp
Cluster

Applicable to: Department of Social Services

Compliance Finding: Local Social Service Agencies did not prepare the FNS-46 "Issuance Reconciliation Report" properly. Three of five (60 percent) locality reports tested did not provide adequate supporting documentation or agree to the FCS-250 "Food Coupon Accountability Report." The reports are incorrect because the locality workers are failing to input the correct issuance code into the Virginia Client Information System

(VACIS) nor is the preparer of the report properly including voids into the calculation of total issuances.

Requirement: 7 CFR Part 277.6, "Standards for Financial Management Systems," requires accurate, current, and complete disclosure of the financial results of program activities in accordance with federal reporting requirements.

Recommendation: Social Services should ensure the accurate preparation of federal reports by having thorough reviews before submitting the reports to the federal government. The review should determine if there is adequate documentation to support the federal reports.

Management Plan for Corrective Action: The Department will continue to work with local agencies to improve reporting and report preparation. This problem will be further addressed by the statewide implementation of the Electronic Benefits Transfer (EBT) system.

Special Tests and Provisions

97-32. Replace WIC System

10.557

Applicable to: Department of Health

Control and Compliance Finding: The Women, Infants, and Children (WIC) System, which handles over \$60 million in benefits annually, does not provide management the information necessary to adequately support and monitor the program. In response to our previous findings, Health is developing a new system, which is currently seven months behind schedule. Implementation is scheduled for March 1998.

Requirement: 7 CFR Part 246.13, "Financial Management Systems," requires agencies to maintain a system which provides accurate, current, and complete disclosure of the financial status of the program and maintain effective control over and accountability for all program grants and funds.

Recommendations: Management should continue development of the new WIC system and keep the necessary resources committed to this project to eliminate weaknesses and inefficiencies of the current system. Management should properly oversee the project and keep completion on schedule and within budget

Management Plan for Corrective Action: We concur with the recommendation that management at the Virginia Department of Health should continue to develop a new WIC system and keep the necessary resources committed to this project to eliminate

weaknesses and inefficiencies of the current system. We also concur that management should properly oversee the project and keep completion on schedule and within budget.

The new WIC system Health has been developing is in the final stages of implementation with the present implementation schedule being:

- *Training for the 5 pilot sites on February 17, 1998*
- *Pilot will start at the 5 pilot sites on March 2, 1998*
- *All 35 Health Districts will join the pilot on March 16, 1998*
- *End of pilot on March 30, 1998*
- *Activation of the new WIC system and discontinue use of the old system on April 15, 1998*

Effective April 15, 1998 the old system will be used only for archiving data and balancing the books for final shut down. Final shut down will happen no later than September 30, 1998.

All checks printed for WIC will be from the new system effective April 15, 1998.

Craig Johnson has been assigned as the new Program Manager for the Implementation of WIC and is responsible for the implementation of these measures. He answers directly to the Director of the Office of Information Management. These measures will be implemented in April 1998.

Other Internal Control Matters

97-33. Strengthen Information Security

10.557

Applicable to: Department of Health

Control Finding: WIC clinic employees can set up recipient accounts, enter and update recipient eligibility information, and approve recipients for benefits in the WIC system without supervisory review or independent reconciliation. These employees also reconcile unmatched WIC checks. This lack of segregation of duties increases the risk that employees can initiate incorrect or fraudulent transactions. This issue is the result of limited security functions in the current WIC system and inadequate compensating control procedures to address the system weaknesses. Health plans on addressing this issue through its implementation of the new WIC subsystem in VISION. In

addition, several WIC employees at the central office have full update access to the WIC system although their job responsibilities do not require this level of access.

Recommendation: Health should continue the development of the new WIC subsystem in VISION to ensure that the weaknesses and inefficiencies in the current system are adequately addressed. Management must also charge the Office of Information Management and Internal Audit with a continuous review of information systems security including physical security, access rules, and network security. Health should set up appropriate procedures to periodically evaluate each employee's system access and limit access to only needed functions.

Management Plan for Corrective Action: *The current WIC system is an enhancement to the batch entry system that preceded it. The notable difference is that documents are now keypunched by local agency staff in the field whereas before WIC certification documents were keypunched under contract by inmates at a women's prison. The net result is a significant cost savings to the state and a dramatic reduction in keypunch errors.*

Now, as it was then, guarding against fraud is handled by policy. The Virginia WIC Program Policy and Procedure Manual, page H-2, requires local agencies maintain separation of duties to ensure staff certifying or determining financial eligibility on a client do not issue, order, or inventory manual checks nor do they reconcile the Unmatched Redemption Report.

To ensure WIC's separation of duty policy is carried out, as part of the monitoring tool the state office uses to evaluate local agency WIC programs, monitoring visit reviews are conducted in every district biannually.

A replacement to the current WIC system is under development as part of Health's VISION project. It is due to be implemented in 1998. The replacement system will include security features defining user roles and controlling system access to users based upon those roles. WIC is looking into reporting to monitor separation of duties in the replacement system. It is not cost-effective at this time to modify the existing system.

Currently, there is a need for some central office employees to have update access to the WIC system. We've reviewed the current security setup with the analyst in charge of maintenance for the WIC system. We identified personnel who had access and evaluated the necessity. Those not requiring update access to perform their job duties were changed to inquiry only.

CFDA
Number

Findings and Recommendations

Questioned
Costs

Margaret Tate, WIC Program Director, and Thomas Banks, Agency Management Analyst, have implemented these measures. Reviews are ongoing.

U.S. DEPARTMENT OF COMMERCE

Subrecipient Monitoring

97-34. Properly Monitor Subrecipients

R&D
Cluster

Applicable to: Virginia Polytechnic Institute and State
University

Compliance Finding: Sponsored Programs does not comply with procedures to request and monitor subrecipient audit reports. In our test of five subrecipients, we found no documentation that Sponsored Programs requested or received an audit report from four subrecipients. Further, Sponsored Programs does not have an effective tracking system to ensure it requests and receives all required subrecipient audit reports.

Requirement: OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education Subpart C, Section .51, "Monitoring and Reporting Program Performance," requires recipients to determine whether subrecipients met the audit requirements of the Single Audit Act, spent federal assistance according to applicable laws and regulations, and took appropriate corrective action in instances of noncompliance with federal laws and regulations.

Recommendation: Sponsored Programs should comply with procedures for monitoring subrecipients and reestablish a tracking system for requesting, receiving and reviewing subrecipient audit reports to ensure compliance with federal regulations.

Management Plan for Corrective Action: *The Office of Sponsored Programs will develop a program that will tag each subcontract written indicating that a copy of the A-133 audit must be requested. This program will automatically generate a follow-up letter every 30 days until the report is received.*

The Director of Sponsored Programs will implement this program by September 30, 1998.

U.S. DEPARTMENT OF EDUCATION

Allowable Costs/Cost Principles

97-35. Charge Expenses to the Proper Grant

R&D
Cluster

Applicable to: Virginia Polytechnic Institute and State
University

Compliance Finding: The University's Internal Auditor found that principal investigators often temporarily record expenses for federal grants without available funding to another grant with available funding. Principal investigators subsequently transferred the expenses to the proper grant when funding became available. This practice leads to improper expenses recorded on the University's accounting records used to prepare financial reports to the sponsor and could result in improper charges if principal investigators fail to properly make the subsequent transfer. We found no instances that Sponsored Programs billed the Federal government improperly or that principal investigators failed to subsequently transfer the expenses to the proper grant.

Requirement: OMB Circular A-21, Cost Principles for Educational Institutions, Part C (4b), "Allocable Costs," states that any costs allocable to a particular agreement under the standards provided in this Circular may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience.

Recommendation: Sponsored Programs' management should take action to ensure that principal investigators immediately stop recording federal grant expenses improperly in the accounting system. Good costing principles require that the University not record expenses to a federal grant account that does not benefit the grant.

Management Plan for Corrective Action: *The Office of Sponsored Programs (OSP) will implement training programs for principal investigators relative to allowable/unallowable cost that will be charged to sponsored programs. The programs will include placing articles in the OSP Newsletter and attending interdepartmental/college staff meetings.*

The Director of Sponsored Programs will implement this corrective action by September 30, 1998.

Eligibility

**97-36. Document Justification for Changes to Financial Aid's
Expected Family Contribution and to the Aid Amount
Awarded**

SFA
Cluster

Applicable to: University of Virginia

Control and Compliance Finding: Counselors in the Student Financial Aid Office do not always document their reasoning for adjustments made to a student's Expected Family Contribution or to the amount of aid awarded to a student. Changes routinely occur due to a change in a student's financial status since applying for aid or during the verification of the student's financial aid application.

Requirement: 34 CFR Part 668.24, "Record Retention and Examinations," requires an institution maintain documentation of the calculations used to determine the amount of the grant, loan, or FWS award.

Recommendation: The Financial Aid Office should require counselors to always document their reasoning to explain why the changes were necessary. Without documentation, counselors may not be able to explain the need for changes to the student, their supervisors, or external reviewers.

Management Plan for Corrective Action: *The following procedures have been implemented to ensure there is appropriate documentation for any changes to the Expected Family Contribution or to the amount of aid awarded.*

When changes in the student's record are made as the result of verification, these changes are made so that information on the actual statement and parent 1040's and the signed verification statement precisely match the information on the student's record. The correct information will be the documentation and justification for the change and will be retained in the student's file.

In other situations, "professional judgement" is permitted and indeed encouraged by the federal government to allow for circumstances beyond the scope of a computerized need-analysis system. In these circumstances:

- Financial Aid Counselors will document in the student's file the reason for the change and the nature of the change (e.g. student leaving full-time employment or returns to school full time: use*

estimated year income in place of prior year income).

- *In recurring cases such as parent unemployment, death, or disability, the "Estimated Income Form" or similar form will be retained in the student's file.*
- *In cases where the student's special circumstances are discussed with the internal Financial Aid Committee, consisting of the undergraduate associate director and all the assistant directors, the decision of the committee will be recorded in the student's file.*

Financial Aid has completed implementation of this plan.

97-37. Properly Determine Eligibility for Federal Financial Aid

SFA
Cluster

Applicable to: Virginia Polytechnic Institute and State
University

\$20,746

Compliance Finding: In a test of 105 students from a total population of 10,770 federal financial aid recipients, for Fall 1996 and Spring 1997 semesters, Internal Audit found that the Office of Scholarships and Financial Aid does not have controls to prevent over awards to students who are dually enrolled in both graduate and undergraduate courses. Also, the Office does not comply with federal regulations to adjust undisbursed campus-based aid when recipients receive outside aid that causes an over award. Further, the Office does not always document its use of professional judgment. In the test of eligibility, Internal Audit found the following:

- The Office improperly awarded Federal Pell Grants to three students dually enrolled as graduate and undergraduate students resulting in questioned costs of \$670.
- The Office improperly awarded a Federal Direct Student Loan to a graduate student not actively seeking a degree resulting in questioned costs of \$7,000.
- The Office awarded federal aid in excess of need for three recipients because it failed to adjust campus-based awards after the student received

additional outside aid resulting in questioned costs of \$2,081.

- The Office recorded and disbursed one student's Federal Direct Student Loan twice. This clerical error resulted in an over award of \$2,750.
- When adjusting over awards, the Office, in one instance, improperly applied the \$300 tolerance threshold resulting in an over award of \$300.
- The Office failed to document and justify the use of professional judgment resulting in an over award of \$7,945.

Requirement: 34 CFR Part 690.6, "Duration of Student Eligibility," states that a student is eligible to receive a Federal Pell Grant for the period of time required to complete his or her first undergraduate baccalaureate course of study

34 CFR Part 668.32, "Student Eligibility – General," states that a student is eligible to receive Title IV, HEA program assistance if the student is a regular student enrolled, or accepted for enrollment, in an eligible program at an eligible institution.

34 CFR Part 673.5(b)(2), "Overawards," states that if a student receives resources at any time during the award period that were not considered in calculating the original award, and the total resources including the loan, the FSEOG, or the prospective FWS wages exceeds the student's need, the over award is the amount that exceeds need.

34 CFR Part 673.5(d), "Overawards," requires that, in the event of an over award due to the student's receipt of additional resources, first the student's need must be calculated. If the award exceeds the student's need, the institution must cancel any undisbursed loan or grant (except Pell).

34 CFR Part 668.24, "Record Retention and Examinations," stipulates that an institution must maintain documentation of the calculations used to determine the amount of the grant, loan, or FWS award.

Recommendation: The Office should comply with federal regulations for determining eligibility to prevent over awards.

Management Plan for Corrective Action: The Office of Scholarships and Financial Aid (OSFA) is working with the

Graduate School to review the coding of graduate students in the databases established by the Graduate School. Additionally, the coding of graduate students has also been raised by the OSFA SCT-Banner implementation representative with regard to developing proper coding in the new system environment. The OSFA will also review Pell recipient rosters at the end of each term to make sure all students are properly enrolled as undergraduate students, and that any students who were dually enrolled and had Pell Grants be given Pell only for the amount of undergraduate hours carried, as per federal regulations.

The Office of Scholarships and Financial Aid (OSFA) is working with the U.S. Department of Education to receive clarification of a regulation regarding campus-based aid and overawards. The OSFA is reviewing the disbursement of campus-based aid and will develop a plan once clarification is received from the Department of Education.

Due to results from several quality assurance reviews conducted as part of the QA program in 1996-97, the OSFA had previously determined that the appeal process should be revised. The OSFA implemented an Appeal Committee in December 1996 to review appeals and check for consistency in processing; guidelines for the appeals process were set at this time. Each counselor completes a "Counselor Recommendation Form," which is attached to the appeal. The Committee then reviews the appeal and supporting documentation and may approve, deny, or request additional information from the counselor before a decision is made. The OSFA believes implementation of the Appeal Committee has helped to achieve the departmental goal of consistent, auditable, and replicable reconsideration processes and recalculations

The Director of Scholarships and Financial Aid is responsible for implementing the corrective action plan. For students dually enrolled, quality assurance reviews will be conducted during the 1998-99 fiscal year, with new systems implementation occurring during the 1999-2000 fiscal year. An interim plan addressing campus-based aid was implemented in November 1997, pending further clarification from the U.S. Department of Education.

Subrecipient Monitoring

97-38. Monitor Federal Fund Subrecipients

10.557 Applicable to: Department of Health

93.268

93.917

93.994

Control and Compliance Finding: Health did not properly monitor subrecipients of federal funds. As noted in the previous audit, three local health districts separated from Health and became subrecipients of federal funds. Health did not review the audit reports for two of these districts.

Requirement: 7 CFR Part 3016.26, "Non-Federal Audit," requires grantees to determine whether subgrantees have met the audit requirements of the "Single Audit Act." The grantee shall determine whether the subgrantees spent federal funds according to applicable regulations and take adequate corrective action if necessary.

Recommendation: Health should ensure that all subrecipients are monitored timely.

Management Plan for Corrective Action: Community Health Services will work to obtain these reports more timely, and forward them to Internal Audit for review as soon as they are received from the locally administered health departments. Community Health Services has requested that the audit reports for FY 97 be sent to the Central Office for review by Management and Internal Audit. A corrective action plan for issues identified will be initiated.

Jeff Lake, Assistant Commissioner for Community Health Services, is responsible for implementing these measures. Implementation should occur by March 1998.

Special Tests and Provisions

97-39. Improve Voucher Processing

10.557 Applicable to: Department of Health

93.217

93.268

93.917

93.994

Control and Compliance Finding: Health's control structure over voucher processing does not prevent fraud. As noted in the prior audits, Health's procedures continue to allow employees to process unauthorized expenses by adding unapproved vouchers to previously approved batches. Internal units and local health districts initially review and approve expense vouchers before batching and sending to Accounting for approval. Accounting

does a clerical review for signature, technical compliance, and coding prior to final approval and release for payment. Accounting's reviewers cannot determine whether local departments authorized all vouchers in a batch because they are unfamiliar with local operations.

Requirement: 7 CFR Part 3016.20, 45 CFR Part 74.21, and 45 CFR Part 92.20, "Standards for Financial Management Systems," requires states to maintain effective control and accountability for all grant and subgrant assets, adequately safeguard all assets, and ensure the assets are used solely for authorized purposes.

Recommendation: Accounting has a corrective action plan to address these issues. First, the Office of Information Management (OIM) has re-engineered the current automated voucher processing system to add another access level for batch approval. Accounting plans to implement this system statewide by February 1998. This will allow the cost center to electronically approve batches before submission to Accounting for final review and posting to the Commonwealth Accounting and Reporting System.

Accounting should continue its efforts to automate the data entry, review, and approval processes at cost centers. After the statewide implementation of the new system, Accounting should move final batch review and approval procedures to cost centers.

Management Plan for Corrective Action: Senior management will publish a set of policy and procedural updates recommended by district, central office, and Accounting staff. These updates address current agency policies that result in paperwork being routed to multiple offices for review and/or approval prior to being sent to Accounting.

