



COMMONWEALTH OF VIRGINIA SINGLE AUDIT REPORT

FOR THE YEAR ENDED
JUNE 30, 2014

Auditor of Public Accounts
Martha S. Mavredes, CPA

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EXECUTIVE SUMMARY

The results of our financial statement audit of the Commonwealth of Virginia for the year ended June 30, 2014, are summarized as follows:

- we issued an unmodified opinion on the basic financial statements;
- we found certain matters that we consider to be material weaknesses in internal control over financial reporting;
- we found other matters that we consider significant deficiencies in internal control over financial reporting; and
- we identified instances of noncompliance or other matters required to be reported under Government Auditing Standards related to the basic financial statements.

The results of our single audit of the Commonwealth of Virginia for the year ended June 30, 2014, are summarized as follows:

- we issued an unmodified opinion on the Commonwealth's compliance with requirements applicable to each major program, except for CFDA #10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children, which was qualified;
- we found certain matters and instances of noncompliance with selected provisions, which are required to be reported in accordance with U.S. Office of Management and Budget Circular A-133;
- we found certain matters that we consider to be material weaknesses in internal control over compliance;
- we found certain matters that we consider to be significant deficiencies in internal control over compliance; and
- the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit findings are reported in the accompanying, "Schedule of Findings and Questioned Costs."

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Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

February 4, 2015

The Honorable Terence R. McAuliffe
Governor of Virginia

The Honorable John C. Watkins
Chairman, Joint Legislative Audit
and Review Commission

We are pleased to submit the statewide **Single Audit Report of the Commonwealth of Virginia** for the fiscal year ended June 30, 2014.

This report contains the following:

- our reports on compliance and on internal control over financial reporting and each major federal program;
- the Schedule of Findings and Questioned Costs, together with management's corrective action plans;
- the summary schedule of prior audit findings; and
- the Schedule of Expenditures of Federal Awards.

The Commonwealth's **Comprehensive Annual Financial Report** for the year ended June 30, 2014, and our report thereon have been issued under separate cover.

We would like to express our appreciation to the many individuals whose efforts assisted in preparing this report and recognize the Commonwealth's management and federal program and financial staff for their cooperation and assistance in resolving single audit issues.

AUDITOR OF PUBLIC ACCOUNTS

GDS/clj



Martha S. Mavredes, CPA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Commonwealth of Virginia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commonwealth's basic financial statements, and have issued our report thereon dated December 15, 2014. Our report includes a reference to other auditors who audited the financial statements of certain component units of the Commonwealth, as described in our report on the Commonwealth's financial statements and Note 1.B. to the financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Hampton Roads Sanitation District Commission, Science Museum of Virginia Foundation, Virginia Museum of Fine Arts Foundation, Library of Virginia Foundation, and Danville Science Center, Inc., which were audited by other auditors upon whose reports we are relying, were audited in accordance with auditing standards generally accepted in the United States of America, but not in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commonwealth's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commonwealth's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commonwealth's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying "Schedule of Findings and Questioned Costs", we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A **MATERIAL WEAKNESS** is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying "Schedule of Findings and Questioned Costs," to be **material weaknesses**:

Findings Numbered: 2014-

001	036	037
051	052	053
054	073	074

A **SIGNIFICANT DEFICIENCY** is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying "Schedule of Findings and Questioned Costs," to be **significant deficiencies**:

Findings Numbered: 2014-

002	003	004	005	006	007	008	009
010	011	012	013	014	015	016	017
018	019	020	021	022	023	024	025
026	027	028	029	030	031	032	033
034	035	038	039	040	041	042	043
044	045	046	047	048	049	050	055
056	057	058	059	060	061	062	063
064	065	066	067	068	069	070	071
072	075	076	077	078	080		

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commonwealth's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of **NONCOMPLIANCE** or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying "Schedule of Findings and Questioned Costs" as items:

Findings Numbered: 2014-

001	002	003	004	005	006	007	008
009	010	011	012	013	014	015	016
017	018	019	020	021	022	023	024
025	026	027	028	029	030	031	032
033	034	035	036	037	038	039	040
041	042	043	044	045	046	047	048
049	050	051	052	053	054	055	056
057	059	060	061	062	063	064	065
066	067	068	069	070	071	072	074
075	077	078	079				

We noted certain additional matters involving internal control over financial reporting and immaterial instances of noncompliance that we have reported to the management of the individual state agencies and institutions.

Commonwealth's Response to Findings

The Commonwealth's responses to the findings identified in our audit are described in the accompanying "Schedule of Findings and Questioned Costs." The Commonwealth's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Status of Prior Findings

The Commonwealth's status of corrective actions taken with respect to previously reported findings are located in the section entitled "Resolution of Prior Year Audit Findings."

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Commonwealth's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MARTHA S. MAVREDES
AUDITOR OF PUBLIC ACCOUNTS
RICHMOND, VIRGINIA
DECEMBER 15, 2014



Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Report on Compliance for Each Major Federal Program

We have audited the Commonwealth of Virginia's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Commonwealth's major federal programs for the year ended June 30, 2014. 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."

The Commonwealth's basic financial statements include the operations of certain agencies and component units, which received federal awards that are not included in the Commonwealth's Schedule of Expenditures of Federal Awards for the year ended June 30, 2014. Our audit, described below, did not include the operations of these agencies and component units since they were audited by other auditors as discussed in Note 1 of the "Notes to the Schedule of Expenditures of Federal Awards."

Management's Responsibility

The Commonwealth's management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commonwealth's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Commonwealth's compliance.

Basis for Qualified Opinion on Special Supplemental Nutrition Program for Women, Infants and Children

As described in the accompanying "Schedule of Findings and Questioned Costs", the Commonwealth did not comply with requirements of CFDA 10.557 Special Supplemental Nutrition Program for Women, Infants and Children regarding the following:

<u>Finding Numbers</u>	<u>Compliance Requirement</u>
2014-036	Other
2014-051	Special Tests and Provisions
2014-052	Allowable Costs/ Cost Principles
2014-053	Subrecipient Monitoring
2014-054	Allowable Costs/ Cost Principles
2014-081	Reporting

Compliance with such requirements is necessary, in our opinion, for the Commonwealth to comply with the requirements applicable to that program.

Qualified Opinion on Special Supplemental Nutrition Program for Women, Infants and Children

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Commonwealth complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 10.557 Special Supplemental Nutrition Program for Women, Infants and Children for the year ended June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Commonwealth complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the "Summary of Auditor's Results" section of the accompanying "Schedule of Findings and Questioned Costs" for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed other instances of **NONCOMPLIANCE**, which 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:

Finding Numbers: 2014-

001	002	003	004	022	023	024
026	027	037	039	040	041	042
046	055	056	057	070	071	082
083	084	085	086	087	088	089
090	091	092	093	094	095	096
097	098	099	100	101	102	103
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Our opinion on each major federal program is not modified with respect to these matters.

The Commonwealth's responses to the noncompliance findings identified in our audit are described in the accompanying "Schedule of Findings and Questioned Costs." The Commonwealth's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the Commonwealth is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commonwealth's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commonwealth's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A **MATERIAL WEAKNESS** in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of

compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance identified with the following numbers in the section titled “Schedule of Findings and Questioned Costs,” to be **material weaknesses**:

Finding Numbers: 2014-

001	036	037	051
052	053	054	081

A **SIGNIFICANT DEFICIENCY** in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance identified with the following numbers in the section titled “Schedule of Findings and Questioned Costs,” to be **significant deficiencies**:

Finding Numbers: 2014-

002	003	004	022	023	024
026	027	039	040	041	042
046	055	056	057	058	070
071	082	083	084	085	086
087	088	089	090	091	092
093	094	095	096	097	098
099	100	101	102	103	105

The Commonwealth’s responses to the internal control over compliance findings identified in our audit are described in the accompanying “Schedule of Findings and Questioned Costs.” The Commonwealth’s responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Commonwealth as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commonwealth’s basic financial statements. We issued our report thereon dated December 15, 2014, which contained

unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

AUDITOR OF PUBLIC ACCOUNTS

February 4, 2015 (except as related to the Report
on Schedule of Expenditures of Federal Awards,
for which the date is December 15, 2014)

SUMMARY OF AUDITOR'S RESULTS FOR THE YEAR ENDED JUNE 30, 2014

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	Yes

Federal Awards

Internal Control over major federal programs:	
Material weakness identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	Yes

Type of auditor's report issued on compliance for major programs:
Unmodified for all major federal programs except for 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children, which was qualified.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	Yes
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Dollar threshold used to distinguish between programs:	
Type A programs	\$ 30,000,000
Type B programs	\$ 3,982,074

Commonwealth qualified as low-risk auditee?	No
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The major programs listed on the next page are in order by their CFDA. With the exception of the Research and Development Cluster, the first CFDA in a cluster is used to determine the cluster's placement within the list.

The Commonwealth's major programs are as follows:

CFDA(s)	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
12.401	National Guard Military Operations and Maintenance (O&M) Projects
17.225	Unemployment Insurance
17.258	WIA Cluster
17.259	
17.278	
20.205	Highway Planning and Construction Cluster
20.219	
23.003	
21.000	Asset Forfeiture Funds - Federal Treasury
84.007	Student Financial Assistance Programs Cluster
84.033	
84.037	
84.038	
84.063	
84.268	
84.379	
84.408	
93.264	
93.342	
93.364	
93.408	
93.925	
93.563	Child Support Enforcement
93.658	Foster Care Title IV-E
93.667	Social Services Block Grant
93.575	CCDF (Child Care) Cluster
93.596	
93.775	Medicaid Cluster
93.777	
93.778	
93.791	Money Follows the Person Rebalancing Demonstration
97.042	Emergency Management Performance Grants
97.073	State Homeland Security Program (SHSP)
Footnote 2A	Research and Development Cluster

FINANCIAL STATEMENT FINDINGS

SYSTEMS SECURITY

2014-001: Allocate Adequate Resources to Reduce IT Security Risk

Applicable To: Virginia Employment Commission

Federal Program Name and CFDA#: Unemployment Insurance - 17.225

Federal Award Number and Year: UI252351460A51 (2014)

Compliance Requirement: Other - OMB A-133 .300(B)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

The Commission does not allocate the necessary resources to reduce information technology (IT) security risk as required by the Commonwealth's Information Security Standard, SEC 501-08 (Security Standard). The Security Standard requires that agencies implement several minimum security controls to safeguard sensitive and mission critical data that is stored in their IT environment.

During our audit, we identified weaknesses in the Commission's information security posture that indicate a lack of dedicated resources. We discuss these weaknesses in detail in the recommendations entitled "Improve Organizational Placement of the Information Security Officer," "Maintain Oversight Over the Information Security Program," and "Upgrade Unsupported and Vulnerable Operating Systems."

The Commission has been involved in several system development projects, which have required a substantial amount of resources over the last several years. The Commission has allocated a significant number of IT resources to these projects, which has affected the resources available for maintaining certain aspects of the IT environment, including their information security program. Additionally, due to internally initiated IT infrastructure upgrades, the Commission allocated IT resources to implementing a non-standard high-end technology instead of using less costly and standard Ethernet desktop connectivity.

Without the allocation and appropriate organizational placement of the necessary resources to ensure the Commission adheres to the Security Standard, the Commission will not be able to maintain adequate controls to protect confidential and mission critical data. Inadequate information security controls may lead to significant deficiencies in critical areas that could affect the financial statements or potentially impact the operations of the agency.

We recommend that Commission leadership evaluate its IT resource levels to ensure sufficient resources, both in terms of people and funding, are available to implement and maintain information security controls on current and future systems. We also recommend the Commission evaluate their current IT positions to ensure specific resources have the necessary time available to carry out their assigned responsibilities. Additionally, we recommend that the Commission dedicate

the necessary resources to address the specific control deficiencies identified above and in other recommendations issued during the audit.

Management Plan for Corrective Action for Virginia Employment Commission

In December 2014, we hired a wage employee to assist the ISO. Management will continue to assess the allocation of resources for maintaining the information security program.

Responsible Party: Sam Lupica, Chief Operating Officer

Estimated Completion Date: March 31, 2015

2014-002: Improve Organizational Placement of Information Security Officer

Applicable To: Virginia Employment Commission

Federal Program Name and CFDA#: Unemployment Insurance - 17.225

Federal Award Number and Year: UI252351460A51 (2014)

Compliance Requirement: Other - OMB A-133 .300(B)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

The Commission does not position the Information Security Officer (ISO) in an organizationally independent unit from the Chief Information Officer (Information Officer). Section 2.4.1 of the Security Standard recommends the ISO report directly to the agency head, where practical, and should not report to the Information Officer. Currently, the ISO is reporting directly to the Information Officer. Having the ISO report to the Information Officer may limit the effective assessment and necessary recommendations of security controls in the organization due to possible competing priorities that sometimes face the Information Officer.

The Commission has not placed the ISO in an organizationally independent unit from the Information Officer because management indicates that it does not have the funding to establish an information security office. Additionally, the Commission does not find it suitable to assign the ISO outside the IT division given that the ISO spends the majority of his time on IT related duties. Currently, the Commission estimates the ISO dedicates only 20 percent of his time to information security program duties because of the system development project resource allocation issues already discussed.

We recommend the Commission evaluate the organizational placement and time requirements of the ISO and consider placing the position outside of the Information Technology division. This would eliminate any potential conflicts of interest in the implementation of their information security program and controls, and will more closely align their organizational structure

with best practices. While it may not be feasible to have the ISO reporting directly to the agency head, the Commission should consider placing the ISO in a different organizational unit reporting to another executive-level position.

Management Plan for Corrective Action for Virginia Employment Commission

Management will evaluate options for the organizational placement of the ISO and will continue to identify alternatives to enhance the ISO's effectiveness.

Responsible Party: Ellen Marie Hess, Commissioner and Sam Lupica, Chief Operating Officer

Estimated Completion Date: March 31, 2015

2014-003: Maintain Oversight Over the Information Security Program

Applicable To: Virginia Employment Commission

Federal Program Name and CFDA#: Unemployment Insurance - 17.225

Federal Award Number and Year: UI252351460A51 (2014)

Compliance Requirement: Other - OMB A-133 .300(B)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

The ISO is not maintaining sufficient oversight over the information security program to ensure that it meets or exceeds the requirements of the Commonwealth's Security Standard. During our audit, we identified the following weaknesses related to the information security program:

- The ISO did not confirm that the Commission enforced separation of duties within the Virginia Automated Benefits System (VABS) and Virginia Automated Tax System (VATS). The Commission granted 11 employees access to update claimant wage records in VABS and employer tax records within VATS. This level of access gives an individual the ability to bypass internal controls established by the Commission. The ISO did not detect these conflicts because he did not work with system owners to develop a procedure to detect and address separation of duty conflicts. Section 8.1 AC-5 of the Security Standard, requires the organization to separate duties of individuals as necessary to prevent unauthorized activity.
- The ISO did not confirm that the business managers for VABS and VATS, which support the Unemployment Insurance program, are reviewing user accounts and privileges annually. Business managers use the Access Control Verification System to confirm user access electronically; however, the ISO has not implemented a procedure to ensure that business managers have reviewed all user accounts and privileges annually. Section 8.1

AC-2 of the Security Standard requires the Commission to review accounts and privileges at least annually.

- The ISO did not maintain sufficient oversight to confirm that its third-party providers (Providers) are complying with the Security Standard. The Security Standard considers Providers to be organizations that perform outsourced business tasks or functions on behalf of the Commonwealth. The Commission has outsourced several of its mission critical business functions related to the Unemployment Insurance program. The ISO did not maintain appropriate oversight because the Commission failed to identify this requirement and implement appropriate procedures to maintain compliance. Section 1.1 of the Security Standard requires that agencies enforce the requirements outlined in the Security Standard through documented agreements with Providers and oversight of the services performed.
- The ISO did not confirm that the Commission has periodically audited all information systems that contain sensitive information nor confirmed timely updates and reviews of risk assessments over these sensitive systems. The Commission has not completed these tasks due to a lack of resources. Section 2.5 of the Security Standard requires the ISO to develop and manage the agency's information security program. This includes the ISO confirming that audits are performed that evaluate the effectiveness of the program.
- The ISO did not exercise sufficient oversight to confirm that the Commission is maintaining physical security over information technology assets. We identified two internal control weaknesses that we communicated to management in a separate document marked Freedom of Information Act Exempt under Section 2.2-3705.2 of the Code of Virginia due to it containing descriptions of security mechanisms. Section 8.11 of the Security Standard requires the Commission to design safeguards, commensurate with risk, to protect against human, natural, and environmental threats.

Section 2.5 of the Security Standard requires the ISO to develop and manage an information security program that meets or exceeds the requirements of the Commonwealth's security policies and standards in a manner commensurate with risk. The ISO has not maintained adequate oversight because his time is not fully dedicated towards managing the Commission's information security program as discussed earlier in this section. Without allocating adequate time and resources, the ISO cannot ensure the Commission's information security program is sufficient to protect its IT systems.

These weaknesses are the result of management's resource allocation decisions, which resulted in not allocating sufficient resources to create and maintain the minimum information security controls outlined in the Security Standard. We recommend that Commission leadership evaluate its IT resource levels to ensure sufficient resources are available to implement and maintain information security controls on current and future systems. Additionally, we recommend the Commission evaluate their IT positions to ensure specific resources have the necessary time available to carry out their assigned responsibilities.

Management Plan for Corrective Action for Virginia Employment Commission

In order to ensure the VEC's information security program will meet or exceed the requirements of the Commonwealth's IT security policies and standards, as indicated in the above corrective action plans, management will continue to assess the allocation of resources for maintaining the information security program and will evaluate options for the organizational placement of the ISO. Additionally, to address the specific findings:

- Separation of duties: IT, ISO, and business system owners will work together to ensure all staff have appropriate access and that policies related to system access are enforced.*
- User account reviews: Management completed 100% of account access reviews in 2014. IT/ISO will ensure a process is in place to complete these reviews annually.*
- Third-party oversight: VEC will establish a process to ensure third-party providers are in compliance with the Information Security Standard, as contractually required.*
- System audits and risk assessments: IT/ISO will continue to work with system owners in performing risk assessments and audits of sensitive systems.*
- Physical security over IT assets: IT/ISO will review and mitigate internal control weaknesses identified.*

Responsible Party: Sam Lupica, Chief Operating Officer and Linda Belflower, IT Director

Estimated Completion Date: July 31, 2015

2014-004: Upgrade Unsupported and Vulnerable Operating Systems

Applicable To: Virginia Employment Commission

Federal Program Name and CFDA#: Unemployment Insurance - 17.225

Federal Award Number and Year: UI252351460A51 (2014)

Compliance Requirement: Other - OMB A-133 .300(B)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

The Commission does not use vendor-supported operating systems as required by the Security Standard. We identified a weakness in internal control and compliance that we communicated to management in a separate document marked Freedom of Information Act Exempt under Section 2.2-3705.2 of the Code of Virginia due to it containing descriptions of security mechanisms.

Section SI-2 COV of the Security Standard prohibits the use of software products that the software publisher has designated as end-of-life. Retired and unsupported operating systems no longer receive updates and patches to remedy recently discovered vulnerabilities. Hackers use discovered vulnerabilities to create computer viruses that exploit known weaknesses in the operating system to gain unauthorized access. The Commission significantly elevates its risk of exploitation of unpatched vulnerabilities by a malicious attacker by running on an outdated operating system.

We recommend the Commission work with the IT Partnership to develop an expedited timeframe to transform and refresh all devices that are not using vendor-supported operating systems. Transforming to a vendor-supported operating system will help ensure the Commission is compliant with the Security Standard while mitigating the risk of exploitation of unpatched vulnerabilities.

Management Plan for Corrective Action for Virginia Employment Commission

The VEC will make every effort to continue to work with VITA and NG to upgrade our operating system.

Responsible Party: Linda Belflower, IT Director

Estimated Completion Date: July 31, 2015

2014-005: Develop Database and Application Baseline Security Configurations

Applicable To: Department of Motor Vehicles

Type of Finding: Internal Control and Compliance

Motor Vehicles does not have sufficient security controls to adequately protect two of their mission critical and sensitive systems. Our review noted several areas of weakness for each system, which are due to a lack of documented and implemented application and database baseline security configurations.

We have communicated this information in detail to management in a separate document marked Freedom of Information Act Exempt under Section 2.2-3705.2 of the Code of Virginia, due to their sensitivity and description of security controls. We recommend that Motor Vehicles implement the controls discussed in our recommendation in accordance with the Commonwealth's Information Security Standard, SEC 501-08.

Management Plan for Corrective Action for Department of Motor Vehicles

DMV recognizes its obligation to develop and implement baseline security configurations for all mission critical and sensitive systems. DMV will ensure this is done. DMV will develop and implement baseline security configurations for the specified sensitive systems. DMV will also develop and implement baseline security configurations for all mission critical and sensitive systems.

*Responsible Party: Douglas Mack, DMV IT Security Director (ISO) & Dave Burhop,
DMV Deputy Commissioner (CIO)*

Estimated Completion Date: September 30, 2015

2014-006: Improve Physical and Environmental Security Controls

Applicable To: Department of Motor Vehicles

Type of Finding: Internal Control and Compliance

Motor Vehicles does not have adequate physical and environmental security controls in place to protect certain information technology (IT) systems that house sensitive data. These weaknesses are due to Motor Vehicles not identifying or dedicating the necessary resources to ensure implementation of adequate physical and environmental controls to protect and maintain sensitive systems and data.

Our review noted several areas of weakness that we have communicated in detail to management in a separate document marked Freedom of Information Act Exempt under Section 2.2-3705.2 of the Code of Virginia, due to their sensitivity and description of security controls. We recommend that Motor Vehicles implement the controls discussed in our recommendation in accordance with the Commonwealth's Information Security Standard, SEC 501-08.

Management Plan for Corrective Action for Department of Motor Vehicles

DMV recognizes its obligation to have adequate physical and environmental security controls in place to protect IT systems that house sensitive data. DMV will ensure this is done. DMV will ensure that adequate physical and environmental security policies and procedures are in place. DMV will also ensure that adequate physical and environmental security controls are in place.

*Responsible Party: Douglas Mack, DMV IT Security Director (ISO) & Dave Burhop,
DMV Deputy Commissioner (CIO)*

Estimated Completion Date: September 30, 2015

2014-007: Improve IT Risk and Continuity Management Program

Applicable To: Department of Motor Vehicles

Type of Finding: Internal Control and Compliance

Motor Vehicles does not properly manage certain aspects of their IT Risk and Continuity Management Program in accordance with the Commonwealth's Information Security Standard, SEC 501-08. The success of an IT Risk and Continuity Management Program is dependent on the quality and accuracy of key program documents, including IT system Risk Assessments, Business Impact Analysis, agency and IT Continuity of Operations Plans, and IT Disaster Recovery Plans.

The Security Standard identifies required program documents and elements that should be defined within them. It further lays out specific review and update schedules for these documents, as well as testing expectations for continuity and disaster recovery plans. These documents are essential for protecting agency IT systems by identifying risks, vulnerabilities, and remediation techniques; as well as establishing prioritization for restoring systems in contingency and disaster scenarios.

While Motor Vehicles had a third party create their risk management and contingency documents, Motor Vehicles did not have adequate resources in place to ensure that the documentation was consistent and adequately meets the agency's needs. We noted components within Motor Vehicles' IT Risk and Continuity Management Program required by the Security Standard as incomplete or inconsistent, including system sensitivity ratings, and mission essential and primary business function definitions and related recovery items. Finally, Motor Vehicles only tested a portion of their IT environment during their annual disaster recovery testing.

Because of the weaknesses noted above, Motor Vehicles may not be able to effectively and proactively protect sensitive data against risks, vulnerabilities, and threats. This may prevent Motor Vehicles from adequately performing critical business processes in the event of a natural disaster, service disruption, or other occurrence.

Motor Vehicles should review and revise the documents supporting their Risk Management and Continuity Management Program to ensure they are consistent and in accordance with the Security Standard. Motor Vehicles should also ensure all components of their IT Disaster Recovery Plan are periodically tested to ensure it can restore all critical systems in the event of a disaster, while also identifying opportunities to improve the disaster recovery process where needed.

Management Plan for Corrective Action for Department of Motor Vehicles

DMV recognizes its obligation to ensure the proper management of its IT Risk and Continuity Management Program in accordance with the Commonwealth Security Standard, SEC 501-08. DMV will ensure this is done. DMV will ensure consistent risk and continuity policies and procedures for sensitive systems are in place. DMV will also implement consistent risk and continuity policies and procedures for sensitive systems.

*Responsible Party: Douglas Mack, DMV IT Security Director (ISO) & Dave Burhop,
DMV Deputy Commissioner (CIO)*

Estimated Completion Date: September 30, 2015

2014-008: Improve IT Security Audit Program Management

Applicable To: Department of Motor Vehicles

Type of Finding: Internal Control and Compliance

Motor Vehicles does not manage their IT Security Audit Program in accordance with the Commonwealth's Information Security Audit Standard, SEC502-02 (IT Audit Standard). Specifically Motor Vehicles does not accurately identify all of their sensitive systems within the scope of their IT Security Audit Plan. For those systems that were included, Motor Vehicles did not complete scheduled IT audits for 2013 and 2014. Finally, Motor Vehicles did not submit their three-year IT Security Audit Plan, annually, as required.

The identification and inclusion of sensitive systems in Motor Vehicles IT Security Audit Plan is dependent on the successful maintenance of an agency's IT Risk and Continuity Management Program. As reflected in our finding entitled "Improve IT Risk and Continuity Management Program," Motor Vehicles has inconsistencies in the sensitivity ratings of their systems between key documents supporting their IT Risk and Continuity Management Program. As a result, their most current IT Security Audit Plan included four systems, which did not require audit, and excluded 21 systems identified as sensitive in the BIA, which should be audited.

Turnover within their IT auditor role impacted Motor Vehicles' ability to complete the IT audits scheduled during 2013 and 2014. Additionally, their most recent IT auditor resigned in June 2014 and Motor Vehicles has yet to refill the position, so they are currently unable to address these or any other planned audits. This severely impacts Motor Vehicles ability to comply with the IT Audit Standard, requiring sensitive systems to be audited at least once every three years.

Without sufficient resources in place to manage the IT Security Audit Plan, including its creation, annual update and execution, Motor Vehicles increases the risk that existing weaknesses in sensitive systems will go undetected and unmitigated. Undetected weaknesses can increase the risk of a system and data compromise by malicious parties, or system unavailability.

Motor Vehicles should allocate the necessary resources to ensure their IT Audit Program remains in compliance with the IT Audit Standard. Specifically, Motor Vehicles should develop an IT Audit Plan that encompasses all sensitive systems in their environment, complete IT Audits on a timely basis in accordance with their IT Audit Plan, and ensure their IT Audit Plan is reviewed, updated, and properly submitted to the Virginia Information Technologies Agency annually, as required by the IT Audit Standard. This will enhance the quality of their overall IT Security Program and help to ensure potential system risks are detected and mitigated.

Management Plan for Corrective Action for Department of Motor Vehicles

We recognize the inconsistency in the number of sensitive systems shown in the Agency's previous IT Audit Program from 2012. The IT Audit Plan did not accurately reflect the number of sensitive systems as was shown in the Business Impact Analysis. The Business Impact Analysis was re-evaluated in the third quarter of 2014, (see MP#9). During this re-evaluation, 17 systems were re-classified as non-sensitive. The IT Audit Plan now reflects an accurate depiction of the Agency's sensitive systems.

We are aware that audits were not performed on a timely basis. The departure of DMV's Senior IT Auditor in June, 2014, left the agency with insufficient resources to meet the requirements of the Audit Program, in spite of the agency's best efforts. We have recently hired a new Senior IT Auditor whose first priority is revising the audit plan to match applications currently on file with VITA. A plan has been drafted, submitted and approved by the Agency and is presently being reviewed by the Commonwealth. A more detailed project schedule consistent with the submitted plan is in draft at this time.

An annual three year IT Security Audit Plan was not submitted for 2014. As noted in the previous paragraph, the Agency has now developed a three year plan for 2015 – 2017. The plan has been approved by the Agency head and submitted for review by the Commonwealth.

Corrective Actions:

- 1. Hire a new Senior IT Auditor – Complete*
- 2. Reconcile the applications on CETR to those of the audit plan – Complete*
- 3. Revise the audit plan and submit to VITA – Complete*
- 4. Monitor needs and determine if additional auditors are needed to staff the audit plan - Ongoing*
- 5. Complete audits on the audit plan - Ongoing*

Responsible Party: Page Brothers, Sr. Internal Auditor & Jim Womack, Director of Internal Audit

Estimated Completion Date: We have completed steps 1-3. Completing all audits required by the audit plan will take until June 30, 2017.

2014-009: Improve Payline Web Application and SQL Server Database Security

Applicable To: Department of Accounts

Type of Finding: Internal Control and Compliance

The Department of Accounts (Accounts) does not secure the Payline web application and supporting database with the minimum security controls required by the Commonwealth's Information Security Standard, SEC 501-08 (Security Standard). Payline is a web-based system that reports the earnings statements for all state employees and contains personally identifiable information. We identified six control weaknesses which we communicated to management in a separate document marked Freedom of Information Act Exempt under Section 2.2-3705.2 of the Code of Virginia due to it containing descriptions of security mechanisms. The Security Standard requires implementing specific controls to reduce unnecessary risk to data confidentiality, integrity, and availability.

We recommend that Accounts dedicate the necessary resources to implement the controls discussed in the communication marked FOIA-Exempt in accordance with the Security Standard and ensure that they implement these controls in a timely manner.

Management Plan for Corrective Action for Department of Accounts

The Department of Accounts (DOA) recognizes the need to "Improve Payline Web Application and SQL Server Database Security" controls to reduce the unnecessary risk to data confidentiality, integrity and availability of sensitive data. DOA has taken the steps necessary to address the five control weaknesses communicated to DOA management in the document marked Freedom of Information Act Exempt under Section 2.2-3705.2 of the Code of Virginia. Additionally, DOA has dedicated the necessary information security, technical and financial resources to implement the security controls discussed in the communication marked FOIA-Exempt in accordance with the Commonwealth's IT Security Audit Standard, SEC 501-08.1.

Responsible Party: Richard Salkeld, Director and AITR of Information Technology

Estimated Completion Date: to "Improve Payline Web Application and SQL Server Database Security" discussed herein is the Second Quarter of 2015. DOA management will continue to implement the recommended security controls according to the Commonwealth Standards and industry best practices.

2014-010: Improve IT Security Audit Plan

Applicable To: Department of Accounts

Type of Finding: Internal Control and Compliance

Accounts does not have an updated IT Security Audit Plan. Additionally, Accounts' IT Security Audit Plan is not consistent with its BIA and system RA documentation. Further, Accounts has not performed IT security audits over all systems classified as sensitive once every three years, nor submitted an IT Security Audit Plan to the Commonwealth's Chief Information Security Officer (CISO) on an annual basis.

The Commonwealth's IT Security Audit Standard, SEC 502-02, Sections 1.4 and 2.1 (IT Audit Standard), requires that agencies develop and maintain an IT security audit plan for the IT systems for which it is the Data Owner. The IT Audit Standard requires agencies to base their IT security audit plans on the BIA and the systems data classifications and submit the updated plans to the Commonwealth's CISO on an annual basis. Lastly, the IT Audit Standard requires IT systems that contain sensitive data to be assessed at least once every three years in accordance with requirements of the Commonwealth's Security Standard.

Accounts is increasing the risk that system vulnerabilities and threats remain undetected and are not reasonably secured in accordance with the Security Standard by not having periodic IT Security Audits performed on sensitive systems. Further, Accounts is not maintaining an up-to-date or complete sensitive systems inventory nor updating BIA and risk management documentation to ensure consistency with the currently developed IT Security Audit Plan. Lastly, Accounts did not file an IT Security Audit Plan with the Commonwealth's CISO on an annual basis due to lack of resources.

We recommend that Accounts dedicate the necessary resources to create an up-to-date sensitive systems inventory and use that inventory to create an IT Security Audit Plan based on the requirements in the Security and IT Audit Standards. Accounts should update their BIA and risk management documentation, which will assist in maintaining a current and effective IT Security Audit Plan. Furthermore, Accounts should submit the necessary documentation to the Commonwealth's CISO on an annual basis as required by the IT Audit Standard.

Management Plan for Corrective Action for Department of Accounts

Accounts recognizes the importance of having the agency's framework documentation kept up to date and as current as possible. Accounts has made significant gains in documenting the sensitive business processes and associating applications within the Business Impact Analysis and Risk Assessments. Although not complete, Accounts will dedicate the necessary resources to complete the agency's Business Impact Analysis and Risk Assessment plans accordingly. Given that Accounts does not have an Internal Auditing Department, Accounts will document the agency's sensitive systems in the three year audit plan and implement the necessary procedures to conduct security

audits of the Agency's documented sensitive systems along with incorporating the audit findings into a corrective action plan.

Responsible Party: Richard Salkeld, Director and AITR of Information Technology.

Estimated Completion Date: Third quarter end 2015

2014-011: Improve Risk Management and Continuity Planning Documentation

Applicable To: Department of Accounts

Type of Finding: Internal Control and Compliance

Accounts does not have up-to-date risk management and continuity planning documentation, which includes the Business Impact Analysis (BIA), Risk Assessments for sensitive systems (RA), Continuity of Operations Plan (COOP), and Disaster Recovery Plan (DRP). Accounts has not updated their BIA or RAs since 2010 and has not updated the COOP and DRP since April of 2011 to reflect their current environment.

The Commonwealth's Security Standard, Section 3, requires agencies to conduct periodic reviews and revisions of the agency BIA, as needed, but at least once every three years. The Security Standard requires agencies to update their RAs of all IT systems classified as sensitive as needed, but not less than once every three years. Agencies must also conduct an annual self-assessment to determine the continued validity of the RA. Furthermore, the Security Standard requires the COOP and DRP to be based on the results of the BIA and RA, and requires agencies to conduct at least an annual exercise of the DRP to assess its adequacy and effectiveness. Lastly, the Security Standard requires the organization to update the contingency plan to reflect any material changes to the organization, information systems, operating environment, and problems encountered during contingency plan implementation, execution, or testing.

Accounts did not perform the necessary reviews and revisions to the Risk Management and Continuity Planning documentation due to a lack of resources. Therefore, Accounts is increasing the risk of not being able to restore essential business functions and supporting resources in the event a disaster occurs and during the performance of necessary restoration efforts.

We recommend that Accounts dedicate the necessary resources to revise, approve, and test the Risk Management and Continuity Planning documentation, following the requirements of the Commonwealth's Information Security Standard, SEC 501-08.

Management Plan for Corrective Action for Department of Accounts

Accounts recognizes and understands the requirements to ensure that the agency's framework documentation is current and compliant. Accounts has made significant

gains in documenting the sensitive business processes and associating applications within the Business Impact Analysis and Risk Assessments. Although not complete, Accounts will dedicate the necessary resources to complete the agency's Business Impact Analysis and Risk Assessment plans accordingly and incorporate the findings into the COOP/DRP plans, and will be an ongoing process with the introduction of new business application processes.

Responsible Party: Richard Salkeld, Director and AITR of Information Technology

Estimated Completion Date: Third quarter end 2015

2014-012: Continue to Improve IT Governance

Applicable To: Department of Alcoholic Beverage Control

Type of Finding: Internal Control and Compliance

The Department of Alcoholic Beverage Control (ABC) has improved its information technology (IT) project prioritization and continues to improve its IT governance structure. While ABC has made significant efforts to implement corrective actions in response to recommendations noted during the previous audit period, various weaknesses continue to exist. We identified and communicated these weaknesses to management in a separate document marked Freedom of Information Act Exempt (FOIAE) under Section 2.2-3705.2 of the Code of Virginia due to it containing descriptions of security mechanisms.

The Commonwealth's Information Security Standard, SEC 501-08, requires agencies to use specific controls to reduce unnecessary risk to data confidentiality, integrity, and availability in systems processing or storing sensitive information.

ABC should dedicate the necessary resources to implement the controls discussed in the communication marked FOIAE that continue to align ABC's operations with industry best practices and the Commonwealth's Information Security Standard, SEC 501-08.

Management Plan for Corrective Action for Department of Alcoholic Beverage Control

Continue to Improve IT Governance:

ABC believes we have made significant progress towards an IT Governance structure as noted in the fiscal year 2013 Report. The Agency, however, continues to struggle with the ability to fund all the critical projects and still meet the long term financial obligations found in the General Assembly's Appropriations Act.

The agency's information technology (IT) governance structure is now based on industry best practices gathered through research, and policies/templates supplied by

the Virginia Community College System (VCCS). ABC took the VCCS model and adapted it to meet our business needs by strengthening areas such as linkages to strategic priorities, project importance and risk management. ABC has a Technology Resource Steering Committee (TRSC) policy and accompanying materials such as process flow chart, an Excel matrix used to rank the initial round of projects, and project submission forms. Additionally, ABC has recently created a Portfolio Steering Committee that will use similar criteria to evaluate all agency projects with significant impacts.

Technology Resource Steering Committee:

The Steering Committee was chaired by the Chief Financial Officer, who has since retired; in his absence it is chaired by the Deputy Chief Operating Officer. Members currently include the Chief Information Officer, the Chief Operating Officer and representatives from two operating divisions. The Internal Audit Director serves in a non-voting capacity. Both Information Technology Project Management and Information Security have received considerable attention since last year's audit and procedures have been adopted to ensure continuous improvement.

The procedures adopted by the agency were developed to ensure that a repeatable process was in place to allocate limited technology resources (time, money and people). Information Security projects follow the same as any other project. Members of the committee use the scoring matrix as part of the evaluation process but are also concerned with ensuring the portfolio keeps a balance between foundational and transformational projects. Considerable resources have been allocated to Information Security to ensure adequate attention is placed on areas such as risk assessments and disaster recovery planning.

While the Agency contends that standards are certainly necessary, the majority of our projects are foundational (meaning the business cannot operate without them). These include areas such as Point of Sale, the Financial System, and Licensing. In areas where return on investment (ROI) is appropriate, analysis is conducted (e.g. developing the capacity for on-line special orders.) One of the areas in significant need of improvement was increasing the agency's business analysis capability. During the last 12 months, the agency has strengthened business analysis and project management capabilities and has plans to add additional capabilities in the near future.

Project Evaluation:

The agency evaluates impacts on areas such as service to stakeholders, work process efficiency, financial costs and benefits, linkages to mandates or strategic priorities, and schedule flexibility. In the areas of risk, the agency reviews the level of certainty around scheduling, budget, complexity of the solution and the capability of the business to effectively define requirements and manage the project. As of June, some projects had been deferred because the risk threshold exceeded our comfort zone.

The technical environment for solutions is a part of the scoring matrix and is also found in scoring criteria for the procurement of customized off the shelf (COTS) products. The custom software developed at the Agency follows a standard software architecture that was developed as a common platform for each new development project.

Business Owner Involvement:

The business units are ultimately accountable for monitoring the progress on projects and the results of the implementation. The transition from an IT centric to a business centric approach is on track to be successful (as evidenced by the reports presented by the business owners at progress meetings). Business owners must describe how projects link to agency strategies and goals as part of the submission process. Every two months, the project owners present to the TRSC on schedule, scope, costs and risks.

Additionally, the Agency recognizes the need for system owners to implement security controls in the project development process. Better communication and security presence has been injected into the project process where possible and in a just-in-time manner with job aids being produced to re-educate IT and the business community.

Finally, forthcoming efforts by the security team are eminent (including re-education of business owner roles and responsibilities), that will result in captured and monitored metrics to ensure that compliance requirements are known and measured.

Use of Agency Resources:

The Agency has also invested resources into a Board requested project to evaluate the current staffing needs and approve the new positions where applicable including an additional business systems analyst and a pending position for an IT Compliance Analyst to support the Governance, and risk Compliance initiatives.

Responsible Party: Travis Hill, Chief Operating Officer

Estimated Completion Date: June 30, 2015

2014-013: Improve Database Security

Applicable To: Department of Alcoholic Beverage Control

Type of Finding: Internal Control and Compliance

ABC does not use some required controls to protect the databases that support some critical systems in the IT environment. These databases contain sensitive information, such as personally identifiable information and operational data. We identified and communicated the weak controls

to management in three separate documents marked Freedom of Information Act Exempt under Section 2.2-3705.2 of the Code of Virginia due to specific descriptions of security mechanisms.

The Commonwealth's Information Security Standard, SEC 501-08, requires agencies to use specific controls to reduce unnecessary risk to data confidentiality, integrity, and availability in systems processing or storing sensitive information.

ABC should dedicate the necessary resources to implement the controls discussed in the communication marked FOIAE and create a standard installation and configuration guide for its sensitive databases that, at a minimum, meets the requirements in the Commonwealth's Information Security Standard.

Management Plan for Corrective Action for Department of Alcoholic Beverage Control

ABC currently has several applications that are running on an outdated database platform version. ABC has reviewed the applications that utilize the database and assessed that the applications, in their present state, will not support a database platform upgrade without a significant and unacceptable impact to the business. Given that the database platform is no longer supported, and changes to the database may introduce unpredictable results, editing settings and/or configurations may result in unacceptable downtime or lack of recovery for the application and database.

ABC Executive Management made a decision to accept the risks of the current applications until a new ERP solution can be implemented. ABC purchased Breach Insurance in March 2014, which further mitigates the impact of a security incident. ABC is in the process of filing an exception with the Virginia IT Infrastructure Partnership (VITA) and should have documented approval of the exception to the Security Standard once the filing has been approved.

For one of the applications residing on the database, ABC has enlisted a third party vendor (Oracle Consulting) to perform a gap analysis and produce a mitigation strategy for the new system. For another application, ABC has defined requirements and is in the process of vendor selection, with negotiations currently underway with one vendor. Due to the cost and complexity of this system, it is expected to take approximately 2 years before the final solution is implemented.

With regards to certain settings and permissions on the database and application accounts, ABC has made changes where changes were possible to be made without extensive testing or risk to the business. In other instances, while the agency concurs the settings are not compliant, a thorough analysis and testing period will need to occur to determine any risk of editing these settings. The Agency commits to this research and will change any settings where the risk is minimal. Settings changes that would negatively impact the business will be discussed with the System Owner. Risk will either be mitigated or accepted. And finally, ABC has a valid business need for

certain roles not to be in compliance with SEC 501. ABC has accepted the risk and will implement the strongest controls the business need will allow. These exceptions are included with the VITA Exception filing currently in process.

Responsible Party: Stephen Fox, Chief Information Officer

Estimated Completion Date: June 30, 2015

2014-014: Improve Information Security Officer Designation

Applicable To: Department of Alcoholic Beverage Control

Type of Finding: Internal Control and Compliance

ABC does not position the Information Security Officer (ISO) role in an organizationally independent unit from the Chief Information Officer (CIO). The Commonwealth's Information Security Standard, SEC 501-08, Section 2.4.1, recommends that the ISO report directly to the agency head, where practical, and should not report to the CIO.

Having the ISO role reporting to the CIO may limit effective assessment and necessary recommendations of security controls in the organization due to possible competing priorities that sometimes face the CIO. In establishing its Information Security Officer within the organization, ABC did not fully consider the need for full independence of the Information Security Officer and the Information Security Office.

We recommend that ABC evaluate the organizational placement of the ISO to eliminate any conflicts of interest in the implementation of its information security program and controls. While it may not be feasible to have the ISO report directly to the agency head, ABC should consider placing the ISO role in a different organizational unit reporting to another executive-level position.

Management Plan for Corrective Action for Department of Alcoholic Beverage Control

ABC will evaluate the organizational placement of the Information Security Officer (ISO) in order to remove the perception of any conflicts of interest in the implementation of our information security program and controls. ABC has a newly appointed Chief Operating Officer (COO) as of Monday, October 6, 2014. Once the new COO has had a chance to become acclimated, ABC will begin an evaluation of the best placement for the ISO within the organization, whether as a direct report to the COO or placement elsewhere within the organization. Although ABC will require the input of the new COO for final determination, we expect the process to take 90 days or less. Once a decision has been reached ABC will notify the APA.

Responsible Party: Travis Hill, Chief Operating Officer

Estimated Completion Date: December 31, 2014

2014-015: Improve Database Security

Applicable To: Dept. of Behavioral Health and Developmental Services

Type of Finding: Internal Control and Compliance

DBHDS continues to operate its databases that account for its financial activity without implementing the minimum controls in accordance with internal policy, the Commonwealth's Information Security Standard, and industry best practices. We communicated 13 areas of weakness during the fiscal year 2013 audit in detail to management in a separate document marked Freedom of Information Act Exempt under Section 2.2-3705.2 of the Code of Virginia, due to their sensitivity and description of security controls. Although these weaknesses are still not resolved, we recognize that DBHDS has made reasonable progress in resolving these weaknesses in accordance with their corrective action plan. DBHDS plans to have these control weaknesses remediated by November 2014.

The Commonwealth's Information Security Standard, SEC 501-08 (Security Standard), requires implementing specific controls to reduce unnecessary risk to data confidentiality, integrity, and availability.

As a consequence, DBHDS cannot ensure confidentiality, integrity, and availability for its financial database.

As reported in management's corrective action plans, the complete and proper solution to this prior finding is taking more than a year. We determined that DBHDS contracted with the IT Partnership to remediate these concerns by November 1, 2014; further, we will continue to provide updates on this finding in future reports until management has had enough time to fully implement their corrective actions, and we have evaluated them for effectiveness.

We recognize that DBHDS has made progress in resolving this weakness in accordance with their corrective action plan; therefore, we recommend that DBHDS continue to dedicate the necessary resources to complete the SQL Server upgrade in accordance with the current Commonwealth's Information Security Standards and industry best practices, such as those published by the Center for Internet Security.

Management Plan for Corrective Action for Dept. of Behavioral Health and Developmental Services

The Department concurs with the audit comment and continues to work towards implementing secure practices.

Responsible Party: Marcie Stidham-Stout, Chief Information Security Officer

Estimated Completion Date: September 1, 2015

2014-016: Improve IDOLS Security

Applicable To: Dept. of Behavioral Health and Developmental Services

Type of Finding: Internal Control and Compliance

DBHDS does not implement certain controls in its Intellectual Disability On-Line System (IDOLS) that contains protected health information. We identified and communicated two inadequate systems security controls to management in a separate document marked Freedom of Information Act Exempt under Section 2.2-3705.2 of the Code of Virginia due to it containing descriptions of security mechanisms.

The Commonwealth's Information Security Standard, SEC 501-08 (Security Standard), requires implementing specific controls to reduce unnecessary risk to data confidentiality, integrity, and availability.

As a consequence, DBHDS cannot ensure confidentiality, integrity, and availability for IDOLS.

DBHDS did not adequately manage or establish appropriate information security controls for IDOLS as management did not define its expectations through formal policies and procedures to appropriately configure IDOLS.

DBHDS should dedicate the necessary resources to implement the controls discussed in the communication marked FOIA-Exempt in accordance with the Security Standard.

Management Plan for Corrective Action for Dept. of Behavioral Health and Developmental Services

The Department concurs with the audit comment and will continue to enhance security over all systems. As a part of this effort, the Department will seek funding from the Governor for the 2016-2018 biennium.

Responsible Party: Marcie Stidham-Stout, Chief Information Security Officer

Estimated Completion Date: On-going

2014-017: Develop and Submit an IT Audit Plan

Applicable To: Dept. of Behavioral Health and Developmental Services

Type of Finding: Internal Control and Compliance

DBHDS does not coordinate and plan audits over sensitive information technology (IT) systems to ensure they sufficiently protect data. DBHDS's Internal Audit Department has not developed or submitted an Information Technology Audit Plan for the past five years.

The Commonwealth's Information Technology Security Audit Standard, SEC 502-02.2 Section 2.1, requires that agencies submit an IT audit plan to the Chief Information Security Officer (CISO) of the Commonwealth of Virginia on an annual basis. SEC 502-02.2 Sections 1.4 and 2.1 further require Commonwealth agencies to annually update and create a three-year IT audit plan that covers the organization's sensitive IT systems. Additionally, the Commonwealth's standard requires that these audits are performed in accordance with either Government Auditing Standards (Yellow Book) or International Standards for the Professional Practice of Internal Auditing (IIA Standards). SEC 502-02 further requires at Section 2.2 that IT security audits be performed based on the minimum controls established in the Commonwealth's Information Security Standard, SEC 501-08 (Security Standard).

IT system audits determine if reasonable controls are in place to protect sensitive data for each respective system. As DBHDS does not have a schedule for each sensitive IT system to be audited, DBHDS increases the risk of an IT system being overlooked that may contain significant risks that require remediation. These risks increase the risk of a potential data breach at DBHDS.

DBHDS Internal Audit did not establish an appropriate IT audit plan due to limited communication with management and a lack of understanding the SEC 502 requirements. Further, DBHDS management has not maintained an inventory of all sensitive IT systems that require audit.

DBHDS should establish a complete inventory of all sensitive systems. DBHDS should also dedicate the necessary resources to develop and submit timely annual three year IT audit plans to the Commonwealth CISO and complete them accordingly.

Management Plan for Corrective Action for Dept. of Behavioral Health and Developmental Services

DBHDS has had an inventory of sensitive IT systems since June of 2012. In addition, the required IT audit plan was submitted to VITA on December 15, 2014. In order to complete the audit plan, DBHDS submitted a budget request to the Governor for funds to be allocated to hire an Information Security Auditor. This request was rejected. Any internal redeployment of dollars to fund a position would take away limited resources necessary to fund mission critical services for individuals served by the department.

Responsible Party: Randy Sherrod, Director of Internal Audit

Estimated Completion Date: On-going

2014-018: Improve Information Security Policies and Procedures

Applicable To: Department of Education - Direct Aid to Public Education

Type of Finding: Internal Control and Compliance

The Virginia Department of Education (DOE) does not properly manage certain aspects of their information security program. An agency's information security program is essential for establishing security baselines, best practices, and requirements for ensuring the protection of, and mitigate risks to agency information systems and data.

During our review, we noted the following weaknesses:

IT Systems/Data Backup and Restoration:

- DOE does not have a documented process to backup and restore certain mission-critical IT systems. DOE currently demonstrates that they monitor the IT Partnership's backup and restoration efforts. Additionally DOE has demonstrated they have an internal process for backing up software applications and IT systems. However, the Commonwealth's Information Security Standard SEC 501-08 (Security Standard), Section CP-9, requires that an agency implement documented backup and restoration plans to support restoration of systems, data and applications in accordance with agency requirements.

IT Change Control:

- DOE does not use proper change controls to guide the testing and implementation of internal database updates and patches. Specifically, DOE should ensure that all required updates for the database are tracked through the SRTS change control tool and use this tool to maintain version control. Security Standard, Section CM – 3.d, requires that an agency retain and review a record of each configuration controlled change to a system.

IT Systems and Data Security:

- DOE does not have an adequate IT Systems Hardening Policy. While DOE has documented that the IT Partnership provides infrastructure-level hardening, the Partnership does not provide systems and data hardening at the software/application level. Security Standard, Section CM-6, requires that an agency document mandatory configuration requirements consistent with System Hardening Standards.
- DOE does not scan all sensitive systems for vulnerabilities. Specifically, DOE scans the SSWS application but not the Oracle Financials or Teacher Licensure systems. While these systems are not public facing, they do include sensitive data which requires additional security controls. Security Standard, Section RA-5(2), requires that an agency scans each sensitive system for vulnerabilities at least once every ninety (90) days.

Failure to implement these requirements can result in DOE being unable to adequately address key aspects of the agency information security program for consistent management of system backup/restoration and IT systems hardening procedures. These procedures are essential for ensuring that IT systems are adequately protected from potential continuity and data hardening risks and vulnerabilities.

DOE has not implemented these requirements as a result of a lack of dedicated resources. Specifically, DOE does not have dedicated staff to adequately address these documentation and procedural requirements. We recommend that DOE should dedicate the necessary resources to ensure that their information systems security policies and procedures are consistent with the Security Standard.

Management Plan for Corrective Action for Department of Education - Direct Aid to Public Education

DOE will document its backup and restoration plans in accordance with Commonwealth Security Standards. DOE will implement Change Controls to guide the testing and implementation of internal database updates and patches. DOE will document its System Hardening Policy. DOE will scan all sensitive systems for vulnerabilities.

Responsible Party: Bethann Canada, Educational Information Management Director

Estimated Completion Date: December 31, 2015

2014-019: Improve Information Security Officer Designation

Applicable To: Department of Education - Direct Aid to Public Education

Type of Finding: Internal Control and Compliance

DOE does not properly place the Information Security Officer (ISO) position within its organizational structure. Commonwealth's Information Security Standard, SEC 501-08, Section 2.4.1, recommends that the ISO report directly to the agency head and should not report to the Chief Information Officer (CIO). Currently, the CIO also fulfills the responsibilities of the ISO.

Failure to properly place the ISO role within the organization prevents the position from being independent with regards to assessing the agency IT security controls of the IT environment and IT projects. Organizational independence is critical for an ISO to adequately assess security controls without competing priorities from the Information Technology Division.

DOE has not implemented this organizational change as a result of a lack of dedicated resources. Specifically, DOE has not dedicated staff to adequately separate the ISO and CIO role. We

recommend that DOE dedicate the necessary resources to ensure that the ISO is placed within the organizational structure to be able to objectively manage and evaluate the IT security program.

Management Plan for Corrective Action for Department of Education - Direct Aid to Public Education

The DOE Agency Head has appointed the Deputy Superintendent for Finance and Operations to the Information Security Officer role.

Responsible Party: Dr. Steven Staples, Superintendent of Public Instruction

Estimated Completion Date: Already complete

2014-020: Improve IT Risk Management Documentation

Applicable To: Department of Education - Direct Aid to Public Education

Type of Finding: Internal Control and Compliance

The Virginia Department of Education (DOE) does not properly manage certain aspects of their IT Risk Management documentation. An agency's IT Risk Management documentation is essential for protecting agency IT systems by identifying risks, vulnerabilities, and remediation techniques.

During our review, we noted the following weaknesses:

Business Impact Analysis/IT Data and Systems Sensitivity Classification:

- DOE does not properly classify IT systems and data sensitivity. While DOE does identify the sensitivity of a system in regards to confidentiality, integrity, and availability, it does not define the level of sensitivity, in regards to low, medium, or high. The Commonwealth's Information Security Standard, SEC 501-08 (Security Standard), Section 4.2.3, requires an agency to identify the sensitivity-level of a system or data on the basis of low, medium, or high.
- DOE does not properly determine the potential impact of risks identified in their risk management documentation. While DOE does define the magnitude of potential impacts, it does not document what those specific impacts may be, such as monetary, political, and reputational damages. Security Standard, Section 4.2.3, requires that an agency determine potential damages as a result of a compromise of sensitive data.
- DOE does not define specific regulatory requirements for applicable data, such as HIPAA and FERPA requirements. While DOE does educate and train employees on what data regulatory requirements are and has the ability to produce sanitized documents, DOE has

not identified these requirements according to each sensitive system. Security Standard, Section 2.2.8.2, requires that a data owner define protection requirements for data based on regulatory requirements for their respective system.

- DOE does not properly identify roles and responsibilities over IT systems. DOE has documented a prime contact and application lead for applications, but has not clearly defined what roles these fulfill or other required roles. Security Standard, Section 2, describes critical roles and responsibilities within an agency with respect to IT systems. Specifically, the roles of System Owner, Data Owner, Data Custodian, and System Administrator must be defined for each sensitive IT system.

IT Risk Assessments:

- DOE did not complete an IT Risk Assessment for the Oracle Financials system or the Teacher Licensure system. Security Standard, Section 6.2, requires that an agency conduct and document an IT risk assessment of all sensitive IT systems as needed but not less than once every three (3) years.

Failure to implement these requirements can increase the likelihood of DOE being unable to adequately address risks, vulnerabilities, and remediation techniques for sensitive IT systems. Additionally, failure to consistently identify information across IT Risk Management documents can result in inconsistent management of IT resources, based on sensitivity and risk.

DOE has not implemented these requirements as a result of a lack of dedicated resources. Specifically, DOE has not dedicated staff to adequately address these documentation requirements. We recommend that DOE dedicate the necessary resources to ensure that their IT Risk Management documentation is consistent for the entire agency and IT Risk Assessments are developed to address all sensitive IT systems.

Management Plan for Corrective Action for Department of Education - Direct Aid to Public Education

DOE will reclassify IT systems in accordance with Commonwealth Security Standards. DOE will document risks in accordance with Commonwealth Security Standards. DOE will document the regulatory requirements for data according to each sensitive system. DOE will document the roles and responsibilities of System Owner, Data Owner, Data Custodian, and System Administrator for each sensitive IT system. DOE will complete an IT Risk Assessment for Oracle Financials and the Teacher Licensure system.

Responsible Party: Bethann Canada, Educational Information Management Director

Estimated Completion Date: December 31, 2015

2014-021: Document IT Systems Backup and Restoration Policy and Procedure

Applicable To: Department of Social Services

Type of Finding: Internal Control and Compliance

Social Services does not have documented internal procedures that outline the actions needed to validate backup integrity and ensure efficient and effective mission-critical data restoration.

While Social Services can demonstrate that they monitor the Information Technology (IT) Partnership's infrastructure backup and restoration efforts, the Commonwealth's Information Security Standard, SEC 501-08 (Security Standard), Section CP-9, requires that an agency develop documented backup restoration plans to support restoration of its applications. Agency applications do not fall under the IT Partnership's purview.

Adopting a formalized policy and procedure will increase the ability for Social Services to consistently govern application backup and restoration efforts and ensure that clear and documented expectations exist between the agency and the IT Partnership. A formalized policy and procedure will also reduce the risk of Social Services' inability to successfully restore mission essential functions that are dependent on software applications that are hosted on the IT Partnership's servers.

Social Services did not have a formal documented process due to a misunderstanding of the distinction between an IT Disaster Recovery Plan and an IT Backup and Restoration Policy. While some aspects of both governing documents are similar, the Security Standard maintains that they are separate and distinct documents that serve different purposes.

Social Services should dedicate the necessary resources to create a policy and procedure that document the established IT systems backup and restoration process.

Management Plan for Corrective Action for Department of Social Services

DIS will create the requested IT Backup and Restoration Policy using the Business Impact Assessment data available from our Risk Management group within the Security Division.

Responsible Party: Robert Hobbleman, Chief Information Officer

Estimated Completion Date: March 31, 2015

2014-022: Develop Workable Solutions to Maintain Appropriate Balance of Internal Controls

Applicable To: Department of Social Services

Federal Program Name and CFDA#: Medicaid Cluster - 93.775, 93.777, 93.778

Federal Award Number and Year: 1405VA5MAP, 1405VA5ADM (2014)

Compliance Requirement: Other - OMB Circular A-133 § __.300(b)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

The Information Security Officer (ISO) at Social Services is not maintaining the appropriate detective controls to determine what users with elevated levels of access are doing within the Application Benefit Delivery Automation Project (ADAPT) system.

The Commonwealth's Information Security Standard, SEC 501-07.1 (Security Standard), Section 2.5.4, requires that the Information Security Officer implement and maintain the appropriate balance of preventative, detective, and corrective controls for agency information systems commensurate with data sensitivity, risk, and systems criticality.

ADAPT is the case management system for the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Medicaid programs. Without the Information Security Officer maintaining the appropriate detective controls to determine what users with elevated levels of access are doing within ADAPT, management cannot assure itself that unauthorized transactions did not take place.

During the prior year audit, we found that the Secretary of Health and Human Resources tasked the Department of Medical Assistance Services (Medical Assistance Services) to perform a project to determine if discrepancies in information critical to eligibility determination existed between the Commonwealth's different case management systems. While performing this project, Medical Assistance Services identified several discrepancies between the systems. As a result, Social Services then tasked several employees to update information in ADAPT.

When granting access to ADAPT, management elected to give these individuals access allowing them to make updates within the application. The access granted allowed these employees to override the eligibility determination rules, and make updates directly to the supporting database. While the ISO originally objected to providing these individuals with this level of access, the access was later granted without any compensating controls.

The ISO has a mechanism to track the actions of database administrators, which have capabilities similar to the employees in question within ADAPT. The ISO had the ability to track what these users were doing in ADAPT. However, the Divisions within Social Services which authorize the users' elevated levels of access have not worked with the ISO to confirm that enough information has been provided in order to implement detective controls. Therefore, the ISO is unable to review what tasks these users are performing because the listing of cases authorized to be updated have

not been provided to the Division of Information Technology. The ISO continues to not be able to develop an expectation as to what would be considered a reasonable modification.

Going forward, the Divisions within Social Services which authorize users to have elevated levels of access should work with the ISO to confirm that enough information has been provided in order to implement detective controls. By doing such, the ISO will be able to assure the Commissioner that Social Services' systems are properly secured and that information has not been incorrectly altered.

Management Plan for Corrective Action for Department of Social Services

Going forward all requests for elevated levels of access will include a copy of the changes to-be-made. An audit sample will be selected and confirmed during and after the use of elevated access has been removed. The results of this sample comparison will be reviewed by the CISO Monthly.

Responsible Party: Matt Teasdale, Chief Information Security Officer

Estimated Completion Date: January 31, 2015

2014-023: Implement and Monitor a Change Management Process for Sensitive Applications

Applicable To: Department of Social Services

Federal Program Name and CFDA#: Medicaid Cluster - 93.775, 93.777, 93.778

Federal Award Number and Year: VA20141 (2014)

Compliance Requirement: Other -

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

While Social Services has approved a formal change management policy and process since our last audit, Social Services has not yet implemented or monitored this process in its information technology (IT) environment. Social Services continues to work towards implementing its change management process for sensitive applications.

The Commonwealth's Information Security Standard, SEC 501-08 (Security Standard), Section CM-1 and CM-3-COV, requires agencies to implement its formal change control policy and procedures.

Not implementing the new change management policy and procedures may introduce inconsistent and improper changes to the Social Services IT environment, which may result in unreliable, unavailable, or compromised sensitive data.

Social Services originally indicated in its corrective action plan that it would “establish, implement and monitor a policy for ‘Change Management Process’ ... [by] September 30, 2014.” However, since Social Services only approved its change management policy in September 2014, implementing and monitoring this policy has not yet been possible.

Social Services should continue to follow their corrective action plan by dedicating the necessary resources to implement and monitor the recently approved change management policy and process over its IT environment.

Management Plan for Corrective Action for Department of Social Services

DIS, in collaboration, with the DSS-IT Council members will dedicate the required resources to implement the Change Management tracking tool so that monitoring of the management policy can start.

Responsible Party: Robert Hobbleman, Chief Information Officer

Estimated Completion Date: April 30, 2015

2014-024: Improve Database Security

Applicable To: Department of Health

Federal Program Name and CFDA#: Child and Adult Care Food Program - 10.558

Federal Award Number and Year: 1VA300399 (2014)

Compliance Requirement: Other - OMB Circular A-133 § .400(d)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Health continues not to implement certain controls in its database management system supporting the Regional Office Administered Program (ROAP) web application. During the fiscal year 2013 audit, we identified and communicated this weakness to management in a separate document marked Freedom of Information Act Exempt under Section 2.2-3705.2 of the Code of Virginia due to it containing descriptions of security mechanisms. To date, this has not yet been resolved. As a consequence, Health cannot ensure financial integrity for the ROAP system.

The Commonwealth’s Information Security Standard, SEC 501-08, requires implementing specific controls to reduce unnecessary risk to data confidentiality, integrity, and availability.

As reported in management’s corrective action plans, the complete and proper solution to this prior finding is taking more than a year. We determined that Health contracted with the IT Partnership to remediate these concerns by November 30, 2014; further, we will continue to provide

updates on this finding in future reports until management has had enough time to fully implement their corrective actions, and we have evaluated them for effectiveness.

We recognize that Health has made progress in resolving this weakness in accordance with their corrective action plan; therefore, we recommend Health continue to dedicate the necessary resources to implement the controls discussed in the communication marked FOIA-Exempt in accordance with the Security Standard.

Management Plan for Corrective Action for Department of Health

VDH OIM responded to the APA recommendations implementing applicable mitigating controls on ROAP during the past year (as referenced in the Recommendation above). VDH has also implemented the security controls identified as part of the recommendation.

Responsible Party: Wes Kleene, Information Security Officer

Estimated Completion Date: Completed

2014-025: Ensure Timely Security Awareness and Training

Applicable To: Department of Health

Type of Finding: Internal Control and Compliance

Health does not disable user accounts for employees that do not attend Health's annual mandatory security awareness and training program. Further, approximately 16 percent of Health's employees did not complete this training in fiscal year 2014 and continued to have access to Health information systems.

Health's policy and the Commonwealth's Information Security Standard (Security Standard), SEC 501-08 Section 8.2: Awareness and Training, require Health to annually provide security awareness and training to all information system users, including employees and contractors.

