

COMMONWEALTH OF VIRGINIA
SINGLE AUDIT REPORT

For the Year Ended
June 30, 2000



EXECUTIVE SUMMARY

The results of our single audit of the Commonwealth of Virginia for the year ended June 30, 2000 are summarized below:

- We issued an unqualified opinion on the general purpose financial statements;
- We found certain matters that we consider to be reportable conditions in the internal control over financial reporting; however, we do not consider any of these findings to be material weaknesses;
- 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 OMB 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 12, 2001

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

The Honorable Vincent F. Callahan, 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**, for the fiscal year ended June 30, 2000.

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

DBC:whb

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON THE 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, 2000, and have issued our report thereon dated December 15, 2000. 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 00-1 through 00-25.

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 that 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 solely for the information and use of the Governor and General Assembly of Virginia, management, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

AUDITOR OF PUBLIC ACCOUNTS
December 15, 2000

DBC:whb

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, 2000. 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 of 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, 2000. 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 00-26 through 00-28, 00-33 through 00-35, and 00-48 through 00-53.

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 00-26 through 00-57.

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 that none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the Governor and General Assembly of Virginia, management, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

AUDITOR OF PUBLIC ACCOUNTS
March 12, 2001

DBC:whb

COMMONWEALTH OF VIRGINIA
SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2000

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>
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	<u>Yes</u>
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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	Economic Adjustment Assistance
12.401	National Guard Military Operations and Maintenance Projects
14.228	Community Development Block Grant/State's Program
17.225	Unemployment Insurance
20.205	Highway Planning and Construction
66.458	Capitalization Grants for State Revolving Funds
83.534	Emergency Management - State and Local Assistance
83.544	Public Assistance Grants
84.010	Title I Grants to Local Educational Agencies
84.048	Vocational Education

CFDA Number(s)	Name of Federal Program or Cluster
93.268	Immunization Grants
93.558	Temporary Assistance for Needy Families (TANF)
93.563	Child Support Enforcement (CSE)
93.568	Low-Income Home Energy Assistance (LIHEAP)
93.630	Developmental Disabilities Basic Support and Advocacy Grants
93.658	Foster Care: Title IV-E
93.667	Social Services Block Grant (SSBG)
93.767	State Children's Insurance Program
93.917	HIV Care Formula Grants
93.959	Block Grants for Prevention and Treatment of Substance Abuse
93.994	Maternal and Child Health Services Block Grant
10.551 10.561	Food Stamp Cluster
10.553 10.555	Child Nutrition Cluster
10.556 10.559	
17.207 17.801 17.804	Employment Services Cluster
17.246 17.250	JTPA Cluster
84.027 84.173	Special Education Cluster
93.575 93.596	Child Care Cluster
93.775 93.777 93.778	Medicaid Cluster
84.007 84.032 84.033 84.038 84.063 84.268 93.108 93.342 93.364 93.820	Student Financial Assistance Cluster
(Footnote 2A)	Research and Development Cluster

Dollar threshold used to distinguish between

Type A programs:

\$12,723,000

Type B programs:

\$ 1,458,000

Commonwealth qualified as low-risk auditee?

No

FINANCIAL STATEMENT FINDINGS

ACCOUNTS RECEIVABLES/PAYABLES

00-1. Improve Financial Reporting to the Department of Accounts

Applicable to: Department of Social Services

The Finance division needs to improve the reliability of financial information reported to the Department of Accounts (Accounts) for the preparation of the State's Comprehensive Annual Financial Report. We found the following errors in the financial information submitted to Accounts:

- The division misclassified the short and long term portions of the Department's compensated absences balance. They overstated the short-term portion of the liability by over \$4 million, thus understating the long-term portion.
- The division did not report Food Stamp accounts receivable balances to Accounts. Furthermore, the Division did not calculate or report an allowance for doubtful accounts for the Food Stamps and Temporary Assistance to Needy Families (TANF). Given the nature of these receivables, the division should have considered and reported an allowance for uncollectible amounts.
- The division did not properly report all accounts payable at fiscal year end. We identified expenses totaling approximately \$1.9 million that the division should have reported as accounts payable. The Financial Accounting and Analysis System (FAAS) was not correctly programmed to recognize accounts payable.

The Finance division submitted revised financial information to Accounts for the compensated absences and accounts receivable balances after we brought these errors to their attention.

We recommend the division improve its reporting procedures to ensure information provided to Accounts is accurate and complete. Division staff should ensure they fully understand Accounts' requirements. Managers should thoroughly review and approve the information before submission to Accounts. The division should also make the necessary system changes to FAAS to properly identify expenses as an accounts payable at year-end.

Management Plan for Corrective Action

1. *As recognized by the APA's comments, revised compensated absences information was submitted to DOA on September 15, 2000. In addition, the method of calculating leave balances was changed to reflect the directions of Governmental Accounting Standards Board Statement No. 16. Information submitted to DOA is being reviewed prior to submission.*

2. *As noted in the audit report, food stamp accounts receivable balances were reported to the Department of Accounts during the audit. In addition, an allowance for doubtful accounts for the Food Stamp and Temporary Assistance for Needy Families Programs was included in the September 2000 report to the Department of Accounts.*
3. *An interface allowing automatic updates from the Commonwealth Accounting and Reporting System (CARS) to the Financial Accounting and Analysis System (FAAS) will be operational by fiscal year 2002.*

*Responsible Position: David A. Mitchell, Controller
Division of Finance*

DATA PROCESSING CONTROLS

Access Controls

00-2. Improve Internal Controls Over Oracle Databases

Applicable to: Department of Social Services

Many of the Department's critical applications interface with Oracle databases. We tested seven databases and found the following internal control weaknesses:

- Terminated employees and consultants had access to the databases. Many of these users had advanced privileges and therefore, could pose a risk to these mission-critical databases.
- Many employees had inappropriate access privileges based on their individual job responsibilities.
- The Department lacks a plan for maintaining Oracle support for some of its critical databases. Oracle database support for the OASIS application will expire as of December 31, 2000. The Department has not developed any plans to address this issue.
- There were no policies or procedures regarding the audit of the database. The Department is conducting some statement level auditing of the databases; however, there was no one assigned the responsibility for reviewing these logs. The Department has not identified critical areas that should be subject to audits and reviews.

We recommend the Department improve procedures for granting and terminating access to the database. The Department should develop a plan for maintaining Oracle database support or plan on upgrading the underlying database. The loss of support for these mission-critical databases could have adverse consequences for the agency. The Department also needs to review the use of the database audit function and other audit tools, to determine what is best for its business purposes and develop a comprehensive policy and procedure for its use. Recently, the

Oracle database administrator (DBA) left the agency and management reassigned these databases to two new DBA's. We understand the new DBA's have already implemented some of our recommendations.

Management Plan for Corrective Action

All errors related to access were corrected while the audit was in process. By April 30, 2001, the Department will conduct an assessment and complete a plan for maintaining the Oracle database. On February 12, 2001, the Department of Information Technology converted two of the Department's databases to Oracle level 8.1.6. As part of the update to the DSS Security Policies and Procedures Manual, a policy on database auditing will be developed. The planned implementation date for this policy is April 30, 2001.

*Responsible Position: Lawrence K. Gumprich
Chief Deputy Commissioner*

00-3. Strengthen Controls Over Timely Deletion of Systems Access

Applicable to: University of Virginia – Medical Center

The Medical Center failed to promptly terminate former employees' system/network access. The Security Administrator does not receive timely information regarding terminations from departments. The Medical Center should develop and implement a uniform procedure for notifying the Security Administrator of all user transfers or terminations to help ensure the Medical Center's system access security.

Management Plan for Corrective Action

The successful implementation of the PeopleSoft Human Resource application in December 2000 will provide the Security Administrator an automated query of identifying Medical Center transfers and terminations on a daily basis. In addition, the Security Administrator will work closely with the appropriate Health System Administrators to strengthen notification policies and procedures.

Responsible Area: Health System Computing Services

Estimated Completion Date: July 2001

00-4. Eliminate Inappropriate Access to Automated Systems' Production Data Files

Applicable to: Virginia Employment Commission

Personnel assigned to the Computer Operations section have inappropriate write access to all production data files for the Tax, Benefits, and federal automated systems. Production data files process information regarding such critical areas as employer taxes, the employee wages master file, daily transaction file, and unemployment compensation payments. Individuals with write access to files can change or delete critical information. Computer Operations do not need write access to production files to perform their job duties.

The Commission should eliminate write access to production data files for those employees whose job responsibilities do not require such access. This would lessen the risk of unauthorized changes that could render the data unreliable.

Management Plan for Corrective Action

The job duties of each Computer Operations staff member include the submission of production batch jobs. In order for these jobs to run successfully, the operator submitting the job must have the appropriate access clearance as required by the job. This means that for a production job to write to production data the operator submitting the production job must have write access.

It is acknowledged that the potential for inappropriate access exists. Research on controls to reduce this vulnerability is under way. Research findings and recommendations will be prepared for management decision and review.

Responsible Position: Director, Information Technology

Estimated Completion Date: May 31, 2001

Program Change Controls

00-5. Strengthen Controls over Systems Modification Requests

Applicable to: Department of Accounts

Accounts did not follow documented procedures for the request, approval, and development of Systems Modification Requests (SMRs). All 17 completed SMRs tested were missing one or more required approvals and 13 were missing or had incomplete documentation. The SMR procedures have not been updated since September 1994. Procedures currently being followed relate to the flow of documentation and approval is different than those documented. Accounts should update the SMR procedures to ensure adequate controls are in place to properly and consistently request, approve, and develop system modification requests. *(Affects the Commonwealth's Accounting and Reporting System, Commonwealth Integrated Personnel Payroll System, and the Fixed Asset Accounting Control System.)*

Management Plan for Corrective Action

In September 2000, DOA completed reviewing and updating the SMR Policies and Procedures Manual, the Programmers Reference Guide, DOA work-flows and internal processes to ensure adequate controls are in place to properly and consistently request, approve, and develop systems modifications requests.

Responsible Position: Richard Salkeld, Manager, Systems and Programming

Estimated Completion Date: September 2000

00-6. Improve Documentation for System Modifications

Applicable to: Department of Social Services

The Department could not provide sufficient documentation for 23 of 25 systems program changes tested. These program changes related to the Online Automated Services Information System (OASIS), Virginia Client Information System (VACIS), and Application Benefit Delivery Automation Project (ADAPT) systems. Of the 23 program changes, eight were for OASIS, nine were for VACIS, and six were for ADAPT. In most cases, the Department had some documentation for the change, but not enough to completely document the user request, the programmer's change, testing, and user acceptance.

We recommend the Department improve procedures to maintain complete supporting documentation for all program changes to information systems. Supporting documentation should exist to show that user management initiated the change. Additionally, programmers should document that they reviewed and tested the requested change at various stages throughout the process. Without adequate procedures to document changes, the Department risks unauthorized changes to their information systems. We understand the Department is developing and implementing new procedures to address these issues.

Management Plan for Corrective Action

The program change errors related to OASIS date back to the earlier stages of OASIS development. An automated "Modification Tracking Database" for tracking OASIS system modifications was established in the first quarter of 2000. In November 2000, the task of monitoring change requests and task folders was assigned to a specific individual.

In January 2001, the "Table Version Control" process was implemented to track changes to ADAPT eligibility impact data. Changes cannot be made without going through a table and all information in the table is available in report format. Because the changes are now part of the system, the sign-off sheet for installations in production includes table changes.

For VACIS, the requirement that all functional changes be recorded on a sign-off sheet was reinforced in January 2001.

Responsible Position: Lawrence K. Gumprich, Chief Deputy Commissioner

00-7. Develop Formal Change Control Procedures Over PeopleSoft and Oracle Applications

Applicable to: University of Virginia – Medical Center

The Medical Center does not have formal documented change control procedures managing changes and upgrades to its PeopleSoft and Oracle applications. Even though there are no formal procedures, the database administrator ensures that user management authorizes changes and usually obtains user approval before placing modified programs into production.

The Medical Center should document formal change control procedures for its PeopleSoft and Oracle programs. The procedures should include documented authorization from user management and Health Systems Computing Services (HSCS) management, control of each change request and its status, review and approval by HSCS management, and testing and approval by user management before adding the changes to production software.

Without formal policies, inappropriate changes of the PeopleSoft and Oracle applications could occur and go undetected. Further, HSCS or user management may not have approved changes, which could result in excessive customization changes required with each upgrade of the applications. The Medical Center should develop formal written change control procedures over its PeopleSoft and Oracle applications.

Management Plan for Corrective Action

Management concurs. HSCS is in the process of evaluating and revising its internal procedures governing all systems development activity, including strengthening change control processes as described above.

In addition, HSCS is in the process of organizing a support group for the PeopleSoft suite of applications, which will be directly responsible for implementing and adhering to the change control processes. Further, we are investigating automated solutions that will help to satisfy this finding. At a minimum, a manual policy and procedure will be in place on, or before, July 2001.

Responsible Area: Health System Computing Services

Estimated Completion Date: July 2001

Information Security Programs

00-8. Comply with the Commonwealth of Virginia (COV) Information Technology Resource Management (ITRM) Standard 2000-01.1

Applicable to: Department of Accounts

Accounts did not maintain an updated Risk Analysis, Business Impact Analysis, and Contingency Management Plan. Standard 2000-01.1 issued by the Council on Information Management states that a complete Business Impact Analysis, Risk Analysis, and Contingency Management Plan should be in place to identify an organization's critical business functions and risks to them. The plan should also provide for the continuation of critical functions in the event of disruptions.

In January 2001, Accounts provided a draft copy of the updated Contingency Management Plan to the auditors for review. However, an updated Risk Analysis and Business Impact Analysis still must be documented.

Accounts should document its Risk Analysis and Business Impact Analysis to ensure they have identified all of the agency's critical business functions and any risks to them. Accounts should also finalize its Contingency Management Plan to ensure its ability to recover from disruptions in operations in a timely manner and to safeguard against the loss of both assets and critical data.

Management Plan for Corrective Action

In preparation for Y2K, the Department performed a modified Risk Analysis and Business Impact Analysis as a basis for the Y2K Contingency Management Plan. DOA will update both the Risk Analysis and Business Impact Analysis in order to finalize the draft Contingency Management Plan. The Plan will also incorporate the results of DOA's participation in the DIT hot site testing scheduled for spring 2001.

Responsible Position: Karen Robinson, Manager, Financial Analysis and Service

Estimated Completion Date: August 2001

00-9. Strengthen Operation System Security

Applicable to: Department of Alcoholic Beverage Control

We found several weaknesses in the Department's Unix password and file permission schemes that could lead to unauthorized access and/or corruption of data files and programs. Specifically, we found several directories that have inappropriate privileges, as well as user accounts without passwords. Also, the Department has not adequately protected passwords in a separate file.

The Department uses client-server architecture for its inventory and financial accounting systems. The Product Distribution System (PDS) and the Performance Financial Management System (FMS) applications are both housed on Hewlett Packard servers. The underlying operating system for these servers is Unix. Security of any computer system is comprised of two layers. The application layer generally provides control, via menu options or screen presentations, of what users can do within a program. The operating system layer security generally provides controls of who can access the system, delete files, and add files. To have strong Unix operating system security, strong password and strong file permission schemes must be in place.

We recommend that the Department review the Unix configuration on the above mentioned servers to ensure that they comply with standard Unix security procedures. This will help to ensure the integrity of the information maintained on these servers.

Management Plan for Corrective Action:

Unix shadow password files and C2 security levels will be implemented on Unix, Groupware, and NT operating systems where applicable. To account for appropriate application testing, policy review, and organizational socialization, security measures will be phased in through the end of November 2000.

Responsible Position: Jim Lewis

Estimated Completion Date: December 1, 2000

00-10. Complete Information Security Program

Applicable to: Virginia Department of Health

Health has not completed an information security program appropriate for its information technology environment. The Department of Information Technology Planning requires that all agencies plan such a program. The plan must address the following issues.

- a business impact analysis that defines the agency's sensitive information systems;
- a risk analysis process and assessment that identifies the risks to the sensitive information systems and countermeasures required to reduce risks to an acceptable level;
- a contingency management plan that provides for the continuation of critical business functions in the event of disruptions or disasters;
- implementation of security safeguards based on the risk assessment;
and
- security awareness and training programs.

In response to our previous recommendations, management has made an effort towards completing a contingency management plan by requiring each division and department within Health to complete a business resumption plan. However, Health does not have a work plan to test the business resumption plans. Without testing a sample of the plans, there is no way to ensure its adequacy. In addition, Health does not have an overall agency business resumption plan, a current business impact analysis, or risk analysis and assessment.

Health should complete an information security program based on the standards listed above. Management should ensure that the program is adequate for their technology environment to ensure the integrity of all systems and information. The information security program should also ensure compliance with all federal information security requirements described in the Health Insurance Portability and Accessibility Act (HIPAA).

Management Plan for Corrective Action

We concur with the comments. OIM Management has tasked the Engineering Manager with completing the risk assessment and impact analysis. Additionally, the Production Support Manager has been tasked with preparing a HIPPA compliance plan.

Estimated Completion Date: June 30, 2001

00-11. Strengthen WIC Information Security

Applicable to: Virginia Department of Health

WIC-Net is currently behind schedule for implementation. The delays in implementing the new WIC (Women, Infant, and Children) system have continued to prevent Health from improving security over WIC transactions. Health employees can set up recipient accounts, enter and update recipient eligibility information, and approve recipients for benefits without supervisory review or independent verification. These employees also reconcile unmatched WIC checks. This lack of separation of duties increases the risk that employees can initiate incorrect or fraudulent transactions. The WIC-Net system should correct these weaknesses.

Health originally planned to implement WIC-Net in January 1995. After several other delays, Health plans to pilot the WIC-Net system in the fall of 2001. The following problems have contributed to the delays:

- Lack of documentation of technical testing and untested program components.
- Lack of structured user acceptance testing with no documentation of successful testing and limited documentation of problems.
- Lack of technical project management with resulting fragmentation.
- Loss of functionality in the Financial Management Module resulting from DIT changes to the system.
- Limited testing of changes and poor documentation of the testing results.

Management should properly address these security issues ensuring proper separation of duties and adequate security within the system before implementing the WIC-Net system. Health should maintain the management and technical expertise acquired in order to meet the new implementation date of October 2001.

Health developed an Executive Committee to monitor the progress of the project's completion in an effort to meet the latest implementation date.

Management Plan for Corrective Action

Although the finding is factual to the extent it covers the issues, there are critical omissions. Current and past policy do mandate a separation of duties and districts are monitored for compliance to this policy. The current computer system, however, does not require segregation of duties. This segregation of duties is an important component of WIC-Net and all necessary steps are being taken to assure they are addressed in the final version. At this time we estimate that WIC-Net will be implemented by the end of the current federal fiscal year.

Responsible Position: Donna Seward

00-12. Comply with COV ITRM Standard 2000-01.1

Applicable to: Department of Mental Health, Mental Retardation and Substance Abuse Services

The Department has not taken corrective action regarding the fiscal year 1999 audit management point issued recommending the completion of a formal Information Security Plan. Additionally, policies and procedures for the entire Department are severely outdated. The most recent update of the policies and procedures manual occurred in 1993. The Department's Computer Operations Manual has not been updated since 1991. As the need to update information technology changes so does the need to update policies to operate and safeguard this technology.

We recommend the Department develop an Information Security Plan that is comprehensive and includes updated computer operations policies, updated policies and procedures manuals, and provisions for training all staff on adherence to changes as specified by the updated policies and procedures.

Management Plan for Corrective Action

Due to insufficient staffing and competing priorities, the Department will pursue outside assistance in its effort to complete a Comprehensive Information Security Plan. The plan completion date is July 31, 2001. It will include an updated version of the HP3000 operations, and a new section covering the client server application. The plan will also focus on computer operations policies, policies and procedures manuals, and requirements for training staff on new technologies. The Office of Information Technology Services is committed to providing the highest levels of security and will be incorporating the regulations stemming from HIPPA legislation into the plan.

00-13. Strengthen Security over Critical Information Systems and Network

Applicable to: University of Virginia – Medical Center

The Health Systems Computing Services, (HSCS), has undertaken a significant effort to enhance its security over the Medical Center's information systems. As custodian over data resources that are vital to the Medical Center's operations, HSCS must implement and maintain strong security controls that adequately safeguard the Medical Center's information resources and, as importantly, protect the privacy of its patients.

During the year, the HSCS addressed many of the specific concerns in our last report. Network communications now have to pass through a firewall server and application before accessing the general ledger accounting system. Replacement computers and operating systems housing the accounting system improve security by encrypting stored passwords. Additionally, HSCS installed an add-on security program, which strengthens password controls over the PeopleSoft applications. HSCS continues to investigate the further use of encryption technology to improve data security.

To increase security within the entire information system environment, Medical Center management developed a comprehensive security strategy. The plan has a two-phase implementation. First, the Medical Center management contracted a data security-consulting firm to perform Phase One, a Risk Analysis and Vulnerability Assessment. The consultant

completed their work in May 2000. This assessment addressed several vulnerabilities in the Medical Center's network security system, including a lack of centralized security management, insufficient network controls, inadequate data security policies, and improper configurations of hardware. Medical Center management is beginning Phase Two by acquiring the services of another data security firm to assist in resolving the noted deficiencies and developing a comprehensive information security program. Medical Center management should continue to expedite corrective actions on the most significant vulnerabilities and continue to proceed with development of a comprehensive information security program.

Management Plan for Corrective Action

Immediately upon receiving the Risk Analysis and Vulnerability Assessment, HSCS addressed certain vulnerabilities related to the configuration of network devices. Vendor selection for the balance of the remediation work is underway, with the expectation that the contract will be awarded in February 2001. The remediation phase will include designing solutions using a combination of our selected vendor's expertise and our own. The second step will involve equipment purchase either through the vendor contract or existing contracts. The third piece will provide the deployment of the equipment.

Since the technology in this area is evolving rapidly, identifying appropriate solutions will be an ongoing process. We have made significant progress, and certainly will achieve more on an ongoing basis, with enhanced security features by July 2001.

00-14. Enhance Information Security Program

Applicable to: Virginia Commonwealth University

The University should fill the currently vacant Information Security Officer (ISO) position and have this individual formally address the university's information resources security needs. Specific responsibilities, should include:

- Perform or guide a formal, comprehensive risk assessment of network and departmental systems. The ISO should monitor and periodically update these risk assessments.
- Develop and manage a central repository to maintain critical and non-critical information system documents such as the University disaster recovery plan, system risk assessments, and University systems policies, standards and guidelines.
- Oversee the approval of policies to manage information flow from outside the University through the University's Internet firewall server to the administrative computer systems. The ISO should ensure that policy-making considers the evaluation of user authentication mechanisms and defines the access authorization process.

The ISO should report to a senior information technology officer and have the support and backing of University management. Additional responsibilities should include assistance

with the development of University-wide information security policies and periodic assessments of departmental compliance with appropriate information security requirements.