The migration of the agency's financial and administrative systems from the mainframe to a client-server environment has been completed (10/97). This migration will enable cost center and district staff to run their batch transmittal listings and approve batches prior to sending to Accounting. OIM has completed the programming work required to establish necessary screen options in the financial system, including desired security for separation of duties on the keying and approval of payments. Draft instructions on using these new options and reducing vendor payment paperwork per Commonwealth Accounting Policies and Procedures section 20310-401 will be published by Accounting and tested by Accounting and field staff during February 98. The Auditor of Public Accounts and the Department of Accounts will also

receive these draft instructions for review and comment prior to their being incorporated in the agency's Departmental Administrative Management Manual.

Training sessions will be scheduled for the remaining districts and cost center units meeting criteria concerning volume of payments per month to key and approve batches prior to sending to Accounting based on finalized instructions in step #2 above.

Steve Sullivan, Manager of Disbursements and Compliance, is responsible for implementing these measures. Implementation is targeted for February 1998.

97-40. Follow Established Procedures for Pro Rata Refunds

SFA
Cluster

Applicable to: Old Dominion University

\$10,553

Control and Compliance Finding: The University did not properly calculate and remit pro rata refunds to Title IV Federal financial aid programs for the 1997 award year. We found 7 instances of noncompliance (100 percent of population) resulting in total questioned costs of \$10,553.

Requirement: 34 CFR Part 668.22, "Refunds and Repayments," requires a statutory pro rata refund calculation for a first time student attending the institution, whose withdrawal date is on or before the 60 percent point in time of the enrollment period. The institution must return the portion of the refund allocated to Title IV programs to the appropriate program account within the required time period.

Recommendation: The University should follow its procedures for identifying, calculating, and remitting statutory pro rata refunds to Title IV programs

Management Plan for Corrective Action: *Staffing turnover resulted in a failure to follow established procedures. The department will follow those procedures in the future. Catherine Austin, University Controller; and Delores White, Accounts Receivable Manager, are the persons responsible for the implemented corrective action.*

97-41. Comply With Federal Regulations for Exit Counseling

84.268

Applicable to: Virginia Polytechnic Institute and State University

Control and Compliance Finding: The Office of Scholarships and Financial Aid does not hold exit counseling for Federal Direct

Student Loan Borrowers as required by federal regulations. The Office mails exit counseling materials to known graduating and withdrawing borrowers, that offer in-person counseling. However, the Office does not require them to attend the counseling.

Requirement: 34 CFR Part 685.304, "Counseling Borrowers," require that an institution conduct in-person exit counseling with each Stafford, SLS, Direct Subsidized and Direct Unsubsidized loan borrower shortly before the borrower ceases at least half-time study at the school.

Recommendation: The Office of Scholarships and Financial Aid should require in-person exit counseling for all borrowers according to federal regulations. Exit counseling provides borrowers with information such as monthly payment amounts, and advises the borrowers of the importance of their repayment obligation and the consequences of not meeting this obligation.

Management Plan for Corrective Action: *The Office of Scholarships and Financial Aid (OSFA) held exit counseling interviews, as required by federal regulations. However, the language in the letter that was sent to borrowers was not strong enough to encourage borrowers to attend the exit interview sessions. Previously, the letters used language such as "must attend" or "must comply."*

As per directives from the Direct Loan Policy Section Chief from the U.S. Department of Education, the Office of Scholarships and Financial Aid has updated the exit interview letter to reflect that students are "required under federal regulations to attend." In the revised letter, loophole statements such as "if you have an emergency and cannot attend" have been deleted, mandating attendance for all students.

The Director of Scholarships and Financial Aid has implemented this recommendation.

Other Internal Control Matters

97-42. Establish Uniform Procedures for Identifying and Accounting for Subrecipient Funds

Applicable to: Department of Accounts

This comment is included in the "Financial Statement Findings" section of this report at finding Number 97-21.

97-43. Refund Federal Share of Over-Recoveries in the Internal Service Funds

Applicable to: Department of Accounts

This comment is included in the “Financial Statement Findings” section of this report at finding Number 97-22.

DATA PROCESSING CONTROLS

Access Controls

97-44. Improve Medicaid Information Security Administration

Applicable to: Department of Medical Assistance Services

This comment is included in the “Financial Statement Findings” section of this report at finding Number 97-1.

97-45. Strengthen Controls Over Personnel and Payroll Systems

Applicable to: University of Virginia

This comment is included in the “Financial Statement Findings” section of this report at finding Number 97-5.

97-46. Strengthen Security Over Payroll System

Applicable to: Virginia Polytechnic Institute and State University

This comment is included in the “Financial Statement Findings” section of this report at finding Number 97-8.

Program Change Controls

97-47. Strengthen File Change Process

Applicable to: Department of Medical Assistance Services

This comment is included in the “Financial Statement Findings” section of this report at finding Number 97-9.

97-48. Strengthen Program Change Controls

Applicable to: Virginia Polytechnic Institute and State University

This comment is included in the “Financial Statement Findings” section of this report at finding Number 97-12.

Information Security Programs

97-49. Complete Business Impact Analysis and Disaster Recovery Plan

Applicable to: Department of Health

This comment is included in the "Financial Statement Findings" section of this report at finding Number 97-13.

97-50. Develop an Information Security Program

84.126

Applicable to: Department of Rehabilitative Services

Control Finding: The Department has not set up an information security program appropriate for its technology environment. Such a program includes a business impact and risk analysis, a contingency management plan, and implementation of security safeguards.

Recommendation: As the Department's automated environment changes through integration, Rehabilitative Services' management should work towards developing a comprehensive security program to protect its technology resources and comply with the Council on Information Management's COV ITRM Standard 95-1. During fieldwork, we noted that the Department is in the process of hiring a Security Officer and plans to have this position filled by March 1, 1998. The Security Officer's responsibilities will include developing the business impact and risk analysis.

Management Plan for Corrective Action: *The Department of Rehabilitative Services continues to recruit for an Agency Security Officer. Currently, the position is under review by our Human Resource Services Office for classification and compensation with a hopeful fill date of April 1, 1998. This position will provide centralized oversight and coordination of the Information Technology Security Program. This includes coordination and maintenance of the Information Resource Portfolio, Business Impact Analysis, Risk Assessment, Disaster Contingency Planning, Definition of Critical Applications and Sensitive Information, procedure and oversight related to server and file password protection and data backups for workstation and file servers, procedure and oversight related to physical security of server locations and provision of security training and promotion of staff awareness of security policies, practices, controls and issues.*

Providing that this position can be filled by April 12, 1998, we anticipate that an implementation plan will have been developed with the most critical activities underway by December 1998. John Coffey, Controller, is the contact person for this finding.

97-51. Comply with the COV ITRM Standards as issued by the Council on Information Management

Applicable to: Department of Social Services

This comment is included in the "Financial Statement Findings" section of this report at finding Number 97-14.

97-52. Update University Information Technology Security Plan

SFA
Cluster

Applicable to: Old Dominion University

Control Finding: Management has not updated its plan for information technology security since 1986. The security plan should consist of a business impact analysis and a risk analysis to identify all sensitive information systems. The University's computing environment has changed over the past 12 years and will continue to change with the implementation of new administrative accounting systems during the next 2 years. As this systems implementation evolves, the University should reevaluate its current computing environment. The revised plan should include not only these new systems, but also all critical applications that may reside in other client-server based operations on campus.

Most of the client-server based activity on campus takes place at the departmental level and is not currently included in the University's plan. As a result, campus departments do not have contingency plans that include alternative manual procedures for critical functions during computer downtime.

In 1995, the Council on Information Management established standards that require performance and documentation of a business impact and risk analysis of sensitive information systems. Sensitive information systems contain information confidential and critical to the University's mission and require protection against unauthorized use or disclosure.

Recommendation: The University needs to consider the past and future changes in its computing environment when updating its information technology plan. Campus departments should participate in determining which systems contain sensitive information in order to have an effective contingency management plan for all critical applications. The University should also

consider the effect of the changes in the environment on the Disaster Backup and Recovery plan and keep this plan up-to-date as technology changes.

Management Plan for Corrective Action: The University has established a team to address these issues as a part of the new system implementation. A risk assessment will be performed this spring to assess the data and systems that are sensitive and critical to the operation of the University. Workplans will be developed from the results of this risk assessment. Departmental contingency plans will be developed and written to include alternative manual procedures for critical functions during computer down time. Implementation is targeted for July 1999. Computer Services and all University Departments are responsible for implementing this plan.

97-53. Develop and Implement a Comprehensive Information Security Program

Applicable to: Virginia Polytechnic Institute and State University

This comment is included in the "Financial Statement Findings" section of this report at finding Number 97-16.

Disaster Recovery Plans

97-54. Complete and Document Disaster Recovery Plan for Disbursements

Applicable to: Department of Accounts

This comment is included in the "Financial Statement Findings" section of this report at finding Number 97-17.

97-55. Update Computing Center Disaster Recovery Plan

Applicable to: Virginia Polytechnic Institute and State University

This comment is included in the "Financial Statement Findings" section of this report at finding Number 97-18.

Year 2000

97-56. Monitor Year 2000 Conversion

Applicable to: Virginia Commonwealth University

This comment is included in the “Financial Statement Findings” section of this report at finding Number 97-19.

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**Activities Allowed or Unallowed****97-57. Establish Controls Over Registered Drivers**

93.778

Applicable to: Department of Medical Assistance Services

\$ 411

Control and Compliance Finding: During the 1997 audit, the Department provided documentation to support 1996 questioned costs of \$20,739; however, we only confirmed that \$456 of those costs as legitimate costs. We therefore, revised our 1996 questioned costs to a total of \$20,283. In May, 1997, the Department submitted additional edits to the fiscal agent to make changes to the Medicaid system based on 1996 recommendations; however, the fiscal agent has not implemented the Department's requests.

During our reassessment of the 1996 claims, we found additional problems resulting in new questioned costs of \$411. These questioned costs resulted from registered drivers overstating mileage, submitting duplicate and conflicting claims, not completing verification forms, and submitting split billings. Although the information is available, the Department's Medicaid system cannot record arrival, departure, and wait times during processing. The Medicaid system could use this data, coupled with information service date and mileage, to identify questionable claims. Since the Department had not implemented process changes, we did not test an additional sample for fiscal year 1997.

Requirement: 42 CFR Part 447.45(f)(iii), "Prepayment and Postpayment Claims Review," states: For all claims, the agency must conduct prepayment claims review consisting of [verification] that a payment does not duplicate or conflict with one reviewed previously or currently being reviewed.

Recommendation: The Department should improve controls in the Medicaid information system and develop adequate prepayment review procedures for registered driver claims. The Department should also develop sufficient claims processing edits within the Medicaid system to provide controls over registered drivers. Finally, the Department should require the new MMIS vendor incorporate controls over registered drivers during development of the new Medicaid system.

Management Plan for Corrective Action: Requirements are being developed to facilitate the system changes to establish edits to check for duplicates and verify that recipients are

registered with a particular register driver(s). Changes will be made in the processing of registered driver claims for manual verification of the Non-Emergency Verification Forms as well as checks on mileage.

Questionable claims have been voided and financial operations will refund the federal share. It is estimated that the required system will be completed by third quarter 1998.

97-58. Establish Controls over Taxi Providers

93.778

Applicable to: Department of Medical Assistance Services

\$1,993

Control and Compliance Finding: We have questioned \$1,993 paid to six taxi providers of the total paid them of \$4,070. The questioned costs result from conflicting claims and unreasonable wait times. Each of the six providers sampled submitted claims for more than 24 hours billed in a day. These problems occurred because the Department does not review the verification form for reasonableness before entering the claim into the system, and does not have sufficient edits in place to detect conflicting claims. Although we cannot quantify the size of the problem, we do believe it extends beyond the one day we sampled because of weaknesses in controls over payments.

Requirement: 42 CFR Part 447.45(f)(iii), "Prepayment and Postpayment Claims Review," states: For all claims, the agency must conduct prepayment claims review consisting of [verification] that a payment does not duplicate or conflict with one reviewed previously or currently being reviewed.

Recommendation: The Department should improve controls in the Medicaid information system and develop adequate prepayment review procedures of taxi driver claims. The Department should also develop sufficient claims processing edits within the Medicaid system to provide controls over taxi providers. Finally, the Department should require the new MMIS vendor incorporate controls over taxi providers during development of the new Medicaid system.

Management Plan for Corrective Action: *The following control will be put in place to help monitor and control taxi providers enrolled in the transportation program: pend all taxi provider claims in excess of predetermined mileage limits. Since this will require a system change, a project request has been submitted. The claims that pend will be manually resolved to verify information on the Non-emergency Verification Form to include mileage and wait times.*

Questionable claims have been voided and financial operations will refund the federal share. It is estimated that the required system will be completed by third quarter 1998.

Eligibility

97-59. Properly Include Mandatory Language on Foster Care Court Orders

93.658

Applicable to: Department of Social Services

Compliance Finding: The required language on the initial court orders were not found for 3 of 20 (15 percent) foster care cases tested. The three judicial determination cases did not contain the language in the court order to indicate reasonable efforts were made to prevent removal of the child from the home and that the child remaining in the home would be contrary to his/her welfare. None of these cases had “Nunc Pro Tunc” orders to correct this error. However, Social Services corrected the court orders when audit staff brought this to their attention. We will not question these costs.

Local Social Service Agencies did not properly re-determine eligibility for IV-E Foster Care payments for two of twenty (10 percent) foster care cases tested. The two case files in question did not contain the IV-E eligibility re-determinations required by federal regulation to justify foster care payments. Upon bringing this to the attention of Social Services, re-determinations were retroactively made to correct this error. We will not question these costs.

Requirement: 42 U.S. Code Section 672(a)(1)(4), “Foster Care Maintenance Payments Program,” states that if a child is removed from the home as a result of judicial determination, the court order must contain language to the effect that the child’s remaining at home would be contrary to his/her welfare and that reasonable efforts have been made to prevent removal.

45 CFR Part 206.10 (a)(9)(iii), “Application, Determination of Eligibility and Furnishing Assistance – Public Assistance Programs,” states that where an individual has been determined to be eligible, eligibility will be reconsidered or re-determined periodically, within agency established time standards, but not less frequently than every twelve months. The Commonwealth of Virginia has stated re-determinations must be performed every twelve months.

Recommendation: Social Services should continue to work with court officials and local case workers to ensure that proper language is included in the court orders, and that eligibility re-determinations are made timely.

Management Plan for Corrective Action: The Department is reviewing this finding with field workers and will work with court officials. The new OASIS system will permit better case management tracking.

Equipment and Real Property Management

97-60. Control Fixed Assets

93.558
93.560
93.561
93.563
93.568
93.574
93.575
93.658
93.659
93.667
Medicaid
Cluster

Applicable to: Department of Social Services

Control and Compliance Finding: Social Services has not performed an equipment inventory for at least five years, to determine if the assets recorded on the Commonwealth's Fixed Asset Accounting and Control System (FAACS) and the Information Systems Inventory database are accurate and complete.

Requirement: 45 CFR Part 74.34, "Equipment," and 45 CFR Part 92.32, "Equipment," require Social Services to maintain complete, accurate, and current information and perform physical inventories every two years. Also, the Commonwealth's Accounting Policies and Procedures Manual, Section 30305, requires agency's to maintain proper stewardship over all its fixed assets, including those valued at less than \$5,000.

Recommendation: The Office of General Services and the Division of Information Systems should make the completion of a physical inventory a top priority and should complete the inventory by the close of fiscal year 1998.

Management Plan for Corrective Action: The Office of General Services is conducting the FAACS inventory. The Division of Information Systems has begun the inventory of non-FAACS computer systems. Both inventories will be complete this year.

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Financial Statement Findings

Department of Accounts Statewide Issues

1996	19	1	Monitor Access to the Payroll System	N/A	DOA	-	Corrective action implemented.
1996	31	14	Complete and Document Disaster Recovery Plan for Disbursements	N/A	DOA	-	See Audit Control Number 97-17.
1996	35	20	Establish Uniform Procedures for Identifying and Accounting for Subrecipient Funds	N/A	DOA	-	See Audit Control Number 97-21.
1996	35	21	Refund Federal Share of Trust Fund Transfers	N/A	DOA	-	See Audit Control Number 97-22.

Department of Health

1996	26	7	Strengthen Information Security	N/A	VDH	-	Corrective action implemented.
1996	26	8	Strengthen Information Security	N/A	VDH	-	See Audit Control Number 97-13.

Department of Information Technology - Service Bureau Operations

1996	36	22	Review MVS Operating System Settings After System Start Up	N/A	DIT	-	See Audit Control Number 97-23.
1996	36	23	Improve Protection Over Inside Computer Tapes	N/A	DIT	-	See Audit Control Number 97-24.

Department of Juvenile Justice

1994	28	7	Improve Access Controls: A. Proper Termination Procedures	N/A	DJJ	-	Corrective action implemented.
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Department of Medical Assistance Services

1996	19	2	Improve Controls Over Medicaid Systems' Access	N/A	DMAS	-	See Audit Control Number 97-1.
1994	22	3	Properly Manage and Reconcile Cash	N/A	DMAS	-	Corrective action implemented.