Without security awareness and training, Health increases the risk of a user making an inadvertent mistake that may potentially lead to incidents such as a data breach or system unavailability.

Health does not enforce its policy that requires employees to attend security awareness and training each year. Typically, this control is enforced by disabling the employees' user accounts until the employees have attended the annual security awareness and training program.

We recommend that Health disable user accounts that belong to employees who have not completed the annual security awareness and training program. We also recommend that Health maintain sufficient records of training completion in accordance with the Security Standard.

Management Plan for Corrective Action for Department of Health

VDH provided substantiating evidence that the Information Security Program does offer Information Security Awareness Training to VDH staff (employees, contractors, etc.) through the agency TRAIN system. This training is provided and available to all VDH staff in an on-demand basis. In addition, the ISO provided multiple reminders/requests to Office Directors, Health Directors, and Business Managers regarding the Information Security Awareness training policy.

The training requirement has also been integrated into the VDH Office of Human Resources policy for onboarding and agency training.

VDH will implement a policy for compliance with the training requirement by June 30, 2015. This will include certification on an annual basis by Office/Health Directors that their staff completed the required training each year. Actions for non-compliance will be addressed as part of the policy and enforcement.

Responsible Party: Wes Kleene, Information Security Officer

Estimated Completion Date: June 30, 2015

2014-026: Identify a Backup for Medicaid Management Information System Administration and Document the Process

Applicable To: Department of Medical Assistance Services

Federal Program Name and CFDA#: Medicaid Cluster - 93.775, 93.777, 93.778

Federal Award Number and Year: 1405VA5MAP, 1405VA5ADM (2014)

Compliance Requirement: Other - OMB Circular A-133 § .300(b)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

The Information Security Officer (ISO) is the only individual at Medical Assistance Services who can create, modify, or delete access clusters in the Medicaid Management Information System. Additionally, there is no documentation of how the ISO executes these tasks.

The Commonwealth's Information Security Standard, SEC 501-08 (Security Standard), AC-2-COV (h), requires at least two individuals have administrative accounts to provide continuity of

operations. Security Standard AC-2-COV requires agencies to document management practices for administering accounts.

Without a back-up or documentation on how to administer access, Medical Assistance Services risks not being able to manage access to the Medicaid Management Information System.

According to management, the complexities of the Medicaid Management Information System and limited staffing has caused Medical Assistance Services to not identify a back-up or document how the ISO creates, modifies, or deletes access clusters.

We recommend that management identify a back-up for administering access to the Medicaid Management Information System. Additionally, we recommend that management document the process for administering Medicaid Management Information System access.

Management Plan for Corrective Action for Department of Medical Assistance Services

DMAS has designated a backup ISO for administering MMIS access and will be training the backup to perform the following functions:

- 1. Change a cluster (add/delete)*
- 2. Add a new cluster*
- 3. Remove a cluster*

A new APEX application to manage the MMIS access clusters has been developed. The input to the application is authorized by the user's management. Currently, the application is in User Acceptance Testing (UAT) and not yet in production.

*Responsible Party: Mukundan Srinivasan, DMAS Information Management Division
Director; Theresa Fleming, DMAS Information Security Officer,
Office of Compliance and Security, Information Management
Division*

Estimated Completion Date: December 31, 2015

2014-027: Correct Operating Environment and Security Issues Identified by their Security Compliance Audit

Applicable To: Department of Medical Assistance Services

Federal Program Name and CFDA#: Medicaid Cluster - 93.775, 93.777, 93.778

Federal Award Number and Year: 1405VA5MAP, 1405VA5ADM (2014)

Compliance Requirement: Other - OMB Circular A-133 § .300(b)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Medical Assistance Services' Internal Audit Division (Internal Audit) review dated January 31, 2014, evaluated Medical Assistance Services operating environment and security business processes for the period July 1, 2012, through June 30, 2013. The review found that Medical Assistance Services had generally implemented adequate processes for compliance with the Commonwealth's Information Security Standard, SEC 501-7.1 (Security Standard), and the Health Insurance Portability and Accountability Act (HIPAA) Security Rule; however, there were 15 noted exceptions involving the following controls:

- Contingency Planning
- Configuration Management
- Mobile Device Management
- Physical Security Procedures
- Risk Assessment Procedures
- Audit Logging and Monitoring
- Password Configuration Management
- Logical Access Controls
- Personal Information Protection
- Contract Management
- Sensitive Documentation Handling Procedures
- Training Materials
- Email Disclaimer Requirements
- Publicly Accessible Content Reviews
- Policies and Procedures Reviews

The Security Standard requires that all state agencies develop and implement appropriate policies and procedures that meet the minimum standards outlined within it, to include sub-section 6: Risk Management and sub-section 8: Security Control Catalog.

Medical Assistance Services has increased the risk to its sensitive information systems and data, with regards to confidentiality, integrity, and availability. Critical information systems and data could be impacted due to the weaknesses identified above, which would hinder Medical Assistance Services ability to perform its mission essential functions in support of the Commonwealth.

Medical Assistance Services has not adequately applied the appropriate resources and staff to address the information technology IT security needs of the agency and address exceptions reported in the Internal Audit Division's prior review.

We recommend that Medical Assistance Services continue to follow its corrective action plans for the 15 identified weaknesses. Medical Assistance Services should also, develop or acquire the necessary resources to ensure that appropriate controls are applied over its sensitive information systems and data.

Management Plan for Corrective Action for Department of Medical Assistance Services

The Information Management Division, the Office of Compliance and Security, the Human Resources Division, and the Fiscal and Purchases Division have been working together to address the findings of the DMAS Security Compliance Audit dated January, 31, 2014. To date, nine of the 15 findings have been resolved. Listed is a summary of the corrective action plan for each finding.

- 1. Contingency plans were not approved, distributed, or updated.
The Information Management Division and the Office of Compliance and Security completed a second redraft of the DMAS HIPAA Contingency and Disaster Recovery Plan on December 18, 2014.*
- 2. Change management approvals were not documented (Financial System).
The Information Management Division implemented a configuration control process for the Financial System applications on April 27, 2014.*
- 3. Controls for mobile devices should be established and implemented.
The Information Management Division, the Office of Compliance and Security, and the Human Resources Division finalized the Mobile Device (BYOD) Policy effective October 15, 2014. The Policy was signed by Agency Head, and announced to Agency October 30, 2014.*
- 4. Physical access controls should be strengthened.
DMAS has upgraded its badge access system to Kastle and is in the process of updating its processes and procedures. Additional reports are also being considered. The Office of Compliance and Security is coordinating with the Human Resources Division (HR). The estimated completion date is May 1, 2015.*
- 5. DMAS risk management processes, including data sensitivity classification and system inventory procedures, need improvement.
DMAS Office of Compliance and Security (OCS) prepared a Statement of Work (SOW) to obtain a formal Risk Assessment (RA) at DMAS on its Agency applications. The SOW was posted, bids were reviewed, and a vendor selection*

was made. The Information Management Division expects the RA to begin in January 2015 with an estimated completion date of June 30, 2015.

- 6. Audit logging and monitoring procedures should be implemented.*
The Information Management Division addressed the fiscal services administrator's role by designing a new role called DMAS_FISCAL_ADMIN and provides the minimum access needed to provision user accounts. We have revoked the financial services administrator's access to the SYSADMIN role. The Information Management Division developed a process to provide the SYSADMIN use log and auto-provide to the ISO and the ISO has verified this is working. A new application has been created to review the application access logs and the SYSADMIN logs are now sent to the DBA Manager and the ISO (Security Help email id) on a monthly basis. The corrective actions were completed on December 1, 2014.
- 7. Strong passwords are not enforced for DMAS information systems (Financial System).*
The Information Management Division completed corrective action on December 1, 2014. The password reset process (for user password lockout) has been modified so that, passwords are not automatically unlocked, unless the user contacts the DBA directly for assistance.
- 8. Procedures for requesting, authorizing, documenting, and reviewing access to DMAS information systems should be strengthened.*
The DMAS Office of Compliance and Security (OCS) has pursued a workflow product to assist in providing tools for System Owner and Data Owner reviews to occur more routinely on a documented basis. This is pending funding to allow for purchase. Due to purchase/implementation delay, the estimated completion date is May 1, 2015.
- 9. Social security numbers are not redacted or masked.*
The DMAS Information Management Division is working on updating the application involved to remove the outdated field (containing the social security number) to a generic sequence number. The Financial System has been updated to use a generic sequence number for the Vendor number field. Corrective action was tested and completed on December 13, 2014.
- 10. DMAS does not have an updated contract with the agency service provider.*
The Information Management (IM) Division worked closely with VITA to establish/modify its MOU to include SLAs as required. Weekly meetings occur with VITA/NG. IAG-404 was signed by the Agency Head on February 10, 2014.

11. *Shred bins located throughout the DMAS facility remain unlocked.*
All shred bins were locked on May 13, 2014. A DMAS agency-wide announcement was made on that date.
12. *DMAS training materials should be enhanced.*
The Office of Compliance and Security (OCS) is in the process of updating its training materials to more clearly include the concept of separation of duties and intellectual property rights. This corrective action was delayed due to other higher-priority work; the estimated completion date is May 1, 2015.
13. *DMAS email disclaimer was not enforced.*
The Agency-wide email disclaimer for use with all outgoing email messaging was reviewed and approved by the DMAS Security Advisory Committee (SAC). The email disclaimer was implemented on September 2, 2014. An agency-wide announcement was made on that same date.
14. *Procedures to review publicly accessible content should be improved.*
The Information Management (IM) Division is pursuing a change control process for its web content. An application to handle the change control workflow for the web content is in development. The system is patterned after an existing configuration management system for development. Documentation of the process has been drafted. The application is currently in User Acceptance Testing (UAT). The expected completion date is February 15, 2015.
15. *DMAS policies and procedures were not updated.*
DMAS Office of Compliance and Security (OCS) has updated its Policy and Standards. Procedures were delayed due to VITA transformation activities, and limited staff availability. DMAS plans to address these issues but the effort has been delayed due to other higher priority work. The estimated completion date is May 1, 2015.

Responsible Party: Mukundan Srinivasan, DMAS Information Management Division Director; Theresa Fleming, DMAS Information Security Officer, Office of Compliance and Security, Information Management Division; Kathleen Guinan, DMAS Human Resources Division Director; Karen Stephenson, DMAS Fiscal and Purchases Division Director

Estimated Completion Date:

Finding	Date Completed	Estimated Completion Date
1. Contingency plans were not approved, distributed, or updated.	December 18, 2014	-
2. Change management approvals were not documented (Oracle).	April 27, 2014	-
3. Controls for mobile devices should be established and implemented.	October 30, 2014	-
4. Physical access controls should be strengthened.	-	May 01, 2015
5. DMAS risk management processes, including data sensitivity classification and system inventory procedures, need improvement.	-	June 30, 2015
6. Audit logging and monitoring procedures should be implemented.	December 12, 2014	-
7. Strong passwords are not enforced for DMAS information systems (Oracle).	December 12, 2014	-
8. Procedures for requesting, authorizing, documenting, and reviewing access to DMAS information systems should be strengthened.	-	May 01, 2015
9. Social security numbers are not redacted or masked.	December, 13 2014	-
10. DMAS does not have an updated contract with the agency service provider.	February 10, 2014	-
11. Shred bins located throughout the DMAS facility remain unlocked.	May 13, 2014	-
12. DMAS training materials should be enhanced.	-	May 01, 2015
13. DMAS email disclaimer was not enforced.	September 02, 2014	-
14. Procedures to review publicly accessible content should be improved.	-	February 15, 2015
15. DMAS policies and procedures were not updated.	-	May 01, 2015

2014-028: Improve IT Risk Management Plans

Applicable To: Department of Taxation

Type of Finding: Internal Control and Compliance

Taxation does not update its IT risk management plans in a timely manner. Taxation's IT environment is constantly changing and conducting periodic and timely threat and vulnerability evaluations is critical to establish proper safeguards for sensitive data.

The Commonwealth's Information Security Standard (Security Standard), SEC 501-08, and Taxation's internal policy requires timely updates to IT risk management plans, such as business impact analysis and risk assessments. Specifically, we found that Taxation does not meet the Security Standard's requirements in the following areas.

- Taxation does not have updated risk assessments that comply with its new risk management plan and the Security Standard. Taxation has not created system specific risk assessments since 2009. Additionally, the risk assessments from 2009 do not have all the elements required by the Security Standard. The Security Standard, Section RA-1, requires agencies to maintain updated IT risk assessments that are consistent with its risk management and contingency plans for all sensitive applications and systems as needed, but no later than once every three (3) years.
- Taxation does not have an updated business impact analysis (BIA) that meets the requirements established in Taxation's information security policy. Taxation has stated that its BIA is currently out of date and needs to be updated in order to perform further risk assessments over its sensitive systems. Additionally, the outdated BIA does not include an adequate revision history to track changes and updates. Taxation's Information Security Policy, version 3, section "Required Security Reviews, Audits and Evaluations," requires annual reviews and revisions of the BIA. However, Taxation could not provide documentation that these annual reviews and revisions have occurred. Additionally, the Security Standard, Section 3.1, requires that agencies review and revise its business impact analysis as needed, but no later than once every three (3) years.

Taxation was unable to meet these security requirements due to a lack of dedicated IT security resources. Additionally, Taxation went through a recent transition to a new Information Security Officer. During this transition, information about the revision history for the BIA was lost. Taxation is in the process of interviewing and hiring a Risk Manager who will update these risk management and contingency planning documents and ensure that they meet the requirements defined in the Security Standard.

Without updated risk assessments and a business impact analysis, Taxation cannot accurately determine the appropriate information security safeguards to protect sensitive data. We recommend that Taxation dedicate the necessary resources to update and improve the risk assessment and business impact analysis component of its IT risk management plan to align it with internal policy and requirements in the Security Standard.

Management Plan for Corrective Action for Department of Taxation

TAX recognized these planning and documentation issues and requested funding to hire qualified staff to address these issues. The 2014 General Assembly approved the requested funding and TAX has hired an Information Technology Risk Manager and three other positions are being recruited. The Risk Manager will be responsible for preparing the update to the agency's BIA and Risk Assessment.

Responsible Party: Grayson Walters, Information Security Officer

Estimated Completion Date: September 30, 2015

2014-029: Improve Physical Security to Server Room

Applicable To: Department of Taxation

Type of Finding: Internal Control and Compliance

Taxation does not have appropriate physical security controls in place to protect IT systems that store sensitive taxpayer information. While these server rooms do not house servers with key financial information, failure to implement the requirements in the Security Standard may result in Taxation being unable to adequately protect sensitive IT systems from human risk, which may result in the compromise of sensitive Taxpayer information. During our review, we noted the following weaknesses:

- There are multiple Taxation employees who have access to the server rooms that do not have a documented job responsibility that requires server room access. As a result, Taxation is not implementing the principle of least privilege over server room access. Specifically, we found that 21 Taxation employees have access to the server rooms without a documented job responsibility that require physical access to the server room. The Commonwealth's Information Security Standard, SEC501-08 (Security Standard), Section AC-6, requires that an agency allow employees access only when that access is necessary to accomplish assigned tasks in accordance with organizational missions and business functions.
- Taxation does not require that all employees with physical access to the server rooms go through its formal authorization process. Seven percent of Taxation's employees who

have badge access to the server rooms without formal authorization documentation. The Security Standard, Section PE-3, requires that an agency enforce physical access authorizations for access to facilities where information systems reside.

- Taxation has not assigned the responsibility of reviewing physical access to sensitive IT systems that contain taxpayer information to an employee who does not have access to the same systems. Taxation should use appropriate separation of duties to ensure that the person that is responsible to review daily activity logs does not also have access to the server room. Additionally, the employee responsible for reviewing daily activity should be informed about the job responsibilities of each employee who has access so that they can observe and report on any anomalies or suspicious activities. The Security Standard, Section PE-6, requires that an agency monitor physical access to information systems and respond to physical security incidents.

Taxation was unable to meet these security requirements due to lack of dedicated IT Security resources. Taxation did not allocate the resources necessary to identify and respond to the security risks associated with physical access to the server rooms.

We recommend that Taxation dedicate the necessary resources and staff to develop and implement appropriate policies and procedures to protect sensitive IT systems for human risk and in accordance with the Security Standard. We also recommend that Taxation train the affected employees in establishing and reviewing physical access controls to ensure compliance with its own policy and the Commonwealth's Security Standard.

Management Plan for Corrective Action for Department of Taxation

Annually TAX supervisors perform a recertification of all physical access permissions. TAX will add a step to the recertification procedures that requires the supervisors to document in the employees' Employee Work Profile forms the purpose for any "special access." In addition TAX will assign responsibility for the review of the physical access daily activity logs to a staff person who does not have access to these facilities.

Responsible Party: Grayson Walters, Information Security Officer

Estimated Completion Date: September 30, 2015

2014-030: Improve Web Application Security

Applicable To: Department of Transportation

Type of Finding: Internal Control and Compliance

Transportation does not allocate sufficient resources to properly implement and manage security controls for applications enabling critical support systems. These systems contain confidential information and are critical to the operation of many of Transportation's business functions, and have not been configured with some of the minimum security controls required by the Commonwealth's Information Security Standard, SEC 501-08 (Security Standard).

We identified three control weaknesses that were communicated to management in a separate document marked Freedom of Information Act Exempt under Section 2.2-3705.2 of the Code of Virginia due to it containing descriptions of security mechanisms. The Security Standard requires implementing specific controls to reduce unnecessary risk to data confidentiality, integrity, and availability.

We recommend that Transportation dedicate the necessary resources to implement the controls discussed in the communication marked FOIA-Exempt in accordance with the Security Standard and that these controls are implemented in a timely manner.

Management Plan for Corrective Action for Department of Transportation

VDOT agrees with the APA's findings and recommendations and will implement the following corrective actions:

- *Update Oracle Database software to the most current version. Expected completion date is April 30, 2015.*
- *VDOT implemented enhanced authentication for remote sessions connecting to InsideVDOT on November 15, 2014. This enhancement also mitigates the risk of data leakage to potential attackers by further securing remote connections.*

Responsible Party: Murali Rao, Chief Information Officer

Estimated Completion Date: April 30, 2015

2014-031: Improve Information Security Officer Designation

Applicable To: Department of Transportation

Type of Finding: Internal Control and Compliance

Transportation does not position the Information Security Officer (ISO) role and the Information Security Office in an organizationally independent unit from the Chief Information Officer (CIO) and Information Technology Division. The Commonwealth's Information Security Standard, SEC501-08 section 2.4.1 recommends that the ISO report directly to the agency head, where practical, and not report to the CIO.

Currently, Transportation's CIO is responsible for the agency's IT enterprise as well as being assigned the ISO role. Having the ISO role report to the CIO, or having the same agency staff assume both roles, may limit effective assessment and necessary recommendations of security controls in the organization due to potential competing priorities and conflicts of interests.

During our review, we originally found that Transportation had not fully considered the need for full independence of the Information Security Officer and the Information Security Office in relationship to the CIO function. Subsequently, Transportation has performed a preliminary internal review of the Information Technology office and evaluated the proper reporting relationship between the CIO and the ISO functions. Based on this review, Transportation tentatively agrees with the need for the separation of these functions.

We recommend that Transportation further evaluate and finalize the organizational placement of the ISO and the Information Security Office within the organization to eliminate any potential conflicts of interest in the implementation of their information security program and controls. We also recommend that the ISO and the Information Security Office be adequately positioned within the Transportation reporting structure to ensure a direct access to the agency head when necessary.

Management Plan for Corrective Action for Department of Transportation

VDOT is concluding a review of the Information Technology program which has also considered the proper reporting relationship between the CIO and the ISO functions. This review also recommends the separation of the CIO and the ISO functions.

While a final decision has not been made on the organizational alignment of the ISO function, it is possible that the ISO may be within the Information Technology Division, reporting to the CIO. If such a reporting structure is implemented, then the ISO function will be redefined to enable the ISO to have direct access to the agency head on emergency and conflict avoidance situations or matters relating to the CIO.

Information Technology Division will now be reporting to the Chief of Administration (COA), so there is also the possibility of allowing a direct or dual reporting relationship by the ISO function to the COA.

Responsible Party: Wanda H. Wells, Chief of Administration

Estimated Completion Date: December 31, 2015

2014-032: Improve IT Risk Management and Disaster Recovery Planning Programs

Applicable To: Department of Planning and Budget

Type of Finding: Internal Control and Compliance

DPB does not consistently define or perform essential elements of their Risk Management and Disaster Recovery Planning programs. These processes are essential for an organization to assess and mitigate systems security risks and threats to business operations and supporting information systems.

Section 8 of the Commonwealth's Information Security Standard, SEC 501-08 (Security Standard), requires the identification of system vulnerabilities, threats, safeguards, threat probabilities and loss impacts. Further, the Security Standard requires individual risk assessments for all sensitive systems identified in an agency's Business Impact Analysis and requires an annual self-assessment of its sensitive system risk assessments. Lastly, the Security Standard requires agencies to perform annual exercises to assess the adequacy and effectiveness of its Disaster Recovery Plan (Plan).

DPB's current risk assessment, which includes three mission essential systems, does not maintain all requirements of the Security Standard. Additionally, DPB does not have individual risk assessments completed for all sensitive systems as outlined in their Business Impact Analysis. Lastly, DPB is not conducting annual self-assessments of its sensitive systems nor performing annual exercises to assess the effectiveness of its Plan.

DPB's lack of completed risk assessments across all sensitive systems increases the risk that any known system threats and vulnerabilities will not be appropriately considered, planned for, or mitigated. The lack of a performed exercise of the Plan increases the risk that in the event of a disaster, DPB will not be able to effectively recover from system backups, or prioritize the order in which to restore systems. Further, DPB's failure to exercise its Plan on a regular basis could ultimately lead to significantly affected or compromised business operations.

These weaknesses are primarily due to DPB's lack of available resources and staffing to reasonably develop and implement an adequate Risk Management and Disaster Recovery Program that meets the requirements outlined in the Security Standard. The role of the Information Security

Officer is currently assigned as an alternate function of one DPB employee, and not having a dedicated security resource has resulted in the identified weaknesses in DPB's Risk Management and Disaster Recovery Programs.

We recommend that DPB dedicate the necessary resources to develop and implement an adequate Risk Management and Disaster Recovery Program. DPB should also dedicate the necessary resources to ensure the performance of Risk Assessments for all sensitive systems, as well as develop a processes to conduct annual self-assessments. Further, DPB should review the IT Risk Management requirements established in Section 8 of the Security Standard to ensure that IT systems and data are appropriately classified. Lastly, we recommend that DPB annually test their Disaster Recovery Plan and reassess and improve the Plan based on the results of the tests.

Management Plan for Corrective Action for Department of Planning and Budget

In regard to the recommendation related to IT risk management and disaster recovery, DPB gives the highest level of consideration to your comments and recommendations, and I will reiterate that DPB is working with VITA to identify solutions that could be implemented within the resources that currently exist for a small state agency. The solutions identifies thus far are costly and represent recurring financial commitments. The recommendation states that DPB should be dedicating necessary resources to ensure the performance of risk assessments, but I am concerned that the resources that your office expects this agency to dedicate may not be possible because of current and future budgetary constraints. I also want to note that this agency has long-standing staff with IT backgrounds, and the staff closely monitors all of DPB's systems and works closely with VITA to address any system issues, which include access issues. It is also important to note that, when VITA was formed, staff and resources to perform these functions were removed from state agencies and transferred to VITA. As time has passed, VITA has not taken on the role of providing security services for agency-based legacy systems nor has funding been restored to agencies to resume these responsibilities.

In regard to its Disaster Recovery Plan (Plan), DPB will review this plan in conjunction with its annual update of the Continuity of Operations Plan (COOP) to ensure that the Plan addresses annual exercises of effectiveness. As part of this review, DPB will formalize in the COOP and its Plan the existing process where the PB system is periodically subject to software updates where the system is brought down and then restored. DPB also will work with VITA to meet the Commonwealth's Security Standard. The development plan for this finding will have a completion date of August 31, 2015, and I note the plan will be developed within the constraints of existing financial resources.

Responsible Party: Michelle Vucci, Administrative Services Manager

Estimated Completion Date: August 31, 2015

2014-033: Improve Information Security Program

Applicable To: State Corporation Commission

Type of Finding: Internal Control and Compliance

The Commission does not create and approve policies and procedures for certain required information security controls in its information systems security program. While the Commission conducts some controls in practice, there are no documented and approved requirements to ensure that the Commission's staff and contractors apply all the necessary controls to protect confidential and mission critical data. During our review, we determined that the Commission's security program does not contain documented policies and procedures for the following controls:

- IT Systems Hardening (Security Standard: Sections CM-3, CM-6, SA-3 COV-2, AC-17 COV)
- Systems Interoperability (Security Standard: Sections CA-3, CA-3 COV)
- Malicious Code Protection (Security Standard: Sections SI-3, SI-3 COV)
- Data Storage and Media Protection (Security Standard: Sections MP-1, MP-1 COV)
- Data Backup and Restoration (Security Standard: Sections CP-9, CP-9 COV, CP-10)

The Commonwealth's Information Security Standard, SEC 501-08 (Security Standard), section 1.1, requires agencies to develop a security program that includes documented policies and procedures for the required controls.

The absence of documented and approved policies and procedures for the controls mentioned above increases the risk of a control failure that may cause data to be compromised, inaccurate, or lost. Information security policies and procedures are mechanisms for the Commission to evaluate the appropriate data safeguards and allows the Commission to communicate these clearly to the staff responsible to protect sensitive data. The complexity of consistent implementation of security controls is greatly increased without policies and procedures that complies with the Security Standard and any individual controls needed due to the Commission's unique business requirements.

The Commission recently hired a replacement for their Information Security Officer (ISO) position, which remained vacant for over a year. The lack of an ISO directly impacted the Commission's ability to update and maintain its information security program to ensure compliance with the Security Standard.

We recommend that the Commission dedicate the necessary resources to improve their information security program and establish processes to reduce the impact of potential future transitions in the ISO position. The Commission should also develop the specific lacking policies and procedures as noted in the finding above. This process should include a gap analysis between the Commission's current information security program and the Security Standard.

Management Plan for Corrective Action for State Corporation Commission

The Commission will dedicate resources to improve the information security program, and will develop a plan to draft and implement the specific policies and procedures noted in the APA findings in accordance with the SEC501 standard. That plan will also address development of a gap analysis between the current information security program and the SEC501 standard.

Responsible Party: Information Security Officer

Estimated Completion Date: June 30, 2015

2014-034: Improve End User Computer Controls

Applicable To: State Lottery Department

Type of Finding: Internal Control and Compliance

The Virginia Lottery (Lottery) does not use the principle of least privilege to restrict permissions for end user computers. Allowing excessive computer permissions increases the risk that malware is unintentionally downloaded and installed on employees' computers. Once installed, this malware may propagate throughout Lottery's internal computers and can make them unavailable. Certain malware is also designed to collect information processed on infected computers and send it to a server outside the organization; thereby making the confidential data available to unauthorized entities.

We have communicated the details of this finding to management in a separate document marked Freedom of Information Act Exempt under Section 2.2-3705.2 of the Code of Virginia, due to their sensitivity and description of security controls.

While Lottery is running a mature information security program, this finding weakens the layered information security controls protecting confidential and mission critical agency data.

We recommend that Lottery implement the controls discussed in our recommendation in accordance with the Commonwealth's Information Security Standard, SEC 501-08.

Management Plan for Corrective Action for State Lottery Department

Improve End User Computer Controls

The Lottery's Information Technology Security Committee recognized this concern regarding end user permissions in FY2014, and to that end, had already opened up a project to address these concerns.

We communicated the details of our risk mitigation solutions to the Auditor of Public Accounts under a separate document also marked Freedom of Information Act Exempt under Section 2.2-3705.2 of the Code of Virginia, due to their sensitivity and description of security controls.

Responsible Party: Joe Hubble, Virginia Lottery Information Security Manager

Estimated Completion Date: December 31, 2015

2014-035: Improve Student Health Portal Security

Applicable To: Virginia Commonwealth University

Type of Finding: Internal Control and Compliance

Virginia Commonwealth University (the University) lacks certain controls to protect its Student Health Portal that contains sensitive student data covered under the Family Educational Rights and Privacy Act. Weak controls can create vulnerabilities that expose sensitive data to potential compromises, which, as a result, may lead to reputational damage and financial penalties imposed on the University.

Our review noted several areas of weakness that we have communicated in detail to management in a separate document marked Freedom of Information Act Exempt under Section 2.2-3705.2 of the Code of Virginia, due to their sensitivity and description of security controls.

We recognize that management has been actively working to address these concerns. Therefore, we recommend that the University continue to dedicate the necessary resources to implement the controls discussed in our recommendation in accordance with industry best practices and University Policy.

Management Plan for Corrective Action for Virginia Commonwealth University

VCU concurs with the findings, and management has immediately taken steps to correct the identified issues. As an ongoing effort, VCU will continue to establish configuration baselines and controls for the various technology platforms used within the University, and effectively communicate these baselines and controls to both the central and departmental IT units.

Responsible Party: Dan Han, Information Security Officer

Estimated Completion Date: December 15, 2014

ACCESS CONTROLS

2014-036: Improve Access Controls for the Crossroads System

Applicable To: Department of Health

Federal Program Name and CFDA#: Special Supplemental Nutrition Program for Women, Infants, and Children - 10.557

Federal Award Number and Year: 1VA700707 (2014)

Compliance Requirement: Other - OMB Circular A-133 § .300(b)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Health is not properly managing administrator access to the Crossroads application. The Crossroads system is a web-based application that acts as the system of record for the CFDA #10.557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). We identified system administrator accounts that are not being monitored appropriately. The accounts were assigned to the system's development contractor, but were assigned to individuals that are either no longer employed with the contractor or no longer assigned to work on the project for Health.

Commonwealth's Information Security Standard, SEC 501-08, requires a formal, documented access control policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and formal, documented procedures to facilitate the implementation of the access control policy and associated access controls. Additionally, each agency shall or shall require that its service provider document and implement account management practices for requesting, granting, administering, and terminating accounts.

Untimely removal of access has resulted in unauthorized access to the Crossroads application through the administrator accounts assigned to the separated contractors. The accounts are being accessed after the separation date of the contracted employee, and their activities within the system are not being reviewed by Health. The accounts can be used for unauthorized activities or are being shared with other users. Since no review has taken place and there is no evidence of who is using these accounts, management cannot assure itself that unauthorized or fraudulent transactions did not take place.

Although Health monitors its own employees' access monthly, the developer's administrator accounts were specifically excluded from the review. Health has no process to remove the user accounts for these contractors timely, even though the contractor communicated that the employees were no longer working on the Crossroads project. In some cases, the contractors' Commonwealth of Virginia (COV) accounts with the Virginia Information Technologies Agency were terminated, but their access to Crossroads was not terminated. Due to the nature of the contractors'

accounts in Crossroads, the deletion of the COV account did not prevent access to the Crossroads system.

Health should consider all accounts, including those of contractors, in system access reviews for all systems. Health should also consider requiring all system contractors to maintain a COV network account in order to access the Crossroads system, and link their Crossroads account to the active COV network account. Health should also prohibit the use of shared accounts on all information technology (IT) systems. In addition Health should implement a method for reviewing the activities of contractors with administrator access.

Management Plan for Corrective Action for Department of Health

Family Health Services has already developed a policy that requires all new access to the system to require a COV account that is assigned by VITA. The accounts noted in this recommendation were created as external accounts prior to the implementation of the COV requirement. Family Health Services will work with its developer to disable these external accounts and create new accounts for these individuals so that all developer accounts are linked to an active COV network account.

Family Health Services will require the developer to notify VDH of employee terminations as soon as possible and no more than one business day after their termination date. Family Health Services will disable these accounts within one business day of being notified by the developer. Family Health Services will consider all contractor accounts in its monthly system access review.

Health does prohibit the use of shared accounts on all of its IT systems. Contractual language that requires its partners to adhere to all current COV Information Security standards also prohibits the use of shared accounts. In order to better ensure that the system developer is adhering to this language, Family Health Services will encourage its federal and state partners to require the developer to have an appropriate review of its internal controls.

Responsible Party: Mike Welch, Director of Community Nutrition

Estimated Completion Date: June 30, 2015

2014-037: Improve User Access Controls for ROAP System

Applicable To: Department of Health

Federal Program Name and CFDA#: Child and Adult Care Food Program - 10.558

Federal Award Number and Year: 1VA300399 (2014)

Compliance Requirement: Other - OMB Circular A-133 § .300(b)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Health is not adequately managing access to their Regional Office Administered Program (ROAP) system used to submit claims for reimbursement for the CFDA #10.558 Child and Adult Care Feeding Program (CACFP). Currently, Health does not obtain the termination of access request forms for employees who have separated from the agency, and does not terminate access for separated users timely. Health uses a spreadsheet user log as a master list of users to ROAP. This log does not contain all end users and does not have the correct level of permission documented for some users.

Commonwealth's Information Security Standard, SEC 501-08 (Security Standard), AC-2 and AC-2-COV Account Management, detail the need for managing information system accounts. These standards include, but are not limited to, deactivating accounts of separated users in a timely manner and granting access to the system based on: (i) a valid access authorization; (ii) intended system usage; and (iii) other attributes as required by the organization or associated missions/business functions.

Monitoring system access with an inaccurate listing of system users impairs Health's ability to properly monitor user access, increasing the risk of unauthorized transactions within the ROAP system. ROAP is a web-based system, and terminated users can access the application from outside the agency after separation. Also, management does not perform a review of transactions in the system to ensure that separated employees are not engaging in unauthorized transactions.

Health has not fully complied with their corrective action plan formulated in response to the ROAP access finding in the prior year. User access management policies and processes remain insufficient to properly manage access to the ROAP system.

Health should implement user access controls to remove user access timely after separation or termination from the CACFP program. Health should also ensure that an accurate listing of user access is used when monitoring access.

Management Plan for Corrective Action for Department of Health

The Division of Community Nutrition (DCN) concurs that the termination of access forms for users were not being completed. Instead, e-mails from Program Manager were the basis for termination. In addition, we recognize that the Division did not maintain copies of these emails. The Division will now maintain both emails and user

forms, and will continue to monitor access to ROAP on a monthly basis. The division will deactivate unused accounts after 30 days. In addition, the Division will add a report of all users, their access level, and last log-in to allow for improved system monitoring. Corrective actions will be implemented by March 31, 2015.

Responsible Party: Mike Welch, Director, Division of Community Nutrition

Estimated Completion Date: March 31, 2015

2014-038: Improve Access Management to Information Systems

Applicable To: Department of Health

Type of Finding: Internal Control and Compliance

Health is not properly managing user access to the Personnel Management Information System, Commonwealth Integrated Payroll Personnel System, Health's internal Finance and Accounting system, and WebVision, a system used to manage healthcare services at local health districts. Across these systems, we found a variety of issues in the proper granting of access, recordkeeping, timely termination of access for separated users, and in monitoring access to the systems on a regular basis.

The Commonwealth's Information Security Standard, SEC 501-08 (Security Standard) requires a formal, documented access control policy that addresses purpose, scope, roles, responsibilities, management commitment, coordination among organizational entities, and compliance; and formal, documented procedures to facilitate the implementation of the access control policy and associated access controls.

Insufficient access management increases the risk of unauthorized access to agency systems, which could allow for improper transactions and unreasonable access to agency data.

The management of access to Health's information systems is highly decentralized, and the processes and policies surrounding access management vary between each business unit and system. Recordkeeping is also highly decentralized, and though system security guidance is provided by the central Office of Information Management, the business units also develop their own policies and processes for managing security to their applications.

The process for removing access to systems upon employee separation is also inconsistently applied across the agency. Some major systems are included on a checklist that is a part of the standard employee separation process managed by the Office of Human Resources, whereas other systems are not included. Our testwork indicates that the Office of Information Management does not have sufficient processes to manage access to all systems agency-wide, yet the business units do not have sufficient processes or training to manage access independently.

Health should perform an agency-wide risk assessment of its approach to managing access to its information systems. Health should then determine what additional controls, processes, and resources are required to mitigate the current risks. Health should then communicate these changes to all agency employees responsible for information system management, provide appropriate training, and monitor this implementation to ensure controls are working properly.

Management Plan for Corrective Action for Department of Health

VDH is engaged in a quality improvement initiative to both streamline and improve its processes associated with granting and revoking system access as well as tracking employee asset inventory.

- 1. Short Term Action - VDH will implement an internal review process to verify appropriate access to its respective systems. This process, conducted on a quarterly basis will compare current payroll / employee datasets against each systems approved users. Any employees or staff no longer employed by VDH will be immediately removed from the system. This review will begin during the 3rd quarter of FY15.*
- 2. Long Term Action – VDH will develop an employee user profile system to centralize, consolidate and streamline processes associated with granting system access, revoking system access, tracking physical assets assigned to the employee and tracking systems the employee has been granted access to. This comprehensive process and system development is expected to be complete by the end of FY16.*

*Responsible Party: Joshua Czarda, Operations Director – Performance Improvement
Wes Kleene, Information Security Officer*

Estimated Completion Date: June 30, 2016

2014-039: Improve Access Reviews of the Medicaid Management Information System

Applicable To: Department of Medical Assistance Services

Federal Program Name and CFDA#: Medicaid Cluster - 93.775, 93.777, 93.778

Federal Award Number and Year: 1405VA5MAP, 1405VA5ADM (2014)

Compliance Requirement: Other - OMB Circular A-133 § .300(b)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Medical Assistance Services has not updated the Interagency Agreement with the Department of Social Services (Social Services) to require Social Services to perform an annual review

of their Medicaid Management Information System users. Additionally, Medical Assistance Services' annual review of the Medicaid Management Information Systems' users continue to only include employees who are newly hired, separated, or transferred. Their review of access does not include current Medical Assistance Services employees who have not changed positions.

The Commonwealth's Information Security Standard, SEC 501-08 (Security Standard), Section 8.1 AC-2(j), requires that agencies review user accounts and privileges annually.

The Medicaid Management Information System is used to update Medicaid eligibility information and it is used to process Medicaid claims that total approximately \$8 billion annually. Without reviewing user accounts and privileges annually, Medical Assistance Services and Social Services cannot confirm that user access is current and reasonable based on the user's job responsibilities. This increases the risk of unauthorized users being able to access and make changes to protected health and financial information within the system.

Medical Assistance Services' Policy Division has not updated the Interagency Agreement to include a requirement for Social Services to review Medicaid Management Information System access. Additionally, Medical Assistance Services has not expanded their annual review of Medicaid Management Information Systems users because they are still in the process of evaluating software that will allow them to automate the process.

Even though access to the Medicaid Management Information System is suspended for inactive users, we recommend that Medical Assistance Services' Policy Division update the Interagency Agreement with Social Services to include an annual review of their Medicaid Management Information System users. Additionally, Medical Assistance Services should include all of their Medicaid Management Information System users in their annual review of access. Together, both of these actions will enable Medical Assistance Services, the system owner, ensure that user accounts and privileges are current and reasonable for the Medicaid Management Information System.

Management Plan for Corrective Action for Department of Medical Assistance Services

As part of its agreement process, DMAS will update/modify the Interagency Agreement with the Department of Social Services to reflect the Medicaid Management Information System (MMIS) annual user review. The Policy and Research Division has developed proposed modification language to the Interagency Agreement. The Policy Division expects the Interagency Agreement to be modified by March 31, 2015.

Additionally, DMAS will conduct an annual review for its MMIS users.

DMAS will develop some type of automated process to provide system owners and/or employee managers a user listing with assigned privileges for annual review, and document resulting annual reviews for its MMIS system.

This effort is dependent upon the purchase and implementation of an automated tool such as a workflow product to assist in providing tools for System Owner and Data Owner reviews to occur more routinely on a documented basis.

Information Management (IM) Division is exploring other options at this time, to determine if existing DMAS-owned COTS products may satisfy this review requirement. Even if this is so, there is still a development period that must occur.

Controls Implemented

DMAS suspends MMIS user accounts as soon as notified, or when a 30 day period of inactivity occurs, automated account suspension occurs. Deletes occur in a timely basis.

DMAS suspends other user accounts for DMAS systems upon notification. Deletions occur in a timely basis.

Responsible Party: Mukundan Srinivasan, DMAS Information Management Division Director; Brian McCormick, Policy and Research Division Director; Theresa Fleming, DMAS Information Security Officer, Office of Compliance and Security, Information Management Division

Estimated Completion Date: December 31, 2015

2014-040: Create Formal Documentation that Facilitates Controlling Privileges in the Medicaid Management Information System

Applicable To: Department of Medical Assistance Services

Federal Program Name and CFDA#: Medicaid Cluster - 93.775, 93.777, 93.778

Federal Award Number and Year: 1405VA5MAP, 1405VA5ADM (2014)

Compliance Requirement: Other - OMB Circular A-133 § .300(b)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Medical Assistance Services does not have documentation that facilitates system owners and supervisors in evaluating and approving privileges in the Medicaid Management Information System. As a result of the lack of documentation, supervisors are instructing the Information Security Officer (ISO) on the privileges each employee should have; however, supervisors are not provided a detailed description of the screens and transactions the employee will be able to view and change. Supervisors need this information to facilitate an appropriate evaluation of the employee's system access. Additionally, system owners have not documented the combinations of privileges that create an internal control weakness. Without system owners documenting which privileges create a

weakness, the Information Security Officer cannot question the appropriateness of the privileges a supervisor approves for an employee.

The Commonwealth's Information Security Standard, SEC 501-08 (Security Standard), AC-1 Access Control Policy and Procedures, requires agencies to develop, disseminate, and review/update annually, formal documented procedures to facilitate the implementation of the access control policy and associated access controls.

The Medical Assistance Services User Acknowledgement and Responsibilities Agreement for the Medicaid Management Information System requires that the authorizing (requesting) supervisor only request privileges that the employee needs to perform their job duties and tasks.

Two of the eleven employees tested, 18 percent, had privileges within the Medicaid Management Information System application that they did not need to perform their job duties. The authorizing and granting of this access by the supervisor and the ISO, respectively, violates the principle of least privileges and creates an internal control weakness within the application that could result in fraud or errors.

According to management, they did not have the resources and staff to devote time to document and define all the privileges that are controlled through access clusters in the Medicaid Management Information System. However, management has since hired a Documentation Specialist to document the privileges within the Medicaid Management Information System.

In addition to continuing to document the privileges in the Medicaid Management Information System, management should:

- Require system owners to document privilege combinations that create an internal control weakness, which could be done by developing a conflict matrix.
- Require system owners to provide supervisors and the Information Security Officer documentation that facilitates them in evaluating current access and future requests.
- Require system owners to train supervisors on the different privileges they are allowed to request.

Management Plan for Corrective Action for Department of Medical Assistance Services

DMAS will conduct an annual review for its MMIS users which will include user listing and transaction assignment listing for review.

DMAS will develop some type of automated process to provide system owners and/or employee managers a user listing with assigned privileges for annual review, and document resulting annual reviews for its MMIS system.

This effort is dependent upon the purchase and implementation of an automated tool such as a workflow product to assist in providing tools for System Owner and Data Owner reviews to occur more routinely on a documented basis.

Information Management (IM) Division is exploring other options at this time, to determine if existing DMAS-owned COTS products may satisfy this review requirement. Even if this is so, there is still a development period that must occur.

Responsible Party: Mukundan Srinivasan, DMAS Information Management Division Director; Theresa Fleming, DMAS Information Security Officer, Office of Compliance and Security, Information Management Division

Estimated Completion Date: December 31, 2015

2014-041: Strengthen Financial System Application Access

Applicable To: Department of Medical Assistance Services

Federal Program Name and CFDA#: Medicaid Cluster - 93.775, 93.777, 93.778

Federal Award Number and Year: 1405VA5MAP, 1405VA5ADM (2014)

Compliance Requirement: Other - OMB Circular A-133 § .300(b)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Medical Assistance Services is using the default roles and responsibilities instead of configuring the system based on the needs of the system users. In addition, Medical Assistance Services is not consistently reviewing audit records; and not documenting access roles and responsibilities in a way that allows managers to evaluate if their employees have the correct level of access, nor has it documented conflicting modules or responsibilities that could be used to override separation of duties controls.

The Commonwealth's Information Security Standard, SEC 501-08 (Security Standard):

1. Section 8.5. CM-7 requires organizations to configure the information system to provide only the essential capabilities required for the business function of the information system;
2. Section 8.3 AU-6 requires organizations to review and analyze information system audit records at least every thirty days for indications of inappropriate or unusual activity; and
3. Section 8.1 AC-2(b) and (c) requires that access privileges be specified and conditions for group membership be established.

Because Medical Assistance Services did not modify the default roles and responsibilities, the fiscal services administrator responsible for user account management had roles and responsibilities that were not required for his job responsibilities. Furthermore, because there is no understanding of the default roles and responsibilities and no documentation of the access roles and responsibilities, incorrect access was assigned and was subsequently approved by management during the annual review of access.

In addition, Inconsistent reviews of audit records by Medical Assistance Services may result in inappropriate or unusual activity going undetected by management. Finally, without documenting conflicting modules and roles and providing that documentation to the managers requesting and reviewing access, Medical Assistance Services risks granting access that could create a separation of duties issue. Because the system interfaces directly with the Commonwealth Accounting and Reporting Systems, the Commonwealth's official financial record, weak internal controls could question the integrity of the Commonwealth's financial records.

Medical Assistance Services elected to use the default settings established by the vendor and did not reconfigure the system based on their needs. Furthermore, the system administrators did not know how to reconfigure the fiscal services administrator's role.

Additionally, Medical Assistance Services has not implemented a policy to review the audit records according to the Security Standard requirement, nor is there a policy to document the access roles and responsibilities or the conflicting modules or responsibilities. Finally, management has been using their general knowledge of the roles as they have been requesting and reviewing access.

We recommend that Medical Assistance Services' management gain an understanding of the roles and responsibilities for all default settings and adhere to the Security Standard and reconfigure default setting based on the user's needs. Furthermore, we recommend that Medical Assistance Services, implement a process to review audit records every thirty days and have an individual independent from the System Administrator review the audit records. Finally, Medical Assistance Services should document the access roles and responsibilities and conflicts in a way that will allow managers to adequately evaluate if access is reasonable and provides proper separation of duties surrounding fiscal transactions.

Management Plan for Corrective Action for Department of Medical Assistance Services

- 1. The Fiscal Division will examine existing staffing roles and needs of our division and the agency, re-evaluate the respective responsibilities assigned in the Financial System Application and redefine those requiring more restrictions to functions and/or menus in the Financial Systems applications modules currently in use.*

We addressed the fiscal services administrator's role by designing a new role called DMAS_FISCAL_ADMIN, which provides the minimum access needed to provision

user accounts. We have revoked the financial services administrator's access to the SYSADMIN role.

- 2. A new application has been created to review the application access logs and the SYSADMIN logs are now sent to the DBA Manager and the ISO (Security Help email id) on a monthly basis.*
- 3. The Fiscal Division will document the capabilities of each responsibility in use and any potential conflicts with other modules and/or responsibilities.*

Responsible Party: Mukundan Srinivasan, DMAS Information Management Division Director; Karen Stephenson, DMAS Fiscal Division Director; Theresa Fleming, DMAS Information Security Officer, Office of Compliance and Security, Information Management Division

Estimated Completion Date: June 30, 2015

2014-042: Confirm that Application Access is Appropriate

Applicable To: Department of Medical Assistance Services

Federal Program Name and CFDA#: Medicaid Cluster - 93.775, 93.777, 93.778

Federal Award Number and Year: 1405VA5MAP, 1405VA5ADM (2014)

Compliance Requirement: Other - OMB Circular A-133 § .300(b)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Medical Assistance Services did not remove access to the Commonwealth Accounting and Reporting System (CARS) and the 1099 Adjustment and Reporting Systems (ARS) for individuals who no longer needed access. One individual retained CARS access for 64 business days after termination, while ten individuals retained access to either CARS or ARS when it was no longer needed for their job responsibilities. We were unable to determine how long these individuals retained access when it was not needed.

The Commonwealth's Information Security Standard, SEC 501-08 (Security Standard), AC-6 and AC-2-COV, states that access should be granted based on the principle of least privilege and be promptly removed when no longer required. Furthermore, the CAPP Manual states that the each agency's CARS Security Officer (CSO) is responsible for a comprehensive system of internal controls over CARS tables and files.

Allowing users to retain access to CARS and ARS when it is no longer needed increases the risk of unauthorized transactions in these systems.

The CSO did not confirm with supervisors whether individuals still required CARS and ARS access. Furthermore, the CSO did not confirm that the Department of Accounts deleted access for the terminated employee.

The CSO's semi-annual review process should include verifying, with the individual's supervisor, whether CARS and ARS access is still needed. In addition, the CSO should implement a process to confirm that access is deleted based on the request made to the Department of Accounts.

Management Plan for Corrective Action for Department of Medical Assistance Services

The Fiscal Division will establish a new semiannual review process to assess CARS and ARS accesses.

On a semiannual basis beginning SFY 2015, the Fiscal Systems Administrator (CSO) will provide respective Managers with a list of their staff and the corresponding CARS and/or ARS accesses. Managers will be required to review and certify that the access is still appropriate based on the current role and responsibilities of the employee. All employees with access to CARS and/or ARS will be included in this review and certification process.

*Responsible Party: Mukundan Srinivasan, DMAS Information Management Division
Director; Karen Stephenson, DMAS Fiscal Division Director;
Theresa Fleming, DMAS Information Security Officer, Office of
Compliance and Security, Information Management Division*

Estimated Completion Date: May 31, 2015

2014-043: Enhance Performance Budgeting System Access Reviews

Applicable To: Department of Planning and Budget

Type of Finding: Internal Control and Compliance

DPB does not consistently perform, track or complete adequate follow-up of periodic Performance Budgeting (PB) system access reviews to ensure that agency access permissions remain appropriate over time as employees change positions and responsibilities at the agency level. Additionally, DPB does not have formal, documented policies that require or describe the procedures that take place during the system access review process. DPB's lack of adequate access controls over the PB system increases the risk of agency employees with inappropriate access.

Section 8.3 of the Commonwealth's Information Security Standard, SEC 501-08 (Security Standard) requires agencies to develop, disseminate, and review system access at least annually. The Security Standard also requires formal, documented procedures to facilitate the implementation

of the review. Further, the Security Standard requires reviews of information systems be tracked to accurately demonstrate account creation, disabling and termination actions taken. DPB's lack of adherence to the applicable portions of the Security Standard for system owners increases the risk of agency employees with inappropriate access.

Currently, DPB performs an annual review of PB system access, which involves contacting agency administrators and requesting that agency administrators review users as listed in the PB system. DPB requests that administrators only respond if the administrator identifies accounts that should be disabled. DPB's review does not require administrators to review access to ensure access privileges held are still reasonable for employees' based on their current job responsibilities, nor does it require administrators to certify the reasonableness of agency access if there are no changes that need to be made. For agencies that respond to DPB with accounts to disable, DPB maintains the email signifying that an agency requested an access change. DPB's current process does not incorporate a mechanism for determining that all changes requested by the agencies are actually performed in a timely manner.

While we recognize that PB system transactions do not have an immediate impact on financial information as recorded in the Commonwealth's accounting system, based on the required levels of approval, system owners still have minimal requirements to which they should adhere as outlined in the Security Standard. We recommend that DPB develop and adhere to policies surrounding their annual review of PB system access at the agency level. The policies at a minimum should require agencies to provide positive confirmation that all access levels held by agency employees are reasonable and necessary for the employee to perform current job responsibilities. DPB should also assess the number of agency administrators assigned to each agency to determine if it is reasonable based on the size and nature of the agency. Lastly, DPB should ensure their review process is accurately tracked, to easily identify unresponsive agencies and to demonstrate that their review process is complete and being performed in a timely manner.

Management Plan for Corrective Action for Department of Planning and Budget

While I (Dan Timberlake) appreciate the acknowledgement in your recommendation that PB system transactions do not impact the Commonwealth's Accounting System until several layers of review and approval have taken place at DPB, I am concerned that your recommendations do not adequately reflect the current safeguards that exist in this system. The PB financial system is a means to allow agencies to request budget execution actions and budget amendments. In the November meeting and in information provided by my staff as part of the audit, DPB indicated that no transaction entered into the PB system is processed until an internal review is undertaken at this agency. Depending upon the nature of the transaction, that review could involve multiple layers and could even require my review and approval. No transaction is approved in the PB system until it undergoes this process, which includes validating the identity of the individual(s) at a state agency who enter and review a transaction in the PB system.

System safeguards also exist through limiting the actions that a state agency user is able to perform. For state agency users, the PB system acts as a “portal” for submitting budget requests. The PB system functions much like a website for soliciting public requests; however, since the requests are from state agencies, DPB allows state agencies to determine the personnel who should access this system and the degree to which access should be limited. The risk of misuse is no greater than the risk that would exist if DPB received such requests as paper submissions. Therefore, the current procedures in place for the PB system inherently mitigate opportunities for misuse of the system by state agency personnel.

In response to this management recommendation, DPB will revise its annual review process related to PB system access to incorporate the following: 1) positive confirmation that all agency access continues to be appropriate and necessary; 2) an internal review process to assess the number of agency administrators in relation to the size and nature of the agency; and 3) an annual review process that identifies any unresponsive agencies. The development plan for this finding will have a completion date of August 31, 2015. Please note that any system changes needed to address this finding must be implemented with existing resources.

Responsible Party: Michelle Vucci, Administrative Services Manager

Estimated Completion Date: August 31, 2015

2014-044: Improve Internal Controls Over System Access

Applicable To: Department of Planning and Budget

Type of Finding: Internal Control and Compliance

The Department of Planning and Budget (DPB) does not have adequate policies and procedures for granting and deleting agency user access in the Performance Budgeting (PB) system. Additionally, DPB does not provide detailed guidance to agency administrators on the specific capabilities of user roles within the PB system. DPB’s lack of adequate access controls over the PB system increases the risk of agency employees with inappropriate access.

Section 8.1 of the Commonwealth’s Information Security Standard, SEC 501-08 (Security Standard), requires formal, documented policies and procedures to implement account management practices for requesting, granting, administering, and terminating user accounts. Further, that section of the standard requires the granting of users’ access on the principle of least privilege.

DPB currently has an informal process of granting and deleting user access in the PB system, which consists of email correspondence between DPB and the requesting agency. DPB has not

established specific policies to direct how the process should work. Additionally, agency administrators, who maintain the authority to determine who and what level of access their employees can obtain, have not been provided up-to-date PB system policies that clearly delineate user capabilities at the user role level, which are module specific. DPB has not provided sufficient guidance to allow agency administrators to determine if permission is being granted based on what's minimally required to accomplish assigned tasks.

To decrease the risk of inappropriate PB system access and enhance overall system access controls, we recommend that DPB develop and adhere to policies for granting and disabling PB system user access. While we recognize that PB system transactions do not have an immediate impact on financial information as recorded in the Commonwealth's accounting system, based on the required levels of approval, system owners still have minimal requirements to which they should adhere as outlined in the Security Standard. DPB should provide reference material that includes descriptions of user role capabilities within each module to all agency administrators to ensure access is being granted based on the principle of least privilege at the agency level.

Management Plan for Corrective Action for Department of Planning and Budget

DPB recognizes that opportunities exist to document current policies related to the Performance Budgeting (PB) system, and we will enhance and supplement the direction provided to state agencies. In response to your recommendations and to discussions that took place during the audit, DPB is also actively working with the Virginia Information Technology Agency (VITA) and with other finance agencies to find cost-efficient options that will address the Commonwealth's Security Standard.

In response to this management recommendation, DPB will ensure that formal policies and procedures are prepared and updated and state agencies will be provided with information regarding user role capabilities within the PB system. The development plan for this finding will be completed no later than October 31, 2015.

Responsible Party: Michelle Vucci, Administrative Services Manager

Estimated Completion Date: October 31, 2015

2014-045: Monitor Actions of Employees Granted Temporary Access in FAAS

Applicable To: Department of Social Services

Type of Finding: Internal Control and Compliance

Social Services does not have a mechanism in place to actively monitor transactions of employees in the Accounts Payable Division that are temporarily granted additional access within the Financial Accounting Analysis System (FAAS). Temporary access is not included as part of an employee's normal job duties, and can cause a conflict with the structure of internal controls normally maintained within the Accounts Payable Division.

The Commonwealth's Information Security Standard, SEC 501-08 (Security Standard), Section 8.1, AC2-Account Management, part f., states that agencies should specifically authorize and monitor the use of guest or anonymous and temporary accounts.

Without effective monitoring of users with temporary access, Social Services cannot provide assurance that transactions processed, during the period which temporary privileges were granted, are properly authorized or not entered and approved by the same employee. For example, an employee that is normally authorized to create vendors within FAAS may be able to also initiate payments to vendors they create during a period of temporary access.

Temporary access is generally given when there is a staffing shortage for a short period of time and invoices must be keyed or approved within a certain time frame to maintain reasonable business flow. Social Services has established some controls over this access, as temporary access is end-dated in the system, and a paper file of any unusual or temporary requests is maintained to ensure that the temporary access is immediately removed when the access is no longer needed.

The Accounts Payable Division should coordinate with the financial systems team to ensure that temporary access is monitored appropriately and adequate compensating controls are in place during the periods when temporary access is necessary. The creation of some type of mechanism to monitor the use of temporary access will allow Social Services to further ensure that no unauthorized or inappropriate transactions occurred as a result of the granting of temporary access.

Management Plan for Corrective Action for Department of Social Services

The systematic control over access is maintained at the Responsibility level in FAAS. Financial Systems requires management approval for exceptions to the normal process to grant access as well as to restrict access during the exception period.

A form will be created to request temporary access(s) that will specify any access(s) that should be granted and specify ones to be restricted. All exceptions to access that are a conflict will need justification and approval by designated management before changing.

General Accounting will use the new form for requesting temporary access and document manually requested temporary access and duration during the year.

General Accounting will be required to monitor actions of individual staff when conflicting responsibilities have been assigned off and on for any period.

The DSS financial systems group will also evaluate the possibility and impact of implementing audit logging.

Responsible Party: Mike Gump, Chief Financial Officer

Estimated Completion Date: New forms and procedures will be created by March 31, 2015. Evaluation and analysis of the impact of audit logging will be completed by June 30, 2015.

2014-046: Review User Accounts and Privileges for Mission Critical Systems

Applicable To: Department of Social Services

Federal Program Name and CFDA#: Low-Income Home Energy Assistance - 93.568

Federal Award Number and Year: 14B1VALIEA (2014)

Compliance Requirement: Other - OMB Circular A-133 § __.300(b)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Management at Social Services is not annually reviewing user accounts and privileges for reasonableness as required. We found that management did not conduct an annual review of access for two of its mission critical systems.

The Commonwealth's Information Security Standard, SEC 501-07.1 (Security Standard), Section 8.1.AC-2(j), requires that agencies review user accounts and privileges annually.

Social Services uses Automated Program to Enforce Child Support (APECS) to manage the Child Support Enforcement Program and the Energy Assistance System (EAS) to manage the Low Income Household Energy Assistance Program. Without reviewing user accounts and privileges annually, Social Services' management cannot make the assertion that user access is current and reasonable based on the user's job responsibilities. In effect, this increases Social Services' risk of unauthorized transactions taking place within these systems.

Social Services has not performed annual access reviews for several of its mission critical systems because it lacks a process that communicates user access privilege listings and review responsibilities. Management is in the process of developing an automated process to facilitate their

reviews, which is taking longer to implement than the estimated completion date of July 31, 2014, that was provided during the prior year audit.

Social Services should develop a mechanism to supply system owners and managers with a listing of user accounts and their privileges. Social Services should also develop a plan to ensure an annual review of all mission critical systems. By meeting this requirement of the Security Standard, Social Services will be able to ensure that user accounts and privileges are current and reasonable.

Management Plan for Corrective Action for Department of Social Services

Efforts are underway to move all Mission Critical systems Security controls under the agency CISO and incorporate them into the agency's Security Access Management System (SAMS) or move the operational control of the security component to the CISO, with a few exceptions that are not experiencing review problems. All new RFPs for systems upgrade and replacement are required to be incorporated into SAMS so as older systems like ADAPT, RMS are replaced by VaCMS or yet to be issued contracts tools are incorporated to help automate the review of accounts.

Responsible Party: Matt Teasdale, Chief Information Security Officer

Estimated Completion Date: June, 30 2015 for OASIS and APECS. Other systems as they are implemented.

2014-047: Improve Controls Over Cardinal Security

Applicable To: Department of Accounts

Type of Finding: Internal Control and Compliance

The Department of Accounts Cardinal Team is not properly managing access to the Cardinal system. During our review, we noted the following:

- 61 employees with access to Cardinal who did not log on during the entire fiscal year 2014, indicating they are dormant users and potentially no longer require access.
- Several instances of self-approved journal entries, indicating that users have access to both enter and approve the same transactions.

The Commonwealth's Information Security Standard, SEC 501-08, AC-2-COV, Part B, instructs all agencies: "For all internal and external IT systems, disable unneeded accounts in a timely manner." Also, having dormant accounts for an extended period of time goes against industry best practices. Further, instances of self-approved transactions represent violations of proper separation of duties.

The Cardinal Team has a process for regularly monitoring system access. However, this process does not include a review of dormant accounts. Not removing access on dormant accounts

increases the risk of unauthorized transactions and could impact the integrity of the Commonwealth's financial systems.

The Cardinal Team allows users to both enter and approve journal entries because some individuals are serving dual roles as backups for other individuals. Transactions that are entered and approved by the same individual are reviewed periodically; however, since this may be well after the transaction has occurred there is still the risk that improper transactions can occur. Although a physical approval may take place outside the system for these transactions, this does not ensure proper entry into the accounting system prior to entry.

The Cardinal Team should enhance their management of access by including a review of dormant accounts in the regular system access monitoring. In addition, the Cardinal Team should consider removing the ability to both enter and approve journal entries from users, as generally a preventative control is more effective than the current detective control.

Management Plan for Corrective Action for Department of Accounts

The Department of Accounts (Accounts) recognizes the need to suspend access for dormant users in Cardinal. Accounts will implement a process to both identify and suspend access once a user account has been dormant for 90 days.

Accounts agrees that there are instances in Cardinal where the same individual user can both enter and approve the same transaction. However, this capability, as developed and built by the software provider, is limited only to adjusting journal entries in the journal module. Accounts is extremely disciplined with regard to customizations to the delivered software in order to reduce the risk and cost associated with the implementation of planned software upgrades in the future. It should be noted that this security capability is not available in any of the modules that result in a disbursement of cash from the state treasury. All transactions resulting in the disbursement of cash have the delivered systemic control of not allowing the same individual to both enter and approve the transactions. Accounts acknowledges that allowing the same individual user to both enter and approve a financial transaction is not consistent with general best practices surrounding system security. However, given that this capability is restricted to adjusting journal entries, Accounts believes the risk is very limited and can be effectively mitigated by the reconciliations performed by agencies and by utilizing the available process to specifically identify and monitor adjusting journal entries entered and released by the same individual user timely. Accounts will implement this specific identification and monitoring process immediately.

*Responsible Party: Richard Salkeld, Director and AITR of Information Technology
Melinda Pearson, Director of General Accounting*

Estimated Completion Date: On-going – due to the inherent risk associated with the delivered software, continual evaluation is required.

2014-048: Improve Controls Over Systems Access

Applicable To: Dept. of Behavioral Health and Developmental Services

Type of Finding: Internal Control and Compliance

Individual facilities within DBHDS do not have adequate controls in place to ensure system access is appropriate in Kronos (HR and Payroll System), Personnel Management Information System (PMIS), Financial Management System (FMS), Lease Accounting System (LAS), Fixed Assets Accounting System (FAACS), AVATAR (state hospital database), and Commonwealth Accounting and Reporting System (CARS). Specifically:

- Five out of seven systems at nine facilities and the Central Office had employees whose access was not removed timely;
- Two out of seven systems at two facilities had missing and inaccurate user access forms for employee access; and
- Two out of seven systems at three facilities did not have user access forms with proper approval.

The Commonwealth's Information Security Standard, SEC 501-08 (Security Standard), AC-2-COV, 2.e-h, requires the prompt removal of system access for terminated or transferred employees. The Security Standard, AC-2-COV, 2 i, requires granting access to the system based on a valid access authorization. In addition, the Security Standard, AC-2-COV, 2.c-d, requires appropriate approvals for requests to establish accounts.

Untimely removal, missing and inaccurate forms, and missing approval of user access increases the risk of unauthorized individuals inappropriately entering or approving transactions and could affect the integrity of DBHDS transactions in the system.

DBHDS does not have adequate policies and procedures over granting, changing, and terminating system access. Specifically, policies and procedures lack the guidance on timeframes and contacts for removal of access.

Management should create, communicate, and implement policies and procedures over granting, changing, and terminating access for all systems at all DBHDS facilities and the Central Office.