Management Plan for Corrective Action

VCU has recognized the need for a university information security officer. The reorganization of Administrative Information Technology (AIT) in the fall 2000 created an information security officer position reporting to the Executive Director of AIT. A university-wide work group has defined the responsibilities of the position and recruitment is currently underway. The position will be filled as expeditiously as possible. The information security officer will guide comprehensive risk assessments, maintain a central file of critical information security documents and oversee the development of policies to manage information flows from outside the University to administrative computer systems.

00-15. Update Business Impact Analysis and Risk Assessment

Applicable to: Virginia Employment Commission

The Business Impact Analysis and Risk Assessment Plan identifies all data processing systems as well as any risks or threats to these systems. The Commission's plan, completed in November 1997, does not address such risks as natural disasters or improper disposal of documents (paper, diskettes, etc.) The Commission replaced its network during 1998 but has not yet updated their business impact analysis and risk assessment. COV ITRM Standard SEC2000-01.1 requires business impact analyses and, if necessary, updates to risk assessments, when an agency undergoes changes in information technology systems or their environments. The Commission is updating the Business Impact Analysis and Risk Assessment. The Commission should finish updating the plan as soon as possible to ensure adequate security of critical and sensitive data, and compliance with Department of Technology Planning standards.

Management Plan for Corrective Action

As noted in the finding, the Commission's business impact analysis and risk assessment is being updated.

Responsible Position: Director, Information Technology

Estimated Completion Date: September 30, 2001

00-16. Strengthen Security Over the VTAIX Server

Applicable to: Virginia Polytechnic Institute & State University

We found weaknesses in password controls, account maintenance, and file ownership in our review of the UNIX operating system on the VTAIX server. This server contains critical and sensitive data for student records, financial aid, admissions, and general computing for faculty and staff including sponsored research data. These weaknesses could lead to unauthorized use or alteration of the University's critical data. Specifically we found:

- Security does not require periodic password changes and the minimum length for passwords is one character. Lack of strong password controls makes it easier to compromise passwords and increases the risk of unauthorized use or disclosure.
- The VTAIX password file contains over 1400 user ids, many of which appear either unused or inactive.
- Many files do not have a valid VTAIS owner assigned. These unassigned files resulted from the implementation of third party packages in which the installer failed to assign ownership of files. Assigning all files to an authorized owner is an essential control in a UNIX operating system environment.

Information Resource Management (IRM) should assess the risk of the password controls and take steps to strengthen password controls. Establishing a policy that requires alphanumeric passwords of at least six characters will significantly strengthen password controls. IRM should also periodically perform account maintenance to remove unused or inactive ids and assign as owner to any files not assigned an owner.

Management Plan for Corrective Action:

Information Systems and Computing has determined that controlling passwords by requiring a certain length and a mixture of numbers is a much stronger control than frequently changing passwords. Unused or inactive user ids will be removed. All files have been assigned to an authorized owner in the UNIX operating environment.

Responsible Position: Associate Director, Information Resource Management (Information Systems and Computing) and Computer Center Lead Engineer (Information Systems and Computing)

Estimated Completion Date: April 18, 2001

INFORMATION SYSTEMS PROJECT MANAGEMENT

00-17. Strengthen Project Management for Replacement of the Product Distribution System

Applicable to: Department of Alcohol Beverage Control

The Department continues to face difficulties with its Product Distribution System (PDS). The Department implemented PDS in August 1998 at a cost of over \$8 million. The system, developed by third party software vendors, requires \$55,000 of monthly support fees. PDS accumulates store inventory and sales information, and uses this data to calculate and record financial and forecasting information. In our last audit, we identified several implementation and operational issues that the Department needed to address. These included Department staff not having a thorough understanding of PDS processes or the program logic used by the software developer to accomplish these processes.

During this audit, we found that the Department staff still does not have a good understanding of PDS processes. For example, Department staff cannot adequately explain the

data flow or what process controls, if any, the software includes. Most of the problems with the system originate from the lack of a detailed systems requirement phase during the initial acquisition of the system. Also, as previously reported, the vendor support contract for Masterpack, a critical PDS module, expires in 2003. It is unclear if this contract will be renewable, as the software vendor no longer sells this product. The Department is concerned that a shutdown of critical services could occur if Masterpack becomes unsupportable.

Management has decided the best way to address the deficiencies in PDS is to replace the system. This spring, the Department started the Management of Inventory and Product Sales (MIPS) project to replace PDS. The Department estimates the MIPS project will cost \$5 million with implementation completed by the third quarter of 2002. For the following reasons, the Department has decided to internally develop MIPS as opposed to procuring another system from an outside vendor.

- The timeframe to replace Masterpack is short due to the vendor support issue. A Request For Proposal (RFP) could use up one year of lead-time. In addition, the Department had only two qualified vendors reply to their RFP that resulted with PDS as the solution.
- Cost for a turnkey system, if the Department could find one, would be approximately \$8 million based on prior experience.
- The Department hopes to develop and maintain the new system with well-known products such as Oracle and standard languages (PDS uses a little known database and programming language). This will allow the Department to hire systems personnel for development and maintenance from a much larger labor pool.

Concurrent with the MIPS project, the Department is planning another project to replace the current Point of Sale System (POS). This system, which has antiquated MS-DOS-based cash registers in all stores, feeds daily sales information to the inventory and financial systems. The Department will attempt to find a third-party vendor for a turnkey replacement of its POS. The Departments plans to have the POS replacement implemented in 2002, but has yet to determine the total cost of this replacement.

Due to the past deficiencies in Systems Project Development, we recommend that staff learn, as much as feasible, about the processes of the PDS system. This knowledge will aid in the interim business decisions management must make before a new system becomes available and it will provide insights on what processes the new system will need to perform. The project development effort should include as many potential system users as possible from the project's inception to help ensure the project addresses all users' needs and all users understand how the system operates.

Management needs to use strong project management techniques with the MIPS development to ensure the success of this system. These techniques should include at a minimum defining requirements, evaluating alternative solutions, scheduling, testing, documenting, user approval tests, and training. We also recommend that Management review systems in other control states and private industry as a resource when developing the new inventory control system. These entities are not competitors and the Department can potentially use them as

models of what works and what does not work. It may also be useful to confirm with these entities whether a turnkey solution is available.

Management Plan for Corrective Action:

Action A

Additional formal training for the Masterpack component of TDS will not be pursued. The existing ABC (Department of Alcoholic Beverage Control) staff will continue to experience and build knowledge of the PDS system. Service Level Agreements (SLA) will be formalized with the PDS Prime contractor to establish adequate knowledge.

Responsible Position: Ann Davis, Cary Jones, and Claude Stanley

Estimated Completion Date: March 31, 2001

Action B

ABC employees working on the PDS system have reviewed the requirements generated by the MIPS team. PDS knowledge and experience will continue to be utilized throughout the MIPS development life cycle.

Responsible Position: Don Tyson

Estimated Completion Date: Ongoing

Action C

ABC is creating a formal project methodology that will conform to SEI/CMM (Software Engineering Institute/Capability Maturity Model) level 2. MIPS will initiate this repeatable process and template best practices. The team has spent five months understanding and documenting the current ABC process, conducting joint requirements sessions, and creating a detailed project plan (over 600 task items). Templates that will be created throughout the MIPS life cycle include Feasibility Study, Project Charter, Change Control Board Charter, Project Plan, Contingency Risk Analysis, Legacy Analysis Report, Requirements Report, Process Mapping, Build vs. Buy Analysis, Storyboarding, Prototyping, Design Report, Work Breakdown Structures, Development Plan, Test Plan, Test Result Report, Training Plan, Data Conversion Plan, and Help Desk Scripts.

Responsible Position: Donald Morgan, Claude Stanley, and Chris Saneda

Estimated Completion Date: Ongoing

00-18. Complete an IT Strategic Plan and a Comprehensive Annual Work Plan for the Office of Information Management

Applicable to: Virginia Department of Health

Health has not completed an information technology strategic plan or a comprehensive annual Office of Information Management (OIM) work plan. An information technology strategic plan helps management identify current information technology activities and how these activities relate to the future goals of the agency. The plan allows management to examine how changing needs and demands may affect the planned results. The plan should support the

preparation of an agency-wide information technology budget and prioritizes large and small projects within the available funding.

Part of strategic planning is setting goals and projects that the information technology staff can complete during the year. These goals and projects must include those information technology projects managed by other sections other than OIM. These expectations form the basis of a comprehensive information technology work plan. Without this annual work plan, it is difficult for OIM or other sections to prioritize and plan their work in alignment with management's information technology objectives and the strategic plan.

In November 2000, management began the initial stages to create this plan. However, management must continue towards the completion of an information technology strategic plan and a comprehensive annual OIM work plan. Once completed, management should also ensure that it annually commits the necessary resources and responsibilities to update the information technology work plan and information technology strategic plan.

Management Plan for Corrective Action

OIM has a budget for all the projects currently underway. Management is currently working on an IT Strategic Plan and a Comprehensive Annual Work Plan that will follow the IT Strategic Plan. The first draft of the strategic plan will be completed by the end of February 2001 with a draft of the comprehensive work plan to be completed by June 1, 2001.

00-19. Develop a Project Plan Using A Realistic and Reliable Funding Scheme

Applicable to: Virginia Department of Health

Management does not have a realistic and reliable funding scheme for their Virginia Information Systems-Integrated On-line Network (VISION). Plans have included requesting and receiving additional appropriation, which neither the Governor nor the General Assembly included in the current budget process, and shifting resources from other non-service areas to this project.

Management can internally shift resources from non-service areas and as it appears that this funding is the only method available, management should adopt a more realistic timeframe and schedule for implementing Web-VISION. Also, management needs to evaluate what functions it can afford. Within the last year, the plan for the Web-VISION project has undergone significant changes. While increasing functionality, the changes have also increased the budget by \$2.5 million, as well as delayed the projected implementation date by over a year.

Realistic and reliable project, budget, and funding plans are necessary for all large implementation projects. These documents provide the necessary guidance to establish timeframes and resource needs. Without these documents, the project team does not have the necessary direction for successful implementation. Management needs to set these plans within what funding sources are available and develop its plan accordingly. As part of this process, management also needs to control, within available resources, the functionality that the system can afford to deliver.

Management Plan for Corrective Action

The agency does not concur with this finding.

A detailed project plan and budget are in place. Project funding continues to be an agency priority, but some of those funds remain to be developed from balances in other areas. This historical funding pattern has had minimal or no operational impact.

The management point's reference to a \$2.5 million increase in the Web-VISION project budget does not take into account that the reporting and budget now includes associated staffing costs when initially that was not a required part of the project budgeting.

The Virginia Department of Health has and will continue to monitor the scope and cost of the Web-VISION and other information technology projects through their completion and take appropriate management action as necessary to refine the scope and/or financing of the projects.

Furthermore, the Governor included \$2,993,000 in general funds for the agency's information technology costs in FY 2002 – the single largest IT investment to date in this agency. This funding, subject to the actions of the General Assembly, will effectively become part of the agency's base budget in the 2002-2004 and subsequent biennia and resolves one of the agency's most significant structural budgetary issues.

Information technology is very complex and evolves rapidly, impacting both project planning and financing on an ongoing basis. The Virginia Department of Health has developed an agency advisory board (AIMAC) that regularly reviews IT project status and financing. The Web-VISION project also has had an executive committee from the start of the project to provide senior management oversight. The agency's Office of Information Management and senior management communicate regularly with appropriate administration officials on these matters. The agency's senior management and Office of Budget Services have communicated regularly with health district and program directors and solicited their input to assist with agency financial planning.

Since two-thirds of the agency's funding is from non-general funds, the Virginia Department of Health has to regularly review its agency financial trends both in terms of expenditures and revenues to ensure the delivery of all its services, not just its information technology projects. For the balance of FY 2001 and FY 2002, these efforts will take into account literally hundreds of discreet financial developments that include the impacts of the Governor's Budget Bill, the actions of the General Assembly, central control agency actions, positive and negative trends in the agency's various federal grants and service revenues, and many other factors. The agency's internal information technology project review, financial management efforts and appropriate communications to administration officials will continue as necessary.

INTERNAL SERVICE OPERATIONS

00-20. Perform a Review of Trusted Relationships

Applicable to: Department of Information Technology (DIT) – Service Bureau

DIT does not perform security reviews of trusted agency firewalls to ensure adequate security. A trusted firewall relationship is a protocol that establishes access between networks or outside entities without requiring special verification. Four agencies have firewalls that have a trusted relationship with the DIT firewall. These agencies can directly connect to the MVS or Unisys environments without authentication. Inadequate review of these trusted relationships could jeopardize the integrity of valuable information resources. In addition, DIT does have a policy establishing why some agencies are exempt from authentication and what procedures the agency must follow to maintain its exemption.

We recommend that DIT develop a policy that establishes exemption requirements, procedures that agencies must follow, and require periodic security reviews.

Management Plan for Corrective Action:

DIT Security Division has a “Customer Agency Firewall Procedure” that addresses overall firewall access and exemption requirements. The procedure specifically mentions that DIT will periodically perform a review of exempted firewall IP addresses. In addition, the new COVANET contract has vendor services available for providing network scans and penetration of networks to scan for vulnerabilities. Together with technology advances in Virtual Private Networks (VPN), DIT’s network environment should provide an alternative option for its customers needing firewall exemptions. New statewide contracts are available for DIT, and its customers, to purchase this technology.

Responsible Position: DIT Security Director

Estimated Completion Date: Customer Agency Firewall Procedure implementation proposed date March 1, 2001. The COVANET contract for network scans and penetration analysis is currently available, as are VPN vendor solutions.

00-21. Review Current Policies and Procedures Periodically

Applicable to: Department of Information Technology – Service Bureau

DIT’s policies and procedures are complex and must cover numerous areas, technologies, and personnel. Keeping complex policies and procedures current and making sure that their content covers operations requires a systemic approach to their review and change. This review found several areas where the current policies and procedures do not address DIT’s changing environment.

We believe a scheduled systemic review of policies and procedures would assist DIT management in adopting and addressing these changes. Additionally, this approach would allow personnel to adopt a phased approach to the review and still have the flexibility to address emergencies. We, therefore, recommend that DIT develop a schedule to review and update its policies and procedures.

Management Plan for Corrective Action

Policies will be reviewed or updated every five years or sooner if modifications are submitted.

Responsible Position: Human Resources Division Director

Estimated Completion Date: Beginning in July 2001, policies five years old will be sent to the issuing area for review and/or updating.

00-22. Review Agency UNISYS Sub Administrator Accounts

Applicable to: Department of Information Technology – Service Bureau

Our review of agency sub administrators for the UNISYS mainframe found an account unused since 1991. This indicates that agency security officers have not consistently or thoroughly reviewed the agency sub-administrator accounts. DIT policies do not address the periodic review of these accounts. We recommend that DIT include in its policy procedures the periodic review of UNISYS sub-administrator user accounts. This policy should include specific standards detailing the frequency and methods of the review, to include reconciliation between the agencies with applications running on the UNISYS mainframe and the agencies that have an agency sub-administrator account. Ensuring that only properly authorized, active agency sub-administrator accounts exist on the UNISYS mainframe will enhance the level of security available to all agencies who have applications or data on this platform.

Subsequent to our review the Department of Information Technologies deleted the inactive agency sub-administrator account with the permission of the agency security officer.

Management Plan for Corrective Action:

Logon ID Review of Unisys is being conducted. As ASO's report, logons are being deleted or updated.

Responsible Positions: Systems Software Division Director, Security Division Director

Estimated Completion Date: August 1, 2001 for Review to be completed.

00-23. Limit Data Center Access

Applicable to: Department of Information Technology – Service Bureau

Individual managers request physical access to the data center for their employees; however, they do not have any written guidelines to follow when requesting this access. While data center management annually reviews the listing of employees with data center access, they do not have specific policies on which to determine an employee's need for data center access. DIT is developing policies and procedures for limiting access to the data center. We recommend that managers regularly review the listing of employees with data center access and remove all access for all employees whose job functions do not require them to enter the data center.

Limiting physical access to employees who only have the need reduces the risk of theft and vandalism.

Management Plan for Corrective Action:

Security Division worked with the Data Center Manager and reviewed the list of everyone that had access and how frequently the access was used. The policy on Data Center access was implemented on July 27, 2000. We still need to finish up the Capitol Police Guidelines to implement this policy. There are issues still pending about the legality of Capitol Police retaining personal property to ensure return of temporary badges. We hope to get some decision made by 3/01/01. Another issue still needed for complete implementation of this project is to get Crystal Reports written so quarterly reports can be reviewed on a regular basis. We have reviewed access of the facility by our current authorized access list and made decisions on access, but this needs to continue on a permanent basis. The installation of the new Security Systems is nearly completed and a definite target date for when reports can be generated should be finalized in the very near future.

Responsible Positions: Security Division Director and Computer Operations Division Director

Estimated completion dates: We hope to get some decision made by March 1, 2001, about the legality of Capitol Police retaining personal property to ensure return of temporary badges. We should also have the Crystal Reports written in the near future so that quarterly reports can be reviewed on a regular basis.

00-24. Require Vendor Notification of Employee Termination

Applicable to: Department of Information Technology – Service Bureau

DIT has given several vendors physical access to the data center. Physical security depends upon the vendor telling DIT when their employees terminate. Further, DIT does not have a policy to obtain information about vendor employee terminations. DIT is developing policies and procedures to limit data center access and require vendor notification of employee terminations. Implementation of these procedures would help to limit DIT's risk of disgruntled vendor employees returning to the Data Center after termination and causing damage to the Data Center.

Management Plan for Corrective Action:

Last year, Acquisition Services Division was against putting something into vendor contracts, so nothing has been done. An alternative; not give any vendors full time access and make them sign in at Capitol Police to get an access card. This becomes inconvenient for people who work daily in the Data Center and cannot access DIT from the parking deck without some type of permanent badge.

With the new badge system, the concern over the access card being lost, stolen, or unauthorized use will disappear with the picture id and access all on one card. Although this still does not put the burden on the vendors to return cards.

DIT has investigated requiring vendors give their company id to the Capitol Police when they sign out a DIT badge. However, DIT has learned that it is illegal to ask for the vendor id. An alternative solution is still being researched with Capitol Police so that they can be authorized to take something of value from each vendor to ensure return of the temporary cards when this is implemented.

Responsible Position: Computer Operations Division Director

Estimated Completion Date: We anticipate getting a decision on the legality issues and implement the Capitol Police Guidelines by March 1, 2001.

00-25. Maintain Proper Controls for Local Area Network Security Access

Applicable to: Department of Information Technology – Service Bureau

Local area network users can have a total of ten failed logon attempts before the system locks their account. This setting is excessive and presents a security weakness that exposes the local network to brute force attacks and unauthorized account usage. We recommend that DIT review its policies and procedures for local area network logons and reduce the number of failed logon attempts to a more appropriate number, preferably between three and five. Reducing the number of failed logon attempts will minimize the risk assumed by DIT to brute force password attacks.

Management Plan for Corrective Action

MIS's LAN Administrator changed the network parameters to lock out users after 5 failed logon attempts. Once locked out the user must contact the LAN Administrator to reset the password after verifying he/she is a valid DIT employee.

Responsible Position: Management Information Systems Division Director

Estimated Completion Date: Changes were implemented on Tuesday, May 2, 2000 at 10:02 AM.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF AGRICULTURE

Special Tests and Provisions

00-26. Strengthen Controls Over Redeemed WIC Checks to Detect and Prevent Fraud

10.557

Applicable to: Virginia Department of Health

Control and Compliance Finding: Health does not review WIC checks to find those that vendors redeem for more money than the value of food provided the participant. One reason Health does not adequately monitor WIC check redemption is that its WIC policies and procedures manual and its WIC vendor manual conflict with each other. Each manual specifies different redemption limits. Inadequate controls could allow WIC fraud to go undetected and unpunished.

We identified several WIC checks for food packages where the vendor charged an excessive amount considering the food listed on the WIC check. In addition, numerous WIC checks had food packages that exceeded Health's \$75 limit for manual WIC checks. Many of these WIC checks over \$75 also had excessive amounts considering the food listed on the WIC check. Inadequate review of redeemed WIC checks allows vendors and participants to fraudulently profit from the program reducing the funds available for other participants.

Requirement: 7CFR 246.12(i)(1) The State agency shall design and implement a system to identify high risk vendors and ensure on-site monitoring, further investigation, and sanctioning of such vendors as appropriate. Criteria for identifying high risk vendors may include such considerations as level and/or severity of suspected overcharges in redeemed food instruments, errors in redeemed food instruments, or participant complaints.

Recommendation: Health should develop and implement procedures to review redeemed WIC checks for reasonableness to find fraudulent vendors and participants. In addition, Health should revise its policies and procedures as well as its vendor manual to ensure that consistent policies and procedures are in place to communicate to all parties that Health will detect, investigate, and punish all fraudulent transactions.

Management Plan for Corrective Action: *After the banking contractor was assigned to Financial Services Management Corporation (FSMC), summer 1999; the Division of Chronic Disease Prevention/Nutrition discontinued editing WIC checks at the food type/peer group level. With the previous banking contractor, First City National Bank, reasonable dollar amount edits were being done on all redeemed WIC checks.*

In 1999, it was Division's goal to implement the new WIC-Net computer system by year-end. The capabilities to perform edits at the draft type/peer group level exist in the WIC-Net System. Due to circumstances outside of the Division's direct control, the implementation of the WIC-Net System was delayed. Unfortunately, the Legacy System (current system being used) is antiquated and flawed in its abilities to consistently calculate reasonable dollar maximums and averages. The Division of Technology (DIT) provides programming support of the Legacy system. DIT has limited programming expertise to perform routine maintenance on the Legacy System, since the system was written over 20 years ago.

The workflow processes in place with FSMC have a default maximum set at \$125.00. This maximum affects all food types/peer groups. This higher maximum was set by the Division to be consistent with the design and programming edits built into the WIC-Net System.

An inconsistency between the WIC Program Policy and Procedure Manual and the WIC Program Vendor Manual exists. The Division has not informed retail stores or local health district staff of this maximum dollar edit change. Additionally, the Division has not officially informed retail stores that the maximum and average edits have been temporarily discontinued.

The written Vendor Manual, Reimbursement Policy (9.0), reflects the \$125.00 maximum dollar edit change. However, the Division has not changed the support and training instructions provided to retail stores. Retail stores are still advised not to accept WIC checks that are presented by a participant that have a dollar value of over \$75.00. The preprinted and manual WIC checks in use have printed on them the State maximum value of the check as \$75.00. In addition, the instructions provided to the local health districts pertaining to the maximum value of a WIC check has not changed.

In October 2000, the Division worked with DIT to begin producing a monthly report that identifies WIC checks that were redeemed for greater than \$75.00. Telephone and/or on-site follow-up actions are taken with retail stores and local health districts that accept/write checks redeemed for more than \$75.00.