Department of Motor Vehicles

1996	20	3	Improve Security Access	N/A	DMV	-	See Audit Control Number 97-2.
1996	26	9	Update Risk Assessment	N/A	DMV	-	Corrective action implemented.

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Department of Social Services

1996	27	10	Develop Business Impact Analysis and Risk Assessment	N/A	DSS	- See Audit Control Number 97-14.	
1996	31	15	Prepare Disaster Recovery Plan	N/A	DSS	- Corrective action implemented.	

Department of Taxation

1996	22	4	Review Systems Access	N/A	TAX	- See Audit Control Number 97-3.	
1996	33	17	Address Year 2000 Computer Issues	N/A	TAX	- Corrective action implemented.	

University of Virginia

1996	23	5	Improve Information Security Program	N/A	UVA	- Corrective action implemented.	
1996	27	11	Update Impact Assessment Report	N/A	UVA	- Corrective action implemented.	
1996	29	12	Improve Information Security Program	N/A	UVA	- Corrective action implemented.	

Virginia Commonwealth University

1996	33	18	Address Year 2000 Computer Issues	N/A	VCU	- See Audit Control Number 97-19.	
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Virginia Polytechnic Institute and State University

1996	25	6	Improve Systems Access Procedures	N/A	VPISU	- Corrective action implemented.	
1996	30	13	Perform Risk Assessment and Information Security Plan	N/A	VPISU	- See Audit Control Number 97-16.	
1996	32	16	Complete and Update Departmental Disaster Recovery Plans	N/A	VPISU	- Corrective action implemented.	
1996	34	19	Address Year 2000 Computer Issues	N/A	VPISU	- Corrective action implemented.	

Virginia Community College System

1995	36	22	Information Security Programs	N/A	VCCS	- Corrective action implemented.	
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Federal Awards Findings and Questioned Costs

U.S. Department of Agriculture

1996	134	21	Replace WIC System	10.557	VDH	-	See Audit Control Number 97-32.
1996	141	25	Require Recipient Sign Manual WIC Drafts	10.557	VDH	28	Corrective action implemented; questioned costs remain unresolved.
1996	141	26	Investigate Unmatched WIC Food Instruments	10.557	VDH	114,660	Corrective action implemented; questioned costs remain unresolved.
1996	142	27	Monitor Blank WIC Drafts	10.557	VDH	-	See Audit Control Number 97-30.
1996	143	28	Comply With WIC Eligibility Requirements	10.557	VDH	-	Corrective action implemented.
1995	166	47	Close Inactive Federal Accounts	10.205	VSU	-	Corrective action implemented.
				10.206	VSU	-	Corrective action implemented.
				10.961	VSU	-	Corrective action implemented.
1995	166	48	Close Inactive Federal Accounts	10.664	DCR	-	Corrective action implemented.
1995	168	49	Investigate Unmatched WIC Food Instruments	10.557	VDH	229,750	Corrective action implemented.
1995	170	52	Comply With WIC Eligibility Requirements	10.557	VDH	667	Corrective action implemented.
1994	143	16	Establish Procedures for Renewal of Employment Authorization	10.557	VDH	6,039	Corrective action implemented.
1994	184	58	Maintain Adequate Food Inventory Records	10.555	DJJ	-	Corrective action implemented.
1993	171	41	Enhance Controls Over the WIC Replacement Check Process	10.557	VDH	205,000	Corrective action implemented.
1993	183	52	Comply With WIC Eligibility Requirements	10.557	VDH	1,741	Corrective action implemented.
1993	184	53	Comply With Recertification Policies	10.557	VDH	456	Corrective action implemented.
1993	186	54	Maintain WIC Records	10.557	VDH	53	Corrective action implemented.
1992	178	60	Comply With WIC Eligibility Requirements	10.557	VDH	862	Corrective action implemented.
1991	130	12	Improve Time Distribution Procedures	10.557	VDH	426,200	Corrective action implemented.
1991	144	26	Comply With WIC Eligibility Requirements	10.557	VDH	31	Corrective action implemented.

U.S. Department of Commerce

1995	136	20	Spend Federal Monies on Allowable Costs	11.419	DCR	3,803	Corrective action implemented.
1995	166	48	Close Inactive Federal Accounts	11.419	DCR	-	Corrective action implemented.

U.S. Department of Housing and Urban Development

1996	130	17	Obtain Audits From All Community Development Block Grant Subrecipients	14.228	DHCD	-	Corrective action implemented.
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U.S. Department of the Interior

1995	166	48	Close Inactive Federal Accounts	15.916	DCR	-	Corrective action implemented.
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U.S. Department of Justice

1995	137	21	Prepare Time and Attendance Records	16.579	VSP	11,967	Corrective action implemented; questioned costs remain unresolved.
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U.S. Department of Labor

1993	151	22	Evaluate Procedures to Allocate EIS Payroll Costs	17.002	VEC	1,141,416	Corrective action implemented; questioned costs remain unresolved.
				17.203	VEC	86,656	Corrective action implemented; questioned costs remain unresolved.
				17.207	VEC	50,142	Corrective action implemented; questioned costs remain unresolved.
				17.225	VEC	240,590	Corrective action implemented; questioned costs remain unresolved.
				17.245	VEC	22,994	Corrective action implemented; questioned costs remain unresolved.
				17.250	VEC	60,355	Corrective action implemented; questioned costs remain unresolved.

National Science Foundation

1995	166	47	Close Inactive Federal Accounts	47.075	VSU	-	Corrective action implemented.
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Small Business Administration

1996	122	11	Properly Support Payroll Costs	59.037	MWC	-	Corrective action implemented.
1995	128	11	Properly Report Federal Grant Activity	59.037	DED	-	Corrective action implemented.
1995	151	36	Properly Monitor Subrecipients	50.000	DED	-	Corrective action implemented.
				59.037	DED	-	Corrective action implemented.
1995	166	47	Close Inactive Federal Accounts	59.005	VSU	-	Corrective action implemented.

Environmental Protection Agency

1995	152	37	Implement Subrecipient Monitoring Procedures	66.460	DCR	-	Corrective action implemented.
1995	166	48	Close Inactive Federal Accounts	66.460	DCR	-	Corrective action implemented.
				66.464	DCR	-	Corrective action implemented.

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Nuclear Regulatory Commission

1989	7	-	Develop Procedures for Supporting Personal Service Costs Charged to Federal Grants	77.001	VDH	27,507	Finding does not warrant further action; two years have passed since the audit report was issued, the Federal agency is currently not following up on this issue, and a management decision has not been issued.
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U.S. Department of Energy

1995	166	47	Close Inactive Federal Accounts	81.049	VSU	-	Corrective action implemented.
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Federal Emergency Management Agency

1996	115	5	Submit Accurate Financial Reports	83.516	VDES	-	Corrective action implemented.
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U.S. Department of Education

1996	125	13	Authorize Client Services Before Receipt of Service	84.126	DRS	-	Corrective action implemented.
1996	144	29	Verify Information on the Student Aid Report	84.063	VCCS/DSL	-	Corrective action implemented.
1996	144	30	Obtain and Maintain Financial Aid Transcripts From Colleges Previously Attended	84.032	MWC	-	Corrective action implemented.
1996	145	31	Complete Client Financial Statements Annually	84.126	DRS	-	Corrective action implemented.
1996	146	32	Properly Prepare FISAP	84.007	VCCS/SV	-	Corrective action implemented.
				84.033	VCCS/SV	-	Corrective action implemented.
				84.038	VCCS/SV	-	Corrective action implemented.
				84.063	VCCS/SV	-	Corrective action implemented.
				84.007	VCCS/JSR	-	Corrective action implemented.
				84.033	VCCS/JSR	-	Corrective action implemented.
				84.038	VCCS/JSR	-	Corrective action implemented.
				84.063	VCCS/JSR	-	Corrective action implemented.
1996	147	33	Improve Student Status Confirmation Reporting Process	84.032	LC	-	Corrective action implemented.
1996	149	35	Properly Report Pell Grant Expenditures	84.063	VCCS/TN	-	Corrective action implemented.
1996	150	36	Complete Entrance and Exit Interviews	84.032	VCCS/TN	-	Corrective action implemented.
1996	151	38	Redeposit Student Financial Aid Refunds Promptly	84.063	VCCS/BR	-	Corrective action implemented.
				84.063	VCCS/DSL	-	Corrective action implemented.
				84.063	VCCS/NR	-	Corrective action implemented.
				84.063	VCCS/SW	-	Corrective action implemented.
				84.063	VCCS/TN	-	Corrective action implemented.

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1996	154	39	Properly Adjust Student Awards	84.063	VCCS/TN	1,317	Corrective action implemented.
1996	154	40	Properly Close Client Cases	84.126	DRS	-	Corrective action implemented.
1996	155	41	Maintain Accurate Data in the VRIS	84.126	DRS	-	Corrective action implemented.
1995	119	4	Improve Federal Cash Management	84.007	VCCS/PH	-	Corrective action implemented.
				84.033	VCCS/PH	-	Corrective action implemented.
				84.042	VCCS/PH	-	Corrective action implemented.
				84.063	VCCS/PH	-	Corrective action implemented.
				84.016	VCCS/TW	-	Corrective action implemented.
1995	120	6	Improve Cash Management	84.126	DVH	-	Corrective action implemented.
1995	121	7	Improve Cash Management	84.126	VRCB	-	Corrective action implemented.
1995	129	13	Properly Prepare Federal Reports	84.033	VCCS/TW	-	Corrective action implemented.
				84.063	VCCS/TW	-	Corrective action implemented.
1995	138	22	Properly Distribute Payroll Costs	84.010	DOE	Unknown	Corrective action implemented; questioned costs remain unresolved.
				84.027	DOE	Unknown	Corrective action implemented; questioned costs remain unresolved.
				84.048	DOE	Unknown	Corrective action implemented; questioned costs remain unresolved.
1995	144	29	Establish Complete Federal Property Records	84.048	VCCS/PH	-	Corrective action implemented.
1995	166	47	Close Inactive Federal Accounts	84.063	VSU	-	Corrective action implemented.
				84.066	VSU	-	Corrective action implemented.
1995	177	59	Obtain Comparable Services Before Using Federal Rehabilitation Funds	84.126	DVH	8,210	Corrective action implemented; questioned costs remain unresolved.
1995	179	62	Meet Matching Requirements	84.048	DOE	118,018	Corrective action implemented; questioned costs remain unresolved.
1995	181	64	Properly Prepare FISAP	84.033	VCCS/TW	-	Corrective action implemented.
				84.063	VCCS/TW	-	Corrective action implemented.
1995	182	65	Properly Prepare FISAP	84.038	VSU	-	Corrective action implemented.
1995	183	66	Properly Report Pell Grant Expenditures	84.063	VCCS/TW	987,951	The College has reported adjustments to the DOE. These adjustments have been reviewed and approved by the auditors. Currently, \$25,648 of the questioned costs remain unresolved. The College has not received the IPS Batch Report for Federal Pell Grants with the \$25,648 adjustment relating to 1994-95 assumptions.
1995	185	69	Properly Assign Loans	84.038	VSU	-	Corrective action implemented.
1995	186	70	Redeposit Student Financial Aid Refunds Promptly	84.063	VCCS/DV	-	Corrective action implemented.
				84.063	VCCS/LF	131	Corrective action implemented.
1994	132	5	Improve Cash Management	84.161	DRVD	-	Corrective action implemented.
				84.240	DRVD	-	Corrective action implemented.
1994	133	6	Improve Federal Cash Management	84.033	VCCS/CV	-	Corrective action implemented.
				84.048	VCCS/PDC	-	Corrective action implemented.
1994	134	7	Request Reimbursement for Actual Expenditures	84.048	VCCS/ME	-	Corrective action implemented.
1994	145	18	Properly Charge Indirect Cost Recoveries	84.007	VCCS/GM	-	Corrective action implemented.

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1994	146	20	Prepare Time and Attendance Records	84.161	DRVD	-	Corrective action implemented.
				84.240	DRVD	-	Corrective action implemented.
1994	161	35	Properly Support Allocation of Payroll Costs	84.161	DRVD	155,089	Corrective action implemented.
				84.240	DRVD	11,975	Corrective action implemented.
1994	187	61	Independently Administer Ability-to-Benefit Examinations	84.007	VCCS/JT	-	Corrective action implemented.
				84.032	VCCS/JT	-	Corrective action implemented.
				84.033	VCCS/JT	-	Corrective action implemented.
				84.038	VCCS/JT	-	Corrective action implemented.
				84.063	VCCS/JT	-	Corrective action implemented.
				84.007	VCCS/PDC	-	Corrective action implemented.
				84.032	VCCS/PDC	-	Corrective action implemented.
				84.033	VCCS/PDC	-	Corrective action implemented.
				84.038	VCCS/PDC	-	Corrective action implemented.
				84.063	VCCS/PDC	-	Corrective action implemented.
1994	189	64	Distribute Financial Assistance to Eligible Students	84.063	VCCS/JT	4,026	Corrective action implemented.
1994	191	66	Properly Prepare Federal Reports	84.038	VCCS/NV	-	Corrective action implemented.
				84.038	VCCS/CV	-	Corrective action implemented.
1994	192	67	Submit Federal Reports Timely	84.063	VCCS/PDC	-	Corrective action implemented.
1994	201	82	Redeposit Pell Funds Timely	84.063	VCCS/CV	-	Corrective action implemented.
				84.063	VCCS/PDC	-	Starting with fall semester 1997, the College implemented procedures to refund Title IV funds within federal guidelines.
1993	151	22	Evaluate Procedures to Allocate EIS Payroll Costs	84.048	VEC	170,777	Corrective action implemented; questioned costs remain unresolved.
1991	142	24	Comply With Federal Procurement Requirements	84.048	VCCS/PDC	9,598	Finding does not warrant further action; two years have passed since the audit report was issued, the Federal Agency is currently not following up on this issue, and a management decision has not been issued.

U. S. Department of Education - Findings Effecting Multiple Federal Departments

1996	120	9	Properly Charge System Payroll Costs to Federal Programs	ALL	DSS	52,822	Corrective action implemented.
1996	121	10	Prepare Effort Reporting Forms for Grants	ALL	GMU	-	Corrective action implemented.
1996	124	12	Record and Control Fixed Assets	ALL	DSS	-	See Audit Control Number 97-38.
1996	128	15	Properly Procure and Monitor Contracts	ALL	DSS	200,584	Corrective action implemented.
1996	132	19	Identify Type of Federal Payments	ALL	DOE	-	Corrective action implemented.
1996	133	20	Monitor Federal Fund Subrecipients	ALL	VDH	-	See Audit Control Number 97-39.

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1996	137	24	Improve Voucher Processing	ALL	VDH	-	See Audit Control Number 97-40.
1996	169	53	Establish Uniform Procedures for Identifying and Accounting for Subrecipient Funds	N/A	DOA	-	See Audit Control Number 97-43.
1996	169	54	Refund Federal Share of Trust Fund Transfers	N/A	DOA	-	See Audit Control Number 97-44.
1996	169	55	Improve Monitoring of Systems Development Projects	ALL	DSS	-	Corrective action implemented.
1996	172	58	Strengthen Information Security	N/A	VDH	-	Corrective action implemented.
1996	173	59	Improve Controls Over Medicaid Systems' Access	N/A	DMAS	-	See Audit Control Number 97-45.
1996	173	60	Improve Internal and System Controls Over the Personnel and Payroll Functions	N/A	CWM	-	Corrective action implemented.
1996	176	61	Review User Access and Test Software Purchases and Upgrades for Financial Aid System	N/A	CWM	-	The College purchased and installed a mainframe system, FINANCIER, but the same problems still exist as noted under the POWER-FAIDS system.
1996	177	62	Monitor Access to Automated Systems	N/A	GMU	-	Corrective action implemented.
1996	178	63	Fully Implement ACF2 Security Software	N/A	LC	-	After February 27, 1998, all sensitive and/or mission critical application data and programs will be protected against unauthorized modifications by the ACF2 security system. Additionally, access to the operating system will also be protected.
1996	179	64	Improve Systems Access Procedures	N/A	VPISU	-	Corrective action implemented.
1996	180	65	Strengthen Information Security	N/A	VDH	-	Corrective action implemented.
1996	180	66	Improve and Follow Program Change Procedures	N/A	LC	-	Corrective action implemented.
1996	181	67	Strengthen Controls to Review Program Modifications	N/A	VCCS/TN	-	Corrective action implemented.
1996	181	68	Strengthen Information Security	N/A	VDH	-	See Audit Control Number 97-50.
1996	181	69	Develop Business Impact Analysis and Risk Assessment	N/A	DSS	-	See Audit Control Number 97-52.
1996	182	70	Implement Information Technology Security Program	N/A	NSU	-	Corrective action has not been completed. The University has written a Security Officer job description; however, all other issues remain unresolved.