Management Plan for Corrective Action for Dept. of Behavioral Health and Developmental Services

The Department concurs with this finding. A notification process was put in place at DBHDS in FY 2014 to cover access controls at Central Office. This notification process, along with an automated access deletion process, is currently being put in place at all of the DBHDS facilities. The Department takes seriously the need to have strong systems controls, and this issue is being addressed. To help ensure the successful implementation of this response, systems access will continue to be monitored by the DBHDS Office of Internal Audit and the DBHDS Information Security Officer.

Responsible Party: Randy Sherrod, Director of Internal Audit; Marcie Stidham-Stout, Chief Information Security Officer

Estimated Completion Date: June 30, 2015

2014-049: Improve Termination Procedures Supporting Timely Removal of Commonwealth Systems' Access

Applicable To: Department of Motor Vehicles

Type of Finding: Internal Control and Compliance

Motor Vehicles termination procedures do not ensure that management promptly requests the removal of terminated employee's access to Commonwealth systems, specifically the Department of Human Resource Management's Personnel Management Information System (PMIS) and the Department of Account's Commonwealth Integrated Payroll and Personnel System (CIPPS). As a result, two terminated employees retained access to these systems between two and one half and six and one half months after their separation dates.

Motor Vehicles current termination procedures address the removal of network access, which in effect removes access to all internally maintained systems. However, termination of system access for systems external to Motor Vehicles, such as CIPPS and PMIS, lies with the security administrator for that particular system and is dependent on the terminated employee's supervisor making the request for their access to be removed. There is no form or process in place prompting the supervisor to make this request, leading to the potential for the omission of this termination step.

Commonwealth policies indicate that requests for removal of system access or changes to system access should be made timely, which, based on best practice, generally translates to within one to three days from the change in the users employment status or responsibilities. While the removal of network access eliminates the risk of the separated employee accessing CIPPS and PMIS,

it does not eliminate the risk of other existing employees accessing CIPPS and PMIS through use of the separated employee's active CIPPS and PMIS accounts. Untimely removal of access to these systems could result in Motor Vehicles personnel and payroll data being improperly manipulated without an appropriate audit trail.

Motor Vehicles should review their termination processes surrounding the removal of system access and ensure they include adequate policies and procedures to facilitate the timely request for removal of access to systems that are external to the agency, such as CIPPS and PMIS.

Management Plan for Corrective Action for Department of Motor Vehicles

DMV will ensure timely modification or removal of access when employees are separated from employment at DMV as well as ensure timely modification of access as employee roles and responsibilities change with the DMV Human Resource Office.

Quarterly DMV will review access rights to CIPPS and PMIS to ensure they are appropriate based on the employee roles and responsibilities. DMV requests that the APA communicate with DHRM regarding a better way to access PMIS information on a routine basis rather than having to request a special report be run. It would be helpful if it was available on the Agency Repository in HurMan. This would give DMV the ability to review the report on an ongoing basis to ensure timely removal of employees who no longer should have access.

Effective January 15, 2015, the agency's System Access Request, SAR-13, was revised to include CIPPS and PMIS as an additional reminder to the Security Administrator.

Responsible Party: June Foster, Human Resource Analyst; Jeannie Thorpe, Director of Human Resources

Estimated Completion Date: Immediately

2014-050: Improve Internal Controls Over Systems Access

Applicable To: Department of Taxation

Type of Finding: Internal Control and Compliance

Taxation needs to strengthen its internal controls over systems access to ensure compliance with the Commonwealth's information security requirements. We continue to identify areas where system access controls need to be improved, including the general understanding and documentation that explains Taxation's access structure and controls, granting of system access, and the annual recertification process.

The Commonwealth's Information Security Standard (Security Standard), SEC 501-08, addresses requirements over information system access controls. Section 8.1 AC-5 of the Security Standard addresses access controls and requires the organization to segregate duties of individuals as necessary, to prevent unauthorized activity. Further, Section AC-6 goes on to address the concept of least privilege and requires that an organization use the concept of least privilege when granting access to ensure users only have access which is necessary to accomplish its assigned tasks.

During our audit, we found instances where Taxation granted system access which was not in compliance with these requirements and these are detailed below. Taxation has a complex access structure and we believe these instances are occurring, at least in part, because Taxation is granting access in some instances without a clear understanding of the way the different components of the access structure work together to control access for an individual employee.

Taxation has a number of internal controls in place that compensate for the weaknesses in the access controls and to help to ensure that unauthorized transactions are not processed. We did not find instances where the weaknesses in access controls resulted in unauthorized transactions; however, failure to address these system access issues will continue to expose Taxation's information systems to unnecessary risk and result in noncompliance with information security requirements.

Taxation's System Access Structure

Taxation's access structure for the Advantage Revenue (AR) system, its critical financial reporting system, is granted through a combination of resources groups, access levels, security groups, and workgroups. In order to evaluate access for an individual employee, it is necessary to consider the relationship between each of these components and how this affects the functions available to the employee. Taxation also has established several special workgroups, commonly referred to as supervisor accounts, which enable a user to access transactions assigned to another user. These supervisor accounts were originally designed to facilitate backups in the event of an employee's absence.

Although Taxation has developed additional documentation on its access structure since our last audit, it remains very difficult to understand the relationships between the various components to fully understand and evaluate the access an individual employee has been granted. The difficulty is due to a lack of documentation as well as a lack of a system wide understanding. Currently, employees who manage security group and workgroup access report to two different supervisors. This organizational structure, in combination with a lack of adequate documentation, makes it difficult for each area to fully understand how different components of the access structure work together when access is granted for an individual employee. As result, we believe these issues are a significant factor in the instances of the inappropriate systems access discussed in this finding.

SAFE and the Recertification Process

Taxation uses the System Access for Employees (SAFE) tool to document, monitor, and track all types of user access from physical building access to information systems access. While SAFE is

Taxation's system for managing employee access, we have some concerns about the completeness and accuracy of the information in SAFE.

We reviewed information from SAFE in conjunction with system access tables to gain an understanding of and review employee access capabilities for AR. We found instances where certain types of access were not recorded in SAFE, as well as instances where the information in SAFE was not accurate. Taxation does not reconcile the information in SAFE to the actual AR access in the access tables; therefore, information in SAFE may not be an accurate representation of the system access and discrepancies between actual access and documented access will not be identified.

We selected a sample of users with access to REV1, a workgroup which controls journal vouchers pending approval. REV1 access was not documented in SAFE for ten of the 21 (48 percent) users. In addition, we found that SAFE does not include employee access to supervisor accounts. As a result, for 15 of 22 (68 percent) users selected, the employee's manager was not aware the user had access to some of the supervisor accounts.

The lack of accurate information in SAFE impacts the effectiveness of Taxation's annual recertification process. Section AC-2 of the Security Standard requires that agencies perform an annual recertification of system access. During the recertification, Taxation managers review system access information in SAFE to ensure that users have appropriate access granted on the principle of least privilege. The lack of accurate information in SAFE can prevent managers from identifying and correcting instances of inappropriate access during the annual recertification process or other periodic reviews.

We reported on additional concerns with the annual recertification review in our previous audit. Last year, we found situations where managers recertified inappropriate access for their employees. To address this, Taxation provided additional information on security groups and workgroups to managers during the most recent recertification review in October 2014. We reviewed the information and found that while Taxation provided additional information to help managers better understand the process, this information was not presented in a manner that would give the managers a complete understanding of what functions their employees are capable of performing. As a result, it is questionable how effective the additional guidance was in improving the recertification process.

Segregation of Duties and Access Issues

Section AC-5 of the Security Standard requires agencies to enforce segregation of duties through authorized systems access. The current access structure combines some related resources or functions together in resource groups that are assigned to each security group. In some cases, this is creating a lack of segregation of duties issue. One resource group in particular, 'REVACCT', contains 'JVCREATE' and 'JVAPPROV', which allows the user to both create and approve journal vouchers.

We reviewed access for a sample 64 employees with critical access, and found that 25 of the 64 (39 percent) had access to the REVACCT resource group and the REV1 workgroup. This level of access gives an individual the ability to create, edit, and approve journal vouchers, creating a segregation of duties issue. Of the 25 users with this access, nine users were directly granted this access while 16 users have this access through supervisor accounts which we discussed earlier. Although this access combination creates a segregation of duties issue, Taxation has a compensating control in place to prevent a user from approving a journal voucher that they created. This control, however, does not prevent a user from editing and approving a journal voucher without a secondary approval. We reviewed all journal vouchers approved during the fiscal year and found that 12 were adjusted and approved by the same employee. While the total amount of these adjustments was not material to the agency as a whole, this access combination creates a segregation of duties issue over journal voucher processing and increases the risk of unauthorized transactions.

We also found two users in Taxation's General Legal and Technical Services section with inappropriate access based on their job responsibilities. Both users were able to create abatements and discharges, which can be used reduce a taxpayer's tax liability, and one of the users could also update taxpayer bank account information. One of these instances occurred because the employee transferred from a different section and system access was not properly re-evaluated. Neither of these instances was identified or corrected as part of the recertification process which reinforces our earlier discussion on the ineffectiveness of the recertification process.

Recommendations

We recommend that Taxation strengthen its controls over systems access and ensure that its access structure appropriately enforces segregation of duties to minimize risk and ensure compliance with the Security Standard. We recommend that Taxation complete a reconciliation of critical AR access information in SAFE to the appropriate access tables to ensure the information in SAFE is accurate and complete. As part of this reconciliation, Taxation should ensure that all access granted is documented in SAFE and all access in SAFE has been granted. This will help ensure the accuracy of the information in SAFE going forward.

To further increase the effectiveness of the recertification process, Taxation should continue to help managers understand the access they are recertifying. By illustrating how the additional information should be used as managers review access in the recertification instructions, Taxation will be setting the expectation that the managers should reference the additional information provided as they consider the access they are approving. We also recommend the Office of Technology collaborate with managers from across the agency as they refine the additional information provided to managers to create a more user-friendly and understandable reference tool for the managers.

Additionally, Taxation needs to review system access, especially for critical AR functions, to ensure adherence to the concept of least privilege. As part of the review, Taxation should determine which levels of access create significant segregation of duty conflicts. These conflicts need to be identified so that these can be considered when system access is initially granted and as part of the

annual recertification process. This is an important step to ensure compliance with the Security Standard and minimize risk from unnecessary system access.

It is our understanding that Taxation has begun the process of identifying and purchasing a replacement for SAFE. As part of this process, Taxation should take this opportunity to address the issues discussed in this finding.

Management Plan for Corrective Action for Department of Taxation

It is important to note that the auditor comments acknowledge that compensating controls exist for the identified weaknesses and that no instances of unauthorized transactions were identified. It is also important to note that the journal vouchers noted in the comment, in addition to not being material, do not update the Commonwealth's accounting system and are only a reconciling aid.

Those clarifications aside, TAX will initiate the following actions to address the issues noted in the comment:

- 1. Approvers will no longer edit and approve the same transaction. There is also a compensating control whereby the agency's financial balances are compared to the commonwealth's financial balances.*
- 2. TAX Internal Audit will compare history of critical access capabilities in Advantage Revenue application to critical accesses performed to identify employees with potentially unnecessary access and challenge the employee's access to this capability.*
- 3. Reconcile the user access noted in the system of record to the system of documentation.*
- 4. Revise access documentation for the Advantage Revenue application so that management and employees are better informed of the privileges associated with access levels.*
- 5. Have management recertify that their employee's access is required for current job requirements.*

Responsible Party: Reggie Williams, Fiscal Director for step 1; Dave Walsh, Internal Audit Director for step 2; and Grayson Walters, Information Security Officer for steps 3, 4 and 5.

Estimated Completion Date: September 30, 2015

OTHER FEDERAL AWARD FINDINGS WITH FINANCIAL STATEMENT IMPACT

2014-051: Account for All WIC EBT Food Instruments and Investigate Errors

Applicable To: Department of Health

Federal Program Name and CFDA#: Special Supplemental Nutrition Program for Women, Infants, and Children - 10.557

Federal Award Number and Year: 1VA700707 (2014)

Compliance Requirement: Special Test and Provisions - 7 CFR §246.19(q)

Known Questioned Costs: \$91,957

Type of Finding: Internal Control and Compliance

Health is not properly accounting for the disposition of all issued food benefits for the CFDA #10.557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The eWIC Electronic Benefit Transfer (EBT) system processes the redemption of food benefits by WIC participants at retailers. After redemption, the details of the transactions are transmitted to the Crossroads grant management system, where the redemptions are matched with benefits that were validly issued by Health. Some of the redemptions that are being transmitted to Crossroads are not being imported properly; therefore, they are not being matched with valid benefit issuances. According to Health, due to the volume of these issues, which represent approximately \$92,000, Health is not currently investigating the individual non-imported transactions. However, Health is still paying the EBT vendor for these transactions.

In order to increase our assurance that these non-reconciling transactions represented valid and allowable benefit issuances, we attempted to obtain a Service Organization Control (SOC) report related to Health's EBT vendor. SOC reports are a type of internal control report that describe the suitability, design, and effectiveness of internal controls that are used at an outsourced service provider. Health relies on its EBT vendor to enforce certain critical controls for the WIC program; however, Health did not have an appropriate SOC report available.

According to 7 CFR §246.19(q) Health must account for the disposition of all food instruments and cash-value vouchers as either issued or voided, and as either redeemed or unredeemed. Redeemed food instruments and cash-value vouchers must be identified as validly issued, lost, stolen, expired, duplicate, or not matching valid enrollment and issuance records. In an EBT system, evidence of matching redeemed food instruments to valid enrollment and issuance records may be satisfied through the linking of the Primary Account Number associated with the electronic transaction to valid enrollment and issuance records. This process must be performed within 120 days of the first valid date for participant use of the food instruments

Additionally, 7 CFR §246(k) requires Health to design and implement a system to review food instruments and cash-value vouchers submitted by vendors for redemption to ensure compliance with the applicable price limitations and to detect questionable food instruments or cash-value vouchers, suspected vendor overcharges, and other errors. Health must take follow-up action within

120 days of detecting any questionable food instruments or cash-value vouchers, suspected vendor overcharges, and other errors and must implement procedures to reduce the number of errors when possible.

The redemptions that are paid from the eWIC EBT system that cannot be matched with a valid benefit issuance in the Crossroads system create a reconciling difference between the two systems. Health continues to pay their EBT vendor the full amount of the reported redemptions, even if the amount is not reconciled to a valid benefit issuance in Crossroads. If these redemptions are not ultimately determined to be valid, then the costs are unallowable to the WIC program.

According to 7 CFR §246.23, Food and Nutrition Services (FNS) will establish a claim against any state agency that has not accounted for the disposition of all redeemed food instruments and cash-value vouchers and taken appropriate follow-up action on all redeemed food instruments and cash-value vouchers that cannot be matched against valid enrollment and issuance records, including cases that may involve fraud, unless the state agency has demonstrated to the satisfaction of FNS that it has:

- (i) Made every reasonable effort to comply with this requirement;
- (ii) Identified the reasons for its inability to account for the disposition of each redeemed food instrument or cash-value voucher; and
- (iii) Provided assurances that, to the extent considered necessary by FNS, it will take appropriate actions to improve its procedures.

During fiscal year 2014, Health implemented a new system for managing WIC benefits (Crossroads) and transitioned from paper checks to electronic benefits. According to Health, there are known issues with communication and reconciliation between Crossroads and the eWIC EBT system, some of which have existed since user acceptance testing in fall 2013. Health believes the non-reconciling items are caused by problems with invalid product codes and data loss due to a known service disruption in May 2014. According to Health, they are currently working with their system developers on a system modification that should resolve these issues.

We recommend that Health continue to work with their system developers and test the proposed system modifications that will allow for a complete reconciliation of issued and redeemed benefits. Additionally, Health should investigate all remaining questionable redemptions of benefits, and any benefits that cannot be matched with valid issuance records. Health should also work with the EBT vendor to obtain an SOC report in order to ensure that the controls Health is relying on are working as intended.

Management Plan for Corrective Action for Department of Health

The Office of Family Health Services concurs with this management recommendation and the causes cited above.

The Office of Family Health Services will continue to work with its contractors and system developers to ensure that it properly reconciles all issued and redeemed benefits. Once the known issues are resolved, the Office of Family Health Services will work quickly to reconcile and resolve all remaining items. We expect the system modification to be complete by January 31, 2014. The reconciliation of remaining and future variances will continue into perpetuity.

The Office of Family Health Services also concurs with the importance of an SOC review. The Office of Family Health Services did reach out to its contractor and has received and reviewed a Level 1 SOC report. The Office of Family Health Services is working with the contractor to determine the necessary contract modifications to request a Level 2 SOC report. We hope to incorporate the requirement for a level 2 SOC report into our contract by June 30, 2015 for all material contractors related to this project.

*Responsible Party: Stephen Vecchione, Administrative Deputy, OFHS
Michael Welch, Division of Community Nutrition Director*

Estimated Completion Date: June 30, 2015

2014-052: Record Accurate Time and Effort Reporting

Applicable To: Department of Health

Federal Program Name and CFDA#: Special Supplemental Nutrition Program for Women, Infants, and Children - 10.557

Federal Award Number and Year: 1VA700707 (2014)

Compliance Requirement: Allowable Costs/Cost Principles - OMB Circular A-87

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Employees in the Office of Family Health Services (OFHS) at Health did not accurately record their time and effort reporting. Time and effort reporting determines the amount of personal service costs that are billed to federal awards. CFDA #10.557 Special Supplemental Nutritional Program for Women, Infants, and Children (WIC) was billed for \$20,481,399 in personal services costs during our audit period. Instead of reporting time and effort according to the actual activity of each employee, Health employees reported their time each pay period according to an estimate that was determined before the activity was performed.

According to OMB Circular A-87, where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports. Personal activity reports must meet the following standards:

- (a) They must reflect an after the fact distribution of the actual activity of each employee.
- (b) They must account for the total activity for which each employee is compensated.
- (c) They must be prepared at least monthly and must coincide with one or more pay periods.
- (d) They must be signed by the employee.
- (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards.

Health's time and effort documentation does not meet federal requirements for supporting charges to the WIC grant. Employees were not properly trained on federal time and effort reporting requirements. Employees, including managers in OFHS, improperly reported and subsequently approved time and effort reporting that was not an after the fact distribution of the actual activity of each employee.

According to Health, after a review by the Food and Nutrition Service in June 2014, OFHS management conducted time and effort training sessions in which employees have been instructed that they are to record their hours in the Time and Effort system based on their actual work output. Health should continue to monitor the implementation of their corrective actions provided to the Food and Nutrition Service and ensure the ongoing accuracy of time and effort reporting.

Management Plan for Corrective Action for Department of Health

The Office of Family Health Services concurs with this finding. During the period being reviewed, many staff recorded their time and effort to align with their funding source instead of their actual activity. As the recommendation notes, Family Health Services has already taken corrective actions to address this issue.

Office Leadership provided training on Time and Effort to all supervisory staff in June 2014. This training educated staff about federal and agency policy and specifically the requirement to record time based on actual activity. The Division of Administration continues to work with the programmatic divisions in the Office of Family Health Services to ensure that time and effort is recorded accurately. In addition, the Division of Administration will work with supervisors throughout the Office to ensure time and effort is monitored and reconciled in accordance with agency policy and federal requirements.

Responsible Party: Stephen Vecchione, Administrative Deputy, OFHS

Estimated Completion Date: Completed

2014-053: Complete Local Agency Monitoring Reviews

Applicable To: Department of Health

Federal Program Name and CFDA#: Special Supplemental Nutrition Program for Women, Infants, and Children - 10.557

Federal Award Number and Year: 1VA700707 (2014)

Compliance Requirement: Subrecipient Monitoring - 7 CFR §246.19

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Health did not complete any on-site monitoring reviews in federal fiscal year 2014 for CFDA #10.557 Special Supplemental Nutrition Program for Women, Infants and Children (WIC). Health did not complete reviews for any of the 35 local health agencies. Local health departments, with the exception of Fairfax and Arlington, are not “local agencies” according strictly to the definition in 7 CFR §246; they are organizational units of the Virginia Department of Health. Health did perform a review of Fairfax in fiscal year 2013; therefore, only Alexandria was not reviewed timely per federal regulations. However, Health’s decision to forgo on-site reviews of the remaining organizational units did not properly consider the impact on internal controls throughout the agency because these on-site reviews are used as a critical tool to ensure many of the controls are working as intended.

According to 7 CFR §246.19 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. Monitoring of local agencies must encompass evaluation of management, certification, nutrition education, breastfeeding promotion and support, participant services, civil rights compliance, accountability, financial management systems, and food delivery systems. If the state agency delegates the signing of vendor agreements, vendor training, or vendor monitoring to a local agency, it must evaluate the local agency’s effectiveness in carrying out these responsibilities.

Insufficient monitoring by Health increases the risk of program non-compliance at the local agency level. Additionally, with the implementation of the new Crossroads WIC management system, there is increased risk of program non-compliance. The Commonwealth, through Health, is liable to the federal government for any funds not used according to program regulations.

Due to the implementation of the new Crossroads grant management system, management at Health made a decision not to perform any official on-site monitoring visits during the fiscal year. Health’s management believed that scheduled on-site training for the Crossroads system was an adequate compensating control. However, the training visits did not satisfy the monitoring requirements described above. Health’s management has stated that their grantor, the United States Department of Agriculture (USDA) approved of this decision. However, at the time of our audit, Health was unable to provide evidence that demonstrated explicit approval from USDA that allowed non-compliance with federal regulations.

Health should complete on-site reviews of local agencies every two years as required by federal regulations. Health should also implement internal controls to ensure that these reviews are completed timely, and in compliance with federal monitoring standards as described in 7 CFR §246.19.

Management Plan for Corrective Action for Department of Health

The Office of Family Health Services (OFHS) does not concur with this finding as written. The following statement:

“Health did not complete reviews for any of the 35 local health agencies,” should state “Health did not complete one required Local Agency Management Evaluation for a local agency and 17 voluntary Local Agency Management Evaluations.” The Division of Community Nutrition did conduct on-site visits and provided technical guidance and support for all 33 local health departments and two local agencies during fiscal 2014.

The Office of Family Health Services strongly disagrees with the following statement: “However, Health’s decision to forgo on-site reviews of the remaining organizational units did not properly consider the impact on internal controls throughout the agency because these on-site reviews are used as a critical tool to ensure many of the controls are working as intended.”

The Division of Community Nutrition strongly considered the impact on internal controls that would result from not performing the standard Local Agency Management Evaluation tool. However, the Division of Community Nutrition decided that these risks were outweighed by the benefit of providing on-site guidance during the transition from a paper-based system to a new electronic benefits program. As noted many times by the auditor’s review, the implementation of a new system is fraught with both expected and unforeseen risks. The Division of Community Nutrition believes the on-site technical guidance provided by central office staff allowed VDH to transition WIC to the new system without major disruptions to the approximate 140,000 Virginia citizens and 800 retail locations that participate in the program. While we concur with the compliance finding, we believe it is management’s role to monitor and mitigate risks for our programs.

Responsible Party: Mike Welch, Division of Community Nutrition Director

Estimated Completion Date: June 30, 2015

2014-054: Submit Invoices for WIC Rebates and Medicaid Claims

Applicable To: Department of Health

Federal Program Name and CFDA#: Special Supplemental Nutrition Program for Women, Infants, and Children - 10.557

Federal Award Number and Year: 1VA700707 (2014)

Compliance Requirement: Allowable Costs/Cost Principles - 7 CFR §246.10

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Health did not submit approximately \$5.1 million in infant formula rebates and Medicaid claims for the CFDA #10.557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) during the state fiscal year. Health has rebate contracts with the manufacturers of infant formula used in the WIC program. The income from these contracts is used to offset food expenditures incurred by the program. Additionally, WIC has an agreement with the Virginia Department of Medical Assistance Services that allows WIC to be reimbursed for certain formula purchases made by WIC participants that are dual-eligible for Medicaid and WIC programs.

According to 7 CFR §246.10, at a minimum, a WIC state agency must coordinate with the State Medicaid Program for the provision of exempt infant formulas and WIC-eligible nutritionals that are authorized or could be authorized under the State Medicaid Program for reimbursement and that are prescribed for WIC participants who are also Medicaid recipients. Additionally, 7 CFR §246.16a requires all state agencies to continuously operate a cost containment system for infant formula.

By not submitting the invoices for rebates and Medicaid claims, the WIC program required more federal funds for operation than necessary, had these cost containment practices been executed timely. According to 7 CFR §246, any state agency that Food and Nutrition Services (FNS) determines to be out of compliance with the cost containment requirements for the WIC program must not draw down on or obligate any program grant funds, nor will FNS make any further program funds available to such state agency, until it is in compliance with these requirements.

According to Health, the issue with infant formula rebates is now corrected, and the unbilled portions have been recovered, resulting in no permanent financial loss. However, Health only has up to one year to submit their Medicaid claims and will suffer financially if this capability does not exist by the end of November 2014.

The infant formula rebates and Medicaid claims were not submitted because of known issues with the implementation of the new Crossroads system beginning with the Crossroads pilot in November 2013 and regional roll-out beginning in March 2014. According to management at Health, these issues were communicated to the United States Department of Agriculture (USDA), their grantor, prior to and during the implementation of Crossroads. Per Health, USDA did not see this

lack of functionality as a critical issue due to the availability of funding for WIC food costs and their confidence that these issues would be addressed.

According to Health, the formula rebate process is now functioning as designed. Health should ensure that the timely billing of these formula rebates continues as required. Health should work with the appropriate parties in order to fix the Medicaid claims billing process. If the inability to bill these claims results in a loss of income to the program, Health should work with their grantor the USDA, to determine the appropriate recourse.

Management Plan for Corrective Action for Department of Health

The Office of Family Health Services (OFHS) did not submit approximately \$5.1 million in infant formula rebates and Medicaid claims for the CFDA# 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) during the state fiscal year. As noted above, the infant formula rebates and Medicaid claims were not submitted because of known issues with the implementation of the new Crossroads system beginning with the Crossroads pilot in November 2013 and regional roll-out beginning in March 2014.

These issues were communicated to the United States Department of Agriculture (USDA), their grantor, prior to and during the implementation of Crossroads. Per the federal grantor, "Four different groups within the Food and Nutrition Service (FNS) have been monitoring the Crossroads project from its inception in 2005. Virginia assumed a leadership role when it became the first WIC State agency to implement Crossroads after the consortium members had completed extensive acceptance testing. Several discrepancies identified during acceptance testing were recorded, evaluated, and determined to be of limited impact. Virginia received permission to continue implementation by a pilot deployment. Upon conclusion of the pilot, the Crossroads consortium and FNS re-evaluated all uncorrected deficiencies and determined that Virginia would be allowed to proceed with statewide rollout."

OFHS concurs that it required more federal funds than necessary in the period under review, and notes it will require less federal funds in the next period. Both OFHS and its federal grantor closely monitored spending to ensure that Virginia did not exceed its allocation from the federal grantor or appropriation from the state legislature. Because its federal grantor approved the roll-out of the new system knowing its deficiencies, OFHS does not concur that it was non-compliant with its grantor's cost containment requirements. Additionally, in order to subsequently bill and collect infant formula rebates, OFHS was continuing to operate the cost containment system for the program.

As noted, the issue with infant formula rebates is now corrected, and the unbilled portions have been recovered, resulting in no permanent financial loss to either the state or its federal grantor. If OFHS is unable to submit Medicaid claims by the end of

November, there will be an immaterial fiscal impact as OFHS will lose the capability to bill eligible Medicaid claims for the pilot district. This financial impact will increase if this capability does not exist by the end of March 2015, a year after the first regional roll-out. However, while this capability will reduce federal expenses specific to Health, it ultimately results in increased expenses for the federal government and reduced expenses to the general fund.

Responsible Party: Stephen Vecchione, Administrative Deputy, OFHS

Estimated Completion Date: Completed

2014-055: Improve Controls over Federal Reporting - CACFP

Applicable To: Department of Health

Federal Program Name and CFDA#: Child and Adult Care Food Program - 10.558

Federal Award Number and Year: 1VA300399 (2014)

Compliance Requirement: Reporting - 7 CFR §226.7

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Health does not have sufficient controls in place to ensure accurate federal reporting for the CFDA #10.558 Child and Adult Care Feeding Program (CACFP). Health could not provide support for several of the expenditures related to the cost of food for participants reported on the quarterly or annual FNS-777 submitted to the United States Department of Agriculture (USDA). Furthermore, Health is unable to provide evidence that all federal reports are reviewed by management prior to submission, nor does Health have adequate policies and procedures to ensure ongoing reporting compliance.

7 CFR §226.7 outlines Health's responsibilities for financial management, and line 13 of the FNS-777 report states, "I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents." By submitting and signing the report, Health is certifying that their report is complete and accurate. In addition, it is a management best practice to review all reports for accuracy before they are submitted to the federal government.

USDA's Food and Nutrition Services uses the data captured by this report to monitor state agencies' program costs and cash draws. Incorrect data does not allow USDA to properly monitor Health and could lead to incorrect funding allocations from USDA. The lack of a review process increases the risk of inaccurate reporting due to human error. Inaccurate federal reports must be resubmitted, creating operational inefficiencies.

According to management, due to significant understaffing and high turnover within the Office of Family Health Services (OFHS) Division of Administration, supporting documentation for the reported expenditures on the FNS-777 and evidence of management review has not been retained. In addition, Health has no policies that outline how to complete the report or policies that require a review of federal reporting by management prior to submission.

For all amounts reported to the federal government, Health should maintain a full and complete auditable trail to supporting records. Additionally, Health should implement policies and procedures over the reporting process to ensure continued compliance during staff transitions. These policies should require the review of federal reports by management prior to submission.

Management Plan for Corrective Action for Department of Health

The Office of Family Health Services concurs with this finding. As of June 10, 2014, the Division of Administration within the Office of Family Health Services was able to recruit and fill three key vacancies: Director of Administration, Grants and Accounting Manager, and Senior Accountant. As a result, staff accountants are able to key information into the FNS-777; this data is then reviewed by the Senior Accountant, and certified by the Grants and Accounting Manager. Supporting documentation for any revisions is maintained by the Senior Accountant and provided to program staff in the Division of Community Nutrition and grant specialists in the Office of Financial Management. The Office of Family Health Services developed desk procedures for the FNS-777 report that have been submitted to the United States Department of Agriculture for their review.

Additionally, the Office of Family Health Services is working to implement SharePoint, a web application framework and platform developed by Microsoft, to improve document management throughout the Division. This will allow the Office of Family Health Services to better track and retain all supporting documentation for federal reports.

As of October 1, 2014, the Office of Family Health Services has developed both desk procedures for federal reporting and instituted the separation of preparing, reviewing, and certifying amongst appropriate levels of staff.

The Office of Family Health Services will create the necessary SharePoint accounts to improve document retention and workflows related to federal reporting by September 30, 2015.

Responsible Party: Stephen Vecchione, Administrative Deputy, OFHS

Estimated Completion Date: September 30, 2015

2014-056: Improve Internal Controls over the ROAP System Reconciliation Process for CACFP

Applicable To: Department of Health

Federal Program Name and CFDA#: Child and Adult Care Food Program - 10.558

Federal Award Number and Year: 1VA300399 (2014)

Compliance Requirement: Other - OMB Circular A-133 § .300(b)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Health does not perform adequate reconciliations between their Finance and Administration (F&A) and the Regional Office Administered Program (ROAP) systems. Health uses the ROAP system to process claims for CFDA #10.558 Child and Adult Care Feeding Program (CACFP). The current reconciliations are performed with year-to-date data, and reconciling items identified during this process are not supported with documentation and or corrected within ROAP. No procedures exist specific to the reconciliation of ROAP to F&A. Additionally, there is insufficient segregation of duties between the person who creates the list of payees in ROAP, transmits the list for payment, and reconciles the amounts paid between the two systems.

The Office of Management and Budget's Circular A-133 §.300(c) requires auditees to maintain internal control over federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs. Additionally, since Health uses claims information from the ROAP system as support for expenditures charged to federal grants, it is essential that transactions in the claims system are reconciled with actual transactions from the accounting system.

Incorrect data within ROAP can lead to incorrect federal reports being submitted to the United States Department of Agriculture because many of the reports are generated directly from the system. Without adequate procedures governing the ROAP to F&A reconciliation, Health cannot ensure ongoing compliance and consistency during staffing changes. Furthermore, without adequate segregation of duties, Health is at an increased risk of unauthorized transactions. This risk is exacerbated by the lack of support maintained for reconciling items identified.

The claims module of ROAP suffers from a lack of comprehensive accounting and reconciliation documentation; therefore, the reconciliation to the agency's financial system is performed manually. Additionally, there were no written procedures in place during staffing turnovers within the Division of Administration that described the appropriate process required to complete the reconciliation, and how to address variances between the claims system and the accounting system.

Health should develop written procedures specific to performing the reconciliation between ROAP and F&A, which should include properly addressing reconciling items. As reconciling items are identified, the records should be adjusted in ROAP to reflect the payments made in F&A. Health

should also improve internal controls and segregations of duties to mitigate unauthorized transactions and ensure proper reconciliation between the two systems. Per management, Health is planning to replace the ROAP system. When procuring the new system, Health should consider including an automated reconciliation process as a required system feature.

Management Plan for Corrective Action for Department of Health

The Office of Family Health Services concurs with this finding. During the period being reviewed, the Division of Administration did not perform adequate reconciliations or adequately segregate duties. However, as of July 10, 2014, the Division was able to recruit and fill three key vacancies: Director of Administration, Grants and Accounting Manager, and Senior Accountant.

The Senior Accountant assigned to all USDA programs has worked with staff to develop desk procedures for the reconciliation between ROAP and F&A. Due to limitations with ROAP, which is scheduled to be replaced in the next federal fiscal year, the reconciliation will continue to be a manual process. The procedures identify that the Accountant will create the list of payees in ROAP, the Fiscal Tech will transmit the list for payment, and the Senior Accountant will release the payments. Both the Accountant and Senior Accountant reconcile the data between the two systems. The reconciliation is performed monthly and includes both monthly and year-to-date data. Variances identified in the reconciliation process are corrected through standard agency accounting policies and procedures.

As of October 23, 2014, the Office of Family Health Services has developed both desk procedures for adequate reconciliations and instituted the proper segregation of duties.

Responsible Party: Stephen Vecchione, Administrative Deputy, OFHS

Estimated Completion Date: Completed

2014-057: Rates Used by the System Should be Supported by a Signed Contract with the Same Rates

Applicable To: Department of Medical Assistance Services

Federal Program Name and CFDA#: Medicaid Cluster - 93.775, 93.777, 93.778

Federal Award Number and Year: 1405VA5MAP, 1405VA5ADM (2014)

Compliance Requirement: Allowable Costs/Cost Principles - OMB Circular A-133 § .300(b)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Medical Assistance Services did not have the correct capitation rates in three Managed Care Organization (MCO) contracts. While the rates used by the system to calculate payments agreed to the actuary's rates and MCOs were paid the correct rates, the contracts signed by management and the MCOs did not contain the same rates. There were 80 inconsistent capitation rates for one MCO contract for the period of July 1, 2013, through December 31, 2013. In addition, there was another inconsistent capitation rate for two MCO signed contracts during the contract amendment period of January 1, 2014, through June 30, 2014.

The Commonwealth of Virginia Department of General Services Agency Procurement and Surplus Property Manual requires that all goods or services be billed by the contractor at the contract price.

Using capitation rates in the system that do not agree to the signed contract increases the risk of MCOs getting paid rates that have not been actuarially determined, negotiated, and approved by the Commonwealth. While this could result in overpayments or underpayments by the Commonwealth, we did not note any.

The Provider Reimbursement Division and the Health Care Services Division did not include the correct capitation rates in some of the contracts signed by the Medical Assistance Services Director and the Managed Care Organizations.

Management at Medical Assistance Services should review contract capitation rates included in the contract for accuracy prior to signing.

Management Plan for Corrective Action for Department of Medical Assistance Services

DMAS has confirmed that the rates paid were the correct rates. The discrepancy between the correct rates and the rates in the contract totaled \$418, an error rate of 0.00002 percent. DMAS has prepared contract amendments for the three plans with incorrect rates in the contract. These contract amendments should be completed by the end of January 2015.

Controls Implemented:

Before submitting the contracts signed by the plans to the DMAS Director for her signature, DMAS will add an additional control requiring the Provider Reimbursement division to compare the final rates to the rates in the contracts.

*Responsible Party: Bill Lessard, DMAS Provider Reimbursement Division Director
Bryan Tomlinson, DMAS Health Care Service Division Director*

Estimated Completion Date: January 31, 2015

2014-058: Continue to Strengthen Tax - Wage Reconciliation Processes

Applicable To: Virginia Employment Commission

Federal Program Name and CFDA#: Unemployment Insurance - 17.225

Federal Award Number and Year: UI252351460A51 (2014)

Compliance Requirement: Eligibility - OMB A-133 .300(B)

Known Questioned Costs: \$0

Type of Finding: Internal Control

The Tax Reconciliation Unit (Unit) needs to continue to improve compliance with its tax to wage reconciliation procedures. The Unit performs reconciliations between tax and wage records to confirm the accuracy of the Master Wage File. The Commission uses the Master Wage File as the basis for determining how much an individual should receive in unemployment insurance benefits.

We identified the following instances where the Unit did not follow its reconciliation procedures:

Three of 25 reconciling items (12 percent) tested were not resolved within 90 days. According to the Unit's procedure, reconciling items must be resolved within 90 days.

Thirteen of 25 reconciling items (52 percent) tested were not tracked and monitored in accordance with the Unit's procedure. The Unit's procedure requires personnel to log reconciling items on an internal spreadsheet for continued follow up if they are not resolved within one week.

The Unit uses VATS to perform reconciliations between tax and wage records; however, the system is antiquated and does not provide an adequate audit trail for managers to monitor compliance with procedures. To date, the Division of Information Technology has been unable to work with the Unit to develop automated management reports due to the lack of available resources. As a result, managers use ineffective manual processes to identify and track reconciling items.

Without maintaining sufficient oversight over the reconciliation process, the Commission cannot assure itself that the Master Wage File is accurate and places itself at risk of making inaccurate benefits payments. It is our understanding the Unit is currently working with the Division of Information Technology to develop automated management reports. These reports will provide managers with a mechanism to monitor compliance with the Commission's procedures and therefore ensure the accuracy of benefit payments. Along with these efforts, we recommend management continue to review staffing levels, responsibilities and training for staff in the Unit.

Management Plan for Corrective Action for Virginia Employment Commission

The Tax Reconciliation Unit is currently in the process of working with the Division of Information Technology to develop automated management reports. These reports will provide managers with a mechanism to monitor compliance with the Commission's procedures. We will continue to review staffing levels, responsibilities and training for staff in the Unit.

Responsible Party: William Walton, UI Director

Estimated Completion Date: June 30, 2015

PAYROLL

2014-059: Improve Controls Over Hours Worked

Applicable To: Dept. of Behavioral Health and Developmental Services

Type of Finding: Internal Control and Compliance

Western State and Piedmont Geriatric Hospitals each had one wage employee that exceeded the allowable hours worked threshold for wage employees during the initial measurement period. Wage employees are not eligible to participate in the state health insurance plan.

Chapter 806 of the 2013 Virginia Acts of Assembly states that "State employees in the legislative, judicial, and executive branches of government, the independent agencies of the Commonwealth, or an agency administering their own health plan, who are not eligible for benefits under the health care plan established and administered by the Department of Human Resource Management ("DHRM") pursuant to Va. Code § 2.2-2818, may not work more than 29 hours per week on average over a twelve month period." DHRM guidance for determining compliance with this requirement defines the Initial Standard Measurement Period as May 1, 2013, through April 30, 2014.

Failure to comply with Chapter 806 of the 2013 Virginia Acts of Assembly subjects DBHDS to potential financial penalties for violation of the Federal Affordable Health Care Act by allowing workers to work over the threshold and not receive healthcare benefits.

A breakdown in monitoring processes at Western State and Piedmont Geriatric Hospitals resulted in two wage employees exceeding the allowable hours worked threshold. The hospitals identified the issue and prevented the two employees from working for the remainder of the measurement period, but not until after the employees exceeded the threshold.

Management should improve existing controls over monitoring of hours worked for wage employees to ensure that they do not exceed the allowable hours worked threshold. This should include identifying employees that could potentially exceed the threshold as they approach the threshold rather than after exceeding it.

Management Plan for Corrective Action for Dept. of Behavioral Health and Developmental Services

In the two exceptions noted, we concur that oversights were made; however in each instance, the controls in place allowed for the discovery that the hours worked exceeded 1,508 hours during the measurement period of May 1, 2013 – April 30, 2014. The Department will continue to monitor the hours worked by wage employees at Central Office and all facilities.

Responsible Party: Randy Sherrod, Director of Internal Audit

Estimated Completion Date: On-going

2014-060: Improve Controls Over Payroll

Applicable To: Dept. of Behavioral Health and Developmental Services

Type of Finding: Internal Control and Compliance

Individual facilities within DBHDS do not have adequate controls in place to ensure Human Resources forms are completed and payroll is appropriate. Specifically:

- Twenty-three percent (28 out of 120) of the population tested at six out of six facilities tested did not have proper approval on payroll forms, overtime pay transactions, and pay changes, and
- Fifty percent (18 out of 36) of the population tested at four out of six facilities tested did not have a completed employee checkout checklist in the personnel file.

Commonwealth Accounting Policies and Procedures (CAPP) Manual Topic 50505 “Time and Attendance” states that agencies must verify that all source documents such as timecards, timesheets, or any other authorization used to pay or adjust an employee’s pay have been properly completed, authorized by the appropriate party, and entered accurately into CIPPS. In addition, CAPP Manual Topic 50320 “Terminations” states agencies must verify that CIPPS information concerning terminating employees is complete, properly authorized, and entered accurately into the system and that all payments have been properly and accurately issued. The individual facilities payroll policies and procedures instruct the use of an employee checkout checklist as recommended by CAPP Manual Topic 50320.

Not having proper approval of payroll forms, overtime pay, and pay changes increases the risk that DBHDS could pay unauthorized and incorrect salaries. Not completing the employee checkout checklist for terminated employees increases the risk that systems access is not removed, assets are not returned, credit cards are not canceled, and human resource forms are not completed.

These exceptions occurred because the individual facilities either did not comply with established CAPP Manual guidance for payroll approvals or did not have documented local policies and procedures pertaining to employee terminations.

Management should evaluate and update policies and procedures to provide adequate guidance to ensure proper approval of payroll forms, salaries changes, and overtime. In addition, human resource and payroll personnel should receive proper approval for payroll forms and pay changes. Finally, human resource personnel should complete the employee checkout checklist when an employee is separating to ensure timely removal of systems access and proper accounting for all assets.

Management Plan for Corrective Action for Dept. of Behavioral Health and Developmental Services

The Department concurs with this finding. The DBHDS Office of Internal Audit conducted this payroll testwork for the APA, issued the findings and accepted the respective responses from the facilities where testwork was completed. Follow-up reviews will be done in Fiscal Year 2016 to ensure compliance with the responses given.

Responsible Party: Randy Sherrod, Director of Internal Audit

Estimated Completion Date: June 30, 2015

2014-061: Improve Documentation to Support Salary Changes

Applicable To: Department of Health

Type of Finding: Internal Control and Compliance

Health could not provide adequate documentation to support salary amounts reported for retirement contributions for two of the twenty-five employees tested. According to Health the two employees have not had any salary changes, other than statewide raises, since the current internal human resources system (Web F&A) was implemented; however, there was no evidence to support that the current salary amount was approved. Health did not retain consistent hardcopy documentation showing an auditable trail of approvals for these employees.

Commonwealth Accounting policies and Procedures Manual Topic 50135 states that agencies must ensure that documentation and authorization exists for all employee record changes and payroll transactions. Department of Human Resource Management (DHRM) policy 6.10 defines the required documents for all personnel files including:

- 1) Originals of the Report of Appointment or Change of Status (P-3) and Personal, Faculty and Miscellaneous (P-3a) forms, or the official agency substitute forms, signed by appointing authorities.
- 2) Original agency personnel forms used to initiate personnel transactions.

Health developed Human Resources Policy 3.05 in response to DHRM's requirements, which states: "The rationale for each and every pay action is documented using a Pay Action Worksheet (PAW) form (HR5-PAW). The documentation must be sufficient that a third party, unfamiliar with the agency, would be able to understand the business need for the pay action and the rationale for the amount provided."

Without documentation of approval of salary changes, current employee salaries cannot be supported. According to Health, the policies and procedures concerning required documentation before Web F&A was implemented in 2010 were not consistently followed agency-wide.

Health should ensure for all employees that the current salary is supported by evidence of an approval. In addition Health should maintain documented support for all salary changes in order to ensure changes are appropriate and reasonable. This documentation should support an auditable trail of approvals such that a third party, unfamiliar with the agency, would be able to understand the business need for the pay action and the rationale for the amount provided.

Management Plan for Corrective Action for Department of Health

HR is decentralized at VDH and each work unit is charged with keeping up their personnel files. Unfortunately, there was no documentation placed in the folders for

these two transactions. We will continue to enforce the requirements of keeping all pay transaction paperwork in the personnel files with the work units. Additionally, our F&A system now keeps an electronic copy on file as well.

Responsible Party: Becky Bynum, Human Resources Director

Estimated Completion Date: Completed

2014-062: Improve Controls over Human Resources Transactions

Applicable To: Department of Health

Type of Finding: Internal Control and Compliance

Health does not have sufficient documentation to support numerous changes to positions that were made within the human resources (HR) system. In addition, the Office of Human Resources is unable to provide policies that outline the necessary approvals or recordkeeping requirements for the following transactions:

- Abolishing Position: this transaction eliminates a position at the agency (not necessarily an employee termination);
- Change Fund Source: these transactions determine the allocation of payroll costs for specific positions and employees; and
- Other transactions: these are transactions that change position supervisors, allow teleworking, and permit alternative work schedules.

During the audit period, 2,021 of the above positional transactions were processed by the HR system.

The Comptroller's internal control standards require that agencies document, evaluate and test controls applicable to significant fiscal processes. Payroll accounts for over \$239 million in annual expenditures at Health; therefore, we consider the internal controls over these processes to be significant.

Not having policies to outline the necessary approvals and recordkeeping requirements for position changes increases the risk that improper transactions can occur. Making changes to the fund source of a position or eliminating a position without retaining documentation to support the change increases the risk of budgeting errors or potential liabilities where Health could be liable to later repay costs associated with incorrectly allocated wages; for instance, an employee could be incorrectly billed to a federal award or another project with dedicated funding.

The Office of Human Resources does not maintain policies related to these transaction types, and delegates their responsibility to the individual work units at Health, however; the work units

have not developed their own written policies for approval and recordkeeping in support of these transactions.

Health should perform an assessment of the HR position change process. Based on that assessment, Health should identify any and all risks, implement controls, and monitor their effectiveness. The Office of Human Resources should also consider developing policies or guidance for the work units, if the central Office of Human Resources does not intend on maintaining the policies and monitoring related to these transactions.

Management Plan for Corrective Action for Department of Health

VDH Office of Human Resources has policy, guidance, and/or processes documented on our HR intranet page, and the workflow embedded in the F&A system serves the purpose of the internal control for these transactions.

All of these transactions are actions that can be performed in VDH's F&A system and are documented in the system's workflow. Work units are required to submit all employee and position transactions through the VDH F&A HR module, with many documented in step-by-step procedures on the HR intranet page. Each transaction goes through several levels of approvals; thus, the internal control is there to confirm that the transaction is valid and accurate. The only transaction described in the memo that affects payroll and may be applicable to a significant fiscal process is "change fund source code."

The position fund source change action currently does not require a Reason for Request in F&A, but the individual work units maintain justification of the change or the source document. Going forward, we will require the originating work unit to provide the reason for a funding code change in the "remarks" section. This new requirement will be posted as a change in the F&A job aids on the OHR web site, an example will be provided, and an instructional email will be sent to HR-Net, indicating the change is effective with transactions initiated on December 19, 2014.

The HR Module of the F&A system has built in controls such as the submitter and approval levels, and accounting codes are limited to the cost center's current chart of accounts. Back end controls are also utilized such as financial reconciliations and Time and Effort Reporting. The financial reconciliation portion of the Department Administrative Management Manual specifically addresses payroll misclassification and the HR9 process for correcting through the HR module.

Responsible Party: Becky Bynum, Human Resource Director

Estimated Completion Date: Completed

RETIREMENT SYSTEM MEMBER DATA

2014-063: Improve Controls Over VNAV

Applicable To: Dept. of Behavioral Health and Developmental Services

Type of Finding: Internal Control and Compliance

Individual facilities within DBHDS do not have adequate controls in place to ensure that retirement information for employees is accurate and system access is appropriate. Specifically:

- Seven of seventeen facilities did not perform contribution snapshots timely;
- Seven of seventeen facilities did not have documented policies and procedures to reconcile their payroll and human resource systems to the Virginia Retirement System's (VRS) VNAV system;
- Three employees in two facilities did not have access to the VNAV system that was appropriate for their job responsibilities; and
- Three instances of inadequate segregation of duties between the approval and payment functions exist in two facilities.

Department of Accounts (Accounts) Payroll Bulletin Volume 2013-02 states that agencies must certify the Contributions Snapshot by the 10th of the following month, as it becomes the official basis for VRS billing amounts once certified. In addition, it is best practice to create and document formal policies and procedures to ensure that reconciliations are performed between VNAV and the systems of record for payroll and human resources; to ensure that VNAV system access is both role based and centered on least privileges; and that proper segregation of duties is maintained.

Untimely certification at the agency level impacts the ability of the Department of Accounts to process inter-agency transfers for any differences between the amounts confirmed in VNAV and the retirement contributions actually withheld and paid for all agencies across the Commonwealth. A lack of written policies and procedures at all DBHDS facilities provides insufficient guidance for employees to perform the reconciliations necessary to perform these certifications. Inappropriate access to the VNAV system, whether through non-role-based privileges or improper segregation of duties, creates the potential for inaccurate information to appear in the VRS system data that ultimately determines pension liability calculations for the entire Commonwealth. The VRS actuary uses the information in VNAV to calculate the Commonwealth's pension liabilities and inaccurate data could lead to a misstatement in the Commonwealth's financial statements.

Staffing shortages, competing priorities, issues that required research, and the newness of this process at the local level contributed to the lack of timely certifications at all seven locations. The inappropriate access levels observed involved employees whose initial VNAV access provided

them with the ability to schedule and approve payments of contributions following confirmation of the contribution snapshots; in all three instances, the facilities removed the access to both of these functions once we identified it. The inadequate segregation of duties involved payroll personnel approving VRS payments within the VNAV system.

Management should implement adequate controls and procedures at the facilities that consider staffing and other priorities to ensure timely performance of the monthly Contribution Snapshot. Management should also formally document policies and procedures necessary to perform the monthly reconciliations between the payroll, human resource, and VNAV systems at all facilities. Finally, management should ensure appropriate levels of VNAV system access, to include adequate segregation of duties, at all facilities.

Management Plan for Corrective Action for Dept. of Behavioral Health and Developmental Services

The Department concurs with this finding. Notice will be given to all DBHDS facilities to remind them that contribution snapshot reconciliations are to be done timely, that all facilities should have policies and procedures related to VNAV, and that access to the system include proper segregation of duties. In addition, VRS will be offering training on VNAV in spring 2015; which will help DBHDS with implementation of this response and internal processes related to this system. Implementation of this will be completed by June 30, 2015 and will be monitored by the DBHDS Office of Internal Audit.

Responsible Party: Randy Sherrod, Director of Internal Audit

Estimated Completion Date: June 30, 2015

2014-064: Improve VNAV Reconciliation and Confirmation Process

Applicable To: Department of Health

Type of Finding: Internal Control and Compliance

Health does not have adequate controls in place to ensure that retirement information for employees is accurate. Specifically, Health is not reconciling their payroll system, the Commonwealth Integrated Personnel and Payroll System (CIPPS), to the Virginia Retirement System (VRS) MyVRS Navigator (VNAV) system which contains essential retirement data for state employees. Per VRS policy, Health must confirm the accuracy of the VNAV data monthly. In addition, Health is not reviewing the required error reports from the Personnel Management Information System (PMIS) before confirming that VNAV is accurate. In five out of the 12 months in the period under audit, these confirmations occurred after the deadline set by VRS. Finally, Health has not

implemented adequate segregation of duties surrounding the confirmation process, as one person performs all tasks related to this process.

Commonwealth policies (Commonwealth Accounting Policies and Procedures Manual Topic 50410) require each agency to reconcile VRS contributions monthly. The confirmation submitted by the agency as a result of their reconciliation efforts also asks them to verify that VRS has calculated the correct amount of retirement contribution for the agency's employees. Department of Accounts (Accounts) Payroll Bulletin Volume 2013-02 describes the due date for the Snapshot confirmations, review of the PMIS cancelled records report, and the VRS automated reconciliation reports.

Because Health is not reconciling CIPPS and VNAV, individual employees' retirement calculations and contributions may be incorrect. Every month Accounts performs a high-level reconciliation of CIPPS and VNAV and then processes an interagency transfer for the difference between what Health confirmed in VNAV and the retirement contributions that were actually withheld and paid by the agency. Accounts cannot perform this reconciliation until all CIPPS agencies, such as Health, confirm their contributions. Health is receiving an overwhelming number of exceptions from this reconciliation and has not been able to clear all of the exceptions to date, leaving employees with possible overpayments or underpayments to the Virginia Retirement System. Beginning in fiscal year 2015, the Commonwealth will use the data in VNAV to calculate the Commonwealth's total pension liability so uncorrected errors could lead to inaccurate financial reporting in the Commonwealth's Comprehensive Annual Financial Report.

By not reviewing the PMIS Cancelled Records Report, Health is unaware when information does not transmit correctly between the human resource system (PMIS) and the retirement system (VNAV); and therefore Health does not make appropriate corrections timely. This was confirmed when we identified an employee whose salary was keyed incorrectly into PMIS but correctly into CIPPS. As result of this error, her retirement contribution amount was being withheld based on incorrect information. This employee was found to be present on two different error reports since the start of her employment, yet the error remained uncorrected.

Health is in the process of implementing procedures to ensure the employee and contribution information in CIPPS, PMIS, and VNAV is accurate. However, due to minimal guidance from DOA and VRS, and insufficient staffing, Health has not completed their own reconciliation between CIPPS and VNAV, and has been unable to address the number of exceptions generated during the Accounts reconciliation process each month.

We recommend that Health put adequate controls in place to ensure that retirement information for employees is accurate. This should include ensuring CIPPS, PMIS, and VNAV are properly reconciled with one another, reviewing the PMIS cancelled records report, and clearing all exceptions before confirming the VNAV data monthly by the imposed deadline. Additionally, Health should ensure there is an adequate segregation of duties during the VNAV confirmation process.

Management Plan for Corrective Action for Department of Health

The Virginia Department of Health has taken several steps in our attempt to be in compliance with the VRS Monthly Reconciliation requirement. These steps include attending the training provided by VRS and DOA, payroll staff developing and training human resource staff on the reconciliation process between PMIS and VNAV, and hiring contractors to review and resolve VNAV and CIPPS discrepancies. In addition, VDH has created a tool to facilitate the reconciliation of VNAV and CIPPS which does not require manual entry. This allows the reconciler to research discrepancies instead of spending valuable time manual entering data. However, there have been several factors beyond our control that have impeded our success.

Implementation

The myVRS Navigator system and payroll processing rules went into effect on October 1, 2012. Three months later, in January 2013, the Virginia Retirement System provided training on how to confirm monthly snapshots between PMIS and VNAV. Simultaneously, the Department of Accounts provided guidance on the reconciliation between CIPPS and VNAV. The first payroll reconciliation reports were produced in March 2013 for the months of October 2012 through December 2012. By June 2013, eight months of CIPPS reconciliation reports to review and resolve had been issued in a four month time frame. Due to the number of VDH employees and the volume of discrepancies between VNAV and PMIS, reconciling between VNAV and CIPPS became a monumental task and catching up was impossible.

Training and Guidance

As the PMIS system owner, DHRM has provided no guidance on the VNAV reconciliation process. The Office of Financial Management initially identified the required process and instructed HR staff on the PMIS to VNAV reconciliation. Payroll continues to conduct the VNAV and CIPPS reconciliation. In addition, written training material or quick references for VNAV were not available from VRS without going through time-consuming online training modules. Reconciliation was also significantly impeded by the necessity for repeated contacts with VRS to resolve system adjustments.

Tools

DOA has provided VNAV CIPPS reconciliation reports in a text format which are not conducive for reconciliation. Nineteen months after the new reconciliation requirements, DOA provided an excel template to facilitate the reconciliation of CIPPS and VNAV. This template requires manual entry.

VDH will take the following actions by March 31, 2015 to ensure retirement information for our employees is accurate, with the understanding that considerable external factors are influential.

Develop and document procedures within the Office of Human Resources to address: reconciling monthly creditable compensation between PMIS and VNAV, reviewing and resolving PMIS Cancelled Records Reports issued by VNAV, confirming the monthly snapshot by the deadline set forth by VRS, and adequate segregation of duties.

Document procedures within the Office of Financial Management to address: reviewing and resolving monthly VRS reconciliation reports from CIPPS, adequate segregation of duties, filling a classified position in the Office of Financial Management to research and reconcile monthly VNAV discrepancies with CIPPS as well as document these reconciliation procedures and best practices.

*Responsible Party: Becky Bynum, Human Resource Director
Beth Franklin, Financial Management Director*

Estimated Completion Date: March 31, 2015

2014-065: Improve Retirement Contribution Snapshot Certification Process

Applicable To: Department of Motor Vehicles

Type of Finding: Internal Control and Compliance

In accordance with the Motor Vehicles' memorandum of understandings with the Motor Vehicle Dealer Board (Dealer Board) and the Department of Rail and Public Transportation (Rail and Public Transportation), Motor Vehicles administers both agencies' retirement benefits in addition to its own. Rail and Public Transportation's memorandum was not effective until May 2014, while the Dealer Board's agreement was in place for the entire period.

During fiscal year 2014, Motor Vehicles did not adequately review the Retirement Contribution Snapshot (Snapshot) prior to certification. Further, Motor Vehicles did not consistently certify the Retirement Contribution Snapshots in a timely manner. Specifically, Motor Vehicles certified untimely for one month for Motor Vehicles and three months for the Dealer Board. In these months, Motor Vehicles certified between one and sixteen days late.

The issues with the review and certification of the retirement contribution snapshot were the result of many factors, including poor communication within Motor Vehicles regarding responsibility for certification during a period of employee turnover, lack of specific training for the employees performing the function, untimely resolution of Virginia Retirement System MyVRS Navigator (VNAV) system errors, and employee oversight. Without the proper training, the human resource staff

responsible for the review lacked understanding as to the nature, extent, and purpose of the review; and therefore, did not ensure the Retirement Contribution Snapshot agreed with human resource and payroll data prior to certification. Instead, the human resource staff simply ensured they addressed all system-generated exceptions and then certified the Retirement Contribution Snapshot.

As discussed in numerous Department of Account's Payroll Bulletins and Virginia Retirement System Employer Updates, agencies should perform specific procedures to validate the accuracy of the information reported in the Retirement Contribution Snapshot prior to certification. In addition, agencies must complete the certification by the 10th day of the following month. Certification activities can begin as early as the 25th day of the month being certified. Certification of the Snapshot gives the Department of Accounts permission to transfer the agency's contributions to the Virginia Retirement System and also indicates to the Virginia Retirement System that individual employee data is accurate. Due to changes in the accounting and reporting standards over pensions, accurate management of compensation and contribution data at the employee level is critical.

As Motor Vehicles is responsible for certifying the Contribution Snapshots for Motor Vehicles, the Motor Vehicle Dealer Board, and the Department of Rail and Public Transportation, improper review of the Contribution Snapshot may result in the improper certification of employee data and payment of contributions to VRS for all three agencies. Motor Vehicles should ensure that the Retirement Contribution Snapshot Processor receives the appropriate training and thoroughly understands the extent to which to review the Retirement Contribution Snapshot as well as the period within which to complete these activities.

Further, Motor Vehicles should develop and document internal policies and procedures over this process, so that they are repeatable in the future. These procedures should include reconciling the retirement data reflected on the Retirement Contribution Snapshot to their human resource and payroll systems, as well as maintenance of evidence of the review. Finally, Motor Vehicles should include procedures to ensure the certification occurs when the primary role responsible for the function is not available.

Management Plan for Corrective Action for Department of Motor Vehicles

Two employees, primary and back-up, have received all the training currently available by VRS related to MyVRS. When VRS provides additionally training, DMV will ensure they receive the training.

When My VRS was rolled out to the agencies, there were unresolved issues within the system. VRS training was insufficient. Although payroll bulletins were provided, the VRS help desk could not provide detailed information when contacted. Based on feedback that VRS has received from the agencies, VRS is planning conducting hands-on training that DMV will attend.

VRS is scheduled to provide written procedures this spring, well after agencies were required to go live with the system. Once VRS has provided detailed procedures, DMV will develop internal procedures.

We have been informed that this issue affects all state agencies, and that APA will issue a Risk Alert to all agencies about this issue.

Responsible Party: June Foster, Human Resource Analyst; Jeannie Thorpe, Director of Human Resources

Estimated Completion Date: On-going

2014-066: Improve VNAV Reconciliations and Confirmations

Applicable To: University of Virginia-Academic Division

Type of Finding: Internal Control and Compliance

The University's Payroll Department does not have supporting documentation of their payroll system to VNAV reconciliation, which they should perform before submitting their Contribution Snapshot to the Virginia Retirement System (VRS). The reconciliation from the University's payroll system to the VNAV system (VRS Navigator) is a new process implemented in fiscal year 2013. Employers are now responsible for ensuring that all employee data changes in their payroll and human resource systems are also changed in VNAV and it is the agency's obligation to ensure that the data in VNAV reconciles with their own records.

On June 15, 2014, GASB No.68 went into effect and will require agencies to report a pension liability on their fiscal year 2015 financial statements. Therefore, it is critical to reconcile the employee data in VNAV to ensure its accuracy since it is used to calculate the Commonwealth's total pension liability that will calculate the pension liability for the University's fiscal year 2015 financial statements. Additionally, ensuring that employee data in the University's payroll system is consistent with data in VNAV is a significant control in verifying that employee retirement benefit payments are accurate. Reconciling the University's payroll system and VNAV ensures that any differences between the systems are researched and corrected.

The Payroll Department currently has a process in place to whereby they review VNAV error report each pay period; however, they do not maintain documentation of this review. By not maintaining this documentation, we were unable to confirm that the Payroll Department followed their procedure and verified the accuracy and completeness of employee data in the VNAV system.

We recommend the payroll department retain sufficient documentation to demonstrate a reconciliation was performed and that they verified changes in their system were properly reported in VNAV.

Medical Center

The Medical Center did not follow the Virginia Retirement System (VRS) guidelines and confirm the accuracy of VNAV data by the 10th of the subsequent month, as detailed in the Department of Accounts Payroll Bulletin, dated January 3, 2013. Eight out of the twelve months in fiscal year 2014 were certified after the 10th day, and included time lapses ranging from 2-29 days. One exception was caused by a problem with the VRS servers, which was outside the control of Medical Center staff. However, seven exceptions remain where the Medical Center did not take sufficient action to properly confirm the VNAV data timely.

These errors are the result of the Medical Center not having a sufficient internal control in place to ensure the timely confirmation of VNAV data. We recommend that the Medical Center implement a procedure to ensure compliance with VNAV requirements.

Management Plan for Corrective Action for University of Virginia-Academic Division

The University will continue to perform reconciliation from the University's payroll system to VNAV; we will add a new step to the reconciliation procedure to ensure that documentation is retained to confirm the reconciliation was performed and all differences were researched and corrected.

The Medical Center agrees that the VNAV reconciliation should be completed in a timely fashion. New steps have been added to the reconciliation procedure to ensure that due dates, deliverables and responsible parties are clearly specified, and that appropriate documentation of the reconciliation is retained.

Responsible Party: Darrell Kozuch; Assistant Vice President, UVA Human Resources and Kim Holdren; Controller, UVA Medical Center

Estimated Completion Date: November 5, 2014

EXPENDITURES

2014-067: Improve Restorative Maintenance Project Reviews

Applicable To: Department of Transportation

Type of Finding: Internal Control and Compliance

Transportation does not have sufficient review processes or controls in place to determine whether restorative maintenance projects should be capitalized or expensed. During our fiscal year 2014 audit, Transportation's Fiscal Division discovered a \$303 million error in capitalized restorative

maintenance. The Operations Planning and Fiscal Divisions did not have adequate guidance to properly identify and code projects for capitalization at their inception, resulting in the project expenses being improperly included or excluded from capitalization throughout the life of the project.