We have reviewed the audited WIC checks and most of the checks that were over the \$75.00 maximum were for special formula prescriptions. These checks have a "XXXX" draft type. However, some redeemed checks, i.e. draft types LXJC, LXXX, clearly could not be explained as being reasonable based upon the printed food prescription and redeemed dollar amounts. To improve the Division's performance and management controls in place, the following actions will be taken:

- *Monthly review and document follow up actions taken by State WIC Program staff on redeemed checks over the \$75.00 limit;*

- *Collection of overcharges, if applicable, from retail stores affected;*
- *Flag these stores for future compliance investigations.*
- *Screen “XXX” checks returned to the Division to identify*
- *WIC checks redeemed over the \$75.00 maximum.*

We agree with the audit recommendations that the Division should follow up on redeemed WIC checks that are unreasonable in relation to the food prescription. Without having an automated solution available, it is best to focus limited resources on redeemed checks that are greater than the \$75.00 stated maximum. Once the WIC-Net system is fully implemented, the Division will be able to significantly increase the controls in place to minimize reimbursement overcharge issues.

Lastly, a factor not considered by the auditors is that the Virginia WIC Program has a highly effective system in place to monitor and detect reimbursement fraud and abuse through its compliance investigation process. This method is more likely to identify and document fraudulent activities that permit the Division to take administrative actions, including Program disqualification. This outcome has served as an on-going deterrent to retail stores, since the financial penalties and consequences for documented overcharges are significant.

Regarding audit findings stated in the management comment, we do agree that the Division could strengthen the controls in place both on an interim and long-term basis. With the full implementation of the WIC-Net system this will greatly enhance the Division’s ability to improve the controls in place and eliminate any discrepancies between the various procedure manuals used.

00-27. Conduct On-Site Visits to Ensure Compliance With WIC Federal Regulations

10.557

Applicable to: Virginia Department of Health

Control and Compliance Finding: The Financial/Administrative team did not conduct management evaluations of on-site visits for each local health district as required by Federal regulations for the WIC program. Also, there is no two-year monitoring schedule that determines the evaluation of each district. In addition, only one employee is performing all of the tasks necessary to complete the evaluations including scheduling the on-site visits, determining and performing audit procedures, and writing the reports without supervision.

The Federal regulations state that the agency must conduct local management reviews that include on-site visits of at least 20 percent of the clinics in each local health district during a two-year cycle. Without

a monitoring schedule indicating which districts to evaluate Health could miss evaluating a district, which would result in non-compliance with the Federal regulations. Auditing standards and adequate internal controls includes supervisory reviews to ensure that staff adequately review and report all issues. Lack of compliance with the Federal regulations could result in Health losing Federal funding

Requirement: According to Title 7 of the CFR section 246.19B, the State agency shall establish an on-going management evaluation system which includes at least the monitoring of local agency operations, the review of local agency financial and participation reports, the development of corrective action plans to resolve Program deficiencies, the monitoring of the implementation of corrective action plans, and on-site visits. The results of such actions shall be documented.

The State agency shall conduct monitoring reviews of each local agency at least once every two years. Such reviews shall include on-site reviews of a minimum of 20 percent of the clinics in each local agency or one clinic, whichever is greater. The State agency may conduct such additional on-site reviews as the State agency determines to be necessary in the interest of the efficiency and effectiveness of the program.

Recommendation: Management should obtain the necessary resources and develop a plan to complete the required number of on-site visits. This plan should include a two-year monitoring schedule that indicates the on-site evaluation of each local health district to ensure the inclusion of all Districts. In addition, management should implement a review process to ensure compliance and adequacy of on site evaluations.

In response to our recommendations, management has developed a plan and schedule for on-site visits in an effort to meet compliance requirements beginning with fiscal 2001. In addition, management has formed a "Program Integrity Unit" to provide oversight and ensure adequacy of site reviews.

Management Plan for Corrective Action: *We concur that we did not meet the requirements; however, there were extenuating circumstances that prevented the Division from meeting the requirements.*

1. *One of our two auditors resigned in December 1998.*
2. *This position was reduced from a full time position to a wage position.*
3. *An effort was made to recruit an auditor for the wage position, but the recruitment effort was unsuccessful.*
4. *The Division Director left the program in April 1999. A temporary director was in place until April 2000.*

5. *The Business Manager left the program in May of 1999. A replacement was not in place until December 1999. The new Business Manager had no prior experience with the WIC Program.*
6. *In an effort to locate and identify WIC equipment in the health districts, a decision was made in 1999 that when visiting the health districts, the auditor would visit all WIC sites.*

Our corrective action plan includes the following:

1. *Develop a two-year cycle to meet the federal requirement.*
2. *Recruit a second auditor. This may remain a wage position or be upgraded to a full time classified position.*
3. *A "Program Integrity Unit" will be formed. This unit will be responsible for ensuring that the auditing requirements are met.*
4. *The lead person in the "Program Integrity Unit" will review the audit working papers to ensure that the on-site audits are accurate and adequate to meet federal requirements.*

00-28. Strengthen Controls over Un-issued WIC Checks

10.557

Applicable to: Virginia Department of Health

Control and Compliance Finding: There is a lack of separation of duties for unissued WIC Checks in that the same individual orders, receives, issues, assigns or authorizes and tracks the inventory of WIC manual checks. This employee orders the checks from the bank; verifies and records receipt of the checks, has general custody of the checks and also enters the checks into the IRMA system. In addition, no other employee reconciles the receiving and shipping records to the inventory on hand in the Central Office. Failure to properly separate duties and reconcile inventory records could result in the misuse and mishandling of manual WIC checks.

Requirements: Title 7 of the Code of Federal Regulations (CFR) Section 246.12 states that the State agency shall control and provide accountability for the receipt and issuance of supplemental foods and food instruments.

Recommendation: Management should re-assign some of the WIC instrument responsibilities to ensure there is a proper separation of duties. In addition, a supervisor should reconcile the receiving and

shipping records to the inventory on hand to ensure accountability of all food instruments.

Management Plan for Corrective Action: We concur with the finding. In gathering the information, we believe the auditors did not receive a complete review of the current process. That process is as follows:

- *When checks are needed, an accountant (Shelley Laffoon) calls the bank (FSMC) and places the order with her FSMC contact (Holly Eisch). Ms. Eisch contacts the printer who then contacts Mike Thayer who is the person in charge of handling the blank checks.*
- *Mr. Thayer along with Ms. Laffoon determine how many books of checks are to be ordered, how many are to be shipped, and how many are to be stored at the printers.*
- *Mr. Thayer checks in all checks coming into the WIC office. He compares them to the packing slip and places them in locked storage by type of check. He has an EXCEL spreadsheet that he lists all checks in.*
- *When districts order checks, Mr. Thayer retrieves the requested type from storage, subtracts them from his spreadsheet inventory, boxes them, and takes them to the agency mail-room. He also keys the check numbers for that specific site into the IRMA system. He obtains a tracking number for each shipment. When the checks are received, the district confirms this by emailing Mr. Thayer.*
- *When Mr. Thayer keys the information into the IRMA system, he contacts a person in OIM and asks that DIT run the MX-1 report. This report identifies the specific checks with the location that they were mailed to. The location cannot key any check that has not been designated to them. Checks can be transferred within locations in a health district, but Mr. Thayer does not have access to this system.*
- *The physical inventory is not currently checked against the inventory Mr. Thayer shows on his spreadsheet. To provide a control, a member of the business unit will make a physical check beginning in November 2000 and the results will be compared to the inventory shown in the spreadsheets. This inventory review will take place on a monthly basis. If the two inventories do not match, every effort will be made to find the error.*

- *Also to improve controls, starting in November 2000 the districts will be required to e-mail the accountant and detail the number of each type of book they received. The accountant will check this count against Mr. Thayer's outgoing list and follow-up on any inconsistencies.*
- *Finally, a staff member will independently count each incoming order from the printer and the two counts will be reconciled.*

We do want to point out that due to reorganization, beginning in January the business unit will move and Mr. Thayer will be part of the food delivery vendor services work team. The processes listed above will remain the same.

DATA PROCESSING CONTROLS

Information Security Programs

00-29. Strengthen WIC Information Security

Applicable to: Virginia Department of Health

This finding is included in the "Financial Statement Findings" section of this report as finding number 00-11.

U.S. DEPARTMENT OF DEFENSE

Other Internal Control Matters

00-30. Strengthen Controls over CARS and ACF2 Access

Applicable to: Department of Military Affairs

Control Finding: The Department did not maintain adequate controls and procedures for the addition, alteration, and deletion of employee access to the Commonwealth Accounting and Reporting System (CARS) and ACF2. We found that the Department had not updated seven of ten CARS User Identifications to correspond with the current employee assigned to utilize the access identification. The Department did not submit a Security Table Maintenance Form to the Department of Accounts to request that the employee name be changed to correspond with the current user. The Department also did not suspend the CARS and ACF2 access for one employee after termination.

Recommendation: The Department should improve procedures and controls over the addition, maintenance, and deletion of employees' CARS and ACF2 access to ensure the integrity of accounting transactions recorded in CARS.

Management's Plan for Corrective Action: *Upon notice of this comment on January 11, 2001, the Department of Military Affairs took immediate action to submit Form DA-04-197 (7-86), Commonwealth Accounting and Reporting System/CARS Security Table Maintenance Form, to the Department of Accounts, which adjusted the name to the current user, identified at the Department of Military Affairs (DMA). DMA has several layers of access protection before the user can gain access to the DIT Complete screen. The user must know the power on access password, screen saver password, local system access password and the DIT Firewall access password before beginning to access CARS application. We do acknowledge that this audit comment is based on compliance with CAPP instructions, but we feel other controls were in place that provided assurance that unauthorized users would be detected and would not be successful at accessing the CARS application.*

As has always been the practice by DMA, when it is suspected that an employee is having difficulties or would be a system risk, the CARS Security Officer immediately changes the password associated with that individual's user id. Also, upon termination of an employee the user id assigned to the employee has been suspended. These practices will continue. In addition, before user ids are assigned, Form DA-04-197 will be submitted to the Department of Accounts for approval. Until that approval is received in writing the employee will sit idle, not accessing any CARS applications, but being paid to await approval by DOA. While we do not feel this is the best use of taxpayer funds, we intend to fully comply with the DOA CAPP. This agency practice is effective immediately (February 26, 2001). The Deputy Administrator, Jim

Gargas is responsible for implementing and ensuring that the corrective action achieves compliance with the CAPP directive.

U.S. DEPARTMENT OF LABOR

DATA PROCESSING CONTROLS

Access Controls

00-31. Eliminate Inappropriate Access to Automated Systems' Production Data Files

Applicable to: Virginia Employment Commission

This finding is included in the "Financial Statement Findings" section of this report as finding number 00-4.

Information Security Programs

00-32. Update Business Impact Analysis and Risk Assessment

Applicable to: Virginia Employment Commission

This finding is included in the "Financial Statement Findings" section of this report as finding number 00-15.

U.S. DEPARTMENT OF EDUCATION

Allowable Costs/Cost Principles

00-33. Properly Charge Payroll to Federal Programs

All Programs Applicable to: Department of Social Services

Control and Compliance Finding: As reported in our last three reports, Division of Information Systems (DIS) employees did not record the hours worked in the DIS time tracking system accurately. We found three of ten employees tested did not accurately record time worked in the system. The Department's procedures require DIS supervisors to review employee hours worked and determine that the employee accurately entered the information into the system; however, we found supervisors were not performing this review. The Finance division uses the information in the time tracking system to allocate payroll costs to federal programs for reimbursement.

Requirement: 45 CFR Part 74.22, “Allowable Costs,” requires states to determine allowable costs in accordance with OMB Circular A-87, “Cost Principles for State and Local Governments.” These principles require appropriate time and distribution records to support salaries and wages of employees chargeable to more than one grant program or other cost objective.

Recommendation: The Department needs to ensure DIS supervisors adhere to the procedures that require them to review time recorded in the time tracking system. If supervisors are not following the procedures, the Department should hold them accountable. Incomplete or inaccurate information in this system could result in the incorrect allocations of costs to federal programs.

Management Plan for Corrective Action: A study group, composed of users and sponsors, will be appointed in March 2001 to evaluate the applications which are the subject of the auditor's comments. This group will evaluate input and output parameters and the processes feeding both systems and will also identify cost effective remedial actions. Recommendations will be submitted to the Chief Deputy Commissioner by June 15, 2001.

Responsible Position: Lawrence K. Gumprich
Chief Deputy Commissioner

Special Tests and Provision

00-34. Comply with Federal Regulations for Exit Counseling

Financial
Aid Cluster

Applicable to: Germanna Community College

Control and Compliance Finding: The Financial Aid Office does not hold exit counseling for Federal Student Loan borrowers as required by federal regulations. Due to turnover in key personnel, the Financial Aid staff was unaware of the federal requirement.

Requirement: 34 CFR Part 685.304, "Counseling Borrowers," requires that an institution conduct 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 Financial Aid Office should perform adequate exit counseling procedures 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 College will conduct exit-counseling procedures in compliance with federal regulations. The College believes that exit counseling did take place for prior fiscal years and for part of the audited fiscal year; however, it could not produce evidence of counseling. College will incorporate a policy to retain such evidence in the future.

Responsible Position: Director of Student Services

Estimated Completion Date: January 1, 2001

00-35. Redeposit Student Financial Aid Refunds Promptly

Financial
Aid Cluster

Applicable to: Germanna Community College

Control and Compliance Finding: The College has not calculated nor submitted refunds since the Financial Aid Director terminated employment in November 1999. Based on prior year amounts, we estimate these refunds amount to approximately \$5,800.

Requirement: 34CFR Part 668.22, "Refund Policy for Financial Aid Recipients," requires institutions to return refunds allocated to Title IV programs to those programs within 30 days of the official withdrawal date.

Recommendation: Financial Aid should implement procedures to properly return refunds allocated to Title IV programs within the time

periods specified in federal guidelines and properly classify and compute those refunds.

Management Plan for Corrective Action: College began immediate actions to correct this situation upon realization of the problem. Furthermore, actions were also taken to address refunds in the new fiscal year.

Responsible Position: Business Manager

Estimated Completion Date: January 31, 2001

Other Internal Control Matters

00-36. Manage Contracts and Update Procurement Policies and Procedures

All Programs Applicable to: Virginia Department of Health

Control Finding: There is no required process to track contracts with pertinent information such as contract number, contract officer, contract administrator or the start and end dates of the contract. We found several contract extensions not executed until several months after the contract expiration dates and no contract designated a contract administrator. Management is unsure of how many or what contracts currently exist. In addition, internal policies and procedures are outdated. Health spent \$78 million during fiscal year 2000 for contractual services representing 20 percent of total expenditures.

Contract files should name a designated Contract Administrator and assign their responsibilities to ensure compliance with contract requirements. This will help ensure Health receives the contracted services or goods.

It is imperative that management knows who is in charge of each contract. Only Contract Officers with the appropriate procurement authority, and the approval of management, should authorize changes to an existing contract. Allowing individuals unfamiliar with procurement guidelines to authorize changes to a contract leads to violations of state procurement policies and is inefficient. Health needs to ensure sufficient time to proceed through the proper procurement process before the expiration of the contract to minimize procurement guideline violations.

Recommendation: Management should assign responsibility for the development and maintenance of a process to track contracts and communicate required contract elements while maintaining central oversight. Health should also continue to provide additional training conveying the process and its importance and require each work unit maintain a list of all their contracts. Management should also update policies and procedures to include current procurement guidelines and purchasing authority for health personnel.

Management Plan for Corrective Action: The Department operates in a decentralized management environment. Each work unit has a management staff that supervises the work of the unit. The Department has encouraged each work unit to maintain some sort of list, or log, of their contracts. What is needed is more training for the respective work unit staff.

Because of the need for more training, the Office of Purchasing and Supply created a new review position. In January 2000, we hired a procurement review analyst to review and recommend actions in managing decentralized contracts, competition, law requirements, administration and management as well as provide on site contract training and consulting at central office and districts. Training that has already occurred includes:

- **General Procurement Introduction** training conducted June 6, 2000, ADMINET meeting
- **Contract Administration and Management** training at ADMINET meeting October 17, 2000 targeting business managers and staff
- **Competitive Negotiations** for Environmental Health Managers;
- **Contract Administration and Management** (three one-on-one staff review training

We agree that selected internal policies and procedures may be outdated, but we are not aware of any major inconsistency with the APSPM that has not been addressed in separate memoranda. Authority delegation is up to date. Policies and procedures will be updated upon analyzing business processes to incorporate recent electronic efficiencies (e VA), law changes requiring e-posting and statewide procurement policy changes. Health is participating as an early adoptee in the new e VA (web-enabled procurement) program which is evolving for statewide use and will impact business processes. Additionally, Health is enhancing the development of the Office of Purchasing & General Services' webpage for communication and availability of policies and procedures, postings, and training. This work is in process, but cannot be completed until policies and procedures are approved.

00-37. Improve Internal Controls Over Payroll

All Programs

Applicable to: Department of Social Services

Control Finding: The Department needs to improve internal controls to ensure payroll and fringe benefit transactions are processed timely and

accurately. We found several internal control weaknesses that resulted in payroll overpayments, sickness and disability benefits overpayments, incorrect health insurance premium payments, and incorrect deferred compensation contributions. Many of these internal control weaknesses arose from poor communication between divisions or personnel not following procedures. Below is a discussion of each of these issues.

- There were many instances in which Department supervisors did not follow procedures to promptly report employee job status changes to the Human Resources and Payroll divisions. As a result, there were employees who had terminated employment, were on leave without pay, or were on disability leave, and continued to receive their regular pay. This caused the Department to make overpayments of over \$18,000. The Department did not detect these overpayments for months and is currently trying to recover these overpayments.
- The Payroll and Human Resource divisions did not communicate with each other to ensure employees' health insurance benefits recorded in the Benefits Eligibility System (BES) agreed with their payroll deductions recorded in the Commonwealth Integrated Payroll and Personnel System (CIPPS). For 15 of 20 employees tested, employees received health insurance benefits that were inconsistent with their payroll deductions.
- The Payroll division incorrectly calculated sickness and disability benefits for five of five employees tested. The miscalculations resulted in overpayments of \$4,203.
- The Department did not properly match the employee contributions to the deferred compensation plan for 4 of 14 employees tested. In these cases, the Department's match was more than required under the cash match provisions. This occurred because the Payroll division did not thoroughly review the cash match information from the Department of Accounts.
- There is not an adequate segregation of duties over the distribution of payroll checks. The Payroll division processes payroll, receives all paychecks for distribution, and is also responsible for any unclaimed checks.

Recommendation: Overall, the Department needs to improve its procedures to ensure that divisions promptly communicate all changes in employee status to Human Resources and Payroll. We also make the following specific recommendations:

- The Department should hold supervisors accountable for not following procedures, such as completing employee termination packages.
- The Human Resources division should ensure BES information is accurate and promptly report benefit changes to the Payroll division. Since health insurance companies use the information in BES to process claims, it is imperative that the information is consistent with CIPPS. If these systems are not in agreement, employees could receive improper benefits.
- The Payroll division should determine that all payroll transactions and adjustments have proper and adequate supporting documentation.
- The Human Resources division should keep a list of terminated employees and communicate the necessary information to the other divisions.
- The Department should improve the segregation of duties over the distribution of payroll checks.

Management Plan for Corrective Action:

- *In addition to continuation of the existing training (see the response below), the Department will reinforce supervisor accountability for compliance with policies and procedures. Beginning April 30, 2001, accountability will be evidenced by a written acknowledgment that training in supervisory duties has been received and that supervisor duties include accountability for compliance with personnel and payroll policies.*

*Responsible Position: Lawrence K. Gumprich
Chief Deputy Commissioner*

- *Training, including an overview of benefits, is provided to groups of supervisors and managers on a quarterly basis. In this training, supervisors receive instructions on the procedures to be followed when employees separate from the agency or go on leave without pay. Supervisors also receive information on how to monitor the status of employees approved for disability.*
- *An Employee Transactions System which tracks human resource data, including terminations, was developed by the Division of Human Resource Management (DHRM) in July 2000 while the audit was in process. Using information from this system, DHRM notifies applicable*

supervisors of pending terminations and the related procedures and advises the Payroll Unit, in writing on a daily basis, of relevant employee transactions. Also in November 2000, DHRM revised and distributed the Employee Termination Checklist.

*Responsible Position: Sally U. Blanchard, Director
Division of Human Resource Management*

- *Of the more than \$18,000 in overpayments, \$2,857.89 has been repaid; \$7646.33 is being recouped through payroll deduction; and the remaining \$8151.61 was referred to the Attorney General's Office (AGO) for collection on August 14, 2000. A follow-up request was sent to the AGO on November 15, 2000.*

*Responsible Position: David A. Mitchell, Controller
Division of Finance*

- *On December 4, 2000, representatives of the Divisions of Human Resource Management and Finance agreed to meet on a monthly basis to identify and correct inconsistencies between the two divisions. It was also agreed that the Health Care Cost Reports would be reconciled monthly to BES, with discrepancies being identified and corrected within 20 days of report receipt.*

*Responsible Position: Sally U. Blanchard, Director
Division of Human Resource Management*

- *The 15 errors in health benefits were corrected in September 2000 while the audit was in process. Also in September, the Payroll Unit began reconciling BES to CIPPS every pay period. Reconciling items are corrected by the next pay period by either the Payroll Unit (keying errors) or the Division of Human Resource Management (coverage changes). In addition, the Personnel Management Information System (PMIS) is reconciled to the CIPPS report on a quarterly basis. As noted in the above response, members of the Payroll Unit are meeting monthly with members of Human Resource Management to resolve outstanding issues.*

*Responsible Position: David A. Mitchell, Controller
Division of Finance*

- *Three of the five errors, totaling \$1403, were corrected in October 2000 while the audit was in process. The other two errors, totaling \$2863, will be corrected through payroll deduction and tax intercept. As stated in the*

preceding response, the biweekly reconciliation of the Benefits Eligibility System (BES) to the Commonwealth Integrated Payroll and Personnel System (CIPPS) should identify future errors.

*Responsible Position: David A. Mitchell, Controller
Division of Finance*

- *The four deferred compensation errors were corrected in October 2000 at the time they were brought to the Department's attention. In October, the Department also began reconciling the Deferred Compensation download to the Commonwealth Integrated Payroll and Personnel System (CIPPS) file on a biweekly basis.*

*Responsible Position: David A. Mitchell, Controller
Division of Finance*

- *As of October 2000, leave verification and check disbursement are performed by an individual who does not have payroll update capability. In addition, returned payroll checks are logged and resolved by an individual outside the Payroll Unit.*

*Responsible Position: David A. Mitchell, Controller
Division of Finance*

DATA PROCESSING CONTROLS

Access Controls

00-38. Improve Internal Controls Over Oracle Databases

Applicable to: Department of Social Services

This finding is included in the "Financial Statement Findings" section of this report as finding number 00-2.

Program Change Controls

00-39. Strengthen Controls over Systems Modification Requests

Applicable to: Department of Accounts

This finding is included in the “Financial Statement Findings” section of this report as finding number 00-5.

00-40. Improve Documentation for System Modifications

Applicable to: Department of Social Services

This finding is included in the “Financial Statement Findings” section of this report as finding number 00-6.