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1996	183	71	Update Impact Assessment Report	N/A	UVA	-	Corrective action implemented.
1996	183	72	Perform Risk Assessment and Information Security Plan	N/A	VPISU	-	See Audit Control Number 97-54.
1996	183	73	Complete and Document Disaster Recovery Plan for Disbursements	N/A	DOA	-	See Audit Control Number 97-55.
1996	184	74	Prepare Disaster Recovery Plan	N/A	DSS	-	Corrective action implemented.
1996	184	75	Improve the Disaster Recovery Plan	N/A	LC	-	Corrective action implemented.
1996	184	76	Complete and Update Departmental Disaster Recovery Plans	N/A	VPISU	-	Corrective action implemented.
1996	187	79	Issues to Consider for New Financial Management System	All	DSS	-	Corrective action implemented.
1995	134	17	Properly Charge Systems Payroll Costs to Federal Programs	ALL	DSS	102,329	Corrective action implemented; questioned costs remain unresolved.
1995	163	45	Improve Financial Management System	ALL	DCR	-	Corrective action implemented.
1995	199	83	Improve Project Management	ALL	DSS	-	Corrective action implemented.
1995	207	98	Information Security Programs	N/A	DRS	-	See Audit Control Number 97-51.
1995	208	100	Information Security Programs	N/A	VCCS	-	Corrective action implemented.
1995	208	101	Information Security Programs	N/A	VSU	-	The University is developing and implementing an information security program. All elements are scheduled for completion by June 30, 1998.
1994	226	113	Improve Access Controls: A. Proper Termination Procedures	N/A	DJJ	-	Corrective action implemented.
<u>U.S. Department of Health and Human Services</u>							
1996	109	1	Improve Federal Cash Management	93.575	CDCEC	-	Corrective action implemented.
1996	110	2	Continue Improvements in Cash Management Procedures	93.778	DMAS	-	Corrective action implemented.
1996	113	3	Improve Federal Cash Management Procedures	93.903	DOC	-	Corrective action implemented.
1996	116	6	Pay Reasonable and Necessary Costs	93.575	CDCEC	21,791	Corrective action implemented.
1996	117	7	Automate Capitulated Payment Reconciliations	93.778	DMAS	-	Corrective action implemented.
1996	119	8	Improve Controls Over Registered Drivers	93.778	DMAS	20,739	See Audit Control Number 97-58. Questioned costs totaling \$456 have been resolved.

COMMONWEALTH OF VIRGINIA							
Auditor's Comments on Resolution of Prior Year Audit Findings							
For the Year Ended June 30, 1997							
Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
1996	122	11	Properly Support Payroll Costs	93.000	MWC	-	Corrective action implemented.
1996	126	14	Follow Procurement Regulations	93.575	CDCEC	25,523	Corrective action implemented.
1996	131	18	Identify and Monitor Subrecipient Audit Reports	93.575	CDCEC	-	Corrective action implemented.
1996	134	22	Improve Financial Management Procedures	93.575	CDCEC	-	Corrective action implemented.
1996	136	23	Improve Timeliness of Reconciling Federal Expense Reports	93.778	DMAS	-	Corrective action implemented.
1996	157	42	Properly Monitor Low Income Home Energy Assistance Administrative Costs	93.568	DSS	-	Corrective action implemented.
1996	158	43	Properly Include Mandatory Language on Foster Care Court Orders	93.658	DSS	1,781	See Audit Control Number 97-60. Questioned costs resolved.
1996	159	44	Meet Percentage Allocation Requirements	93.575	CDCEC	572,311	Corrective action implemented.
1996	160	45	Properly Prepare Federal Reports	93.560	DSS	-	Corrective action implemented.
1996	161	46	Properly Resolve Questioned Costs and Submit Accurate Revised Federal Reports	93.667	DSS	-	Corrective action implemented.
1996	161	46	Properly Resolve Questioned Costs and Submit Accurate Revised Federal Reports	93.575	CDCEC	-	Corrective action implemented.
1996	162	47	Report Grant Expenses Properly	93.575	CDCEC	-	Corrective action implemented.
1996	163	48	Submit Accurate Federal Report Timely	93.575	CDCEC	-	Corrective action implemented.
1996	164	49	Submit all Federally Required Reports	93.778	DMAS	-	Corrective action implemented.
1996	165	50	Settle Cost Reports Timely	93.778	DMAS	-	Corrective action implemented.
1996	166	51	Properly Complete Recipient and Provider Reviews	93.778	DMAS	-	Corrective action implemented.
1996	167	52	Comply With HCFA Review Requirements	93.778	DMAS	-	Corrective action implemented.
1996	170	56	Have Procedures to Monitor Pended Claims Resolution	93.778	DMAS	-	Corrective action implemented.
1996	171	57	Improve Controls Over Convicted Recipients	93.778	DMAS	-	Corrective action implemented.
1996	185	77	Medicaid Management Information System Development Project	93.778	DMAS	-	DMAS has contracted with a new vendor and project development has started. The system is expected to be complete and operational by January 2000.
1996	186	78	Third Party Liability and Recovery System and General Accounting System	93.778	DMAS	-	Corrective action implemented.

COMMONWEALTH OF VIRGINIA							
Auditor's Comments on Resolution of Prior Year Audit Findings							
For the Year Ended June 30, 1997							
Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
1995	139	24	Ensure Allowability of Federal Expenses	93.575	VCCS/TW	-	Corrective action implemented.
1995	140	25	Ensure Accuracy of Position Descriptions	93.778	DMAS	Unknown	Corrective action implemented.
1995	148	32	Follow Procurement Regulations	93.575	CDCEC	228,050	Corrective action implemented.
1995	149	33	Obtain Governor's Approval for Media Services	93.575	CDCEC	19,885	Corrective action implemented.
1995	166	47	Close Inactive Federal Accounts	93.949	VSU	-	Corrective action implemented.
1995	189	72	Properly Determine Foster Care Eligibility	93.658	DSS	7,174	See Audit Control Number 97-60.
1995	190	73	Meet Percentage Allocation Requirement	93.575	CDCEC	180,401	Corrective action implemented.
1995	192	75	Maintain Support for Federal Reports	93.575	CDCEC	-	Corrective action implemented.
1994	132	5	Improve Cash Management	93.138	DRVD	-	Corrective action implemented.
				93.630	DRVD	-	Corrective action implemented.
1994	135	9	Properly Manage and Reconcile Cash	93.778	DMAS	142,000	Corrective action implemented.
1994	146	20	Prepare Time and Attendance Records	93.138	DRVD	-	Corrective action implemented.
				93.630	DRVD	-	Corrective action implemented.
1994	148	22	Ensure Accuracy of Position Descriptions	93.778	DMAS	Unknown	Corrective action implemented.
1994	156	30	Follow Procurement Regulations	93.575	CDCEC	91,190	Corrective action implemented.
1994	157	31	Obtain Governor's Approval for Media Services	93.575	CDCEC	92,968	Corrective action implemented.
1994	161	35	Properly Support Allocation of Payroll Costs	93.138	DRVD	365,359	Corrective action implemented;
				93.630	DRVD	415,157	Corrective action implemented.
1994	203	84	Ensure Allowability of Federal Expenses	93.953	VDH	69	Corrective action implemented.
				93.991	VDH	50	Corrective action implemented.
1994	206	86	Submit Accurate and Timely Federal Reports	93.630	DRVD	-	Corrective action implemented.
1993	215	93	Ensure Allowability of MCH Expenses	93.994	VDH	47	Corrective action implemented.
1989	6	-	Implement Time Distribution Procedures	13.667	DVH	30,802	Corrective action implemented.

Corporation For National And Community Service

1996	122	11	Properly Support Payroll Costs	94.000	MWC	-	Corrective action implemented.
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INDEPENDENT AUDITOR'S REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the general purpose financial statements of the Commonwealth of Virginia as of and for the year ended June 30, 1997, and have issued our report thereon dated December 12, 1997. These general purpose financial statements are the responsibility of the Commonwealth's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit federal assistance programs for the agencies and component units discussed in Note 1 of the "Notes to the Schedule of Expenditures of Federal Awards."

We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (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 the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. 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 general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of the Governor and General Assembly of Virginia, management, federal awarding agencies, pass-through entities, and the people of the Commonwealth of Virginia. However, this report is a matter of public record and its distribution is not limited.

Walter Huchuck

AUDITOR OF PUBLIC ACCOUNTS
December 12, 1997

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

Federal Department/Program	CFDA Number	State Agency(s)	Amount
U.S. DEPARTMENT OF AGRICULTURE			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	VDACS/VPISU	\$ 167,849
Agricultural Conservation Program	10.063	DOF	19,600
Forestry Incentives Program	10.064	DOF	54,650
Federal - State Marketing Improvement Program	10.156	VDACS/#VPISU	20,866
Market Protection and Promotion	10.163	VDACS	16,575
Higher Education Challenge Grants	10.217	VPISU	131,149
Buildings and Facilities Program	10.218	VSU	3,097,748
Housing Application Packaging Grants	10.442	VSU	216
Small Farmer Outreach Training and Technical Assistance Program	10.443	VSU	117,403
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475	VDACS/VSU	1,108,182
Cooperative Extension Service	10.500	VPISU/VSU	10,930,566
Food Distribution	10.550	#DMHMRSAS/#DOC/VDA/VDACS/ VSDBH	2,726,648
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	VDH	68,104,386
State Administrative Expenses for Child Nutrition	10.560	DOE/VDACS	913,542
Nutrition Education and Training Program	10.564	DOE/VPISU	162,590
Emergency Food Assistance Program (Administrative Costs)	10.568	VDACS	790,339
Emergency Food Assistance Program (Food Commodities)	10.569	VDACS	2,100,748
Cooperative Forestry Assistance	10.664	#DGIF/DOF/VCCS/VCU/VDACS/ #VPISU	2,463,507
Schools and Roads - Grants to States	10.665	DOE	1,084,195
Technical Assistance and Training Grants	10.761	UVA	2,482
Rural Economic Development Loans and Grants	10.854	VCCS	300,000
Watershed Protection and Flood Prevention	10.904	DOF	10,473
Other Assistance:	10.000		
Archaeological Teaching Trunks - Teachers' Resource Package and Poster		DHR	926
Iron Furnace Survey		DHR	12,450
National Agriculture Statistics Services		VDACS	2,880
Agriculture Marketing Service		VDACS	4,490
Total Excluding Clusters			<u>94,344,460</u>
Food Stamp Cluster:			
Food Stamps	10.551	DSS/VPISU	404,733,954
State Administrative Matching Grants for Food Stamp Program	10.561	DSS	<u>52,994,930</u>
Total Food Stamp Cluster			<u>457,728,884</u>
Nutrition Cluster:			
School Breakfast Program	10.553	#DJJ/#DMHMRSAS/DOE/#VSDBH/ #VSDBS	23,686,747
National School Lunch Program	10.555	#DJJ/#DMHMRSAS/DOE/VDACS/ #VSDBH/#VSDBS/#WWRC	111,264,405
Special Milk Program for Children	10.556	DOE	71,357
Child and Adult Care Food Program	10.558	VCU	20,655
Summer Food Service Program for Children	10.559	MWC/NSU/VPISU/VSU	<u>85,662</u>
Total Nutrition Cluster			<u>135,128,826</u>
Research and Development Cluster:			
Agricultural Research - Basic and Applied Research	10.001	#LC/VMI/VPISU	163,821
Grants for Agricultural Research, Special Research Grants	10.200	GMU/#VCU/VPISU/VSU	1,156,735
Cooperative Forestry Research	10.202	VPISU	463,192
Payments to Agricultural Experiment Stations Under Hatch Act	10.203	VPISU	2,697,217
Payments to 1890 Land - Grant Colleges and Tuskegee University	10.205	VPISU/VSU	2,193,336
Grants for Agricultural Research - Competitive Research Grants	10.206	JMU/VCU/VIMS/VPISU/VSU	1,118,703
Animal Health and Disease Research	10.207	VPISU	55,462
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	VPISU	121,574
1890 Institution Capacity Building Grants	10.216	VSU	413,547
Alternative Agricultural Research and Commercialization Program	10.240	VCCS	10,198
Agricultural and Rural Economic Research	10.250	VPISU	12,008
Forestry Research	10.652	JMU/LC/RU/UVA/VIMS/VPISU/VSU	807,582
Resource Conservation and Development	10.901	DOF/VPISU	135,552
Soil and Water Conservation	10.902	VPISU/VSU	299,655
Technical Agricultural Assistance	10.960	VPISU	33,623
International Agricultural Research Program	10.961	VIMS	5,287

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

Federal Department/Program	CFDA Number	State Agency(s)	Amount
Other Assistance:	10.000		
Establishing a Monitoring Protocol for Small Mammals on Allegheny		VCU	\$ 4,000
Other		DOE/VPISU	1,556,247
Total Research and Development Cluster			11,247,739
Total U.S. Department of Agriculture			698,449,909

U.S. DEPARTMENT OF COMMERCE

Economic Development - Technical Assistance	11.303	VPISU	116,801
Special Economic Development and Adjustment Assistance Program - Sudden and Severe Economic Dislocation (SSED) and Long - Term Economic Deterioration (LTED)	11.307	SBFA	12,883,320
Research and Evaluation Program	11.312	LC	11,751
Geodetic Surveys and Services	11.400	VPISU	77
Anadromous Fish Conservation Act Program	11.405	VIMS	31,892
Interjurisdictional Fisheries Act of 1986	11.407	MRC/VPISU	190,051
Coastal Zone Management Administration Awards	11.419	#CBLAD/#DCR/DEQ/#DGIF/#DHR/ #MRC/#UVA/#VCU/VDH/#VIMS/ #VPISU	2,792,708
Coastal Zone Management Estuarine Research Reserves	11.420	UVA/VDES/VIMS/VPISU	564,420
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427	RU/#VIMS/VPISU	152,743
Unallied Management Projects	11.454	VIMS	25,405
Chesapeake Bay Studies	11.457	DGIF/#MRC/UVA/VIMS	438,577
Atlantic Coastal Fisheries Cooperative Management Act	11.474	MRC/PRF	212,038
Public Telecommunications Facilities - Planning and Construction	11.550	ODU/UVA/VCCS	268,058
Telecommunications and Information Infrastructure Assistance Program	11.552	VMI	7,147
Building Code (Regulations) Assistance to States	11.600	CWM	96,066
National Standard Reference Data System	11.603	UVA	7,500
Manufacturing Extension Partnership	11.611	PMC	690,114
Other Assistance:	11.000		
Consortia of American Businesses in the Newly Independent States		VCU	98,616
Total Excluding Cluster			18,587,284
Research and Development Cluster:			
Sea Grant Support	11.417	UVA/VPISU	301,002
Financial Assistance for Ocean Resources Conservation and Assessment Program	11.426	VIMS	30,126
Undersea Research	11.430	VIMS	112,070
Climate and Atmospheric Research	11.431	UVA/VIMS	154,854
Environmental Research Laboratories Cooperative Institutes	11.432	VIMS	154
Climate and Air Quality Research	11.459	UVA	44,933
Special Oceanic and Atmospheric Projects	11.460	UVA	3,934
Meteorologic and Hydrologic Modernization Development	11.467	UVA	4,237
Unallied Science Program	11.472	VIMS	77,373
Measurement and Engineering Research and Standards	11.609	UVA/VPISU	518,539
Advanced Technology Program	11.612	CWM	34,254
Other Assistance:	11.000		
Critical Evaluation of Conservation Success		VCU	18,183
Other		VIMS/VPISU	511,505
Total Research and Development Cluster			1,811,164
Total U.S. Department of Commerce			20,398,448

U.S. DEPARTMENT OF DEFENSE

Procurement Technical Assistance For Business Firms	12.002	VCCS	131,122
Aquatic Plant Control	12.100	VSU	441,668
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	DEQ/VSU	459,790
Defense Technology Conversion, Reinvestment, and Transition Assistance	12.911	UVA	49,254
Other Assistance:	12.000		
Navy Exchange Services Command NNA250-95-C-0022		ODU	380,091
Infrasound as a Method Bird/Aircraft Collision Reduction		VCU	10,028
Use of Evolved Potentials in Detering Microwave		VCU	97,283
U.S. Army Corps of Engineers - IPA Army		VCU	12,892
Epidemiologic Study of Hearing Loss in the Army		VCU	7,653
Total Excluding Cluster			1,589,781

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

Federal Department/Program	CFDA Number	State Agency(s)	Amount
Research and Development Cluster:			
Collaborative Research and Development	12.114	CWM	\$ 68,503
Basic and Applied Scientific Research	12.300	CWM/JMU/UVA/VIMS/VSU	3,064,202
Military Medical Research and Development	12.420	UVA/VCU	1,050,162
Basic Scientific Research	12.431	CWM/UVA/#VCU/VIMS/VSU	2,864,527
Basic, Applied and Advanced Research in Science and Engineering	12.630	VIMS	35,055
Air Force Defense Research Sciences Program	12.800	CWM/UVA/VIMS/VSU	2,292,983
Mathematical Sciences Grants Program	12.901	UVA	7,896
Information Security Grant Program	12.902	UVA	44,483
Research and Technology Development	12.910	UVA/VSU	1,157,414
Other Assistance:	12.000		
Thermoelectric Properties of Metallic and Semiconductor Heterostructures		CNU	2,968
CMOS Power Distribution Survey		CNU	77,072
Optical and Transport Properties of Semiconductor and Heterostructures		CNU	18,286
Department of the Army		GMU/NSU	2,977,886
Office of Naval Research		GMU	1,576,086
U.S. Air Force		GMU	583,727
Department of Defense		GMU	334,504
Other		CWM/UVA/VIMS/VPISU	14,585,467
Total Research and Development Cluster			30,741,221
Total U.S. Department of Defense			32,331,002