The proper coding of projects and their related expenses is critical to Transportation since coding drives highway infrastructure capitalization in financial reporting. Without thoroughly reviewing the restorative maintenance projects and ensuring that the projects are properly coded to be included or excluded from capitalization, Transportation risks misstating year-end financial reports.

Transportation should strengthen and increase the frequency of its reviews over potential restorative maintenance projects to ensure the Operations Planning Division properly determines capitalization and codes projects. In addition, Transportation should update the policies and procedures related to restorative maintenance projects to reflect current practices.

Management Plan for Corrective Action for Department of Transportation

Policies and procedures for identification of restorative maintenance projects have been updated. Projects are now reviewed quarterly, beginning with the first quarter FY 2015, which has been completed. Projects identified as needing adjustments to their capitalization status have been corrected. VDOT plans to continue this review on a quarterly basis.

Responsible Party: Jennifer Ahlin, Operations Planning Division Administrator

Estimated Completion Date: December 31, 2014

2014-068: Improve the Voucher Review Process

Applicable To: Department of Transportation

Type of Finding: Internal Control and Compliance

Transportation needs to strengthen its review process over expenditure vouchers to ensure they are processed properly. Per the Commonwealth Accounting Policies and Procedures Manual, the act of approving a transaction in Cardinal means the agency certifies to the Comptroller that the transaction has been reviewed by appropriate agency staff and is accurate to the best of their knowledge and belief. During our review, we found several errors with vouchers including incorrect coding and not attaching the purchase order to the voucher for payments to a contractor. In addition, policies and procedures related to accounts payable have not been updated to incorporate changes from the Cardinal system implementation. Instead, outdated policies are in place, which reference the old system.

Without thoroughly reviewing vouchers prior to payment, Transportation risks misstating year-end financial reports, making improper payments, and drawing down funds to which it is not entitled.

Transportation should strengthen its review process over expenditure vouchers to ensure they are free from keying or other errors in Cardinal. In addition, Transportation should update their policies and procedures related to accounts payable to reflect current practices.

Management Plan for Corrective Action for Department of Transportation

Fiscal Division will emphasize the importance of accurate coding with the Financial Accounting Managers and employ additional review processes to improve accuracy of coding. Fiscal Division will finalize and issue accounts payable procedures. These actions will be completed by April 30, 2015.

Responsible Party: Janice Long, Controller

Estimated Completion Date: April 30, 2015

2014-069: Improve Procurement Processes

Applicable To: University of Virginia-Academic Division

Type of Finding: Internal Control and Compliance

During fiscal year 2014, the University issued over 115,000 purchase orders. We obtained the procurement file and analyzed the purchase orders to isolate and categorize those that represent higher risk. That analysis identified the following:

- 55 procurements valued between \$49,000 and \$49,999.99 which is just under the competitive request for proposal threshold of \$50,000;
- 27 procurements identified as emergency purchases;
- 23 instances of purchases made to the same vendor, on the same day, by the same buyer; and,
- 22,345 procurements identified as sole source purchases.

We selected a sample from each of these categories and identified the following concerns.

1. The University uses the same generic, unsigned sole source justification for most research-oriented sole source procurements rather than requiring the purchaser to explain the need for a sole source. A consequence of recording these research procurements as sole source involves eVA rebates. Whenever procurements are made

from unregistered eVA vendors identified as sole source, General Services refunds the eVA fees originally paid by the University. We found some instances where the University received eVA rebates to which they may not have been entitled had they identified the procurement as a cooperative contract or other procurement method.

2. We tested two Facilities Management sole source procurements and found that both had inadequate sole source justifications. These procurements involved the same vendor who was awarded two sole-source contracts to replace HVAC units based on criteria that could have been outlined in a competitive procurement and contract. Additionally, Facilities Management did not publically post these award notices in eVA or the University's procurement website, which is linked in eVA. Both the Code of Virginia, Section 2.2-1110 and the Restructured Higher Education Financial and Administrative Operations Act require public posting of such awards.
3. We tested all incidences of purchases being made from the same vendor, on the same day, by the same buyer and requested justifications as to why the procurements were split. Individually the procurements fell below the \$5,000 threshold for a competitive procurement, but had they been combined they would have exceeded \$5,000. For four of these incidences (17 percent) the University provided no justification. For five incidences (22 percent) the justifications were unreasonable and may indicate intentional splitting to avoid the delays and additional work caused by competitive procurements.
4. For one of six vendors tested (17 percent) who had procurements between \$49,000 and \$49,999.99 the buyer's original estimate of \$49,999 was later deemed insufficient as a second procurement for \$21,660 was required 10 months later. In the case where buyers estimate a procurement at just beneath the competitive procurement threshold of \$5,000 or \$50,000, they should be conservative and consider the potential for additional purchases during the subsequent 12 month period. Increasing the value would result in more competition that may provide cost savings to the University.
5. The University relied on their insurance broker to procure competitively an insurance plan for college athletes at UVA Wise, valued at over \$100,000. While it is reasonable to obtain the broker's assistance in writing the procurement specifications, University's Procurement Services should have performed the procurement in-house.

To increase competition and ensure the University receives high quality goods and services at the best price we recommend the following:

1. Require sole source justifications in all instances, including research, and ensure the justifications are reasonable and not based on preference. Additionally, post all sole source awards on the University's website or in eVA as required by the Code of Virginia.
2. Avoid splitting procurements or undervaluing them as a means to bypass the competitive procurement process. In addition, Procurement Services should monitor procurement

data to identify buyers who are not adhering to the University's Guidelines for Competition. These Guidelines require buyers to use competitive procurement when they believe the total value of goods or services to a particular vendor will exceed a competitive procurement threshold over the next 12 months.

3. Identify procurements as cooperative contracts or other procurement methods where possible to avoid accidentally identifying a procurement as sole source, generating an eVA rebate.

Management Plan for Corrective Action for University of Virginia-Academic Division

Previously, the University had identified particular vendors as designated sole source vendors in our procurement system regardless of the particulars of the specific purchase. This resulted in numerous transactions of less than \$5,000 which were identified as sole source procurements but were documented with only a single generic sole source justification; in fact, the dollar value of these purchases did not require competition (and correspondingly sole source justification). The University will cease to identify specific vendors as designated sole source vendors for all of their transactions and will instead focus on the specific sole source merits of individual transactions. This will eliminate the identification of so many procurements that are less than \$5,000 as being sole source awards. We will, as always, require sole source justifications that are reasonable and not based on preference for all procurements over \$5,000.

The University policy currently requires all sole source awards over \$50,000 be publicly posted, which we currently post on the University's website. Additionally, in order to comply with the University's Management Agreement with the Commonwealth, we will initiate posting of our sole source procurements over \$50,000 directly in eVA.

As noted, the University's Guidelines for Competition outline the expectations that procurements are not split or under-valued in an attempt to avoid a competitive procurement process. Procurement and Supplier Diversity Services (PSDS) central buyers follow these Guidelines. PSDS has recently become more pro-active in reviewing transactions from the procurement shoppers in the field with the recent hiring of a procurement analyst. We will review the findings of the APA with the procurement analyst in order to better ensure that the Guidelines are followed by shoppers in the field. In addition, we will emphasize these Guidelines to shoppers in the field through modification of existing shopper training and targeted communications. Additionally, future procurements will be conservatively estimated for potential additional purchases.

The actions taken related to the first two recommendations (ceasing to identify specific vendors as designated sole source vendors for all of their transactions and instead focusing on the specific transactions over \$5,000, and working with the new

procurement analyst) will help to ensure that procurements are appropriately identified, justified, and recorded in the system so that accidentally identifying a procurement as sole source and generating an eVa rebate will not occur.

Responsible Party: Eric Denby; Director, Procurement and Supplier Diversity

Estimated Completion Date: December 15, 2014

APPLICATION CONTROLS

2014-070: Confirm VABS is Calculating Maximum Benefit Amount Consistently for All Claimants

Applicable To: Virginia Employment Commission

Federal Program Name and CFDA#: Unemployment Insurance - 17.225

Federal Award Number and Year: UI252351460A51 (2014)

Compliance Requirement: Eligibility - OMB A-133 .300(B)

Known Questioned Costs: \$14,000

Type of Finding: Internal Control and Compliance

The Commission needs to ensure VABS is calculating maximum benefit amounts in accordance with the Code of Virginia for all claimants. During our evaluation of all claimants who received a payment during the year, we determined VABS did not calculate the maximum benefit amount in accordance with the Code of Virginia for 58 claimants. As a result, the Commission overpaid 41 claimants and underpaid 17 claimants respectively. Although these instances represent less than one percent of all benefit claims, the Commission should determine why VABS did not perform the maximum benefit amount calculation consistently for these claimants.

Section 60.2-607 of the Code of Virginia establishes the claimant's maximum benefit amount based on the "Benefit Table" in Section 60.2-602 of the Code of Virginia. Of the 58 claimants, VABS did not calculate the maximum benefit amount correctly for five claimants because the claimant filed for benefits for a new benefit year the same day the Commission applied a wage change to the claimant's profile for a previous benefit year. Due to system limitations, VABS cannot process two concurrent modifications and instead processes the request which impacts the most recent benefit year. As a result, VABS did not recalculate the claimants maximum benefit amount for the previous benefit year based on the corrected wages. The Commission was unable to provide an explanation for the remaining 53 claimants. Without confirming the system's logic, the Commission cannot assure itself that claimants receive the proper amount of benefits based on the formula prescribed in the Code of Virginia.

We recommend the Commission analyze these claims to determine why VABS did not correctly perform the maximum benefit amount calculation in these instances. The Commission should determine which claimants identified are entitled to a benefit adjustment payment due to an

underpayment and which need to have an overpayment established against their account. Additionally, the Commission is in the process of replacing VABS with a new system, and this issue needs to be addressed in the new system to ensure benefits will be properly calculated in all cases.

Management Plan for Corrective Action for Virginia Employment Commission

The Division will analyze the process to determine why VABS did not perform the maximum benefit amount calculation consistently for all claimants. We will explore alternatives for remediating the identified issue(s).

Responsible Party: William Walton, UI Director

Estimated Completion Date: December 31, 2015

2014-071: Withhold Child Support Obligations from Benefit Adjustment Payments

Applicable To: Virginia Employment Commission

Federal Program Name and CFDA#: Unemployment Insurance - 17.225

Federal Award Number and Year: UI252351460A51 (2014)

Compliance Requirement: Other - OMB A-133 .300(B)

Known Questioned Costs: \$937.20

Type of Finding: Internal Control and Compliance

The Commission does not withhold child support obligations from benefit adjustment payments as required by the Code of Virginia. Although the Commission does deduct child support obligations from unemployment insurance payments, there are situations where the Commission has to generate an additional benefit adjustment payment to the claimant. In these cases, the Commission does not withhold child support from the benefit adjustment payment due to system limitations within VABS.

We reviewed a sample of 23 benefit adjustment payments, which included three payments where child support should have been deducted. The Commission did not deduct child support in any of these instances. Section 60.2-608 of the Code of Virginia requires the Commission to deduct and withhold the amount of child support obligations specified by an individual from unemployment compensation. By not withholding child support obligations from benefit adjustment payments and remitting withholdings to the state child support enforcement agency, the Virginia Department of Social Services is unable to supply custodial parents with their full entitlement amount. This places the Commission at risk of incurring fines and penalties for being non-compliant with federal and state regulations.

The Commission is in the process of replacing VABS with a new system and they anticipate this issue will be addressed in the new system. Given the uncertain status of the new system, we

recommend the Commission evaluate VABS to determine what modifications or procedures could be implemented to ensure child support obligations are withheld as required by the Code of Virginia.

Management Plan for Corrective Action for Virginia Employment Commission

The Commission is in the process of replacing VABS with the Virginia Unemployment Insurance System (VUIS). This finding will be permanently corrected with the implementation of VUIS. We will also develop a solution through our current system (VABS).

Responsible Party: William Walton, UI Director

Estimated Completion Date: September 30, 2015

2014-072: Enforce Business Rules in Human Resource Transactions

Applicable To: Department of Health

Type of Finding: Internal Control and Compliance

In the period under review, 17 out of 269 human resources (HR) personnel transactions that required the approval of a Deputy Commissioner at the agency bypassed approval controls within Health's Finance and Accounting system (Web F&A). These transactions were related to temporary pay adjustments for staff, the removal of wage employees, and pre-disciplinary leave transactions.

Health's own human resources policies outline the different types of HR transactions that require the approval of a Deputy Commissioner at the agency. These business rules are built into Health's HR Module of the Web F&A system, which is intended to enforce the business rules deemed critical by management. The Web F&A HR module was designed to capture all of the necessary approvals as dictated by policy.

Transactions that do not receive the proper level of approval increase the risk of unreasonable transactions. It should be noted that these transactions were approved initially by a member of each respective work unit; however, the elevated approvals by Deputy Commissioners did not take place in the system. Health was able to provide hardcopy approvals for some of the transactions. A defect in the Web F&A system is causing it to not properly enforce business rules that Health included in the system design.

Health's Office of Human Resources should work with the appropriate technical staff to correct the system malfunctions that are allowing transactions to bypass proper approvals. Until these system corrections are made, Health should develop a method to monitor for transactions that do not receive the proper approvals.

Management Plan for Corrective Action for Department of Health

Supporting documentation of approval was located for 12 of the 17 transactions. Three of the 5 remaining transactions occurred prior to OHR knowing the system was not working properly. The other 2 transactions had no documentation to confirm whether the workflow was followed, and the employees in OHR who approved these transactions are no longer with the agency. However, these 2 transactions were approved by the appropriate Operations Director, and delegated authority was authorized for temp pay actions to be approved by this Operations Director.

The F&A HR module was designed to capture all of the necessary approvals as dictated by policy. For the transactions in question, the approval code for Deputy Commissioner Approval was defined as "Always." As far as OHR knew, the system was working through these workflows properly and therefore believed the internal controls were in place. Once issues with the workflow were identified, a request for the workflow to be fixed was immediately sent to the Office of Information Management with the priority labeled as "Critical Enhancement" and the Severity as "High" in January 2014.

OIM will continue to investigate and incorporate Deputy Commissioner Approval into the workflow. While the solution is dependent on the business workflow and appropriate rules, OIM will integrate the requirements through the change management process and incorporate this into WebF&A. Due to the complexity of user settings in the decision table, OIM will review the programming and logic code to ensure that this is consistent with the required business workflow and approvals.

Responsible Party: Diana Malik, PMP (OIM Applications Manager)

Estimated Completion Date: March 31, 2015

FINANCIAL REPORTING

2014-073: Improve Controls over Financial Reporting

Applicable To: Department of Transportation

Type of Finding: Internal Control

The Virginia Department of Transportation (Transportation) does not have adequate internal controls over its financial reporting processes. In the prior year, we identified errors in Transportation's unaudited financial submissions to Department of Accounts (Accounts). This year we did note improvement in Transportation's understanding and use of the data from the accounting system. However we again noted significant errors in the information submitted to Accounts due to other causes.

For fiscal year 2014, several of Transportation's unaudited items submitted for inclusion in the Commonwealth's Comprehensive Annual Financial Report (CAFR) contained errors, which in several instances resulted in material misstatements. Further, the financial reporting preparation and review processes did not include sufficient procedures to prevent or detect these errors or omissions. As a result, we consider this issue to be a material weakness.

Several issues led to the omissions and errors observed and are summarized below:

- Insufficient support for items recorded on a submission caused the submission to be unreliable. Transportation booked a significant material entry without ensuring sufficient or appropriate support existed for the amount and nature of the transaction. Lack of supporting documentation increases the risk of recording and reporting improper transactions.
- Lack of communication, coordination, and accountability between divisions within Transportation contributed to the errors. We noted that when information was provided between divisions for compilation, no review was performed of the information provided.
- Incomplete financial reporting procedures existed to ensure Transportation completed all steps necessary to prepare a submission, for divisions outside of Fiscal. Without step-by-step procedures defining every aspect of the submission preparation process, Transportation increases their risk for errors from year to year in their financial reporting process, especially when turnover occurs in the key positions preparing and reviewing these submissions.

Transportation should ensure their financial reporting procedures over these areas provide sufficient direction for personnel regarding the support needed to prepare the submission, as well as adequate controls to prevent or detect and correct mistakes such as those identified above. Transportation should supplement this by increasing analytical procedures and review of variances, as well as, overall review of submissions to ensure they are reasonable and consistent across submissions.

Transportation should work with Accounts to ensure the submission directions specific to Transportation are sufficiently detailed, appropriately timed, and mutually agreed upon. Improved financial reporting controls and increased coordination with Accounts will help to ensure Transportation's unaudited financial submissions are materially correct and accurately represent its operations in order to meet Transportation and the Commonwealth's financial reporting needs.

Management Plan for Corrective Action for Department of Transportation

1. Fiscal Division will meet with the Department of Accounts to review the submission requirements and determine any adjustments needed to the upcoming year's submissions. 2. Fiscal will work with divisions providing financial reporting information and require written procedures, including a review process. 3. Fiscal Division will implement an additional review of key submissions using the Compliance team staff. Actions 1 and 2 will be completed by June 30, 2015. Action 3 will be completed by October 31, 2015.

Responsible Party: Janice Long, Controller

Estimated Completion Date: October 31, 2015

2014-074: Continue to Strengthen Internal Controls over Financial Reporting

Applicable To: Virginia Employment Commission

Type of Finding: Internal Control and Compliance

The Commission's financial reporting and review process did not identify a material error in its financial statements. The Commission reports significant non-general fund accounts receivable balances for employer tax payments, as well as benefit overpayments, in the Commonwealth's financial statements. During our review of year-end financial information, we found:

The Commission used an incorrect beginning balance to estimate the allowance for doubtful accounts. As a result, the Commission understated accounts receivable for benefit overpayments by approximately \$2.5 million.

The Commission made several errors in the accounts receivable calculations related to payable vouchers, also called p-vouchers. The net impact of these p-voucher errors resulted in an understatement of accounts receivable for benefit overpayments of approximately \$275,000.

Section 20505 of the Commonwealth Accounting Policies and Procedures Manual requires agencies to implement internal control procedures to assure that it periodically substantiates and evaluates accounts receivable balances. Since our prior audit, the Commission has improved their documentation of policies and procedures over their accounts receivable reporting; however, the reporting process remains very tedious and manual. As a result, the Commission did not detect these errors during their financial reporting and review process. Given the manual nature of the process and the lack of training, the Commission leaves itself prone to errors in its reporting processes.

We recommend the Commission continue to strengthen its internal controls over financial reporting. This includes training all individuals who prepare and review the financial statements. The Commission should consider developing a review checklist to assist in the review process. Additionally, we recommend the Commission re-evaluate and simplify their reporting processes to minimize the risk of manual error.

Management Plan for Corrective Action for Virginia Employment Commission

This was corrected in the September 2014 AR Report. We had a formula error in the calculation of doubtful accounts. We have updated procedural documentation used in preparation of the AR report. We plan to continue to review the spreadsheets and refine documentation to ensure the accuracy of receivables reported.

Responsible Party: Eddie Sparkman, Finance Director

Estimated Completion Date: Complete

2014-075: Improve Controls over Reporting Account Receivables

Applicable To: Department of Health

Type of Finding: Internal Control and Compliance

Health understated their accounts receivable balance submitted to the Department of Accounts for inclusion in the Commonwealth's Comprehensive Annual Financial Report (CAFR) by \$5.1 million. This understatement was associated with CFDA #10.557, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Additionally, Health misclassified two other receivable amounts. These errors were corrected after we communicated them to management. Health's Office of Financial Management has central policies pertaining to the compilation of year end accounts receivable. However, several of the amounts reported are calculated and provided by different business units within Health. The decentralized business units do not have policies and procedures related to accounts receivable submissions. Further, the financial reporting preparation and review processes did not include sufficient procedures to prevent or detect these errors or omissions.

Commonwealth Accounting Policies and Procedures Manual Topic 20505 states the following: "Agencies are responsible for developing systems that are adequate to properly account for and report their receivables, their age, collection status, and funding source to DOA quarterly." Health utilizes the fourth quarter receivables report to develop their receivables attachment for the CAFR.

The accounts receivable balances reported by Health are incorporated into the Commonwealth's CAFR. Therefore, misstated amounts by Health would have led to misstated financial statements for the Commonwealth.

Due to issues with the implementation of a new WIC information system, Health was unable to accurately identify and report certain WIC rebates and did not initially accrue the receivable. Additionally, the Office of Financial Management did not communicate with the business units sufficiently to ensure an understanding of the use of the quarterly receivable balances once they are submitted.

Health should ensure all accounts receivable at year end are accurate and properly supported. In order to achieve this, Health should ensure their financial reporting procedures over accounts receivable provide sufficient direction for personnel in the business units regarding specifics on what should be reported, the support needed to prepare the submissions, as well as adequate controls to prevent or detect and correct mistakes, errors or omissions like those observed this year. Additionally, Health should improve their compilation and review process to ensure consistency among all business units.

Management Plan for Corrective Action for Department of Health

VDH does not concur with this finding as currently written. Reporting requirements necessitate the submission of the Receivables as of June 30" financial schedule (Attachment 22) twice. The original submission was due on August 21; however, each year, this schedule is subsequently revised to incorporate payable transactions after August CARS reports are issued.

VDH's initial submission disclosed the WIC formula/cereal rebates billing and Medicaid back billing issue. The Department of Accounts (DOA) did not request that we revise the schedule to incorporate an estimate of the amount that might be billed when the system issues were resolved; nor do any of the instructions or policies issued by DOA clearly identify that agencies should estimate items that may be billable at June 30 but not actually billed. However, VDH did submit another revision that incorporated the estimated amounts. Therefore, these amounts will be reflected in the Commonwealth's CAFR. Regarding the misclassification of two other receivables, this was also addressed in this revision and will be accurately classified for CAFR purposes. As discussed with DOA, these are currently classified as a federal receivable under revenue source code 09084 (reflective of how they will be recorded when collected).

Health has agency policies pertaining to Accounts Receivable and the quarterly reporting requirements. These policies are based on DOA's Commonwealth's Accounting Policies and Procedures (CAPP) and incorporate VDH-specific policies. Each office should have desk procedures for accounting for and reporting receivables in accordance with agency policy.

Additionally, during the June 2014 Business Manager's meeting, the Director of the Office of Financial Management reviewed year end cut-off and financial reporting schedule with VDH Office and District Business Managers. The Director explained the importance of adhering to the published deadlines, ensuring the accuracy of financial data in CARS and F&A, and how the information reported on the Office/District year-end reports (Accounts Receivable, Prepayments, Insurance Recoveries, Federal Reporting and Inventory) are incorporated into the agency's financial schedules and submitted to DOA for inclusion into the Commonwealth's Comprehensive Annual Financial Report.

Responsible Party: Beth Franklin, Financial Management Director

Estimated Completion Date: Completed

FIXED ASSETS

2014-076: Improve Controls over the Disposal of Fixed Assets

Applicable To: University of Virginia-Academic Division

Type of Finding: Internal Control

Medical Center

The Medical Center removed four forklifts from its asset management system but could not provide documentation to demonstrate the forklifts were properly surplus, sold, or transferred to another entity.

The Medical Center removed the four forklifts with a net book value of \$72,085 based upon the results of their biennial capital equipment inventory, when a department representative said the forklifts were transferred to the Academic Division. In following up with the Academic Division, we found they had no record of ever receiving the four forklifts from the Medical Center and further follow-up by the Medical Center eventually located them still in use there.

While the total amount is insignificant to the Medical Center as a whole, the breakdown of internal control over the handling of noting and deleting the disposal of capital assets is a fraud risk that could potentially lead to the misappropriation of state assets. To reduce the risk of asset misappropriation, we recommend the Medical Center review its policies and procedures over the disposal of equipment and ensure that appropriate documentation is complete before removing assets from the system.

Management Plan for Corrective Action for University of Virginia-Academic Division

The Medical Center agrees that communication and documentation of asset transfers are important internal controls. The Medical Center has restored the four forklifts to its inventory, and will obtain proper documentation supporting this action. Additionally, the Medical Center has reviewed current policy and added steps to ensure proper documentation of all capital asset disposals, whether by sale, surplus or transfer.

Responsible Party: Kim Holdren; Controller, UVA Medical Center

Estimated Completion Date: November 5, 2014

INVENTORY

2014-077: Ensure Oversight over Third-Party Vendors

Applicable To: Department of Corrections-Central Administration

Type of Finding: Internal Control and Compliance

The Department of Corrections (Corrections) does not have a process for ensuring third-party providers are complying with the Commonwealth's Information Security Standard, SEC 501-08 (Security Standard). The Security Standard considers third-party providers to be organizations that perform outsourced business tasks or functions on behalf of the Commonwealth. Corrections maintains a significant amount of inventory at various facilities across the state and they have outsourced the inventory reporting and management system to a third party vendor; however, Corrections did not have a process in place to ensure the vendor was meeting the requirements outlined in the Security Standard.

Section 1.1 of the Security Standard recognizes that agencies may procure IT equipment, systems, and services from third parties. In these situations, agencies are required to enforce the requirements in the Security Standard through documented agreements with third-party providers and oversight of the services performed. Although Corrections has documented agreements with the third party provider, Corrections did not maintain sufficient oversight to confirm the provider was complying with the Security Standard requirements. One commonly used practice for providing oversight is to request and review a Service Organization Control (SOC) report for the provider as a means to provide assurance over controls and operations. Corrections did not request a SOC report for the provider, nor did they implement other internal controls to confirm the provider's compliance with the Security Standard.

Corrections should ensure they have a process for identifying third party service providers and providing appropriate oversight to ensure compliance with Security Standard requirements. We recommend that Corrections develop procedures for maintaining oversight over third-party providers to ensure compliance with the Standard.

Management Plan for Corrective Action for Department of Corrections-Central Administration

DOC will revise Operating Procedure 230.2 to ensure the TMS Coordinator receives an annual SOC 2 Type II report from the vendor and submits the report to the Financial Systems and Reporting Manager. Completion of this task is projected to be done no later than July 2015. Collection and filing of the SOC 2 Type II report will be ongoing. The Financial Systems and Reporting Manager will be responsible for ensuring this process is done.

Responsible Party: Financial Systems and Reporting Manager

Estimated Completion Date: July 2015

PROCUREMENT

2014-078: Structure Contract Management to Prevent the Circumventing of Commonwealth Requirements

Applicable To: Department of Education - Direct Aid to Public Education

Type of Finding: Internal Control and Compliance

During our audit, as required by the Code of Virginia §30-138(A) the Virginia Department of Education (Education) notified the Auditor of Public Accounts of a circumstance that suggested a reasonable possibility of a fraudulent transaction. Through our follow-up it appears that the employee in question was using Education's trusted relationship with one of its contractors to circumvent Commonwealth travel, procurement, and information technology requirements. The control environment at Education was enabling one of its employees to submit invoices directly to one of its contractors for payment. The contractor would make the payment and seek reimbursement from Education. Education would then reimburse these expenses under the terms of its contract. The structure of how this contract was managed and controlled did not prevent one of its employees from using the contract to circumvent Commonwealth requirements.

To ensure similar situations do not incur in the future, we recommend that Education evaluate how it has structured the management of each of its contracts. Education should structure its contracts so that employees cannot use them as an instrument to circumvent Commonwealth requirements.

Management Plan for Corrective Action for Department of Education - Direct Aid to Public Education

Although the Department of Education believes this to be an isolated incident, agency contracts will be reviewed, and for reimbursement-based contracts, procedures will be discussed with contract administrators and contract modifications will be issued. Language will be added to the DOE Administrative Manual prohibiting reimbursement-based contracts.

Responsible Party: Marie Williams, Director of Procurement

Estimated Completion Date: July 31, 2015

REVENUES

2014-079: Ensure Tuition and Fee Rates are Approved by the Board of Visitors

Applicable To: University of Virginia-Academic Division

Type of Finding: Compliance

University

The University did not obtain the Board of Visitors' (the Board) approval for a \$250 case fee automatically assessed on students enrolled in the Darden School Business (Darden).

Section § 23-38.88 of the Code of Virginia states that, "the Board of Visitors of a covered institution shall have sole authority to establish tuition, fee, room, board, and other charges consistent with sum sufficient appropriation authority for all nongeneral funds as provided by the Governor and the General Assembly in the Commonwealth's biennial appropriations authorization."

The Darden case fee is for books and study materials and was historically collected by the School of Business. However, the school was having difficulty collecting the fee from students and was advised by the Budget Department to include it on the student's tuition and fee bill. The University obtained approval of this fee in April of 2012 from the Provost, John Simon, and the former Chief Financial Officer, Michael Strine. Despite receiving approval by upper management, we recommend that this fee be approved by the Board in accordance with the Code of Virginia, which could be accomplished by a resolution delegating to senior management the authority to establish fees in addition to those specifically established by the Board.

Management Plan for Corrective Action for University of Virginia-Academic Division

The University will implement the recommended approach to propose a resolution delegating authority from the Board of Visitors to the appropriate University leadership to establish mandatory fees in addition to those specifically established by the Board.

Responsible Party: Colette Sheehy; Vice President for Management and Budget

Estimated Completion Date: February 2015

OTHER

2014-080: Establish an Independent Line of Reporting for the Chief Internal Auditor

Applicable To: State Corporation Commission

Type of Finding: Internal Control

The State Corporation Commission (Commission) does not provide its Chief Internal Auditor organizational independence with respect to administrative operations. The Chief Internal Auditor is supervised by the Chief Administrative Officer, who is also responsible for supervising administrative operations. The Commission's organizational chart places the Chief Internal Auditor under the Chief Administrative Officer without any reporting line to the Commission's Commissioners; thus jeopardizing how others perceive the Chief Internal Auditor's objectivity when it comes to auditing and reporting on the areas within:

- Human Resources
- Information Technology
- Information Security
- Accounting
- Information Resources
- Business Continuity/Disaster Recovery

The Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing, a best practice, states "The chief audit executive must report to a level within the organization that allows the internal audit activity to fulfill its responsibilities. The chief audit executive must confirm to the board, at least annually, the organizational independence of the internal audit activity." Although the Commission does not have a board, the Commissioners are its most senior oversight group. Additionally, the IIA standards states that "the audit charter should establish independence of the internal audit activity by the dual reporting relationship to management and the organization's most senior oversight group."

A lack of organizational independence could lead to management pressures affecting the objectivity of the Commission's Chief Internal Auditor. As a result of the Chief Internal Auditor only reporting to management, its assessments of management may appear to be influenced by this relationship. The Commission should establish a reporting line between the Chief Internal Auditor and the Commissioners for conducting risk assessments, establishing work plans, and issuing audit reports to protect the Auditor's objectivity.

Management Plan for Corrective Action for State Corporation Commission

The Commission has established a reporting line between the Chief Internal Auditor and the Commissioners.

Responsible Party: Greg Liptak, Chief Internal Auditor; Commissioners

Estimated Completion Date: December 2014

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
U.S. DEPARTMENT OF AGRICULTURE**

2014-024	<u>Improve Database Security</u>
2014-036	<u>Improve Access Controls for the Crossroads System</u>
2014-037	<u>Improve User Access Controls for ROAP System</u>
2014-051	<u>Account for All WIC EBT Food Instruments and Investigate Errors</u>
2014-052	<u>Record Accurate Time and Effort Reporting</u>
2014-053	<u>Complete Local Agency Monitoring Reviews</u>
2014-054	<u>Submit Invoices for WIC Rebates and Medicaid Claims</u>
2014-055	<u>Improve Controls over Federal Reporting - CACFP</u>
2014-056	<u>Improve Internal Controls over the ROAP System Reconciliation Process for CACFP</u>

Each of these findings represents a compliance finding that could be material to the basic financial statements and are required to be reported under Government Auditing Standards. These findings relate to both the financial statements and federal awards. The details of these findings are reported within the section entitled "*Financial Statement Findings.*"

2014-081: Improve Controls over Federal Reporting WIC

Applicable To: Department of Health

Federal Program Name and CFDA#: Special Supplemental Nutrition Program for Women, Infants, and Children - 10.557

Federal Award Number and Year: 1VA700707 (2014)

Compliance Requirement: Reporting - 7 CFR §246.25

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Health does not have adequate controls in place to ensure accurate federal reporting on the FNS-798 financial and participation report for the CFDA #10.557 Supplemental Nutrition Program for Women, Infants, and Children (WIC). The participation data changed multiple times during our testwork as Health gained a better understanding of the Crossroads electronic benefits system, implemented in November 2013. Health made adjustments of approximately \$1.6 million to the FNS-798 during the fiscal year because the Crossroads system was over reporting actual food expenditures due to a system flaw that was discovered after several months. Additionally, supporting documentation could not be provided for multiple reported items, including the amount spent on breast pumps, number of participants in the program, and food expenditures.

7 CFR §246.25 subparts (b) and (d) state the following related to the monthly 798 report and source documentation:

- b.) Financial and participation reports—(1) Monthly reports. (i) State agencies must submit financial and program performance data on a monthly basis, as specified by Food and Nutrition Services (FNS), to support program management and funding decisions. Such information must include, but may not be limited to:
 - (A) Actual and projected participation;
 - (B) Actual and projected food funds expenditures;
 - (C) Actual and projected rebate payments received from manufacturers;
 - (D) A listing by source year of food and NSA funds available for expenditure; and,
 - (E) NSA expenditures and unliquidated obligations.
- d.) Source Documentation: To be acceptable for audit purposes, all financial and Program performance reports shall be traceable to source documentation.

FNS uses the reports to assess the state's progress in achieving the objectives of the WIC program. Inaccurate financial and participation information provided to FNS limits their ability to monitor the program. Additionally, multiple resubmissions of federal reporting require the unnecessary use of administrative time.

Health implemented the Crossroads electronic benefits system for the WIC program during fiscal year 2014. Several components of the reporting system were not functional for most of the fiscal year. This includes some of the reports that are required to create the FNS-798, and a dedicated reporting server that will provide the users with a reliable reporting environment. Additionally, Health had to combine financial and participation data from their legacy WICnet system with data from the new Crossroads system in order to submit accurate reporting.

As a result, Health created ad hoc reporting tools as a substitute, in order to report information to FNS timely. However, due to Health's unfamiliarity with their new Crossroads system, unavailable information that linked participants between the two systems, and a lack of documented policies and procedures, there have been several revisions to the FNS-798 report. Health has also identified an issue that prevents accurate reporting of participation data from the Crossroads system within the timeframe required by FNS. According to Health, they have submitted a change request to the Crossroads developers in order to resolve this issue.

Health should continue to gain a better understanding of the Crossroads reporting function and work with their developers to ensure actual participation data can be reported timely. Ultimately, Health should work with their developers to ensure that Crossroads' native application reporting function is operating as required by their contract. Additionally, Health should implement policies and procedures over the reporting process to ensure accurate and timely reporting of both participation and financial information to FNS.

Management Plan for Corrective Action for Department of Health

The Office of Family Health Services concurs with this management recommendation and the causes cited above. However, the Office of Family Health Services notes that it is not the contract administrator with the developer that oversees Crossroads and has to work with three other state partners and USDA to implement these corrective measures. Also, the Office of Family Health Services notes that even under optimal conditions with system reporting functions working as intended, the FNS-798 reports will require regular revisions.

The Office of Family Health Services will work with the consortium of states, its contractors, and system developers to continue to gain a better understanding of the Crossroads reporting function. Family Health Services will work with these partners to determine the most economical way of assuring that the reporting function in the native application is working as intended. Finally, the Division of Community Nutrition will work with the Division of Administration to develop desk procedures over the participation and financial information reported on its monthly reports to FNS. Desk procedures for the new reporting environment should be complete by June 30, 2015.

Responsible Party: Stephen Vecchione, Administrative Deputy, Office of Family Health Services; Michael Welch, Division of Community Nutrition Director

Estimated Completion Date: June 30, 2015

2014-082: Improve Procurement Controls

Applicable To: Department of Health

Federal Program Name and CFDA#: Special Supplemental Nutrition Program for Women, Infants, and Children - 10.557

Federal Award Number and Year: 1VA700707 (2014)

Compliance Requirement: Procurement and Suspension and Debarment - 2 CFR §215

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Our review of procurement transactions charged to CFDA #10.557 Special Supplemental Nutrition Program for Women, Infants and Children (WIC) identified several items that we consider to be non-compliant with the Commonwealth's procurement policies. The noncompliance issues related to insufficient documentation in support of procurement decisions and purchased services over \$5,000 in which bids were not solicited.

States, and governmental subrecipients of states, will use the same state policies and procedures used for procurements from non-federal funds. The Commonwealth's policies and procedures governing procurement are contained in the Virginia Department of General Services' (DGS) Agency Procurement and Surplus Property Manual (APSPM). The APSPM is designed to ensure that public bodies in the Commonwealth obtain high quality goods and services at reasonable cost, that all procurement procedures are conducted in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety, and that all qualified vendors have access to public business and that no offeror be arbitrarily or capriciously excluded. Non-compliance could result in the failure of those objectives, and in the case of federal awards, questioned or potentially unallowable costs can be incurred.

Health failed to maintain evidence that demonstrated a consistent application of procurement standards as required by the APSPM. Inadequate recordkeeping in support of proprietary product purchases, proposal evaluations, and rental contracts reduced the auditable trail that is necessary to understand the why, who, what, when, where, and how of each transaction. Additionally, Health did not properly monitor the expenditure amount of their service contract that should have been submitted for bids.

Health should improve controls over their procurement process that ensure procurement actions are in compliance with the APSPM. Specifically, Health should ensure that documentation in support of procurement decisions is maintained, and that bids and quotes are solicited for services that exceed \$5,000.

Management Plan for Corrective Action for Department of Health

VDH concurs that it failed to maintain a complete trail of evidence for three items selected by the auditor for review and failed to solicit a bid for a cleaning contract that exceeded \$5,000 during fiscal 2014. As to the three items with incomplete information:

1. VDH was unable to locate the selection summary for a contract procured in 2007.
2. VDH could not provide the business justification for a rental contract with an annual value of less than \$18,000 that was entered into in 2012. However, VDH notes that there are no state policies that require specific documentation be maintained for this type of lease agreement.
3. VDH did not document a phone conversation with a vendor in which that vendor withdrew their quote because it was unable to meet the specifications of the solicitation. This resulted in VDH choosing the one remaining proposal that was able to meet the specifications of the solicitation.

OPGS does not believe this a wide-spread agency issue. OPGS initiated in January 2014 an on-site review and training program in which OPGS Procurement Officers conducted peer reviews of the procurements conducted in the Offices and Districts. During these reviews, OPGS included procurement basic training to each local health district. The training will continue on a reoccurring basis. In addition, OPGS training is being expanded (Phase II) in 2015 to provide Contract Administration roles and responsibilities.

OPGS will communicate with local health department business managers in order to review all small service contracts and ensure they do not exceed \$5,000; and that if they have, to submit a QQ as quickly as possible. OPGS routinely selects randomly selected purchase orders placed in eVA for compliance and quality assurance review. In 2015, OPGS is increasing agency-wide communication with procurement bulletins, improving the OPGS website, and finalizing procurement policies and procedures currently scheduled for publication.

Responsible Party: Stephen Vecchione, Administrative Deputy – OFHS
Steve VonCanon, Purchasing and General Services Director

Estimated Completion Date: June 30, 2015

2014-083: Review Subrecipient Single Audit Reports and Issue Management Decisions

Applicable To: Department of Health

Federal Program Name and CFDA#: Child and Adult Care Food Program - 10.558

Federal Award Number and Year: 1VA300399 (2014)

Compliance Requirement: Subrecipient Monitoring - OMB Circular A-133 § .400(d)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Health is not reviewing single audit reports or issuing management decisions for subrecipients of the Child and Adult Care Feeding Program, CFDA #10.558. Health has developed policies and procedures to comply with monitoring requirements but has not fully implemented them yet. Also, Health does not compare subrecipient audited Schedule of Expenditures of Federal Awards (SEFAs) to Health's internal accounting records to ensure the reasonableness of pass-through funds subject to audit.

Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Subpart D-Federal Agencies and Pass-Through Entities § __.400 Responsibilities, (d) Pass-through entity responsibilities, (4), (5), and (6), which are:

- (4) Ensure that subrecipients expending \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.
- (5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.
- (6) Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.

Insufficient review of single audit reports by Health increases the possibility of Health not detecting non-compliance or internal control issues at its subrecipients. Subrecipients that do not properly identify federal expenditures, or exclude amounts on their SEFA, increase the risk that Health cannot rely on the subrecipient single audit. Furthermore, failure to adequately review single audit reports prevents Health from knowing if a subrecipient's audit necessitates adjustments to Health's own records.

By Health not issuing management decisions on related audit findings, subrecipients may not know if their corrective actions are appropriate. In addition, some subrecipients may elect to not take corrective action without guidance from Health. Due to staffing turnover, Health's implementation of new subrecipient monitoring policies and procedures developed in the prior year were not completed according to their intended schedule.

Health's management should designate staff to review subrecipient single audits and SEFAs to ensure compliance with OMB's Circular A-133 § .400(d)(4-6). Specifically, Health should ensure that necessary management decisions are delivered to subrecipients timely, and that subrecipient audited SEFAs are reasonable in relation to Health's records, in order to ensure proper audit coverage over pass-through funds.

Management Plan for Corrective Action for Department of Health

The Office of Family Health Services concurs with this finding. During the period being reviewed, the Division of Administration in OFHS did not review or issue management decisions related to all subrecipients' fiscal year 2012 A-133 audit reports. The Division of Administration is currently recruiting a fiscal monitor supervisor whose work duties will include reviewing all A-133 audit reports for significant subrecipients and working with the Directors of Administration and Community Nutrition to develop adequate management responses.

As the recommendation notes, Health has developed policies and procedures to address this finding and is working to implement those with current staff. Since May, the Division of Community Nutrition reviewed 75 significant subrecipients of the Child and Adult Care Feeding Program. Of those 75 recipients, 48 were required to have A-133 audits and eight entities received audit findings. The Division of Administration is working with the Division of Community Nutrition to ensure that adequate management decisions regarding audit recommendations of subrecipient are issued in an effective and timely manner.

Subrecipient monitoring is an ongoing control. VDH has instituted subrecipient monitoring policies and procedures that include training and tracking documents. While the Division of Administration can not correct that it did not review required A-133 reports in the past, it is working to ensure that it reviewing all required subrecipient A-133 audit reports in a timely manner and issuing any required management decisions in a timely manner in accordance with federal guidance and agency policies.

Responsible Party: Stephen Vecchione, Administrative Deputy, OFHS

Estimated Completion Date: June 30, 2015

2014-084: Complete Subrecipient Monitoring Reviews

Applicable To: Department of Health

Federal Program Name and CFDA#: Child and Adult Care Food Program - 10.558

Federal Award Number and Year: 1VA300399 (2014)

Compliance Requirement: Subrecipient Monitoring - 7 CFR §226.6(m)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Health did not complete the minimum number of subrecipient monitoring reviews in federal fiscal year 2014 for the CFDA #10.558 Child and Adult Care Feeding Program (CACFP). Although Health reviewed 33.3 percent of its subrecipients, it failed to meet the requirement to review all sponsors once every three years. These reviews were missed due to an insufficient tracking process developed by Health to ensure compliance with federal monitoring regulations.

United States Department of Agriculture (USDA) federal regulation 7 CFR §226.6(m) requires Health in each federal fiscal year to review 33.3 percent of all of its subrecipients as well as any subrecipients that have not been reviewed in the past three years. Per the USDA Monitoring Handbook for State Agencies: "The State agency should establish a system to schedule and track reviews to ensure it remains in compliance with the requirements. The State system should allow it to know at a glance, anytime during the review year, that it is meeting the number and type of reviews required or whether modifications need to be made in the schedule or caseload."

Insufficient monitoring by Health increases the risk of program non-compliance at the subrecipient level. In addition, having an incomplete tracking document increases the possibility of missing reviews for the subrecipients not listed. This was confirmed when a sponsor was found to not have received a review in the past three years due to being excluded from Health's tracking tool. The Commonwealth, through Health, is liable to the federal government for any funds that program subrecipients do not use according to program regulations.

Health did not comply with their corrective action plan from the prior year of reconciling the subrecipient tracker semi-annually. Health should improve their tracking process to ensure all subrecipients are reviewed on a three year basis according to grant requirements.

Management Plan for Corrective Action for Department of Health

The Division of Community Nutrition concurs that there was one sponsor, Norfolk Public Schools, which initially had less than five sites but within their first year exceeded five sites and should have been reviewed prior to their actual review date of October 27, 2014.

The Division instituted its new tracking system in response to a prior year audit finding and believes the tracking worksheet demonstrates an overall improvement in

compliance that should be noted. In federal fiscal year 2014, the Division met the Federal requirements on all of about 400 sponsors except for the one noted above. The Division believes its commitment to address the issues identified by the Auditor of Public Accounts led to the increased improvement in performing the required number of monitoring reviews. In order to reach its goal of 100 percent compliance, the Division will review all sponsors listed on the tracking worksheet and reconcile that spreadsheet quarterly to a list of paid sponsors from the agency accounting system. The Divisions of Administration and Community Nutrition have begun working through this process and are currently developing desk procedures for the reconciliation. We estimate that the quarterly reconciliations will be fully operational by March 31, 2015.

*Responsible Party: Mike Welch, Division of Community Nutrition Director
Steve Vecchione, Administrative Deputy, Division of
Administration*

Estimated Completion Date: March 31, 2015

2014-085: Complete FFATA Reporting for CACFP

Applicable To: Department of Health

Federal Program Name and CFDA#: Child and Adult Care Food Program - 10.558

Federal Award Number and Year: 1VA300399 (2014)

Compliance Requirement: Reporting - 2 CFR §170

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Health has not submitted timely Federal Funding Accountability and Transparency Act (FFATA) reporting for CFDA #10.558 Child and Adult Care Feeding Program (CACFP). The staff charged with completing the FFATA reporting did not retain adequate supporting documentation for batch uploads into the federal reporting system and misreported multiple subrecipients under the wrong Data Universal Numbering System (DUNS) number.

FFATA and 2 CFR §170 require Health to submit FFATA reporting no later than the month following the month in which Health awards \$25,000 or more in federal funds to a subrecipient. The subawardee DUNS number is a key element required for compliance when completing FFATA reporting. Failure to comply with FFATA and corresponding regulations limits the federal government and taxpayers' ability to know which entities are receiving federal funds through Health.

According to management, due to significant understaffing and high turnover within the Office of Family Health Services (OFHS) Division of Administration, Health has been unable to complete the FFATA reporting.

Health should complete FFATA reporting as required. Management should also develop written procedures for the accounting staff to ensure continuing compliance during staffing changes.

Management Plan for Corrective Action for Department of Health

The Office of Family Health Services concurs with this finding. As of June 10, 2014, the Division of Administration within the Office of Family Health Services was able to recruit and fill three key vacancies: Director of Administration, Grants and Accounting Manager, and Senior Accountant. With the addition of these three staff, the Division of Administration is documenting office-specific procedures for FFATA reporting that align with Health's agency-wide policy and federal requirements related to FFATA. In addition, the Office of Family Health Services has now completed reporting for all CACFP subrecipients that received more than \$25,000 in federal funds in fiscal year 2014 and corrected multiple subrecipients that were reported using the incorrect Data Universal Numbering System. Moving forward, the Office of Family Health Services will work to ensure that all subrecipients are reported timely in accordance with agency and federal policy.

As of October 1, 2014, the Office of Family Health Services is confident that the required FFATA reports are being completed. By March 31, 2015, the Division of Administration will develop desk procedures for FFATA reporting that align with the VDH policy and federal regulations.

Responsible Party: Stephen Vecchione, Administrative Deputy, OFHS

Estimated Completion Date: March 31, 2015

U.S. DEPARTMENT OF EDUCATION

2014-086: Properly Perform Return to Title IV Calculations

Applicable To: College of William and Mary, Richard Bland College, Blue Ridge Community College, Eastern Shore Community College, and Southwest Virginia Community College

Federal Program Name and CFDA#: Student Financial Assistance Programs - 84.007, 84.033, 84.037, 84.038, 84.063, 84.268, 84.379, 84.408, 93.264, 93.342, 93.364, 93.408, 93.925

Federal Award Number and Year: Student Financial Aid (2014)

Compliance Requirement: Special Test and Provisions - 34 CFR §668.22

Known Questioned Costs: \$6,376.73

Type of Finding: Internal Control and Compliance

Student Financial Aid offices at these institutions did not properly identify or calculate Title IV funds for students who officially or unofficially withdrew from courses and no longer qualified for federal financial aid.

The College of William and Mary did not exclude the five days of Thanksgiving Break, from November 27, 2013, to December 1, 2013, from the total number of calendar days in the Return to Title IV calculation. For the sample tested, the Financial Aid Office returned \$46.47 more than required to the Department of Education. This error applies to 100 percent of Return to Title IV calculations for the Fall 2013 semester.

Richard Bland College used an incorrect period adjustment of five days for spring break, rather than nine days, in performing Return to Title IV calculations for the Spring 2014 semester. This error applies to 100 percent of Return to Title IV calculations for the Spring 2014 semester and, for the sample tested, caused the Financial Aid Office to return \$231.49 less than required.

Blue Ridge Community College overlooked one student requiring a Return to Title IV calculation during the Fall 2013 semester and improperly included the date of commencement in the period of enrollment for the Spring 2014 semester. As a result of overlooking the student during Fall 2013, the Financial Aid Office returned \$878.33 less than required to the Department of Education. In addition, in recalculating the return to be processed, the withdrawing student should have returned \$2,510.86 to the Department of Education. Lastly, as a result of including commencement in the period of enrollment, Blue Ridge Community College returned \$53.57 more than required to the Department of Education for the Spring 2014 sample selected. This error in calculation applies to 100 percent of Return to Title IV calculations for the Spring 2014 semester.

Eastern Shore Community College did not identify all individuals requiring a Return to Title IV calculation during the fiscal year due to improper entry of the fall and spring holiday schedule into the PeopleSoft financial aid module. As a result of the audit, the Financial Aid Coordinator performed

calculations for four additional students requiring returns and returned an additional \$2,423.27 to the Department of Education. The primary cause of this condition was improper communication regarding the responsibility for updating the semester holiday schedule between Student Records and Human Resources.

Southwest Virginia Community College excluded the period adjustment of seven days for some returns performed in March and April for the Spring 2014 semester. For the sample selected, the error resulted in the return of \$89.32 more than required to the Department of Education. Additionally, a subsequent selection of returns from March 2014 indicated the college returned \$143.42 less than the amount required.

Code of Federal Regulations, 34 CFR §668.22 states when a recipient of Title IV grant or loan assistance withdraws from an institution during a period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date and return the money within a reasonable timeframe. The total number of calendar days in a payment period or period of enrollment includes all days within the period that the student was scheduled to complete, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days.

Improperly identifying, calculating, and returning unearned Title IV funds may jeopardize continued participation in Title IV programs. The institutions should review policies, procedures, and processes to ensure students requiring calculations have been properly identified and calculations have been properly performed.

Management Plan for Corrective Action for Richard Bland College

Richard Bland College will correct Spring 2014 Return to Title IV calculations and return any additional funds to the Department of Education.

Responsible Party: Emily Martin, Assistant Director of Financial Aid

Estimated Completion Date: March 16, 2015

Management Plan for Corrective Action for the College of William and Mary

The College adjusted the calendar in its accounting system to exclude Thanksgiving break and will continue to do so in subsequent years.

Responsible Party: Ed Irish, Director of Financial Aid

Estimated Completion Date: Complete

Management Plan for Corrective Action for Blue Ridge Community College

Semester dates are established by the BRCC Information Technology department. The dates established for the remainder of 2013-14 and 2014-15 are correct. Spring 2014 semester calculations will be reexamined and any necessary revisions will be made. In the future, Financial Aid Office personnel will confirm the accuracy of all semester dates before calculations are performed.

Responsible Party: Robert Baldygo, Vice President for Finance and Administration

Estimated Completion Date: March 31, 2015

Management Plan for Corrective Action for Eastern Shore Community College

The Financial Aid Coordinator processed the four returns, which included completing the R2T4 worksheet for each student, adjusting the original disbursement in the PeopleSoft Student Information System and Common Origination and Disbursement System, and returning \$2,423.27 to the Department of Education. The Financial Aid Coordinator will meet with the Human Resource Officer during every financial aid set-up period to ensure that the holiday schedule is properly populated into the PeopleSoft financial aid module.

Responsible Party: Diane Wheatley, Business Manager/Human Resource Officer and Carole Read, Financial Aid Coordinator

Estimated Completion Date: Complete

Management Plan for Corrective Action for Southwest Virginia Community College

In July 2014, Southwest Virginia Community College changed their process. The Information Technology Specialist will now enter the academic calendar and the holiday schedule including break days for Financial Aid.

Responsible Party: Nancy Hope, Financial Aid Coordinator

Estimated Completion Date: Complete

2014-087: Promptly Return Title IV Funds

Applicable To: Blue Ridge Community College, J. Sargeant Reynolds Community College, and New River Community College

Federal Program Name and CFDA#: Student Financial Assistance Programs - 84.007, 84.033, 84.037, 84.038, 84.063, 84.268, 84.379, 84.408, 93.264, 93.342, 93.364, 93.408, 93.925

Federal Award Number and Year: Student Financial Aid (2014)

Compliance Requirement: Special Test and Provisions - 34 CFR §668.22

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Student Financial Aid offices at these institutions did not promptly return Title IV funds within 45 days of the institution's determination that the student withdrew.

Staff at Blue Ridge Community College did not identify unofficial student withdrawals in a timely manner resulting in the late return of funds to the Department of Education. For seven of 29 student withdrawals tested (24 percent), BRCC processed refunds to the Department of Education outside of the timeframe required by 34 CFR §668.22. Six of these withdrawals occurred during the Fall 2013 semester and processing coincided with the institution's winter holiday and Spring semester workload priorities, which led to the delay in returning the funds.

For 13 out of 40 student withdrawals tested (32 percent), J. Sargeant Reynolds Community College staff returned funds between 52 and 105 days following its determination the student withdrew from the college. College staff indicated that staff workload during the Spring 2014 semester led to the delay in returning the funds.

In addition, staff at New River Community College exceeded the 45-day timeframe for returning Title IV funds for nine students with an institutional determination date of December 20, 2013. The college indicated that the institution's holiday schedule and inclement weather likely contributed to the delay in processing the returns.

Code of Federal Regulations, 34 CFR §668.22 states when a recipient of Title IV grant or loan assistance withdraws from an institution during a period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date and return the money within a reasonable timeframe. All funds are required to be returned within 45 days after the date that the institution determines the student has withdrawn. In addition, for an institution that is not required to take attendance, an institution must determine the withdrawal date for a student who withdraws without providing notification to the institution no later than 30 days after the end of the earlier of the - (i) Payment period or period of enrollment; (ii) Academic year in which the student withdrew; or (iii) Educational program from which the student withdrew.

Financial aid offices at these institutions should ensure current processes enable timely identification of withdrawals and prompt return of Title IV funds to the Department of Education within the prescribed 45-day timeframe.

Management Plan for Corrective Action for Blue Ridge Community College

Management concurs that fall 2013 calculations were processed late. At the time, the College was using an unwieldy query that required a great deal of manual manipulation. Blue Ridge Community College has implemented a process that uses a much simpler report that will prevent future delays.

Responsible Party: Robert Baldygo, Vice President for Finance and Administration

Estimated Completion Date: Complete

Management Plan for Corrective Action for J. Sargeant Reynolds Community College

In order to ensure that all components of the R2T4 process are performed timely, the College hired and trained an R2T4 specialist, who is responsible for the R2T4 process in April 2014. In addition to performing the calculations and making necessary adjustments to aid, the position is responsible for the reconciliation of the Common Origination and Disbursement (COD) system files that are sent for R2T4 students.

Responsible Party: Kiesha Pope, Director of Financial Aid

Estimated Completion Date: Complete

Management Plan for Corrective Action for New River Community College

The College concurred with the finding and will ensure that future returns are processed within 45 days of the institution's determination of student withdrawal. A newly created Return to Title IV Workflow Checklist is now used to track each step in the process to ensure return of funds within 45 days. The checklist is dated upon completion of each step and a copy of the checklist is kept with each completed batch. The Human Resources and Business Operations Manager along with the Student Accounts Specialist monitor steps in the process by entering due dates in their Outlook Calendar to ensure the prompt return of Title IV funds.

Responsible Party: Melissa Anderson, Human Resources and Business Operations Manager

Estimated Completion Date: Complete

2014-088: Perform and Document Monthly Reconciliations of Direct Loans

Applicable To: Blue Ridge Community College, J. Sargeant Reynolds Community College, Virginia Western Community College, and James Madison University

Federal Program Name and CFDA#: Student Financial Assistance Programs - 84.007, 84.033, 84.037, 84.038, 84.063, 84.268, 84.379, 84.408, 93.264, 93.342, 93.364, 93.408, 93.925

Federal Award Number and Year: Student Financial Aid (2014)

Compliance Requirement: Special Test and Provisions - 34 CFR §685.300(b)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

These institutions were unable to provide sufficient documentation showing reconciliation of their internal records to the Direct Loan System upon receipt of the School Account Statements (SAS) from the Common Origination and Disbursement (COD) system.

In accordance with 34 CFR §685.300(b) and 34 CFR §685.102(b), institutions must reconcile institutional records with Direct Loan funds received from the Secretary and Direct Loan disbursement records submitted to and accepted by the Secretary. Each month, COD provides colleges with a SAS data file which consists of a Cash Summary, Cash Detail, and Loan Detail Records to aid in this reconciliation process.

We recommend the institutions perform and retain sufficient documentation of their monthly reconciliations and resolve reconciling items between their financial systems and SAS records in a timely manner to ensure compliance with federal regulations. In addition, the institutions should implement a review process to ensure reconciling items are resolved appropriately.

Management Plan for Corrective Action for Blue Ridge Community College

An unexpected leave of absence of key personnel caused a gap in the timing of the completion of the reconciliations. The Financial Aid unit has now implemented a program of personnel cross training for added continuity in the event of employee absence. Upon hiring of the Assistant Director, all reconciliations were completed. The current practice is to perform the required reconciliations no less than once per month.

Responsible Party: Robert Baldygo, Vice President for Finance and Administration

Estimated Completion Date: Complete

Management Plan for Corrective Action for J. Sargeant Reynolds Community College

As of October 2014, the Office of Financial Aid has begun retaining copies of the SAS Direct Loan reconciliation reports and have instituted a signature process to ensure

and document that the reconciliations have been completed and that the appropriate documentation is maintained.

Responsible Party: Kiesha Pope, Director of Financial Aid

Estimated Completion Date: Complete

Management Plan for Corrective Action for Virginia Western Community College

The Virginia Western Financial Aid Office is fully staffed, and implemented a new procedure for COD reconciliation on October 1, 2014, which calls for reconciliation following each disbursement and at minimum once per month. The Financial Aid Coordinator will sign off electronically on the reconciliation monthly.

Responsible Party: Chad Sartini, Financial Aid Coordinator

Estimated Completion Date: April 30, 2015

Management Plan for Corrective Action for James Madison University

JMU has improved the Direct Loan Reconciliation process since the audit. An updated policy details monthly reconciliation, year-end closeout, as well as daily and weekly efforts to resolve data conflicts between COD and PeopleSoft. Briefly summarized, immediately following each disbursement (usually on a weekly basis), JMU sends disbursement information via files transmitted to COD through EDConnect. Following each disbursement and return of funds, JMU will update the monthly and annual Drawdowns and Refunds of Cash spreadsheets. This tracks when JMU requests a transaction, when that transaction shows up in COD, University Business Office return of funds information, and any potential discrepancies between the Office of Financial Aid and Scholarships, COD, and the University Business Office. The spreadsheet is also used in monthly reconciliation to determine how much cash is outstanding for a particular month. Loan information, including disbursement information, is sometimes rejected by COD. When that occurs, COD will send a response file to JMU with information about the rejected loans, as well as the reason the loans were rejected. That file is uploaded into PeopleSoft and results in a loan "hold." JMU runs a query at least weekly to identify these loans and resolve the issues within PeopleSoft or COD as necessary. If the resolution affects JMU's cash balance, then this is documented on a monthly action item spreadsheet. This spreadsheet documents the loan, the error, and how the error was corrected. Following each monthly reconciliation, the Assistant Director for Loans and Associate Director for Operations will sign the monthly reconciliation reports to signify that the month's reconciliation is complete. These reconciliation reports will be maintained for audit purposes.

Responsible Party: Lisa Tumer, Director – Office of Financial Aid and Scholarships

Estimated Completion Date: April 30, 2015

2014-089: Improve Compliance Over Enrollment Reporting

Applicable To: Blue Ridge Community College, Southwest Virginia Community College, Thomas Nelson Community College, and James Madison University

Federal Program Name and CFDA#: Student Financial Assistance Programs - 84.007, 84.033, 84.037, 84.038, 84.063, 84.268, 84.379, 84.408, 93.264, 93.342, 93.364, 93.408, 93.925

Federal Award Number and Year: Student Financial Aid (2014)

Compliance Requirement: Special Test and Provisions - 34 CFR §685.309 and 34 CFR §690.83

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

These institutions did not properly report enrollment changes to the Department of Education using the National Student Loan Data System (NSLDS).

Blue Ridge Community College did not report enrollment changes to NSLDS accurately or timely during fiscal year 2014. For 19 of 35 students selected (54 percent), the NSLDS enrollment status and/or effective data did not match the College's internal records. Additionally, 33 of 35 enrollment changes (94 percent) were not reported within the prescribed timeframe.

Southwest Virginia Community College only reported graduate information to NSLDS once per year, until revising its submission process for fiscal year 2015. The previous process led to untimely submission of graduate data, particularly for those students graduating in the summer or fall semesters of the respective school year.

Additionally, in a sample of 25 students at Thomas Nelson Community College, we noted improper information in NSLDS for 16 individuals. Fourteen of the 25 students selected (56 percent) did not have a withdrawal date in NSLDS that agreed to the institution's student financial aid records, and two of the 25 students (eight percent) had an enrollment status of graduated in the institution's records, but did not have the same status in NSLDS.

Lastly, during our review of graduate reporting at James Madison University, we noted three students not reported to NSLDS within 30 days of the institution's determination of their status change. The delay occurred because the University only sends degree transmissions to NSLDS three times per year.

In accordance with Code of Federal Regulations, Title 34 CFR §685.309(b)(2), 34 CFR §690.83(b)(2), and as detailed in Dear Colleague Letter (DCL) GEN 12-06, unless the university expects to submit its next student status confirmation report within 60 days, the university must notify the Department of Education within 30 days of an enrollment change. Additionally, the NSLDS Enrollment Reporting Guide, published by the Department of Education, identifies specific parameters, which must be met to achieve compliance with these reporting regulations.

Not properly and accurately reporting a student's enrollment status may interfere with establishing a student's loan status, deferment privileges, and grace periods. In addition, the accuracy of the data the college reports plays a large part in keeping Direct Loan records and other federal student records accurate and up to date.

We recommend each institution evaluate its existing policies and procedures for performing enrollment updates to NSLDS to ensure that they agree with the federal requirements.

Management Plan for Corrective Action for Blue Ridge Community College

Data reported to NSLDS is provided to colleges via a VCCS generated report. This report has found to be providing inaccurate data. The VCCS Director of Financial Aid has agreed to work with VCCS Information Technology personnel to correct the report data.

Responsible Party: Robert Baldygo, Vice President for Finance and Administration

Estimated Completion Date: March 31, 2015

Management Plan for Corrective Action for Southwest Virginia Community College

Southwest implemented a policy for submitting timely graduate data to NSLDS as of April 18, 2014. This policy was created to ensure timely reporting to NSLDS and ensure compliance with respective federal reporting guidelines.

Responsible Party: Nancy Hope, Financial Aid Officer

Estimated Completion Date: Complete

Management Plan for Corrective Action for Thomas Nelson Community College

The College Financial Aid Office will work with the staff that is responsible for uploading the Clearinghouse file to ensure that all Financial Aid graduates are reported. The NSLDS enrollment report screen in NSLDS will be reviewed to make sure that all of the graduates are reported.

The College will begin updating the NSLDS enrollment file with the students who have unofficial withdrawals and making sure that those dates are the same as the institutional determination date listed in the Return of Title Four report. This will be a manual process as confirmed by the VCCS Financial Aid Coordinator at the System Office.

Responsible Party: Kathryn Anderson, Director of Financial Aid/Veteran's Affairs and Scholarships

Estimated Completion Date: January 30, 2015

Management Plan for Corrective Action for James Madison University

The Office of the Registrar at James Madison University will begin sending degree files to the NSLDS every 30 days, instead of three times per year.