Information Security Programs

00-41. Comply with the Commonwealth of Virginia (COV) Information Technology Resource Management (ITRM) Standard 2000-01.1

Applicable to: Department of Accounts

This finding is included in the “Financial Statement Findings” section of this report as finding number 00-8.

00-42. Complete Information Security Program

Applicable to: Virginia Department of Health

This finding is included in the “Financial Statement Findings” section of this report as finding number 00-10.

00-43. Comply with COV ITRM Standard 2000-01.1

Applicable to: Department of Mental Health, Mental Retardation and Substance Abuse Services

This finding is included in the “Financial Statement Findings” section of this report as finding number 00-12.

00-44. Enhance Information Security Program

Applicable to: Virginia Commonwealth University

This finding is included in the “Financial Statement Findings” section of this report as finding number 00-14.

00-45. Strengthen Security Over the VTAIX Server

Applicable to: Virginia Polytechnic Institute & State University

This finding is included in the “Financial Statement Findings” section of this report as finding number 00-16.

INFORMATION SYSTEMS PROJECT MANAGEMENT

00-46. Complete an IT Strategic Plan and a Comprehensive Annual Work Plan for the Office of Information Management

Applicable to: Virginia Department of Health

This finding is included in the “Financial Statement Findings” section of this report as finding number 00-18.

00-47. Develop a Project Plan Using A Realistic and Reliable Funding Scheme

Applicable to: Virginia Department of Health

This finding is included in the “Financial Statement Findings” section of this report as finding number 00-19.

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Eligibility

00-48. Improve Oversight of the Medicaid Eligibility Quality Control Pilot

Medicaid Cluster Applicable to: Department of Medical Assistance Services

Control and Compliance Finding: The Healthcare Financing Administration (HCFA) requires each state to operate an HCFA-approved Medicaid Eligibility Quality Control (MEQC) system. The MEQC system re-determines beneficiary eligibility for Medicaid and projects the number and dollar impact of payments to ineligible beneficiaries. Historically, the Commonwealth has reported a three percent error rate, which met federal standards. As a result of this low error rate, the Commonwealth is participating in a MEQC Pilot Project. This pilot differs from the traditional system in that it provides States an opportunity to customize their eligibility quality control process to address specific problems affecting their state. Currently, HCFA has permitted 24 states including Virginia in this Medicaid pilot project. By establishing a pilot, these states can experiment with alternative testing methods without risk of federal sanctions.

Two individuals administer Virginia's MEQC pilot project in conjunction with several Quality Control staff at the Department of Social Services. Together they agreed to implement the pilot in two phases; phase one targets the localities with the most problems, while phase two targets long-term care recipients. The two agencies also agreed that the Department has responsibility for selecting a monthly sample for testing by Social Services regional quality control reviewers. At the completion of the six-month pilots, the Department and Social Services will issue a statewide summary report and corrective action plan to HCFA.

Phase one of the pilot focused on seven of the Commonwealth's most problematic Social Services localities. The Department and the Social Services used historical data from the traditional MEQC process to identify the seven localities with the highest error rates. Initially, Phase One covered a six-month period April 1999 through September 1999, however, the Department extended Phase One for an additional six months October 1999 through March 2000. The objective of phase one is to identify case errors. In other words, instances where eligibility was incorrectly determined, program designations were incorrect, or other instances where the recipient's data was incorrect.

Of the 840 cases selected for review during the first six months of the pilot, Social Services identified 114 error cases. As noted above, this six-month period ended September 1999. At October 2000, we found that the Department and Social Services had not issued a statewide summary or corrective action plan to HCFA. In addition, we found two

error cases with totally ineligible recipients still active on Medicaid Management Information System (MMIS).

Requirement: According to the Title XIX State Plan (Chapter 10, Section 430) and the Code of Federal Regulations (42CFR Section 431.816 and 431.820), “The agency must submit summary reports of the findings for all active cases in the 6-month sample by July 31 of each year for the previous April-September sampling period ...” In addition, “by September 15 of each year, submit to HCFA a report on its error rate analysis and a corrective action plan based on that analysis.”

Also, according to the Memorandum of Understanding (MOU), all error cases requiring change or correction to the Medicaid Management Information System database will be checked to see if the change is made by the local (Social Services) agency.

Recommendation: The Department should work with Social Services to identify a reasonable time period for making corrections in MMIS and for compiling the six-month summary report. In addition, the Department should ensure that Social Services corrects MMIS for any errors found in the MEQC pilot.

Management Plan for Corrective Action: We will revise the MOU to establish a time frame for DSS central office to complete the Statewide Summary Report. We will employ a procedure for DMAS to identify to DSS cases in which the case has not been corrected by the local office. DSS central office will then follow up through their regional staff to ensure that changes are made when appropriate. They will note when the case situation has changed and the change is no longer appropriate.

Responsible Position: Jim Cohen, Division Director

Estimated Completion Date: Fiscal 2001

Subrecipient Monitoring

00-49. Perform Immunization Site Visit Monitoring in Compliance With Federal Regulations

93.268

Applicable to: Virginia Department of Health

Control and Compliance Finding: Health did not complete the required percentage of site visits for subrecipient monitoring and is not complying with the Federal Immunization Grant award that requires Health to conduct annual site visits for 25 percent of all provider sites as agreed upon between Health and the Federal Agency. Health completed only 14 percent of the private provider site visits for fiscal 2000. In addition, Health did not conduct any site visits for public providers (local health departments). Also, there is no annual plan that identifies providers selected for site visits.

An insufficient number of site visits and monitoring plan could result in noncompliance of federal guidelines and may result in immunizations administered to ineligible participants. Site visits determine if providers understand program regulations, give immunizations only to eligible participants and properly store and maintain the vaccines to minimize costs.

Currently, Health conducts a limited number of site visits of private providers each quarter considering risks such as known problems or excessive inventory ordering. This approach does not consider all private providers for inclusion for site visits due to insufficient resources. Health has requested an additional three employees to assist with the performance, and completion of required site visits in accordance with federal compliance guidelines.

Requirement: 42 CFR 51b.204 states that the state agency must include “the manner in which the applicant intends to evaluate the project” in the state application. Health agreed to conduct annual site visits for 25 percent of all provider sites as their method of evaluation.

Recommendation: Management should develop a plan that considers the inclusion of all providers to ensure compliance with program and federal requirements. Management should continue to obtain the necessary resources to complete the planned required site visits.

In response to our recommendation, we understand that management has developed an annual plan that includes site visits for both private and public health providers to ensure compliance with regulations.

Management Plan for Corrective Action: While the Division of Immunization did not meet the program objective of conducting site visits in 25 percent of providers enrolled in the VVFC program it must be noted that the 25 percent was a program short term objective and not a requirement of the federal granting agency. Although site visits were not conducted in the public sector, program accountability is monitored through quarterly doses administered and program eligibility reports obtained electronically through the VISION Data Warehouse.

The Division of Immunization clearly recognizes the importance of on-site provider visits in both the public and private sector and has requested and was awarded additional federal funds to support three additional site visit staff. This funding will be available beginning January 1, 2001. The Division is developing a site visit plan based on the availability of five site visit staff. The three new staff will be located in three areas of the state with responsibility for site visits in both the public and private sectors. The two existing staff will be located in the Central Office with responsibility for site visits and follow-up corrective action plan visits in central Virginia. The complexity of the site visit protocol will increase, and therefore, individual site visits will require more time. However, the plan will ensure a minimum of 120 site visits per year.

The site visit plan will be completed by January 15, 2001, and additional staff on board by mid February. Person responsible for implementation of the plan is Shannon Leary, VVFC Program Coordinator.

00-50. Ensure Complete Immunization Documentation on Patient Records

93.268

Applicable to: Virginia Department of Health

Control and Compliance Finding: Health did not adequately document patient information for the Federal Vaccines for Children (VFC) Immunization Grant as required by federal guidelines. Three of ten patients tested in the Richmond and Fairfax Districts did not document the criteria for eligibility on the consent form or in the Health Management Information System (HMIS). In addition, the name and title of the person administering the vaccine was not included on either the consent form or in HMIS for three of five sampled patients in the Fairfax District.

Vaccine accountability includes ensuring that VFC vaccines go only to VFC-eligible children. Therefore, patient information documented in the patient's record should include both patient eligibility and the name and title of person(s) administering the vaccines. This is also important to ensure children have complete immunization records.

The Federal regulations state that the patient must meet certain eligibility criteria. In order for a provider to determine that a patient meets the federal criteria, they must ascertain and document which criteria the patient has met to receive immunization. Documentation should identify whether the patient qualified for immunization by meeting at least one of the following criteria: Medicaid, uninsured, underinsured, Native American, or American Alaskan. This is important to ensure that all children who receive vaccinations are eligible.

Lack of compliance with the Federal regulations could result in incomplete immunization records or vaccine administration to ineligible patients. Further, Federal regulations require that child's immunization record include the name of the person administering the vaccine, so that Health can show the provider was a licensed professional. In addition, the provider must document the administration of the vaccine.

Requirement: 42 USC-300aa-25. *Recording and reporting of information*

(a) General rule

Each health care provider who administers a vaccine set forth in the Vaccine Injury Table to any person shall record, or ensure that there is recorded, in such person's permanent medical record (or in a permanent office log or file to which a legal representative shall have access upon request) with respect to each such vaccine -

- (1) the date of administration of the vaccine,
- (2) the vaccine manufacturer and lot number of the vaccine,

- (3) the name and address and, if appropriate, the title of the health care provider administering the vaccine, and
- (4) any other identifying information on the vaccine required pursuant to regulations promulgated by the Secretary.

Recommendation: Management should provide training and communicate the expectations and requirements of the program with the appropriate district program personnel. Management should also ensure compliance of these requirements during scheduled district site visits.

In response to our recommendation, Health began a training program for all Immunization Coordinators whose responsibility is to perform annual district quality assurance reviews.

Management Plan for Corrective Action: We concur with the findings of the Auditor of Public Accounts (APA). Corrective action has already occurred at the district level. Nurse managers and supervisors have met with their staff and put in place procedures that should prohibit additional violations. In addition, the Division of Immunization has hired a staff person who will begin the training of all 35 Immunization Action Plan Coordinators on the implementation of the revised Quality Assurance Protocol. Once trained, each coordinator will be responsible for an annual quality assurance review in each health department in their respective district. The training is scheduled to begin during the first quarter of 2001 and be completed by October 1st.

Responsible Position: VVCF Program Coordinator

Special Tests and Provisions

00-51. Investigate Medicaid Eligibility Quality Control Error Cases

Medicaid Cluster Applicable to: Department of Medical Assistance Services

Control and Compliance Finding: Using the Social Services MEQC database, we found nine individuals identified through the MEQC process as “totally ineligible” for Medicaid benefits. The Department did not investigate five of the nine cases. The Recipient Audit Unit (RAU) and the Quality Control Unit within the Department’s Program Operations Division are not coordinating their activities.

Requirement: According to 42 CFR 431.820 (a), the Department must take action to correct any active or negative case action errors found.

Recommendation: We recommend that the Department investigate error cases referred by Social Services.

Management Plan of Corrective Action: DMAS has committed to hiring a temporary employee to enter all cases into the FAIR system and to initiate recovery actions as appropriate. That person will begin work the

week of December 4, 2000. While bringing cases up to date we will also investigate ways to streamline the process.

*Responsible Position: Jim Cohen, Diana Thorpe
Division Directors*

00-52. Develop Independent Peer Review Monitoring

93.959

Applicable to: Department of Mental Health, Mental Retardation, and
Substance Abuse Services

Control and Compliance Finding: The Department did not comply with the Independent Peer Review requirement as set forth in the Substance Abuse Prevention and Treatment Block Grant (SAPT). The grant requires the Department to perform independent peer reviews on at least five percent of the Community Service Boards (CSB's) that provide treatment services and that the five percent is a representative sample of the state's Community Service Boards. Only one (1) of the twenty-eight (28) operating CSB's received an independent peer review for fiscal year 2000. This is only 3.6 percent, not the required 5 percent.

The Hampton/Newport News CSB is the only CSB that management was aware of that received an independent peer review. The Commission on Accreditation of Rehabilitation Facilities (CARF) conducted this review. The CARF review meets the requirement for the independent peer review, and the CSB contracts directly with CARF for this review. The SAPT grant office does not require CSB's to have a CARF review because of the cost incurred with this review. Furthermore, the SAPT office does not maintain any records on CARF reviews or track which CSB's are receiving CARF reviews. Management was unaware if at least 5 percent of the operating CSB's received the CARF review for fiscal year 2000.

Requirement: According to Title 45 of the CFR section 96.136, the State shall for the fiscal year for which the grant is provided, provide for independent peer review to assess the quality, appropriateness, and efficacy of treatment services provided in the State to individuals under the program involved, and ensure that at least 5 percent of the entities providing services in the State under such program are reviewed. The programs reviewed shall be representative of the total population of such entities.

Recommendation: Management needs to develop guidelines to ensure that at least 5 percent of the operating CSB's have independent peer reviews conducted in accordance with the grant. Independent peer reviews are important to ensure that the CSB's are providing appropriate and adequate treatment in accordance with the guidelines of the grant.

Management Plan for Corrective Action:

1. *Federal law does not require the Department to “perform” independent peer reviews, as stated in the memo. The language in the statute requires that we “provide for” such reviews. As correctly stated in the memo, participation in reviews conducted by the Commission on Accreditation of Rehabilitation Facilities (CARF) meets this requirement.*
2. *In addition to Hampton-Newport News CSB, Virginia CSB was accredited during FFY 2000*
3. *Staff in my office have begun to track participation in CARF reviews through direct contact with the Commission.*

Responsible Position: Jim Martinez

Estimated Completion Date: June 30, 2001

00-53. Improve Use of Income Eligibility Verification System

93.558

Applicable to: Department of Social Services

Control and Compliance Finding: The Department does not consistently use the information obtained from the Income Eligibility Verification System (IEVS) to verify income for TANF recipients. The State must coordinate data exchanges with other federally-assisted benefit programs, and use income and benefit information when making eligibility determinations for TANF recipients. We reviewed one monthly report, which identified over 2,000 matches with Internal Revenue Service information. After 45 days, the Department still had not taken any action on over half of these items.

Requirement: Section 1137 of the Social Security Act requires the State to participate in the IEVS. The Department is required to coordinate data exchanges with other federally assisted benefit programs, and use income and benefit information when making eligibility determinations for TANF recipients.

Recommendation: The Department should ensure localities are using the information provided by IEVS. Local agencies should follow up on items identified within the required time limit. The Department submitted a corrective action plan to the federal government in August 2000 to address this issue. The federal government determined the plan was satisfactory although implementation will not be completed until 2001.

Management Plan for Corrective Action: A corrective action plan was filed with the Administration for Children and Families (ACF) on August 11, 2000. ACF approved the plan on October 24, 2000. The Department is in the process of developing a performance report which will identify, on a quarterly basis, IVES hits by locality. It will also identify cases where no action was taken. The Department continues to monitor local agency compliance with IVES requirements.

*Responsible Position: Jean K. Sheil, Deputy Commissioner
Program Operations*

Other Internal Control Matters

00-54. Prevent Convicted Recipients from Receiving Medicaid Benefits

Medicaid Cluster Applicable to: Department of Medical Assistance Services

Control Finding: We found that the Department's recipient fraud code allows convicted recipients to re-apply for Medicaid within the 12-month sanction period. The Department's RAU has been aware of the problem since 1997. As a result, the unit drafted two information system requests (ISR) to correct the edit. The Department deferred the implementation of the ISRs until the implementation of the new MMIS scheduled for June 30, 2001.

In addition, we identified cases in the RAU's Fraud and Abuse Investigation and Reporting (FAIR) tracking system coded as convictions and compared them to the data found in MMIS. We found that 10 cases tested with convictions did not have the same coding in MMIS.

Recommendation: We recommend that the Department implement the ISR to comply with the State Plan, which sites that, "Eligibility will be denied any individual for a period of twelve (12) months following the date of their conviction for fraud against the program." In addition, the Department should continue to inform eligibility workers in the local social service offices of proper procedures for coding convicted recipients in MMIS.

Management Plan for Corrective Action: We concur that an edit should be in place that would not allow recipients convicted of Medicaid fraud to be re-enrolled for Medicaid within the 12 month sanction period. However, it is the agency's position not to implement an ISR at this time to add this edit. This edit is included in the new MMIS and since it will be operational within the next seven months, the agency is not implementing an ISR to add the edit at this time. Additionally, the RAU supervisor is working with the local social services offices by training them on the proper procedures for coding convicted recipients.

Responsible person: Charles Lawver

00-55. Improve Tracking of Provider Review Investigations

Medicaid Cluster Applicable to: Department of Medical Assistance Services

Control Finding: The Provider Review Unit (PRU) recently converted from a Wang Pace system to an ORACLE database to increase its ability to track referrals and appeals. This new tracking system allows the PRU to track the number and status of cases investigated by the unit.

However, we found that the PRU's Oracle database does not include any investigations before July 2000. PRU began using the Oracle database to track the status of its investigations in July 2000, but did not transfer the on-going investigations from the old database to the new database. In addition, the database does not indicate whether the case is in "reconsideration" or an "appeal" status. Failure to track PRU cases makes it difficult to determine the status of an investigation, and the productivity of the unit.

Recommendation: The Department should continue to update the Oracle database to include cases before July 2000 and to include the fields necessary to adequately manage the unit.

Management Plan of Corrective Action: As of November 20, 2000, all Provider Review cases prior to July 2000, have been added to the PRU Oracle database. This includes both open and closed cases. All pending cases can be tracked through monthly, quarterly and annual reports. Additionally, a reconsideration field has been added to the PRU Oracle database so that this action can be captured. Action is currently being taken to update all pending cases to reflect whether the case is in a “reconsideration” or “appeal” status.

Responsible Position: Diana Thorpe, Division Director

00-56. Improve Controls Over the Medicaid Eligibility Determination Process

Medicaid Cluster	<u>Applicable to:</u>	Department of Social Services Department of Medical Assistance Services
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Control Finding: The Departments of Social Services and Medical Assistance Services (DMAS), should work to improve controls over the Medicaid eligibility determination process. Local social service agencies make eligibility determinations for the Medicaid program administered by DMAS. Both Departments have sections that review eligibility determinations. Based on our audits at both Departments, we found the following:

The Department of Social Services has a Quality Control Unit, which performs periodic reviews of eligibility determinations. We found the unit does not review Medicaid quality control cases timely. The unit

reviewed some cases up to three months after the original deadline. Also, Regional Program Consultants are not correcting errors identified during the Medicaid quality control reviews timely. We found 38 of 114 errors had not been corrected in DMAS's system as late as eight months after the quality control review was complete. Two of the 38 cases were determined to be potentially ineligible for the benefits. The local social service agencies are currently reviewing these cases.

Department of Medical Assistance Services has a Recipient Audit Unit that reviews the eligibility determination of Medicaid recipients when there are questions. Almost 95 percent of the cases investigated by the unit are the result of administrative errors made by local social service workers.

Recommendation: We recommend the Departments work together to improve internal controls over the Medicaid eligibility process. Specifically, the Departments should work together to review the training materials of local social service workers to determine if training materials should be updated to address the types of errors found during these reviews. The Departments may want to consider additional training for any local offices having consistently high error rates. Finally, the Department of Social Services should ensure that quality control reviews are performed timely and that any errors are also reviewed and corrected timely.

Management Plan for Corrective Action:

Department of Social Services: To improve the timeliness of Medicaid reviews, quality control supervisors will be notified monthly of overdue reviews and be required to respond within five days. Timeliness of reviews will be a component of the supervisors' annual performance evaluations. If reviewer staff decreases by ten percent or more, the workload will be reassessed and, if warranted, workload adjustments may be requested from the Health Care Financing Administration. The Department will also explore the development of a pre-implementation model to estimate the time needed to complete the steps of a Medicaid Pilot.

Specialists who oversee local compliance were reminded, in an August 14, 2000 e-mail, of quality control responsibilities. The specialists' responsibilities were also discussed with the regional directors in a teleconference on November 8, 2000. During February 2001, the regional directors will be asked to report local compliance statistics to the Medicaid Program Manager monthly.

DSS, in coordination with DMAS, regularly evaluates quality control errors for trends which can be resolved through policy clarifications and plans to continue this process. Additional training for localities with consistently high error rates is dependent on the availability of resources for that purpose.

*Responsible Position: Jean K. Sheil, Deputy Commissioner
Program Operations*

Department of Medical Assistance Services: The Department reviews training materials now within the limitations of time and staff. However, the Interagency Agreement between DMAS and DSS delegates responsibility for eligibility decision-making and training of regional and local staff to DSS. DMAS has not created training materials for regional and local staff, and DMAS is not staffed to assist in this effort. Additionally, the focus of the initial QC Pilot was concentration on the errors in historically high-error agencies, so that they would receive closer scrutiny of their eligibility decisions. That is the venue for DMAS involvement in error prevention with DSS.

We also question the implication of the finding that DMAS is not involved in training is the cause of the administrative errors discovered. Other factors including staff turnover, generic program responsibilities, inadequate number of staff, and insufficient resources may be as significant as training in error prevention.

DMAS does not have the responsibility under the interagency agreement to direct DSS to provide training, nor does DMAS have the right to direct the focus of training through review of training materials or other documentation. Therefore, without the concurrence of DSS, DMAS is unable to address this identified weakness.

*Responsible Position: Jim Cohen
Division Director*

00-57. Improve Controls Over the Cost Allocation Process

All Programs

Applicable to: Department of Social Services

Control Finding: Annually, the cost allocation process allocates and reimburses over \$400 million in local social service agency costs. The cost allocation process is a critical process in the Department's financial reporting and federal grant accounting. We reviewed the Finance division's fourth quarter cost allocation and found the need for some procedural changes to strengthen the process.

- We encountered some difficulty getting complete and accurate information from the division to support the adjustments and reworks for the fourth quarterly allocation. The Division should ensure they provide better access to documentation to support the results of the allocation.
- During the year, a key person responsible for the cost allocation process left the division and the remaining staff were not fully aware of this individual's duties and

responsibilities in the process. As a result, staff experienced difficulties in performing the allocation since there was not complete documentation of this person's duties and the staff had not undergone cross training. Management should have the staff involved in the cost allocation process document their duties and responsibilities.

- The Department developed the current cost allocation plan and process in July 1995. Since 1995, the Department has incorporated some minor changes to the plan such as the random moment sampling statistics, however the underlying methods and assumptions remain unchanged. Since the original development, the Department has undergone some structural, as well as operational changes. The changes could affect the amount of costs allocated and reimbursed by the Department. Management should have the Division review and revise the cost allocation process based on the structural and operational changes within the Department. Based on these revisions, the Department should determine if these changes could increase the reimbursement of allocated costs to the Department.