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Community Development Block Grants/Entitlement Grants	14.218	VCCS	39,591
Community Development Block Grants/State's Program	14.228	DHCD	28,601,945
Emergency Shelter Grants Program	14.231	DHCD	1,342,252
Supportive Housing Program	14.235	DHCD	1,933,549
Supplemental Assistance for Facilities to Assist the Homeless	14.236	DHCD	244,821
Historically Black Colleges and Universities Program	14.237	NSU	300,433
Shelter Plus Care	14.238	DMHMRSAS	127,992
HOME Investment Partnerships Program	14.239	DHCD	9,635,597
Housing Opportunities for Persons with AIDS	14.241	DHCD	741,162
Innovative Homeless Initiative Demonstration Program	14.245	DMHMRSAS	336,556
Fair Housing Assistance Program - State and Local	14.401	DPOR	167,496
Community Outreach Partnership Center Program	14.511	GMU	219,414
Public and Indian Housing Tenant Opportunity Program	14.853	VCCS	26,613
Public and Indian Housing Drug Elimination Program	14.854	VCCS	825
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	DHCD/#DPOR	130,609
Other Assistance:	14.000		
Cooperative Agreement HA-14332		DHCD	79,980
NSU Center for Crime Prevention		NSU	213,432
Other		VPISU	51,927
Total Excluding Cluster			44,194,194
Research and Development Cluster:			
General Research and Technology Activity	14.506	VCU	9,474
Total U.S. Department of Housing and Urban Development			44,203,668

U.S. DEPARTMENT OF THE INTERIOR

Cultural Resource Management	15.224	JMU	5,500
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	#####	DMME	2,818,371
Abandoned Mine Land Reclamation (AMLR) Program	15.252	DMME	5,075,064
Anadromous Fish Conservation	15.600	VIMS	(130)
Sport Fish Restoration	15.605	DGIF/MRC/#VIMS	2,929,271
Environmental Contaminants	15.607	VPISU	1,105
Fish and Wildlife Management Assistance	15.608	VPISU	252,613
Wildlife Restoration	15.611	DGIF	5,142,888
Endangered Species Conservation	15.612	#CWM/DGIF/#VPISU	125,495
Clean Vessel Act	15.616	#VDH	186,587
Disposal of Surplus Wildlife	15.900	CWM	6,335
Historic Preservation Fund Grants-In-Aid	15.904	DHR/JMU/UVA/VPISU	897,094
National Natural Landmarks Program	15.910	UVA	6,902
National Historic Landmark	15.912	CWM	14,535
Technical Preservation Services	15.915	UVA/VPISU	217,018
Outdoor Recreation - Acquisition, Development and Planning	15.916	DCR/VCCS/VIMS/VPISU	483,950
Uplands Archeology Symposium	15.921	JMU	(186)
Other Assistance:	15.000		
Cooperative Agreement #1443CA00195108		DHR	32,856
Total Excluding Cluster			18,195,268

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

Federal Department/Program	CFDA Number	State Agency(s)	Amount
Research and Development Cluster:			
Grants for Mining and Mineral Resources and Research Institutes	15.308	VPISU	\$ 587,082
Assistance to State Water Resources Research Institutes	15.805	CWM/VPISU	52,344
National Water Resources Research Program	15.806	UVA	2,140
Earthquake Hazards Reduction Program	15.807	VPISU	107,176
Geological Survey - Research and Data Acquisition	15.808	CWM/DMME/UVA/VIMS/VPISU	423,755
Research Information	15.975	VIMS	37,414
Other Assistance:	15.000		
Survey of the Amphibians and Reptiles at Ft. Monroe		CNU	529
Including Big Bethel Reservoir		VIMS/VPISU	800,631
Other			
Total Research and Development Cluster			<u>2,011,071</u>
Total U.S. Department of the Interior			<u>20,206,339</u>
U.S. DEPARTMENT OF JUSTICE			
Law Enforcement Assistance - FBI Advanced Police Training	16.300	VPISU	774,026
Law Enforcement Assistance - FBI Crime Laboratory Support	16.301	UVA	4,580
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	DCJS/#DJJ/#LC/#PDC/VWC	2,067,737
Juvenile Justice and Delinquency Prevention - Special Emphasis	16.541	DCE/DJJ	132,310
National Institute for Juvenile Justice and Delinquency Prevention	16.542	VCU	99,522
Part E - State Challenge Activities	16.549	DCJS	108,686
State Justice Statistics Program for Statistical Analysis Centers	16.550	DCJS	16,474
National Criminal History Improvement Program (NCHIP)	16.554	GMU	9,500
State Criminal Alien Assistance Program	16.572	DOC	210,388
Crime Victim Assistance	16.575	DCJS/#DSS/#VDH	2,713,443
Byrne Formula Grant Program	16.579	#ATG/#CASC/#DCE/DCJS/#DJJ/ #DOC/#DOE/#JMU/#NSU/#ODU/ #SUPCT/#VCCS/#VSP/#VSU	11,715,268
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	DCJS/#SUPCT/VSP	1,106,218
Drug Court Discretionary Grant Program	16.585	SUPCT	53,282
Violence Against Women Formula Grants	16.588	DCJS/#GMU/VCU	1,029,178
Public Safety Partnership and Community Policing Grants	16.710	RU	33,776
Other Assistance:	16.000		
Listening to Diverse Groups; Institutionalizing Diversity Training in the Virginia Judiciary		SUPCT	11,270
Dispute Resolution for Judges; A Guide for Developing Judicial Training on Alternative Dispute Resolution		SUPCT	1,200
Drug Enforcement		VDES	6,414
FBI Contract		VDES	2,019
Total Excluding Cluster			<u>20,095,291</u>
Research and Development Cluster:			
Justice Research, Development, and Evaluation Project Grants	16.560	UVA/#VSP	47,690
Corrections - Research and Evaluation and Policy Formulation	16.602	DJJ	51
Total Research and Development Cluster			<u>47,741</u>
Total U.S. Department of Justice			<u>20,143,032</u>
U.S. DEPARTMENT OF LABOR			
Labor Force Statistics	17.002	VEC	1,349,786
Compensation and Working Conditions Data	17.005	DOLI	69,430

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

Federal Department/Program	CFDA Number	State Agency(s)	Amount
Certification of Foreign Workers for Temporary Agricultural Employment	17.202	VEC	\$ 74,867
Labor Certification for Alien Workers	17.203	VEC	1,170,179
Employment Service	17.207	GETD/VEC	16,643,958
Unemployment Insurance (UI)	17.225	VEC	43,703,112
Senior Community Service Employment Program	17.235	GETD	2,571,053
Trade Adjustment Assistance - Workers	17.245	VEC	3,476,002
Employment and Training Assistance - Dislocated Workers	17.246	#CWM/GETD/#ODU/VCCS/#VEC	18,145,463
Employment Services and Job Training - Pilot and Demonstration Programs	17.249	DOE/VCU	1,705,734
Job Training Partnership Act	17.250	#DOE/GETD/#VCCS/VEC	27,586,819
Occupational Safety and Health - State Program	17.503	DOLI	2,487,344
Consultation Agreements	17.504	DOLI	670,403
Mine Health and Safety Grants	17.600	DMME	345,349
Disabled Veterans' Outreach Program (DVOP)	17.801	VEC	1,891,799
Veterans' Employment Program	17.802	CWM	343
Local Veterans' Employment Representative Program	17.804	VEC	1,057,832
Other Assistance: Cooperative Agreement - Data Collection Program	17.000	DOLI	26,909
Total U.S. Department of Labor			<u>122,976,382</u>
U.S. DEPARTMENT OF STATE			
Program for Study of Eastern Europe and the Independent States of the Former Soviet Union	19.300	RU/UVA/VCU	81,461
Other Assistance:	19.000		
Master of Education - Italy		JMU	10,174
Other		VPISU	11,514
Total U.S. Department of State			<u>103,149</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Boating Safety Financial Assistance	20.005	DGIF	689,093
Airport Improvement Program	20.106	DOAV/VPISU	606,734
Highway Planning and Construction	20.205	#DCR/#DHR/DMV/DRPT/#GMU/ VDOT/VPISU	410,618,129
Highway Training and Education	20.215	#GMU/NSU/UVA/VPISU/VSU	846,254
Motor Carrier Safety	20.217	UVA	659,883
Motor Carrier Safety Assistance Program	20.218	DMV/VSP	1,928,424
National Recreation Trails Funding Program	20.219	DCR	74,555
Local Rail Freight Assistance	20.308	DRPT	206,283
Federal Transit Grants for University Research and Training	20.502	VPISU	93,145
Federal Transit Technical Studies Grants	20.505	DRPT	1,828,244
Public Transportation for Nonurbanized Areas	20.509	DRPT	1,135,990
Federal Transit Technical Assistance	20.512	GMU	802,140
Capital Assistance Program for Elderly Persons and Persons With Disabilities	20.513	DRPT	3,716,692
Transit Planning and Research	20.514	UVA	1,716
State and Community Highway Safety	20.600	#ABC/DMV/#DOE/#DRPT/UVA/ #VCU/#VDH/#VDOT/VM1/#VPISU/ #VSP	3,507,509
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	DMV/#LC/#VCU/#VDOT/#VSP	580,149
Motorcycle Helmets and Safety Belt Incentive Grants	20.602	DMV/#VDH/#VDOT	103,957
Pipeline Safety	20.700	SCC	37,348
University Transportation Centers Program	20.701	UVA	35,629
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	VDES	133,455
Entrepreneurial Training and Technical Assistance Program	20.907	UVA/VSU	117,006
Other Assistance:	20.000		
FY '95 Strategic Plan for Traffic Records Contract No. DTNH22-95-H-09019		DMV	17,000
Pass Thru Grant from District of Columbia Alcohol Countermeasures (WRAP)		DMV	41,002
FY '92 Fatal Accident and Reporting System		DMV	15,751
Red Light Running Public Safety Campaign		DMV	19,556
Computerized Model of Combined Explosive Detection		NSU	68,429
Total Excluding Cluster			<u>427,884,073</u>
Research and Development Cluster:			
Aviation Research Grants	20.108	VPISU	597,277
Other Assistance	20.000	GMU/VPISU	435,990
Total Research and Development Cluster			<u>1,033,267</u>
Total U.S. Department of Transportation			<u>428,917,340</u>

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Federal Department/Program	CFDA Number	State Agency(s)	Amount
APPALACHIAN REGIONAL COMMISSION			
Appalachian Regional Development	23.001	DHCD/VCCS	\$ 72,160
Appalachian Supplement to Federal Grant-in-Aid	23.002	VCCS	23,843
Appalachian Development Highway System	23.003	VDOT	2,093,119
Appalachian Vocational and Other Education Facilities and Operations	23.012	VCCS	116,710
Other Assistance	23.000	VPISU	14,902
Total Excluding Cluster			<u>2,320,734</u>
Research and Development Cluster:			
Appalachian State Research, Technical Assistance, and Demonstration Projects	23.011	DHCD/JMU/VCCS	<u>262,766</u>
Total Appalachian Regional Commission			<u>2,583,500</u>
OFFICE OF PERSONNEL MANAGEMENT			
Intergovernmental Personnel Act (IPA) Mobility Program	27.011	UVA	<u>3,826</u>
GENERAL SERVICES ADMINISTRATION			
Donation of Federal Surplus Personal Property	39.003	DGS	<u>1,568,112</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
Aerospace Education Services Program	43.001	#CWM/GMU/JMU/UVA/VCU/VSU	4,867,784
Technology Transfer	43.002	DEQ/GMU/JMU/LC/RU/UVA/VCCS/ #VIMS	1,498,086
Other Assistance: Quality Education for Minority-NASA Sharp Plus	43.000	ODU	<u>1,980</u>
Total Excluding Cluster			<u>6,367,850</u>
Research and Development Cluster:			
Other Assistance:	43.000		
Spectroscopy of Tunable Solid Laser Material		CNU	15,828
Graduate Student Researcher Program		CNU	22,526
A NASA/University Joint Venture in Space Science		CNU	19,490
Control on Methane Emissions from Vegetated Wetlands		CNU	85,624
Shielding From Space Radiation II		CNU	66,267
Optical Fiber Spectroscopy		CNU	49,609
Application of Spectroscopy Methods to Study Atmospheric Trace Gas Constituents		CNU	93,898
Summer Teacher Enhancement Institute for Science, Mathematics and Technology Using the Problem- Based Learning Model		CNU	222,854
NASA-Faculty Loan		NSU	1,070
NASA-CHROME		NSU	63,204
NASA-SAC		NSU	559
NASA-Earth System Science		NSU	250,565
Materials Research Lab		NSU	173,615
LERC/MRL		NSU	24,175
Institute for Computational and Applied Mechanics NAG-1-363		ODU	12,758
Undergraduate Student Research Program		VCU	21,077
Studies of Nucleation, Polymerization and Nanoparticle Composites in Super		VCU	85,686
Other		CWM/GMU/UVA/VIMS/VPISU/VSU	<u>6,506,098</u>
Total Research and Development Cluster			<u>7,714,903</u>
Total National Aeronautics and Space Administration			<u>14,082,753</u>
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES			
Promotion of the Arts - Arts in Education	45.003	VCA	51,445
Promotion of the Arts - Literature	45.004	UVA	7,963
Promotion of the Arts - State and Regional Program	45.007	VCA	394,897
Promotion of the Arts - Museums	45.012	VCU	13,755
Promotion of the Arts - Folk and Traditional Arts	45.015	LC	6,198
Promotion of the Humanities - Grants to Organizations and Individuals	45.024	VCCS	37,151
Promotion of the Humanities - Summer Seminars for College Teachers	45.116	UVA	618
Promotion of the Humanities	45.124	CWM	75,462
Promotion of the Humanities - Elementary and Secondary Education in the Humanities	45.127	UVA/VCU	124,614
Promotion of the Humanities - Federal-State Partnership	45.129	CWM/UVA/VCCS	19,024
Promotion of the Humanities - Humanities Project in Libraries and Archives	45.137	UVA	23,445
Promotion of the Humanities - Reference Materials	45.145	CWM	27,904

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Federal Department/Program	CFDA Number	State Agency(s)	Amount
Promotion of the Humanities - Division of Preservation and Access	45.149	#CWM/LVA/UVA	\$ 257,382
Higher Education in the Humanities	45.150	GMU	105,573
Promotion of the Humanities - Fellowships and Stipends	45.160	VPISU	102,602
Promotion of the Humanities - Collaborative Research	45.161	MWC/UVA	352,752
Promotion of the Humanities - Research	45.162	UVA	173,164
Promotion of the Humanities - Seminars and Institutes	45.163	VCU	9,217
Promotion of the Humanities - Public Programs	45.164	VPISU	65,706
Institute of Museum Services	45.301	CWM/DCR/LC/MWC	8,741
Other Assistance	45.000	VMFA	57,850
Total Excluding Cluster			<u>1,915,463</u>
Research and Development Cluster:			
Promotion of the Humanities - Interpretive Research Program	45.140	CWM/UVA	<u>15,698</u>
Total National Foundation on the Arts and Humanities			<u>1,931,161</u>
NATIONAL SCIENCE FOUNDATION			
Scientific Tech and International Affairs	47.053	GMU	10,916
Science and Technology Centers	47.073	GMU/UVA	273,206
Academic Research Infrastructure	47.077	ODU/RU/VCCS/VIMS	923,124
Other Assistance:	47.000		
Science Studio		NSU	<u>7,591</u>
Total Excluding Cluster			<u>1,214,837</u>
Research and Development Cluster:			
Engineering Grants	47.041	CWM/GMU/UVA/VPISU	6,003,121
Mathematical and Physical Sciences	47.049	#CWM/GMU/#JMU/#NSU/UVA/ VCU/VIMS/VPISU	7,918,111
Geosciences	47.050	CWM/GMU/UVA/VIMS/VMNH/VPISU	1,389,690
Computer and Information Science and Engineering	47.070	CWM/GMU/UVA/VPISU	1,966,795
Biological Sciences	47.074	CWM/JMU/UVA/#VCU/#VIMS/ VPISU	5,274,659
Social, Behavioral, and Economic Sciences	47.075	CWM/GMU/RU/UVA/VCU/VPISU	766,687
Education and Human Resources	47.076	#CNU/CWM/DOE/GMU/#JMU/#LC #MWC/#NSU/#RU/UVA/VCCS/ #VCU/VPISU	4,266,936
Other Assistance:	47.000		
The Science of Living Spaces: Women in the Environment		CNU	5,117
RUI: Methane Emission		CNU	95,928
Detector Development for, and Nuclear Physics			
Research with the CLAS Detector at CEBAF		CNU	92,900
Tidewater Summer Science Camp		NSU	54,046
Rimi Effects of Crystal Field in Quasi Four-Level Lasers		NSU	67,500
Other		CWM/GMU/UVA/VPISU	<u>1,532,566</u>
Total Research and Development Cluster			<u>29,434,056</u>
Total National Science Foundation			<u>30,648,893</u>
SMALL BUSINESS ADMINISTRATION			
Business Development Assistance to Small Business	59.005	CNU/JMU/RU/UVA	10,839
Procurement Assistance to Small Businesses	59.009	VCCS	1,960
Small Business Development Center	59.037	DBA/VEDP/#GMU/#JMU/#LC/#RU	2,179,780
Other Assistance:	59.000		
Marketing Development		ODU	1,549
Other		GMU	<u>9,313</u>
Total Small Business Administration			<u>2,203,441</u>
TENNESSEE VALLEY AUTHORITY			
Tennessee Valley Region - Water and Land Resources	62.005	VPISU/VSU	<u>39,602</u>
U.S. DEPARTMENT OF VETERANS AFFAIRS			
All-Volunteer Force Educational Assistance	64.124	DOE	<u>209,490</u>
Research and Development Cluster:			
Other Assistance:	64.000		
Vietnam Era Twin Study (IPA)		VCU	3,392
Beta-Blocker Evaluation of Survival Trial		VCU	22,967
Other		VPISU	<u>191,967</u>