Responsible Party: Michele White, University Registrar

Estimated Completion Date: Complete

2014-090: Improve Reporting to the Common Origination and Disbursement System (COD)

Applicable To: Blue Ridge Community College, J. Sargeant Reynolds Community College, New River Community College, Southwest Virginia Community College, and James Madison University

Federal Program Name and CFDA#: Student Financial Assistance Programs - 84.007, 84.033, 84.037, 84.038, 84.063, 84.268, 84.379, 84.408, 93.264, 93.342, 93.364, 93.408, 93.925

Federal Award Number and Year: Student Financial Aid (2014)

Compliance Requirement: Special Test and Provisions - 78 FR 40733 and 78 FR 40734

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

These institutions did not submit timely, and in some cases accurate, information to the Common Origination and Disbursement system (COD) during fiscal year 2014.

During the audit of Blue Ridge Community College, we selected a sample of thirty-five students receiving Pell disbursements. For one student, staff did not submit origination information timely. For thirty-four students, although submitted timely, the COD disbursement date did not match the actual Blue Ridge Community College disbursement date. The order of the Pell files were modified causing the anticipated disbursement date field to be used rather than the actual disbursement date field.

In three of the 40 accounts reviewed (7.5 percent) at J. Sargeant Reynold Community College, the College sent disbursement updates to COD before the actual disbursement had been made due to a default setting in PeopleSoft that should have been manually changed. In addition, in one instance, the College sent disbursement updates to COD well past the required timeframe because updates were not run in a timely fashion.

For 1,324 students in Spring 2014, New River Community College sent disbursement files to COD early to ensure accuracy before running the disbursement process with the Business Office. The subsequent run date of the disbursement process in the Student Information System resulted in noncompliance with the COD disbursement provisions.

Additionally, Southwest Virginia Community College did not pull in response files from COD timely which resulted in failed transmission of student disbursement information to COD and untimely submission of disbursement data to COD. Manual adjustments were made outside of the system, which is a practice not advised by the VCCS central office. Additionally, the Financial Aid Office did not update the disbursement dates in COD when disbursing federal aid to students. Southwest used pre-set disbursement dates in COD for summer, fall and spring semesters. The College used these pre-set dates for 23 of 41 students sampled (56 percent).

Lastly, James Madison University reported disbursement information for six students to COD 20 days prior to disbursing the financial aid, which represents noncompliance with regard to COD reporting requirements.

In accordance with 78 Federal Register 40733, institutions cannot report disbursements to COD seven days or more before actual disbursement. Additionally, 78 FR 40734, requires institutions to submit student payment data to the Department of Education via COD no later than 15 calendar days after making the disbursement or becoming aware of the need to adjust a student's previously reported disbursement. Failure to comply may result in an audit or program review finding or the initiation of an adverse action, such as a fine or other penalty for such failure, in accordance with subpart G of the General Provisions regulations in 34 CFR part 668.

The institutions should adjust existing procedures to ensure timely and accurate reporting to COD in accordance with federal regulations.

Management Plan for Corrective Action for Blue Ridge Community College

Some spring 2014 Pell disbursement dates were reported as the anticipated disbursement date to be used and not subsequently overwritten with the actual disbursement date. The reporting process has been changed to report the actual disbursement date to COD.

Responsible Party: Robert Baldygo, Vice President for Finance and Administration

Estimated Completion Date: Complete

Management Plan for Corrective Action for J. Sargeant Reynolds Community College

The College made a change in the Pell Payment setup for Financial Aid Year 2015. As of July 2014, all disbursement records for 2014-15 now report actual disbursement dates, which is now being transmitted to COD.

Responsible Party: Kiesha Pope, Director of Financial Aid

Estimated Completion Date: Complete

Management Plan for Corrective Action for New River Community College

The College's Financial Aid Office has made a change to the disbursement process so that PeopleSoft disbursement records report actual disbursement dates which are then transmitted to COD.

Responsible Party: Lori Tibbs, Financial Aid Director

Estimated Completion Date: July 2014

Management Plan for Corrective Action for Southwest Virginia Community College

On July 1, 2014, the College formed a Shared Services Agreement with Virginia Highlands Community College to share the financial aid officer position. Management and the Financial Aid Office have made great progress in reporting procedures. Information reported to COD is both timely and accurate. Response files are also pulled and transmitted in a timely manner. No manual adjustments are now being made. Disbursement dates are verified with the dates in the Student Information System and College calendar. Student payment data is reported to the Department of Education via COD within the 15 calendar days and the College remains in compliance. Cross training has occurred with COD reporting and there are two individuals in the office with expertise to perform the required tasks.

Responsible Party: Nancy Hope, Financial Aid Coordinator

Estimated Completion Date: Complete

Management Plan for Corrective Action for James Madison University

In an effort to improve this process, JMU not only created a query to show all pending Pell disbursements in PeopleSoft and the corresponding COD disbursement dates and data, but the process was also set to run automatically. The process runs on Mondays. When it has completed, the results are emailed directly to the Assistant Director for Grants and the Technical Analyst. The query result and related file showing that the included students were reviewed – and appropriate action taken – is saved electronically.

This process improvement automates the identification of potential problems before they become compliance issues.

Responsible Party: Lisa Turner, Director – Office of Financial Aid and Scholarships

Estimated Completion Date: Complete

2014-091: Improve Notification of Awards to Students

Applicable To: Dabney S. Lancaster Community College, J. Sargeant Reynolds Community College, New River Community College, and Thomas Nelson Community College

Federal Program Name and CFDA#: Student Financial Assistance Programs - 84.007, 84.033, 84.037, 84.038, 84.063, 84.268, 84.379, 84.408, 93.264, 93.342, 93.364, 93.408, 93.925

Federal Award Number and Year: Student Financial Aid (2014)

Compliance Requirement: Special Test and Provisions - 34 CFR §668.165(a)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

These institutions are not properly notifying students of Title IV awards. The institutions are required to provide written notification to students including important details on timing and method of disbursement and for Direct Loans, the rights, options, and requirements of the student loan.

Dabney S. Lancaster Community College does not include the date and amount of disbursement when providing notification to students receiving Direct Loans. The Financial Aid Office was not aware that this information should be included in the loan notifications to the students.

For a sample of 40 students receiving Title IV aid at J. Sargeant Reynolds Community College, nine students included in the audit sample (22.5 percent) did not receive an award notification letter from the College. While the College generates a notification letter from the Department of Education that includes these requirements, the College must provide a separate letter, notifying students of the disbursement.

Additionally, for six students tested at New River Community College, loan notifications were sent more than seven days after disbursement of funds to the student. Direct loan notification dates posted on PeopleSoft were outside of the compliance date range for Fall 2013 because the Financial Aid Office wanted to ensure disbursements had been processed by the Business Office before sending them. The Business Office did not disburse Direct Loan funds until the 7th day of the compliance range, so notifications were sent one day after. Loan notifications were delayed for the Spring 2014 semester because the College was closed for inclement weather on March 3rd, and was on delayed opening on March 4th.

Lastly, for 26 of 96 awards reviewed at Thomas Nelson Community College (27 percent), the College sent the notice of Financial Aid after the required timeframe. Staff workload was the primary cause for the delay in sending the notifications.

Code of Federal Regulations, Title 34 CFR §668.165(a), requires institutions, prior to disbursing Title IV, HEA Funds for any award year, to notify a student of the amount of funds that the student or his or her parent can expect to receive under each title IV, HEA program, and how and when those funds will be disbursed. If those funds include Direct Loans or FFEL Program funds, the notice must indicate which funds are from subsidized loans and which are from unsubsidized loans. Additionally, 34 CFR §668.165 (3) (i – ii) indicates that for direct loans the institution must provide the notice in writing no earlier than 30 days before, and no later than 30 days after, crediting the student's account at the institution, if the institution obtains affirmative confirmation and no later than seven days if the institution does not obtain an affirmative confirmation.

Not properly notifying students in accordance with Federal Regulations may result in fines, withholding of Title IV funds, or suspension or termination of participation in Title IV programs. Additionally, improper notification could limit the amount of time a student or parent has to make an informed decision on whether to accept or reject a loan. The institutions should review their current processes to ensure compliance with notification requirements for Title IV awards.

Management Plan for Corrective Action for Dabney S. Lancaster Community College

Effective Summer 2014, the College added detailed Student Information System navigation instructions to the Direct Loan Disbursement Announcement emails so that students are able to login and verify their loan amounts. The date of the loan disbursement is also included in the email. The emails are sent out prior to disbursing the loans.

Responsible Party: Joy Broyles, Financial Aid Coordinator

Estimated Completion Date: Complete

Management Plan for Corrective Action for J. Sargeant Reynolds Community College

The College has now established an automated process to run award notices weekly. In addition to this action, the Financial Aid Office will run reports to both verify and ensure that all students have received an award notice.

Responsible Party: Kiesha Pope, Director of Financial Aid

Estimated Completion Date: Complete

Management Plan for Corrective Action for New River Community College

The Financial Aid Office now sends Loan Notifications to students once approval has been received from Common Origination and Disbursement (COD) to ensure compliance with the required timeframe instead of waiting until the Business Office

finalizes disbursement. This also ensures delays for inclement weather will be significantly shortened.

Responsible Party: Lori Tibbs, Financial Aid Director

Estimated Completion Date: October 1, 2014

Management Plan for Corrective Action for Thomas Nelson Community College

The College has implemented a weekly financial aid notification to all students receiving financial aid. The College will be developing a mail merge process to notify student loan borrowers of their pending disbursements within the federally prescribed time period.

Responsible Party: Kathryn Anderson, Director of Financial Aid/Veteran's Affairs and Scholarships

Estimated Completion Date: Complete

2014-092: Improve Internal Control Environment

Applicable To: Southwest Virginia Community College and Virginia Western Community College

Federal Program Name and CFDA#: Student Financial Assistance Programs - 84.007, 84.033, 84.037, 84.038, 84.063, 84.268, 84.379, 84.408, 93.264, 93.342, 93.364, 93.408, 93.925

Federal Award Number and Year: Student Financial Aid (2014)

Compliance Requirement: Other - 34 CFR §668.16 and 34 CFR §685.309(a)(1)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Southwest Virginia Community College (SWCC) and Virginia Western Community College (VWCC) did not adequately cross-train financial aid employees and lacked an adequate contingency plan in the event key financial aid employees took a leave of absence or were no longer able to perform their required duties. Additionally, VWCC does not have written policies and procedures for updating the Common Origination and Disbursement System (COD), and procedures for identifying withdrawals or determining if a Title IV recipient began attendance, completed the period, or should be treated as a withdrawal.

Code of Federal regulations, Title 34 CFR §685.309 (a)(1) requires participating schools to establish and maintain proper administrative fiscal procedures. The A-102 Common Rule and OMB Circular A-110 require that non-federal entities receiving federal awards establish and maintain

internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. Additionally, in accordance with 34 CFR §668.16, institutions are required to use “an adequate number of qualified persons to administer the Title IV, HEA Programs in which the institution participates” and the institution will administer “Title IV, HEA programs with adequate checks and balances in its system of internal controls.”

The acting SWCC Financial Aid Officer attempted to cross-train employees but this was not sufficiently performed for the fiscal year under audit. During the fiscal year, the financial aid staff included only one trained employee with the working knowledge of critical functions of financial aid. Remaining financial aid employees lacked sufficient knowledge of the complete financial aid process and how to perform daily activities.

The VWCC Financial Aid Office follows desktop procedures, published by VCCS, for updating COD. These procedures are general to the Virginia Community College System and may not capture the specific processes applicable to VWCC. Without sufficiently documented procedures, staff may be unaware of federal requirements for reporting to COD. Additionally, there is currently only one employee trained to complete Return of Title IV calculations.

Insufficient cross-training results in financial aid employees, who are unable to perform duties outside the scope of their daily roles, and unable to perform key financial aid processes in the event of the responsible employee taking a leave of absence.

We recommend the VWCC Financial Aid Office develop written procedures for updating COD and enhance existing procedures for Return of Title IV. We recommend that the Financial Aid Office designate a back-up for Return of Title IV calculations and cross-train this employee to ensure continuity in operations in the event of an unexpected or prolonged leave of absence.

Following an extended absence of the Financial Aid officer, SWCC formed a Shared Services Agreement with Virginia Highlands Community College, thereby filling the Financial Aid Officer position as of July 1, 2014. Staff at Virginia Highlands Community College have been working to cross-train employees at SWCC to ensure proper understanding of how to perform critical duties in the absence of key financial aid employees. Management is working to develop employee work profiles that are reflective of respective financial aid staff duties and creating training plans. We recommend management at SWCC continue to devote resources to ensure an adequate control environment, by enhancing procedures and training to ensure continuity in operations in the event of an absence of key employees.

Management Plan for Corrective Action for Southwest Virginia Community College

As noted in the recommendation, SWCC filled the Financial Aid Officer position in July 2014, and is working to cross-train employees to ensure proper understanding of critical duties in the absence of key employees.

Responsible Party: Financial Aid Officer

Estimated Completion Date: February 15, 2015

Management Plan for Corrective Action for Virginia Western Community College

The Virginia Western Financial Aid Office will update the Policy and Procedure Manual to include more detailed procedures for Return to Title IV and updating COD. As of January 2015, the Office has begun training a staff member on Return to Title IV policies and procedures, so that back up is available for Return to Title IV calculations.

Responsible Party: Chad Sartini, Financial Aid Coordinator

Estimated Completion Date: April 30, 2015

2014-093: Reconcile Federal Funds Accounts

Applicable To: New River Community College and Southside Virginia Community College

Federal Program Name and CFDA#: Student Financial Assistance Programs - 84.007, 84.033, 84.037, 84.038, 84.063, 84.268, 84.379, 84.408, 93.264, 93.342, 93.364, 93.408, 93.925

Federal Award Number and Year: Student Financial Aid (2014)

Compliance Requirement: Cash Management - 34 CFR §676.16(c), 34 CFR §676.19, and 34 CFR §668.24

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

New River Community College and Southside Virginia Community College did not adequately document reconciliations of the federal G5 system drawdowns to the Colleges' accounting records. Additionally, New River Community College did not record multiple deposits, totaling \$308,410, in its accounting system. The College used the wrong program code when initially drawing these funds and returned the funds to the Department of Education under the correct program code.

Code of Federal Regulations Title 34 CFR §676.16(c) indicates that an institution must administer its Title IV programs with adequate checks and balances in its system of internal controls. This includes, as defined in 34 CFR §676.19 a requirement to establish and maintain program and fiscal records that are reconciled at least monthly. In addition, 34 CFR §668.24 requires that an institution shall establish and maintain on a current basis, 1) financial records that reflect each HEA, title IV program transaction, and 2) general ledger control accounts and related subsidiary accounts that identify each title IV, HEA program transaction and separate those transactions from all other institutional financial activity.

Without consistent, proper reconciliation of the systems involved with the Student Financial Aid function, there is an increased risk of undiscovered and unresolved errors, fraudulent behavior, and misuse of federal funds. The colleges should dedicate the necessary resources to properly

complete and document the reconciliation of G5 Activity Reports to the accounting records. New River Community College should ensure that all transactions are promptly recorded in the College's accounting system to aid in the reconciliation of Title IV funds and help prevent overdrawing, deposit corrections, and refunds of federal funds.

Management Plan for Corrective Action for New River Community College

Procedures have been implemented to improve the documentation and reconciliation processes and to ensure that all transactions are promptly recorded in the College's accounting system to prevent deposit corrections and incorrect program codes. The Financial Aid Assistant provides a report on the COD and Student Information System balances to the Human Resources and Business Operations Manager on a monthly basis. These balances are then reconciled to AIS, the College's accounting system, and to the Department of Education G5 system. The Student Account Specialist ensures all drawdowns and returns are adequately recorded in the College's accounting system. Procedures for these transactions have been documented. Once reconciliations are complete, copies are sent to Financial Aid for their records.

Responsible Party: Melissa Anderson, Human Resources and Business Operations Manager

Estimated Completion Date: March 31, 2015

Management Plan for Corrective Action for Southside Virginia Community College

Procedures have been implemented to improve the documentation process. The Financial Specialist will maintain all necessary documentation supporting the reconciliation of the federal G5 system to AIS, the College's accounting system. The Business Manager will sign off on the reconciliation as part of the review process.

Responsible Party: Juanita Grizzard, Business Manager and Sally Tharrington, Financial Aid Director

Estimated Completion Date: December 18, 2014

2014-094: Improve Procedures Over Cost of Attendance Calculations

Applicable To: J. Sargeant Reynolds Community College

Federal Program Name and CFDA#: Student Financial Assistance Programs - 84.007, 84.033, 84.037, 84.038, 84.063, 84.268, 84.379, 84.408, 93.264, 93.342, 93.364, 93.408, 93.925

Federal Award Number and Year: Student Financial Aid (2014)

Compliance Requirement: Eligibility - 34 CFR §690.80

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

J. Sargeant Reynolds Community College did not update the cost of attendance calculations for a number of students who dropped credit hours before the end of the college's official add/drop date. These miscalculations caused, in some cases, overpayment of federal financial aid.

Code of Federal Regulations, 34 CFR §690.80 defines and gives guidance on the methodology for calculating the cost of attendance that an institution should apply to student accounts if the student has a change in enrollment status. The College has updated policies and procedures on assigning the correct cost of attendance to each student account.

Assigning the correct cost of attendance to each student account ensures that the actual total award amount disbursed to a student does not exceed the student's financial need and/or federal maximum loan limits.

Assigning cost of attendance is an automated process in Peoplesoft. The FA term field drives the process of assigning the budgeted amount to students and this function was not updating correctly. The College should ensure that there are automated or manual checks in place to ensure that these functions are being properly updated.

Management Plan for Corrective Action for J. Sargeant Reynolds Community College

As of May 2014, the College has resolved this issue by correcting the inaccurate FA Term field resulting in a reliable FA Term report. In addition to using a corrected report, the College now utilizes a report that provides the actual number of credits for which a student is registered and compares this to the award amount in our student information system. Finally, these reports are tested throughout the academic year to ensure proper function.

Responsible Party: Kiesha Pope, Director of Financial Aid

Estimated Completion Date: Complete

2014-095: Promptly Disburse Title IV Funds

Applicable To: New River Community College

Federal Program Name and CFDA#: Student Financial Assistance Programs - 84.007, 84.033, 84.037, 84.038, 84.063, 84.268, 84.379, 84.408, 93.264, 93.342, 93.364, 93.408, 93.925

Federal Award Number and Year: Student Financial Aid (2014)

Compliance Requirement: Cash Management – 34 CFR §668.162(b)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

New River Community College (the College) did not disburse timely Title IV funds totaling \$2,609,045 to students or parents after receiving the funds from the U. S. Department of Education. Instead, the College disbursed the funds four business days after receiving the funds.

Code of Federal Regulations Title 34 CFR §668.162(b) requires institutions to disburse Title IV funds to students or parents by the end of the third business day following the date the institution received the funds from the U.S. Department of Education. If the funds are not disbursed within three business days, the institution is considered to be holding excess cash and is subject to excess cash tolerance rules defined in 34 CFR §668.166.

The Business Office should promptly disburse Title IV funds upon receiving them from the U. S. Department of Education to help prevent the College from having excess cash. The consequences of maintaining excess cash include, but are not limited to, the U. S. Department of Education providing funds to the College using the reimbursement payment method or cash monitoring payment method.

Management Plan for Corrective Action for New River Community College

The Human Resources and Business Operations Manager draws down funds as requested by the Student Accounts Specialist. At that point, the Student Accounts Specialist is notified that the funds are available for disbursement through a newly created checklist. This checklist is part of a packet that will be hand-delivered to the Student Accounts Specialist with the date of drawdown noted. The Human Resources and Business Operations Manager will also, at that point, enter a tickler into both outlook calendars to ensure the checklist is completed (funds disbursed and posted) within 3 days of date of drawdown. The Student Accounts Specialist must return the checklist with all information completed by the three day deadline to the Human Resources and Business Operations Manager for final verification of completion.

Responsible Party: Melissa Anderson, Human Resources & Business Operations Manager

Estimated Completion Date: Complete

2014-096: Properly Perform Drawdowns of Federal Student Aid Funds

Applicable To: Thomas Nelson Community College

Federal Program Name and CFDA#: Student Financial Assistance Programs - 84.007, 84.033, 84.037, 84.038, 84.063, 84.268, 84.379, 84.408, 93.264, 93.342, 93.364, 93.408, 93.925

Federal Award Number and Year: Student Financial Aid (2014)

Compliance Requirement: Cash Management – 34 CFR §668.162(d)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Thomas Nelson Community College (TNCC) improperly requested \$3,422,115 in excess funds from the Department of Education during its standard drawdown process. TNCC follows a reimbursement method for financial aid drawdowns in which the college first disburses financial aid to students and then requests a drawdown amount equal to the awarded financial aid.

In accordance with Code of Federal Regulations, 34 CFR §668.162(d), under the reimbursement payment method – an institution seeks reimbursement by submitting to the Secretary a request for funds that does not exceed the amount of the actual disbursements the institution has made to students and parents included in that request

The auditor reviewed seven drawdowns and noted that one drawdown exceeded the required drawdown amount by \$3,422,115. An error in the calculation used to determine the amount of funds to drawdown caused the drawdown of excess funds. The College discovered this error during the subsequent month's reconciliation process and returned the excess funds to the Department of Education.

TNCC's Business Office has taken corrective measures to address this issue by analyzing workload of Financial Services staff and adjusting roles and responsibilities to reduce the risk of human error. We recommend that TNCC continue this process to ensure proper management of federal funds.

Management Plan for Corrective Action for Thomas Nelson Community College

A plan was developed and implemented in March 2014 with the creation and subsequent hiring of a full-time financial aid accountant. This position is responsible for completing reconciliations of the various financial aid programs. After a thorough analysis, Thomas Nelson Community College examined workload/workflow and management determined some enhancements were needed in the student accounting area. Financial services staff discovered the need, due to an increased workload, to create a position directly related to financial aid and veteran affairs disbursements.

Responsible Party: Teresa Bailey, Associate Vice President of Financial Services

Estimated Completion Date: Complete

2014-097: Return Unclaimed Aid to Department of Education within Required Timeframe

Applicable To: James Madison University

Federal Program Name and CFDA#: Student Financial Assistance Programs - 84.007, 84.033, 84.037, 84.038, 84.063, 84.268, 84.379, 84.408, 93.264, 93.342, 93.364, 93.408, 93.925

Federal Award Number and Year: Student Financial Aid (2014)

Compliance Requirement: Special Test and Provisions - 34 CFR §668.164(h)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

James Madison University did not return unclaimed Title IV funds within 240 days for six of ten students tested. Specifically, the University took up to 262 days before returning the funds to the Department of Education. The University allowed too much time for students to respond to due diligence efforts before requesting funds from the State Treasury to return to the U.S. Department of Education.

Code of Federal Regulations Section 34 CFR §668.164(h) requires the University to return unclaimed financial student aid funds to the Federal program or lender within 240 days of issuing a refund check to a student.

Upon discussing the delays with University Business Office, staff should reduce the amount of time allowed for students to respond to due diligence efforts once the funds are returned to the University by its third party refund processor. Reducing the allowable student response time for due diligence efforts will help ensure compliance with federal regulations.

Management Plan for Corrective Action for James Madison University

JMU outsources the student refund process to a third party vendor starting with the summer 2013 semester. It is the University's desire to take any and all actions to assure that all student receive their refunds.

Students who have made an "active" refund selection of a paper check with the vendor will be contacted repeatedly if the check remains uncashed for a period of up to 180 days. During this period, the University Business Office will use the vendor's reporting to identify students with outstanding checks and will also attempt to reach the student by email. After 180 days, the funds will be returned to JMU and the University Business Office will notify the student by email until the 219th day, after which the University Business Office will advise the Financial Aid Office to return the funds.

Students who have not made an "active" refund selection with the vendor and have not responded to requests to set up a refund preference, will be mailed a paper check after 21 days. If the check remains uncashed, the funds will be returned to JMU and the University Business Office will continue to contact the student until the 219th day, after which the Financial Aid Office will return the funds.

Responsible Party: Linda Combs, Director – University Business Office

Estimated Completion Date: Complete

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

2014-022	<u>Develop Workable Solutions to Maintain Appropriate Balance of Internal Controls</u>
2014-023	<u>Implement and Monitor a Change Management Process for Sensitive Applications</u>
2014-026	<u>Identify a Backup for Medicaid Management Information System Administration and Document the Process</u>
2014-027	<u>Correct Operating Environment and Security Issues Identified by their Security Compliance Audit</u>
2014-039	<u>Improve Access Reviews of the Medicaid Management Information System</u>
2014-040	<u>Create Formal Documentation that Facilitates Controlling Privileges in the Medicaid Management Information System</u>
2014-041	<u>Strengthen Financial System Application Access</u>
2014-042	<u>Confirm that Application Access is Appropriate</u>
2014-046	<u>Review User Accounts and Privileges for Mission Critical Systems</u>
2014-057	<u>Rates Used by the System Should be Supported by a Signed Contract with the Same Rates</u>

Each of these findings represents a compliance finding that could be material to the basic financial statements and are required to be reported under Government Auditing Standards. These findings relate to both the financial statements and federal awards. The details of these findings are reported within the section entitled “*Financial Statement Findings*.”

2014-098: Complete FFATA Reporting for Preparedness Grants

Applicable To: Department of Health

Federal Program Name and CFDA#: Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements - 93.074

Federal Award Number and Year: 5 U90 TP000558-2 (2014)

Compliance Requirement: Reporting - 2 CFR §170

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Health’s Office of Emergency Preparedness and Response has not correctly submitted Federal Funding Accountability and Transparency Act (FFATA) reporting for CFDA #93.074 Health Emergency Preparedness and Public Health Emergency Preparedness Aligned Cooperative Agreements. Currently Health has only submitted FFATA data through the month of August 2013.

FFATA and 2 CFR §170 require Health to submit FFATA reporting no later than the month following the month in which Health awards \$25,000 or more in federal funds to a subrecipient. Failure to comply with FFATA limits the federal government and taxpayers' ability to know which entities are receiving federal funds through Health.

According to management, due to issues with incorrect Data Universal Numbering System (DUNS) numbers they are unable to complete FFATA reporting timely.

Health should complete FFATA reporting as required. Management should work with appropriate federal contacts to correct the DUNS number issues and ensure accurate and timely reporting.

Management Plan for Corrective Action for Department of Health

The 2014 FFATA report for PHEP/HPP was submitted on October 28th by the work unit. We are still working with the federal reporting entity and the VDH Office of Financial Management to correct the DUNS number discrepancy in the federal reporting system.

Responsible Party: Kim Allan, Operations Director

Estimated Completion Date: Completed

2014-099: Ensure Compliance with the Federal Funding Accountability and Transparency Act

Applicable To: Department of Social Services

Federal Program Name and CFDA#: Child Care and Development Block Grant - 93.575

Federal Award Number and Year: Multiple (2014)

Compliance Requirement: Reporting - FFATA and 2 CFR §170

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Social Services did not complete its fourth quarter financial reporting required by the Federal Funding Accountability and Transparency Act (FFATA). Based on a review of information reported on the FFATA Subaward Reporting System (FSRS), we were not able to locate any reporting done for the June 30, 2014, quarter for Foster Care, the Child Care Development Fund, or the Social Services Block Grant.

FFATA and 2 CFR §170 require Social Services to report information to the federal government for awards of certain federal funds that Social Services makes to subrecipients.

Failure to comply with FFATA and corresponding regulations prevents the federal government and taxpayers from knowing which entities are receiving federal funds through Social Services.

Due to turnover within the Federal Grants Reporting unit within the Division of Finance during July 2014, the June 30, 2014, quarterly FFATA reporting was not completed as required.

Social Services should ensure that all required reporting is done completed within the established timeframes as required by FFATA.

Management Plan for Corrective Action for Department of Social Services

The manager of the Federal Grant Reporting Unit will create a master list of all routine federal reports that are submitted by due date and assigned staff members. FFATA will be included on this list.

Responsible Party: Mike Gump, Chief Financial Officer

Estimated Completion Date: March 31, 2015

2014-100: Evaluate Existing Contracts Using Required Procurement Principles

Applicable To: Virginia Health Workforce Development Authority

Federal Program Name and CFDA#: Affordable Care Act (ACA) State Health Care Workforce Development Grants - 93.509

Federal Award Number and Year: T55HP20285 9/30/2010-9/29/2014 (2010-2014)

Compliance Requirement: Procurement and Suspension and Debarment - 2 CFR part 215

Known Questioned Costs: \$64,185

Type of Finding: Internal Control and Compliance

Virginia Health Workforce Development Authority (VHWDA) has no evidence of how three contractors were selected. VHWDA paid a total of \$64,185 to these contractors. Additionally, for one of these contractors, VHWDA did not have a signed contract. Recipients of Federal awards should use procurement procedures that conform to applicable federal law and regulations and standards identified in the A-102 Common Rule or OMB Circular A-110 (2 CFR part 215), as applicable.

According to management, VHWDA was not aware that the federal government required grantees to use procurement procedures that conform to federal regulations. Without evidence of how VHWDA selected its contractors, entities granting funds to VHWDA may disallow related expenses. VHWDA should evaluate contracts using required procurement principles.

Management Plan for Corrective Action for Virginia Health Workforce Development Authority

VHWD management will follow procurement procedures that conform to applicable federal law and regulations and standard identified in the A-102 Common Rule or OMB Circular A-110 (2 CFR part 215), as applicable.

Responsible Party: Erin E. Wittwer, Interim Executive Director

Estimated Completion Date: December 31, 2014

U.S. DEPARTMENT OF LABOR

2014-001	<u>Allocate Adequate Resources to Reduce IT Security Risk</u>
2014-002	<u>Improve Organizational Placement of Information Security Officer</u>
2014-003	<u>Maintain Oversight Over the Information Security Program</u>
2014-004	<u>Upgrade Unsupported and Vulnerable Operating Systems</u>
2014-058	<u>Continue to Strengthen Tax - Wage Reconciliation Processes</u>
2014-070	<u>Confirm VABS is Calculating Maximum Benefit Amount Consistently for All Claimants</u>
2014-071	<u>Withhold Child Support Obligations from Benefit Adjustment Payments</u>

Each of these findings represents a compliance finding that could be material to the basic financial statements and are required to be reported under Government Auditing Standards. These findings relate to both the financial statements and federal awards. The details of these findings are reported within the section entitled “Financial Statement Findings.”

2014-101: Review Policies over Benefit Overpayment Reviews

Applicable To: Virginia Employment Commission

Federal Program Name and CFDA#: Unemployment Insurance - 17.225

Federal Award Number and Year: UI252351460A51 (2014)

Compliance Requirement: Other - OMB A-133 .300(B)

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

The Commission needs to review policies over benefit overpayment case reviews and ensure adequate resources are allocated to this process. Currently, the Benefit Payment Control Unit (Payment Control Unit) manager is not conducting these case reviews in accordance with policies and procedures. The Commission has not evaluated the current policy or resources in light of

organizational changes and significant caseload increases. We believe this has impacted the manager's ability to conduct and document these reviews in accordance with policies and procedures.

Investigators staffed throughout the State review potential benefit overpayments cases identified by the Payment Control Unit. Under the current policy, the Payment Control Unit manager is responsible for reviewing ten benefit overpayment cases for each investigator monthly to ensure the investigators followed federal and state regulations. The Commission implemented this policy many years ago at a time when there were only four investigators and they reported to regional offices. Currently, there are ten investigators who report to the Payment Control Unit manager. Although it is our understanding the Payment Control Unit manager is performing these monthly case reviews, we could not confirm this because he does not maintain adequate documentation to support all reviews.

OMB Circular A-133 .300(b) requires auditees to maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements. The Payment Control Unit manager cannot demonstrate that the Commission has maintained proper oversight over overpayment investigations without maintaining documentation to support all of its reviews.

The Commission needs to evaluate the current policy over benefit overpayment case reviews and determine if the policy should be modified based on current operations, risks, and overpayment activity. Once the Commission has either implemented a new policy or reaffirmed existing policy, management should commit adequate resources to confirm that it implements the policy effectively and complies with federal and state regulations.

Management Plan for Corrective Action for Virginia Employment Commission

Management will evaluate the current policy related to benefit overpayment case reviews and determine if the policy should be modified based on current operations, risks, and overpayment activity. Based on the results of this evaluation, the Division Director will ensure adequate resources will be committed for the effective implementation of changes in operations.

Responsible Party: William Walton, UI Director

Estimated Completion Date: June 30, 2015

U.S. DEPARTMENT OF TRANSPORTATION

2014-102: Improve Controls over Sub-recipient Monitoring

Applicable To: Department of Transportation

Federal Program Name and CFDA#: Highway Planning and Construction Cluster – 20.205, 20.219, 23.003

Federal Award Number and Year: Various (Various)

Compliance Requirement: Subrecipient Monitoring - OMB A-133 Subpart D __.400, 1 & 6

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Transportation does not have the proper controls in place to ensure that sub-recipients are providing accurate information for federal awards. During our review, we found that Transportation had not provided the Catalog of Federal Domestic Assistance (CFDA) numbers to sub-recipients and that Transportation had not performed a reconciliation of sub-recipients' audited financial records to its own accounting records.

According to Section 400 of the Office of Management and Budget (OMB) Circular A-133, pass-through entities are required to "identify federal awards made by informing each recipient of the CFDA title and number..." within the award documents provided to the sub-recipients. In addition, the same section of OMB Circular A-133 requires that pass-through entities "consider whether sub-recipient audits necessitate adjustment of the pass-through entity's own accounting records."

The CFDA number is not included as part of Transportation's standard sub-recipient agreement because funds are generally only disbursed from one CFDA therefore it is assumed that the sub-recipient is aware of the CFDA number. The issue of CFDA inclusion was not reported in the prior year. Although some progress has been made, Transportation has still not been able to easily reconcile to sub-recipients audited records due to timing differences between when the locality makes the expenditures to when Transportation receives the reimbursement request from the sub-recipient and makes payment. This issue was reported in the prior year.

Without providing the correct information to sub-recipients and performing a reconciliation of the audited sub-recipient financial reports to its own accounting records, Transportation cannot ensure that all expenditures of federal awards are reported properly.

We recommend that Transportation alter its award documents to include CFDA and all pertinent information regarding the award to the sub-recipients and perform reconciliations of sub-recipient records with its own accounting records. This will decrease the risk of any improper reporting of federal awards and help to ensure that all OMB Circular A-133 audits are performed as required.

Management Plan for Corrective Action for Department of Transportation

1. *Local Assistance Division will include the CFDA number and guidance on subreporting in the Locally Administered Projects Manual. The CFDA will also be referenced on the appendix of the project agreement. This will be completed by March 31, 2015.*
2. *The Assurance and Compliance Office (“ACO”) will continue to work with the pass-through entities to obtain and/or perform reconciliations between the fiscal year sub-recipient records, which should support all “Pass through payments” contained in the Schedule of Expenditures of Federal Awards, and the Virginia Department of Transportation (“VDOT”) Cardinal financial expenditure records. The reconciliations for all FY 2013 reports will be reconciled by June 30, 2015. Subsequent reconciliations will be completed within six months after the ACO receives the subrecipient's audit report. The ACO will also work with VDOT's Fiscal Division Administrator for a long term solution which could facilitate an ongoing reconciliation by the pass-through entity. This could assist both ACO and the sub-recipients in identifying any differences in reporting in a timely manner.*

*Responsible Party: Jennifer DeBruhl, Director of Local Assistance (CFDA item)
Bradley Gales, Assurance and Compliance Office Director
(reconciliation item)*

Estimated Completion Date: June 30, 2015

2014-103: Improve Controls over FFATA Reporting

Applicable To: Department of Transportation

Federal Program Name and CFDA#: Highway Planning and Construction Cluster – 20.205, 20.219, 23.003

Federal Award Number and Year: Various (Various)

Compliance Requirement: Reporting - Federal Funding Accountability and Transparency Act and 2 CFR §170

Known Questioned Costs: \$0

Type of Finding: Internal Control and Compliance

Transportation does not have sufficient internal controls over transparency reporting to ensure that all sub-grants are reported to the federal transparency website. Transportation has

made some improvements to this process however the improvements were not completed until the end of the fiscal year. During our review, we found several federal awards for which Transportation could not provide evidence that the sub-grant was reported in accordance with the Federal Financial Accountability and Transparency Act (FFATA).

FFATA and 2 CFR §170 require Transportation to report certain information to the federal government for awards of federal funds that Transportation makes to sub-recipients. Failure to comply with FFATA and corresponding regulations prevent the federal government and taxpayers from knowing which entities are receiving federal funds through Transportation.

Transportation uses manual spreadsheets to track reporting. A spreadsheet with the awards Transportation received is sent to three different divisions and each division indicates which awards were sub-awarded. However, for awards which no division sub awarded there is no assurance that this award was in fact a Transportation administered project and not just overlooked.

As we pointed out in our review of FFATA reporting in the prior year, Transportation should improve the processes for identifying and reporting sub-grants to ensure that all sub-grants are reported.

Management Plan for Corrective Action for Department of Transportation

As noted by APA, process improvements were implemented in June 2014 in response to the FY 2013 audit. Additional improvements have been implemented in December 2014 to identify and address potential errors.

Responsible Party: Janice Long, Controller

Estimated Completion Date: December 31, 2014

2014-104: Comply with the Code of Federal Regulations

Applicable To: Department of Transportation

Federal Program Name and CFDA#: Highway Planning and Construction Cluster – 20.205, 20.219, 23.003

Federal Award Number and Year: Various (Various)

Compliance Requirement: Special Test and Provisions - 23 CFR §645.215

Known Questioned Costs: \$0

Type of Finding: Compliance

Transportation has not obtained the proper approval of their Utility Accommodation Policy (UAP) by the Federal Highway Administration (FHWA). Per the Code of Federal Regulations, 23 CFR

\$645.215, state departments of transportation are required to develop, maintain, and obtain FHWA approval of their UAP.

Without a properly approved UAP, Transportation increases the risk that expenses incurred for relocating utility facilities would not be eligible for reimbursement.

Over the past two years, Transportation has been developing a comprehensive policy to consolidate their UAP with their Land Use Permit Regulations Policy. During state fiscal year 2014, this process was completed and the consolidated policy now serves as the official UAP. As a result of this consolidation, numerous changes were made to the UAP and, as of the time of our review, Transportation had not obtained approval from FHWA.

Transportation should obtain the proper approvals of their policies from the federal government, where applicable, prior to the implementation of such policies. This will ensure compliance to the Code of Federal Regulations. Since the completion of our audit and the date of this report, Transportation has obtained the proper approval of this policy.

Management Plan for Corrective Action for Department of Transportation

The Federal Highway Administration approved the Utility Accommodation Policy on December 12, 2014.

Responsible Party: Marsha Fiol, Division Administrator

Estimated Completion Date: December 12, 2014

U.S. DEPARTMENT OF THE TREASURY

2014-105: Strengthen Procedures for Administering Federal Programs

Applicable To: Office of the Attorney General and Department of Law

Federal Program Name and CFDA#: Treasury Asset Forfeiture Equitable Sharing Program - 21.000

Federal Award Number and Year: N/A (2013)

Compliance Requirement: -

Known Questioned Costs: \$0

Type of Finding: Internal Control

Our review of the Office of the Attorney General's (Office) administration of the Federal Treasury Equitable Sharing Program identified weaknesses in the agency's internal controls for administering federal programs specifically related to the receipt of settlement funds. The Office's initial failure to identify these funds as a federal grant award created a misperception of how to properly account for the funds in the Commonwealth Accounting and Reporting System (CARS) and

created a lack of clarity in the agency's understanding of its requirements under the Office of Management and Budget (OMB) Circular A-133. Inadequate administration of federal awards may result in erroneous accounting, noncompliance with federal guidelines, and misappropriation of federal funds. We determined, however, that the Office properly utilized federal funds during fiscal year 2014 in accordance with guidance provided by the U.S. Department of the Treasury.

During fiscal year 2014, the Office received \$92.9 million from the U.S. Department of the Treasury's Executive Office for Asset Forfeiture (TEOAF); these funds were part of the 2012 Abbott Laboratories Medicaid fraud settlement and were awarded through the Catalog of Federal Domestic Assistance (CFDA) 21.000 Treasury Equitable Sharing Program. The amount and nature of this award was unprecedented for the Office and the Commonwealth of Virginia. The Office passed through all of the Abbott settlement equitable sharing funds received during fiscal year 2014 to other entities, including other state agencies and local government agencies.

The Commonwealth Accounting Policies and Procedures (CAPP) Manual does not include guidance specific to accounting for equitable sharing funds. Federal equitable sharing funds are considered grant funds. Initially, the Office did not identify these funds as federal grants and erroneously recorded \$65.2 million of federal equitable sharing fund disbursements as revenue refunds in CARS. This is not in accordance with the Commonwealth's policies for federal grants, which requires that federal disbursements be recorded either as expenses or transfers based on the nature of the entity receiving the funds. Improper accounting of funds at this amount could have a material effect on the Commonwealth's Single Audit of federal funds and the Commonwealth's financial statements. By recording the federal grant disbursement as a revenue refund, the Office effectively eliminated these transactions from the Commonwealth's accounting records for financial reporting purposes and, inadvertently, limited the information available regarding the receipt and disbursement of the funds.

Furthermore, weaknesses in the Office's internal controls for administering federal programs resulted in misunderstandings about the agency's compliance requirements in accordance with OMB Circular A-133. Although the Office maintained contact with the TEOAF throughout the award period, the agency did not secure a concrete understanding of its requirements as a federal pass-through entity. Without accurate interpretation and documentation of federal compliance requirements, the Office cannot properly administer its programs in accordance with federal regulations. As noted above, ultimately we determined the Office had performed all required compliance requirements.

The Office should strengthen its process for administering federal programs to ensure that the agency properly accounts for federal funds and has an accurate understanding of all regulations governing federal programs. We recommend the Office develop procedures to evaluate future federal awards to determine whether OMB Circular A-133 guidelines apply. We also recommend that the Office enhance its communications with applicable federal agencies to determine the relevant compliance requirements and obtain official documentation to support these determinations. In addition, by establishing proactive communication with the Department of Accounts to clarify the nature of unique fund sources and how to account for such funds in accordance with the

Commonwealth's guidelines, the Office may eliminate material adjustments and enhance transparency of state spending.

Management Plan for Corrective Action for Office of the Attorney General and Department of Law

At this time all internal control weaknesses identified under the Strengthen Procedures for Administering Federal Programs Audit Finding and recommendation have been resolved by the Office of the Attorney General (Office). In the absence of guidance from the Commonwealth Accounting Policies and Procedures (CAPP), the Equitable Sharing funds were not classified as federal funds. All entries made were corrected within the same Fiscal Year, thus recording the necessary transactions as expenditures and effectively ensuring the transactions are in the Commonwealth's accounting records for financial reporting purposes.

The Office did remain in constant contact with the TEOAF, however the Office did fail to obtain the TEOAF's policy decision(s) in writing. The Office will ensure going forward all policy questions, guidance, and interpretation requests are submitted and received in writing to/from the TEOAF or any applicable Federal Agency to ensure the Office has a concrete understanding of any federal pass-through entity requirements.

It should be noted, the Office is developing Policy, Procedures, and Guidelines for the Equitable Sharing Program. This will ensure proper recordation and compliance exist in the absence of guidance from the CAPP Topics. Thus ensuring the Office to handle all future Equitable Sharing Funds ensuring compliance with the Commonwealth of Virginia's classification of Equitable Sharing Funds as Federal Funds.

Responsible Party: Christie A. Wells

Estimated Completion Date: February 27, 2015

COMMONWEALTH OF VIRGINIA Resolution of Prior Year Audit Findings For the Year Ended June 30, 2014							
Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
FINANCIAL STATEMENT FINDINGS							
<u>State Board of Elections</u>							
2010	11	2010-004	Improve Information Systems Security Program	N/A	SBE	-	Resolved
<u>Virginia Employment Commission</u>							
2013	59	2013-039	Improve Controls over Benefit Adjustment Payments	N/A	VEC	-	Corrective action is ongoing
2013	61	2013-041	Strengthen Financial Reporting Over Accounts Receivable	N/A	VEC	-	Corrective action is ongoing
2013	63	2013-042	Improve Internal Controls Surrounding Employer Wage Discrepancies	N/A	VEC	-	Corrective action is ongoing
2012	35	2012-027	Resolve Employer Wage Discrepancies Timely	N/A	VEC	-	Corrective action is ongoing
2011	27	2011-015	Resolve Employer Wage Discrepancies Timely	N/A	VEC	-	See Finding Number 2012-027
<u>University of Virginia</u>							
2013	26	2013-013	Improve User Access Controls	N/A	UVA	-	Resolved
2013	30	2013-014	Strengthen Controls over Termination of Access to Systems and Facilities	N/A	UVA	-	Resolved
2013	56	2013-037	Complete and Approve Reconciliations Timely	N/A	UVA	-	Resolved
2013	60	2013-040	Comply with University Sole Source Policy	N/A	UVA	-	Corrective action is ongoing
<u>Virginia Commonwealth University</u>							
2013	31	2013-015	Review System Access for Human Resources and Payroll Employees	N/A	VCU	-	Resolved
2013	46	2013-027	Improve Firewall Management	N/A	VCU	-	Resolved
2013	50	2013-031	Improve Change Management	N/A	VCU	-	Resolved
2013	66	2013-045	Improve Capital Asset Inventory Procedures	N/A	VCU	-	Resolved
<u>Department of Accounts</u>							
2013	33	2013-017	Improve SQL Server Database Security	N/A	DOA	-	Resolved
2013	34	2013-018	Update the Physical Security Policy and Monitor Physical Access to the Data Center	N/A	DOA	-	Resolved
2013	51	2013-032	Improve Financial Reporting and Communication with Agencies	N/A	DOA	-	Resolved
<u>Department of Taxation</u>							
2013	22	2013-011	Improve Internal Controls over Advantage Revenue Access	N/A	TAX	-	Corrective action is ongoing
2013	55	2013-035	Improve Financial Reporting for Corporate Tax Refund Liability	N/A	TAX	-	Resolved
<u>Department of Treasury</u>							
2013	57	2013-037	Improve Process for Paying Risk Management Administrative Invoices	N/A	TD	-	Resolved
2013	67	2013-046	Improve Monitoring of Administrative and Compliance Activities	N/A	TD	-	Resolved
<u>Department of Behavioral Health and Developmental Services</u>							
2013	21	2013-010	Remove Access Promptly Upon Employee Termination	N/A	DBHDS	-	Corrective action is ongoing
2013	33	2013-016	Improve SQL Server Database Security	N/A	DBHDS	-	Corrective action is ongoing
2013	58	2013-038	Record Capital Outlay Budgets and Expenditures in GCPay as Required	N/A	DBHDS	-	Resolved
<u>Department of Health</u>							
2013	17	2013-007	Implement User Access Controls for ROAP System - CACFP	N/A	VDH	-	Corrective action is ongoing
2013	18	2013-008	Improve Oracle Database Security	N/A	VDH	-	Resolved
2013	19	2013-009	Promptly Remove WebVision Access for Separated Users	N/A	VDH	-	Corrective action is ongoing
2013	41	2013-023	Improve Web Application Security - CACFP	N/A	VDH	-	Corrective action is ongoing
2013	42	2013-024	Maintain Updated Information Systems Inventory - CACFP	N/A	VDH	-	Resolved
2013	65	2013-044	Communicate Responsibilities for ADAP Inventory and Properly Report	N/A	VDH	-	Resolved

COMMONWEALTH OF VIRGINIA Resolution of Prior Year Audit Findings For the Year Ended June 30, 2014							
Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
Department of Medical Assistance Services							
2013	10	2013-001	Improve Oracle Access Controls	N/A	DMAS	-	Corrective action is ongoing
2013	11	2013-002	Improve Access Management to the Medicaid Management Information System	N/A	DMAS	-	Corrective action is ongoing
2012	19	2012-014	Address Findings in Internal Audit Report	N/A	DMAS	-	Corrective action is ongoing
Department of Rehabilitative Services⁽¹⁾							
2010	15	2010-007	Improve Information Systems Security Program	N/A	DRS	-	Resolved
Department of Social Services							
2013	13	2013-003	Develop Workable Solutions to Maintain Appropriate Balance of Internal Controls	N/A	DSS	-	Corrective action is ongoing
2013	14	2013-004	Review User Accounts and Privileges for Mission Critical Systems	N/A	DSS	-	Corrective action is ongoing
2013	45	2013-026	Improve Oracle Database Security	N/A	DSS	-	Resolved
2013	47	2013-028	Ensure the New Eligibility System is Properly Handling Cases Transferred from the Old System	N/A	DSS	-	Corrective action is ongoing
2013	48	2013-029	Automate an Eligibility Control	N/A	DSS	-	Corrective action is ongoing
2013	49	2013-030	Implement and Improve Change Management Process for Sensitive Applications	N/A	DSS	-	Corrective action is ongoing
2012	12	2012-004	Create and Implement a Change Management Process for Sensitive Applications	N/A	DSS	-	See Finding Number 2013-030
State Corporation Commission							
2012	9	2012-001	Transfer Unclaimed Refunds to Unclaimed Property Division	N/A	SCC	-	Resolved
Virginia College Savings Plan							
2012	26	2012-019	Improve System Access Controls	N/A	VCSP	-	Resolved
Virginia Retirement System							
2013	64	2013-043	Improve Check Receipt and Deposit Controls	N/A	VRS	-	Resolved
Virginia State Lottery Department							
2013	35	2013-019	Improve Server Security	N/A	SLD	-	Resolved
2013	37	2013-020	Improve Firewall Management	N/A	SLD	-	Resolved
2012	17	2012-012	Update IT Infrastructure Device	N/A	SLD	-	Resolved
Department of Alcoholic Beverage Control							
2013	38	2013-021	Continue to Improve IT Governance Model and IT Project Prioritization Processes	N/A	ABC	-	Corrective action is ongoing
2012	28	2012-021	Update IT Risk Management and Contingency Plans	N/A	ABC	-	See Finding Number 2013-021
2013	40	2013-022	Improve Database Security	N/A	ABC	-	Corrective action is ongoing
Department of Motor Vehicles							
2013	24	2013-012	Improve User Access Controls	N/A	DMV	-	Corrective action is ongoing
2012	25	2012-018	Improve User Access Control Across Systems	N/A	DMV	-	See Finding Number 2013-012
2013	43	2013-025	Improve Database Management System Security	N/A	DMV	-	Corrective action is ongoing
2012	13	2012-006	Improve Database Security	N/A	DMV	-	See Finding Number 2013-025
2011	23	2011-012	Improve Database Security	N/A	DMV	-	See Finding Number 2012-006
Department of Transportation							
2013	15	2013-005	Improve System Access Monitoring and Management	N/A	VDOT	-	Resolved
2013	16	2013-006	Improve Controls over User Access	N/A	VDOT	-	Resolved
2013	52	2013-033	Improve Controls over Financial Reporting	N/A	VDOT	-	Corrective action is ongoing
2012	34	2012-026	Improve Financial Reporting Procedures	N/A	VDOT	-	See Finding Number 2013-033
2013	54	2013-034	Improve IT Risk Assessment	N/A	VDOT	-	Resolved

COMMONWEALTH OF VIRGINIA Resolution of Prior Year Audit Findings For the Year Ended June 30, 2014							
Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS							
U. S. Department of Agriculture							
2013	68	2013-007	Implement User Access Controls for ROAP System - CACFP(2)	10.558	VDH	-	Corrective action is ongoing
2013	69	2013-008	Improve Oracle Database Security ⁽²⁾	10.557	VDH	-	Resolved
2013	69	2013-023	Improve Web Application Security - CACFP ⁽²⁾	10.558	VDH	-	Corrective action is ongoing
2013	69	2013-047	Improve WICNET Controls over Eligibility - WIC	10.557	VDH	-	Resolved
2013	72	2013-048	Establish Corrective Actions for Federal Findings - WIC	10.557	VDH	-	Resolved
2013	73	2013-049	Improve Controls over Federal Reporting - CACFP	10.558	VDH	-	Corrective action is ongoing
2013	75	2013-050	Improve Controls over Federal Reporting - WIC	10.557	VDH	-	Corrective action is ongoing
2013	76	2013-051	Complete Federal Funding Accountability and Transparency Act Reporting - CACFP	10.558	VDH	-	Corrective action is ongoing
2013	77	2013-052	Complete Federal Funding Accountability and Transparency Act Reporting - WIC	10.557	VDH	-	Resolved
2013	79	2013-053	Complete Sub-recipient Monitoring Reviews - CACFP	10.558	VDH	-	Corrective action is ongoing
2013	80	2013-054	Review Sub-grantee Single Audit Reports and Schedules of Expenditures of Federal Awards - WIC	10.557	VDH	-	Resolved
2013	82	2013-055	Review Sub-recipient Single Audit Reports and Issue Management Decisions - CACFP	10.558	VDH	-	Corrective action is ongoing
2012	47	2012-038	Complete Required Number of Sub-Recipient Reviews	10.558	VDH	-	Corrective action is ongoing
U. S. Department of Education							
2013	84	2013-056	Establish Formal Policies and Procedures for Preparing the SEFA	84.042 84.031	NSU	-	Resolved
2013	85	2013-057	Develop and Implement Policies and Procedures for Adherence to the Davis-Bacon Act	84.031	NSU	-	Resolved
2013	87	2013-058	Properly Calculate and Return Title IV Funds	Student Financial Aid	CNU DCC PHCC PVCC	\$ 27,018.29	Resolved Resolved Corrective action is ongoing Resolved
2013	90	2013-059	Return All Excess Cash to Department of Education within Required Timeframe	Student Financial Aid	RCC	\$ 65,020.52	Resolved
2013	91	2013-060	Improve Documentation of Monthly Reconciliations of Direct Loans	Student Financial Aid	DCC LFCC PVCC	-	Resolved Corrective action is ongoing Resolved
2013	93	2013-061	Develop and Improve Policies and Procedures	Student Financial Aid	DCC LFCC PHCC PVCC	-	Corrective action is ongoing Resolved Corrective action is ongoing Resolved
2013	94	2013-062	Improve Notification of Direct Loan Awards to Students	Student Financial Aid	DCC PVCC	-	Corrective action is ongoing Resolved
2013	95	2013-063	Reconcile Federal Funds Accounts	Student Financial Aid	DCC RCC	-	Corrective action is ongoing Corrective action is ongoing
2013	97	2013-064	Improve Compliance over Enrollment Reporting	Student Financial Aid	TCC	-	Resolved
2012	57	2012-046	Improve Reporting to National Student Loan Data System	Student Financial Aid	CVCC	-	Corrective action is ongoing
2010	39	2010-037	Promptly Return Title IV Refunds	Student Financial Aid Cluster	PHCC	-	Corrective action is ongoing
U. S. Department of Health and Human Services							
2013	98	2013-001	Improve Oracle Access Controls ⁽²⁾	Medicaid Cluster	DMAS	-	Corrective action is ongoing
2013	98	2013-002	Improve Access Management to the Medicaid Management Information System ⁽²⁾	Medicaid Cluster	DMAS	-	Corrective action is ongoing
2013	98	2013-003	Develop Workable Solutions to Maintain Appropriate Balance of Internal Controls ⁽²⁾	Medicaid Cluster	DSS	-	Corrective action is ongoing

COMMONWEALTH OF VIRGINIA Resolution of Prior Year Audit Findings For the Year Ended June 30, 2014							
Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Questioned Costs	Current Status
2013	99	2013-004	Review User Accounts and Privileges for Mission Critical Systems ⁽²⁾	93.563	DSS	-	Corrective action is ongoing
2013	99	2013-028	Ensure the New Eligibility System is Properly Handling Cases Transferred from the Old System ⁽²⁾	93.575 93.596	DSS	-	Corrective action is ongoing
2013	99	2013-029	Automate an Eligibility Control ⁽²⁾	Medicaid Cluster	DSS	-	Corrective action is ongoing
2013	100	2013-030	Implement and Improve Change Management Processes for Sensitive Applications ⁽²⁾	Medicaid Cluster	DSS	-	Corrective action is ongoing
2013	100	2013-065	Perform Health and Safety Inspection as Required	93.575 93.596	DSS	-	Resolved
2013	101	2013-066	Reduce the Time it takes to Match Payments to Case Records	93.658	DSS	-	Resolved
2012	43	2012-033	Further Evaluate Automating the OASIS Reconciliation Process	93.658	DSS	-	See Finding Number 2013-066
2011	31	2011-018	Support Title IV-E Financial Claims in a Client's Case Record	93.658 93.659	DSS	-	See Finding Number 2012-033
2010	48	2010-045	Establish Enforcement Mechanisms for Foster Care and Adoption Payments	93.659	DSS	-	See Finding Number 2011-018
2006	41	2006-033	Establish Control Mechanisms for Foster Care and Adoption Payments	93.658	DSS	-	See Finding Number 2010-045
2005	31	2005-022			DSS	-	See Finding Number 2006-033
2012	42	2012-032	Review Grantee Audited Schedule of Expenditure of Federal Awards	Medicaid Cluster	DSS	-	Resolved
2012	44	2012-034	Work with Federal Government to Eliminate Likely Questioned Costs in the Future	Medicaid Cluster	DSS	\$ 39,620.00	Resolved
2012	45	2012-035	Continue Using Performance Information to Evaluate Policy Changes	Medicaid Cluster	DSS	\$ 900,000.00	Resolved
U. S. Department of Transportation							
2013	102	2013-067	Improve Controls over Sub-recipient Monitoring	Various	VDOT	-	Corrective action is ongoing
2013	104	2013-068	Improve Controls over FFATA Reporting	Various	VDOT	-	Corrective action is ongoing
2012	48	2012-039	Improve Internal Controls Supporting Davis-Bacon Act Compliance	20.205	VDOT	-	Resolved

(1) As of July 1, 2012, the Department for Rehabilitative Services (DRS) became known as Department for Aging and Rehabilitative Services (DARS).

(2) This finding is also in the "Financial Statement Findings" Section of the "Resolution of Prior Year Audit Findings."

