

# State of Mississippi

# Single Audit Report

for the Fiscal Year Ended June 30, 2014

MISSISSIPPI



**Stacey E. Pickering**

State Auditor

**Office of the State Auditor**

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

March 27, 2015

The Governor, Members of the Legislature  
and Citizens of the State of Mississippi

I am pleased to submit the *Single Audit Report* of the State of Mississippi for the fiscal year ended June 30, 2014. Our audit was conducted in accordance with the requirements of the Single Audit Act Amendments of 1996, the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Mississippi's audit requirements.

The Single Audit process requires the coordination and cooperation of many state government entities. We are particularly grateful for the efforts of the Mississippi Department of Finance and Administration in compiling data, other state agencies in assisting in the resolution of single audit issues and the efforts of our own outstanding staff.

I am also pleased to report recognition of two other state achievements in financial accounting and reporting:

- for the twenty-seventh consecutive year the Government Finance Officers Association of the United States and Canada has awarded its Certificate of Achievement for Excellence in Financial Reporting to the Mississippi Department of Finance and Administration for the state's 2013 Comprehensive Annual Financial Report (CAFR) and
- an unmodified opinion has been rendered on the state's financial statements in 2014.

Mississippi's *Comprehensive Annual Financial Report* for fiscal year 2014 and our report thereon, dated February 12, 2015, has been issued under separate cover and is available electronically at <http://www.dfa.state.ms.us/> or by writing to the address below:

Mississippi Department of Finance and Administration  
Attention: Bureau of Financial Reporting  
P. O. Box 267  
Jackson, MS 39205

The Governor, Members of the Legislature  
And Citizens of the State of Mississippi  
Page 2

I continue to be encouraged and enthusiastic about the quality of our government's financial reporting. It is a fair and diligent reflection of the importance our state places on taxpayers' money, as well as the dedication of the state's employees and citizens who must safeguard it. We can all be proud that this report represents another one of the many things we do well in Mississippi.

Respectfully submitted

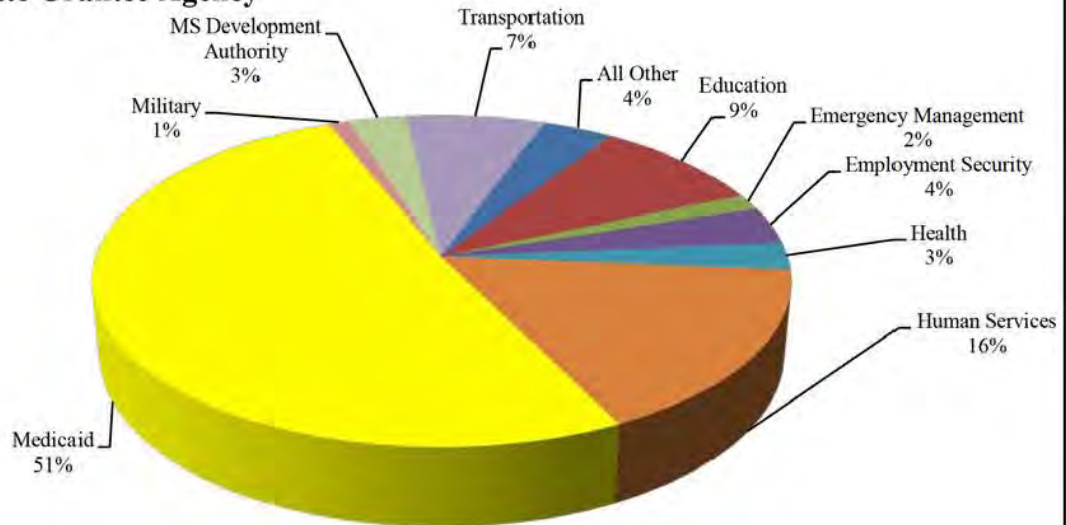
A handwritten signature in black ink, appearing to read "Stacey E. Pickering". The signature is fluid and cursive, with a large, stylized initial "S" and "P".