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Federal Department/Program	CFDA Number	State Agency(s)	Amount
Total Research and Development Cluster			<u>\$ 218,326</u>
Total U.S. Department of Veterans Affairs			<u>427,816</u>
ENVIRONMENTAL PROTECTION AGENCY			
Air Pollution Control Program Support	66.001	DEQ	2,827,276
State Indoor Radon Grants	66.032	VDH	36,064
Water Pollution Control - State and Interstate Program Support	66.419	DEQ/UVA/#VDACS	1,883,705
Water Quality Control Information System - Orientation/Training Seminars, Data and Monitoring Publications	66.423	VSU	3,603
State Public Water System Supervision	66.432	VDH	1,497,317
Water Pollution Control - Lake Restoration Cooperative Agreements	66.435	DEQ	12,912
Construction Management Assistance	66.438	DEQ	48,827
Water Quality Management Planning	66.454	DEQ	330,308
National Estuary Program	66.456	VIMS	(399)
Capitalization Grants for State Revolving Funds	66.458	DEQ	32,565,328
Nonpoint Source Implementation Grants	66.460	#CBLAD/DCR/#DOF/#DMME/UVA/#VDACS/ #VDOT/#VPISU	1,424,812
Wetlands Protection: Development Grants	66.461	DCR/VIMS	234,817
National Pollutant Discharge Elimination System Related State Program Grants	66.463	DEQ/#DMME	330,534
Chesapeake Bay Program	66.466	#CBLAD/#DCR/DEQ/#DOF/VIMS/ #VPISU	3,999,837
Consolidated Pesticide Enforcement Cooperative Agreements	66.700	VDACS	334,525
Toxic Substances Compliance Monitoring Cooperative Agreements	66.701	DPOR	3,023
TSCA Title IV State Lead Grants - Certification of Lead-Based Paint Professionals	66.707	DOLI/VDH	235,418
Pollution Prevention Grants Program	66.708	DEQ	46,217
Hazardous Waste Management State Program Support	66.801	DEQ	1,943,858
Superfund State Site - Specific Cooperative Agreements	66.802	DEQ/VPISU	185,061
State Underground Storage Tanks Program	66.804	DEQ	192,701
Leaking Underground Storage Tank Trust Fund Program	66.805	DEQ	1,020,311
Superfund Innovative Technology Evaluation Program	66.807	UVA	2
Solid Waste Management Assistance	66.808	DEQ	55,300
Superfund State Core Program Cooperative Agreements	66.809	DEQ	308,228
Environmental Education and Training Program	66.950	VIMS	5,497
Environmental Education Grants	66.951	RU/VCCS/VIMS/VPISU	<u>39,098</u>
Total Excluding Cluster			<u>49,564,180</u>
Research and Development Cluster:			
Environmental Protection - Consolidated Research	66.500	GETD/UVA/#VIMS/VPISU	527,030
Air Pollution Control Research	66.501	UVA	4,772
Solid Waster Disposal Research	66.504	GMU/UVA/VCU	94,106
Water Pollution Control - Research, Development, and Demonstration	66.505	CWM/UVA/VIMS	256,587
Toxic Substances Research	66.507	CWM/UVA/VCU	45,480
Other Assistance:	66.000		
Other		GMU/VCCS/VPISU/VSU	<u>222,060</u>
Total Research and Development Cluster			<u>1,150,035</u>
Total Environmental Protection Agency			<u>50,714,215</u>
NUCLEAR REGULATORY COMMISSION			
Radiation Control - Training Assistance and Advisory Counseling	77.001	VDH	59,935
Research and Development Cluster:			
Enhance Technology Transfer and Dissemination of Nuclear Energy Process and Safety Information	77.003	UVA/VPISU	<u>63,009</u>
Total Nuclear Regulatory Commission			<u>122,944</u>
U.S. DEPARTMENT OF ENERGY			
University-Laboratory Cooperative Program	81.004	VPISU	82,474
Energy - Related Inventions	81.036	UVA	38,589
State Energy Program	81.041	DMME	363,121
Weatherization Assistance for Low-Income Persons	81.042	DHCD	1,360,465
Energy Conservation for Institutional Buildings	81.052	DMME/VCCS	39,424
University Research Instrumentation	81.077	JMU	9,613
Other Assistance:	81.000		
Continuous Electron Beam Accelerator Facility		ODU	309,132
Continuous Electron Beam Accelerator Facility - Computer		ODU	(26,343)

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Federal Department/Program	CFDA Number	State Agency(s)	Amount
Investigation of Nanoscale Magnetics-Double Polarization		VCU	\$ 53,575
Landfill Decision Analysis Project		VCU	51,285
Cost Modeling Systems Capability Comparison		VCU	<u>68,343</u>
Total Excluding Cluster			<u>2,349,678</u>
Research and Development Cluster:			
Office of Energy Research Financial Assistance Program	81.049	CWM/NSU/UVA/VCCS/VCU/ VIMS/VPISU/VSU	5,612,792
University Coal Research	81.057	VPISU	238,004
Renewable Energy Research and Development	81.087	CWM	42,375
Other Assistance:	81.000		
Master Contract		CNU	90,525
CEBAF-SURA-94-A9041		CNU	680
Free Electron Laser Development - TJNAF		CNU	12,476
Science Enhancement Program		NSU	(7,255)
Center for Materials Research		NSU	1,032,368
Experiments in Science		NSU	39,151
Other		CWM/GMU/UVA/VIMS/VPISU/VSU	<u>3,627,621</u>
Total Research and Development Cluster			<u>10,688,737</u>
Total U.S. Department of Energy			<u>13,038,415</u>
U.S. INFORMATION AGENCY			
Educational Exchange - University Lecturers (Professors) and Research Scholars	82.002	VPISU	39,358
Other Assistance:	82.000		
Affiliation Between VCU and Bulawayo Polytechnic and Harare Poly.... Zimbabwe		VCU	8,566
Terry Adkins-Assembly		VCU	32,570
Other		VPISU	<u>1,422</u>
Total U.S. Information Agency			<u>81,916</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY			
Arson Prevention Program	83.008	VDES	26,000
Hazardous Materials Training Program for Implementation of the Superfund Amendment and Reauthorization Act (SARA) of 1986	83.011	VDES	94,847
Flood Insurance	83.100	DEQ	8,315
Community Assistance Program - State Support Services Element (CAP-SSSE)	83.105	VDES	58,716
State Disaster Preparedness Grants	83.505	VDES	58,476
Disaster Assistance	83.516	#DCR/#DGIF/#DMHMRAS/#DOF/ #DSS/VDES/#VDOT	22,136,151
Hurricane Program	83.520	VDES	74,791
National Urban Search and Rescue (US&R) Response System	83.526	RU/VDES	68,430
COOPS for Digitization of Flood Maps	83.533	UVA	11,508
Emergency Management - State and Local Assistance	83.534	VDES	<u>2,588,226</u>
Total Federal Emergency Management Agency			<u>25,125,460</u>

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Federal Department/Program	CFDA Number	State Agency(s)	Amount
U.S. DEPARTMENT OF EDUCATION			
Adult Education - State Grant Program	84.002	#DCE/#DMHRMSAS/DOE/#RU/ #VCCS/#VCU/VPISU/#WWRC	\$ 5,535,170
Civil Rights Training and Advisory Services	84.004	DOE/#JMU	27,899
Education of Children with Disabilities in State Operated or Supported Schools	84.009	#DMHRMSAS/DOE/VSDBS	43,957
Title I Grants to Local Educational Agencies	84.010	DOE	94,481,892
Migrant Education - Basic State Grant Program	84.011	DOE	692,708
Educationally Deprived Children - State Administration	84.012	DOE	99,564
Title I Program for Neglected and Delinquent Children	84.013	#DCE	864,312
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	84.015	UVA	244,681
Undergraduate International Studies and Foreign Language Programs	84.016	VCCS	48,785
International: Overseas - Faculty Research Abroad	84.019	UVA	29,084
International: Overseas - Group Projects Abroad	84.021	VCCS	449
International: Overseas - Doctoral Dissertation	84.022	UVA	3,802
Special Education - Innovation and Development	84.023	CWM/UVA/VCU	371,977
Early Education for Children with Disabilities	84.024	GMU	44,339
Services for Children with Deaf-Blindness	84.025	VCU	298,300
Special Education - Grants to States	84.027	#DCE/DOE/#DVH/#GMU/#JMU/ #RU/#VCCS/#VCU/#VSDBH/ #VSDBS	60,597,403
Special Education - Personnel Development and Parent Training	84.029	CWM/GMU/JMU/UVA/#VCU/VPISU	1,723,413
Higher Education - Institutional Aid	84.031	NSU/VCCS/VSU	5,680,612
Public Library Services	84.034	LVA	1,750,725
Interlibrary Cooperation and Resource Sharing	84.035	LVA	645,488
TRIO - Student Support Services	84.042	NSU/ODU/RU/UVA/VCCS/VSU	3,333,187
TRIO - Talent Search	84.044	VCCS/VPISU/VSU	1,764,657
TRIO - Upward Bound	84.047	MWC/NSU/ODU/UVA/VCCS/VPISU/	3,471,628
Vocational Education - Basic Grants to States	84.048	#DCE/DOE/#JMU/UVA/#VCCS/ VEC/#VPISU/VSDBS/#WWRC	22,369,882
Vocational Education - Consumer and Homemaking Education	84.049	DOE/NSU	78,567
TRIO - Educational Opportunity Centers	84.066	VSU	1,263
State Student Incentives Grants	84.069	#CNU/#JMU/#LC/#MWC/#NSU/ #ODU/#RBC/#RU/#SCHEV/#VCCS/ #VCU/#VMI/#VPISU/#VSU	963,205
Career Education	84.074	DOE	23,248
Special Education Postsecondary Education Programs for Persons with Disabilities	84.078	DCE/DRS/#VCCS/VCU	231,872
Special Education - Program for Severely Disabled Children	84.086	VCU	75,969
Indian Education - Fellowships for Indian Students	84.087	UVA	21,730
Improving Access to Research Library Resources	84.091	UVA	111
Harris Fellowships	84.094	UVA	3,283
Fund for the Improvement of Postsecondary Education	84.116	CWM/NSU/UVA/VCCS/VPISU	113,119
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	DRS/DVH/ODU/VRCB	47,726,778
Rehabilitation Services - Service Projects	84.128	VCU	186,276
Rehabilitation Long-Term Training	84.129	UVA/VCU	194,773
Centers for Independent Living	84.132	DRS	1,217,625
College Housing and Academic Facilities Loans	84.142	NSU/ODU/VCU/VSU	17,347,882
Chapter 2 - State Block Grants	84.151	#DCE	23,357
Business and International Education	84.153	NSU/RU	97,088
Public Library Construction and Technology Enhancement	84.154	LVA	220,156
Secondary Education and Transitional Services for Youth with Disabilities	84.158	DOE/#DRS/GMU/#VCCS/VCU/#VSDE	761,736
Rehabilitation Services - Client Assistance Program	84.161	DRVD	173,670
Immigrant Education	84.162	DOE	494,045
Eisenhower Mathematics and Science Education - State Grants	84.164	#CWM/DOE/#JMU/#NSU/#RU SCHEV/UVA/#VCCS/#VCU/#VPISU	2,968,067
Independent Living - State Grants	84.169	DRS/DVH	506,208
Javits Fellowships	84.170	UVA	17,425
Special Education - Preschool Grants	84.173	DOE/#GMU/#JMU/#VCU	7,413,931
Vocational Education - Community Based Organizations	84.174	DOE	65,451
Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind	84.177	DVH	189,149

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Federal Department/Program	CFDA Number	State Agency(s)	Amount
Special Education - Grants for Infants and Families with Disabilities	84.181	DMHMRSAS/#VCU/#VDH/VPISU	\$ 6,678,076
Institution-Wide Drug Prevention Project	84.183	CWM/GMU/UVA	176,160
Safe and Drug-Free Schools and Communities - National Programs	84.184	JMU	5,826
Byrd Honors Scholarships	84.185	DOE	628,405
Safe and Drug-Free Schools and Communities - State Grants	84.186	#CWM/#DCE/#DJJ/DOE/#JMU/RU/ UVA/#VCCS/#VCU/#VSDBH/#VSP	7,148,232
Supported Employment Services for Individuals with Severe Disabilities	84.187	DRS/DVH	1,016,091
Bilingual Education - Professional Development	84.195	GMU	93,267
Education for Homeless Children and Youth	84.196	#CWM/DOE	716,338
Workplace Literacy Partnerships	84.198	VCCS	432,230
Graduate Assistance in Areas of National Need	84.200	UVA	193,938
Javits Gifted and Talented Students Education Grant Program	84.206	CWM/UVA	182,583
Even Start - State Educational Agencies	84.213	DOE	956,646
Capital Expenses	84.216	DOE	183,384
State School Improvement Grants	84.218	DOE	222,538
State Grants for Assistive Technology	84.224	DRS/#DRVD/#GMU/WWRC	813,890
Projects with Industry	84.234	VCU	21,988
Special Projects and Demonstrations for Providing Vocational Rehabilitation Services to Individuals with Severe Disabilities	84.235	VCU	8,908
Special Education - Program for Children with Serious Emotional Disturbance	84.237	VCU	22,760
Program of Protection and Advocacy of Individual Rights	84.240	DRVD	123,933
National Science Scholars	84.242	UVA	476
Tech-Prep Education	84.243	DOE/#VCCS	2,999,476
State Literacy Resource Centers	84.254	VCU	6,429
National Institute for Literacy	84.257	VCU	6,167
Rehabilitation Training - Experimental and Innovative Training	84.263	VCU	35,507
Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	84.265	DRS/DVH	248,946
Eisenhower Professional Development State Grants	84.281	DOE/RU/VCCS/#VCU	1,252,262
Innovative Education Program Strategies	84.298	DOE/#VSDBH/#VSDBS	6,203,034
Higher Education - Cooperative Education	84.994	VCU	14,001
NAEP Data Reporting Program	84.999	GMU	38,062
Other Assistance:	84.000		
HBCU/Training Program Westinghouse		NSU	(216)
Virginia Urban Corridor Teacher Preparation		NSU	95,041
Tidewater Writing Project 92-VA07		ODU	17,573
Total Excluding Clusters			<u>315,781,849</u>
Student Financial Assistance Programs Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007	CNU/CWM/GMU/JMU/LC/ MWC/NSU/ODU/RBC/RU/UVA/ VCCS/VCU/VMI/VPISU/VSU	6,571,258
Federal Family Education Loans	84.032	CNU/CWM/JMU/LC/MWC/RBC RU/VCCS	96,444,333
Federal Work-Study Program	84.033	CNU/CWM/GMU/JMU/LC/ MWC/NSU/ODU/RBC/RU/UVA/ VCCS/VCU/VMI/VPISU/VSU	7,775,513
Federal Perkins Loan Program - Federal Capital Contributions	84.038	CNU/CWM/GMU/JMU/LC/MWC/ NSU/ODU/RU/UVA/VCCS/VCU/ VMI/VPISU/VSU	69,317,905
Federal Pell Grant Program	84.063	CNU/CWM/GMU/JMU/LC/MWC/ NSU/ODU/RBC/RU/UVA/VCCS/ VCU/VMI/VPISU/VSU/WWRC	77,927,787
Federal Direct Student Loan	84.268	GMU/NSU/ODU/UVA/VCCS/ VCU/VMI/VPISU/VSU	334,672,309
Total Student Financial Assistance Programs Cluster			<u>592,709,105</u>
Research and Development Cluster:			
Educational Research and Development	84.117	CWM	(265)
National Institute on Disability and Rehabilitation Research	84.133	UVA/VCU/WWRC	1,974,395
Other Assistance:	84.000		
Other		CWM/GMU/VPISU	966,181
Total Research and Development Cluster			<u>2,940,311</u>
Total U.S. Department of Education			<u>911,431,265</u>