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
U.S. DEPARTMENT OF AGRICULTURE				
Non-Stimulus:				
Plant and Animal Disease, Pest Control, and Animal Care	10.025		\$ 1,040,499	
Direct and Counter-Cyclical Payments Program	10.055		13,804	
Conservation Reserve Program	10.069		28,184	
Federal-State Marketing Improvement Program	10.156		9,474	
Market Protection and Promotion	10.163		18,694	
Farmers' Market and Local Food Promotion Program	10.168		75,843	
Specialty Crop Block Grant Program - Farm Bill	10.170		391,110	
Grants for Agricultural Research, Special Research Grants	10.200			
<i>Pass-Through From University of Florida</i>	10.200			\$ 1,635
Higher Education - Graduate Fellowship Grants Program	10.210		62,917	
Sustainable Agriculture Research and Education	10.215			
<i>Pass-Through From Southern Sustainable Agriculture Research & Education</i>	10.215			10,820
<i>Pass-Through From University of Georgia</i>	10.215			20,728
Higher Education Institution Challenge Grants Program	10.217		257,037	
Higher Education Multicultural Scholars Grant Program	10.220		4,000	
Integrated Programs	10.303			
<i>Pass-Through From North Carolina State University</i>	10.303			57,082
<i>Pass-Through From University of Maryland</i>	10.303			40,846
Homeland Security-Agricultural	10.304			
<i>Pass-Through From University of Florida</i>	10.304			22,971
Specialty Crop Research Initiative	10.309			
<i>Pass-Through From Cornell University</i>	10.309			20,993
Agriculture and Food Research Initiative (AFRI)	10.310		77,811	
<i>Pass-Through From University of Tennessee</i>	10.310			31,147
State Mediation Grants	10.435		18,659	
Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers	10.443		96,900	
Commodity Partnerships for Small Agricultural Risk Management Education Sessions	10.459		604	
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475		1,722,470	
Cooperative Extension Service	10.500		13,136,265	
<i>Pass-Through From Cornell University</i>	10.500			4,940
<i>Pass-Through From Iowa State University</i>	10.500			2,761
<i>Pass-Through From Kansas State University</i>	10.500			100,812
<i>Pass-Through From University of Georgia</i>	10.500			11,631
<i>Pass-Through From University of Nebraska</i>	10.500			185,785
Food Distribution	10.550			
<i>Pass-Through From Virginia Local Governments</i>	10.550			21,608
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		97,345,288	
<i>Pass-Through From State of North Carolina</i>	10.557			1,253,739
Child and Adult Care Food Program	10.558		43,861,256	
State Administrative Expenses for Child Nutrition	10.560		4,270,318	
WIC Farmers' Market Nutrition Program (FMNP)	10.572		51,348	
Senior Farmers Market Nutrition Program	10.576		434,094	
Fresh Fruit and Vegetable Program	10.582		3,493,513	
Cooperative Forestry Assistance	10.664		4,585,840	
<i>Pass-Through From The Center For Natural Capital</i>	10.664			5,736
Wood Utilization Assistance	10.674		168,608	
Forest Legacy Program	10.676		494,631	
Forest Stewardship Program	10.678		163,210	
Forest Health Protection	10.680		6,645	
Wood Education and Resource Center (WERC)	10.681		8,048	
International Forestry Program	10.684		22,404	
Technical Assistance and Training Grants	10.761		134,738	

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Resource Conservation and Development	10.901		26,600	
Soil and Water Conservation	10.902		59,609	
Soil Survey	10.903		11,850	
Environmental Quality Incentives Program	10.912		160,848	
<i>Pass-Through From National Fish and Wildlife Foundation</i>	10.912			4,582
Agricultural Statistics Reports	10.950		2,844	
Other Assistance:				
Agricultural Statistics Services	10.000		588	
Agricultural Statistics Services Surveys	10.000		3,422	
Food Distribution - Salvage	10.000		14,312	
National Agricultural Statistic Service	10.000	Agreement-2-24-14 209774	5,096	
Other Assistance	10.000	08-JV-11132424-217	6,294	
Other Assistance	10.000	13-CS-11330152-089	4,403	
Other Assistance	10.000	13-DG-11132650-225	3,500	
<i>Pass-Through From Mississippi State University</i>	10.000	018000.340452.17		16,299
Processing Commodity Data	10.000		103,537	
Total Excluding Clusters Identified Below			172,397,115	1,814,115
Child Nutrition Cluster:				
School Breakfast Program	10.553		67,413,151	
National School Lunch Program	10.555		247,822,856	
Special Milk Program for Children	10.556		37,798	
Summer Food Service Program for Children	10.559		10,614,151	
Total Child Nutrition Cluster			325,887,956	-
Food Distribution Cluster:				
Emergency Food Assistance Program (Administrative Costs)	10.568		1,405,044	
Emergency Food Assistance Program (Food Commodities)	10.569		7,977,942	
Total Food Distribution Cluster			9,382,986	-
Forest Service Schools and Roads Cluster:				
Schools and Roads - Grants to States	10.665		1,555,333	
Total Forest Service Schools and Roads Cluster:			1,555,333	-
SNAP Cluster:				
Supplemental Nutrition Assistance Program - ARRA	10.551		1,351,733,845	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		103,872,454	
Total SNAP Cluster			1,455,606,299	-
Research and Development Cluster:				
Agricultural Research - Basic and Applied Research	10.001		1,361,595	
<i>Pass-Through From Pennsylvania State University</i>	10.001			4,998
<i>Pass-Through From University of Rhode Island</i>	10.001			9,478
Plant and Animal Disease, Pest Control, and Animal Care	10.025		586,487	
Wildlife Services	10.028		8,332	
Federal-State Marketing Improvement Program	10.156		113,781	
Grants for Agricultural Research, Special Research Grants	10.200		471,337	
<i>Pass-Through From Cornell University</i>	10.200			2,649
<i>Pass-Through From North Carolina State University</i>	10.200			6,857
<i>Pass-Through From Rutgers, The State University of New Jersey</i>	10.200			3,103

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
<i>Pass-Through From University of Florida</i>	10.200			16,214
<i>Pass-Through From University of Maine</i>	10.200			2,516
Cooperative Forestry Research	10.202		754,520	
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203		3,919,916	
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205		3,414,465	
Grants for Agricultural Research-Competitive Research Grants	10.206		283,903	
<i>Pass-Through From Clemson University</i>	10.206			444
Animal Health and Disease Research	10.207		69,089	
Higher Education - Graduate Fellowship Grants Programs	10.210		58,923	
Sustainable Agriculture Research and Education	10.215			
<i>Pass-Through From Langston University</i>	10.215			16,855
<i>Pass-Through From University of Georgia</i>	10.215			24,426
<i>Pass-Through From University of Kentucky</i>	10.215			31,273
<i>Pass-Through From University of Rhode Island</i>	10.215			70
1890 Institution Capacity Building Grants	10.216		995,624	
<i>Pass-Through From Delaware State University</i>	10.216			6,388
<i>Pass-Through From North Carolina A&T</i>	10.216			46,785
<i>Pass-Through From University of Maryland</i>	10.216			38,969
<i>Pass-Through From University of Maryland Eastern Shore</i>	10.216			10,347
Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	10.250		33,444	
Consumer Data and Nutrition Research	10.253		16,726	
<i>Pass-Through From Cornell University</i>	10.253			11,379
<i>Pass-Through From Old Dominion University Research Foundation</i>	10.253			18,947
Agricultural Market and Economic Research	10.290		2,468	
Integrated Programs	10.303		129,830	
<i>Pass-Through From University of Georgia</i>	10.303			12,386
<i>Pass-Through From North Carolina State University</i>	10.303			38,614
International Science and Education Grants	10.305		52,279	
Organic Agriculture Research and Extension Initiative	10.307			
<i>Pass-Through From Rutgers, The State University of New Jersey</i>	10.307			50,006
<i>Pass-Through From West Virginia University</i>	10.307			2,178
Specialty Crop Research Initiative	10.309		1,473,315	
<i>Pass-Through From Clemson University</i>	10.309			1,674
<i>Pass-Through From North Carolina State University</i>	10.309			28,084
Agriculture and Food Research Initiative (AFRI)	10.310		4,564,775	
<i>Pass-Through From Cornell University</i>	10.310			30,097
<i>Pass-Through From Iowa State University</i>	10.310			114,496
<i>Pass-Through From Michigan State University</i>	10.310			29,890
<i>Pass-Through From Montclair State University</i>	10.310			20,145
<i>Pass-Through From North Carolina State University</i>	10.310			58,871
<i>Pass-Through From Temple University</i>	10.310			27,680
<i>Pass-Through From University of Arkansas Fayetteville</i>	10.310			134,349
<i>Pass-Through From University of California, Davis</i>	10.310			41,762
<i>Pass-Through From University of California, Riverside</i>	10.310			37,539
<i>Pass-Through From University of Florida</i>	10.310			723,189
<i>Pass-Through From University of Nebraska</i>	10.310			29,810
Beginning Farmer and Rancher Development Program	10.311		143,572	
Cooperative Extension Service	10.500		254,628	
<i>Pass-Through From Kansas State University</i>	10.500			73,582
<i>Pass-Through From Michigan State University</i>	10.500			25,763
<i>Pass-Through From University of Arkansas Cooperative Extension Service</i>	10.500			5,431
Forestry Research	10.652		466,865	
<i>Pass-Through From US Endowment For Forests & Communities</i>	10.652			39,033
Cooperative Forestry Assistance	10.664		54,139	
<i>Pass-Through From Kentucky Division Of Forestry</i>	10.664			10

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Urban and Community Forestry Program	10.675		20,397	
<i>Pass-Through From National Association of Regional Councils</i>	10.675			30,186
Forest Health Protection	10.680		681,752	
Wood Education and Resource Center (WERC)	10.681		74,189	
Norman E. Borlaug International Agricultural Science and Technology Fellowship	10.777		639	
Resource Conservation and Development	10.901		33,859	
Soil and Water Conservation	10.902		213,523	
Soil Survey	10.903		45,930	
Environmental Quality Incentives Program	10.912		80,881	
<i>Pass-Through From Chesapeake Bay Foundation Incorporated</i>	10.912			2,049
<i>Pass-Through From Eastern Shore Resource Conservation & Development Council Incorporated</i>	10.912			11,272
<i>Pass-Through From Pennsylvania State University</i>	10.912			62,751
Agricultural Statistics Reports	10.950		78,672	
Technical Agricultural Assistance	10.960		47,628	
Scientific Cooperation and Research	10.961		29,247	
Other Assistance:				
Other Assistance	10.000	08-JV-11261976-359	10,630	
Other Assistance	10.000	10-CS-11080821-003	348	
Other Assistance	10.000	11-2000-0047-CA	859	
Other Assistance	10.000	11-JV-11242305-130	44,254	
Other Assistance	10.000	11-JV-11330140-125	9,885	
Other Assistance	10.000	11-JV-11330152-104	5,966	
Other Assistance	10.000	12-2000-0047-CA	63,774	
Other Assistance	10.000	12-8130-0009-CA	37,567	
Other Assistance	10.000	12-CA-11420004-069	22,157	
Other Assistance	10.000	12-CA-11420004-070	21,219	
Other Assistance	10.000	12-JV-11221636-127	3,500	
Other Assistance	10.000	12-JV-11242303-036	9,643	
Other Assistance	10.000	12-JV-11330143-106	53,061	
Other Assistance	10.000	13-CA-11420004-061	70,672	
Other Assistance	10.000	13-DG-11132762-399	38,223	
Other Assistance	10.000	13-JV-11242301-080	1,783	
Other Assistance	10.000	13-JV-11242309-057	7,095	
Other Assistance	10.000	13-JV-11330145-054	18,923	
Other Assistance	10.000	13-JV-11330145-084	16,568	
Other Assistance	10.000	58-1235-3-128	19,564	
Other Assistance	10.000	58-6645-0-108	14,601	
Other Assistance	10.000	AG-3A94-P-12-0062	6,258	
Other Assistance	10.000	FS#12-JV-11261976-077	11,831	
Other Assistance	10.000		21,988	
<i>Pass-Through From Mushroom Council</i>	10.000	EXECUTED 5/31/11		2,963
<i>Pass-Through From University of Arizona</i>	10.000	GRNT#006430-00001 PO 150779		42,802
Processing Commodity Data	10.000	58-3000-2-0097 202775	74,616	
Total Research and Development Cluster			21,121,715	1,928,310
Total U.S. Department of Agriculture			1,985,951,404	3,742,425
U.S. DEPARTMENT OF COMMERCE				
Non-Stimulus:				
NOAA Mission-Related Education Awards	11.008			
<i>Pass-Through From Consortium for Ocean Leadership, Incorporated</i>	11.008			699
Economic Development-Technical Assistance	11.303		77,719	
Interjurisdictional Fisheries Act of 1986	11.407		56,424	
Sea Grant Support	11.417		1,039,630	
Coastal Zone Management Administration Awards	11.419		1,635,937	

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Coastal Zone Management Estuarine Research Reserves	11.420		365,374	
Marine Fisheries Initiative	11.433		38,096	
Unallied Industry Projects	11.452		289,807	
Unallied Management Projects	11.454		967,370	
Chesapeake Bay Studies	11.457		170,388	
Habitat Conservation	11.463		4,921	
Unallied Science Program	11.472		621,612	
Atlantic Coastal Fisheries Cooperative Management Act	11.474		182,292	
<i>Pass-Through From Atlantic States Marine Fisheries Commission</i>	11.474			24,078
State and Local Implementation Grant Program	11.549		90,004	
Measurement and Engineering Research and Standards - ARRA	11.609		5,800	
Manufacturing Extension Partnership	11.611		2,544,907	
<i>Pass-Through From Illinois Manufacturing Extension Center</i>	11.611			165,455
Congressionally-Identified Projects	11.617			
<i>Pass-Through From Vietnam Education Foundation</i>	11.617			23,047
Other Assistance:				
17th Annual Atmospheric and Oceanic Conference	11.000	202938	1,952	
Other Assistance	11.000	EA-133F-13-SE-0122	10,121	
<i>Pass-Through From National Geographic Society</i>	11.000	NA12SEC0080021 203165		12,857
Total Non-Stimulus			8,102,354	226,136
Stimulus (ARRA):				
State Broadband Data and Development Grant Program - ARRA	11.558		2,232,871	
Total Stimulus (ARRA)			2,232,871	-
Total Excluding Clusters Identified Below			10,335,225	226,136
Economic Development Cluster:				
Community Trade Adjustment Assistance	11.010			
<i>Pass-Through From New River Valley Planning District Commission</i>	11.010			80,354
Economic Adjustment Assistance	11.307		20,054,573	
<i>Pass-Through From District of Columbia, Office of Planning</i>	11.307			734
Total Economic Development Cluster:			20,054,573	81,088
Research and Development Cluster:				
Non-Stimulus:				
NOAA Mission-Related Education Awards	11.008		10,339	
<i>Pass-Through From National Geographic Society</i>	11.008			86,797
<i>Pass-Through From University Corporation for Atmospheric Research</i>	11.008			14,871
Integrated Ocean Observing System (IOOS)	11.012			
<i>Pass-Through From Rutgers, the State University of New Jersey</i>	11.012			39,632
<i>Pass-Through From Southeastern University Research Association</i>	11.012			20,637
Sea Grant Support	11.417		1,010,338	
<i>Pass-Through From Massachusetts Institute of Technology</i>	11.417			32,731
<i>Pass-Through From Texas A&M University</i>	11.417			110,767
<i>Pass-Through From University of Maryland</i>	11.417			3,997
Coastal Zone Management Administration Awards	11.419		975,392	
<i>Pass-Through From Maryland Department of Natural Resources</i>	11.419			42,736
<i>Pass-Through From Middle Peninsula Planning District Commission</i>	11.419			6,106
<i>Pass-Through From University of South Carolina</i>	11.419			22,451
Coastal Zone Management Estuarine Research Reserves	11.420		156,453	
Climate and Atmospheric Research	11.431		299,932	
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432		83,378	
Marine Fisheries Initiative	11.433		1,479	
Environmental Sciences, Applications, Data, and Education	11.440		469,707	
<i>Pass-Through From University of Maryland</i>	11.440			118,825

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Unallied Management Projects	11.454		1,765,454	
<i>Pass-Through From Coonamesset Farm Foundation, Incorporated</i>	11.454			27,713
Chesapeake Bay Studies	11.457		425,383	
<i>Pass-Through From Chesapeake Research Consortium</i>	11.457			57,093
<i>Pass-Through From Fairfax County Public Schools</i>	11.457			36,082
Habitat Conservation	11.463		102,998	
<i>Pass-Through From National Fish and Wildlife & Covanta Energy Corporation</i>	11.463			56,928
<i>Pass-Through From National Fish and Wildlife Foundation</i>	11.463			4,678
<i>Pass-Through From The Nature Conservancy</i>	11.463			41,523
Meteorologic and Hydrologic Modernization Development	11.467			
<i>Pass-Through From Oregon Department of Geology & Mineral</i>	11.467			37,239
Congressionally Identified Awards and Projects	11.469		118,585	
Unallied Science Program	11.472		46,449	
<i>Pass-Through From Commercial Fisheries Research Foundation</i>	11.472			2,821
Coastal Services Center	11.473			
<i>Pass-Through From Gulf of Mexico Alliance</i>	11.473			1,654
Atlantic Coastal Fisheries Cooperative Management Act	11.474		218	
<i>Pass-Through From Atlantic States Marine Fisheries Company</i>	11.474			63,584
Center for Sponsored Coastal Ocean Research-Coastal Ocean Program	11.478		68,920	
<i>Pass-Through From Louisiana State University</i>	11.478			24,403
<i>Pass-Through From University of Rhode Island</i>	11.478			10,882
NOAA Programs for Disaster Relief Appropriations Act - Non-construction and Construction	11.483		29,997	
Measurement and Engineering Research and Standards - ARRA	11.609		655,845	
<i>Pass-Through From Research Foundation of State University of New York at Binghamton</i>	11.609			103,004
Congressionally-Identified Projects	11.617		30,815	
Other Assistance:				
Atmospheric and Oceanic Studies	11.000	DG-133E 202422 202704 202740 202741203089 203095	236,484	
Geographic Information Systems Tools & Methods	11.000	YA1323-12-SE-0387 202748	58,514	
Total Non-Stimulus			6,546,680	967,154
Stimulus (ARRA):				
Measurement and Engineering Research and Standards - ARRA	11.609		59,533	
Total Stimulus (ARRA)			59,533	-
Total Research and Development Cluster			6,606,213	967,154
Total U.S. Department of Commerce			36,996,011	1,274,378

U.S. DEPARTMENT OF DEFENSE

Non-Stimulus:				
Procurement Technical Assistance For Business Firms	12.002		251,898	
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113		827,511	
Electronic Absentee Systems for Elections	12.217		114,428	
Basic and Applied Scientific Research	12.300		70,449	
<i>Pass-Through From The Regents Of The University Of Michigan</i>	12.300			239,964
<i>Pass-Through From University of Michigan - Ann Arbor</i>	12.300			282,658
Navy Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance	12.335			
<i>Pass-Through From Creare</i>	12.335			38,822
ROTC Language and Culture Training Grants	12.357			
<i>Pass-Through From Institute of International Education</i>	12.357			651,730
Marine Corps Systems Command Federal Assistance Program	12.369		19,440	
National Guard Military Operations and Maintenance (O&M) Projects - ARRA	12.401		54,180,665	

COMMONWEALTH OF VIRGINIA
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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
National Guard Challenge Program	12.404		4,106,523	
Basic Scientific Research - ARRA	12.431		9,229	
The Language Flagship Grants to Institutions of Higher Education	12.550		873	
National Security Education Program David L. Boren Fellowships	12.552			
<i>Pass-Through From Institute of International Education</i>	12.552			306,711
Community Investment	12.600		11,376	
Community Economic Adjustment Assistance for Establishment, Expansion, Realignment, or Closure of a Military Installation	12.607		333,993	
Community Economic Adjustment Assistance for Advance Planning and Economic Diversification	12.614		2,982,130	
Basic, Applied, and Advanced Research in Science and Engineering - ARRA	12.630		12,948,954	
<i>Pass-Through From Brandeis University</i>	12.630			48,855
Language Grant Program	12.900		295,006	
<i>Pass-Through From University of Maryland</i>	12.900			272
Information Security Grant Program	12.902		410,997	
Building Business Acumen	12.000	2012-12090100002 202757 202814	249,745	
Buildings Management Training	12.000	ONI-FY14 FM 0510 SKY 209772 209773	2,897	
Distressed	12.000	SP4800-13-2-1341 202986 202987	413,979	
Emergency Preparedness Training	12.000	W91QF7-10-T-0220 209804	12	
Other Assistance	12.000		10,758	
Other Assistance	12.000	N00178-13-P-4475	10,859	
Other Assistance	12.000	OBLIGATION NUMBER: IPA-DR BRAN	83,042	
Other Assistance	12.000	SP4800-12-2-1241 202688 202689	60,403	
<i>Pass-Through From Analytic Services, Incorporated</i>	12.000	W9113M-10-C0071 202443 202849		26,560
<i>Pass-Through From Auburn University</i>	12.000	13-BGCA-ARMY-VT		176,370
<i>Pass-Through From BAE (British Aerospace) Systems Advanced Technologies, Incorporated</i>	12.000	HHM402-13-C-0034 203131		67,169
<i>Pass-Through From BAE (British Aerospace) Systems Advanced Technologies, Incorporated</i>	12.000	W9113M-12-C-0066 202859		240,676
<i>Pass-Through From Battelle Memorial Institute</i>	12.000	N62473 202124 202840 203170		22,837
<i>Pass-Through From Booz Allen Hamilton</i>	12.000	HHM402-13-C-0013 202913		3,240
<i>Pass-Through From Chenega Technology Services Corporation</i>	12.000	2421-11-G202557		181,793
<i>Pass-Through From Computer Sciences Corporation</i>	12.000	HM0177-10-D-0006 203040		73,787
<i>Pass-Through From Leidos, Incorporated</i>	12.000	HM0177 202621 202655 202815 202827 202868 202869 202887 203143 203205		492,095
<i>Pass-Through From Lockheed Martin Integrated Systems</i>	12.000	N00039-08-C-0047 202541 202984		44,449
<i>Pass-Through From Northrop-Grumman</i>	12.000	H98230-10-C-0089 202578 202922		2,741
<i>Pass-Through From Q.E.D. (Quod Erat Demonstrandum) Systems, Incorporated</i>	12.000	N65540 202623 203037 203184		21,227
<i>Pass-Through From Raytheon Systems</i>	12.000	FA7014-13-C-1008 202701 203161		60,541
<i>Pass-Through From TASC, Incorporated (The Analytical Sciences Corporation)</i>	12.000	P-0002534 202539 203046 2013-13070900005 209770 209771 209782		253,076
Systems and Data Training	12.000	209783	76,985	
Technical Systems Management Training	12.000	CT13VN-C278-00XY 209792 209796	5,060	
USAFA Visiting Professor Program	12.000		119,689	
Total Excluding Clusters Identified Below			77,596,901	3,235,573
Research and Development Cluster:				
Aquatic Plant Control	12.100		71,132	
<i>Pass-Through From BAE Systems NA, Incorporated</i>	12.100			745
<i>Pass-Through From EA Engineering, Science, and Technology, Incorporated</i>	12.100			25,850
<i>Pass-Through From Luna Innovations, Incorporated</i>	12.100			41,037
Flood Control Projects	12.106			
<i>Pass-Through From Fugro Fuller Estis Burns Joint Venture, Limited Liability Corporation</i>	12.106			61,568
Basic and Applied Scientific Research	12.300		18,503,262	
<i>Pass-Through From Advanced Scientific Concepts Incorporated</i>	12.300			14,890
<i>Pass-Through From Aerospace Testing Alliance</i>	12.300			92,064
<i>Pass-Through From Alion Science Technology Corporation</i>	12.300			58,627
<i>Pass-Through From AVID Limited Liability Corporation</i>	12.300			1,509
<i>Pass-Through From BAE Systems NA, Incorporated</i>	12.300			10,222

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
<i>Pass-Through From Barron Associates Incorporated</i>	12.300			29,882
<i>Pass-Through From Berrie Hill Research Corporation</i>	12.300			78,245
<i>Pass-Through From Booz Allen & Hamilton</i>	12.300			89,473
<i>Pass-Through From Colorado State University</i>	12.300			10,959
<i>Pass-Through From Creare Incorporated</i>	12.300			7,102
<i>Pass-Through From Dartmouth College</i>	12.300			40,046
<i>Pass-Through From DDL Omni Engineering Limited Liability Corporation</i>	12.300			1,445
<i>Pass-Through From Entegriion Incorporated</i>	12.300			451,434
<i>Pass-Through From Harmonia Incorporated</i>	12.300			67,510
<i>Pass-Through From INTER Materials</i>	12.300			46,057
<i>Pass-Through From ITT Industries, Incorporated</i>	12.300			32,955
<i>Pass-Through From Joseph W Jones Ecological Research</i>	12.300			15,700
<i>Pass-Through From MacAulay-Brown, Incorporated</i>	12.300			419,088
<i>Pass-Through From NanoSonic, Incorporated</i>	12.300			38,749
<i>Pass-Through From Navatek Limited</i>	12.300			57,186
<i>Pass-Through From New York Institute of Technology</i>	12.300			128,088
<i>Pass-Through From NextGen Aeronautics, Incorporated</i>	12.300			60,140
<i>Pass-Through From Pennsylvania State University</i>	12.300			43,413
<i>Pass-Through From ProvenRobots.com, Incorporated</i>	12.300			20,761
<i>Pass-Through From Royal Institute of Technology</i>	12.300			154,740
<i>Pass-Through From Royal Melbourne Institute of Technology University</i>	12.300			2,236
<i>Pass-Through From Science Applications International Corporation</i>	12.300			1,796
<i>Pass-Through From Shared Spectrum Company</i>	12.300			44,349
<i>Pass-Through From Simpson Weather Associates, Incorporated</i>	12.300			23,710
<i>Pass-Through From SMD Corporation</i>	12.300			19,847
<i>Pass-Through From Syracuse University</i>	12.300			41,498
<i>Pass-Through From Taras Research, Limited Liability Corporation</i>	12.300			39,260
<i>Pass-Through From The Regents Of The University Of Michigan</i>	12.300			182,146
<i>Pass-Through From TORC Robotics, Limited Liability Corporation</i>	12.300			26,178
<i>Pass-Through From Universal Technology Corporation</i>	12.300			132,287
<i>Pass-Through From University of California, Santa Barbara</i>	12.300			182,173
<i>Pass-Through From University of Michigan - Ann Arbor</i>	12.300			183,410
<i>Pass-Through From University of Notre Dame</i>	12.300			117,135
<i>Pass-Through From University of Tennessee</i>	12.300			27,317
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351		3,822,035	
<i>Pass-Through From University of Maryland</i>	12.351			111,741
Military Medical Research and Development	12.420		13,685,834	
<i>Pass-Through From Archinonetics Limited Liability Company</i>	12.420			155,856
<i>Pass-Through From Avita Medial Limited Liability Company</i>	12.420			897
<i>Pass-Through From Case Western Reserve University</i>	12.420			228,665
<i>Pass-Through From Georgia Institute of Technology</i>	12.420			104,979
<i>Pass-Through From Henry M. Jackson Foundation for the Advancement of Military Medicine</i>	12.420			507,683
<i>Pass-Through From IASIS Molecular Sciences, Limited Liability Company</i>	12.420			222,562
<i>Pass-Through From Indiana University</i>	12.420			70,786
<i>Pass-Through From Johns Hopkins University</i>	12.420			9,852
<i>Pass-Through From Keranetics</i>	12.420			29,126
<i>Pass-Through From Laureate Institute for Brain Research</i>	12.420			54,628
<i>Pass-Through From Massachusetts Institute of Technology</i>	12.420			6,110
<i>Pass-Through From McGuire Research Institute</i>	12.420			23,745
<i>Pass-Through From Michigan State University</i>	12.420			47,124
<i>Pass-Through From Rutgers, The State University of New Jersey</i>	12.420			130
<i>Pass-Through From The Geneva Foundation</i>	12.420			149,273
<i>Pass-Through From University of Cincinnati</i>	12.420			22,701
<i>Pass-Through From University of Colorado</i>	12.420			37,772
<i>Pass-Through From University of Florida</i>	12.420			25,698

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
<i>Pass-Through From University of Maryland</i>	12.420			1,944
<i>Pass-Through From University of Pittsburgh</i>	12.420			313,086
<i>Pass-Through From University of Texas Health Science Center at San Antonio</i>	12.420			32,374
<i>Pass-Through From University of Washington</i>	12.420			33,555
<i>Pass-Through From Veterans Affairs Foundation Detroit</i>	12.420			4,291
Basic Scientific Research - ARRA	12.431		4,626,897	
<i>Pass-Through From Carnegie Mellon University</i>	12.431			174,991
<i>Pass-Through From Case Western Reserve University</i>	12.431			(1)
<i>Pass-Through From Cornell University</i>	12.431			20,208
<i>Pass-Through From Pennsylvania State University</i>	12.431			180,328
<i>Pass-Through From Princeton University</i>	12.431			2,366
<i>Pass-Through From The University of Texas at Austin</i>	12.431			40,367
<i>Pass-Through From University of Washington</i>	12.431			57,279
Community Economic Adjustment Assistance for Advance Planning and Economic Diversification	12.614		758,725	
Basic, Applied, and Advanced Research in Science and Engineering - ARRA	12.630		660,405	
<i>Pass-Through From Bowie State University</i>	12.630			32,267
<i>Pass-Through From Dubac Cox Shumaker Corporation</i>	12.630			7,059
<i>Pass-Through From University of Missouri Columbia</i>	12.630			6,241
Uniformed Services University Medical Research Projects	12.750			
<i>Pass-Through From Henry M. Jackson Foundation for the Advancement of Military Medicine</i>	12.750			476,492
<i>Pass-Through From The Geneva Foundation</i>	12.750			36,273
Air Force Defense Research Sciences Program	12.800		10,720,640	
<i>Pass-Through From Carnegie Mellon University</i>	12.800			92,114
<i>Pass-Through From Columbia University</i>	12.800			1,381
<i>Pass-Through From MicroXact, Incorporated</i>	12.800			46,563
<i>Pass-Through From NanoSonic, Incorporated</i>	12.800			5,377
<i>Pass-Through From National Institute of Aerospace</i>	12.800			10
<i>Pass-Through From Ohio Aerospace Institute</i>	12.800			27,968
<i>Pass-Through From Ohio State University</i>	12.800			76,780
<i>Pass-Through From Pennsylvania State University</i>	12.800			593
<i>Pass-Through From Prime Photonics, Incorporated</i>	12.800			115,926
<i>Pass-Through From Purdue University</i>	12.800			55,953
<i>Pass-Through From SA Photonics, Limited Liability Corporation</i>	12.800			3,745
<i>Pass-Through From Texas A&M University</i>	12.800			107,025
<i>Pass-Through From University of Arizona</i>	12.800			70,426
<i>Pass-Through From University of California at Berkeley</i>	12.800			277,687
<i>Pass-Through From University of New Mexico</i>	12.800			17,783
<i>Pass-Through From University of Pittsburgh</i>	12.800			105,125
<i>Pass-Through From University of Texas Health Science Center at San Antonio</i>	12.800			22,690
<i>Pass-Through From University of Utah</i>	12.800			156,832
<i>Pass-Through From Vanderbilt University</i>	12.800			31,216
<i>Pass-Through From Virginia Tech Applied Research Corporation</i>	12.800			252,361
<i>Pass-Through From Wright State University</i>	12.800			18,307
<i>Pass-Through From Yale University</i>	12.800			(1)
Mathematical Sciences Grants Program	12.901		74,877	
Research and Technology Development	12.910		7,514,037	
<i>Pass-Through From California Institute of Technology</i>	12.910			16,298
<i>Pass-Through From Invincea Labs, Limited Liability Company</i>	12.910			951
<i>Pass-Through From Raytheon Company</i>	12.910			44,256
<i>Pass-Through From Stanford University</i>	12.910			117,852
<i>Pass-Through From Strategic Analysis, Incorporated</i>	12.910			19,753
<i>Pass-Through From University of California, San Diego</i>	12.910			192
<i>Pass-Through From University of Southern California</i>	12.910			175,943
Other Assistance:				
Alloy Modeling	12.000	W911QX-11-P-0187 202514	17,773	

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Decision Making	12.000	2010-1043907-000 202081	11,294	
Defense Threat Reduction	12.000	HDTRA1 201578 202590 W9132V 202369 202784 202792 202843	1,595,980	
Engineering Studies	12.000	203084	299,577	
Enterprise Attack Analysis	12.000	FA8750-12-C-0226 202736	293,740	
Interface Improvement	12.000	2012-12060500007 202714	165,837	
Intergovernmental Personnel Act Agreement Claude Kicklighter	12.000	202395	233,544	
Intergovernmental Personnel Act Agreement Dennis McBride	12.000	202606	11,247	
Intergovernmental Personnel Act Agreement Duplantier	12.000	202606	216,594	
Intergovernmental Personnel Act Agreement Greanya	12.000	202606	206,650	
Market Oriented Approaches	12.000	NRO00014-C-0030 203172	74,432	
Other Assistance	12.000	FA9550-11-1-0313	195,330	
Other Assistance	12.000	HDTRA 1-11-D-0016/0003	475,323	
Other Assistance	12.000	HDTRA1-11-D-0016/0002	120,861	
Other Assistance	12.000	HDTRA1-11-D-0016/0004	260,030	
Other Assistance	12.000	HDTRA-11-D-0016/0001	4,135,923	
Other Assistance	12.000	HHM402-12-1-0012	449,295	
Other Assistance	12.000	LOG-LOG-W81XWH-11-2-0187	243,860	
Other Assistance	12.000	MISC11DT627MAT	332,435	
Other Assistance	12.000	N00178-09-C-3013	28,035	
Other Assistance	12.000	N00178-09-D-0317/0024	66,549	
Other Assistance	12.000	N00178-09-D-3017/0022	17,402	
Other Assistance	12.000	N00178-09-D-3017/0023	416,671	
Other Assistance	12.000	N00178-09-D-3017/0025	39,789	
Other Assistance	12.000	N00178-09-D-3017-0017	3,503	
Other Assistance	12.000	N00178-09-D3017-0018	150,037	
Other Assistance	12.000	N00178-09-D-3017-0026	16,418	
Other Assistance	12.000	N62306-12-P-2007	50,558	
Other Assistance	12.000	N62306-12-P-3006	233	
Other Assistance	12.000	W56HZV-10-C-L519	1,424	
Other Assistance	12.000	W912HQ-10-C-0029	12,751	
Other Assistance	12.000	W9132T-11-2-0017	79,996	
Other Assistance	12.000	W9132T-11-2-0036	46,548	
Other Assistance	12.000	W91CRB-13-C-0048	15,466	
Pass-Through From Alion Science and Technology Corporation	12.000	FA1500-10-D-001 202608		187,778
Pass-Through From Alion Science and Technology Corporation	12.000	SP0700-99-D0301 202799 203077		55,931
Pass-Through From Aptima, Incorporated	12.000	FA8650-11-C-6236 203188		10,274
Pass-Through From Aptima, Incorporated	12.000	N00014-12-G-05460005 202693 203078		29,139
Pass-Through From AVID Limited Liability Corporation	12.000	AVIDW15QKN120C0108VT		1,063
Pass-Through From Azure Summit Technology Incorporated	12.000	14-M-0007-VPI-001		23,440
Pass-Through From Battelle	12.000	PO US001-0000388861		40,220
Pass-Through From Berkeley Research Associates, Incorporated	12.000	N00173-10-C-2047 202352		47,788
Pass-Through From Carnegie Mellon University	12.000	FA9550-08-1-0356 201596		39,719
Pass-Through From Ceres Nanosciences, Incorporated	12.000	D12PC00036 202894		23,133
Pass-Through From Ceres Nanosciences, Incorporated	12.000	HR0011-12-9-0016 202800		91,022
Pass-Through From Columbia University	12.000	FA8650-10-C-7024 202132		712,120
Pass-Through From Columbia University	12.000	FA8650-11-C-7190 202527		94,616
Pass-Through From Cortana Corporation	12.000	13-01		222,389
Pass-Through From Creare Incorporated	12.000	71805		40,851
Pass-Through From Cycorp, Incorporated	12.000	HQ0147-13-C-7701 203069		133,664
Pass-Through From Echo Ridge Limited Liability Company	12.000	FA8650-13-C-1619 202976		9,802
Pass-Through From Excet, Incorporated	12.000	G00877626-2483 203007		13,704
Pass-Through From FirstGuard Technologies Corporation	12.000	N6 1331-13-P-3602 203216		23,010
Pass-Through From General Dynamics Information Technology	12.000	F5702-11-04-SC10-01		63,504
Pass-Through From Geneva Foundation	12.000	W81XWH-11-0126 202871		10,630

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<i>Pass-Through From Geneva Foundation</i>	12.000	W81XWH-13-0191 203195		13,447
<i>Pass-Through From Geneva Foundation</i>	12.000	W9113M-10-C-0057 203088		199,125
<i>Pass-Through From Global Engineering & Materials Incorporated</i>	12.000	AGRMT DTD 9/18/12		528
<i>Pass-Through From Global Resource Solutions, Incorporated</i>	12.000	BAONBS23-001 202045		81,230
<i>Pass-Through From Group W Incorporated</i>	12.000	M00264-12-D-0007 203074		54,310
<i>Pass-Through From Harris Corporation</i>	12.000	A000267311		335,311
<i>Pass-Through From High Performance Technologies Incorporated</i>	12.000	GS04T09DBC0017 202860 203204		11,397
<i>Pass-Through From HRL (Hughes Research) Laboratories</i>	12.000	FA8650-13-C-7356 203117		147,943
<i>Pass-Through From Inova Healthcare</i>	12.000	D10-I-AR-J6-828 203057		38,296
<i>Pass-Through From Intelligent Fusion Technology, Incorporated</i>	12.000	FA9453-14-M-0001 203138		19,274
<i>Pass-Through From Invincea Labs, Limited Liability Company</i>	12.000	FA8750-10-C-0169 202103		292,494
<i>Pass-Through From Invincea Labs, Limited Liability Company</i>	12.000	FA8750-13-C-0027 203176		136,777
<i>Pass-Through From Johns Hopkins University</i>	12.000	108582 202719		258
<i>Pass-Through From Johns Hopkins University</i>	12.000	12050800010 202923		75,239
<i>Pass-Through From Leidos Incorporated</i>	12.000	DTRA01-03-D-0017 202607 202925		54,745
<i>Pass-Through From Leidos, Incorporated</i>	12.000	MSA TASK ORDER NO. P010151926		94,232
<i>Pass-Through From Lockheed Martin Enterprise Business Services</i>	12.000	4100518489		130,387
<i>Pass-Through From Massachusetts Institute of Technology</i>	12.000	LTR NO. 16-S-12-0682		126,394
<i>Pass-Through From McQ, Incorporated</i>	12.000	HQ0147-14-C-7840 203212		11,810
<i>Pass-Through From McQ, Incorporated</i>	12.000	M67854-12-C-6538 202901		1,436
<i>Pass-Through From NanoSonic, Incorporated</i>	12.000	NANO# A-0090		26,420
<i>Pass-Through From NanoSonic, Incorporated</i>	12.000	NANO#AF-0054		4,522
<i>Pass-Through From NanoSonic, Incorporated</i>	12.000	NANO#AR-P001		1,583
<i>Pass-Through From National Boys & Girls Clubs</i>	12.000	AGMT DTD 09/28/12		56,925
<i>Pass-Through From NIITEK (Non-Intrusive Inspection Technology), Incorporated</i>	12.000	HR0011-13-C-0058 202973		121,957
<i>Pass-Through From Object Video, Incorporated</i>	12.000	FA8650-12-C-7212 202616 202983		136,972
<i>Pass-Through From Oculus Info, Incorporated</i>	12.000	N41756-13-C-3058 203154		59,642
<i>Pass-Through From Paragon NanoLabs, Incorporated</i>	12.000	W911NF-13-C-0044 203012		20,766
<i>Pass-Through From Paragon NanoLabs, Incorporated</i>	12.000	W911SR-13-C-0019 202886		17,346
<i>Pass-Through From Perceptronics Solutions, Incorporated</i>	12.000	G00528268 202890		20,851
<i>Pass-Through From Quanterion Solutions Incorporated</i>	12.000	FA1500-10-0001 202893		76,369
<i>Pass-Through From Research Triangle Institute</i>	12.000	TO#3-312-0123589 WO T-4		104,574
<i>Pass-Through From Royal Melbourne Institute of Technology University</i>	12.000	N00014-12-0248		127
<i>Pass-Through From Sandia Research Corporation</i>	12.000	W911NF-13-C-0060 202972		24,869
<i>Pass-Through From Science & Engineering Services, Limited Liability Corporation</i>	12.000	R14SP00002		130,627
<i>Pass-Through From Science Applications International Corporation</i>	12.000	P010134086		50,784
<i>Pass-Through From SciX3, Limited Liability Company</i>	12.000	W911QX-13-C-0126 203005		20,509
<i>Pass-Through From Service Disabled Contracting Group, Incorporated</i>	12.000			61,034
<i>Pass-Through From Sierra Nevada Corporation</i>	12.000	FA8750-13-C-0057 202988 203158		120,667
<i>Pass-Through From Sikorsky Aircraft Corporation</i>	12.000	S1538A		32,274
<i>Pass-Through From SMD Corporation</i>	12.000	AGREEMENT SIGNED 6/18/12		109,750
<i>Pass-Through From TORC Robotics, Limited Liability Corporation</i>	12.000	AFR-03-101/VT-01		90,662
<i>Pass-Through From Trideum Corporation</i>	12.000	W15P7T-06-D-E402 202883		56,667
<i>Pass-Through From Truestone, Limited Liability Company</i>	12.000	GS-02F-0188Y 203194		45,779
<i>Pass-Through From University of Maryland</i>	12.000	N0000141310054 202899		121,806
<i>Pass-Through From University of Michigan - Ann Arbor</i>	12.000	3000685438		42,113
<i>Pass-Through From University of Southern California</i>	12.000	N66001-11-C-4021 203155		10,798
<i>Pass-Through From Vectare Limited Liability Company</i>	12.000	1071-00-REV B 202820 203159 203218		55,084
<i>Pass-Through From Ventura Solutions</i>	12.000	PO. 1044-10/TTO 1		9,999
<i>Pass-Through From Ventura Solutions</i>	12.000	PO: 1044-10/ TTO 6		35,254
<i>Pass-Through From Zel Technologies, Limited Liability Company</i>	12.000	FA8750-08-D-0210/006 202956		179,418
Phosphoproteomic Profiling	12.000	W81XWH-11-P-0310 202354	112,404	
Prostate Cancer	12.000	W81XWH-13-1-0329 203096	35,056	
Real-Time Social Media Exploitation	12.000	N41756-13-C-3019	684,918	
Role of Motivational States	12.000	W5J9CQ-12-C-0036 202785	186,927	

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Scene Analysis	12.000	HM0177-12-P-0019 202604	13,916	
Socio-Geographic Dynamics	12.000	W15QKN-13-C-0090 203106	48,620	
Uniformed Services University	12.000	HT9404-13-1-TS05(N13-P01)	9,321	
US GOVT	12.000	(07-C-0378)	2,799,756	
Vulnerabilities in Mobile Applications	12.000	2013-1307071200003 203053	1,396	
Total Research and Development Cluster			74,615,263	13,756,959
Total U.S. Department of Defense			152,212,164	16,992,532
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Non-Stimulus:				
Emergency Solutions Grant Program	14.231		2,533,622	
Supportive Housing Program	14.235		124,642	
HOME Investment Partnerships Program	14.239		9,941,006	
Housing Opportunities for Persons with AIDS	14.241		627,763	
Pass-Through From City of Richmond	14.241			21,168
Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	14.251		2,932	
Fair Housing Assistance Program-State and Local	14.401		217,686	
Historically Black Colleges and Universities Program	14.520		166,717	
Other Assistance:				
Pass-Through From New River Valley Planning District Commission	14.000	AGREEMENT DATED 8/15/11		23,681
Pass-Through From New River Valley Planning District Commission	14.000	EXECUTED 7/6/2011		20,341
Total Excluding Clusters Identified Below			13,614,368	65,190
CDBG Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218			
Pass-Through From City of Richmond	14.218			81,836
Total CDBG Entitlement Grants Cluster			-	81,836
CDBG State Administered CDBG Cluster:				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228		24,948,239	
Total CDBG State Administered CDBG Cluster			24,948,239	-
Research and Development Cluster:				
Transformation Initiative Research Grants; Sustainable Community Research Grant Program	14.523		42,964	
Other Assistance:				
Pass-Through From New River Valley Planning District Commission	14.000	AGREEMENT DATED 12/20/11		2,275
Pass-Through From The German Marshall Fund of the United States	14.000	AGREEMENT DATED 6/6/12		41,996
Total Research and Development Cluster			42,964	44,271
Total U.S. Department of Housing and Urban Development			38,605,571	191,297
U.S. DEPARTMENT OF THE INTERIOR				
Non-Stimulus:				
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250		3,575,888	
Abandoned Mine Land Reclamation (AMLR) Program	15.252		12,898,544	
Fish and Wildlife Management Assistance	15.608		40,482	
Cooperative Endangered Species Conservation Fund	15.615		100,070	

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Clean Vessel Act Program	15.616		194,915	
Sportfishing and Boating Safety Act	15.622		1,489	
Enhanced Hunter Education and Safety Program	15.626		231,583	
Landowner Incentive Program	15.633		157,910	
State Wildlife Grants	15.634		1,950,068	
Endangered Species Conservation - Recovery Implementation Funds	15.657		73,994	
National Resource Damage Assessment, Restoration, and Implementation	15.658		130,290	
National Fish and Wildlife Foundation	15.663			
<i>Pass-Through From National Fish and Wildlife Foundation</i>	15.663			47,725
Fish and Wildlife Coordination and Assistance Programs	15.664		14,095	
U.S. Geological Survey- Research and Data Collection	15.808		7,140	
National Cooperative Geologic Mapping Program	15.810		12,173	
National Geological and Geophysical Data Preservation Program	15.814		4,138	
National Land Remote Sensing - Education Outreach and Research	15.815			
<i>Pass-Through From AmericaView Incorporated</i>	15.815			5,802
Historic Preservation Fund Grants-In-Aid	15.904		891,699	
Outdoor Recreation-Acquisition, Development and Planning	15.916		323,486	
Rivers, Trails and Conservation Assistance	15.921		101,286	
American Battlefield Protection	15.926		6,377,810	
Chesapeake Bay Gateways Network	15.930		18,100	
Conservation Activities by Youth Service Organizations - ARRA	15.931		1,530	
National Trails System Projects - ARRA	15.935		5,000	
Cooperative Research and Training Programs – Resources of the National Park System	15.945		41,188	
Historic Preservation Fund Grants to Provide Disaster Relief to Historic Properties Damaged by Hurricane Sandy	15.957		8,509	
Upper Mississippi River System Long Term Resource Monitoring Program	15.978		6,838	
Other Assistance:				
War of 1812 Bicentennial	15.000	P11AC30805 202957	79,869	
Total Excluding Clusters Identified Below			27,248,094	53,527
Fish and Wildlife Cluster:				
Sport Fish Restoration Program	15.605		5,001,287	
Wildlife Restoration and Basic Hunter Education	15.611		7,446,183	
Total Fish and Wildlife Cluster			12,447,470	-
Research and Development Cluster:				
Science and Technology Projects Related to Coal Mining and Reclamation	15.255		24,016	
Bureau of Ocean Energy Management (BOEM) Environmental Studies Program (ESP)	15.423		510,120	
<i>Pass-Through From Rutgers, The State University</i>	15.423			41,093
Fish and Wildlife Management Assistance	15.608		9,769	
Coastal Program	15.630		18,863	
<i>Pass-Through From North Carolina US Fish and Wildlife Service</i>	15.630			1,397
Partners for Fish and Wildlife	15.631		4,373	
State Wildlife Grants	15.634			
<i>Pass-Through From Wildlife Management Institute</i>	15.634			53,848
Migratory Bird Joint Ventures	15.637			
<i>Pass-Through From American Bird Conservancy</i>	15.637			63,826
Research Grants (Generic)	15.650		609,853	
<i>Pass-Through From University of Central Florida</i>	15.650			23,566
Migratory Bird Monitoring, Assessment and Conservation	15.655		17,966	
Recovery Act Funds - Habitat Enhancement, Restoration, and Improvement	15.656		53,840	
Endangered Species Conservation - Recovery Implementation Funds	15.657		463,055	
National Resource Damage Assessment, Restoration, and Implementation	15.658		35	
Fish and Wildlife Coordination and Assistance Programs	15.664		38,164	

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<i>Pass-Through From Wildlife Management Institute</i>	15.664			45,136
National Wetlands Inventory	15.665		107,448	
Assistance to State Water Resources Research Institutes	15.805		219,714	
Earthquake Hazards Research Grants	15.807		142,579	
U.S. Geological Survey- Research and Data Collection	15.808		487,281	
National Cooperative Geologic Mapping Program	15.810		253,875	
Cooperative Research Units Program	15.812		1,559,815	
Rivers, Trails and Conservation Assistance	15.921		6,149	
American Battlefield Protection	15.926		3,079	
Save America's Treasures - ARRA	15.929		29,755	
Cooperative Research and Training Programs – Resources of the National Park System	15.945		427,101	
Other Assistance:				
Climate Change in U.S. Parks	15.000	P13AC01364 203086	13,140	
Climate Communication Interns	15.000	P2AC10261 202634	56,390	
		G08PA90062 201605 202500 202594 202595 202699 202761 202918 202919		
Geological Survey Basic Ordering Agreement	15.000	202920 202921 203060 203129 202566	112,472	
National Mall Plan	15.000	P07AC00007 202710	127,240	
Other Assistance	15.000	12107	15,000	
Other Assistance	15.000	D12PC00337/MOD 9	4,418,074	
Other Assistance	15.000	E12PC00034	33,976	
Other Assistance	15.000	F11PC00489-MODS 1 & 2	47,787	
Other Assistance	15.000	P08AC00119-H4506080730	5,401	
Other Assistance	15.000	P09AC00347-J5463090001	20,686	
Other Assistance	15.000	P13AC00572-H500009504	14,971	
<i>Pass-Through From AmericaView Incorporated</i>	15.000	AV08-VA01		6,645
<i>Pass-Through From AmericaView Incorporated</i>	15.000	AV08-VA02		3,814
<i>Pass-Through From Minnesota Pollution Control Agency</i>	15.000	17134MES		4,069
<i>Pass-Through From University of Illinois</i>	15.000	GRANT CODE D6628		74,609
<i>Pass-Through From West Virginia University</i>	15.000	14-035-VPI		13,838
Qualitative Analysis National Mall	15.000	J3992-07-0400 202626	2,958	
Resource Management Internship Program	15.000	P11AC30805 203135	1,855	
Science Cast	15.000	D11PC20062 202312	2,889,012	
Teaching Diverse Population	15.000	H3992060006 202465	23,242	
Total Research and Development Cluster			12,769,054	331,841
Total U.S. Department of the Interior			52,464,618	385,368

U.S. DEPARTMENT OF JUSTICE

Non-Stimulus:				
Law Enforcement Assistance-Narcotics and Dangerous Drugs Training	16.004		194,743	
Violence Against Women Act Court Training and Improvement Grants	16.013		14,340	
Sexual Assault Services Formula Program	16.017		375,665	
Juvenile Accountability Block Grants	16.523		666,108	
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525		58,185	
<i>Pass-Through From University of Richmond</i>	16.525			9,131
Enhanced Training and Services to End Violence and Abuse of Women Later in Life	16.528		88,231	
Juvenile Justice and Delinquency Prevention-Allocation to States	16.540		648,013	
Missing Children's Assistance	16.543		254,337	
Victims of Child Abuse	16.547			
<i>Pass-Through From National Court Appointed Special Advocate</i>	16.547			13,149
Title V-Delinquency Prevention Program	16.548		32,640	
State Justice Statistics Program for Statistical Analysis Centers	16.550		74,311	

COMMONWEALTH OF VIRGINIA
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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
National Criminal History Improvement Program (NCHIP)	16.554		177,920	
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		814,408	
Crime Victim Assistance	16.575		9,295,409	
Crime Victim Compensation	16.576		1,157,000	
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		208,406	
Drug Court Discretionary Grant Program	16.585		390,605	
Violence Against Women Formula Grants - ARRA	16.588		2,963,799	
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590		213,496	
Residential Substance Abuse Treatment for State Prisoners	16.593		457,861	
Project Safe Neighborhoods	16.609			
<i>Pass-Through From District of Columbia Government</i>	16.609			572
Public Safety Partnership and Community Policing Grants - ARRA	16.710		223,120	
<i>Pass-Through From VTV Family Outreach Foundation, Incorporated</i>	16.710			18,023
Juvenile Mentoring Program	16.726		46,353	
<i>Pass-Through From National 4-H Council</i>	16.726			59,973
Enforcing Underage Drinking Laws Program	16.727		134,026	
PREA Program: Demonstration Projects to Establish "Zero Tolerance" Cultures for Sexual Assault in Correctional Facilities	16.735		1,220,746	
DNA Backlog Reduction Program	16.741		1,137,082	
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742		265,823	
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745		6,791	
Edward Byrne Memorial Competitive Grant Program	16.751		154,089	
Economic High-Tech and Cyber Crime Prevention	16.752		77,925	
Recovery Act -Internet Crimes Against Children Task Force Program (ICAC)	16.800		110,177	
Second Chance Act Prisoner Reentry Initiative	16.812		449,576	
NICS Act Record Improvement Program	16.813		104,169	
Equitable Sharing Program	16.922		3,671,304	
Other Assistance:				
<i>Pass-Through From Council of State Governments</i>	16.000	14-LA-161-2102 203142		6,996
Research Assistant Program	16.000	2009-IJ-R-100 201936	51,452	
Total Excluding Clusters Identified Below			25,738,110	107,844
JAG Program Cluster:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738		5,023,896	
Total JAG Program Cluster			5,023,896	-
Research and Development Cluster:				
Juvenile Accountability Block Grants	16.523			
<i>Pass-Through From City of Charlottesville</i>	16.523			48,110
Juvenile Justice and Delinquency Prevention-Allocation to States	16.540		54,378	
<i>Pass-Through From The Johns Hopkins University Applied Physics Laboratory</i>	16.540			121,597
Part E - Developing, Testing and Demonstrating Promising New Programs	16.541		133,379	
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		148,491	
<i>Pass-Through From Forensic Sciences Foundation</i>	16.560			7,757
<i>Pass-Through From MDRC (Manpower Demonstration Research Corporation)</i>	16.560			117,437
<i>Pass-Through From Police Executive Research Forum</i>	16.560			4,925
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		204,678	
Juvenile Mentoring Program	16.726		125,392	
Other Assistance:				
Bureau of Justice Assistance Soaring	16.000	2010-DB-BX-K077 202197	210,431	
Community Policing Strategies	16.000	2012-CK-WX-K026 202807	116,124	
License Plate Recognition Technology	16.000	2013-IJ-CX-0017 203080	47,023	
Other Assistance	16.000	2009-DN-BX-K233	35,990	

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Other Assistance	16.000	2012-IJ-CX-0003	50,369	
<i>Pass-Through From City of Brooklyn Park</i>	16.000	2013-DB-BX-0030 203168		13,618
<i>Pass-Through From City of Philadelphia</i>	16.000	2013-SM-BX-0004 203189		33,301
<i>Pass-Through From City of Redlands</i>	16.000	2010-DE-BX-K006 202274		9,325
<i>Pass-Through From City of Seattle</i>	16.000	2012-AJ-BX-0006 202958		90,140
<i>Pass-Through From The Urban Institute</i>	16.000	2010-WG-GX-0011 202297		3,482
Reentry Programs	16.000	2012-IJ-CX-0013 202752	27,812	
Selective Exploitation Trace Chemical Analysis	16.000	2012-DN-BX-K038 202749	175,650	
Testing Android Application	16.000	A2N203268 202756	2,047	
Translating Evidence Based Practice	16.000	2011-DB-BX-K010 202507	53,865	
Total Research and Development Cluster			1,385,629	449,692
Total U.S. Department of Justice			32,147,635	557,536
U.S. DEPARTMENT OF LABOR				
Non-Stimulus:				
Labor Force Statistics	17.002		1,511,260	
Compensation and Working Conditions	17.005		99,947	
Unemployment Insurance - ARRA	17.225		694,037,474	
Senior Community Service Employment Program	17.235		1,836,954	
Trade Adjustment Assistance	17.245		8,493,141	
WIA Dislocated Workers - ARRA	17.260			
<i>Pass-Through From Bay Consortium Workforce Investment Board</i>	17.260			302,529
<i>Pass-Through From Crater Regional Workforce Investment Board</i>	17.260			209,953
WIA Pilots, Demonstrations, and Research Projects	17.261		482,590	
Work Incentives Grants	17.266		64,466	
Incentive Grants- WIA Section 503	17.267		14,625	
H-1B Job Training Grants	17.268			
<i>Pass-Through From Greater Peninsula Workforce Development Consortium</i>	17.268			70,177
<i>Pass-Through From Shenandoah Valley Workforce Investment Board</i>	17.268			37,871
Community Based Job Training Grants	17.269		244,557	
Work Opportunity Tax Credit Program (WOTC)	17.271		660,123	
Temporary Labor Certification for Foreign Workers	17.273		400,446	
Workforce Investment Act (WIA) National Emergency Grants	17.277		74,362	
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282		11,575,583	
<i>Pass-Through From Bellevue College</i>	17.282			132,827
<i>Pass-Through From Henry Ford Community College</i>	17.282			67,350
Workforce Innovation Fund	17.283			
<i>Pass-Through From Capital Region Workforce Partnership</i>	17.283			701,514
<i>Pass-Through From SkillSource Group</i>	17.283			87,495
Occupational Safety and Health-State Program	17.503		3,979,110	
Consultation Agreements	17.504		980,694	
Mine Health and Safety Grants	17.600		47,582	
Brookwood-Sago Grant	17.603		13,350	
Other Assistance:				
Equal Employment Opportunity Commission	17.000		12,512	
<i>Pass-Through From West Piedmont Workforce Investment</i>	17.000	FFP AGREEMENT AT-14679		500
Total Non-Stimulus			724,528,776	1,610,216

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Stimulus (ARRA):				
Unemployment Insurance - ARRA	17.225		6,844,418	
Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors - ARRA	17.275			
<i>Pass-Through From Shenandoah Valley Workforce Investment Board</i>	17.275			3,459
Total Stimulus (ARRA)			6,844,418	3,459
Total Excluding Clusters Identified Below			731,373,194	1,613,675
Employment Service Cluster:				
Employment Service/Wagner - Peyser Funded Activities	17.207		16,662,308	
Disabled Veterans' Outreach Program (DVOP)	17.801		1,795,269	
Local Veterans' Employment Representative Program	17.804		2,490,727	
Total Employment Service Cluster			20,948,304	-
WIA Cluster:				
WIA Adult Program	17.258		11,500,435	
<i>Pass-Through From Bay Consortium Workforce Investment Board</i>	17.258			383,357
<i>Pass-Through From Crater Regional Workforce Investment Board</i>	17.258			188,535
<i>Pass-Through From Region 2000 Regional Commission</i>	17.258			262,182
<i>Pass-Through From South Central Workforce Investment Board</i>	17.258			17
<i>Pass-Through From Virginia Workforce Network</i>	17.258			50,460
WIA Youth Activities	17.259		13,076,183	
<i>Pass-Through From Bay Consortium Workforce Investment Board</i>	17.259			209,575
<i>Pass-Through From Goodwill Industries</i>	17.259			493
<i>Pass-Through From Opportunity, Incorporated</i>	17.259			87,226
<i>Pass-Through From People Incorporated of Southwest Virginia</i>	17.259			27,147
<i>Pass-Through From Region 2000 Regional Commission</i>	17.259			5,576
<i>Pass-Through From South Central Workforce Investment Board</i>	17.259			478,832
<i>Pass-Through From Southwest Virginia Workforce Investment Board</i>	17.259			29,250
WIA Dislocated Worker Formula Grants	17.278		15,828,981	
<i>Pass-Through From Bay Consortium Workforce Investment Board</i>	17.278			64,618
<i>Pass-Through From Region 2000 Regional Commission</i>	17.278			279,662
<i>Pass-Through From South Central Workforce Investment Board</i>	17.278			99,990
<i>Pass-Through From Virginia Workforce Network</i>	17.278			49,072
Total WIA Cluster			40,405,599	2,215,992
Research and Development Cluster:				
Workforce Innovation Fund	17.283		226,627	
<i>Pass-Through From Opportunity Incorporated</i>	17.283			226,626
Other Assistance:				
Other Assistance	17.000	CONTRACT 200-2013-56425	21,512	
Total Research and Development Cluster			248,139	226,626
Total U.S. Department of Labor			792,975,236	4,056,293
U.S. DEPARTMENT OF STATE				
Non-Stimulus:				
Academic Exchange Programs - Undergraduate Programs	19.009		69,610	
<i>Pass-Through From Meridian International Center</i>	19.009			191,498
Academic Exchange Programs - Hubert H. Humphrey Fellowship Program	19.010			
<i>Pass-Through From Institute of International Education</i>	19.010			456,575
Professional and Cultural Exchange Programs - Special Professional and Cultural Programs	19.012		182,892	

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Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
<i>Pass-Through From International Research & Exchange Board</i>	19.012			33,210
One-Time International Exchange Grant Program	19.014		4,728,903	
International Programs to Combat Human Trafficking	19.019		107,080	
Investing in People in the Middle East and North Africa	19.021			
<i>Pass-Through From Meridian International Center</i>	19.021			176,463
Global Threat Reduction	19.033			
<i>Pass-Through From National Academy of Science</i>	19.033			11,778
Public Diplomacy Programs	19.040		77,642	
International Programs to Support Democracy, Human Rights and Labor	19.345		820,372	
Academic Exchange Programs-Graduate Students	19.400			
<i>Pass-Through From Institute of International Education</i>	19.400			86,090
Academic Exchange Programs - Scholars	19.401			
<i>Pass-Through From Institute of International Education</i>	19.401			44,583
Professional and Cultural Exchange Programs - International Visitor Leadership Program	19.402			
<i>Pass-Through From International Research and Exchanges Board</i>	19.402			12,032
Academic Exchange Programs-Teachers	19.408			
<i>Pass-Through From International Research and Exchanges</i>	19.408			178,871
Professional and Cultural Exchange Programs Citizen Exchanges	19.415		840,005	
<i>Pass-Through From World Learning</i>	19.415			67,099
Academic Exchange Programs - Educational Advising and Student Services	19.432		72,866	
Public Diplomacy Programs for Afghanistan and Pakistan	19.501		354,442	
Overseas Refugee Assistance Programs for Europe	19.520			
<i>Pass-Through From Alliance for Conflict Transformation</i>	19.520			19,192
Weapons Removal and Abatement	19.800		968,434	
Total Excluding Clusters Identified Below			8,222,246	1,277,391
Research and Development Cluster:				
Iraq, Assistance Programs	19.016			
<i>Pass-Through From Institute of International Education</i>	19.016			8,125
Professional and Cultural Exchange Programs Citizen Exchanges	19.415		279	
AECA PD Programs	19.900		227,695	
Other Assistance:				
Other Assistance	19.000	PC-12-8-062	20,499	
Workplan for Russia	19.000	SINLEC09GR0032 202490	330,275	
Total Research and Development Cluster			578,748	8,125
Total U.S. Department of State			8,800,994	1,285,516

U.S. DEPARTMENT OF TRANSPORTATION

Non-Stimulus:				
Airport Improvement Program	20.106		186,138	
Highway Training and Education	20.215		35,000	
National Motor Carrier Safety	20.218		4,285,055	
Performance and Registration Information Systems Management	20.231		807,867	
Commercial Driver's License Program Improvement Grant	20.232		1,319,235	
Safety Data Improvement Program	20.234		45,118	
Commercial Vehicle Information Systems and Networks	20.237		586,356	
Fuel Tax Evasion-Intergovernmental Enforcement Effort	20.240		51,395	
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505		3,116,938	
Formula Grants for Rural Areas	20.509		15,485,112	
Public Transportation Research	20.514		196,368	
Alternatives Analysis	20.522		997,447	
Alcohol Open Container Requirements	20.607		16,183,546	

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
National Highway Transportation Safety Administration (NHTSA) Discretionary Safety Grants	20.614		2,180	
National Priority Safety Programs	20.616		927,791	
Pipeline Safety Program State Base Grant	20.700		1,450,025	
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		464,399	
Other Assistance:				
Fatal Accident and Reporting	20.000	DTNH22-12	70,812	
Total Non-Stimulus			46,210,782	-
Stimulus (ARRA):				
High Speed Rail Corridors and Intercity Passenger Rail Service-Capital Assistance Grants - ARRA	20.319		311,793	
Formula Grants for Rural Areas	20.509		38,477	
Total Stimulus (ARRA)			350,270	-
Total Excluding Clusters Identified Below			46,561,052	-
Federal Transit Cluster:				
Federal Transit-Capital Investment Grants - ARRA	20.500		1,407,020	
Pass-Through From National Academy of Sciences	20.500			37,698
Total Federal Transit Cluster			1,407,020	37,698
Highway Planning and Construction Cluster:				
Non-Stimulus:				
Highway Planning and Construction	20.205		1,244,855,384	
Pass-Through From University of Arizona	20.205			15,072
Recreational Trails Program	20.219		641,412	
Total Non-Stimulus			1,245,496,796	15,072
Stimulus (ARRA):				
Highway Planning and Construction	20.205		49,766,480	
Total Stimulus (ARRA)			49,766,480	-
Total Highway Planning and Construction Cluster			1,295,263,276	15,072
Highway Safety Cluster:				
State and Community Highway Safety	20.600		4,572,165	
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		1,715,547	
Occupant Protection Incentive Grants	20.602		743,335	
State Traffic Safety Information System Improvement Grants	20.610		212,748	
Incentive Grant Program to Increase Motorcyclist Safety	20.612		111,270	
Child Safety and Child Booster Seats Incentive Grants	20.613		361,654	
Total Highway Safety Cluster			7,716,719	-
Transit Services Programs Cluster:				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		3,120,980	
Job Access and Reverse Commute Program	20.516		687,672	
New Freedom Program	20.521		1,155,955	
Total Transit Services Programs Cluster			4,964,607	-

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Research and Development Cluster:				
Aviation Research Grants	20.108			
<i>Pass-Through From University of Maryland</i>	20.108			106,796
Highway Research and Development Program	20.200		1,908,432	
<i>Pass-Through From Crash Avoidance Metric Partnership</i>	20.200			865,982
<i>Pass-Through From Engineering & Software Consultants</i>	20.200			18,114
<i>Pass-Through From Leidos, Incorporated</i>	20.200			105,319
<i>Pass-Through From Purdue University</i>	20.200			49,524
<i>Pass-Through From The National Academies</i>	20.200			2,068,525
<i>Pass-Through From Western Research Institute</i>	20.200			96,569
National Motor Carrier Safety	20.218		2,152,983	
Motor Carrier Research and Technology Programs	20.239		1,776,036	
Railroad Research and Development	20.313		320,962	
<i>Pass-Through From ENSCO, Incorporated</i>	20.313			25,695
High Speed Rail Corridors and Intercity Passenger Rail Service-Capital Assistance Grants - ARRA	20.319		167,754	
Railroad Safety Technology Grants	20.321			
<i>Pass-Through From Howard University</i>	20.321			84,832
Capital Assistance Program for Reducing Energy Consumption & Greenhouse Gas Emissions	20.523			
<i>Pass-Through From Town of Blacksburg</i>	20.523			299,752
National Highway Transportation Safety Administration (NHTSA) Discretionary Safety Grants	20.614		518,725	
University Transportation Centers Program	20.701		2,204,463	
<i>Pass-Through From Michigan Technological University</i>	20.701			1,731
<i>Pass-Through From Pennsylvania State University</i>	20.701			338,124
<i>Pass-Through From Research Foundation of State University of New York</i>	20.701			17,423
<i>Pass-Through From Rutgers, The State University of New Jersey</i>	20.701			225,495
<i>Pass-Through From University of Idaho</i>	20.701			73,194
Research Grants	20.762		132,698	
Transportation Planning, Research and Education	20.931		52,708	
Other Assistance:				
Data Communication	20.000	DTFAWA-10-A-80015 202145	6,708	
Engine Failure Analysis	20.000	13-G-020 203093	116,925	
Evaluation of Use of Recycled Concrete	20.000	VCTIR 105184	50,346	
Evaluation of Use of Recycled Concrete	20.000	VCTIR 105184 203018	64,764	
Mapping	20.000	DTFR-13-C-00036 202885	209,721	
Other Assistance	20.000	DTFH61-08-C-00030	14,271	
Other Assistance	20.000	DTFH61-10-C-00016	284,360	
Other Assistance	20.000	DTFH61-10-C-00019	273,389	
Other Assistance	20.000	DTFH61-10-C-00032	342,678	
Other Assistance	20.000	DTFH61-10-D-00023-T-11001	224,574	
Other Assistance	20.000	DTFH61-10-D-00023-T-11002	446,676	
Other Assistance	20.000	DTFH61-11-P-00173	35,314	
Other Assistance	20.000	DTFH64-12-G-00039	384	
Other Assistance	20.000	DTFH64-12-G-00044	1,384	
Other Assistance	20.000	DTFH64-13-G-00034	4,229	
Other Assistance	20.000	DTMC75-07-D-00006	3,109	
Other Assistance	20.000	DTMC75-07-D-0006	178,343	
Other Assistance	20.000	DTMC75-12-J-00013	190,364	
Other Assistance	20.000	DTNH22-08-D-00114/0004	39,554	
Other Assistance	20.000	DTNH22-08-D-00114TO0003	23,635	
Other Assistance	20.000	DTNH22-11-D-00231/0001	672,047	
Other Assistance	20.000	DTNH22-11-D-00236/0001	909,544	
Other Assistance	20.000	DTNH22-11-D-00236/0003	497,006	
Other Assistance	20.000	DTNH22-11-D-00236/0007 TO 7	576,590	
Other Assistance	20.000	DTNH22-11-D-00236/0008	680,106	
Other Assistance	20.000	DTNH22-11-D-00236/TO 0009	793,327	
Other Assistance	20.000	DTNH22-11-D-00236/TO0011	909,666	