Management Plan for Corrective Action:

- *During the audit, the cost allocation process was reassigned to another unit manager. In addition, the cost allocation files and data have been moved to a server network which limits, through password protection, access to authorized staff.*
- *The procedures manual for cost allocation is currently being updated and is expected to be completed by June 30, 2001. An additional staff person is in the process of being hired and will be cross-trained in cost allocation duties.*
- *By September 30, 2001, the Cost Allocation Plan will be reviewed in its entirety and adjusted where appropriate.*

*Responsible Position: David A. Mitchell, Controller
Division of Finance*

COMMONWEALTH OF VIRGINIA

Comments on Resolution of Prior Year Audit Findings
For the Year Ended June 30, 2000

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
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FINANCIAL STATEMENT FINDINGS

Department of Accounts - Statewide Issues

1997	28	97-22	Refund Federal Share of Over-Recoveries	N/A	DOA	-	Corrective action implemented.
1996	35	96-21					
1995	39	95-25					

Department of Health

1999	22	99-12	Strengthen WIC Information Security	N/A	VDH	-	See Audit Control No. 00-11.
1998	17	98-12					
1999	23	99-13	Complete Information Security Program	N/A	VDH	-	See Audit Control No. 00-10.
1999	28	99-16	Develop an Overall Project Budget	N/A	VDH	-	See Audit Control No. 00-19.
1998	28	98-23					

Department of Information Technology - Service Bureau

1999	30	99-17	Perform a Review of Trusted Relationships	N/A	DIT	-	See Audit Control No. 00-20.
1999	30	99-18	Modify Router Configurations	N/A	DIT	-	Corrective action implemented.
1998	32	98-28					
1999	31	99-19	Coordinate Responsibility for Maintaining a Secure Network Environment	N/A	DIT	-	Corrective action implemented.
1999	31	99-20	Review Services Allowed on UNIX Web Page Server	N/A	DIT	-	Corrective action implemented.
1999	32	99-21	Document Testing and Rollback Procedures for System Software Changes	N/A	DIT	-	Corrective action implemented.
1999	32	99-22	Establish Frequency Controls for Updating Business Impact Analysis	N/A	DIT	-	Corrective action implemented.
1999	33	99-23	Enforce Policy Requiring Employees to	N/A	DIT	-	Corrective action implemented.
1998	31	98-26	Visibly Display Picture ID Badges				
1999	33	99-24	Limit Data Center Access	N/A	DIT	-	See Audit Control No. 00-23.
1998	29	98-24					
1999	34	99-25	Require Vendor Notification of Employee	N/A	DIT	-	See Audit Control No. 00-24.
1998	30	98-25	Terminations				
1999	34	99-26	Organize and Maintain the Agency Policies	N/A	DIT	-	Corrective action implemented.
1998	34	98-32	and Procedures Manual				
1997	31	97-28					

COMMONWEALTH OF VIRGINIA

Comments on Resolution of Prior Year Audit Findings

For the Year Ended June 30, 2000

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
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Department of Medical Assistance Services

1999	13	99-4	Improve Medicaid Information Security	N/A	DMAS	-	Corrective action implemented.
1998	9	98-1	Administration				
1997	9	97-1					
1996	19	96-2					
1999	14	99-5	Improve Security Controls for	N/A	DMAS	-	Corrective action implemented.
1998	9	98-2	Technician Codes				

Department of Transportation

1999	10	99-2	Improve Controls over Inventory Policies and Procedures to Prevent a Qualified Financial Statement Opinion	N/A	VDOT	-	Corrective action implemented.
1999	19	99-8	Improve Controls over the Windows NT Environment	N/A	VDOT	-	Corrective action implemented.
1999	24	99-14	Improve Physical Security Controls	N/A	VDOT	-	Corrective action implemented.

Department of Social Services

1999	12	99-3	Properly Record Year End Liabilities	N/A	DSS	-	Corrective action implemented.
1999	14	99-6	Strengthen Security over Critical Production Databases	N/A	DSS	-	Corrective action implemented.

Department of Taxation

1999	21	99-10	Use the Program Change Management	N/A	TAX	-	Corrective action implemented.
1998	16	98-10	Process				

Department of Treasury

1999	9	99-1	Reconcile All Accounts Timely	N/A	DT	-	Corrective action implemented.
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Department of Alcoholic Beverage Control

1999	22	99-11	Complete Risk Assessment	N/A	ABC	-	Corrective action implemented.
1999	24	99-15	Review System Development and Acquisition Methodology	N/A	ABC	-	See Audit Control No. 00-17.

University of Virginia Medical Center

1999	15	99-7	Strengthen Security over Critical	N/A	UVAMC	-	See Audit Control No. 00-13.
1998	12	98-6	Information Systems and Network				
1997	15	97-6					

COMMONWEALTH OF VIRGINIA

Comments on Resolution of Prior Year Audit Findings

For the Year Ended June 30, 2000

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
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Virginia Polytechnic Institute and State University

1999	19	99-9	Strengthen Security Controls over Windows NT Servers	N/A	VPISU	-	Corrective action implemented.
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FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

U.S. Department of Agriculture

1999	36	99-27	Strengthen WIC Information Security	10.557	VDH	-	See Audit Control No. 00-29.
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U.S. Department of Transportation

1999	37	99-28	Improve Controls over Inventory Policies and Procedures to Prevent a Qualified Financial Statement Opinion	All Programs	VDOT	-	Corrective action implemented.
1999	37	99-29	Improve Controls over the Windows NT Environment	N/A	VDOT	-	Corrective action implemented.
1999	37	99-30	Improve Physical Security Controls	N/A	VDOT	-	Corrective action implemented.

U.S. Department of Education

1999	39	99-32	Establish Refund Policy for Unofficial Withdrawals	Financial Aid Cluster	VSU	-	Corrective action implemented.
1998	42	98-39					
1999	40	99-33	Reconcile Financial Aid Programs	Financial Aid Cluster	VSU	-	Corrective action implemented.
1998	44	98-41					
1997	42	97-37	Properly Determine Eligibility for Federal Financial Aid	Financial Aid Cluster	VPISU	20,746	Corrective action implemented.

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

1999	38	99-31	Properly Charge Payroll to Federal Programs	All Programs	DSS	-	See Audit Control No. 00-33.
1998	39	98-36					
1999	40	99-34	Complete Implementation of Information Security Plan	N/A	VSU	-	Corrective action implemented.
1998	44	98-42					
1999	41	99-35	Improve Medicaid Information Security Administration	N/A	DMAS	-	Corrective action implemented.
1998	45	98-43					
1997	49	97-44					
1996	173	96-59					
1999	42	99-36	Improve Security Controls for Technician Codes	N/A	DMAS	-	Corrective action implemented.
1998	45	98-44					

COMMONWEALTH OF VIRGINIA

Comments on Resolution of Prior Year Audit Findings

For the Year Ended June 30, 2000

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
1999	42	99-37	Strengthen Security over Critical Production Databases	N/A	DSS	-	Corrective action implemented.
1999	42	99-38	Strengthen Security Controls over Windows NT Servers	N/A	VPISU	-	Corrective action implemented.
1999	42	99-39	Complete Information Security Program	N/A	VDH	-	See Audit Control No. 00-42.
1998	48	98-57					
1999	42	99-40	Develop an Overall Project Budget	N/A	VDH	-	See Audit Control No. 00-47.
1998	48	98-57					
1997	48	97-43	Refund Federal Share of Over-Recoveries	N/A	DOA	-	Corrective action implemented.
1996	169	96-54	in the Internal Service Funds				
1995	198	95-81					

U.S. Department of Health and Human Services

1999	43	99-41	Inadequate Record Retention and Reconciliation of Internal Systems	93.959	MHMRSAS	-	Corrective action implemented.
1999	44	99-42	Complete Timely Investigations of	Medicaid	DMAS	4.3-5.4 million	Corrective action implemented;
	47	99-45	Recipient Fraud	Cluster			questioned costs remain unresolved.
1999	45	99-43	Investigate Medicaid Eligibility Quality Control Error Cases	Medicaid Cluster	DMAS	43,000	See Audit Control No. 00-51.
1999	46	99-44	Correct Patient Intensity Rating System (PIRS) Scores in Medicaid Management Information System	Medicaid Cluster	DMAS	undeterminable	Corrective action implemented.
1999	47	99-46	Improve Usage of Income Eligibility Verification System	93.558	DSS	-	See Audit Control No. 00-53.
1999	48	99-47	Segregate Duties over Cost Allocation Process	All Programs	DSS	-	Corrective action implemented.
1999	49	99-48	Strengthen Energy Assistance Program System Controls	93.568	DSS	-	Corrective action implemented.

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, 2000, and have issued our report thereon dated December 15, 2000. 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 solely for the information and use of the Governor and General Assembly of Virginia, management, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

AUDITOR OF PUBLIC ACCOUNTS
December 15, 2000

DBC:whb

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

Federal Department/Program	CFDA Number	State Agency(s)	Amount
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT			
Other	02.000	VPISU/VSU	\$ 506,991
Research and Development Cluster			
Other	02.000	VPISU	2,865,462
Total U.S. Agency for International Development			3,372,453
U.S. DEPARTMENT OF AGRICULTURE			
Agricultural Research - Basic and Applied Research	10.001	VMI	20,166
Plant and Animal Disease, Pest Control, and Animal Care	10.025	#VDACS/VPISU	150,677
Forestry Incentives Program	10.064	DOF	45,803
Market Protection and Promotion	10.163	VDACS	21,096
Transportation Services	10.167	VPISU	18,293
Grants for Agricultural Research, Special Research Grants	10.200	VPISU	251,572
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	VPISU	59,421
Sustainable Agriculture Research and Education	10.215	VPISU	4,534
Higher Education Challenge Grants	10.217	VPISU	201,579
Higher Education Multicultural Scholars Program	10.220	VPISU	18,001
Alternative Agricultural Research and Commercialization Program	10.240	VCCS	10,895
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475	VDACS	1,431,681
Cooperative Extension Service	10.500	VPISU/VSU	12,198,119
Agriculture Telecommunications Program	10.501	VPISU	10,108
Food Distribution	10.550	DMHMRSAS/#DOC/VDACS/ #VSDBH	614,514
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	#UVA/VDH	73,115,298
Child and Adult Care Food Program	10.558	VCU	21,044
State Administrative Expenses for Child Nutrition	10.560	DOE/VDACS	1,436,474
Nutrition Education and Training Program	10.564	DOE	34,042
Nutrition Program for the Elderly (Commodities)	10.570	VDA	1,983,698
Cooperative Forestry Assistance	10.664	#DCR/#DGIF/DOF/#RU/#UVA/ #VCCS/VDACS/#VPISU	2,033,348
Rural Development Grants	10.769	VCCS	50,000
Rural Cooperative Development Grants	10.771	VPISU	104,060
Resource Conservation and Development	10.901	DOF/VPISU	42,322
Soil and Water Conservation	10.902	VPISU	2,500
Rural Abandoned Mine Program	10.910	DMME	98,147
Environmental Quality Incentives Program	10.912	VPISU	2,584
Wildlife Habitat Incentive Program	10.914	UVA/VPISU	112,664
Scientific Cooperation Program	10.961	VPISU	2,872
International Training - Foreign Participant	10.962	VPISU	(18,208)
Other Assistance:	10.000		
Rural Entrepreneurship Institute		NSU	59,220
National Agriculture Statistics Service		VDACS	2,572
Agriculture Marketing Service		VDACS	3,094
Other		#VPISU	411,579
Total Excluding Clusters			94,553,769
Food Stamp Cluster:			
Food Stamps	10.551	DSS/VPISU	268,707,620
State Administrative Matching Grants for Food Stamp Program	10.561	DSS/#VPISU	63,611,746
Total Food Stamp Cluster			332,319,366
Child Nutrition Cluster:			
School Breakfast Program	10.553	#DJJ/DMHMRSAS/DOE/ #VSDBS/#WWRC	24,982,680
National School Lunch Program	10.555	#DJJ/DMHMRSAS/DOE/VDACS/ #VSDBH/#VSDBS/#WWRC	118,219,143
Special Milk Program for Children	10.556	DOE	52,078
Summer Food Service Program for Children	10.559	NSU/VPISU/VSU	60,496
Total Child Nutrition Cluster			143,314,397

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

Federal Department/Program	CFDA Number	State Agency(s)	Amount
Emergency Food Assistance Cluster:			
Emergency Food Assistance Program (Administrative Costs)	10.568	VDACS	\$ 728,192
Emergency Food Assistance Program (Food Commodities)	10.569	VDACS	2,735,010
Total Emergency Food Assistance Cluster			3,463,202
Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	DOE	872,058
Research and Development Cluster:			
Agricultural Research - Basic and Applied Research	10.001	#LC/GMU/UVA/VPISU/VSU	612,048
Plant and Animal Disease, Pest Control, and Animal Care	10.025	VPISU	3,449
Wildlife Services	10.028	VPISU	30,595
Grants for Agricultural Research, Special Research Grants	10.200	GMU/VIMS/#VPISU/VSU	616,647
Cooperative Forestry Research	10.202	VPISU	547,162
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	VPISU	3,203,109
Payments to 1890 Land - Grant Colleges and Tuskegee University	10.205	VPISU/VSU	2,559,116
Grants for Agricultural Research - Competitive Research Grants	10.206	GMU/JMU/VCU/VIMS/VPISU	1,385,642
Animal Health and Disease Research	10.207	VPISU	69,711
Food and Agricultural Sciences National Needs			
Graduate Fellowship Grants	10.210	VPISU	61,552
Sustainable Agriculture Research and Education	10.215	VPISU	747
1890 Institution Capacity Building Grants	10.216	VSU	496,913
Higher Education Challenge Grants	10.217	#VSU	26,776
Biotechnology Risk Assessment Research	10.219	VIMS/VPISU	107,785
Fund for Rural America - Research, Education, and Extension Activities	10.224	VPISU	218,987
Agricultural and Rural Economic Research	10.250	VPISU/VSU	7,071
Small Farmer Outreach Training and Technical Assistance Program	10.443	VSU	145,649
Cooperative Extension Service	10.500	VPISU	1,094
Nutrition Education and Training Program	10.564	VPISU	28,049
Forestry Research	10.652	DOF/JMU/RU/VPISU	1,159,509
Cooperative Forestry Assistance	10.664	DOF/VPISU	485,736
Resource Conservation and Development	10.901	VPISU	(2,810)
Soil and Water Conservation	10.902	VPISU/VSU	278,987
Soil Survey	10.903	VPISU	47,497
Scientific Cooperation Program	10.961	UVA/VIMS/VPISU	79,543
Other Assistance	10.000	CWM/GMU/VPISU	248,664
Total Research and Development Cluster			12,419,228
Total U.S. Department of Agriculture			586,942,020
U.S. DEPARTMENT OF COMMERCE			
Commercial Service	11.108	VPISU	680
Export Promotion - Market Development Cooperator	11.112	VEDP	206,829
Economic Development - Technical Assistance	11.303	VPISU	145,847
Economic Adjustment Assistance	11.307	SBFA/VCCS	13,570,073
Sea Grant Support	11.417	VPISU	(311,044)
Coastal Zone Management Administration Awards	11.419	#CBLAD/#DCR/DEQ/DGIF/UVA #VCU/#VDH/#VMNH	2,655,525
Climate and Atmospheric Research	11.431	GMU	181,318
Integrated Flood Observing and Warning System (IFLOWS)	11.450	VDES	4,084
Chesapeake Bay Studies	11.457	DGIF	95,832
Public Telecommunications Facilities - Planning and Construction	11.550	ODU/UVA/VPISU	36,368
Technology Opportunities	11.552	UVA/VSP	327,220
Measurement and Engineering Research and Standards	11.609	PMC/VCCS	1,197,459
Manufacturing Extension Partnership	11.611	PMC	234,888
Total Excluding Cluster			18,345,079
Research and Development Cluster:			
ITA Special Projects	11.113	VPISU	21,105
Economic Development - Technical Assistance	11.303	RU	21,600
Anadromous Fish Conservation Act Program	11.405	VIMS	79,614
Interjurisdictional Fisheries Act of 1986	11.407	MRC/VPISU	151,355
Sea Grant Support	11.417	#GMU/UVA/#VIMS/#VPISU	2,303,371
Coastal Zone Management Administration Awards	11.419	#CWM/#MRC/#VIMS	674,034
Coastal Zone Management Estuarine Research Reserves	11.420	UVA/VIMS	397,331
Fisheries Development and Utilization Research and			
Development Grants and Cooperative Agreements Program	11.427	VIMS	26,953
Undersea Research	11.430	VIMS	34,327
Climate and Atmospheric Research	11.431	UVA	119,409
Research in Remote Sensing of the Earth and Environment	11.440	UVA	33,358

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Federal Department/Program	CFDA Number	State Agency(s)	Amount
Unallied Management Projects	11.454	VIMS	\$ 113,424
Chesapeake Bay Studies	11.457	UVA/VIMS	223,071
Climate and Air Quality Research	11.459	UVA	7,359
Meteorologic and Hydrologic Modernization Development	11.467	UVA	199,364
Unallied Science Program	11.472	#VIMS	111,968
Atlantic Coastal Fisheries Cooperative Management Act	11.474	MRC	221,260
Measurement and Engineering Research and Standards	11.609	UVA/VPISU	205,605
National Center for Standards and Certification Information	11.610	GMU	47,606
Other Assistance:	11.000		
National Educators Workshop		NSU	7,997
Other		CWM/VIMS/#VPISU/GMU	191,124
Total Research and Development Cluster			5,191,235
Total U.S. Department of Commerce			23,536,314

U.S. DEPARTMENT OF DEFENSE

Procurement Technical Assistance For Business Firms	12.002	VCCS	148,786
State Memorandum of Agreement Program for the			
Reimbursement of Technical Services	12.113	DEQ	516,440
Basic and Applied Scientific Research	12.300	VPISU/VSU	4,812
Military Construction, National Guard	12.400	DMA/VPISU	596,844
National Guard Military Operations and Maintenance (O&M) Projects	12.401	DMA	15,872,078
Basic Scientific Research	12.431	VPISU/VSU	149,901
Air Force Defense Research Sciences Program	12.800	GMU/VPISU	8,875
Research and Technology Development	12.910	VPISU	147,372
Defense Technology Conversion, Reinvestment, and			
Transition Assistance	12.911	JMU	22,561
Other Assistance:	12.000		
Humanitarian Demining Center (Contract)		JMU	70
U. S. Department of the Army		NSU	129,945
MITSS		NSU	4,403
Pac3 Mentor Protege Project		NSU	107,601
Military Leadership Profile		NSU	3,292
Navy Exchange Service Command		ODU	13,562
Troops to Teachers		#ODU	114,017
National Security Education Program		ODU	56,099
Submarine Air Health Assessment Program		ODU	13,663
NATO Internship		ODU	7,094
SACLANT Symposium		ODU	43,923
NAVY Toxicology Project 1999		ODU	6,999
Other		GMU/JMU/VPISU/UVA/GMU	3,301,793
Total Excluding Cluster			21,270,130

Research and Development Cluster:

Protection of Essential Highways, Highway Bridge Approaches,			
and Public Works	12.105	VPISU	33,037
Flood Control Projects	12.106	VPISU	132,836
Navigation Projects	12.107	UVA	25,000
Collaborative Research and Development	12.114	UVA/VPISU	169,488
Basic and Applied Scientific Research	12.300	CWM/GMU/JMU/UVA/VCU/ VIMS/VPISU	12,569,449
Military Medical Research and Development	12.420	UVA/VCU/VPISU	1,969,066
Basic Scientific Research	12.431	UVA/VCU/VPISU	2,726,325
Basic, Applied, and Advanced Research in Science and			
Engineering	12.630	GMU/UVA/VCU/VPISU	556,067
Air Force Defense Research Sciences Program	12.800	CWM/GMU/NSU/UVA/#VCU/ VPISU/VSU	4,014,900
Mathematical Sciences Grants Program	12.901	JMU/VPISU	58,210
Research and Technology Development	12.910	GMU/UVA/VPISU	2,400,411
Defense Technology Conversion, Reinvestment, and			
Transition Assistance	12.911	UVA	162,430
Other Assistance:	12.000		
Atlantic White Cedar Research		CNU	6,925
Atlantic White Cedar Compendium		CNU	13,278
U.S. Naval Weapons Station, Joint Project			
Authority (15 USC 1525)		MRC	32,500
U.S. Department of the Navy		NSU	74,453
Other		CWM/GMU/UVA/VIMS/VPISU	6,444,707
Total Research and Development Cluster			31,389,082
Total U.S. Department of Defense			52,659,212

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

Federal Department/Program	CFDA Number	State Agency(s)	Amount
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grants/State's Program	14.228	DHCD	\$ 21,745,879
Emergency Shelter Grants Program	14.231	DHCD	1,187,823
Supportive Housing Program	14.235	DHCD	893,474
Historically Black Colleges and Universities Program	14.237	NSU/VSU	89,643
Shelter Plus Care	14.238	DMHMRSAS	142,804
HOME Investment Partnerships Program	14.239	DHCD	8,916,114
Housing Opportunities for Persons with AIDS	14.241	DHCD	275,661
Fair Housing Assistance Program - State and Local	14.401	DPOR	312,568
Economic Development and Supportive Services Program	14.864	VCCS	7,581
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	DHCD	2,468,545
Other Assistance:	14.000		
HUD Aware / Brambleton Redesign		NSU	139,642
HBCU Project		NSU	41,261
Spartan Academy		NSU	13,720
Other		VPISU	(801)
Total Excluding Clusters			36,233,914
Research and Development Cluster:			
Manufactured Home Construction and Safety Standards	14.171	VPISU	190,137
General Research and Technology Activity	14.506	UVA	7,336
Community Outreach Partnership Center Program	14.511	GMU/VCU	125,388
Other Assistance	14.000	VPISU	27,201
Total Research and Development Cluster			350,062
Total U.S. Department of Housing and Urban Development			36,583,976
U.S. DEPARTMENT OF THE INTERIOR			
Regulation of Surface Coal Mining and Surface Effects of			
Underground Coal Mining	15.250	DMME	3,086,901
Abandoned Mine Land Reclamation (AMLR) Program	15.252	DMME	7,932,338
Endangered Species Conservation	15.612	VDACS	25,648
Coastal Wetlands Planning, Protection and Restoration Act	15.614	DCR	852,258
Cooperative Endangered Species Conservation Fund	15.615	DGIF	51,920
Clean Vessel Act	15.616	VDH	277,653
U.S. Geological Survey - Research and Data Acquisition	15.808	DCR/DMME	74,049
National Spatial Data Infrastructure Cooperative Agreements Programs	15.809	JMU	20,697
Historic Preservation Fund Grants-In-Aid	15.904	DHR/LC/UVA	646,001
National Natural Landmarks Program	15.910	UVA	5
Outdoor Recreation - Acquisition, Development and Planning	15.916	DCR	328,483
National Maritime Heritage Grants	15.925	DHR	119
Other Assistance:	15.000		
Cooperative Agreement #1443CA00195108		DHR	7,869
Other		JMU/VPISU	2,988
Total Excluding Clusters			13,306,929
Fish and Wildlife Cluster:			
Sport Fish Restoration	15.605	#DGIF/MRC/#VIMS	3,636,469
Wildlife Restoration	15.611	DGIF/VPISU	3,771,900
Total Fish and Wildlife Cluster			7,408,369
Research and Development Cluster:			
Reclamation and Water Reuse Program	15.504	VPISU	59,114
Fish and Wildlife Management Assistance	15.608	UVA/VPISU	106,242
Coastal Wetlands Planning, Protection and Restoration Act	15.614	VIMS	30,767
Cooperative Endangered Species Conservation Fund	15.615	VIMS	(1)
Wildlife Conservation and Appreciation	15.617	VPISU	19,142
Assistance to State Water Resources Research Institutes	15.805	#UVA/VPISU	114,053
Earthquake Hazards Reduction Program	15.807	VPISU	10,635
U.S. Geological Survey - Research and Data Acquisition	15.808	#GMU/RU/#UVA/VIMS/#VPISU	1,211,387
National Cooperative Geologic Mapping Program	15.810	CWM/UVA	28,047
National Historic Landmark	15.912	CWM	33,938
Technical Preservation Services	15.915	UVA/VPISU	409,763
Outdoor Recreation - Acquisition, Development and Planning	15.916	VIMS/VPISU	169,159