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U.S. NATIONAL ARCHIVES AND RECORDS ADMINISTRATION			
National Historical Publications and Records Grants	89.003	CWM/LVA/ODU/UVA	<u>\$ 310,520</u>
U.S. INSTITUTE OF PEACE			
International Peace and Conflict Management - Research and Education	91.001	CWM/VCU	<u>5,304</u>
NATIONAL COUNCIL ON DISABILITY			
The Impact of Rapid Laboratory Maker of Myocardial Necrosis on Clinical	92.283	VCU	<u>37,468</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	VDA	120,687
Special Programs for the Aging - Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	VDA	110,498
Special Programs for the Aging - Title III, Part F - Disease Prevention and Health Promotion Services	93.043	VDA	433,910
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	VDA	7,588,668
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	VDA	7,395,619
Special Programs for the Aging - Title III, Part D - In-Home Services for Frail Older Individuals	93.046	VDA	227,688
Special Programs for the Aging - Title IV - Training, Research and Discretionary Projects and Programs	93.048	DSS/#VCU/VDA	141,377
Special Programs for the Aging - Title VII, Chapter 6 - Allotments for Vulnerable Elder Rights Protection Programs	93.049	VDA	19,519
Grants for Residential Treatment Programs for Pregnant and Postpartum Women	93.101	DMHMRSAS/VCU	1,115,469
Demonstration Grants for Residential Treatment for Women and Their Children	93.102	DMHMRSAS	1,002,455
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	DMHMRSAS	881,907
Maternal and Child Health Federal Consolidated Programs	93.110	UVA/VCU/VDH	513,128
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	#DGS/VDH	1,223,732
Grants for Technical Assistance Activities Related to the Block Grant for Community Health Services - Technical Assistance Centers for Evaluation	93.119	DMHMRSAS	4,200
Nurse Anesthetist Traineeships	93.124	VCU	21,307
Mental Health Planning and Demonstration Projects	93.125	DMHMRSAS	2,029,690
Emergency Medical Services for Children	93.127	VCU	28,215
Primary Care Services - Resource Coordination and Development Primary Care Offices	93.130	VDH	139,278
Cooperative Agreements for Addiction Treatment Training Centers	93.131	#UVA/VCU	961,960
Protection and Advocacy for Individuals with Mental Illness	93.138	DRVD	366,302
Financial Assistance for Disadvantaged Health Professions Students (FADHPS)	93.139	VCU	72,262
National AIDS Education and Training Centers	93.145	UVA/VCU	837,379
Projects for Assistance in Transition from Homelessness (PATH)	93.150	DMHMRSAS	332,935
Grants for Faculty Training Projects in Geriatric Medicine and Dentistry	93.156	UVA	70
Programs of Excellence in Health Professions Education for Minorities	93.157	JMU/#VCCS/VCU	1,011,300
Grants for State Loan Repayment Program	93.165	VDH	34,443
Nursing Education Opportunities for Individuals from Disadvantaged Backgrounds	93.178	UVA/VCCS	176,071
Allied Health Project Grants	93.191	VCCS	10,779
Childhood Lead Poisoning Prevention Projects - State and Community-Based Childhood Lead Poisoning Prevention Programs and Surveillance of Blood Lead Levels in Children	93.197	VDH	767,289
HIV/AIDS Mental Health Services Demonstration Program	93.216	VCU	304,263
Family Planning - Services	93.217	VDH	3,272,689
Consolidated Knowledge Development and Application Program	93.230	UVA	18,401
Mental Health Clinical and AIDS Service-Related Training Grants	93.244	#UVA/VCU/VPISU	84,628

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

Federal Department/Program	CFDA Number	State Agency(s)	Amount
Occupational Safety and Health - Training Grants	93.263	VPISU	\$ 39,387
Childhood Immunization Grants	93.268	VDH	13,964,359
Clinical Training Grant for Faculty Development in Alcohol and Other Drug Abuses	93.274	UVA	600
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	UVA/VCU/VDH	423,618
Nurse Practitioner and Nurse-Midwifery Education Programs	93.298	RU/VCU	276,436
Professional Nurse Traineeships	93.358	GMU/ODU/RU/UVA/VCU	354,814
Nurse Training Improvement - Special Projects	93.359	UVA	222,909
Grants for Graduate Training in Family Medicine	93.379	VCU	99,141
Family Preservation and Support Services	93.556	DSS	3,364,431
Temporary Assistance for Needy Families (TANF)	93.558	DSS	41,030,451
Family Support Payments to States - Assistance Payments (AFDC)	93.560	DSS	70,975,532
Job Opportunities and Basic Skills Training (JOBS)	93.561	DSS	7,535,208
Child Support Enforcement	93.563	DSS	42,044,871
Child Support Demonstration Grant	93.564	DSS	36,027
Refugee and Entrant Assistance - State Administered Programs	93.566	#DMAS/DSS	2,987,537
Low-Income Home Energy Assistance (LIHEAP)	93.568	DSS	20,649,681
Community Services Block Grant (CSBG)	93.569	DSS/VSU	6,778,588
Community Services Block Grant - Discretionary Awards	93.570	DSS/NSU/VCU	138,047
Community Services Block Grant Discretionary Awards - Community Food and Nutrition	93.571	DSS	43,556
Emergency Community Services for the Homeless	93.572	DSS	55,459
Child Care for Families At-Risk of Welfare Dependency	93.574	DSS	1,642,149
Child Care and Development Block Grant	93.575	#DHCD/#DMHMRSAS/DSS	16,150,399
Refugee and Entrant Assistance - Discretionary Grants	93.576	#DOE/DSS/VDH	353,120
U.S. Repatriate Program	93.579	DSS	(349)
Family Resource Centers	93.580	VDH	756,348
Refugee and Entrant Assistance - Targeted Assistance	93.584	DSS	204,062
Empowerment Zones Program	93.585	DSS	1,051,782
State Court Improvement Program	93.586	SUPCT	108,264
Refugee Assistance - Naturalization and Citizenship Activities	93.589	DSS	16,343
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	DSS	19,619,276
Head Start	93.600	VCU	986,752
Child Development Associate Scholarships	93.614	DSS	6,250
Developmental Disabilities Basic Support and Advocacy Grants	93.630	DMHMRSAS/DRVD/#VBPD/#VDA	1,630,126
Developmental Disabilities University Affiliated Programs	93.632	VCU	242,324
Children's Justice Grants to States	93.643	DCJS	175,892
Child Welfare Services - State Grants	93.645	DSS	6,008,115
Child Welfare Services Training Grants	93.648	NSU	7,087
Temporary Child Care and Crisis Nurseries	93.656	VCU/#VPISU	464,184
Foster Care - Title IV-E	93.658	DSS	38,952,300
Adoption Assistance	93.659	DSS	3,772,096
Social Services Block Grant	93.667	#DOE/DSS/#VDH	53,111,470
Child Abuse and Neglect State Grants	93.669	DSS/#JMU	450,927
Family Violence Prevention and Services - Grants to States and Indian Tribes	93.671	DSS	725,840
Community-Based Prevention Program	93.672	DSS	51,722
Grants to States for Planning and Development of Dependent Care Programs	93.673	DSS	285,028
Independent Living	93.674	DSS	1,044,146
Community Based Family Resource Program	93.699	DSS	207,590
Health Careers Opportunity Program	93.822	UVA/VCCS/VCU	608,048
Area Health Education Centers	93.824	#JMU/#LC/#UVA/#VCCS/#VCU	1,474,858
Public Health Service - II	93.834	UVA	9,576
Medical Library Assistance	93.879	DMHMRSAS/UVA/VCU	258,857
Grants for Residency Training in General Internal Medicine and/or General Pediatrics	93.884	UVA/VCU	331,233
Grants for Faculty Development in Family Medicine	93.895	VCU	133,798
Grants for Predoctoral Training in Family Medicine	93.896	VCU	97,867
Residency Training and Advanced Education in the General Practice of Dentistry	93.897	VCU	4,393
Grants for Faculty Development in General Internal Medicine and /or General Pediatrics	93.900	UVA/VCU	291,906
Communications Programs for Demonstrating the Prevention of Alcohol and Drug Problems	93.901	UVA	72,151
Model Comprehensive Drug Abuse Treatment Programs for Critical Populations	93.902	DMHMRSAS	523,774
Model Criminal Justice Drug Abuse Treatment for Incarcerated Populations, Non-Incarcerated Populations and Juvenile Justice Populations	93.903	#DJJ/DMHMRSAS/#DOC	502,304
Rural Health Medical Education Demonstration Projects	93.906	VCCS/VCU/#VSU	180,192
Grants to States for Operation of Offices of Rural Health	93.913	VDH	34,188
HIV Care Formula Grants	93.917	#DMAS/#VCU/VDH	5,764,703

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

Federal Department/Program	CFDA Number	State Agency(s)	Amount
Cooperative Agreements for State-Based Breast and Cervical Cancer Early Detection Program	93.919	VDH	\$ 145,405
Ryan White HIV/AIDS Dental Reimbursements	93.924	VCU	5,266
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	VCU	44,735
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	DOE/#GMU/JMU/#RU/#VCU	175,584
HIV Prevention Activities - Health Department Based	93.940	#DMHMRSAS/VDH	3,277,132
Acquired Immunodeficiency Syndrome (AIDS) Activity Assistance Program for Chronic Disease Prevention and Control	93.944	VDH	462,171
	93.945	VDH	34,362
Block Grants for Community Mental Health Services	93.958	DMHMRSAS	6,029,117
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DMHMRSAS/VCCS	27,757,495
Health Administration Traineeships and Special Projects Program	93.962	VCU	30,111
Grants for Geriatric Education Centers	93.969	UVA	1,424
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	VDH	1,060,172
Grants for Establishment of Departments of Family Medicine	93.984	VCU	237,605
Health Programs for Refugees	93.987	VDH	9,077
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	#UVA/VDH	191,636
National Health Promotion	93.990	VCU	115,231
Preventive Health and Health Services Block Grant	93.991	#DOE/VDH	3,559,100
Maternal and Child Health Services Block Grant to the States	93.994	#GMU/VDH	14,552,595
Other Assistance:	93.000		
Grant from the National Institute of Mental Health		MWC	11,656
Clinical Studies of Therapies for Severe Herpesvirus Infections		VCU	1,966
T-Cell Depletion in Unrelated Donor Marrow Transportation		VCU	62,148
Public AIDS Information for the Region (Pair) of Virginia/Washington DC		VCU	1,199
Prevent of Events with Angiotensin Convertible Enzyme		VCU	300
Antihypertensive and Lipid-Lowering Treatment		VCU	394
Pediatric and Perinatal Acting Trial Unit		VCU	321
Recruitment Grant for ALLHAT Study		VCU	6,185
Cancer Information Services Research		VCU	81,677
Community-Based AIDS Information for Richmond (Chair)		VCU	392
International Research Fellowship Application for Silvia L. Cruz		VCU	36,875
Intergovernmental Personnel Agreement		VCU	3,669
Food and Drug Adm., Food Sanitation Inspections		VDACS	65,519
Food and Drug Adm., Medicated Feed Inspections		VDACS	3,762
Project Assist - Stop Smoking Intervention		VDH	948,000
Stroke Belt Initiative - Phase II		VDH	625
US FDA Mammography		VDH	108,127
FDA Diagnostic X-Ray		VDH	12,914
HIV/AIDS Data Evaluation		VDH	101,962
Total Excluding Clusters			<u>459,715,770</u>
Student Financial Assistance Programs Cluster:			
Health Education Assistance Loans	93.108	VCU	2,910,124
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	UVA/VCU/VPISU	10,048,828
Nursing Student Loans	93.364	GMU/JMU/NSU/RU/UVA/VCCS/VCU	1,710,030
Scholarships for Students of Exceptional Financial Need	93.820	VCU	109,006
Total Student Financial Assistance Programs Cluster			<u>14,777,988</u>
Medicaid Cluster:			
State Medicaid Fraud Control Units	93.775	ATG	559,671
State Survey and Certification of Health Care Providers and Suppliers	93.777	VDH	2,825,942
Medical Assistance Program (Medicaid)	93.778	DMAS/#DMHMRSAS/#DRS/#DSS/#VDH	1,193,290,175
Total Medicaid Cluster			<u>1,196,675,788</u>

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
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Federal Department/Program	CFDA Number	State Agency(s)	Amount
Research and Development Cluster:			
Food and Drug Administration - Research	93.103	VCU	\$ 163,975
Biological Response to Environmental Health Hazards	93.113	VCU/VIMS/VPISU	462,302
Applied Toxicological Research and Testing	93.114	VPISU	101,798
Oral Diseases and Disorders Research	93.121	UVA/VCU/VPISU	2,228,995
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	VCU	25,899
Injury Prevention and Control Research and State and Community Based Programs	93.136	UVA/VCU	304,110
Intramural Research Training Award	93.140	VSU	87,212
NIEHS Superfund Hazardous Substances - Basic Research and Education	93.143	VCU	13,186
Human Genome Research	93.172	GMU/UVA	76,121
Research Related to Deafness and Communication Disorders	93.173	JMU/UVA/VCU	2,269,509
Medical Treatment Effectiveness Research	93.180	UVA/VCU	6,058
Biological Models and Materials Research	93.198	UVA	98,076
Centers for Medical Education Research	93.222	#UVA	6,772
Health Services Research and Development Grants	93.226	VCU/UVA	201,931
Mental Health Research Grants	93.242	CWM/GMU/#UVA/#VCU/VPISU	6,532,303
Occupational Safety and Health Research Grants	93.262	UVA/VPISU	389,178
Alcohol Research Career Development Awards for Scientists and Clinicians	93.271	UVA/VCU	13,592
Alcohol Research Programs	93.273	VCU/VPISU	701,555
Drug Abuse Scientist Development Awards, Research Scientist Development Awards, and Research Scientist Awards	93.277	VCU	367,613
Drug Abuse National Research Service Awards for Research Training	93.278	VCU	40,422
Drug Abuse Research Programs	93.279	DJJ/GMU/UVA/VCU	4,713,727
Mental Health Research Career/Scientist Development Awards	93.281	GMU/UVA/VCU	569,715
Mental Health National Research Service Awards for Research Training	93.282	UVA	234,681
Comparative Medicine	93.306	UVA	207,702
Clinical Research	93.333	UVA/VCU/VPISU	5,194,820
Biomedical Research Support	93.337	UVA/VCU	777,652
Nursing Research	93.361	GMU/VCU	645,743
Biomedical Technology	93.371	UVA/VCU	329,541
Minority Biomedical Research Support	93.375	NSU/VSU	142,497
Academic Research Enhancement Award	93.390	CWM	10,900
Cancer Cause and Prevention Research	93.393	UVA/VCU	2,593,355
Cancer Detection and Diagnosis Research	93.394	UVA	238,690
Cancer Treatment Research	93.395	UVA/VCU/#VPISU	4,551,912
Cancer Biology Research	93.396	UVA/VCU/VPISU	1,995,803
Cancer Centers Support	93.397	UVA/VCU	2,176,031
Cancer Research Manpower	93.398	UVA/VCU	756,091
Cancer Control	93.399	VCCS/VCU	295,379
Health Care Financing Research, Demonstrations and Evaluations	93.779	VCU/VDA	215,390
Cell Biology and Biophysics Research	93.821	UVA/VCU	3,536,243
Heart and Vascular Diseases Research	93.837	UVA/VCU	8,249,376
Lung Diseases Research	93.838	UVA	932,640
Blood Diseases and Resources Research	93.839	UVA/VCU	551,629
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	UVA/VCU/VPISU	1,225,706
Diabetes, Endocrinology and Metabolism Research	93.847	UVA/VCU	2,887,294
Digestive Diseases and Nutrition Research	93.848	UVA/VCU/VPISU	3,618,348
Kidney Diseases, Urology and Hematology Research	93.849	UVA/VCU	1,795,279
Clinical Research Related to Neurological Disorders	93.853	UVA/VCU	4,118,491
Biological Basis Research in the Neurosciences	93.854	#CWM/UVA/VCU/VPISU	6,676,841
Allergy, Immunology and Transplantation Research	93.855	UVA/VCU/VPISU	5,161,447
Microbiology and Infectious Diseases Research	93.856	UVA/VCU	5,272,161
Pharmacology, Physiology, and Biological Chemistry Research	93.859	UVA/VCU/VPISU	3,269,169
Genetics and Developmental Biology Research	93.862	UVA/VCU	1,773,667
Cellular and Molecular Basis of Disease Research	93.863	UVA/VCU/VPISU	976,337
Population Research	93.864	UVA	3,473,398
Research for Mothers and Children	93.865	GMU/UVA/VCU	3,001,652
Aging Research	93.866	UVA/VCU	1,532,081
Vision Research	93.867	UVA/VCU	1,242,611
Minority Access to Research Careers	93.880	UVA/VCU	49,701
Resource and Manpower Development in the Environmental Health Sciences	93.894	VCU/VPISU	183,939
Center for Medical Rehabilitation Research	93.929	UVA	45,288
Fogarty International Research Collaboration Award	93.934	UVA/VCU	53,825
Special Minority Incentives	93.960	#VCU	98,911
Senior International Fellowship	93.989	UVA/VPISU	770,559
Other Assistance:	93.000		
Molecular Analysis of Heme Pathway		NSU	91,355