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Other Assistance	20.000	LOG-DTFH61-10-D-00023-T-13002	482,544	
<i>Pass-Through From Crown Consulting Incorporated</i>	20.000	G00801568 202666		65,459
<i>Pass-Through From Electricore, Incorporated</i>	20.000	DTNH22-13-C-00320 203056		78,914
<i>Pass-Through From Harmonia Incorporated</i>	20.000	AGRMT DTD 3/1/12		35,882
<i>Pass-Through From Iowa State University</i>	20.000	ISU ACCT NO. 428-17-13		65,863
<i>Pass-Through From Leidos, Incorporated</i>	20.000	PO10123518-01		72,552
<i>Pass-Through From Minnesota Department Of Transportation</i>	20.000	CONTRACT 99084		86,436
<i>Pass-Through From National Academy of Sciences</i>	20.000	SUB0000051		177,352
<i>Pass-Through From National Academy of Sciences</i>	20.000	SUB0000349, TO 1.6		207,635
<i>Pass-Through From Pennsylvania State University</i>	20.000	SUB NO. 4609-VT-USDOT-TC03		427,219
<i>Pass-Through From Texas A&M Research Foundation</i>	20.000	S110052		998
<i>Pass-Through From The National Academies</i>	20.000	NAS 144 TO 1.7		191,916
<i>Pass-Through From The National Academies</i>	20.000	NAS: 144 TO:3.1 PO SUB0000452		533,270
<i>Pass-Through From The National Academies</i>	20.000	SHRP S-05		2,813,453
<i>Pass-Through From The National Academies</i>	20.000	SHRP-S12A		150,981
<i>Pass-Through From TranSecurity, Limited Liability Corporation</i>	20.000	AGRMT DTD		183,734
<i>Pass-Through From Transportation Research Board of The National Academies</i>	20.000	HR 22-26		48,223
<i>Pass-Through From Transportation Research Board of The National Academies</i>	20.000	LOG-HR 17-43		20,015
<i>Pass-Through From University of Maryland</i>	20.000	DTFAWA-11-D00017 202513 202553		145,058
<i>Pass-Through From University of Maryland</i>	20.000	Z908804		28,222
<i>Pass-Through From University of Maryland</i>	20.000	Z985701		30,334
<i>Pass-Through From University of Maryland</i>	20.000	Z990006		77,607
<i>Pass-Through From Wake Forest University Health Sciences</i>	20.000	WUHS 10144		282,021
<i>Pass-Through From Wake Forest University School of Medicine</i>	20.000	WUHS 30045		26,229
<i>Pass-Through From Westat, Incorporated</i>	20.000	DTNH22-11-D-00237 202501 202502		132,147
<i>Pass-Through From Wisconsin Department of Transportation</i>	20.000	0092-12-11		31,015
Transportation Infrastructure	20.000	RITARS-12-H-GMU 202717	255,036	
Total Research and Development Cluster			17,521,355	10,289,610
Total U.S. Department of Transportation			1,373,434,029	10,342,380
U.S. DEPARTMENT OF THE TREASURY				
Other Assistance:				
Asset Forfeiture Funds - Federal Treasury	21.000		58,938,259	
Monetary Seizure- 202896	21.000		119,062	
Total U.S. Department of the Treasury			59,057,321	-
APPALACHIAN REGIONAL COMMISSION				
Appalachian Area Development	23.002		1,370,599	
<i>Pass-Through From Friends of Southwest Virginia</i>	23.002			19,666
Appalachian Research, Technical Assistance, and Demonstration Projects	23.011		202,203	
<i>Pass-Through From East Tennessee State University</i>	23.011			2,982
Total Excluding Clusters Identified Below			1,572,802	22,648
Research and Development Cluster:				
Appalachian Research, Technical Assistance, and Demonstration Projects	23.011			
<i>Pass-Through From East Tennessee State University</i>	23.011			3,986
Total Research and Development Cluster			-	3,986
Total Appalachian Regional Commission			1,572,802	26,634

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
OFFICE OF PERSONNEL MANAGEMENT				
Other Assistance:				
Topics in Human Resources	27.000	PIA-OPM-FY14-PELA 0100 S23 209781	5,035	
Total Office of Personnel Management			5,035	-
GENERAL SERVICES ADMINISTRATION				
Donation of Federal Surplus Personal Property	39.003		998,118	
Election Reform Payments	39.011		2,265	
Total General Services Administration			1,000,383	-
LIBRARY OF CONGRESS				
Other Assistance:				
Geographic Information Systems	42.000	LAW20130003	1,077	
Total Excluding Clusters Identified Below			1,077	-
Research and Development Cluster:				
Books for the Blind and Physically Handicapped	42.001		25,262	
Total Research and Development Cluster			25,262	-
Total Library of Congress			26,339	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Science	43.001		389,149	
Aeronautics	43.002		407,335	
Total Excluding Clusters Identified Below			796,484	-
Research and Development Cluster:				
Science	43.001		6,148,478	
Pass-Through From Arizona State University	43.001			16,504
Pass-Through From Decision Science Research Institute	43.001			249,384
Pass-Through From Dixie State College	43.001			9,999
Pass-Through From Massachusetts Institute of Technology	43.001			3,265
Pass-Through From NanoSonic, Incorporated	43.001			49,875
Pass-Through From National Institute of Aerospace Associates	43.001			405,297
Pass-Through From Old Dominion University Research Foundation	43.001			11,673
Pass-Through From Planetary Science Institute	43.001			26,441
Pass-Through From Rensselaer Polytechnic Institute	43.001			33,755
Pass-Through From Smithsonian Astrophysical Observatory	43.001			35,845
Pass-Through From Smithsonian Institution	43.001			31,152
Pass-Through From Space Telescope Science Institute	43.001			36,534
Pass-Through From University of Alaska	43.001			12,216
Pass-Through From University of Arizona	43.001			12,781
Pass-Through From University of California, Santa Barbara	43.001			48,681
Pass-Through From University of Colorado	43.001			24,999
Pass-Through From University of Michigan	43.001			110,615
Pass-Through From University of Oklahoma	43.001			366

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<i>Pass-Through From Woods Hole Research Center</i>	43.001			2,141
Aeronautics	43.002		97,231	
<i>Pass-Through From Space Telescope Science Institute</i>	43.002			65,307
<i>Pass-Through From University of Illinois</i>	43.002			7,645
<i>Pass-Through From Virginia Space Grant Consortium</i>	43.002			77,606
Exploration	43.003		18,907	
<i>Pass-Through From Smithsonian Astrophysical Observatory</i>	43.003			17,779
Education	43.008		27,226	
<i>Pass-Through From United Negro College Fund</i>	43.008			39,175
<i>Pass-Through From University of Alabama</i>	43.008			22,103
<i>Pass-Through From Virginia Space Grant Consortium</i>	43.008			1,054
Cross Agency Support	43.009		317,932	
Other Assistance:				
An Unexplained Frontier	43.000	NNX12AH53G 202651	81,886	
Auroral Cusp	43.000	NNX09AJ76G 201807	7,775	
Chandra Observatory	43.000	GO1-12126X 202301	4,473	
Crop Progress System	43.000	NNX09AO14G 201844	34,928	
Intergovernmental Personnel Act Agreement Nicogossian	43.000	NNG11JA02PA 201825	93,158	
Intergovernmental Personnel Act Agreement Parnell	43.000	NNG11JA02PB 202476	28,002	
Ion-Neutral Coupling	43.000	NNX10AQ64G 202173	79,030	
Ionospheric Variability	43.000	NNX09AJ74G 201817	33,752	
Mars Cartography and Landing	43.000	NNX09AN20G 201842	89,534	
Other Assistance	43.000	11696	9,269	
Other Assistance	43.000	2882-VT	10,112	
Other Assistance	43.000	2907-VT:SUP 152, 163, 169, 176	49,493	
Other Assistance	43.000	2917-VT-SUPPLEMENT 158	222,652	
Other Assistance	43.000	3771-006-VT	231,655	
Other Assistance	43.000	4740-015-VT	42,191	
Other Assistance	43.000	4740-020-VT	31,661	
Other Assistance	43.000	4740-022-VT	31,732	
Other Assistance	43.000	6312-VT	6,630	
Other Assistance	43.000	6516-VT	93,106	
Other Assistance	43.000	NNL10AA05C	43,746	
Other Assistance	43.000	NNX11AM61H	69,568	
Other Assistance	43.000	NNX13AT01H	6,890	
Other Assistance	43.000	VT-03+01,4740-014-VT SUPP153	50,897	
Other Assistance	43.000	VT-03-01 ACTIVITY 4730-006-VT	37,578	
Other Assistance	43.000	VT-03-01, ACTIV #2938-VT SP168	19,395	
Other Assistance	43.000	VT-03-01; 2921-VT; SPLMNT 160	132,480	
Other Assistance	43.000	VT-03-1, 2740-VT, SUPP 104	5,169	
<i>Pass-Through From ASRC (Arctic Slope Regional Corporation) Management Services</i>	43.000	NNG10CR16C 202308		2,421,241
<i>Pass-Through From Boeing Company</i>	43.000	PURCHASE CONTRACT NO. 592042		34,417
<i>Pass-Through From Boeing Company</i>	43.000	PO 505907		166,162
<i>Pass-Through From Catholic University Libraries</i>	43.000	NNG11PL10A 202892 202897 202948		317,167
<i>Pass-Through From Creare Incorporated</i>	43.000	202952 202961 202441		10,905
<i>Pass-Through From Hampton University</i>	43.000	70236		154,054
<i>Pass-Through From Institute for Advanced Learning & Research</i>	43.000	06-001		82,242
<i>Pass-Through From Intelligent Automation Incorporated</i>	43.000	2010IALRNASANNX09AU54G		83,094
<i>Pass-Through From InuTeq Limited Liability Corporation</i>	43.000	995-1		47,903
<i>Pass-Through From Jet Propulsion Laboratory</i>	43.000	INU96		530
<i>Pass-Through From Jet Propulsion Laboratory</i>	43.000	1451822 202596 202677		11,793
<i>Pass-Through From Jet Propulsion Laboratory</i>	43.000	1376475 201777		137,586
<i>Pass-Through From Jet Propulsion Laboratory</i>	43.000	G00538389 202818 202819		99,553
<i>Pass-Through From Johns Hopkins University</i>	43.000	952679		25,424
<i>Pass-Through From Metron Aviation, Incorporated</i>	43.000	NNA10DE49C 202227		95,784
<i>Pass-Through From Metron Aviation, Incorporated</i>	43.000	NNL12AA16C 202633		

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<i>Pass-Through From National Institute of Aerospace</i>	43.000	VT-03-01#2923IVT-SUPPL 170		19,284
<i>Pass-Through From Prime Photonics, Incorporated</i>	43.000	NAS 02-402-VT-TO-007		49,220
<i>Pass-Through From Princeton University</i>	43.000	NNX08AN40A 201696		125,331
<i>Pass-Through From Research South, Incorporated</i>	43.000	NNX11CC70C 202438		7,244
<i>Pass-Through From Sierra Lobo</i>	43.000	PO 051562		19,992
<i>Pass-Through From Sierra Lobo</i>	43.000	SLI=15-000-F030		24,150
<i>Pass-Through From Southwest Research Institute</i>	43.000	NASW-02008 201716		1,183
<i>Pass-Through From Southwest Research Institute</i>	43.000	NASA JPL - NNX13AG36A		7,784
<i>Pass-Through From Southwest Research Institute</i>	43.000	NASA JPL - NNX13AH84G		13,652
<i>Pass-Through From Southwest Research Institute</i>	43.000	NASA JPL - NAS703001		276,646
<i>Pass-Through From Space Telescope Science Institute</i>	43.000	HST-GO-13184-04-A		4,548
<i>Pass-Through From Space Telescope Science Institute</i>	43.000	HST-AR-13233.01-A		7,501
<i>Pass-Through From Space Telescope Science Institute</i>	43.000	HST-GO-12585.15-A		8,297
<i>Pass-Through From Space Telescope Science Institute</i>	43.000	NAS5-26555 202387		12,711
<i>Pass-Through From Space Telescope Science Institute</i>	43.000	HSTGO-12916.01-A		18,318
<i>Pass-Through From Space Telescope Science Institute</i>	43.000	48020		56,194
<i>Pass-Through From University of California at Berkeley</i>	43.000	NAS5-03131 202889		2,044
<i>Pass-Through From University of Colorado at Boulder</i>	43.000	1535979		51,699
<i>Pass-Through From University of Maryland</i>	43.000	Z659101		3,103
<i>Pass-Through From Virginia Space Grant Consortium</i>	43.000	13-165-104763		9,671
<i>Pass-Through From Western Michigan University</i>	43.000	25 7013970		15,573
<i>Pass-Through From Wyle Laboratories, Incorporated</i>	43.000	LOG-LOG-LOG-PO T72287		184,961
Russian Spacecraft I	43.000	NNX09AM07GA 201827	40,429	
Russian Spacecraft II	43.000	NNX09AM07GB 202692	58,121	
Shock Acceleration	43.000	NNX09AU98G 201877	38,143	
Solar Energetic Particle Modeling	43.000	NNG11PV53P 202291	34,201	
Solar Wind	43.000	NNX09AU37G 201875	30,229	
Total Research and Development Cluster			8,357,659	5,959,153
Total National Aeronautics and Space Administration			9,154,143	5,959,153
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				
Promotion of the Arts - Partnership Agreements	45.025		686,729	
<i>Pass-Through From Mid Atlantic Arts Foundation</i>	45.025			100
National Leadership Grants	45.312			
<i>Pass-Through From Science Museum of Virginia Foundation</i>	45.312			36,130
Promotion of the Arts-Grants to Organizations and Individuals	45.024		50,825	
Promotion of the Humanities-Federal/State Partnership	45.129		879,953	
Promotion of the Humanities-Division of Preservation and Access	45.149		171,819	
Promotion of the Humanities-Fellowships and Stipends	45.160		7,603	
Promotion of the Humanities-Research	45.161		138,984	
Promotion of the Humanities-Teaching and Learning Resources and Curriculum Development	45.162		142,666	
Promotion of the Humanities-Professional Development	45.163		421,416	
Promotion of the Humanities-Public Programs	45.164		121,759	
Promotion of the Humanities-Office of Digital Humanities	45.169		200,275	
Museums for America	45.301		129,500	
Museum Grants for African American History and Culture	45.309		17,951	
Grants to States	45.310		4,130,511	
National Leadership Grants	45.312		72,784	
Laura Bush 21st Century Librarian Program	45.313		46,208	
Other Assistance:				
<i>Pass-Through From Filmmakers Collaborative</i>	45.000	G00837266 202828		43,183
WebWise Conference	45.000	RE-00-11-0123-11 202485	192,883	
Total Excluding Clusters Identified Below			7,411,866	79,413

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Research and Development Cluster:				
Promotion of the Arts-Grants to Organizations and Individuals	45.024		36,532	
Promotion of the Humanities-Federal/State Partnership	45.129		24	
Promotion of the Humanities-Challenge Grants	45.130			
<i>Pass-Through From MetaArchived Services Group - Educopia</i>	45.130			15,010
Promotion of the Humanities-Division of Preservation and Access	45.149		5,597	
Promotion of the Humanities-Fellowships and Stipends	45.160		146,448	
Promotion of the Humanities-Research	45.161		511,045	
Promotion of the Humanities-Public Programs	45.164		39,954	
Promotion of the Humanities-Office of Digital Humanities	45.169		231,628	
Museums for America	45.301		47,399	
<i>Pass-Through From National Audubon Society</i>	45.301			77,141
National Leadership Grants	45.312		4,248	
<i>Pass-Through From University of Oregon</i>	45.312			87,149
Total Research and Development Cluster			1,022,875	179,300
Total National Foundation on the Arts and the Humanities			8,434,741	258,713
NATIONAL SCIENCE FOUNDATION				
Non-Stimulus:				
Engineering Grants	47.041		802,336	
<i>Pass-Through From New College Foundation</i>	47.041			150,770
Mathematical and Physical Sciences	47.049		644,232	
Geosciences	47.050		866,694	
<i>Pass-Through From El Paso Community College</i>	47.050			14,544
<i>Pass-Through From National Science Foundation</i>	47.050			32,952
<i>Pass-Through From Rutgers, The State University</i>	47.050			11,013
Computer and Information Science and Engineering	47.070		225,931	
<i>Pass-Through From University of Colorado</i>	47.070			21,799
Biological Sciences	47.074		136,460	
<i>Pass-Through From National Science Foundation</i>	47.074			28,987
<i>Pass-Through From University of Washington</i>	47.074			1,180
Social, Behavioral, and Economic Sciences	47.075		52,614	
<i>Pass-Through From University of California San Diego</i>	47.075			1,450
<i>Pass-Through From University of Wisconsin-Madison</i>	47.075			1,966
<i>Pass-Through From Virginia Space Grant Consortium</i>	47.075			55,214
Education and Human Resources	47.076		6,007,148	
<i>Pass-Through From American Association of Community Colleges</i>	47.076			473
<i>Pass-Through From City College of New York Institute</i>	47.076			26
<i>Pass-Through From Earlham College</i>	47.076			19,711
<i>Pass-Through From Howard University</i>	47.076			70,793
<i>Pass-Through From Illinois State University</i>	47.076			1,888
<i>Pass-Through From Kentucky Community and Technical College System</i>	47.076			9,261
<i>Pass-Through From Old Dominion University Research Foundation</i>	47.076			88,820
<i>Pass-Through From Presidents & Fellows Harvard College</i>	47.076			20,571
<i>Pass-Through From Prince George's Community College</i>	47.076			69,376
<i>Pass-Through From Stevens Institute of Technology</i>	47.076			3,700
<i>Pass-Through From University of Maryland</i>	47.076			37,242
<i>Pass-Through From Virginia Military Institute Research Labs</i>	47.076			157,575
Office of International and Integrative Activities	47.079		185,794	
Other Assistance:				
Online Teaching of Calculus	47.000	DRL-1252625	95,791	
Other Assistance	47.000	CMMI 1041460	215,899	
Other Assistance	47.000	DUE-1148755-002	30,777	

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Other Assistance	47.000	ENG-1341205	239,173	
<i>Pass-Through From Stevens Institute of Technology</i>	47.000	1203198 203082		1,361
<i>Pass-Through From The Physics Teacher Education Coalition</i>	47.000	MOU EXECUTED 07/24/2013		92,279
Total Non-Stimulus			9,502,849	892,951
Stimulus (ARRA):				
Trans-NSF Recovery Act Research Support	47.082		144,404	
Total Stimulus (ARRA)			144,404	-
Total Excluding Clusters Identified Below			9,647,253	892,951
Research and Development Cluster:				
Non-Stimulus:				
Engineering Grants	47.041		15,757,785	
<i>Pass-Through From Ball State University</i>	47.041			38,671
<i>Pass-Through From Cell Free Bioinnovation Incorporated</i>	47.041			45,956
<i>Pass-Through From Clemson University</i>	47.041			89,527
<i>Pass-Through From Echo Ridge Limited Liability Company</i>	47.041			19,989
<i>Pass-Through From Iowa State University</i>	47.041			422,483
<i>Pass-Through From MaxPower, Incorporated</i>	47.041			7,890
<i>Pass-Through From NBE Technologies, Limited Liability Corporation</i>	47.041			30,275
<i>Pass-Through From North Carolina State University</i>	47.041			461,686
<i>Pass-Through From Pennsylvania State University</i>	47.041			85,627
<i>Pass-Through From Purdue University</i>	47.041			20,654
<i>Pass-Through From QuantTera</i>	47.041			37,564
<i>Pass-Through From Texas A&M University</i>	47.041			76,413
<i>Pass-Through From University of Arizona</i>	47.041			82,536
<i>Pass-Through From University of Connecticut</i>	47.041			54,000
<i>Pass-Through From University of Michigan - Ann Arbor</i>	47.041			568
<i>Pass-Through From University of Minnesota</i>	47.041			76,806
<i>Pass-Through From University of Wisconsin Milwaukee</i>	47.041			18,323
Mathematical and Physical Sciences	47.049		14,759,501	
<i>Pass-Through From Case Western Reserve University</i>	47.049			45,817
<i>Pass-Through From Cornell University</i>	47.049			64,015
<i>Pass-Through From Pennsylvania State University</i>	47.049			13,000
<i>Pass-Through From The University of Texas at Austin</i>	47.049			127,646
<i>Pass-Through From University of California, Davis</i>	47.049			77,090
<i>Pass-Through From University of Chicago</i>	47.049			71,587
<i>Pass-Through From University of Minnesota Twin Cities</i>	47.049			55,807
<i>Pass-Through From University of Notre Dame</i>	47.049			6,834
<i>Pass-Through From University of Pennsylvania</i>	47.049			47,397
<i>Pass-Through From University of Texas at San Antonio</i>	47.049			84,610
<i>Pass-Through From University of Washington</i>	47.049			37,962
<i>Pass-Through From University of Wisconsin-Madison</i>	47.049			9,102
Geosciences	47.050		5,997,736	
<i>Pass-Through From Arizona State University</i>	47.050			15,333
<i>Pass-Through From Bermuda Institute of Ocean Sciences</i>	47.050			38,378
<i>Pass-Through From Colorado State University</i>	47.050			54,580
<i>Pass-Through From Consortium For Ocean Leadership</i>	47.050			13,281
<i>Pass-Through From Florida International University</i>	47.050			24,919
<i>Pass-Through From Joint Oceanographic Institutions, Incorporated</i>	47.050			71
<i>Pass-Through From Mississippi State University</i>	47.050			849
<i>Pass-Through From The University of Texas at Arlington</i>	47.050			15,756
<i>Pass-Through From University of Colorado at Boulder</i>	47.050			15,244
<i>Pass-Through From University of Georgia</i>	47.050			46,779

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
<i>Pass-Through From University of Puerto Rico</i>	47.050			12,484
<i>Pass-Through From University of Southern California</i>	47.050			3,640
Computer and Information Science and Engineering	47.070		14,555,583	
<i>Pass-Through From Computing Research Association, Incorporated</i>	47.070			72,631
<i>Pass-Through From George Washington University</i>	47.070			11,270
<i>Pass-Through From Rensselaer Polytechnic Institute</i>	47.070			19,272
<i>Pass-Through From Rutgers, The State University of New Jersey</i>	47.070			94,014
<i>Pass-Through From The College Board</i>	47.070			1,127
<i>Pass-Through From University of Colorado</i>	47.070			90,220
<i>Pass-Through From University of Florida</i>	47.070			26,176
<i>Pass-Through From University of Massachusetts-Boston</i>	47.070			6,147
<i>Pass-Through From University of Wisconsin Madison</i>	47.070			45,459
Biological Sciences	47.074		11,735,542	
<i>Pass-Through From Auburn University</i>	47.074			1,745
<i>Pass-Through From Cornell University</i>	47.074			7,822
<i>Pass-Through From Duke University</i>	47.074			390,030
<i>Pass-Through From Michigan State University</i>	47.074			217,958
<i>Pass-Through From Nanofoundry, Limited Liability Company</i>	47.074			11,248
<i>Pass-Through From Northeastern University</i>	47.074			54,405
<i>Pass-Through From The New York Botanical Garden</i>	47.074			8,884
<i>Pass-Through From University of California, Davis</i>	47.074			180,839
<i>Pass-Through From University of Georgia</i>	47.074			96,481
<i>Pass-Through From University of South Florida</i>	47.074			7,311
Social, Behavioral, and Economic Sciences	47.075		2,041,635	
<i>Pass-Through From Carnegie Mellon University</i>	47.075			6,803
<i>Pass-Through From RAND Corporation</i>	47.075			6,789
<i>Pass-Through From Southern Illinois University Edwardsville</i>	47.075			1,581
<i>Pass-Through From Temple University</i>	47.075			7,885
<i>Pass-Through From The Pennsylvania State University</i>	47.075			15,688
<i>Pass-Through From University of California, San Diego</i>	47.075			26,778
<i>Pass-Through From University of Washington</i>	47.075			54,978
Education and Human Resources	47.076		11,129,767	
<i>Pass-Through From American Educational Research Association</i>	47.076			9,159
<i>Pass-Through From American Psychological Association</i>	47.076			22,146
<i>Pass-Through From Biological Sciences Curriculum Study</i>	47.076			92,619
<i>Pass-Through From George Washington University</i>	47.076			61,172
<i>Pass-Through From Howard University</i>	47.076			80,637
<i>Pass-Through From National Center for Science & Civic Engagement</i>	47.076			109
<i>Pass-Through From Research Triangle Institute</i>	47.076			43,602
<i>Pass-Through From Trinity University</i>	47.076			3,053
<i>Pass-Through From University of California at Los Angeles</i>	47.076			473
<i>Pass-Through From University of Maryland</i>	47.076			11,559
<i>Pass-Through From Vanderbilt University</i>	47.076			3,380
<i>Pass-Through From Villanova University</i>	47.076			6,850
Polar Programs	47.078		342,400	
<i>Pass-Through From Columbia University</i>	47.078			159,020
<i>Pass-Through From University of Colorado at Boulder</i>	47.078			30,941
Office of International and Integrative Activities	47.079		167,454	
<i>Pass-Through From University of New Mexico</i>	47.079			38,641
Office of Cyberinfrastructure	47.080		1,206,435	
<i>Pass-Through From Indiana University</i>	47.080			65,057
<i>Pass-Through From Purdue University</i>	47.080			28,090
<i>Pass-Through From University of Colorado at Boulder</i>	47.080			12,896
<i>Pass-Through From University of Illinois</i>	47.080			482,973
<i>Pass-Through From University of Maryland</i>	47.080			336,557

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
<i>Pass-Through From University of North Carolina-Chapel Hill</i>	47.080			24,905
<i>Pass-Through From Utah State University</i>	47.080			69,854
Trans-NSF Recovery Act Research Support	47.082			
<i>Pass-Through From Drexel University</i>	47.082			142,674
<i>Pass-Through From University of California, Davis</i>	47.082			47,748
<i>Pass-Through From University of New Mexico</i>	47.082			79,282
Other Assistance:				
Building Complex Systems	47.000	EFRI-1055489 202175	12,170	
Computational Topology	47.000	DMS-1114923	57,905	
Engineering Systems Stipends	47.000	DMS-1062633 202380 202381	107,963	
Intergovernmental Personnel Act Agreement Kant	47.000	CNS-1063801 202212	85,566	
Intergovernmental Personnel Act Agreement Sauer	47.000	DMS-1326144 202866	30,374	
Other Assistance	47.000	DUE - 1245673	43,697	
Other Assistance	47.000	DGE-1324586	962,261	
<i>Pass-Through From Georgia Institute of Technology</i>	47.000	SMA-1063901 202394		30,097
<i>Pass-Through From Predictive Science, Incorporated</i>	47.000	AGS-1249270 202906		48,737
<i>Pass-Through From University of Arkansas Fayetteville</i>	47.000	SA1211009		10,052
Total Non-Stimulus			78,993,774	5,856,973
Stimulus (ARRA):				
Trans-NSF Recovery Act Research Support	47.082		5,249,905	
<i>Pass-Through From DePaul University</i>	47.082			18,268
<i>Pass-Through From Old Dominion University Research Foundation</i>	47.082			50,949
<i>Pass-Through From Regents of the University of Minnesota</i>	47.082			41,482
<i>Pass-Through From University of New Mexico</i>	47.082			1,809
Total Stimulus (ARRA)			5,249,905	112,508
Total Research and Development Cluster			84,243,679	5,969,481
Total National Science Foundation			93,890,932	6,862,432
SMALL BUSINESS ADMINISTRATION				
Small Business Development Centers	59.037		3,134,330	
<i>Pass-Through From Community Business Partnership</i>	59.037			110,897
Federal and State Technology Partnership Program	59.058		38,482	
State Trade and Export Promotion Pilot Grant Program	59.061		315,905	
Entrepreneurial Development Disaster Assistance (Disaster Relief Appropriations Act)	59.064		22,397	
Other Assistance:				
<i>Pass-Through From Raytheon Systems</i>	59.000	HQ0006 202586 202953 202977		198,282
Total Excluding Clusters Identified Below			3,511,114	309,179
Research and Development Cluster:				
Other Assistance:				
Mine Safety	59.000	SBAHQ-10-I-0280	10,498	
Total Research and Development Cluster			10,498	-
Total Small Business Administration			3,521,612	309,179

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
U.S. DEPARTMENT OF VETERANS AFFAIRS				
Grants to States for Construction of State Home Facilities	64.005		129,702	
Veterans State Domiciliary Care	64.014		576,556	
Veterans State Nursing Home Care	64.015		12,830,615	
Burial Expenses Allowance for Veterans	64.101		847,373	
Veterans Information and Assistance	64.115		8,968	
All-Volunteer Force Educational Assistance	64.124		702,632	
State Cemetery Grants	64.203		714,322	
Other Assistance:				
IPA FOR CARI ROSOFF	64.000		16,211	
IPA FOR ROBERT MCNAMARA	64.000		1,827	
<i>Pass-Through From The Green Technology Group, Limited Liability Company</i>	64.000	VA245-13-C-0087-688-C30452 203187		28,803
Total Excluding Clusters Identified Below			15,828,206	28,803
Research and Development Cluster:				
Veterans State Hospital Care	64.016			
<i>Pass-Through From James A Haley Veteran's Hospital</i>	64.016			91,530
Other Assistance:				
Asymptomatic Carotid Stenosis	64.000	VA-512-D15086 202631	8,323	
Carotid Stenosis	64.000	512-D3-0033202962	31,750	
Intergovernmental Personnel Act Agreement Data Analysis	64.000	202982	18,971	
Intergovernmental Personnel Act Agreement Giang	64.000	202949	16,382	
Intergovernmental Personnel Act Agreement Phan Giang	64.000	203196	6,649	
Intergovernmental Personnel Act Agreement Tran Yang	64.000	203239	5,331	
Intergovernmental Personnel Act Agreement Wojtusiak	64.000	1 202944	5,316	
Intergovernmental Personnel Act Agreement Wojtusiak	64.000	2 203151	20,240	
Intergovernmental Personnel Act Agreement Yang	64.000	202966	42,687	
IPA FOR JACOB LEE	64.000		24,835	
Other Assistance	64.000	IPA FOR LUSHA ZHU	19,677	
Total Research and Development Cluster			200,161	91,530
Total U.S. Department of Veterans Affairs			16,028,367	120,333
ENVIRONMENTAL PROTECTION AGENCY				
State Indoor Radon Grants	66.032		53,379	
Surveys Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		703,931	
State Clean Diesel Grant Program - ARRA	66.040		116,825	
Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program	66.123			
<i>Pass-Through From George Washington University</i>	66.123			18,372
Congressionally Mandated Projects	66.202		16,400	
State Public Water System Supervision	66.432		2,072,204	
Targeted Watersheds Grants	66.439		192,410	
Water Quality Management Planning - ARRA	66.454		264,143	
Nonpoint Source Implementation Grants	66.460		3,367,225	
Chesapeake Bay Program	66.466		4,469,660	
<i>Pass-Through From National Fish and Wildlife Foundation</i>	66.466			53,891
<i>Pass-Through From Science Museum of Virginia Foundation</i>	66.466			3,705
Water Protection Grants to the States	66.474		114,281	
P3 Award: National Student Design Competition for Sustainability	66.516		26,006	
Performance Partnership Grants	66.605		8,693,640	
Environmental Information Exchange Network Grant Program and Related Assistance	66.608		365,672	
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707		200,511	

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Pollution Prevention Grants Program	66.708		45,248	
Source Reduction Assistance	66.717		26,049	
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements - ARRA	66.802		357,316	
Underground Storage Tank Prevention, Detection, and Compliance Program	66.804		835,024	
Leaking Underground Storage Tank Trust Fund Corrective Action Program - ARRA	66.805		1,581,550	
Superfund State and Indian Tribe Core Program Cooperative Agreements	66.809		141,607	
Total Excluding Clusters Identified Below			23,643,081	75,968
Clean Water State Revolving Fund Cluster:				
Capitalization Grants for Clean Water State Revolving Funds - ARRA	66.458		26,780,301	
Total Clean Water State Revolving Fund Cluster			26,780,301	-
Drinking Water State Revolving Fund Cluster:				
Capitalization Grants for Drinking Water State Revolving Funds - ARRA	66.468		19,002,820	
Total Drinking Water State Revolving Fund Cluster			19,002,820	-
Research and Development Cluster:				
Surveys Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		57,066	
National Estuary Program	66.456			
<i>Pass-Through From North Carolina Department of Natural Resources</i>	66.456			28,369
Nonpoint Source Implementation Grants	66.460		87,229	
Regional Wetland Program Development Grants	66.461		350,385	
<i>Pass-Through From Delaware Center for Inland Bays</i>	66.461			19,505
Chesapeake Bay Program	66.466		1,917,407	
<i>Pass-Through From Chesapeake Bay Foundation Incorporated</i>	66.466			42,332
<i>Pass-Through From Farm Pilot Project Coordination, Incorporated</i>	66.466			90,548
<i>Pass-Through From National Fish and Wildlife Foundation</i>	66.466			201,289
<i>Pass-Through From University of Maryland</i>	66.466			21,279
Beach Monitoring and Notification Program Implementation Grants	66.472		276,209	
Science To Achieve Results (STAR) Research Program	66.509		386,928	
<i>Pass-Through From Washington University</i>	66.509			57,008
Science To Achieve Results (STAR) Fellowship Program	66.514		58,981	
P3 Award: National Student Design Competition for Sustainability	66.516		6,020	
Performance Partnership Grants	66.605		858,275	
Environmental Policy and Innovation Grants	66.611		8,536	
Other Assistance:				
<i>Pass-Through From CDM Chicago</i>	66.000	AGRMT DTD 2/1/11		11,136
Total Research and Development Cluster			4,007,036	471,466
Total Environmental Protection Agency			73,433,238	547,434
NUCLEAR REGULATORY COMMISSION				
U.S. Nuclear Regulatory Commission Nuclear Education Grant Program	77.006		67,624	
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008		404,862	
Total Excluding Clusters Identified Below			472,486	-

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Research and Development Cluster:				
U.S. Nuclear Regulatory Commission Nuclear Education Grant Program	77.006			
<i>Pass-Through From University of California, Berkeley</i>	77.006			63,785
<i>Pass-Through From University of Tennessee</i>	77.006			15,529
U.S. Nuclear Regulatory Commission Minority Serving Institutions Program (MSIP)	77.007		58,687	
Other Assistance:				
Other Assistance	77.000	NRC-HQ-12-G-38-0019	27,141	
Total Research and Development Cluster			85,828	79,314
Total Nuclear Regulatory Commission			558,314	79,314
U.S. DEPARTMENT OF ENERGY				
Non-Stimulus:				
State Energy Program	81.041		1,470,511	
Weatherization Assistance for Low-Income Persons	81.042		4,954,788	
<i>Pass-Through From Total Action Against Poverty in Roanoke Valley</i>	81.042			10,621
Office of Science Financial Assistance Program	81.049		15,000	
Conservation Research and Development	81.086		74	
Renewable Energy Research and Development	81.087		179	
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106			
<i>Pass-Through From Southern States Energy Board</i>	81.106			4,815
State Energy Program Special Projects	81.119		781,964	
Nuclear Energy Research, Development and Demonstration	81.121		196,742	
Other Assistance:				
Other Assistance	81.000	IPA EXECUTED 10/6/11	266,790	
Other Assistance	81.000	IPA MIEE12270	222,264	
Total Non-Stimulus			7,908,312	15,436
Stimulus (ARRA):				
State Energy Program	81.041		1,620	
Weatherization Assistance for Low-Income Persons	81.042		3,650,019	
Renewable Energy Research and Development	81.087		124,347	
<i>Pass-Through From Arizona Geological Survey</i>	81.087			133,762
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122		212,303	
Energy Efficiency & Conservation Block Grant Program (EECBG) - ARRA	81.128		42,417	
<i>Pass-Through From City of Chesapeake/Norfolk</i>	81.128			30,767
Total Stimulus (ARRA)			4,030,706	164,529
Total Excluding Clusters Identified Below			11,939,018	179,965
Research and Development Cluster:				
Non-Stimulus:				
State Energy Program	81.041		237,912	
<i>Pass-Through From Argonne National Laboratory</i>	81.041			51,921
Office of Science Financial Assistance Program	81.049		13,158,489	
<i>Pass-Through From Cell Free Bioinnovation Incorporated</i>	81.049			60,491
<i>Pass-Through From Colorado State University</i>	81.049			168,870
<i>Pass-Through From Cornell University</i>	81.049			55,908
<i>Pass-Through From Institute for Advanced Learning & Research</i>	81.049			50,614
<i>Pass-Through From Michigan State University</i>	81.049			149,443
<i>Pass-Through From NBE Technologies, Limited Liability Corporation</i>	81.049			1,503
<i>Pass-Through From Ohio State University Research Foundation</i>	81.049			71,665

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<i>Pass-Through From Oregon State University</i>	81.049			43,783
<i>Pass-Through From Pennsylvania State University</i>	81.049			154,911
<i>Pass-Through From Tulane University</i>	81.049			7,898
<i>Pass-Through From University of Michigan - Ann Arbor</i>	81.049			98,150
Office of Scientific and Technical Information	81.064		45,232	
Regional Biomass Energy Programs	81.079		180,861	
<i>Pass-Through From South Dakota State University</i>	81.079			27,497
Conservation Research and Development	81.086		271,057	
<i>Pass-Through From Oak Ridge Institute for Science and Education</i>	81.086			24,296
<i>Pass-Through From Pennsylvania State University</i>	81.086			278,643
Renewable Energy Research and Development	81.087		841,370	
<i>Pass-Through From Antares Group Incorporated</i>	81.087			44,740
<i>Pass-Through From Fugro William Lettis & Associates, Incorporated</i>	81.087			26,787
<i>Pass-Through From Giner Electrochemical Systems Limited Liability Corporation</i>	81.087			99,599
<i>Pass-Through From North Carolina State University</i>	81.087			51,153
<i>Pass-Through From South Dakota State University</i>	81.087			33,215
<i>Pass-Through From University of Connecticut</i>	81.087			3,788
<i>Pass-Through From University of Florida</i>	81.087			46,841
<i>Pass-Through From Virginia Electric & Power Company</i>	81.087			85,552
Fossil Energy Research and Development	81.089		3,787,890	
<i>Pass-Through From University of Kentucky</i>	81.089			59,053
Epidemiology and Other Health Studies Financial Assistance Program	81.108			
<i>Pass-Through From Pennsylvania State University</i>	81.108			(34,562)
Stewardship Science Grant Program	81.112			
<i>Pass-Through From Regents University of California Los Angeles</i>	81.112			40,202
Defense Nuclear Nonproliferation Research	81.113		363,983	
<i>Pass-Through From United States Civilian Research and Development Foundation</i>	81.113			635,859
Nuclear Energy Research, Development and Demonstration	81.121		229,465	
<i>Pass-Through From Fermi Research Alliance, Limited Liability Corporation</i>	81.121			3,670
<i>Pass-Through From Ohio State University Research Foundation</i>	81.121			1,032
<i>Pass-Through From University of California, Berkeley</i>	81.121			16,100
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122		333,392	
<i>Pass-Through From City of Virginia Beach</i>	81.122			3,838
<i>Pass-Through From PJM Interconnection, Limited Liability Corporation</i>	81.122			62,579
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123		485,017	
Advanced Research and Projects Agency - Energy	81.135			
<i>Pass-Through From General Electric Energy</i>	81.135			178,994
<i>Pass-Through From Hughes Research Laboratory, Limited Liability Corporation</i>	81.135			241,228
<i>Pass-Through From Ideal Power Converters</i>	81.135			86,974
<i>Pass-Through From Texas A&M AgriLife Research</i>	81.135			28,324
Other Assistance:				
Energy Utilization	81.000	XCO-0-40599-01 202076	102,980	
Grain Diffusion	81.000	DE-FG02-01ER45871 202519	89,073	
Other Assistance	81.000	4000099824	28,044	
Other Assistance	81.000	4000121943	42,359	
Other Assistance	81.000	4000126808	150,920	
Other Assistance	81.000	4000129265	21,442	
Other Assistance	81.000	DE-FG02-05ER15658	102,028	
Other Assistance	81.000	LOG-DE-FG02-05ER15751	153,747	
Other Assistance	81.000	SUBCONTRACT 4000113197	3,412	
Other Assistance	81.000	SUBCONTRACT 4000122683	98,643	
Other Assistance	81.000	SUBCONTRACT NO. XHD-4-42003-01	86,378	
Other Assistance	81.000		104,980	
<i>Pass-Through From Babcock & Wilcox Technical Services Pantex, Limited Liability Corporation</i>	81.000	PO 0000023257		171,610
<i>Pass-Through From Battelle</i>	81.000	215686		59,093

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<i>Pass-Through From Bechtel Marine Propulsion</i>	81.000	PURCHASE ORDER 7015060		42,519
<i>Pass-Through From Brookhaven National Laboratory</i>	81.000	NO. 200916		43,395
<i>Pass-Through From Georgia Institute of Technology</i>	81.000	RA338-G2		69,975
<i>Pass-Through From Georgia Institute of Technology</i>	81.000	RA968-S2		34,875
<i>Pass-Through From Georgia Institute of Technology</i>	81.000	RD537-S4		64,910
<i>Pass-Through From Idaho National Laboratory</i>	81.000	122418		32,799
<i>Pass-Through From Lawrence Berkeley National Laboratory</i>	81.000	7048974		123,336
<i>Pass-Through From Los Alamos National Laboratory</i>	81.000	87690-001-11		86,121
<i>Pass-Through From Pacific Northwest National Laboratory</i>	81.000	148006		24,546
<i>Pass-Through From Pacific Northwest National Laboratory</i>	81.000	202089		65,711
<i>Pass-Through From Pacific Northwest National Laboratory</i>	81.000	215648		92,786
<i>Pass-Through From Pacific Northwest National Laboratory</i>	81.000	233298		4,564
<i>Pass-Through From Savannah River Nuclear Solutions, Limited Liability Corporation</i>	81.000	0000138740		65,168
<i>Pass-Through From Siemens Energy, Incorporated</i>	81.000	DE-FC26-05NT42644-SUB026		1,642
<i>Pass-Through From Siemens Energy, Incorporated</i>	81.000	PO 6500018226		57,329
<i>Pass-Through From Southeastern Universities Research Association</i>	81.000	JSA 13-A0910		21,268
<i>Pass-Through From United Research Services Corporation</i>	81.000	31:4000.2.600.232.002.000.008		58,153
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 23: 1.600.999.002.000		8,886
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 43: 4000.2.683.062.001.611		54,293
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 44: 4000.2.683.062.001.631		42,103
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 45:4000.2.683.062.001.654		25,502
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 46: 4000.3.622.053.001.231		23,910
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 47: 4000.3.671.052.001.411		33,132
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 48:4000.2.683.062.001.546		65,170
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 49: 4000.2.683.062.001.536		28,255
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 51:4000.4.641.001.534		42,906
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 53:4000.4.605.920.009.821		54,142
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 55:4000.4.605.920.009.531.0		49,664
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 56:400U.STUTRAVLIRD		856
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 57:4000.6.670.998.001.111		11,762
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 58.4000.4.605.920.012.821		33,040
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 59: 4000.3.622.053.002.234		45,944
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 60:04000.2.683.062.002.632		25,136
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 61:4000.2.683.062.002.612		55,554
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 62:4000.2.683.062.002.655		22,055
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 64: 4000.3.671.052.002.411		45,571
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 65: 4000.2.683.068.002.216		38,205
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 66: 4000.4.605.920.012.522		42,536
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 67: 2.600.220.001.541		38,727
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 68U: 4000.4.641.061.002.513		70,717
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO 69: 4000.4.641.061.002.511		51,250
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO: 63:4000.4.605.920.012.532		29,959
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO:50: 4000.4.605.920.009.531		28,438
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO:52: 4000.4.641.061.001.531		54,756
<i>Pass-Through From United Research Services Corporation</i>	81.000	TO42:4000.2.600.220.001.922		18,622
Total Non-Stimulus			20,918,674	5,121,450
Stimulus (ARRA):				
State Energy Program	81.041		1,039,497	
Office of Science Financial Assistance Program	81.049		565,754	
<i>Pass-Through From Jefferson Science Associates, Limited Liability Corporation</i>	81.049			12,892
<i>Pass-Through From Pennsylvania State University</i>	81.049			331,561
<i>Pass-Through From University of Southern California</i>	81.049			163,378
Conservation Research and Development	81.086		874,310	

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Advanced Research and Projects Agency - Energy	81.135		1,052,501	
Total Stimulus (ARRA)			3,532,062	507,831
Total Research and Development Cluster			24,450,736	5,629,281
Total U.S. Department of Energy			36,389,754	5,809,246
U.S. DEPARTMENT OF EDUCATION				
Non-Stimulus:				
Adult Education-Basic Grants to States	84.002		13,450,757	
Title I Grants to Local Educational Agencies	84.010		234,942,954	
<i>Pass-Through From Virginia Association of Elementary School Principals</i>	84.010			112,200
Migrant Education-State Grant Program	84.011		851,177	
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013		1,902,165	
National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	84.015		326,660	
Undergraduate International Studies and Foreign Language Programs	84.016		120,338	
Overseas Programs-Group Projects Abroad	84.021		85,532	
Higher Education-Institutional Aid	84.031		12,532,384	
Federal Family Education Loans	84.032		1,248	
Career and Technical Education-Basic Grants to States	84.048		22,051,848	
Fund for the Improvement of Postsecondary Education	84.116		101,196	
<i>Pass-Through From LaGuardia Community College, City University of New York</i>	84.116			5,034
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126		81,431,805	
Rehabilitation Long-Term Training	84.129		409,220	
National Institute on Disability and Rehabilitation Research	84.133		100,355	
Migrant Education-Coordination Program	84.144		124,397	
Business and International Education Projects	84.153		1,981	
Rehabilitation Services-Client Assistance Program	84.161		147,286	
Independent Living-State Grants	84.169		395,377	
Javits Fellowships	84.170		75,728	
Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind	84.177		843,985	
Special Education-Grants for Infants and Families	84.181		10,137,143	
Safe and Drug-Free Schools and Communities-National Programs	84.184		16,195	
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187		506,144	
Bilingual Education_Professional Development	84.195		2,158	
Education for Homeless Children and Youth	84.196		1,380,458	
Graduate Assistance in Areas of National Need	84.200		212,947	
Fund for the Improvement of Education	84.215			
<i>Pass-Through From McComb School District</i>	84.215			6,641
<i>Pass-Through From Montgomery County Public Schools</i>	84.215			2,082
<i>Pass-Through From Wythe County Public Schools</i>	84.215			20,478
Centers for International Business Education	84.220			
<i>Pass-Through From University of Illinois</i>	84.220			1,500
Assistive Technology	84.224		1,772,964	
Rehabilitation Services Demonstration and Training Programs	84.235		138,442	
Program of Protection and Advocacy of Individual Rights	84.240		171,021	
Rehabilitation Training-State Vocational Rehabilitation Unit In-Service Training	84.265		107,904	
Ready to Teach	84.286		134,916	
Twenty-First Century Community Learning Centers	84.287		17,539,344	
<i>Pass-Through From Caroline County Virginia Public Schools</i>	84.287			6,400
State Grants for Innovative Programs	84.298			
<i>Pass-Through From National Writing Project</i>	84.298			14,677
Education Research, Development and Dissemination	84.305			
<i>Pass-Through From University of Connecticut</i>	84.305			21,546

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Special Education-State Personnel Development	84.323		1,053,721	
Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	84.325		820,982	
Special Education-Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326		216,814	
Advanced Placement Program (Advanced Placement Test Fee: Advanced Placement Incentive Program Grants	84.330		353,905	
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		610,873	
Child Care Access Means Parents in School	84.335		17,560	
Assistive Technology-State Grants for Protection and Advocacy	84.343		16,194	
Transition to Teaching	84.350		205,028	
Rural Education	84.358		1,809,715	
School Leadership	84.363		818,592	
English Language Acquisition Grants	84.365		13,122,551	
Mathematics and Science Partnerships	84.366		2,562,944	
<i>Pass-Through From Old Dominion University Research Foundation</i>	84.366			15,945
Improving Teacher Quality State Grants	84.367		44,716,862	
<i>Pass-Through From National Writing Project</i>	84.367			69,778
Grants for State Assessments and Related Activities	84.369		16,583,173	
College Access Challenge Grant Program	84.378		1,316,294	
Baccalaureate Degrees in Science, Technology, Engineering, Mathematics, and Critical Foreign Languages and Masters Degrees in Science, Technology, Engineering, Mathematics, and Critical Foreign Languages	84.381		38,723	
Strengthening Minority-Serving Institutions	84.382		482,666	
State Fiscal Stabilization Fund (SFSF) - Investing in Innovation Fund, Recovery Act	84.396		83,193	
Transition Programs for Students with Intellectual Disabilities into Higher Education	84.407		399,348	
National Writing Project	84.928			
<i>Pass-Through From National Writing Project</i>	84.928			1,015
Other Assistance:				
<i>Pass-Through From Loudoun County Public Schools</i>	84.000	U215X100327 202293		166,375
<i>Pass-Through From Salus University</i>	84.000	H325V090001 202693 203014		28,069
Virginia Assistive Technology Services	84.000	14-096203128	98,163	
Total Excluding Clusters Identified Below			487,343,330	471,740
School Improvement Grants Cluster:				
Non-Stimulus:				
School Improvement Grants	84.377		8,524,466	
School Improvement Grants, Recovery Act	84.388		92,396	
Total Non-Stimulus			8,616,862	-
Stimulus (ARRA):				
School Improvement Grants, Recovery Act	84.388		10,202,921	
Total Stimulus (ARRA)			10,202,921	-
Total School Improvement Grants Cluster			18,819,783	-
Special Education Cluster (IDEA):				
Special Education-Grants to States	84.027		307,115,456	
Special Education-Preschool Grants	84.173		8,483,393	
Total Special Education Cluster (IDEA)			315,598,849	-

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Statewide Data Systems Cluster:				
Non-Stimulus:				
Statewide Longitudinal Data Systems	84.372			
<i>Pass-Through From Nevada Department of Education</i>	84.372			162,099
Total Non-Stimulus			-	162,099
Stimulus (ARRA):				
Statewide Data Systems, Recovery Act	84.384		3,032,143	
Total Stimulus (ARRA)			3,032,143	-
Total Statewide Data Systems Cluster			3,032,143	162,099
Student Financial Assistance Programs Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007		8,901,287	
Federal Work-Study Program - ARRA	84.033		9,676,131	
Federal Perkins Loan Program-Federal Capital Contributions	84.038		78,215,364	
Federal Pell Grant Program - ARRA	84.063		440,055,581	
Federal Direct Student Loans	84.268		1,309,071,692	
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379		185,471	
Postsecondary Education Scholarships for Veterans Dependents	84.408		15,835	
Total Student Financial Assistance Programs			1,846,121,361	-
Teacher Incentive Fund Cluster:				
Teacher Incentive Fund	84.374			
<i>Pass-Through From The Community Training and Assistance Center</i>	84.374			170,776
Total Teacher Incentive Fund Cluster			-	170,776
Teacher Quality Partnership Grants Cluster:				
Stimulus (ARRA):				
Teacher Quality Partnerships, Recovery Act	84.405		1,730,164	
Total Teacher Quality Partnership Grants Cluster			1,730,164	-
Trio Cluster:				
TRIO-Student Support Services	84.042		4,924,368	
TRIO-Talent Search	84.044		1,482,554	
TRIO-Upward Bound	84.047		4,374,611	
TRIO-Educational Opportunity Centers	84.066		378,613	
Total Trio Cluster			11,160,146	-
Research and Development Cluster:				
Non-Stimulus:				
Adult Education-Basic Grants to States	84.002		23,101	
Fund for the Improvement of Postsecondary Education	84.116		187,080	
National Institute on Disability and Rehabilitation Research	84.133		1,635,594	
<i>Pass-Through From Southwestern Educational Development Laboratory</i>	84.133			185,568
<i>Pass-Through From Transcen Incorporated</i>	84.133			225,986
Graduate Assistance in Areas of National Need	84.200		9,466	
Javits Gifted and Talented Students Education	84.206			
<i>Pass-Through From University of Connecticut</i>	84.206			19,029

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Twenty-First Century Community Learning Centers	84.287		102,084	
<i>Pass-Through From Norfolk Public Schools</i>	84.287			102,084
Education Research, Development and Dissemination	84.305		9,354,481	
<i>Pass-Through From American Institutes for Research</i>	84.305			134,482
<i>Pass-Through From Oregon State University</i>	84.305			10,918
<i>Pass-Through From Stanford University</i>	84.305			56,109
<i>Pass-Through From University of Cambridge</i>	84.305			248,827
Research in Special Education	84.324		694,744	
<i>Pass-Through From University of Florida</i>	84.324			480,802
Special Education-Personnel Development to Improve Services and Results for Children with Disabilities	84.325		126,853	
Special Education-Technology Media and Materials for Individuals with Disabilities	84.327		360,421	
Mathematics and Science Partnerships	84.366		22,628	
Other Assistance:				
<i>Pass-Through From American Institutes for Research</i>	84.000	H133A110004 202619		29,867
Study North African Culture	84.000	P016A120054 202778	31,619	
Total Non-Stimulus			12,548,071	1,493,672
Stimulus (ARRA):				
State Fiscal Stabilization Fund (SFSF) - Investing in Innovation Fund, Recovery Act	84.396		6,811,039	
<i>Pass-Through From Oregon State University</i>	84.396			542,149
Total Stimulus (ARRA)			6,811,039	542,149
Total Research and Development Cluster			19,359,110	2,035,821
Total U.S. Department of Education			2,703,164,886	2,840,436
SCHOLARSHIP AND FELLOWSHIP FOUNDATIONS				
U.S. Faculty Scholar Grants	85.801		50,958	
Other Assistance:				
Management Training	85.000	14-PO-730-0000292795 209777 209779	2,550	
Total Excluding Clusters Identified Below			53,508	-
Research and Development Cluster:				
Woodrow Wilson Center Fellowships in the Humanities and Social Sciences	85.300		15,000	
Total Research and Development Cluster			15,000	-
Total Scholarship and Fellowship Foundations			68,508	-
U.S. NATIONAL ARCHIVES AND RECORDS ADMINISTRATION				
National Historical Publications and Records Grants	89.003		361,578	
Total Excluding Clusters Identified Below			361,578	-
Research and Development Cluster:				
National Historical Publications and Records Grants	89.003		1,213,330	
Total Research and Development Cluster			1,213,330	-
Total U.S. National Archives and Records Administration			1,574,908	-

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
ELECTIONS ASSISTANCE COMMISSION				
Help America Vote Act Requirements Payments	90.401		4,048,185	
Total Elections Assistance Commission			4,048,185	-
U.S. INSTITUTE OF PEACE				
Annual Grant Competition	91.001		1,892	
<i>Pass-Through From Institute of International Education</i>	91.001			700
Public Education for Peacebuilding Awards Program	91.004			
<i>Pass-Through From United States Institute of Peace</i>	91.004			1,769
Total Excluding Clusters Identified Below			1,892	2,469
Research and Development Cluster:				
Annual Grant Competition	91.001		27,095	
Total Research and Development Cluster			27,095	-
Total U.S. Institute of Peace			28,987	2,469
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Non-Stimulus:				
Medical Reserve Corps Small Grant Program	93.008			
<i>Pass-Through From National Association of County & City Health Officials</i>	93.008			218,006
Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041		93,721	
Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	93.042		326,994	
Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	93.043		498,135	
Special Programs for the Aging-Title IV-and Title II-Discretionary Projects - ARRA	93.048		311,837	
National Family Caregiver Support, Title III, Part E	93.052		3,365,841	
Global AIDS	93.067			
<i>Pass-Through From Republic of Rwanda, Minister of Health</i>	93.067			722,761
Public Health Emergency Preparedness	93.069		508,921	
Medicare Enrollment Assistance Program	93.071		212,613	
Lifespan Respite Care Program	93.072		99,279	
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		22,460,570	
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077		1,409,408	
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079		40,768	
Enhance The Safety of Children Affected by Substance Abuse	93.087			
<i>Pass-Through From Rockingham Memorial Hospital</i>	93.087			69,726
Advancing System Improvements to Support Targets for Healthy People 2010	93.088			
<i>Pass-Through From Futures Without Violence</i>	93.088			76,963
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092		484,920	
Food and Drug Administration-Research	93.103		1,075,362	
<i>Pass-Through From National Association of County & City Health Officials</i>	93.103			4,793
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104		118,324	
Area Health Education Centers Point of Service Maintenance and Enhancement Awards	93.107		544,653	
Maternal and Child Health Federal Consolidated Programs	93.110		622,361	
<i>Pass-Through From The Children's Hospital of Philadelphia</i>	93.110			40,796
<i>Pass-Through From Thomas Jefferson University</i>	93.110			4,734

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		1,666,531	
Nurse Anesthetist Traineeships	93.124		53,716	
Emergency Medical Services for Children	93.127		71,165	
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130		141,525	
Grants to Increase Organ Donations	93.134		305,470	
Injury Prevention and Control Research and State and Community Based Programs	93.136		1,000,498	
Protection and Advocacy for Individuals with Mental Illness	93.138		296,259	
AIDS Education and Training Centers	93.145			
<i>Pass-Through From University of Pittsburgh</i>	93.145			249,570
Projects for Assistance in Transition from Homelessness (PATH)	93.150		1,432,909	
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153		365,647	
Grants to States for Loan Repayment Program	93.165		126,772	
Nursing Workforce Diversity	93.178		496,392	
Graduate Psychology Education Program and Patient Navigator and Chronic Disease Prevention Program	93.191		182,160	
Telehealth Programs	93.211		445,607	
Family Planning-Services	93.217		3,484,875	
Traumatic Brain Injury-State Demonstration Grant Program	93.234		209,743	
Affordable Care Act (ACA) Abstinence Education Program	93.235		402,754	
Grants to States to Support Oral Health Workforce Activities	93.236		577,568	
State Capacity Building	93.240		190,385	
State Rural Hospital Flexibility Program	93.241		417,735	
Substance Abuse and Mental Health Services-Projects of Regional and National Significance	93.243		5,740,122	
<i>Pass-Through From American Nurses Association</i>	93.243			5,000
<i>Pass-Through From Center for Social Innovation</i>	93.243			29,568
<i>Pass-Through From City of Richmond</i>	93.243			35,001
<i>Pass-Through From National Association of State Mental Health Program Directors</i>	93.243			184,970
<i>Pass-Through From The Daily Planet</i>	93.243			2,799
Advanced Nursing Education Grant Program	93.247		317,825	
Public Health Training Centers Program	93.249			
<i>Pass-Through From Eastern Virginia Medical School</i>	93.249			58,123
Universal Newborn Hearing Screening	93.251		330,653	
Healthy Communities Access Program	93.252		44,982	
Poison Center Support and Enhancement Grant Program	93.253		231,271	
State Health Access Program	93.256		126,296	
Immunization Cooperative Agreements	93.268		65,360,948	
Adult Viral Hepatitis Prevention and Control	93.270		53,073	
Drug-Free Communities Support Program Grants	93.276		66,059	
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283		6,304,250	
<i>Pass-Through From Association of State and Territorial Health Officials</i>	93.283			11,470
<i>Pass-Through From Council of State and Territorial Epidemiologists</i>	93.283			93,766
<i>Pass-Through From National Association of Chronic Disease</i>	93.283			27,000
<i>Pass-Through From National Association of County & City Health Officials</i>	93.283			4,619
State Partnership Grant Program to Improve Minority Health	93.296		133,504	
Small Rural Hospital Improvement Grant Program	93.301		243,521	
Minority Health and Health Disparities Research	93.307		57,407	
State Health Insurance Assistance Program	93.324		29,435	
Advanced Education Nursing Traineeships	93.358		272,218	
Nurse Education, Practice Quality and Retention Grants	93.359		717,839	
<i>Pass-Through From Marquette University</i>	93.359			29,258
Cancer Cause and Prevention Research	93.393			
<i>Pass-Through From University of Kentucky Research Foundation</i>	93.393			2,229
Cancer Centers Support Grants	93.397			
<i>Pass-Through From University of Kentucky Research Foundation</i>	93.397			106,626
Cancer Control	93.399		66,443	

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Pregnancy Assistance Fund Program	93.500		502,848	
Family to Family Health Information Centers	93.504		84,666	
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505		6,656,920	
PPHF National Public Health Improvement Initiative	93.507		509,654	
Affordable Care Act (ACA) State Health Care Workforce Development Grants	93.509		692,430	
Affordable Care Act (ACA) Primary Care Residency Expansion Program	93.510		372,750	
Affordable Care Act (ACA) Nurse-Managed Health Clinics	93.515			
<i>Pass-Through From St. Mary's Health Wagon, Incorporated</i>	93.515			60,934
Affordable Care Act (ACA) Public Health Training Centers Program	93.516			
<i>Pass-Through From Eastern Virginia Medical School</i>	93.516			35,698
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	93.521		804,287	
State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	93.525		539,827	
PPHF- Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539		227,372	
The Patient Protection and Affordable Care Act of 2010 (ACA)	93.541		25,893	
The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) Authorizes Coordinated Chronic Disease Prevention and Health Promotion Program	93.544		172,897	
Promoting Safe and Stable Families	93.556		5,482,227	
<i>Pass-Through From Child Development Resources</i>	93.556			4,894
Child Support Enforcement	93.563		60,978,291	
Refugee and Entrant Assistance-State Administered Programs	93.566		8,580,902	
Low-Income Home Energy Assistance	93.568		79,675,369	
<i>Pass-Through From City of Richmond</i>	93.568			93,088
Community Services Block Grant	93.569		10,083,359	
Refugee and Entrant Assistance-Discretionary Grants	93.576		639,224	
Refugee and Entrant Assistance-Targeted Assistance Grants	93.584		184,616	
State Court Improvement Program	93.586		1,049,449	
Community-Based Child Abuse Prevention Grants	93.590		672,356	
Grants to States for Access and Visitation Programs	93.597		183,331	
Chafee Education and Training Vouchers Program (ETV)	93.599		403,244	
Head Start	93.600		239,503	
<i>Pass-Through From United Negro College Fund</i>	93.600			30,688
Assets for Independence Demonstration Program	93.602			
<i>Pass-Through From Abt Associates Incorporated</i>	93.602			265,071
Adoption Incentive Payments	93.603		80,617	
Health Care Innovation Awards (HCIA)	93.610			
<i>Pass-Through From Carillion Clinic</i>	93.610			219,375
Strong Start for Mothers and Newborns	93.611		239,124	
Voting Access for Individuals with Disabilities-Grants to States	93.617		62,842	
Voting Access for Individuals with Disabilities-Grants for Protection and Advocacy Systems	93.618		22,265	
Affordable Care Act State Health Insurance Assistance Program (SHIP) and Aging and Disability Resource Center (ADRC) Options Counseling for Medicare-Medicaid Individuals in States with Approved Financial Alignment Models	93.626		10,886	
Developmental Disabilities Basic Support and Advocacy Grants	93.630		1,958,082	
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		676,555	
Children's Justice Grants to States	93.643		404,438	
Stephanie Tubbs Jones Child Welfare Services Program	93.645		4,523,452	
Foster Care-Title IV-E - ARRA	93.658		49,940,930	
Adoption Assistance - ARRA	93.659		41,699,720	
Social Services Block Grant	93.667		54,284,831	
Child Abuse and Neglect State Grants	93.669		639,505	
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671		2,001,511	
Chafee Foster Care Independence Program	93.674		1,279,972	
Mental and Behavioral Health Education and Training Grants	93.732		163,965	
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by the Prevention and Public Health Fund (PPHF)	93.733		494,203	

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs - Financed by Prevention and Public Health Funds (PPHF)	93.734		521,616	
State Public Health Approaches for Ensuring Quitline Capacity Funded in Part by Prevention and Public Health Funds (PPHF)	93.735		456,720	
Prevention Public Health Fund: Viral Hepatitis Prevention	93.736		116,567	
PPHF: Breast and Cervical Cancer Screening Opportunities for States, Tribes, and Territories solely financed by Prevention and Public Health Funds	93.744		24,688	
PPHF: Health Care Surveillance/Health Statistics Surveillance Program Announcement: Behavioral Risk Factor Surveillance System Financed in Part by Prevention and Public Health Fund	93.745		188,815	
Children's Health Insurance Program	93.767		203,165,551	
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779		1,045,094	
Alternatives to Psychiatric Residential Treatment Facilities for Children	93.789		131,079	
Money Follows the Person Rebalancing Demonstration	93.791		6,271,794	
Biomedical Research and Research Training	93.859		687,003	
Child Health and Human Development Extramural Research	93.865		28,785	
Medical Library Assistance	93.879		223,458	
<i>Pass-Through From Vanderbilt University</i>	93.879			27,458
National Bioterrorism Hospital Preparedness Program	93.889		748,891	
Rural Health Care Services Outreach and Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912		110,630	
<i>Pass-Through From Stone Mountain Health Alliance</i>	93.912			1,716
Grants to States for Operation of Offices of Rural Health	93.913		210,048	
HIV Emergency Relief Project Grants	93.914			
<i>Pass-Through From City of Norfolk</i>	93.914			530,000
<i>Pass-Through From Northern Virginia Regional Council</i>	93.914			922,525
HIV Care Formula Grants	93.917		35,374,815	
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		920,509	
Healthy Start Initiative	93.926		845,615	
Special Projects of National Significance	93.928		1,229,150	
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938		30,273	
HIV Prevention Activities-Health Department Based	93.940		7,756,457	
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944		2,372,389	
Assistance Programs for Chronic Disease Prevention and Control	93.945		429,514	
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946		110,878	
Block Grants for Community Mental Health Services	93.958		10,285,589	
Block Grants for Prevention and Treatment of Substance Abuse	93.959		40,543,824	
PPHF - Geriatric Education Centers	93.969		438,195	
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977		2,179,003	
Preventive Health Services-Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants	93.978		312,034	
Preventive Health and Health Services Block Grant	93.991		1,221,491	
Maternal and Child Health Services Block Grant to the States	93.994		14,584,123	
Adolescent Family Life-Demonstration Projects	93.995		15,372	
Other Assistance:				
Feed Inspection	93.000	HHSF223201210115C	1,984	
Food Inspection	93.000	HHSF223201210127C	433,006	
Food Inspection	93.000	HHSF223201310075C	23,568	
Mammography	93.000	HHSF223201210123C	134,337	
NIMH Neuropathology	93.000	HHSN271201300584P	167,726	
<i>Pass-Through From Community College of Allegheny County</i>	93.000	G00867872 202931 HHSS2832007000031 202932 203097 203098 203109 203177 203178 203197		1,890
<i>Pass-Through From JBS International, Incorporated</i>	93.000	203227		117,604
<i>Pass-Through From Qatar Foundation International, Limited Liability Company</i>	93.000	G-1309-54476 222397		4,410
<i>Pass-Through From Unified Prevention Coalition of Fairfax</i>	93.000	G00797004 202970		7,500