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Schedule of Expenditures of Federal Awards
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Federal Department/Program	CFDA Number	State Agency(s)	Amount
Rivers, Trails and Conservation Assistance	15.921	JMU/UVA	\$ 154,430
National Center for Preservation Technology and Training	15.923	GMU	24,689
Other Assistance:	15.000		
Fishery Research - Information		VIMS	35,489
Other		CWM/GMU/UVA/VIMS/VPISU	241,899
Total Research and Development Cluster			2,648,753
Total U.S. Department of the Interior			23,364,051
U.S. DEPARTMENT OF JUSTICE			
Law Enforcement Assistance - Narcotics and Dangerous Drugs - Laboratory Analysis	16.001	DCJS	232,748
Equal Employment Opportunity	16.101	CHR	29,073
Juvenile Accountability Incentive Block Grants	16.523	#CNU/DCE/DCJS/#DJJ/#SUPCT/VCU	1,572,622
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	DCE/DCJS/#DJJ/#PDC/#VPISU	2,159,203
Juvenile Justice and Delinquency Prevention - Special Emphasis	16.541	DCE/#DJJ	42,301
Gang-Free Schools and Communities - Community-Based Gang Intervention	16.544	#DCE	51,609
Victims of Child Abuse	16.547	DCJS	85,898
Part E - State Challenge Activities	16.549	DCJS/#DJJ	116,422
State Justice Statistics Program for Statistical Analysis Centers	16.550	DCJS	53,968
National Criminal History Improvement Program (NCHIP)	16.554	#SUPCT/VSP	1,245,042
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	DJJ	27,936
Crime Victim Assistance	16.575	#DSS/#VDH	6,735,412
Crime Victim Compensation	16.576	VWC	450,000
Byrne Formula Grant Program	16.579	#ATG/CASC/#CNU/DCJS/ #DJJ/#DOC/#DOE/#ODU/ #SUPCT/#VCSC/#VSP	11,120,506
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	VSP	205,858
Drug Court Discretionary Grant Program	16.585	PDC/SUPCT	193,988
Violent Offender Incarceration and Truth in Sentencing Incentive Grants	16.586	DOC	1,059,111
Violence Against Women Formula Grants	16.588	DCJS/#SUPCT/#VCU/#VPISU	3,108,848
Rural Domestic Violence and Child Victimization Enforcement Grant Program	16.589	DCJS	32,314
Grants to Encourage Arrest Policies	16.590	DCJS/#SUPCT/#VDH	104,521
Local Law Enforcement Block Grants Program	16.592	DCJS/VSP	503,520
Residential Substance Abuse Treatment for State Prisoners	16.593	DCJS/DJJ/#DMHMRAS/#DOC	1,551,278
Executive Office for Weed and Seed	16.595	UVA	5,379
State Identification Systems Grant Program	16.598	DCJS	139,613
Bulletproof Vest Partnership Program	16.607	VCCS	5,076
Public Safety Partnership and Community Policing Grants	16.710	CWM/DCJS/NSU/ODU/RU/VSU	603,411
Troops to COPS	16.711	UVA	35,442
Enforcing Underage Drinking Laws Program	16.727	ABC/#JMU/#ODU/#VMI	207,478
Other Assistance:	16.000		
Drugfire Equipment Program		DCJS	(1,925)
COPS Universal Hiring Program		NSU	247,831
Guidelines on Mediation and the Unauthorized Practice of Law		SUPCT	7,069
Portsmouth Criminal Case Processing Technical Assistance		SUPCT	27,010
SJI Scholarship Award (Educational Scholarship)		SUPCT	847
Total Excluding Cluster			31,959,409
Research and Development Cluster:			
Law Enforcement Assistance - FBI Crime Laboratory Support	16.301	VPISU	1,450
Combined DNA Index System	16.307	GMU	642,787
Juvenile Accountability Incentive Block Grants	16.523	CWM	509
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	UVA	232,475
Byrne Formula Grant Program	16.579	#GMU/#RU/#UVA/#VPISU/#JMU	115,409
Drug Court Discretionary Grant Program	16.585	#VPISU	5,689
Violence Against Women Formula Grants	16.588	#GMU	48,449
Other Assistance	16.000	GMU/UVA	96,408
Total Research and Development Cluster			1,143,176
Total U.S. Department of Justice			33,102,585

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Schedule of Expenditures of Federal Awards
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Federal Department/Program	CFDA Number	State Agency(s)	Amount
U.S. DEPARTMENT OF LABOR			
Labor Force Statistics	17.002	VEC	\$ 1,427,361
Compensation and Working Conditions	17.005	DOLI	111,232
Certification of Foreign Workers for Temporary Agricultural Employment	17.202	VEC	146,513
Labor Certification for Alien Workers	17.203	VEC	1,161,767
Unemployment Insurance	17.225	VEC	234,238,663
Senior Community Service Employment Program	17.235	GETD	2,745,466
Trade Adjustment Assistance - Workers	17.245	VEC	12,616,620
Employment Services and Job Training Pilots - Demonstrations and Research	17.249	DOE/VCU	2,220,865
Welfare-to-Work Grants to States and Localities	17.253	DSS/#VCCS	5,738,125
One-Stop Career Center Initiative	17.257	GETD/#VEC	2,768,522
Occupational Safety and Health - State Program	17.503	DOLI	2,991,776
Consultation Agreements	17.504	DOLI	838,584
Mine Health and Safety Grants	17.600	DMME	246,473
Veterans' Employment Program	17.802	GETD	865,847
Other Assistance:	17.000		
Cooperative Agreement - Data Collection Program		DOLI	20,226
Total Excluding Clusters			268,138,040
Employment Services Cluster:			
Employment Service	17.207	VEC	17,880,268
Disabled Veterans' Outreach Program (DVOP)	17.801	VEC	1,835,851
Local Veterans' Employment Representative Program	17.804	VEC	1,078,620
Total Employment Services Cluster			20,794,739
JTPA Cluster:			
Employment and Training Assistance - Dislocated Workers	17.246	GETD/VCCS/#VEC	18,158,182
Job Training Partnership Act	17.250	DJJ/#DOE/GETD/#VCCS/#VEC	28,776,073
Total JTPA Cluster			46,934,255
Total U.S. Department of Labor			335,867,034
U.S. DEPARTMENT OF STATE			
Other Assistance:	19.000		
Other		JMU/VPISU	370,131
Research and Development Cluster:			
Program for Study of Eastern Europe and the Independent States of the Former Soviet Union	19.300	UVA	13,515
Other Assistance	19.000	GMU	(7,000)
Total Research and Development Cluster			6,515
Total U.S. Department of State			376,646
U.S. DEPARTMENT OF TRANSPORTATION			
Boating Safety Financial Assistance	20.005	DGIF	1,052,243
Airport Improvement Program	20.106	DOAV	349,826
Highway Training and Education	20.215	VSU	16,838
National Motor Carrier Safety	20.218	VSP	1,927,433
Recreational Trails Program	20.219	DCR/RU	203,858
High Speed Ground Transportation - Next Generation High Speed Rail Program	20.312	DRPT	62,288
Federal Transit - Metropolitan Planning Grants	20.505	DRPT	1,259,746
Formula Grants for Other Than Urbanized Areas	20.509	DRPT	4,781,082
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	DRPT	1,559,959
Transit Planning and Research	20.514	DRPT	6,028
Safety Incentive Grants for Use of Seatbelts	20.604	DMV/#VCU/#VDOT	695,665
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	DMV/#VSP	949,361
Pipeline Safety	20.700	SCC	229,258
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	VDES	134,850
Transportation - Consumer Affairs	20.900	#UVA	60,982

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Federal Department/Program	CFDA Number	State Agency(s)	Amount
Historically Black Colleges and Universities - Entrepreneurial Training and Technical Assistance	20.907	VSU	\$ 33,665
Other Assistance:	20.000		
Alcohol Countermeasures (55899)		DMV	47,170
FY '92 Fatal Accident and Reporting System		DMV	19,333
Computerized Model of Combined Explosive Detection		NSU	62,806
ISTEA		VOF	12,239
Other		DRPT	558,906
Total Excluding Clusters			14,023,536
Highway Planning and Construction Cluster: Highway Planning and Construction	20.205	#DCR/#DHR/DMV/DRPT/GMU/ #LC/#SMV/UVA/VDOT/#VPISU	498,654,714
Federal Transit Cluster:			
Federal Transit - Capital Investment Grants	20.500	DRPT	381,467
Federal Transit - Formula Grants	20.507	DRPT	500,000
Total Federal Transit Cluster			881,467
Highway Safety Cluster:			
State and Community Highway Safety	20.600	#ABC/DMV/#DOE/#GMU/#RU/UVA/ #VCU/#VDH/#VDOT/#VPISU/#VSP	3,886,336
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	DMV/VCU/#VSP	924,240
Total Highway Safety Cluster			4,810,576
Research and Development Cluster:			
Boating Safety	20.001	VPISU	19,783
Bridge Alteration	20.007	VPISU	10,801
Aviation Research Grants	20.108	GMU/VPISU	375,333
Highway Training and Education	20.215	GMU/VPISU	329,428
Motor Carrier Safety	20.217	UVA	894,352
Federal Transit Technical Assistance	20.512	#UVA	9,125
Transit Planning and Research	20.514	#UVA	255,777
State Planning and Research	20.515	GMU/#UVA	88,142
University Transportation Centers Program	20.701	GMU/UVA/VPISU	323,412
Other Assistance:	20.000		
FAA Updated Investigation of Web Security Data Networks		NSU	70,819
Other		GMU/VPISU	2,688,686
Total Research and Development Cluster			5,065,658
Total U.S. Department of Transportation			523,435,951
DEPARTMENT OF THE TREASURY			
Other Assistance	21.000	VPISU	1,008
APPALACHIAN REGIONAL COMMISSION			
Appalachian Regional Development	23.001	DHCD/VCCS/VEDP/VPISU	245,167
Appalachian Area Development	23.002	VCCS	9,950
Total Excluding Cluster			255,117
Highway Planning and Construction Cluster: Appalachian Development Highway System	23.003	VDOT	2,034,067
Total Appalachian Regional Commission			2,289,184
OFFICE OF PERSONNEL MANAGEMENT			
Research and Development Cluster: Intergovernmental Personnel Act (IPA) Mobility Program	27.011	UVA	89,467
GENERAL SERVICES ADMINISTRATION			
Donation of Federal Surplus Personal Property	39.003	DGS	1,573,580
Other Assistance	39.000	GMU	240,082
Total General Services Administration			1,813,662

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Federal Department/Program	CFDA Number	State Agency(s)	Amount
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
Technology Transfer	43.002	DEQ	\$ 22,222
Other Assistance:	43.000		
Rural Outreach Project		NSU	177,381
NASA - NRTS Partner Grant		NSU	10,899
Other		GMU	11
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Total Excluding Cluster			210,513
Research and Development Cluster:			
Aerospace Education Services Program	43.001	CWM/GMU/JMU/#UVA/#VPISU	9,422,893
Technology Transfer	43.002	JMU/UVA/VIMS/VPISU	252,703
Other Assistance:	43.000		
NASA / University Joint Venture		CNU	7,815
Trace Gas Constituents		CNU	10,900
Summer Teacher Enhancement		CNU	188,503
Development of a Three Dimensional Heavy Ion		CNU	84,703
Validation of Measurement of Pollution		CNU	96,075
Aircraft and Ground-Based Spectroscopic Measurements		CNU	85,531
Thermally-Induced Gradient Effects Research		CNU	19,088
Technology Development, Implementation and Assessment		CNU	16,134
Experiment in Educational Technology - Evaluating Learning		CNU	1,908
Labview Basic and Data Acquisition		CNU	22,410
Transforming Educational Software Implications		CNU	85
Why Files, Problem Based Learning Integrating Internet		CNU	26,921
NASA-CHROME		NSU	14,556
NASA-Earth System Science		NSU	(115)
Materials Research Lab		NSU	(6,458)
Pre-Service Teachers Summer 1998		NSU	5,810
Pre-Service Teacher Institute		NSU	264,291
Pre-Service Teachers Conference		NSU	96,922
Science and Math for Everyone		NSU	21,143
Summer Workshop Program		NSU	16,947
Feasibility Study of Piezoelectric Actuators		NSU	88,404
Visual of Atmospheric Water Vapor Data for SAGE		NSU	73,140
Research Experience in Earth Science		NSU	50,008
NASA - Technical Education Material Science and Technology		NSU	34,232
NASA Fellowship Bromine and Aerosol Impact		NSU	69,301
Development Solid State Laser Materials		NSU	27,105
Variational Method in Design Optimization		NSU	50,151
NASA Design and Performance Tests of Ultra Compact Calorimeters		NSU	45,162
Novel High Efficient Organic Photovoltaic Materials		NSU	35,747
Portsmouth Atmospheric Science School Project		NSU	27,928
Non- Selective Room Temperature Microbolometers		NSU	29,610
BESTSTEPS		NSU	5,960
1999 Sharp Plus Program		NSU	44,284
CFEN Enhancement		NSU	7,933
Center for Innovative Technology		NSU	8,342
CHARC/NASA		VSU	63,362
Other		CWM/GMU/JMU/VIMS/VPISU/UVA	6,552,322
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Total Research and Development Cluster			17,861,756
			<hr/>
Total National Aeronautics and Space Administration			18,072,269
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES			
Promotion of the Arts - Grants to Organizations and Individuals	45.024	RU/UVA/VMFA	63,195
Promotion of the Arts - Partnership Agreements	45.025	VCA	511,200
Promotion of the Arts - Leadership Initiatives	45.026	UVA	49,000
Promotion of the Humanities - Federal/State Partnership	45.129	UVA/VCCS	13,726
Promotion of the Humanities - Division of Preservation and Access	45.149	LVA	225,306
Promotion of the Humanities - Fellowships and Stipends	45.160	GMU/VCCS/VSU	65,110
Promotion of the Humanities - Education Development and Demonstration	45.162	#UVA	98,679
Institute of Museum and Library Services	45.301	MWC	360
Conservation Project Support	45.303	VMFA	39,521
Museum Leadership Initiatives	45.306	UVA	139,048
State Library Program	45.310	LVA	2,936,323
Other Assistance:	45.000		
Public Library Construction and Technology		LVA	146,744
			<hr/>
Total Excluding Cluster			4,288,212

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Federal Department/Program	CFDA Number	State Agency(s)	Amount
Research and Development Cluster:			
Promotion of the Humanities - Federal/State Partnership	45.129	CWM	\$ 3,418
Promotion of the Humanities - Research	45.161	UVA	338,617
Promotion of the Humanities - Education Development and Demonstration	45.162	GMU/VPISU	79,507
Promotion of the Humanities - Seminars and Institutes	45.163	VPISU	80,510
Institute of Museum and Library Services - National Leadership Grants	45.312	UVA	20,044
Total Research and Development Cluster			522,096
Total National Foundation on the Arts and the Humanities			4,810,308
NATIONAL SCIENCE FOUNDATION			
Engineering Grants	47.041	VCCS/VPISU	739,551
Mathematical and Physical Sciences	47.049	VPISU	234,774
Geosciences	47.050	VCCS	42,179
Social, Behavioral, and Economic Sciences	47.075	VPISU	36,865
Education and Human Resources	47.076	GMU/#LC/#MWC/#NSU/RU/ #VCCS/VPISU	966,383
Other Assistance:	47.000		
General Chemistry Lab with Computers		NSU	102
Other		GMU	10,000
Total Excluding Cluster			2,029,854
Research and Development Cluster:			
Engineering Grants	47.041	CWM/GMU/UVA/VCU/VPISU	9,377,848
Mathematical and Physical Sciences	47.049	CWM/GMU/#JMU/#NSU/UVA/ VCU/VPISU	8,599,897
Geosciences	47.050	CWM/GMU/#UVA/VCU/#VIMS/VPISU	1,953,115
Computer and Information Science and Engineering	47.070	CWM/GMU/UVA/VCU/VPISU	3,433,855
Biological Sciences	47.074	CWM/GMU/JMU/LC/UVA/#VCU/ #VIMS/VPISU	6,443,248
Social, Behavioral, and Economic Sciences	47.075	CWM/GMU/RU/UVA/VCU/VPISU	1,085,835
Education and Human Resources	47.076	#CWM/GMU/JMU/UVA/VCU/#VIMS/ VPISU	1,398,841
Polar Programs	47.078	UVA	54,245
Other Assistance:	47.000		
RUI Methane Emission		CNU	22,401
Detector Development		CNU	56,640
Data Analysis with the CLAS Detector		CNU	52,820
Rimi Effects of Crystal Field in Quasi Four-Level Lasers		NSU	25,742
National Science Foundation - IPA		NSU	39,224
Alliance to Prepare Technicians for Technology		NSU	804
X-Ray Crystallographic and Affinity Labeling		NSU	18,964
Study of Photo Produced Ssbar Excitations		NSU	18,279
Center for Phonic Materials Research - CREST		NSU	667,378
Other		CWM/GMU/VPISU	456,294
Total Research and Development Cluster			33,705,430
Total National Science Foundation			35,735,284
SMALL BUSINESS ADMINISTRATION			
Small Business Development Center	59.037	DBA/#GMU/#JMU/#LC/#MWC/ #RU/#VCCS	2,321,361
Other Assistance:	59.000		
Microloan Grant Program for Non-Intermediaries		DBA	5,931
SBDC Defense Economic Transition Assistance		DBA	35,000
Small Business Development Center Microbusiness Project		#LC	12,142
Total Excluding Cluster			2,374,434
Research and Development Cluster:			
Business Development Assistance to Small Business	59.005	CNU	457
Other Assistance	59.000	#GMU	10,040
Total Research and Development Cluster			10,497
Total Small Business Administration			2,384,931

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Federal Department/Program	CFDA Number	State Agency(s)	Amount
TENNESSEE VALLEY AUTHORITY			
Research and Development Cluster:			
TVA Energy Research and Technology Applications	62.001	VPISU	\$ 22,718
U.S. DEPARTMENT OF VETERANS AFFAIRS			
All-Volunteer Force Educational Assistance	64.124	DOE	283,649
ENVIRONMENTAL PROTECTION AGENCY			
Air Pollution Control Program Support	66.001	DEQ	2,327,423
State Indoor Radon Grants	66.032	VDH	49,465
Water Pollution Control - State and Interstate Program Support	66.419	DEQ	1,867,858
State Public Water System Supervision	66.432	VDH	2,906,771
Construction Management Assistance	66.438	DEQ	557
Water Quality Management Planning	66.454	DEQ	288,060
Capitalization Grants for State Revolving Funds	66.458	DEQ	23,043,690
Nonpoint Source Implementation Grants	66.460	#CBLAD/#DCR/#DMME/#DOF/ VDH/#VPISU	1,883,471
Wetlands Protection - Development Grants	66.461	DCR	35,897
National Pollutant Discharge Elimination System			
Related State Program Grants	66.463	DEQ	164,235
Chesapeake Bay Program	66.466	#CBLAD/#DCR/#DEQ/#VPISU	2,409,754
Wastewater Operator Training Grant Program (Technical Assistance)	66.467	DEQ	37,308
Capitalization Grants for Drinking Water State Revolving Fund	66.468	VDH	7,647,335
Hardship Grants Program for Rural Communities	66.470	DEQ	574,118
Environmental Protection - Consolidated Research	66.500	VPISU	11,676
Performance Partnership Grants	66.605	VDACS	462,718
Surveys, Studies, Investigations and Special Purpose Grants	66.606	DEQ/DMME/VDH/VPISU	787,045
TSCA Title IV State Lead Grants - Certification			
of Lead-Based Paint Professionals	66.707	#VCU/VDH	344,304
Pollution Prevention Grants Program	66.708	DEQ/VCCS	120,137
Environmental Justice Community / University Partnership Grants Program	66.710	VCU	48,729
Hazardous Waste Management State Program Support	66.801	DEQ	1,507,354
Superfund State Site - Specific Cooperative Agreements	66.802	DEQ	400,606
State and Tribal Underground Storage Tanks Program	66.804	DEQ	186,594
Leaking Underground Storage Tank Trust Fund Program	66.805	DEQ	1,704,284
Superfund State Core Program Cooperative Agreements	66.809	DEQ	316,319
Environmental Education and Training Program	66.950	DGIF	3,481
Other Assistance:	66.000		
Regulations Concerning Certified Lead Contractor Notification		#DOLI	10,916
Other		GMU	4,219
Total Excluding Cluster			49,144,324
Research and Development Cluster:			
Water Pollution Control - State and Interstate Program Support	66.419	UVA/VPISU	129,398
Water Quality Management Planning	66.454	UVA	216,442
National Estuary Program	66.456	VPISU	13,245
Nonpoint Source Implementation Grants	66.460	#JMU/UVA/VPISU	348,361
Wetlands Protection - Development Grants	66.461	UVA/VIMS/VPISU	335,843
Chesapeake Bay Program	66.466	MRC/UVA/VIMS/VPISU	658,311
Environmental Protection - Consolidated Research	66.500	CNU/GMU/UVA/VCU/#VIMS/VPISU	1,669,093
Environmental Protection Consolidated Grants - Program Support	66.600	VPISU	38,957
Performance Partnership Grants	66.605	UVA	54,353
Surveys, Studies, Investigations and Special Purpose Grants	66.606	JMU/UVA/VIMS/VPISU	241,498
Training and Fellowships for the Environmental Protection Agency	66.607	GMU/UVA	39,101
Environmental Education and Training Program	66.950	VIMS	10,649
Environmental Education Grants	66.951	VPISU	11,734
Other Assistance:	66.000		
Water Pollution Control		VIMS	65,368
Other		GMU/VIMS/VPISU	209,086
Total Research and Development Cluster			4,041,439
Total Environmental Protection Agency			53,185,763