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

Federal Department/Program	CFDA Number	State Agency(s)	Amount
Office of Science Policy and Technology Transfer - IPA, NIH		VCU	\$ 67,214
Workworld Decision Support Project		VCU	30,191
Other		CWM/GMU/UVA/VPISU	<u>736,818</u>
Total Research and Development Cluster			<u>101,162,407</u>
Total U.S. Department of Health and Human Services			<u><u>1,772,331,953</u></u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Higher Education Innovative Project	94.001	DSS	30,527
State Commissions	94.003	DSS	211,118
Learn and Serve America - School and Community Based Programs	94.004	#DCE/DOE	231,834
Learn and Serve America - Higher Education	94.005	VCCS/#VCU/VPISU	321,458
AmeriCorps	94.006	DSS	1,041,516
Training and Technical Assistance	94.009	DSS	<u>26,390</u>
Total Corporation for National and Community Service			<u><u>1,862,843</u></u>
SOCIAL SECURITY ADMINISTRATION			
Social Security - Disability Insurance (DI)	96.001	DRS	19,996,291
Research and Development: Social Security - Research and Demonstration	96.007	VCU	<u>103,966</u>
Total Social Security Administration			<u><u>20,100,257</u></u>
UNIDENTIFIED ASSISTANCE			
Other Assistance:	00.000		
Fraud, Electoral Reform and Democracy in Costa Rica, 1902 - 49		CNU	51,001
Linkage Support for Urban Management		VCU	16,514
VCU/UNHAS University Linkage		VCU	<u>42,861</u>
Total Excluding Cluster			<u><u>110,376</u></u>
Research and Development Cluster: Other Assistance:	00.000		
Natural History of Crack Distribution		NSU	1,609
USAID		VPISU	4,610,423
Other		GMU/UVA/VCCS/VDES/VPISU	<u>2,054,470</u>
Total Research and Development Cluster			<u><u>6,666,502</u></u>
Total Unidentified Assistance			<u><u>6,776,878</u></u>
Total Federal Grantor Agencies			<u><u>\$4,243,157,811</u></u>

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Denotes federal assistance passed through from other state agencies/institutions.

COMMONWEALTH OF VIRGINIA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 1997

1. PURPOSE OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, requires a schedule of expenditures of federal awards showing total federal expenditures for each federal financial assistance program as identified in the Catalog of Federal Domestic Assistance (CFDA). The accompanying schedule includes all federal financial assistance administered by the Commonwealth of Virginia, its departments, institutions, authorities, and component units except for the Virginia Housing Development Authority, Virginia Resources Authority, Virginia Educational Loan Authority, State Education Assistance Authority, Hampton Roads Sanitation District Commission, Virginia Equine Center Foundation, Virginia Biotechnology Research Park Authority, and the Commission on the Virginia Alcohol Safety Action Program. We issued a separate A-133 single audit report for the Virginia Biotechnology Research Park Authority. Separate audit reports for the remaining organizations have been issued by other auditors, where applicable.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The information in the accompanying Schedule of Expenditures of Federal Awards is presented in accordance with OMB Circular A-133. The schedule presents a summary of federal financial assistance by federal department and CFDA Number.

Federal Financial Assistance - The Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133 define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, or other assistance. Nonmonetary federal assistance including food stamps, food commodities, and surplus property, is considered federal assistance and, therefore, is reported on the Schedule of Expenditures of Federal Awards. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the Commonwealth of Virginia and the federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs – The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish the criteria to be used in defining major programs. Major programs for the Commonwealth of Virginia were determined using a risk-based approach in accordance with OMB Circular A-133.

Catalog of Federal Domestic Assistance - The Catalog of Federal Domestic Assistance (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA Number) which is reflected in the accompanying schedule.

Cluster of Programs - Closely related programs that share common compliance requirements are grouped into clusters of programs. A cluster of programs is considered as one federal program for determining major programs. The types of clusters of programs are: Food Stamp, Nutrition, Student Financial Assistance, Medicaid, and Research and Development. Research and Development and Student Financial Assistance clusters expend funds from several federal departments. The amount expended for these two clusters are reported under the appropriate federal department. The total amount expended for Student Financial Assistance was \$607,487,093, consisting of \$592,709,105 from the Department of Education and \$14,777,988 from the Department of Health and Human Services. The total amount expended for Research and Development was \$207,322,393, consisting of the following federal departments:

<u>Federal Department</u>	<u>Amount Expended</u>
Department of Health and Human Services	\$101,162,407
Department of Defense	30,741,221
National Science Foundation	29,434,056
Department of Agriculture	11,247,739
Department of Energy	10,688,737
National Aeronautics and Space Administration	7,714,903
Department of Education	2,940,311
Department of the Interior	2,011,071
Department of Commerce	1,811,164
Environmental Protection Agency	1,150,035
Department of Transportation	1,033,267

Appalachian Regional Commission	262,766
Department of Veteran's Affairs	218,326
Social Security Administration	103,966
Nuclear Regulatory Commission	63,009
Department of Justice	47,741
National Foundation on the Arts and Humanities	15,698
Department of Housing and Urban Development	9,474
Unidentified	<u>6,666,502</u>
Total	<u>\$207,322,393</u>

B. Basis of Accounting

Federal program expenditures included in the accompanying schedule are presented using the cash basis of accounting. Under the cash basis of accounting, expenditures are recognized when paid rather than when the obligation is incurred. Federal noncash assistance and loan/loan guarantee program activities are presented as described in Notes 2-C and 2-D below.

C. Non-Cash Assistance

The Commonwealth of Virginia participated in several federal programs in which non-cash benefits are provided through the state to eligible program participants. These include:

Food Distribution Programs (CFDA Numbers 10.550, 10.555, and 10.569) - The value of food commodities was calculated using the U.S. Department of Agriculture's Food and Nutrition Service commodity price lists. The accompanying schedule includes commodity distributions of \$741,246, \$12,973,639, and \$2,100,748 for CFDA Numbers 10.550, 10.555, and 10.569, respectively. The accompanying schedule does not include Commonwealth-stored undistributed food commodities of \$361,235 for CFDA Number 10.555.

Food Stamps (CFDA Number 10.551) - The face value of stamps distributed to program beneficiaries was the basis for calculating the value of food stamps. The accompanying schedule does not include food stamp inventory of \$102,634,159 held by local government subrecipients responsible for administration and issuance of food stamps to program beneficiaries.

Donation of Federal Surplus Personal Property (CFDA Number 39.003) - Donated federal surplus property is valued at 23.3 percent of the original acquisition cost as assigned by the federal government. The amount included in the accompanying schedule reflects distributions to other governmental entities during the year ended June 30, 1997. Program income and expenditures of \$657,097 is not included in the accompanying schedule. The value of surplus property on hand at June 30, 1997, totaled \$2,033,417.

Childhood Immunization Grants (CFDA Number 93.268) The U.S. Department of Health and Human Services purchases and distributes immunizations to the state Department of Health for use by the local health departments. The amount presented in the accompanying schedule reflects the cost of immunizations to the federal government of \$6,270,583. The remaining amount of \$7,693,776 is administrative expenditures. The value of inventory on hand at June 30, 1997 was \$1,365,884.

D. Loan/Loan Guarantee Programs

Family Federal Education Loans (CFDA Number 84.032) - The amount in the accompanying schedule reflects the value of new Stafford, PLUS, and SLS loans disbursed to students during the fiscal year.

Federal Perkins Loan Program: Federal Capital Contributions (CFDA Number 84.038) - The amount in the accompanying schedule includes administrative costs during the fiscal year as well as the outstanding balance of loans receivable at June 30, 1997.

Federal Direct Student Loan (CFDA Number 84.268) - The amount in the accompanying schedule reflects the value of new Federal Direct Loans disbursed to students during the fiscal year.

Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (CFDA Number 93.342) - The amount in the accompanying schedule includes administrative costs during the fiscal year as well as the outstanding balance of loans receivable at June 30, 1997.

Nursing Student Loans (CFDA Number 93.364) - The amount in the accompanying schedule includes administrative costs during the fiscal year as well as the outstanding balance of loans receivable at June 30, 1997.

College Housing and Academic Facilities Loans (CFDA Number 84.142) - The amount in the accompanying schedule reflects the outstanding balance of loans payable at June 30, 1997.

Capitalization Grants for State Revolving Funds (CFDA Number 66.458) - The amount in the accompanying schedule reflects disbursements for administrative costs and distributions to the Virginia Resources Authority for subsequent disbursement to subrecipients.

Special Economic Development and Adjustment Assistance Program: Sudden and Severe Economic Dislocation (SSED) and Long-Term Economic Deterioration (LTED) (CFDA Number 11.307) - The amount in the accompanying schedule reflects the cash on hand and the outstanding balance of loans receivable from subrecipients at June 30, 1997.

E. Emergency Unemployment Benefits

The amount included in the accompanying schedule for Unemployment Insurance (CFDA Number 17.225) includes \$615 in unemployment benefits received under the Emergency Unemployment Compensation Act of 1991. The remaining amount includes \$30,721,129 administrative costs and \$12,981,368 federal unemployment benefits paid to federal employees.

F. Program Expenditures

Certain transactions relating to federal financial assistance may appear in the records of more than one state recipient agency. To avoid duplication and the overstatement of the aggregate level of federal financial assistance expended by the Commonwealth of Virginia, the following policies have been adopted:

1. When federal financial assistance is received by one state recipient agency and redistributed to another state agency (i.e., a pass-through of funds by the primary recipient agency to a subrecipient state agency), the federal financial assistance will be reflected as expenditures by the subrecipient agency.

2. When federal financial assistance is used by a recipient to purchase goods or services from another state agency, the federal financial assistance will be reflected as expenditures by the recipient (purchaser) agency.

3. OTHER ASSISTANCE AND UNIDENTIFIED ASSISTANCE PROGRAMS

Federal financial assistance programs, which have not been assigned a CFDA Number, have been included in the accompanying "Schedule of Expenditures of Federal Awards." Programs for which the grantor agency is known are reported as other assistance and are identified as CFDA Number XX.000, where XX represents the federal grantor agency. Programs for which the grantor agency is not known are reported as unidentified assistance programs and are identified as CFDA Number 00.000.

4. ASSISTANCE PROVIDED TO SUBRECIPIENTS FOR MAJOR PROGRAMS

The Commonwealth of Virginia disbursed pass-through funds to subrecipients from the following major programs:

CFDA Number	Name of Federal Program or Cluster	Amount
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	\$ 1,783,051
14.228	Community Development Block Grants /State's Program	27,917,708
14.239	HOME Investment Partnerships Program	9,311,672
17.246	Employment and Training and Assistance-Dislocated Workers	9,064,486
17.250	Job Training Partnership Act	25,151,214
66.466	Chesapeake Bay Program	1,428,701
84.048	Vocational Education-Basic Grants to States	14,231,796
93.217	Family Planning-Services	281,041
93.268	Childhood Immunization Grants	3,347,386
93.558	Temporary Assistance for Needy Families	34,323,271
93.560	Family Support to States-Assistance Payments	210,735
93.568	Low-Income Home energy Assistance	1,644,409
93.575	Child Care and Development Block Grant	15,605,299

93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	\$ 23,797,468
93.658	Foster Care-Title IV-E	21,637,598
93.659	Adoption Assistance	1,201,520
93.667	Social Services Block Grant	77,907,903
93.917	HIV Care Formula Grants	1,406,045
93.994	Maternal and Child Health Services Block Grant to the States	818,633
-	Research and Development Programs	6,973,204
-	Nutrition Cluster	132,241,317
-	Food Stamp Cluster	47,722,642
-	Medicaid Cluster	18,001,598

ACRONYMS FOR AGENCIES AND INSTITUTIONS

ACRONYM	AGENCY/INSTITUTION
ABC	Department of Alcoholic Beverage Control
ATG	Office of the Attorney General and Department of Law
CASC	Commonwealth's Attorneys' Services Council
CBLAD	Chesapeake Bay Local Assistance Department
CDCEC	Virginia Council on Child Day Care and Early Childhood Programs (3)
CNU	Christopher Newport University
CWM	The College of William and Mary in Virginia
DBA	Department of Business Assistance (1)
DCE	Department of Correctional Education
DCJS	Department of Criminal Justice Services
DCR	Department of Conservation and Recreation
DEQ	Department of Environmental Quality
DGIF	Department of Game and Inland Fisheries
DGS	Department of General Services
DHCD	Department of Housing and Community Development
DHR	Department of Historic Resources
DIT	Department of Information Technology
DJJ	Department of Juvenile Justice (2)
DMAS	Department of Medical Assistance Services
DMHMRSAS	Department of Mental Health, Mental Retardation and Substance Abuse Services
DMME	Department of Mines, Minerals, and Energy
DMV	Department of Motor Vehicles
DOAV	Department of Aviation
DOC	Department of Corrections
DOE	Department of Education
DOF	Department of Forestry
DOLI	Department of Labor and Industry
DPOR	Department of Professional and Occupational Regulation
DRPT	Department of Rail and Public Transportation
DRS	Department of Rehabilitative Services
DRVD	Department for the Rights of Virginians with Disabilities
DSS	Department of Social Services
DVH	Department for the Visually Handicapped
GETD	Governor's Employment and Training Department
GMU	George Mason University
JMU	James Madison University
LC	Longwood College
LVA	The Library of Virginia
MRC	Marine Resources Commission
MWC	Mary Washington College
NSU	Norfolk State University
ODU	Old Dominion University
PDC	Public Defender Commission
PMC	A. L. Philpott Manufacturing Center
PRF	Potomac River Fisheries Commission
RBC	Richard Bland College

ACRONYMS FOR AGENCIES AND INSTITUTIONS

ACRONYM	AGENCY/INSTITUTION
RU	Radford University
SBFA	Virginia Small Business Financing Authority
SCC	State Corporation Commission
SCHEV	State Council of Higher Education for Virginia
SUPCT	Supreme Court of Virginia
TAX	Department of Taxation
UVA	University of Virginia
VBPD	Virginia Board for People with Disabilities
VCA	Virginia Commission for the Arts
VCU	Virginia Commonwealth University
VDA	Department for the Aging
VDACS	Department of Agriculture and Consumer Services
VDES	Department of Emergency Services
VDH	Department of Health
VDOT	Department of Transportation
VEC	Virginia Employment Commission
VIMS	Virginia Institute of Marine Science
VMFA	Virginia Museum of Fine Arts
VMI	Virginia Military Institute
VMNH	Virginia Museum of Natural History
VPISU	Virginia Polytechnic Institute and State University
VRCB	Virginia Rehabilitation Center for the Blind
VSDBH	Virginia School for the Deaf and Blind at Hampton
VSDBS	Virginia School for the Deaf and Blind at Staunton
VSP	Department of State Police
VSU	Virginia State University
VWC	Virginia Workers' Compensation Commission
WWRC	Woodrow Wilson Rehabilitation Center

The following are part of the Virginia Community College System (VCCS):

BR	Blue Ridge Community College
CV	Central Virginia Community College
DSL	Dabney S. Lancaster Community College
DV	Danville Community College
ES	Eastern Shore Community College
GM	Germanna Community College
JSR	J. Sargeant Reynolds Community College
JT	John Tyler Community College
LF	Lord Fairfax Community College
ME	Mountain Empire Community College
NR	New River Community College
NV	Northern Virginia Community College
PDC	Paul D. Camp Community College
PH	Patrick Henry Community College
PV	Piedmont Virginia Community College
RC	Rappahannock Community College
SSV	Southside Virginia Community College

ACRONYMS FOR AGENCIES AND INSTITUTIONS

ACRONYM	AGENCY/INSTITUTION
SV	Southwest Virginia Community College
TN	Thomas Nelson Community College
TW	Tidewater Community College
VH	Virginia Highlands Community College
VW	Virginia Western Community College
WV	Wytheville Community College

- (1) Effective July 1, 1996, the Department of Economic Development's name changed to the Department of Business Assistance.
- (2) Effective July 1, 1996, the Department of Youth and Family Service's name changed to the Department of Juvenile Justice.
- (3) Effective July 1, 1996, the Virginia Council on Child Day Care and Early Childhood Programs was abolished and its operations were transferred to the Department of Social Services.

COMMONWEALTH OF VIRGINIA

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