COMMONWEALTH OF VIRGINIA
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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Public Health Communications Training	93.000	FY14-PELA 0100 SKY- 209769 209775 209776 209778 209780 209784 209786	34,123	
Vital Statistics Program	93.000	200-2012-50846	409,922	
Total Non-Stimulus			795,166,213	4,300,629
Stimulus (ARRA):				
ARRA - Head Start	93.708		397,147	
Health Information Technology Regional Extension Centers Program - ARRA	93.718			
<i>Pass-Through From VHQC</i>	93.718			23,744
ARRA - State Grants to Promote Health Information Technology	93.719		3,705,368	
ARRA - Health Information Technology Professionals in Health Care	93.721		594,604	
Total Stimulus (ARRA)			4,697,119	23,744
Total Excluding Clusters Identified Below			799,863,332	4,324,373
Aging Cluster:				
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044		11,198,880	
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045		10,541,933	
Nutrition Services Incentive Program	93.053		1,920,824	
Total Aging Cluster			23,661,637	-
CCDF Cluster:				
Child Care and Development Block Grant	93.575		42,877,495	
<i>Pass-Through From Child Development Resources Institute</i>	93.575			376,299
<i>Pass-Through From Virginia Early Childhood Foundation</i>	93.575			12,402
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		77,813,704	
Total CCDF Cluster			120,691,199	388,701
Medicaid Cluster:				
State Medicaid Fraud Control Units	93.775		8,457,044	
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777		7,867,832	
Medical Assistance Program	93.778		4,249,070,596	
Total Medicaid Cluster			4,265,395,472	-
Student Financial Assistance Programs Cluster:				
Nurse Faculty Loan Program (NFLP)	93.264		520,176	
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342		10,005,780	
Nursing Student Loans	93.364		2,137,258	
Total Student Financial Assistance Programs Cluster			12,663,214	-
TANF Cluster:				
Temporary Assistance for Needy Families	93.558		110,814,580	
Total TANF Cluster			110,814,580	-
Research and Development Cluster:				
Non-Stimulus:				
HIV Prevention Programs for Women	93.015		42,252	
Alzheimer's Disease Demonstration Grants to States	93.051			

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
<i>Pass-Through From Alzheimer's Association of Central and Western Virginia</i>	93.051			(28)
Birth Defects and Developmental Disabilities - Prevention and Surveillance	93.073			
<i>Pass-Through From Operation Smile, Incorporated</i>	93.073			40,278
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077			
<i>Pass-Through From University of Maryland</i>	93.077			106,887
Food and Drug Administration-Research	93.103		236,120	
<i>Pass-Through From Georgia Institute of Technology</i>	93.103			163,500
<i>Pass-Through From Lifesource Biomedical, Limited Liability Corporation</i>	93.103			26,812
<i>Pass-Through From University of Kansas Medical Center</i>	93.103			10,859
Maternal and Child Health Federal Consolidated Programs	93.110		545,671	
Environmental Health	93.113		833,453	
<i>Pass-Through From Georgetown University Medical Center</i>	93.113			93,617
<i>Pass-Through From The University of Texas at Arlington</i>	93.113			16,126
<i>Pass-Through From University of New Mexico</i>	93.113			30,768
<i>Pass-Through From Wake Forest University</i>	93.113			30,126
Oral Diseases and Disorders Research	93.121		1,520,246	
<i>Pass-Through From Georgia Institute of Technology</i>	93.121			161,310
<i>Pass-Through From Medical University of South Carolina</i>	93.121			83,586
Emergency Medical Services for Children	93.127			
<i>Pass-Through From Children's Research Institute</i>	93.127			44,919
Injury Prevention and Control Research and State and Community Based Programs	93.136		942,718	
<i>Pass-Through From Johns Hopkins University</i>	93.136			31,070
NIEHS Superfund Hazardous Substances-Basic Research and Education	93.143		223,466	
Human Genome Research	93.172		745,509	
Research Related to Deafness and Communication Disorders	93.173		1,983,852	
<i>Pass-Through From University of Louisville Research Foundation, Incorporated</i>	93.173			87,899
Disabilities Prevention	93.184			
<i>Pass-Through From The Children's Hospital of Philadelphia</i>	93.184			31,346
Research and Training in Complementary and Alternative Medicine	93.213		494,089	
<i>Pass-Through From Massachusetts General Hospital</i>	93.213			9,561
<i>Pass-Through From Wayne State University</i>	93.213			74,941
Research on Healthcare Costs, Quality and Outcomes	93.226		1,287,451	
<i>Pass-Through From RAND Corporation</i>	93.226			42,775
Consolidated Knowledge Development and Application (KD&A) Program	93.230		84	
National Center on Sleep Disorders Research	93.233		329,650	
<i>Pass-Through From Brigham and Women's Hospital, Incorporated</i>	93.233			43,796
Mental Health Research Grants	93.242		8,127,271	
<i>Pass-Through From Boston University</i>	93.242			35,684
<i>Pass-Through From Brown University</i>	93.242			31,829
<i>Pass-Through From Indiana University</i>	93.242			225,778
<i>Pass-Through From Johns Hopkins University</i>	93.242			33,507
<i>Pass-Through From Medical College of Wisconsin</i>	93.242			8,919
<i>Pass-Through From Michigan State University</i>	93.242			6,170
<i>Pass-Through From Research Foundation for Mental Hygiene</i>	93.242			41,097
<i>Pass-Through From Rhode Island Hospital</i>	93.242			39,988
<i>Pass-Through From University of North Carolina at Chapel Hill</i>	93.242			103,327
<i>Pass-Through From University of Pittsburgh</i>	93.242			27,116
<i>Pass-Through From University of Rochester</i>	93.242			15,057
<i>Pass-Through From Yale University</i>	93.242			11,022
Substance Abuse and Mental Health Services-Projects of Regional and National Significance	93.243		77,053	
Occupational Safety and Health Program	93.262		2,686,504	
<i>Pass-Through From Marshfield Clinic Research Foundation</i>	93.262			3,839
<i>Pass-Through From University of Kentucky</i>	93.262			27,063
Comprehensive Geriatric Education Program (CGEP)	93.265		184,218	
Alcohol Research Programs	93.273		7,668,807	

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
<i>Pass-Through From Marquette University</i>	93.273			12,977
<i>Pass-Through From The Research Foundation of State University of New York</i>	93.273			81,252
<i>Pass-Through From University of Washington</i>	93.273			17,523
Drug Abuse and Addiction Research Programs	93.279		15,978,731	
<i>Pass-Through From American Institutes for Research</i>	93.279			21,432
<i>Pass-Through From Arizona State University</i>	93.279			159,335
<i>Pass-Through From Brigham and Women's Hospital</i>	93.279			20,159
<i>Pass-Through From Duke University</i>	93.279			200,335
<i>Pass-Through From Fordham University</i>	93.279			2,288
<i>Pass-Through From Johns Hopkins University</i>	93.279			212,443
<i>Pass-Through From Lund University</i>	93.279			74,847
<i>Pass-Through From Michigan State University</i>	93.279			6,565
<i>Pass-Through From Northwestern University</i>	93.279			60,500
<i>Pass-Through From Organix Incorporated</i>	93.279			6,851
<i>Pass-Through From Research Triangle Institute</i>	93.279			176,286
<i>Pass-Through From Scripps Research Institute</i>	93.279			338,733
<i>Pass-Through From Seton Hall University</i>	93.279			275,493
<i>Pass-Through From Silverchair Science and Communications, Incorporated</i>	93.279			(1)
<i>Pass-Through From Southern Research Institute</i>	93.279			31,319
<i>Pass-Through From The University of Texas</i>	93.279			417,895
<i>Pass-Through From University of Colorado</i>	93.279			2,496
<i>Pass-Through From University of Kentucky</i>	93.279			219,734
<i>Pass-Through From University of Memphis</i>	93.279			8
<i>Pass-Through From University of North Carolina at Chapel Hill</i>	93.279			49,019
<i>Pass-Through From University of North Texas Health Science</i>	93.279			286,974
<i>Pass-Through From University of Oregon</i>	93.279			62,967
<i>Pass-Through From University of Pittsburgh</i>	93.279			3,423
<i>Pass-Through From University of Washington</i>	93.279			154,492
<i>Pass-Through From Yale University</i>	93.279			420,926
Mental Health Research Career/Scientist Development Awards	93.281		412,269	
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283		86,326	
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		1,695,946	
<i>Pass-Through From University of California, Santa Barbara</i>	93.286			68,197
<i>Pass-Through From Wake Forest University Health Sciences</i>	93.286			24,347
Minority Health and Health Disparities Research	93.307		2,116,001	
<i>Pass-Through From City College of New York</i>	93.307			31,730
<i>Pass-Through From University of Michigan</i>	93.307			8,746
Trans-NIH Research Support	93.310		2,505,639	
National Center for Advancing Translational Sciences	93.350		3,750,348	
<i>Pass-Through From Medical Cyberworlds, Incorporated</i>	93.350			39,869
Research Infrastructure Programs	93.351		1,751,990	
Nurse Education, Practice Quality and Retention Grants	93.359		373,496	
Nursing Research	93.361		2,061,044	
<i>Pass-Through From Cincinnati Children's Hospital</i>	93.361			12,034
<i>Pass-Through From Cubist Pharmaceuticals, Incorporated</i>	93.361			6,797
<i>Pass-Through From Medical University of South Carolina</i>	93.361			6,538
<i>Pass-Through From The University of Texas at Austin</i>	93.361			6,540
<i>Pass-Through From Wayne State University</i>	93.361			9,474
National Center for Research Resources	93.389			
<i>Pass-Through From University of Georgia</i>	93.389			92,714
Academic Research Enhancement Award	93.390		6,735	
Cancer Cause and Prevention Research	93.393		8,414,817	
<i>Pass-Through From Duke University</i>	93.393			31,685
<i>Pass-Through From International Tobacco Control Policy Research Program</i>	93.393			11,173
<i>Pass-Through From San Diego State University Research Foundation</i>	93.393			30,767

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
<i>Pass-Through From University of Arizona</i>	93.393			73,162
<i>Pass-Through From University of California Los Angeles</i>	93.393			75,304
<i>Pass-Through From University of Miami</i>	93.393			(10,963)
<i>Pass-Through From University of Michigan</i>	93.393			86,119
Cancer Detection and Diagnosis Research	93.394		3,488,495	
<i>Pass-Through From American College of Radiology Imaging Network</i>	93.394			450
<i>Pass-Through From Georgetown University</i>	93.394			55,333
<i>Pass-Through From Johns Hopkins University</i>	93.394			135,394
<i>Pass-Through From Luna Innovations, Incorporated</i>	93.394			51,953
Cancer Treatment Research	93.395		4,741,263	
<i>Pass-Through From American College of Radiology</i>	93.395			58,879
<i>Pass-Through From Boston University</i>	93.395			12,025
<i>Pass-Through From Brigham and Women's Hospital, Incorporated</i>	93.395			27,649
<i>Pass-Through From Childhood Cancer Foundation</i>	93.395			144,994
<i>Pass-Through From Children's Hospital of Philadelphia</i>	93.395			81,405
<i>Pass-Through From Dana-Farber Cancer Institute, Incorporated</i>	93.395			11,076
<i>Pass-Through From H. Lee Moffitt Cancer Center and Research Institute</i>	93.395			41,224
<i>Pass-Through From Health Research Incorporated</i>	93.395			27,450
<i>Pass-Through From ITI Health, Incorporated</i>	93.395			27,766
<i>Pass-Through From John Wayne Cancer Institute</i>	93.395			150
<i>Pass-Through From Leidos Incorporated</i>	93.395			60,661
<i>Pass-Through From Mayo Clinic Rochester</i>	93.395			10,882
<i>Pass-Through From National Childhood Cancer Foundation</i>	93.395			36,584
<i>Pass-Through From National Surgical Adjuvant Breast and Bowel Program</i>	93.395			84
<i>Pass-Through From Parabon NanoLabs, Incorporated</i>	93.395			42,456
<i>Pass-Through From Pennsylvania State University</i>	93.395			86,993
<i>Pass-Through From Progenra, Incorporated</i>	93.395			68,788
<i>Pass-Through From Sanford-Burnham Medical Research Institute</i>	93.395			186,432
<i>Pass-Through From Temple University</i>	93.395			94,480
<i>Pass-Through From The Gynecologic Oncology Group</i>	93.395			32,366
<i>Pass-Through From University of Pittsburgh</i>	93.395			38,427
<i>Pass-Through From Wake Forest University School of Medicine</i>	93.395			30,121
Cancer Biology Research	93.396		7,056,196	
<i>Pass-Through From Cedars-Sinai Medical Center</i>	93.396			4,934
<i>Pass-Through From Duke University</i>	93.396			11,151
<i>Pass-Through From Georgetown University</i>	93.396			32,651
<i>Pass-Through From Vanderbilt University</i>	93.396			74,837
Cancer Centers Support Grants	93.397		1,318,575	
<i>Pass-Through From Georgetown University Medical Center</i>	93.397			263,438
<i>Pass-Through From The University of Texas</i>	93.397			391,177
<i>Pass-Through From University of Rochester</i>	93.397			49,725
Cancer Research Manpower	93.398		911,851	
<i>Pass-Through From National Disease Research Interchange</i>	93.398			595,227
<i>Pass-Through From Temple University</i>	93.398			135,104
Cancer Control	93.399		538,435	
<i>Pass-Through From National Surgical Adjuvant Breast and Bowel Program</i>	93.399			85,462
<i>Pass-Through From University of Michigan</i>	93.399			17,678
Affordable Care Act (ACA) Public Health Training Centers Program	93.516			
<i>Pass-Through From Eastern Virginia Medical School</i>	93.516			20,446
Centers for Disease Control and Prevention –Affordable Care Act (ACA) – Communities Putting Prevention to Work	93.520			
<i>Pass-Through From Cardno Marshall Miller & Associates</i>	93.520			70,089
Health Promotion and Disease Prevention Research Centers; PPHF - Affordable Care Act Projects	93.542			
<i>Pass-Through From University of Washington</i>	93.542			10,787
Head Start	93.600			
<i>Pass-Through From University of Washington</i>	93.600			868,266

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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Health Care Innovation Awards (HCIA)	93.610		819,843	
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779		47,277	
Cardiovascular Diseases Research	93.837		21,004,315	
<i>Pass-Through From American Lung Association</i>	93.837			2,513
<i>Pass-Through From Arizona State University</i>	93.837			(1,163)
<i>Pass-Through From Baylor Research Institute</i>	93.837			117,081
<i>Pass-Through From Brigham and Women's Hospital</i>	93.837			8,250
<i>Pass-Through From Children's Hospital Boston</i>	93.837			59,665
<i>Pass-Through From Duke University</i>	93.837			24,462
<i>Pass-Through From Johns Hopkins University</i>	93.837			556,637
<i>Pass-Through From Joslin Diabetes Center Incorporated</i>	93.837			76,554
<i>Pass-Through From La Jolla Institute for Allergy and Immunology</i>	93.837			972,265
<i>Pass-Through From Mayo Clinic Rochester</i>	93.837			14,016
<i>Pass-Through From Mount Sinai School of Medicine</i>	93.837			59,528
<i>Pass-Through From New York University School of Medicine</i>	93.837			4,251
<i>Pass-Through From Ohio State University Research Foundation</i>	93.837			13,108
<i>Pass-Through From Puget Sound Blood Center Research Institute</i>	93.837			45,290
<i>Pass-Through From Rensselaer Polytechnic Institute</i>	93.837			84,606
<i>Pass-Through From University of California, San Diego</i>	93.837			97,641
<i>Pass-Through From University of Connecticut</i>	93.837			103,074
<i>Pass-Through From University of Louisville</i>	93.837			190,125
<i>Pass-Through From University of Maryland</i>	93.837			218,262
<i>Pass-Through From University of Pennsylvania</i>	93.837			(8,815)
<i>Pass-Through From University of Rochester</i>	93.837			4,444
<i>Pass-Through From Veterans Medical Research Foundation</i>	93.837			4,774
<i>Pass-Through From Wake Forest University</i>	93.837			493,637
<i>Pass-Through From Yale University</i>	93.837			70
Lung Diseases Research	93.838		4,253,755	
<i>Pass-Through From American Lung Association</i>	93.838			1,864
<i>Pass-Through From Case Western Reserve University</i>	93.838			703,003
<i>Pass-Through From Columbia University</i>	93.838			61,267
<i>Pass-Through From Covenant Therapeutics, Limited Liability Corporation</i>	93.838			24,232
<i>Pass-Through From Duke University</i>	93.838			53,665
<i>Pass-Through From Fred Hutchinson Cancer Research Center</i>	93.838			3,033
<i>Pass-Through From Pennsylvania State University</i>	93.838			45,771
<i>Pass-Through From University of Washington</i>	93.838			29,651
<i>Pass-Through From Xemed Limited Liability Corporation</i>	93.838			259,539
Blood Diseases and Resources Research	93.839		4,170,713	
<i>Pass-Through From Childhood Cancer Foundation</i>	93.839			16,688
<i>Pass-Through From HemoSonics, Limited Liability Corporation</i>	93.839			19,056
<i>Pass-Through From National Marrow Donor Program</i>	93.839			7,465
<i>Pass-Through From Ohio State University Research Foundation</i>	93.839			9,196
<i>Pass-Through From University of North Carolina-Chapel Hill</i>	93.839			1,571
<i>Pass-Through From Washington University in St. Louis</i>	93.839			2,636
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		4,394,300	
<i>Pass-Through From Cell and Tissue Systems, Incorporated</i>	93.846			10,578
<i>Pass-Through From Georgia Institute of Technology</i>	93.846			14,460
<i>Pass-Through From Indiana University-Purdue University Indianapolis</i>	93.846			31,597
<i>Pass-Through From Memorial Hospital of Rhode Island</i>	93.846			5,250
<i>Pass-Through From Miami University</i>	93.846			8,834
<i>Pass-Through From Ohio State University</i>	93.846			19,134
<i>Pass-Through From University of Iowa</i>	93.846			1,918
<i>Pass-Through From University of Pittsburgh</i>	93.846			15,890
<i>Pass-Through From Washington University in St. Louis</i>	93.846			22,379
Diabetes, Digestive and Kidney Disease Extramural Research	93.847		22,549,128	

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<i>Pass-Through From Arkansas Children's Hospital Research Institute</i>	93.847			5,226
<i>Pass-Through From Baylor College of Medicine</i>	93.847			111,638
<i>Pass-Through From Children's Hospital of Philadelphia</i>	93.847			10,319
<i>Pass-Through From Children's Research Institute</i>	93.847			34,884
<i>Pass-Through From Georgia Health Sciences University</i>	93.847			42,855
<i>Pass-Through From Joslin Diabetes Center Incorporated</i>	93.847			18,571
<i>Pass-Through From Joslin Diabetes Clinic/Harvard Medical School</i>	93.847			5,757
<i>Pass-Through From Massachusetts General Hospital</i>	93.847			4,499
<i>Pass-Through From Mayo Clinic Rochester</i>	93.847			11,275
<i>Pass-Through From Northwestern University</i>	93.847			29,607
<i>Pass-Through From Pennington Biomedical Research Center</i>	93.847			19,452
<i>Pass-Through From Pennsylvania State University</i>	93.847			558
<i>Pass-Through From Temple University</i>	93.847			30,136
<i>Pass-Through From The Emmes Corporation</i>	93.847			1,100
<i>Pass-Through From University of California, Santa Barbara</i>	93.847			383,688
<i>Pass-Through From University of Maryland, Baltimore</i>	93.847			245,992
<i>Pass-Through From University of Pittsburgh</i>	93.847			6,389
<i>Pass-Through From University of South Florida</i>	93.847			31,993
<i>Pass-Through From University of Tennessee</i>	93.847			18,371
<i>Pass-Through From University of Texas Southwestern Medical Center at Dallas</i>	93.847			54,057
<i>Pass-Through From University of Toledo</i>	93.847			1,610
<i>Pass-Through From Wake Forest University</i>	93.847			41,012
Digestive Diseases and Nutrition Research	93.848		1,355,195	
<i>Pass-Through From Johns Hopkins University</i>	93.848			12,500
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		15,414,866	
<i>Pass-Through From Beth Israel Deaconess Medical Center</i>	93.853			3,698
<i>Pass-Through From Chicago Association for Research and Education in Science</i>	93.853			33,182
<i>Pass-Through From Children's National Medical Center</i>	93.853			119,934
<i>Pass-Through From Columbia University</i>	93.853			178,770
<i>Pass-Through From Edward Via College of Osteopathic Medicine</i>	93.853			53,490
<i>Pass-Through From Emory University</i>	93.853			84,095
<i>Pass-Through From Johns Hopkins University</i>	93.853			24,050
<i>Pass-Through From Massachusetts General Hospital</i>	93.853			7,833
<i>Pass-Through From Mayo Clinic</i>	93.853			139,957
<i>Pass-Through From Mayo Clinic Jacksonville</i>	93.853			4,376
<i>Pass-Through From Montefiore Medical Center</i>	93.853			439
<i>Pass-Through From Mount Sinai School of Medicine</i>	93.853			81,142
<i>Pass-Through From Orlando Regional Medical Center</i>	93.853			14,715
<i>Pass-Through From University of California at San Francisco</i>	93.853			255,414
<i>Pass-Through From University of Cincinnati</i>	93.853			102,059
<i>Pass-Through From University of Maryland</i>	93.853			84,759
<i>Pass-Through From University of Medicine and Dentistry of New Jersey</i>	93.853			5,489
<i>Pass-Through From University of Michigan</i>	93.853			314,759
<i>Pass-Through From University of North Carolina, Chapel Hill</i>	93.853			17,753
<i>Pass-Through From University of Pittsburgh</i>	93.853			35,613
<i>Pass-Through From Wake Forest University School of Medicine</i>	93.853			72,185
<i>Pass-Through From Yale University</i>	93.853			5,868
<i>Pass-Through From Yeshiva University</i>	93.853			311,084
Allergy, Immunology and Transplantation Research	93.855		24,664,972	
<i>Pass-Through From Alexander BioDiscoveries, Limited Liability Corporation</i>	93.855			244,407
<i>Pass-Through From Brigham and Women's Hospital, Incorporated</i>	93.855			23,825
<i>Pass-Through From Cincinnati Children's Hospital</i>	93.855			224,071
<i>Pass-Through From Duke University</i>	93.855			335,695
<i>Pass-Through From Emory University</i>	93.855			33,554
<i>Pass-Through From George Washington University</i>	93.855			356,860

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<i>Pass-Through From IASIS Molecular Sciences, Limited Liability Company</i>	93.855			59,124
<i>Pass-Through From Indiana University</i>	93.855			83,711
<i>Pass-Through From Institute of Clinical Research</i>	93.855			36,259
<i>Pass-Through From Johns Hopkins University</i>	93.855			125,757
<i>Pass-Through From Mayo Clinic</i>	93.855			95,228
<i>Pass-Through From National Jewish Health</i>	93.855			77,145
<i>Pass-Through From Oregon Health & Science University</i>	93.855			56,308
<i>Pass-Through From Purdue University</i>	93.855			21,356
<i>Pass-Through From Sequella, Incorporated</i>	93.855			154,925
<i>Pass-Through From Techlab Research</i>	93.855			201,343
<i>Pass-Through From University of Alabama</i>	93.855			50,940
<i>Pass-Through From University of Bahia, Brazil</i>	93.855			7,831
<i>Pass-Through From University of Colorado</i>	93.855			204,307
<i>Pass-Through From University of Maryland</i>	93.855			1,230,174
<i>Pass-Through From University of Missouri</i>	93.855			35,877
<i>Pass-Through From University of North Carolina at Chapel Hill</i>	93.855			188,710
<i>Pass-Through From University of Pennsylvania</i>	93.855			(8,470)
<i>Pass-Through From University of Pittsburgh</i>	93.855			286,789
<i>Pass-Through From University of South Carolina</i>	93.855			25,862
<i>Pass-Through From University of Washington</i>	93.855			199,365
<i>Pass-Through From University of Wisconsin</i>	93.855			36,668
Microbiology and Infectious Diseases Research	93.856		653,807	
<i>Pass-Through From University of Maryland</i>	93.856			1,748
<i>Pass-Through From Vaccine Research Institute of San Diego</i>	93.856			22,496
Biomedical Research and Research Training	93.859		22,244,193	
<i>Pass-Through From Albert Einstein College of Medicine</i>	93.859			337,520
<i>Pass-Through From Georgetown University</i>	93.859			64,170
<i>Pass-Through From Hauptman-Woodward Medical Research Institute, Incorporated</i>	93.859			264,550
<i>Pass-Through From Luna Innovations, Incorporated</i>	93.859			98,552
<i>Pass-Through From Lynntech, Incorporated</i>	93.859			167,662
<i>Pass-Through From Medical University of South Carolina</i>	93.859			26,494
<i>Pass-Through From Montclair State University</i>	93.859			9,431
<i>Pass-Through From Novion Technologies</i>	93.859			30,050
<i>Pass-Through From Research Triangle Institute</i>	93.859			18,856
<i>Pass-Through From Rutgers, The State University of New Jersey</i>	93.859			84,538
<i>Pass-Through From Sanford-Burnham Medical Research Institute</i>	93.859			185,320
<i>Pass-Through From SphynKx Therapeutics, Limited Liability Corporation</i>	93.859			14,501
<i>Pass-Through From Texas A and M University</i>	93.859			30,877
<i>Pass-Through From The Trustees of Columbia University in the City of New York</i>	93.859			33,190
<i>Pass-Through From The University of Kentucky Research Foundation</i>	93.859			1,542
<i>Pass-Through From University of Alabama</i>	93.859			8,496
<i>Pass-Through From University of Chicago</i>	93.859			398,884
<i>Pass-Through From University of Illinois</i>	93.859			184,834
<i>Pass-Through From University of Iowa</i>	93.859			22,651
<i>Pass-Through From University of Kentucky</i>	93.859			2,010
<i>Pass-Through From University of Newcastle upon Tyne</i>	93.859			15,520
<i>Pass-Through From University of North Carolina at Chapel Hill</i>	93.859			49,639
<i>Pass-Through From University of Philadelphia</i>	93.859			24,604
<i>Pass-Through From University of Pittsburgh</i>	93.859			771
<i>Pass-Through From University of Richmond</i>	93.859			38,430
<i>Pass-Through From University of Texas Southwestern Medical Center at Dallas</i>	93.859			102,301
<i>Pass-Through From University of Utah</i>	93.859			318,599
<i>Pass-Through From University of Wisconsin Madison</i>	93.859			728
<i>Pass-Through From Utah State University</i>	93.859			166,247

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
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Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Child Health and Human Development Extramural Research	93.865		9,220,984	
<i>Pass-Through From Barron Associates, Incorporated</i>	93.865			13,200
<i>Pass-Through From Boston University</i>	93.865			149,461
<i>Pass-Through From Cedars-Sinai Medical Center</i>	93.865			28,332
<i>Pass-Through From Cincinnati Children's Hospital Medical Center</i>	93.865			29,456
<i>Pass-Through From Indiana University</i>	93.865			2,972
<i>Pass-Through From Johns Hopkins University</i>	93.865			160,357
<i>Pass-Through From Northeastern University</i>	93.865			12,356
<i>Pass-Through From RAND Corporation</i>	93.865			20,305
<i>Pass-Through From Seattle Children's Research Institute</i>	93.865			28,526
<i>Pass-Through From Temple University</i>	93.865			176,000
<i>Pass-Through From The Salk Institute for Biological Studies</i>	93.865			21,293
<i>Pass-Through From University of California, Los Angeles</i>	93.865			105,042
<i>Pass-Through From University of Colorado</i>	93.865			53,870
<i>Pass-Through From University of Florida</i>	93.865			27,767
<i>Pass-Through From University of Minnesota</i>	93.865			74,964
<i>Pass-Through From Yale University</i>	93.865			144,706
Aging Research	93.866		3,824,086	
<i>Pass-Through From Barron Associates, Incorporated</i>	93.866			54,523
<i>Pass-Through From Boston College</i>	93.866			493
<i>Pass-Through From Boston University</i>	93.866			43,820
<i>Pass-Through From Columbia University</i>	93.866			39,112
<i>Pass-Through From Cumberland Pharmaceuticals Incorporated</i>	93.866			87,027
<i>Pass-Through From Paragon Computation, Incorporated</i>	93.866			32,032
<i>Pass-Through From Rush University Medical Center</i>	93.866			8,736
<i>Pass-Through From University of California, San Diego</i>	93.866			69,708
<i>Pass-Through From University of Chicago</i>	93.866			59,634
<i>Pass-Through From University of Maryland</i>	93.866			69,396
<i>Pass-Through From University of Pittsburgh</i>	93.866			27,603
<i>Pass-Through From University of South Carolina</i>	93.866			20,592
<i>Pass-Through From University of Washington</i>	93.866			44,496
<i>Pass-Through From Wake Forest University</i>	93.866			193,608
Vision Research	93.867		2,389,967	
<i>Pass-Through From Barron Associates, Incorporated</i>	93.867			33,988
<i>Pass-Through From St. Luke's-Roosevelt Institute for Health Sciences</i>	93.867			1,411
<i>Pass-Through From University of Louisville</i>	93.867			34,119
<i>Pass-Through From University of Maryland</i>	93.867			36,689
<i>Pass-Through From University of Oklahoma Health Sciences Center</i>	93.867			28,182
Medical Library Assistance	93.879		20,111	
Rural Health Care Services Outreach and Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912		23,874	
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		133,556	
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938		325	
International Research and Research Training	93.989		907,687	
Other Assistance:				
Assessment Battery	93.000	1R21HD068744-01A1 202588 202787 203236	199,613	
Intergovernmental Personnel Act Agreement Evans Cuellar	93.000	202876	22,537	
Intergovernmental Personnel Act Agreement Keyser	93.000	202841	4,995	
Intergovernmental Personnel Act Agreement Keyser	93.000	203107	31,900	
Intergovernmental Personnel Act Agreement Lisa Chinn	93.000	202939	71,546	
Other Assistance	93.000	13-M65	(199,312)	
Other Assistance	93.000	200-2010-36140	472,862	
Other Assistance	93.000	200-2011-40313	439,687	
Other Assistance	93.000	HHSN272200900040C	4,976,339	
Other Assistance	93.000	HHSN272201000056C	1,877,423	

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Other Assistance	93.000	HHSN275201100015C	127,267	
Other Assistance	93.000	NIH-NIAID - HHSN272201000056C	190,357	
Other Assistance	93.000	ORNO: HHSF223201210272M	441	
<i>Pass-Through From Georgetown University Medical Center</i>	93.000	RX 4429-751-VATECH		28,133
<i>Pass-Through From Health Research and Educational Trust</i>	93.000	HHSN2902010000251 203147		11,430
<i>Pass-Through From Medstar Institute for Innovation</i>	93.000	#3759		26,803
<i>Pass-Through From The EMMES Corporation</i>	93.000	AGREEMENT 3610		23,304
<i>Pass-Through From University of Maryland</i>	93.000	5U54A1057168-10 202914		22,152
<i>Pass-Through From University of Minnesota Twin Cities</i>	93.000	LOG-P003398401		466,677
Zhao Science Fellowship	93.000	202950	98,906	
Total Non-Stimulus			231,544,086	26,862,254
Stimulus (ARRA):				
Trans-NIH Recovery Act Research Support - ARRA	93.701		523,471	
<i>Pass-Through From American College of Radiology</i>	93.701			16,620
<i>Pass-Through From The Emmes Corporation</i>	93.701			24,344
National Center for Research Resources, Recovery Act Construction Support - ARRA	93.702		313,321	
Recovery Act - Comparative Effectiveness Research-AHRQ - ARRA	93.715		206,219	
<i>Pass-Through From Kaiser Foundation Research Institute</i>	93.715			37,766
Total Stimulus (ARRA)			1,043,011	78,730
Total Research and Development Cluster			232,587,097	26,940,984
Total U.S. Department of Health and Human Services			5,565,676,531	31,654,058
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
State Commissions	94.003		276,937	
AmeriCorps - ARRA	94.006		2,971,385	
Program Development and Innovation Grants	94.007		127,885	
Volunteers in Service to America	94.013		5,847	
Total Excluding Clusters Identified Below			3,382,054	-
Research and Development Cluster:				
Social Innovation Fund	94.019			
<i>Pass-Through From WINGS for kids, Incorporated</i>	94.019			55,729
Total Research and Development Cluster			-	55,729
Total Corporation for National and Community Service			3,382,054	55,729
EXECUTIVE OFFICE OF THE PRESIDENT				
High Intensity Drug Trafficking Areas Program	95.001			
<i>Pass-Through From University of Maryland</i>	95.001			269,428
Total Executive Office of the President			-	269,428

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
SOCIAL SECURITY COMMISSION				
Social Security-Research and Demonstration	96.007			
<i>Pass-Through From Mathematica Policy Research</i>	96.007			121,085
Social Security-Work Incentives Planning and Assistance Program	96.008		31,253	
Total Excluding Clusters Identified Below			31,253	121,085
Disability Insurance/SSI Cluster:				
Social Security-Disability Insurance	96.001		41,150,827	
Total Disability Insurance/SSI Cluster			41,150,827	-
Research and Development Cluster:				
Social Security-Research and Demonstration	96.007			
<i>Pass-Through From Boston College</i>	96.007			24,063
Total Research and Development Cluster			-	24,063
Total Social Security Commission			41,182,080	145,148
U.S. DEPARTMENT OF HOMELAND SECURITY				
Non-Profit Security Program	97.008		5,645,259	
<i>Pass-Through From Office of the Deputy Mayor for Public Safety and Justice</i>	97.008			5,020,114
Boating Safety Financial Assistance	97.012		1,800,189	
Community Assistance Program State Support Services Element (CAP-SSSE)	97.023		298,007	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		22,573,218	
Hazard Mitigation Grant	97.039		2,134,298	
National Dam Safety Program	97.041		355,322	
Emergency Management Performance Grants	97.042		6,609,652	
State Fire Training Systems Grants	97.043		31,770	
Cooperating Technical Partners	97.045		132,622	
Pre-Disaster Mitigation	97.047		24,360	
Emergency Operations Center	97.052		1,021,547	
Citizens - Community Resilience Innovation Challenge	97.053		267,208	
Interoperable Emergency Communications	97.055		201,456	
Port Security Grant Program	97.056		2,571,586	
Scientific Leadership Awards	97.062		27,060	
Homeland Security Grant Program	97.067		2,155,253	
<i>Pass-Through From District of Columbia</i>	97.067			382,678
Metropolitan Medical Response System	97.071		1,025,106	
<i>Pass-Through From Metropolitan Medical Response System</i>	97.071			58,937
State Homeland Security Program (SHSP)	97.073		7,195,681	
Driver's License Security Grant Program	97.089		44,441	
Repetitive Flood Claims	97.092		282,215	
Training Resource and Data Exchange	97.097		8,399	
Homeland Security-related Science, Technology, Engineering and Mathematics (HS STEM) Career Development Program	97.104			
<i>Pass-Through From Texas AgriLife Research</i>	97.104			37,575
National Incident Management System (NIMS)	97.107			
<i>Pass-Through From The Council of State Governments</i>	97.107			45,059
Severe Loss Repetitive Program	97.110		242,226	
Regional Catastrophic Preparedness Grant Program (RCPGP)	97.111		2,034,037	
<i>Pass-Through From Office of the Deputy Mayor for Public Safety and Justice</i>	97.111			550,360
Interoperable Communications and Training Project	97.124		250,944	

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
Other Assistance:				
Other Assistance	97.000	IPA SIGNED 12/13/10 & 6/4/12	271,838	
Other Assistance	97.000		33,904	
Telework Center	97.000	HSTS01-09-C-HRM243 201876	28,946	
Total Excluding Clusters Identified Below			57,266,544	6,094,723
Research and Development Cluster:				
Pilot Demonstration or Earmarked Projects	97.001			
<i>Pass-Through From Dartmouth College</i>	97.001			1,879
Hazard Mitigation Grant	97.039		84,157	
<i>Pass-Through From Texas Engineering Experiment Station</i>	97.039			7,974
Centers for Homeland Security	97.061			
<i>Pass-Through From Ceres Nanosciences, Incorporated</i>	97.061			57,225
<i>Pass-Through From Electric Power Research Institute</i>	97.061			61,037
<i>Pass-Through From Texas AgriLife Research</i>	97.061			26,540
<i>Pass-Through From University of Maryland</i>	97.061			159,140
Homeland Security Advanced Research Projects Agency	97.065			
<i>Pass-Through From Dartmouth College</i>	97.065			549,960
Homeland Security, Research, Testing, Evaluation, and Demonstration of Technologies	97.108		108,614	
Regional Catastrophic Preparedness Grant Program (RCPGP)	97.111			
<i>Pass-Through From Innovative Emergency Management, Incorporated</i>	97.111			6,930
Other Assistance:				
Higher Education Initiative	97.000	HSQDC-12-C-00109 202825 202847 203100	215,617	
<i>Pass-Through From Dartmouth College</i>	97.000	2006-CS-001-000001-02 202602		54,730
<i>Pass-Through From International Association of Fire Chiefs</i>	97.000	292300 02622		1,737
<i>Pass-Through From Schafer Corporation</i>	97.000	HSQDC-11 202877 203042		17,328
<i>Pass-Through From Trustees of Purdue University</i>	97.000	2009-ST-061-CI0001 203067		121,108
<i>Pass-Through From Virginia Fire Chiefs Association</i>	97.000	EMW-2011-FF-00253 202915		59,328
Total Research and Development Cluster			408,388	1,124,916
Total U.S. Department of Homeland Security			57,674,932	7,219,639
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT				
USAID Development Partnerships for University Cooperation and Development	98.012			
<i>Pass-Through From Indiana University</i>	98.012			26,687
<i>Pass-Through From Michigan State University</i>	98.012			86,487
Total Excluding Clusters Identified Below			-	113,174
Research and Development Cluster:				
USAID Foreign Assistance for Programs Overseas	98.001		11,744,288	
<i>Pass-Through From Michigan State University</i>	98.001			27,825
<i>Pass-Through From Ohio State University</i>	98.001			308,989
<i>Pass-Through From Oregon State University</i>	98.001			11,073
<i>Pass-Through From Winrock International</i>	98.001			143,648
USAID Development Partnerships for University Cooperation and Development	98.012		41,689	
<i>Pass-Through From American Council on Education</i>	98.012			1,126,483
<i>Pass-Through From Michigan State University</i>	98.012			4,463
Other Assistance:				
Other Assistance	98.000	685-A-00-10-00194-00	4,747,595	
Other Assistance	98.000	AID-OAA-LA-10-00008	333,730	
Other Assistance	98.000	EDH-A-00-08-00015-00	48,645	
<i>Pass-Through From International Food Policy and Research</i>	98.000	6249-001-49-05 202753		13,909

COMMONWEALTH OF VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Department/Program/Federal Pass-Through Entity	CFDA#	Other Identifying Numbers	Direct Cost	Indirect Cost
<i>Pass-Through From International Food Policy Research Institute</i>	98.000	2011X383.VPI		170,530
<i>Pass-Through From Purdue University</i>	98.000	41060000-8000021024		113,947
Total Research and Development Cluster			16,915,947	1,920,867
Total U.S. Agency for International Development			16,915,947	2,034,041
OTHER FEDERAL ASSISTANCE				
Other Assistance:				
<i>Pass-Through From University of North Carolina, Chapel Hill</i>	99.000	555076		30,633
Total Excluding Clusters Identified Below			-	30,633
Research and Development Cluster:				
Intergovernmental Personnel Act Agreement Ramirez	99.000	202806 202955 203234	48,003	
United States Postal Service Intergovernmental Personnel Act Agreement Finkelstein	99.000	202727	104,027	
Total Research and Development Cluster			152,030	-
Total Other Federal Assistance			152,030	30,633
Total Federal Grantor Agencies			13,170,529,691	103,051,744

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

COMMONWEALTH OF VIRGINIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

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: Virginia Commonwealth University Health System Authority, Virginia Port Authority and Virginia International Terminals, Institute for Advanced Learning and Research, Virginia Housing Development Authority, Virginia Outdoors Foundation, Virginia Resources Authority, Fort Monroe Authority, Science Museum of Virginia Foundation, Library of Virginia Foundation, Virginia State Crime Commission, and the Commission on Virginia Alcohol Safety Action Program.

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 direct and indirect 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 in a vendor relationship 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.

Direct Federal Assistance – Assistance received directly from the Federal government or received in a pass-through relationship from other State

entities is classified as direct expenditures on the “Schedule of Expenditures of Federal Awards.”

Indirect Federal Assistance – Assistance received in a pass-through relationship from entities other than the Federal government or other State entities is classified as indirect expenditures on the “Schedule of Expenditures of Federal Awards.”

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) and program name. The accompanying schedule and footnotes reflect the program names and CFDA numbers assigned by the www.cfda.gov website.

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:

Aging	Highway Safety
CDBG-Entitlement Grants	JAG
CDBG-State Administered CDBG	Medicaid
CCDF (Child Care)	Research and Development
Child Nutrition	School Improvement Grants
Clean Water State Revolving Fund	SNAP
Disability Insurance/SSI	Special Education (IDEA)
Drinking Water State Revolving	Statewide Data Systems
Economic Development	Student Financial Assistance Programs
Employment Service	TANF
Federal Transit	Teacher Incentive Fund
Fish and Wildlife	Teacher Quality Partnership Grants
Food Distribution	Transit Services Programs
Forest Service Schools and Roads	TRIO
Highway Planning and Construction	Workforce Investment Act (WIA)

Student Financial Assistance and Research and Development clusters expend funds from several federal departments. The amounts expended for these clusters are reported under the appropriate federal department in the accompanying schedule and are also summarized as follows.

The total amount expended for Student Financial Assistance was \$1,858,784,575 consisting of the following federal departments:

<u>Federal Department</u>	<u>Amount Expended</u>
Department of Education (Non-Stimulus)	\$1,846,121,361
Department of Health and Human Services (Non-Stimulus)	<u>12,663,214</u>
Total	<u>\$1,858,784,575</u>

The total direct amount expended for Research and Development was \$527,970,811 consisting of the following federal departments:

<u>Federal Department</u>	<u>Detail</u>	<u>Amount Expended</u>
Department of Health and Human Services - Stimulus ARRA Portion	\$ 1,043,011	
Department of Health and Human Services - Non-Stimulus ARRA Portion	<u>231,544,086</u>	
Department of Health and Human Services Total		\$ 232,587,097
National Science Foundation - Stimulus ARRA Portion	5,249,905	
National Science Foundation - Non-Stimulus ARRA Portion	<u>78,993,774</u>	
National Science Foundation Total		84,243,679
Department of Defense		74,615,263
Department of Energy - Stimulus ARRA Portion	3,532,062	
Department of Energy - Non-Stimulus ARRA Portion	<u>20,918,674</u>	
Department of Energy Total		24,450,736
Department of Education - Stimulus ARRA Portion	6,811,039	
Department of Education - Non-Stimulus ARRA Portion	<u>12,548,071</u>	
Department of Education Total		19,359,110
Department of Agriculture		21,121,715
Department of Transportation		17,521,355
Agency for International Development		16,915,947
Department of the Interior		12,769,054
National Aeronautics and Space Administration		8,357,659
Department of Commerce - Stimulus ARRA Portion	59,533	
Department of Commerce - Non-Stimulus ARRA Portion	<u>6,546,680</u>	
Department of Commerce Total		6,606,213
Environmental Protection Agency		4,007,036
Department of Justice		1,385,629
National Archives and Records Administration		1,213,330
National Foundation on the Arts and the Humanities		1,022,875
Department of State		578,748
Department of Homeland Security		408,388
Department of Labor		248,139
Department of Veterans Affairs		200,161
Other Federal Assistance		152,030
Nuclear Regulatory Commission		85,828
Department of Housing and Urban Development		42,964
U.S. Institute of Peace		27,095
Library of Congress		25,262
Scholarship and Fellowship Foundations		15,000
Small Business Administration		<u>10,498</u>
		<u><u>\$ 527,970,811</u></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 non-cash 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, 10.558, 10.559, 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:

<u>CFDA #</u>	<u>Non-Stimulus</u>
10.555	\$ 29,043,924
10.558	\$ 1,968
10.559	\$ 135,499
10.569	\$ 7,991,668

The accompanying schedule does not include Commonwealth-stored undistributed food commodities of:

<u>CFDA #</u>	<u>Non-Stimulus</u>
10.550	\$ 1,723
10.555	\$ 30,099
10.569	\$ 11,841

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, 2014. Administrative expenditures of \$446,562 are not included in the accompanying schedule. The value of surplus property on hand at June 30, 2014, totaled \$1,687,897. These amounts represent Non-Stimulus dollars.

Childhood Immunization Grants (CFDA Number 93.268) – The U.S. Department of Health and Human Services purchases and distributes immunizations through McKesson, the federal national distribution vendor, directly to our local health departments. The amount presented in the accompanying schedule reflects the cost of immunizations to the federal government of

\$60,010,417 (Non-stimulus). The remaining amount of \$5,260,981 (Non-stimulus) is administrative expenditures. The value of inventory on hand at June 30, 2014, is \$3,109,330.

D. Loan/Loan Guarantee Programs

Federal Perkins Loans - 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, 2014.

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

Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students (CFDA Number 93.342) – The amount in the accompanying schedule includes administrative costs during the fiscal year as well as the outstanding balance of loans receivable at June 30, 2014.

Nurse Faculty Loan Program (CFDA Number 93.264) – 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, 2014.

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, 2014.

Capitalization Grants for Clean Water State Revolving Funds (CFDA Number 66.458) and Capitalization Grants for Drinking Water State Revolving Funds (CFDA Number 66.468) – The Commonwealth receives capitalization grants to create and maintain the Clean Water State Revolving Fund (CWSRF) program (CFDA Number 66.458) and the Drinking Water State Revolving Fund (DWSRF) program, (CFDA Number 66.468). Both programs offer long-term, low interest rate loans to enable the loan recipients to construct or maintain infrastructures necessary to comply with the Clean Water Act and Safe Drinking Water Act requirements. Capitalization grants received for the CWSRF for the year ended June 30, 2014, were \$26,780,301 in Non-Stimulus dollars and are included on the schedule. Capitalization grants received for the DWSRF for the fiscal year ended June 30, 2014, were \$19,002,820 in Non-Stimulus dollars and are also included on the schedule. In addition, the Commonwealth distributed additional second generation CWSRF and DWSRF loan disbursements totaling \$52,665,022 for the fiscal year ended June 30, 2014, which are not included on the schedule. These amounts represent Non-Stimulus dollars.

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, 2014.

E. Emergency Unemployment Benefits

The amount included in the accompanying schedule for Unemployment Insurance (CFDA Number 17.225) includes \$57,304,788 Non-Stimulus and \$6,806,364 Stimulus (ARRA) administrative costs, \$26,797,323 Non-Stimulus federal unemployment benefits paid to federal employees, \$66,419,050 Non-Stimulus and \$38,054 Stimulus (ARRA) Temporary Extended Unemployment Compensation paid to all benefit recipients, and \$543,516,313 Non-Stimulus 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 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.

4. ASSISTANCE PROVIDED TO NON-STATE SUBRECIPIENTS

The following pages contain pass-through amounts disbursed by the Commonwealth of Virginia to non-state subrecipients.

CFDA #	Federal Program Name	Amount
10.217	Higher Education Challenge Grants Program	\$ 179,898
10.310	Agriculture and Food Research Initiative (AFRI)	12,770
10.500	Cooperative Extension Service	125,056
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	4,929,963
10.558	Child and Adult Care Food Program	43,436,202
10.572	WIC Farmers' Market Nutrition Program (FMNP)	50,000
10.576	Senior Farmers Market Nutrition Program	404,256
10.582	Fresh Fruit and Vegetable Program	3,493,513
10.664	Cooperative Forestry Assistance	578,293
10.678	Forest Stewardship Program	56,909
10.761	Technical Assistance and Training Grants	134,738
11.417	Sea Grant Support	41,727
11.419	Coastal Zone Management Administration Awards	452,207
11.457	Chesapeake Bay Studies	1,500
11.472	Unallied Science Program	295,027
11.611	Manufacturing Extension Partnership	160,819
12.000	Other Assistance	830,937
	Community Economic Adjustment Assistance for Establishment, Expansion, Realignment, or Closure of a	
12.607	Military Installation	103,785
12.614	Community Economic Adjustment Assistance for Advance Planning and Economic Diversification	1,566,196
12.630	Basic, Applied, and Advanced Research in Science and Engineering - ARRA	11,748,503
14.231	Emergency Solutions Grant Program	2,533,622
14.235	Supportive Housing Program	124,642
14.239	Home Investment Partnerships Program	9,941,006
14.241	Housing Opportunities for Persons with AIDS	624,763
14.401	Fair Housing Assistance Program-State and Local	12,325
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	3,575,888
15.252	Abandoned Mine Land Reclamation (AMLR) Program	12,898,544
15.616	Clean Vessel Act	125,318
15.814	National Geological and Geophysical Data Preservation Program	4,138
15.904	Historic Preservation Fund Grants-In-Aid	65,865
15.926	American Battlefield Protection	30,593
15.935	National Trails System Projects - ARRA	5,000
	Historic Preservation Fund Grants to Provide Disaster Relief to Historic Properties Damaged by Hurricane	
15.957	Sandy	8,509
16.017	Sexual Assault Services Formula Program	375,664
16.523	Juvenile Accountability Block Grants	585,203
16.540	Juvenile Justice and Delinquency Prevention-Allocation to States	476,652
16.548	Title V-Delinquency Prevention Program	32,640
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	4,441
16.575	Crime Victim Assistance	8,883,329
16.585	Drug Court Discretionary Grant Program	72,163
16.588	Violence Against Women Formula Grants - ARRA	2,411,918
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	96,400
16.593	Residential Substance Abuse Treatment for State Prisoners	39,683
16.726	Juvenile Mentoring Program	29,544
16.812	Second Chance Act Prisoner Reentry Initiative	35,790
17.235	Senior Community Service Employment Program	1,760,807
17.269	Community Based Job Training Grants	17,417
17.277	Workforce Investment Act (WIA) National Emergency Grants	8,999
17.600	Mine Health and Safety Grants	47,582
17.603	Brookwood-Sago Grant	13,350
19.345	International Programs to Support Democracy, Human Rights and Labor	230,940
19.415	Professional and Cultural Exchange Programs - Citizen Exchanges	45,000
19.501	Public Diplomacy Programs for Afghanistan and Pakistan	18,332
19.800	Weapons Removal and Abatement	228,120
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	2,285,505
20.509	Formula Grants for Rural Areas	15,391,408
20.522	Alternatives Analysis	997,447
20.607	Alcohol Open Container Requirements	3,286,469
20.616	National Priority Safety Programs	268,034
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	69,113
21.000	Other Assistance	26,532,640
23.002	Appalachian Area Development	1,108,976
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	197,830
43.001	Science	42,052
45.163	Promotion of the Humanities-Professional Development	13,600
45.313	Laura Bush 21st Century Librarian Program	16,676
47.000	Other Assistance	22,716

CFDA #	Federal Program Name	Amount
47.050	Geosciences	15,100
47.074	Biological Sciences	920
47.076	Education and Human Resources	360,882
59.037	Small Business Development Centers	1,033,559
59.064	Entrepreneurial Development Disaster Assistance (Disaster Relief Appropriations Act)	3,834
66.040	State Clean Diesel Grant Program - ARRA	116,352
66.454	Water Quality Management Planning - ARRA	146,108
66.460	Nonpoint Source Implementation Grants	1,379,207
66.466	Chesapeake Bay Program	495,731
66.605	Performance Partnership Grants	178,616
81.041	State Energy Program	1,448,405
81.042	Weatherization Assistance for Low-Income Persons	4,954,788
81.119	State Energy Program Special Projects	781,964
84.002	Adult Education-Basic Grants to States	9,876,384
84.010	Title I Grants to Local Educational Agencies	233,069,307
84.011	Migrant Education-State Grant Program	706,016
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	833,152
84.016	Undergraduate International Studies and Foreign Language Programs	31,918
84.048	Career and Technical Education-Basic Grants to States	16,602,124
84.116	Fund for the Improvement of Postsecondary Education	32,164
84.144	Migrant Education-Coordination Program	69,068
84.181	Special Education-Grants for Infants and Families	7,634,448
84.196	Education for Homeless Children and Youth	1,060,526
84.287	Twenty-First Century Community Learning Centers	15,699,743
84.323	Special Education - State Personnel Development	285,144
	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program	
84.330	Grants)	353,905
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	227,616
84.350	Transition to Teaching	18,461
84.358	Rural Education	1,719,627
84.365	English Language Acquisition State Grants	12,638,908
84.366	Mathematics and Science Partnerships	675,385
84.367	Improving Teacher Quality State Grants	42,190,012
84.378	College Access Challenge Grant Program	1,241,149
93.000	Other Assistance	12,900
	Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and	
93.041	Exploitation	93,721
	Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older	
93.042	Individuals	198,568
93.043	Special Programs for the Aging-Title III, Part D-Disease Prevention and Health Promotion Services	498,135
93.048	Special Programs for the Aging-Title IV-and Title II-Discretionary Projects - ARRA	194,307
93.052	National Family Caregiver Support, Title III, Part E	3,143,813
93.071	Medicare Enrollment Assistance Program	207,350
93.072	Lifespan Respite Care Program	12,947
	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned	
93.074	Cooperative Agreements	7,037,786
93.077	Family Smoking Prevention and Tobacco Control Act Regulatory Research	272,898
93.092	Affordable Care Act - Personal Responsibility Education Program	94,298
93.107	Area Health Education Centers Point of Service Maintenance and Enhancement Awards	420,587
93.110	Maternal and Child Health Federal Consolidated Programs	14,000
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	398,145
93.136	Injury Prevention and Control Research and State and Community Based Programs	461,592
93.150	Projects for Assistance in Transition from Homelessness (PATH)	1,376,794
93.211	Telehealth Programs	22,296
93.217	Family Planning-Services	93,501
93.235	Affordable Care Act (ACA) Abstinence Education Program	5,091
93.236	Grants to States to Support Oral Health Workforce Activities	19,950
93.241	State Rural Hospital Flexibility Program	147,246
93.243	Substance Abuse and Mental Health Services-Projects of Regional and National Significance	1,872,872
93.268	Immunization Cooperative Agreements	269,180
93.283	Centers for Disease Control and Prevention-Investigations and Technical Assistance	1,752,572
93.301	Small Rural Hospital Improvement Grant Program	227,074
93.504	Family to Family Health Information Centers	13,000
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	4,559,008
93.509	Affordable Care Act (ACA) State Health Care Workforce Development Grants	216,880
93.510	Affordable Care Act (ACA) Primary Care Residency Expansion Program	96,873
	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and	
93.539	Performance financed in part by Prevention and Public Health Funds	498

CFDA #	Federal Program Name	Amount
	The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) Authorizes Coordinated	
93.544	Chronic Disease Prevention and Health Promotion Program	37,899
93.556	Promoting Safe and Stable Families	4,894,020
93.566	Refugee and Entrant Assistance-State Administered Programs	5,244,942
93.568	Low-Income Home Energy Assistance	15,261,732
93.569	Community Services Block Grant	9,757,728
93.576	Refugee and Entrant Assistance-Discretionary Grants	579,455
93.584	Refugee and Entrant Assistance-Targeted Assistance Grants	157,537
93.590	Community-Based Child Abuse Prevention Grants	575,744
93.597	Grants to States for Access and Visitation Programs	183,331
93.599	Chafee Education and Training Vouchers Program (ETV)	377,715
93.600	Head Start	71,869
93.603	Adoption Incentive Payments	58,846
93.611	Strong Start for Mothers and Newborns	78,626
93.630	Developmental Disabilities Basic Support and Advocacy Grants	155,192
93.643	Children's Justice Grants to States	20,626
93.645	Stephanie Tubbs Jones Child Welfare Services Program	4,287,547
93.658	Foster Care-Title IV-E - ARRA	46,887,509
93.659	Adoption Assistance - ARRA	40,244,605
93.667	Social Services Block Grant	46,934,036
93.669	Child Abuse and Neglect State Grants	342,943
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	1,885,224
93.674	Chafee Foster Care Independence Program	1,116,529
	Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education	
93.734	Programs – financed by Prevention and Public Health Funds (PPHF)	444,152
	State Public Health Approaches for Ensuring Quitline Capacity, Funded in part by Prevention and Public	
93.735	Health Funds (PPHF)	318,182
	PPHF: Breast and Cervical Cancer Screening Opportunities for States, Tribes and Territories solely financed	
93.744	by Prevention and Public Health Funds	4,140
	PPHF: Health Care Surveillance/Health Statistics – Surveillance Program Announcement: Behavioral Risk	
93.745	Factor Surveillance System Financed in Part by Prevention and Public Health Funds	173,344
93.767	Children's Health Insurance Program	2,601,602
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	718,410
93.879	Medical Library Assistance	1,651
93.889	National Bioterrorism Hospital Preparedness Program	748,891
93.917	HIV Care Formula Grants	7,832,549
93.926	Healthy Start Initiative	326,131
93.928	Special Projects of National Significance	476,138
93.940	HIV Prevention Activities-Health Department Based	3,011,383
93.958	Block Grants for Community Mental Health Services	8,057,299
93.959	Block Grants for Prevention and Treatment of Substance Abuse	37,484,869
93.969	PPHF Geriatric Education Centers	50,724
93.977	Preventive Health Services-Sexually Transmitted Diseases Control Grants	10,833
93.991	Preventive Health and Health Services Block Grant	412,607
93.994	Maternal and Child Health Services Block Grant to the States	3,491,924
94.003	State Commissions	43
94.006	AmeriCorps - ARRA	2,371,675
97.008	Non-Profit Security Program	2,767,901
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	13,656,191
97.039	Hazard Mitigation Grant	1,853,909
97.042	Emergency Management Performance Grants	2,208,996
97.052	Emergency Operations Centers	1,000,000
97.055	Interoperable Emergency Communications	77,117
97.056	Port Security Grant Program	659,971
97.067	Homeland Security Grant Program	1,783,032
97.071	Metropolitan Medical Response System	599,112
97.073	State Homeland Security Program (SHSP)	3,423,916
97.092	Repetitive Flood Claims	268,913
97.110	Severe Loss Repetitive Program	212,868
97.111	Regional Catastrophic Preparedness Grant Program (RCPGP)	550,828
	Stimulus (ARRA) Programs	9,050,798
	Stimulus (ARRA) Research and Development	2,541,105
	Research and Development Cluster	75,189,509
	Child Nutrition Cluster	322,181,169
	SNAP Cluster	83,061,902
	Food Distribution Cluster	7,958,216
	Forest Service Schools and Roads Cluster	1,512,374
	Economic Development Cluster	92,194

CFDA #	Federal Program Name	Amount
	CDBG - State-Administered CDBG Cluster	24,948,239
	JAG Program Cluster	3,568,182
	WIA Cluster	35,454,419
	Highway Planning and Construction Cluster	147,364,068
	Federal Transit Cluster	1,269,900
	Transit Services Programs Cluster	2,117,107
	Highway Safety Cluster	4,631,444
	Clean Water State Revolving Fund Cluster	25,955,727
	Drinking Water State Revolving Fund Cluster	15,220,227
	Total Special Education Cluster (IDEA)	287,372,466
	TRIO Cluster	650,705
	School Improvement Grants Cluster	18,262,954
	Statewide Data Systems Cluster	1,112,521
	Aging Cluster	22,076,145
	TANF Cluster	56,533,865
	CCDF Cluster	17,247,931
	Medicaid Cluster	72,861,776

Grand Total	\$ 2,058,801,256
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ACRONYMS

Acronym	Definition
ABC	Department of Alcoholic Beverage Control
ACA	Affordable Care Act
ADAPT	Application Benefit Delivery Automation Project
APA	Auditor of Public Accounts
APECS	Automate Program to Enforce Child Support
APSPM	Agency Procurement and Surplus Property Manual
ARS	Adjustment and Reporting System
BIA	Business Impact Analysis
BRCC	Blue Ridge Community College
CACFP	Child and Adult Care Feeding Program
CAFR	Comprehensive Annual Financial Report
CAPP	Commonwealth Accounting Policies and Procedures
CARS	Commonwealth Accounting and Reporting System
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
CIO	Chief Information Officer
CIPPS	Commonwealth Integrated Payroll and Personnel System
CISO	Chief Information Security Officer
CNU	Christopher Newport University
COD	Common Origination and Disbursement System
COOP	Continuity of Operations Plan
CSO	Commonwealth Accounting and Reporting System Security Officer
CVCC	Central Virginia Community College
DBHDS	Department of Behavioral Health and Developmental Services
DCC	Danville Community College
DCL	Dear Colleague Letter
DGS	Department of General Services
DHRM	Department of Human Resource Management
DMAS	Department of Medical Assistance Services
DMV	Department of Motor Vehicles
DOA	Department of Accounts
DOC	Department of Corrections
DOE	Department of Education
DPB	Department of Planning and Budget
DRP	Disaster Recovery Plan
DRS	Department of Rehabilitative Services

Acronym	Definition
DSS	Department of Social Services
DUNS	Data Universal Numbering System
EAS	Energy Assistance System
EBT	Electronic Benefit Transfer
FAACS	Fixed Assets Accounting System
FAAS	Financial Accounting Analysis System
FERPA	Federal Educational Rights and Privacy Act
FFATA	Federal Funding Accountability and Transparency Act
FFEL	Federal Family Education Loan
FHWA	Federal Highway Administration
FMS	Financial Management System'
FNS	Food and Nutrition Services
FOIA	Freedom of Information Act
FOIAE	Freedom of Information Act Exempt
FSRS	FFATA Subaward Reporting System
GASB	Governmental Accounting Standards Board
HEA	Higher Education Act
HIPAA	Health Insurance Portability and Accountability Act
HPP	Hospital Preparedness Program
IDOLS	Intellectual Disability On-line System
IIA	Institute of Internal Auditors
ISO	Information Security Officer
ITRM	Information Technology Resource Management
JMU	James Madison University
LAS	Lease Accounting System
LFCC	Lord Fairfax Community College
MCO	Managed Care Organization
MMIS	Medicaid Management Information System
NSLDS	National Student Loan Data System
NSU	Norfolk State University
OFHS	Office of Family Health Services
OMB	Office of Management and Budget
PAW	Pay Action Worksheet
PHCC	Patrick Henry Community College
PHEP	Public Health Emergency Preparedness
PMIS	Personnel Management Information System
PVCC	Piedmont Valley Community College
RCC	Rappahannock Community College

Acronym	Definition
ROAP	Regional Office Administered Program
SAFE	System Access for Employees
SAS	School Account Statements
SBE	State Board of Elections
SCC	State Corporation Commission
SEFA	Schedule of Expenditure of Federal Awards
SLD	State Lottery Department
SNAP	Supplemental Nutrition Assistance Program
SOC	Service Organization Control
SQL	Structured Query Language
SRTS	Service Request Tracking System
SSWS	Single Sign-on for Web Systems
SVCC	Southside Virginia Community College
SWCC	Southwest Virginia Community College
TANF	Temporary Assistance for Needy Families
TAX	Department of Taxation
TCC	Tidewater Community College
TD	Department of the Treasury
TEOAF	Treasury's Executive Office for Asset Forfeiture
TNCC	Thomas Nelson Community College
UAP	Utility Accommodation Policy
USDA	United States Department of Agriculture
UVA	University of Virginia
VABS	Virginia Automated Benefits System
VATS	Virginia Automated Tax System
VCCS	Virginia Community College System
VCSP	Virginia College Savings Plan
VCU	Virginia Commonwealth University
VDH	Virginia Department of Health
VDOT	Department of Transportation
VEC	Virginia Employment Commission
VHWA	Virginia Health Workforce Development Authority
VITA	Virginia Information Technology Agency
VNAV	myVRS Navigator
VRS	Virginia Retirement System
VWCC	Virginia Western Community College
WIC	Special Supplemental Nutrition Program for Women, Infants, and Children

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