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Federal Department/Program	CFDA Number	State Agency(s)	Amount
NATIONAL GALLERY OF ART			
Research and Development Cluster: National Gallery of Art Extension Service	68.001	UVA	\$ 83,651
NUCLEAR REGULATORY COMMISSION			
Research and Development Cluster: Radiation Control - Training Assistance and Advisory Counseling	77.001	UVA	449,092
U.S. DEPARTMENT OF ENERGY			
State Energy Program	81.041	#DHCD/DMME	1,003,911
Weatherization Assistance for Low-Income Persons	81.042	DHCD	2,156,838
National Industrial Competitiveness through Energy, Environment, and Economics	81.105	DEQ	176,002
Other Assistance: SURA	81.000	NSU	21,556
Continuous Electron Beam Accelerator Facility		ODU	339,370
Continuous Electron Beam Accelerator Facility - Computer		ODU	8,000
Total Excluding Cluster			3,705,677
Research and Development Cluster: National Energy Information Center	81.039	VPISU	136,169
State Energy Program	81.041	#VPISU	22,680
Office of Science Financial Assistance Program	81.049	CWM/GMU/NSU/UVA/VCU/VIMS/VPISU	5,068,380
University Coal Research	81.057	VPISU	490,854
Office of Scientific and Technical Information	81.064	VPISU	349,601
Regional Biomass Energy Programs	81.079	VPISU	99,173
Conservation Research and Development	81.086	VPISU	388,419
Renewable Energy Research and Development	81.087	VPISU	448,832
Fossil Energy Research and Development	81.089	VCU/VPISU	426,705
Office of Science and Technology for Environmental Management	81.104	VPISU	3,502
National Industrial Competitiveness through Energy, Environment, and Economics	81.105	VPISU	10,477
University Nuclear Science and Reactor Support	81.114	UVA	96,044
Other Assistance: Master Contract	81.000	CNU	95,448
Free Electron Laser Development		CNU	5,561
Center for Materials Research		NSU	1,216,602
Development & Dissemination of Curriculum		NSU	47,136
Other		CWM/JMU/VIMS/VPISU/UVA	1,122,134
Total Research and Development Cluster			10,027,717
Total U.S. Department of Energy			13,733,394
U.S. INFORMATION AGENCY			
Educational Exchange-Graduate Students	82.001	JMU	157
Professional Development-International Educators/ Administrators	82.009	RU	2,487
Total Excluding Cluster			2,644
Research and Development Cluster: Other Assistance	82.000	GMU	70,904
Total U.S. Information Agency			73,548
FEDERAL EMERGENCY MANAGEMENT AGENCY			
Hazardous Materials Training Program for Implementation of the Superfund Amendment and Reauthorization Act (SARA) of 1986	83.011	VDES	37,797
Community Assistance Program - State Support Services Element (CAP-SSSE)	83.105	#DCR/VDES	196,224
State Disaster Preparedness Grants	83.505	VDES	29,900
Emergency Management-State and Local Assistance	83.534	VDES	1,283,522
Mitigation Assistance	83.535	VDES	3,556
Flood Mitigation Assistance	83.536	VDES	119,082

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Federal Department/Program	CFDA Number	State Agency(s)	Amount
Crisis Counseling	83.539	#DMHMRSAS	\$ 116,246
Individual and Family Grants	83.543	#DSS	3,224,164
Public Assistance Grants	83.544	#DOC/#RU/VDES/#VDOT/#VSP/ #LC/#DGS/#DSS	17,555,048
First Responder Counter-Terrorism Training Assistance	83.547	DFP	33,542
Hazard Mitigation Grant	83.548	DCR/VDES	1,160,607
Project Impact - Building Disaster Resistant Communities	83.551	VDES	61,017
Emergency Management Performance Grants	83.552	VDES	1,539,858
Other Assistance:	83.000		
Disaster Assistance		DGIF	79,647
Total Excluding Cluster			25,440,210
Research and Development Cluster:			
Other Assistance	83.000	VPISU	39,094
Total Federal Emergency Management Agency			25,479,304

U.S. DEPARTMENT OF EDUCATION

Adult Education - State Grant Program	84.002	#DCE/DMHMRSAS/DOE/#RU/ #VCCS/#VCU/#VSU/#WWRC	7,171,894
Title I Grants to Local Educational Agencies	84.010	DOE/#JMU	108,813,693
Migrant Education - Basic State Grant Program	84.011	DOE	456,863
Title I Program for Neglected and Delinquent Children	84.013	#DCE	891,651
International: Overseas - Group Projects Abroad	84.021	VCCS	5,020
Special Education-Personnel Development and Parent Training	84.029	UVA	1,081,147
Higher Education - Institutional Aid	84.031	NSU/RU/VCCS/VSU	5,762,553
Vocational Education - Basic Grants to States	84.048	#DCE/#DOE/JMU/#ODU/#VCCS/ VEC/#VPISU	19,886,432
National Vocational Education Research	84.051	VPISU	59,748
Leveraging Educational Assistance Partnership	84.069	#CNU/JMU/#LC/#MWC/#NSU/ #ODU/#RBC/#RU/SCHEV/#VCCS/ VCU/#VMI/#VSU	667,526
Public Service Education - Institutional Grants and Fellowships	84.075	#DCE	1,438
Fund for the Improvement of Postsecondary Education	84.116	JMU/VCCS	243,713
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	DRS/DVH/#VCCS/VRCB	58,139,579
Rehabilitation Services - Service Projects	84.128	VCU	981,313
Rehabilitation Long-Term Training	84.129	NSU/VCU	160,588
College Housing and Academic Facilities Loans	84.142	NSU/ODU/VCU/VSU	14,698,236
International Business Education	84.153	NSU/RU/VCU	200,616
Rehabilitation Services - Client Assistance Program	84.161	DRVD	253,224
Immigrant Education	84.162	DOE	2,475,460
Eisenhower Professional Development - Federal Activities	84.168	#VCCS	47,982
Independent Living - State Grants	84.169	DRS/DVH	345,250
Javits Fellowships	84.170	UVA	97,781
Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind	84.177	DVH	248,486
Special Education - Grants for Infants and Families with Disabilities	84.181	DMHMRSAS/#ODU/#VDH	7,695,733
Safe and Drug-Free Schools and Communities - National Programs	84.184	#JMU	6,264
Byrd Honors Scholarships	84.185	DOE/#VMI	729,180
Safe and Drug-Free Schools and Communities - State Grants	84.186	#ABC/CWM/#DCE/DCJS/DOE/#JMU/ #VCU/#VSDBS/#VSP	9,924,192
Supported Employment Services for Individuals with Severe Disabilities	84.187	DRS/DVH	1,069,487
Christa McAuliffe Fellowships	84.190	DOE	82,594
Bilingual Education Support Services	84.194	DOE	63,265
Bilingual Education - Professional Development	84.195	GMU	615,903
Education for Homeless Children and Youth	84.196	DOE	7,601
Graduate Assistance in Areas of National Need	84.200	UVA/#VSU	374,030
Even Start - State Educational Agencies	84.213	DOE/VCCS	1,664,107
Capital Expenses	84.216	DOE	10,167
Assistive Technology	84.224	DRS/#DRVD/#ODU	547,798
Projects with Industry	84.234	VCU	2,888
Rehabilitation Services Demonstration and Training - Special Demonstration Projects	84.235	VCU	147
Program of Protection and Advocacy of Individual Rights	84.240	DRVD	322,975
Tech-Prep Education	84.243	DOE/#VCCS	1,806,327
National Institute for Literacy	84.257	#VCCS	18,840
Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	84.265	DRS/DVH	248,336

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Federal Department/Program	CFDA Number	State Agency(s)	Amount
Goals 2000 - State and Local Education Systemic Improvement Grants	84.276	DOE	\$ 8,931,330
Eisenhower Professional Development State Grants	84.281	#DCE/DOE/#GMU/#LC/#RU/SCHEV/ #VCCS/#VPISU	5,508,921
Charter Schools	84.282	DOE	31,127
Innovative Education Program Strategies	84.298	#DCE/DOE/#VSDBH/#VSDBS	6,999,909
National Institute on Student Achievement, Curriculum, and Assessment	84.305	VPISU	(4,678)
Technology Literacy Challenge Fund Grants	84.318	DOE	6,289,851
Special Education - State Program Improvement Grants for Children with Disabilities	84.323	DOE/LC/RU/#VCU	163,275
Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	UVA	173,580
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	UVA/VCU	150,843
Advanced Placement Incentive Program	84.330	DOE	34,991
Grants to States for Incarcerated Youth Offenders	84.331	DCE	88,274
Comprehensive School Reform Demonstration	84.332	DOE	2,409,966
Demonstration Projects to Ensure Students with Disabilities Receive a Higher Education	84.333	VCU	128,803
Child Care Access Means Parents in School	84.335	VCCS	27,025
Teacher Quality Enhancement Grants	84.336	LC	123,918
Class Size Reduction	84.340	DCE/DOE/#VSDBH/#VSDBS	9,607,888
Community Technology Centers	84.341	VCCS	522
Preparing Tomorrow's Teachers to Use Technology	84.342	LC/JMU/RU/UVA/#VCU/#VPISU	1,095,242
Other Assistance:	84.000		
National Writing Program		CWM	7,523
Education of Children with Disabilities in State Operated or Supported Schools		DMHMRSAS	45,348
Special Education - Postsecondary Education Programs		DRS	84,747
Special Education - Personnel Development and Parent Training		JMU	121,439
Computer Science Curriculum & Research Planning		NSU	14,173
Multicultural Special Education Leadership Training		#NSU	1,007
Recruiting Talented and Diverse Individuals as Teachers		NSU	53,072
Job Location and Development Program		ODU	40,211
Tidewater Writing Project		ODU	26,761
Special Education - Personnel Development		VCU	378,415
Services for Children with Deaf-Blindness		VCU	173,571
Special Education - Program for the Severely Disabled		VCU	110,856
Secondary Education and Transitional Services		VCU	141,617
Other		VCCS/VPISU	210,925
Total Excluding Clusters			291,050,479
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	7,284,997
Federal Family Education Loans	84.032	CNU/CWM/JMU/LC/MWC/RBC/ RU/VCCS	124,521,103
Federal Work-Study Program	84.033	CNU/CWM/GMU/JMU/LC/ MWC/NSU/ODU/RBC/RU/UVA/ VCCS/VCU/VMI/VPISU/VSU	9,740,412
Federal Perkins Loan Program - Federal Capital Contributions	84.038	CNU/CWM/GMU/JMU/LC/ MWC/NSU/ODU/RU/UVA/ VCCS/VCU/VMI/VPISU/VSU	71,083,462
Federal Pell Grant Program	84.063	CNU/CWM/GMU/JMU/LC/MWC/ NSU/ODU/RBC/RU/UVA/VCCS/ VCU/VMI/VPISU/VSU/WWRC	99,237,733
Federal Direct Loan	84.268	GMU/NSU/ODU/UVA/VCCS/ VCU/VMI/VPISU/VSU	336,896,963
Total Student Financial Assistance Programs Cluster			648,764,670
Special Education Cluster:			
Special Education - Grants to States	84.027	#DCE/#DOE/#DVH/#GMU/#JMU/ #RU/#UVA/#VCCS/#VCU/#VPISU/ #VSDBH/#VSDBS/#WWRC	90,909,539
Special Education - Preschool Grants	84.173	#CWM/#GMU/DOE/#JMU/#RU/ #VPISU/#VSDBS	8,657,061
Total Special Education Cluster			99,566,600

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Federal Department/Program	CFDA Number	State Agency(s)	Amount
TRIO Cluster:			
TRIO - Student Support Services	84.042	NSU/ODU/RU/UVA/VCCS/VSU	\$ 3,329,890
TRIO - Talent Search	84.044	VCCS/VPISU/VSU	2,006,840
TRIO - Upward Bound	84.047	MWC/NSU/ODU/UVA/VCCS/ VPISU/VSU	3,675,847
TRIO - Educational Opportunity Centers	84.066	VSU	2,412
McNair Post-Baccalaureate Achievement	84.217	VPISU	64,001
Total TRIO Cluster			<u>9,078,990</u>
Research and Development Cluster:			
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	84.015	UVA	340,527
International: Overseas - Faculty Research Abroad	84.019	CWM/VCU	79,191
International: Overseas - Group Projects Abroad	84.021	UVA	20,487
International: Overseas - Doctoral Dissertation	84.022	UVA	45,777
Special Education - Innovation and Development	84.023	UVA	498,542
National Vocational Education Research	84.051	VPISU	2,916
Fund for the Improvement of Postsecondary Education	84.116	CWM/UVA/VPISU	81,345
National Institute on Disability and Rehabilitation Research	84.133	UVA/VCU	2,274,813
Eisenhower Professional Development - Federal Activities	84.168	#CWM	33,735
Safe and Drug-Free Schools and Communities - National Programs	84.184	GMU	4,577
Education for Homeless Children and Youth	84.196	#CWM	427,088
Graduate Assistance in Areas of National Need	84.200	VPISU	787
Javits Gifted and Talented Students Education Grant Program	84.206	CWM	198,240
Fund for the Improvement of Education	84.215	VPISU	11,013
Assistive Technology	84.224	GMU	117,006
Rehabilitation Training - Experimental and Innovative Training	84.263	VCU	1,149
Eisenhower Professional Development State Grants	84.281	#CNU/#CWM/#JMU/#UVA/ #VCU/VPISU	555,336
Innovative Education Program Strategies	84.298	CWM	62,668
National Institute on Student Achievement, Curriculum, and Assessment	84.305	UVA/VPISU	372,425
National Institute on Educational Governance, Finance, Policymaking, and Management	84.308	VCU	143,531
Special Education - State Program Improvement Grants for Children with Disabilities	84.323	#CWM	112,256
Special Education - Research and Innovation to Improve Services and Results for Children with Disabilities	84.324	UVA	28,155
Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities	84.325	CWM/GMU	434,040
Special Education - Technology and Media Services for Individuals with Disabilities	84.327	GMU/UVA	416,061
Preparing Tomorrow's Teachers to Use Technology	84.342	CWM/GMU	196,001
Other Assistance:	84.000		
Career Development in Biotechnology		NSU	70,692
Project ATOM: Accentuating Technical Opportunities for Minorities		NSU	20,563
Special Education - Innovation and Development		VCU	195,074
Other		CWM/GMU/VPISU	156,787
Total Research and Development Cluster			<u>6,900,782</u>
Total U.S. Department of Education			<u>1,055,361,521</u>
U.S. NATIONAL ARCHIVES AND RECORDS ADMINISTRATION			
Research and Development Cluster:			
National Historical Publications and Records Grants	89.003	CWM/UVA	<u>285,820</u>
U.S. INSTITUTE OF PEACE			
Research and Development Cluster:			
Unsolicited Grant Program	91.001	UVA	<u>12,111</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	116,492
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals	93.042	VDA	170,653

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Special Programs for the Aging - Title III, Part F - Disease Prevention and Health Promotion Services	93.043	VDA	\$ 342,651
Special Programs for the Aging - Title III, Part D - In-Home Services for Frail Older Individuals	93.046	VDA	104,901
Special Programs for the Aging - Title IV - Training, Research and Discretionary Projects and Programs	93.048	VDA	169,767
Grants for Residential Treatment Programs for Pregnant and Postpartum Women	93.101	DMHMRSAS	82,475
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	DMHMRSAS	630,804
Model State-Supported Area Health Education Centers Maternal and Child Health Federal	93.107	#LC	9,839
Consolidated Programs	93.110	VDH	71,816
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	VCU/VDH	953,700
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	LC	8
Grants for Technical Assistance Activities related to the Block Grant for Community Mental Health Services - Technical Assistance Centers for Evaluation	93.119	DMHMRSAS	32,461
Nurse Anesthetist Traineeships	93.124	ODU/VCU	48,355
Mental Health Planning and Demonstration Projects	93.125	DMHMRSAS	922,424
Emergency Medical Services for Children	93.127	VCU	181,836
Primary Care Services - Resource Coordination and Development - Primary Care Offices	93.130	VCU/VDH	206,277
Injury Prevention and Control Research and State and Community Based Programs	93.136	VDH	132,691
Protection and Advocacy for Individuals with Mental Illness	93.138	DRVD	434,091
Financial Assistance for Disadvantaged Health Professions Students	93.139	VCU	91,530
Projects for Assistance in Transition from Homelessness (PATH)	93.150	DMHMRSAS	392,447
Centers of Excellence	93.157	RU	(3,231)
Grants for State Loan Repayment	93.165	VDH	39,391
Nursing Workforce Diversity	93.178	VCCS	11,141
National Research Services Awards	93.186	VCU	201,314
Allied Health Projects	93.191	RU	124,949
Quentin N. Burdick Programs for Rural Interdisciplinary Training	93.192	JMU/VCU	408,137
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	VDH	730,711
HIV/AIDS Mental Health Services Demonstration Program	93.216	VCU	58,835
Family Planning - Services	93.217	VDH	3,853,677
Consolidated Knowledge Development and Application (KDA) Program	93.230	#RU	11,519
Traumatic Brain Injury - State Demonstration Grant Program	93.234	DRS	90,977
Abstinence Education	93.235	VDH	643,344
Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	93.238	DMHMRSAS	387,622
Immunization Grants	93.268	VDH	10,504,356
Alcohol Research Programs	93.273	GMU	15,105
Mental Health National Research Service Awards for Research Training	93.282	GMU	16,029
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	#DGS/#LC/#VDH/VPISU/VSU	1,919,957
Nurse Practitioner and Nurse-Midwifery Education Programs	93.298	RU	200,696
Advanced Education Nursing Traineeships	93.358	ODU/RU	134,325
Grants for Graduate Training in Family Medicine	93.379	VCU	16,571
Research Infrastructure	93.389	VCU	35,473
Cancer Control	93.399	VCCS	24,735
Promoting Safe and Stable Families	93.556	DSS	3,378,225
Temporary Assistance for Needy Families	93.558	#DRS/DSS/#VCCS/#VDH	106,922,455
Child Support Enforcement	93.563	DSS	52,620,420
Refugee and Entrant Assistance - State Administered Programs	93.566	#DMAS/DSS	3,889,250
Low-Income Home Energy Assistance	93.568	#DHCD/DSS/#VDA	32,508,220
Community Services Block Grant	93.569	DSS	8,339,055
Community Services Block Grant - Discretionary Awards	93.570	DSS/NSU/VCU/VSU	199,071
Refugee and Entrant Assistance - Discretionary Grants	93.576	DOE/DSS/VDH	98,248
Refugee and Entrant Assistance - Targeted Assistance	93.584	DSS	582,570
Empowerment Zones Program	93.585	DSS	300,000
State Court Improvement Program	93.586	SUPCT	219,623
Welfare Reform Research, Evaluations and National Studies	93.595	DSS	488,635
Grants to States for Access and Visitation Programs	93.597	DSS	140,891
Head Start	93.600	DSS/VCU	1,013,386
Developmental Disabilities Basic Support and Advocacy Grants	93.630	DOE/DRVD/DSS/VBPD/#VCU	1,770,886

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

Federal Department/Program	CFDA Number	State Agency(s)	Amount
Developmental Disabilities Projects of National Significance	93.631	VCU	\$ 60,539
Developmental Disabilities University Affiliated Programs	93.632	VCU	274,650
Children's Justice Grants to States	93.643	DCJS	165,389
Child Welfare Services - State Grants	93.645	DSS	5,469,842
Social Services Research and Demonstration	93.647	DSS	20,467
Child Welfare Services Training Grants	93.648	VCU	87,049
Adoption Opportunities	93.652	DSS	215,832
Foster Care - Title IV-E	93.658	DSS	48,212,701
Adoption Assistance	93.659	DSS	8,836,569
Social Services Block Grant	93.667	#CSA/DCJS/#DOE/DSS/ #VCCS/#VDH	65,018,625
Child Abuse and Neglect State Grants	93.669	DSS/#JMU	678,693
Child Abuse and Neglect Discretionary Activities	93.670	VCU	107,348
Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes	93.671	DSS	1,348,469
Independent Living	93.674	DSS	1,511,480
State Children's Insurance Program	93.767	DMAS/#DSS	15,267,602
Health Care Financing Research, Demonstrations and Evaluations	93.779	VDA	264,511
Health Careers Opportunity Program	93.822	VCCS/VCU	304,883
Basic/Core Area Health Education Centers	93.824	JMU/LC/#UVA/VCU	361,552
Medical Library Assistance	93.879	VCU	45,160
Predoctoral Training in Primary Care (Family Medicine, General Internal Medicine/General Pediatrics)	93.896	VCU	95,311
Rural Health Medical Education Demonstration Projects	93.906	#VCU	21,205
Grants to States for Operation of Offices of Rural Health	93.913	VDH/#JMU	111,422
HIV Care Formula Grants	93.917	#VCU/VDH	12,896,589
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	VCU	185,749
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	VDH	1,523,269
Ryan White HIV/AIDS Dental Reimbursements	93.924	VCU	26,022
Healthy Start Initiative	93.926	VDH	2,286,214
Health Centers Grants for Residents of Public Housing	93.927	VDH	87,817
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	DOE/#LC/VCCS	255,524
HIV Prevention Activities - Health Department Based	93.940	#DMHMRSAS/#VCU/VDH	3,963,494
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	#VCU/VDH	494,135
Assistance Program for Chronic Disease Prevention and Control	93.945	VDH	354,186
Block Grants for Community Mental Health Services	93.958	DMHMRSAS	6,408,639
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DMHMRSAS	37,439,464
Health Administration Traineeships and Special Projects Program	93.962	VCU	39,461
Grants for Geriatric Education Centers	93.969	UVA/VCU	176,526
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	#VCU/VDH	1,776,935
Mental Health Disaster Assistance and Emergency Mental Health	93.982	DMHMRSAS	70,100
Academic Administrative Units in Primary Care	93.984	VCU	89,192
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988	VDH	205,447
Preventive Health and Health Services Block Grant	93.991	#DCJS/#VDH	3,765,996
Maternal and Child Health Services Block Grant to the States	93.994	#JMU/#UVA/VDH	10,879,559
Other Assistance:	93.000		
Tobacco Investigations		ABC	487,394
Virginia Robbery Study		DCJS	10,250
Alcohol & Drug Needs Assessment (Contract 270-95-0005)		DMHMRSAS	236,642
Needs Assessment Prevention		DMHMRSAS	178,214
DMHMRSAS - Alcohol and Drug Abuse - Mental Health		DRS	1,938
CARE Project		NSU	51,495
Temporary Child Care and Crisis Nurseries		VCU	138,075
Food Sanitation Inspections		VDACS	54,036
Medicated Feed Inspections		VDACS	11,612
Project Assist - Stop Smoking Intervention		VDH	186,249

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

Federal Department/Program	CFDA Number	State Agency(s)	Amount
Stroke Belt Initiative - Phase II		VDH	\$ 4,079
US FDA Mammography		VDH	106,368
Other		#GMU/VCCS/VPISU	101,665
Total Excluding Clusters			469,963,420
Aging Cluster:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	VDA	8,301,332
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	VDA	8,161,488
Total Aging Cluster			16,462,820
Student Financial Assistance Programs Cluster:			
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	UVA/VCU/VPISU	9,854,297
Nursing Student Loans	93.364	GMU/JMU/NSU/RU/UVA/ VCCS/VCU	1,777,688
Scholarships for Students of Exceptional Financial Need	93.820	VCU	99,062
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	VCU	77,243
Total Student Financial Assistance Programs Cluster			11,808,290
Child Care Cluster:			
Child Care and Development Block Grant	93.575	#DHCD/#DMHMRSAS/DSS/SBFA/ #VDH/VCCS	46,062,414
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	DSS	46,904,954
Total Child Care Cluster			92,967,368
Medicaid Cluster:			
State Medicaid Fraud Control Units	93.775	ATG	747,916
State Survey and Certification of Health Care Providers and Suppliers	93.777	VDH	3,938,707
Medical Assistance Program (Medicaid)	93.778	DMAS/#DMHMRSAS/#DRS/#DSS/ GMU/#VDH	1,494,855,926
Total Medicaid Cluster			1,499,542,549
Research and Development Cluster:			
Food and Drug Administration - Research	93.103	VCU/VPISU	93,247
Maternal and Child Health Federal Consolidated Programs	93.110	UVA/VCU	355,181
Biological Response to Environmental Health Hazards	93.113	VCU/VPISU	607,316
Oral Diseases and Disorders Research	93.121	CWM/UVA/VCU/VPISU	1,923,776
Cooperative Agreements for Substance Abuse Treatment and Recovery Systems for Rural, Remote and Culturally Distinct Populations	93.122	GMU	74,135
Technical and Non-Financial Assistance to Health Centers and National Health Service Corps (NHSC) Delivery Sites	93.129	GMU	216,710
Injury Prevention and Control Research and State and Community Based Programs	93.136	VCU	287,485
NIEHS Superfund Hazardous Substances - Basic Research and Education	93.143	UVA	29,953
AIDS Education and Training Centers	93.145	VCU	778,325
International Cooperative Biodiversity Groups Program	93.168	VPISU	550,260
Human Genome Research	93.172	GMU/UVA/VCU	426,895
Research Related to Deafness and Communication Disorders	93.173	JMU/#UVA/VCU	2,931,678
Research and Training in Alternative Medicine	93.213	UVA	2,510
Research on Healthcare Costs, Quality and Outcomes	93.226	GMU/UVA/VCU	156,032
Consolidated Knowledge Development and Application (KD&A) Program	93.230	#CWM/#GMU/#UVA/VCU	2,269,561
Mental Health Research Grants	93.242	GMU/UVA/#VCU/VPISU	6,528,946
Mental Health Clinical and AIDS Service - Related Training Grants	93.244	VCU/VPISU	138,023
Public Health Training Centers Grant Program	93.249	VPISU	11,152
Occupational Safety and Health Research Grants	93.262	UVA/VPISU	111,663
Occupational Safety and Health - Training Grants	93.263	VPISU	50,369
Alcohol Research Career Development Awards for Scientists and Clinicians	93.271	VCU	252,384
Alcohol Research Programs	93.273	CWM/VCU/VPISU	835,737

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

Federal Department/Program	CFDA Number	State Agency(s)	Amount
Clinical Training Grant for Faculty Development in Alcohol and Drug Abuses	93.274	VCU	\$ 30,260
Drug Abuse Scientist Development Awards, Research Scientist Development Awards, and Research Scientist Awards	93.277	VCU	284,981
Drug Abuse National Research Service Awards for Research Training	93.278	UVA/VCU	408,428
Drug Abuse Research Programs	93.279	GMU/VCU/VPISU	5,763,171
Mental Health Research Career/Scientist Development Awards	93.281	GMU/UVA/VCU	836,448
Mental Health National Research Service Awards for Research Training	93.282	UVA/VCU	228,317
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	UVA/#VCU/#VIMS/VPISU	1,091,556
Nurse Practitioner and Nurse-Midwifery Education Programs	93.298	UVA	348,542
Comparative Medicine	93.306	UVA	591,602
Clinical Research	93.333	UVA/VCU/VPISU	6,157,450
Advanced Education Nursing Traineeships	93.358	UVA/VCU	186,276
Basic Nurse Education and Practice Grants	93.359	UVA	105,997
Nursing Research	93.361	UVA/VCU	530,811
Biomedical Technology	93.371	GMU/UVA/VCU/VPISU	539,429
Grants for Graduate Training in Family Medicine	93.379	UVA	104,269
Research Infrastructure	93.389	UVA	105,660
Academic Research Enhancement Award	93.390	CWM/JMU	89,141
Cancer Cause and Prevention Research	93.393	UVA/VCU	2,198,683
Cancer Detection and Diagnosis Research	93.394	UVA/VCU	520,656
Cancer Treatment Research	93.395	UVA/VCU/VPISU	6,165,795
Cancer Biology Research	93.396	UVA/VCU	4,902,251
Cancer Centers Support Grants	93.397	UVA/VCU	2,121,806
Cancer Research Manpower	93.398	UVA/VCU	1,046,244
Cancer Control	93.399	VCU	652,979
Welfare Reform Research, Evaluations and National Studies	93.595	#UVA/#VPISU	471,906
Head Start	93.600	UVA/VPISU	24,339
Child Abuse and Neglect Discretionary Activities	93.670	UVA	20,087
Cell Biology and Biophysics Research	93.821	CWM/UVA/VCU	6,074,248
Heart and Vascular Diseases Research	93.837	UVA/VCU/VPISU	12,444,014
Lung Diseases Research	93.838	UVA/VCU	1,312,838
Blood Diseases and Resources Research	93.839	UVA/VCU	997,583
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	UVA/VCU/VPISU	2,565,823
Diabetes, Endocrinology and Metabolism Research	93.847	CWM/UVA/VCU	3,652,769
Digestive Diseases and Nutrition Research	93.848	UVA/VCU/VPISU	4,857,694
Kidney Diseases, Urology and Hematology Research	93.849	UVA/VCU	3,304,078
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	UVA/VCU/VPISU	5,974,332
Allergy, Immunology and Transplantation Research	93.855	UVA/VCU/VPISU	6,629,792
Microbiology and Infectious Diseases Research	93.856	UVA/VCU/#VPISU	8,995,370
Pharmacology, Physiology, and Biological Chemistry Research	93.859	UVA/VCU/#VPISU	3,651,207
Genetics and Developmental Biology Research and Research Training	93.862	UVA/VCU/VPISU	4,123,000
Population Research	93.864	UVA/#VCU/VSU	4,433,935
Center for Research for Mothers and Children	93.865	GMU/UVA/VCU	3,064,593
Aging Research	93.866	CWM/UVA/VCU	2,141,358
Vision Research	93.867	UVA/VCU/VPISU	1,760,991
Medical Library Assistance	93.879	UVA/VPISU	197,160
Minority Access to Research Careers	93.880	UVA/VCU	75,306
Grants for Residency Training in General Internal Medicine and/or General Pediatrics	93.884	UVA	244,909
Resource and Manpower Development in the Environmental Health Sciences	93.894	VCU/VPISU	203,001
Grants for Faculty Development in Family Medicine	93.895	VCU	187,861
Predoctoral Training in Primary Care (Family Medicine, General Internal Medicine/General Pediatrics)	93.896	UVA	113,221
Grants for Faculty Development in General Internal Medicine and/or General Pediatrics	93.900	VCU	13,300
Rural Health Medical Education Demonstration Projects	93.906	#VSU	163,737
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	UVA	413,602
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	#UVA	22,260
Center for Medical Rehabilitation Research	93.929	UVA	236,915
Fogarty International Research Collaboration Award	93.934	UVA/VCU	108,995
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	UVA	15,596

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2000

Federal Department/Program	CFDA Number	State Agency(s)	Amount
Special Minority Initiatives	93.960	VSU	\$ 105,605
Preventive Health Services - Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants	93.978	GMU	111,542
Academic Administrative Units in Primary Care	93.984	UVA	220,042
Senior International Fellowships	93.989	UVA/VPISU	313,461
Preventive Health and Health Services Block Grant	93.991	#GMU/#UVA	46,301
Other Assistance:	93.000		
Biological Basis Research in the Neurosciences		JMU/VCU	3,133,658
Molecular Analysis of Heme Pathway		NSU	36,488
Manage Care Management		NSU	53
Oral Hydration & Child Immunization		NSU	742
Education Training for Child Welfare		NSU	92,006
Development of University Head Start Partnership		NSU	97,907
NSU Family & Child Transgenerational Support Program		NSU	31,372
EPA/NAFEO		NSU	6,248
Medical Treatment Effectiveness Research		VCU	2,779
Other		GMU/#UVA/VIMS/VPISU	1,373,987
Total Research and Development Cluster			137,710,101
Total U.S. Department of Health and Human Services			2,228,454,548
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
State Commissions	94.003	DSS	231,629
Learn and Serve America - School and Community Based Programs	94.004	DOE/UVA/#VCU	287,895
Learn and Serve America - Higher Education	94.005	CWM/LC/RU/VCCS/VCU/VPISU	113,246
AmeriCorps	94.006	DSS/LC/VCCS	603,821
Training and Technical Assistance	94.009	DSS	7,287
Volunteers in Service to America	94.013	VCU	173
Total Excluding Cluster			1,244,051
Research and Development Cluster:			
Learn and Serve America - Higher Education	94.005	JMU	1,538
Total Corporation for National and Community Service			1,245,589
SOCIAL SECURITY ADMINISTRATION			
Disability Insurance/SSI Cluster:			
Social Security - Disability Insurance	96.001	DRS	25,631,505
Research and Development Cluster:			
Social Security - Research and Demonstration	96.007	UVA	3,230
Total Social Security Administration			25,634,735
UNIDENTIFIED ASSISTANCE			
Other Assistance:	00.000		
Veronia Production		VSU	33,531
Veronia In Eritrea		VSU	941
Other		UVA	1,872,336
Total Unidentified Assistance			1,906,808
Total Federal Grantor Agencies			\$ 5,090,648,606

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, 2000

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 expenditures of federal awards of the Commonwealth of Virginia's departments, institutions, authorities, and component units except for the entities that were not audited by the Auditor of Public Accounts. Other auditors issued reports for the following organizations within the Commonwealth: Commission on the Virginia Alcohol Safety Action Program, Medical College of Virginia Hospitals Authority, Virginia Commission on Youth, Virginia Housing Development Authority, Virginia Resources Authority, and the Virginia State Crime Commission.

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 following are the clusters administered by the Commonwealth: Food Stamp, Child Nutrition, Emergency Food Assistance, Schools and Roads, Fish and Wildlife, Employment Services, JTPA, Highway Planning and Construction, Federal Transit, Highway Safety, Student Financial Assistance Programs, Special Education, TRIO, Aging, Child Care, Medicaid, Disability Insurance/SSI, and Research and Development. Research and Development, Student Financial Assistance Programs, and Highway Planning and Construction clusters expend funds from several Federal departments. The amount expended for these three clusters are reported under the appropriate federal department. The total amount expended for Student Financial Assistance was \$660,572,960, consisting of \$648,764,670 from the Department of Education and \$11,808,290 from the Department of Health and Human Services. The total amount expended for Highway Planning and Construction was \$500,688,781, consisting of \$498,654,714 from the Department of Transportation and \$2,034,067 from the Appalachian Regional Commission. The total amount expended for Research and Development was \$272,916,614, consisting of the following federal departments:

<u>Federal Department</u>	<u>Amount Expended</u>
Department of Health and Human Services	\$ 137,710,101
National Science Foundation	33,705,430
Department of Defense	31,389,082
National Aeronautics and Space Administration	17,861,756
Department of Agriculture	12,419,228
Department of Energy	10,027,717
Department of Education	6,900,782
Department of Commerce	5,191,235
Department of Transportation	5,065,658
Environmental Protection Agency	4,041,439
Agency for International Development	2,865,462
Department of the Interior	2,648,753
Department of Justice	1,143,176
National Foundation on the Arts and the Humanities	522,096
Nuclear Regulatory Commission	449,092
Department of Housing and Urban Development	350,062
National Archives and Records Administration	285,820
Office of Personnel Management	89,467
National Gallery of Art	83,651
Information Agency	70,904
Federal Emergency Management Agency	39,094
Tennessee Valley Authority	22,718

Institute of Peace	12,111
Small Business Administration	10,497
Department of State	6,515
Social Security Administration	3,230
Corporation for National and Community Service	<u>1,538</u>
Total	<u>\$ 272,916,614</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, 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 \$1,237,612, \$15,756,501, and \$2,735,010 for CFDA Numbers 10.550, 10.555, and 10.569, respectively. The accompanying schedule does not include Commonwealth-stored undistributed food commodities of \$317,286 and \$887,424 for CFDA Numbers 10.550 and 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 \$58,002,108 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 distribution to other governmental entities during the year ended June 30, 2000. Administrative expenditures of \$1,018,862 are not included in the accompanying schedule. The value of surplus property on hand at June 30, 2000 totaled \$1,408,726.

Childhood Immunization Grants (CFDA Number 93.268) – The U.S. Department of Health and Human Services purchases and distributes immunizations to the Virginia 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 \$6,970,676.

The remaining amount of \$3,533,680 is administrative expenditures. The value of inventory on hand at June 30, 2000 was \$2,884,602.

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, 2000.

Federal Direct 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 cost during the fiscal year as well as the outstanding balance of loans receivable at June 30, 2000.

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, 2000.

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, 2000.

Capitalization Grants for State Revolving Funds (CFDA Number 66.458) and Capitalization Grants for Drinking Water State Revolving Fund (CFDA Number 66.468) – The amounts in the accompanying schedule reflects disbursements for administrative costs and distributions to the Virginia Resources Authority for subsequent disbursement to subrecipients.

Economic Adjustment Assistance (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, 2000.

E. Emergency Unemployment Benefits

The amount included in the accompanying schedule for Unemployment Insurance (CFDA Number 17.225) includes \$42,791,755 administrative costs, \$7,948,066 federal unemployment benefits paid to federal employees, \$176,063 federal disaster unemployment benefits paid to federal and non-federal employees, and \$183,322,779 state unemployment benefits paid to non-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 state agency to a subrecipient state agency), the federal financial assistance will be reflected as expenditures by the subrecipient state agency.
2. When federal financial assistance is received by one state agency 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 that 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 NON-STATE SUBRECIPIENTS

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

CFDA Number	Name of Federal Program	Amount
10.200	Grants for Agricultural Research, Special Research Grants	\$ 2,334
10.217	Higher Education Challenge Grants	29,334
10.500	Cooperative Extension Service	204,511
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	2,352,241
10.564	Nutrition Education and Training Program	1,344
10.664	Cooperative Forestry Assistance	411,186
11.419	Coastal Zone Management Administration Awards	914,089
14.228	Community Development Block Grant	21,077,246
14.238	Shelter Plus Care	142,804
15.904	Historic Preservation Fund Grants-In-Aid	62,194
15.000	U.S. Department of the Interior - Other Assistance	25,648

CFDA Number	Name of Federal Program	Amount
16.523	Juvenile Accountability Incentive Block Grants	203,558
16.540	Juvenile Justice and Delinquency Prevention - Allocation to States	1,851,202
16.575	Crime Victim Assistance	6,600,756
16.579	Byrne Formula Grant Program	7,690,748
16.588	Violence Against Women Formula Grants	2,875,848
16.592	Local Law Enforcement Block Grants Program	420,725
16.593	Residential Substance Abuse Treatment for State Prisoners	427,610
16.710	Public Safety Partnership and Community Policing Grants	94,892
17.235	Senior Community Service Employment Program	2,472,606
17.249	Employment Services and Job Training Pilots - Demonstrations and Research	1,792,058
17.253	Welfare-to-Work Grants to States and Localities	5,233,596
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	38,696
20.000	U.S. Department of Transportation - Other Assistance	829,351
45.310	State Library Program	319,438
45.000	National Foundation on the Arts and the Humanities - Other Assistance	146,744
59.037	Small Business Development Center	654,004
59.000	Small Business Administration - Other Assistance	40,931
66.001	Air Pollution Control Program Support	128,760
66.454	Water Quality Management Planning	124,776
66.460	Nonpoint Source Implementation Grants	4,300
66.468	Capitalization Grants for Drinking Water State Revolving Fund	6,600,043
66.500	Environmental Protection - Consolidated Research	54,730
66.606	Surveys, Studies, Investigations and Special Purpose Grants	20,169
66.710	Environmental Justice Community / University Partnership Grants Program	20,775
81.041	State Energy Program	5,000
83.105	Community Assistance Program - State Support Services Element (CAP-SSSE)	79,270
83.536	Flood Mitigation Assistance	118,650
83.539	Crisis Counseling	116,246
83.544	Public Assistance Grants	14,243,323
83.548	Hazard Mitigation Grant	1,039,816
83.551	Project Impact - Building Disaster Resistant Communities	41,500
83.552	Emergency Management Performance Grants	749,509
83.000	Federal Emergency Management Agency - Other Assistance	527,612
84.002	Adult Education - State Grant Program	5,071,027
84.010	Title I Grants to Local Educational Agencies	107,481,639
84.011	Migrant Education - Basic State Grant Program	456,863
84.048	Vocational Education - Basic Grants to States	12,770,473
84.128	Rehabilitation Services - Service Projects	410,633

CFDA Number	Name of Federal Program	Amount
84.162	Immigrant Education	2,453,320
84.181	Special Education - Grants for Infants and Families with Disabilities	7,674,399
84.185	Byrd Honors Scholarships	2,250
84.186	Safe and Drug-Free Schools and Communities - State Grants	8,486,794
84.196	Education for Homeless Children and Youth	7,601
84.213	Even Start - State Educational Agencies	1,563,931
84.216	Capital Expenses	10,167
84.243	Tech-Prep Education	285,949
84.276	Goals 2000 - State and Local Education Systemic Improvement Grants	8,699,525
84.281	Eisenhower Professional Development State Grants	4,705,779
84.282	Charter Schools	26,190
84.298	Innovative Education Program Strategies	6,350,398
84.318	Technology Literacy Challenge Fund Grants	5,532,468
84.323	Special Education - State Program Improvement Grants for Children with Disabilities	43,999
84.325	Special Education - Personnel Preparation to Improve Services and Results for Children with Disabilities	1,183
84.330	Advanced Placement Incentive Program	34,991
84.332	Comprehensive School Reform Demonstration	2,400,000
84.340	Class Size Reduction	9,592,595
84.342	Preparing Tomorrow's Teachers to Use Technology	913
84.000	U.S. Department of Education - Other Assistance	339,792
93.101	Grants for Residential Treatment Programs for Pregnant and Postpartum Women	82,475
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	630,804
93.125	Mental Health Planning and Demonstration Projects	922,424
93.127	Emergency Medical Services for Children	34,930
93.150	Projects for Assistance in Transition from Homelessness (PATH)	392,447
93.192	Quentin N. Burdick Programs for Rural Interdisciplinary Training	275,503
93.197	Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	91,364
93.238	Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	387,622
93.268	Immunization Grants	282,889
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	149,360
93.379	Grants for Graduate Training in Family Medicine	13,801
93.556	Promoting Safe and Stable Families	3,257,678

CFDA Number	Name of Federal Program	Amount
93.563	Child Support Enforcement	198,303
93.566	Refugee and Entrant Assistance - State Administered Programs	2,443,380
93.568	Low-Income Home Energy Assistance	5,544,628
93.569	Community Services Block Grant	8,339,055
93.570	Community Services Block Grant - Discretionary Awards	18,080
93.576	Refugee and Entrant Assistance - Discretionary Grants	45,760
93.584	Refugee and Entrant Assistance - Targeted Assistance	582,570
93.595	Welfare Reform Research, Evaluations and National Studies	691,506
93.597	Grants to States for Access and Visitation Programs	140,891
93.600	Head Start	68,608
93.630	Developmental Disabilities Basic Support and Advocacy Grants	335,837
93.647	Social Services Research and Demonstration	20,467
93.652	Adoption Opportunities	215,832
93.658	Foster Care - Title IV-E	54,652,748
93.667	Social Services Block Grant	55,720,086
93.669	Child Abuse and Neglect State Grants	292,002
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters - Grants to States and Indian Tribes	1,348,469
93.674	Independent Living	1,511,480
93.822	Health Careers Opportunity Program	130,294
93.824	Basic/Core Area Health Education Centers	186,403
93.917	HIV Care Formula Grants	1,145,037
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	44,425
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	274,798
93.926	Healthy Start Initiative	838,432
93.940	HIV Prevention Activities - Health Department Based	1,257,620
93.958	Block Grants for Community Mental Health Services	6,408,639
93.959	Block Grants for Prevention and Treatment of Substance Abuse	36,230,569
93.977	Preventive Health Services - Sexually Transmitted Diseases Control Grants	10,199
93.982	Mental Health Disaster Assistance and Emergency Mental Health	70,100
93.991	Preventive Health and Health Services Block Grant	875,428
93.994	Maternal and Child Health Services Block Grant to the States	65,519
93.000	U.S. Department of Health and Human Services - Other Assistance	1,150,783
94.003	State Commissions	231,629

CFDA Number	Name of Federal Program	Amount
94.004	Learn and Serve America - School and Community Based Programs	185,849
94.006	AmeriCorps	588,349
94.009	Training and Technical Assistance	7,287
	Research and Development Cluster	15,465,219
	Food Stamp Cluster	51,329,371
	Child Nutrition Cluster	124,992,874
	Emergency Food Assistance Cluster	667,710
	Schools and Roads Cluster	872,058
	JTPA Cluster	37,731,441
	Highway Planning and Construction Cluster	12,885,253
	Highway Safety Cluster	2,058,703
	Special Education Cluster	91,405,391
	Child Care Cluster	83,187,910
	Medicaid Cluster	<u>29,213,710</u>
	Total	<u>\$ 903,395,051</u>

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
CHR	Council on Human Rights
CNU	Christopher Newport University
CSA	Comprehensive Services for At-Risk Youth and Families
CWM	The College of William and Mary in Virginia
DBA	Department of Business Assistance
DCE	Department of Correctional Education
DCJS	Department of Criminal Justice Services
DCR	Department of Conservation and Recreation
DEQ	Department of Environmental Quality
DFP	Department of Fire Programs
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
DMA	Department of Military Affairs
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
DT	Department of Treasury
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

ACRONYMS FOR AGENCIES AND INSTITUTIONS

ACRONYM	AGENCY/INSTITUTION
RBC	Richard Bland College
RU	Radford University
SBFA	Virginia Small Business Financing Authority
SCC	State Corporation Commission
SCHEV	State Council of Higher Education for Virginia
SMV	Science Museum of Virginia
SUPCT	Supreme Court of Virginia
TAX	Department of Taxation
UVA	University of Virginia
VBPB	Virginia Board for People with Disabilities
VCA	Virginia Commission for the Arts
VCCS	Virginia Community College System
VCSC	Virginia Criminal Sentencing Commission
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
VEDP	Virginia Economic Development Partnership
VIMS	Virginia Institute of Marine Science
VMFA	Virginia Museum of Fine Arts
VMI	Virginia Military Institute
VMNH	Virginia Museum of Natural History
VOF	Virginia Outdoors Foundation
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

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