**STACEY E. PICKERING**  
State Auditor

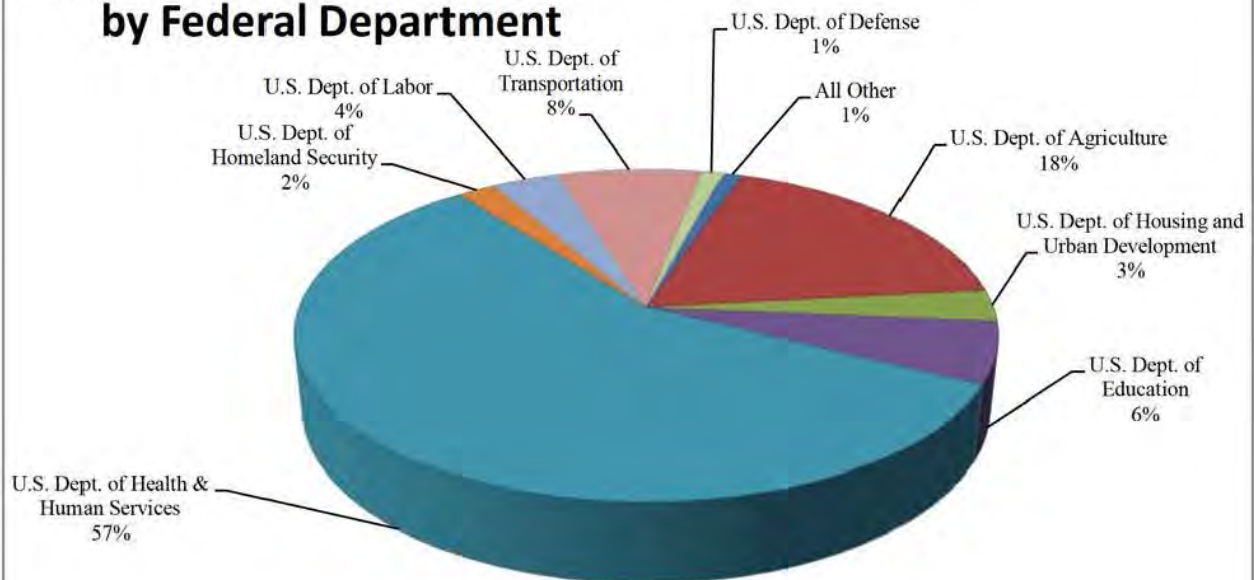


## STATE OF MISSISSIPPI Fiscal Year 2014

### Expenditures of Federal Awards by State Grantee Agency



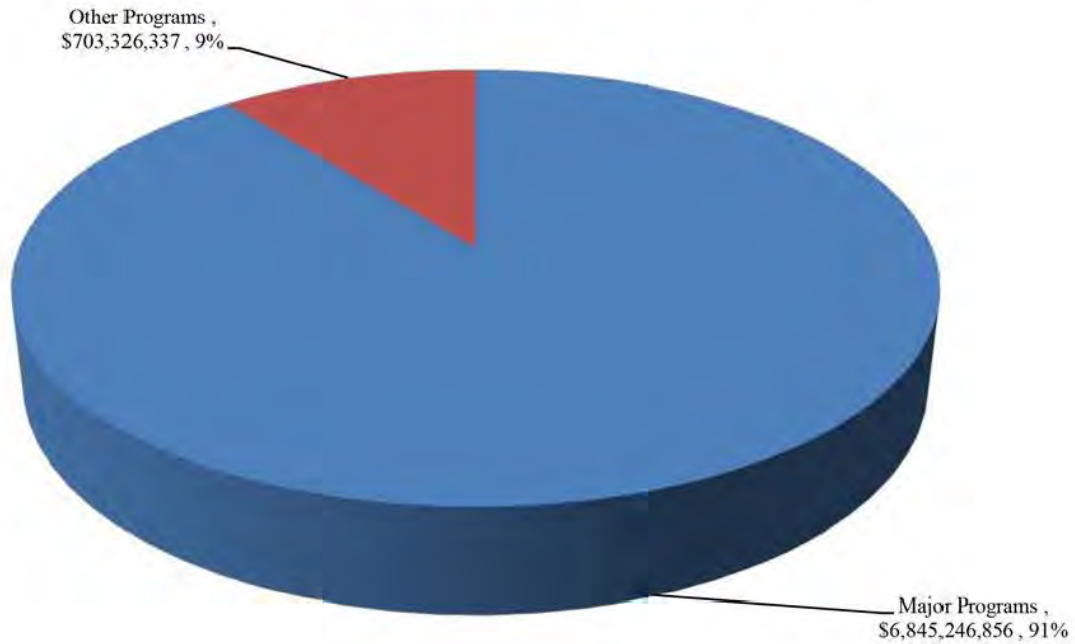
### Expenditures of Federal Awards by Federal Department



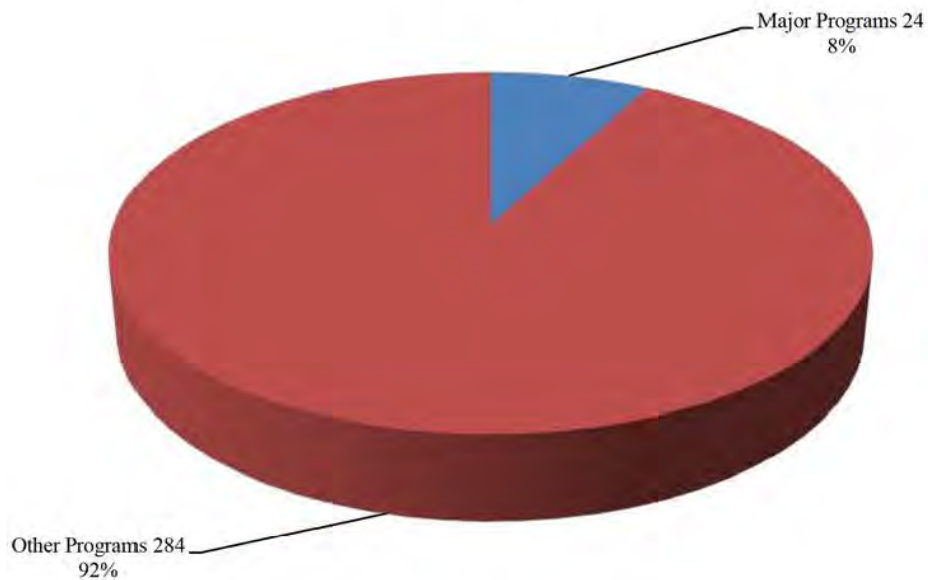
# STATE OF MISSISSIPPI

## Fiscal Year 2014

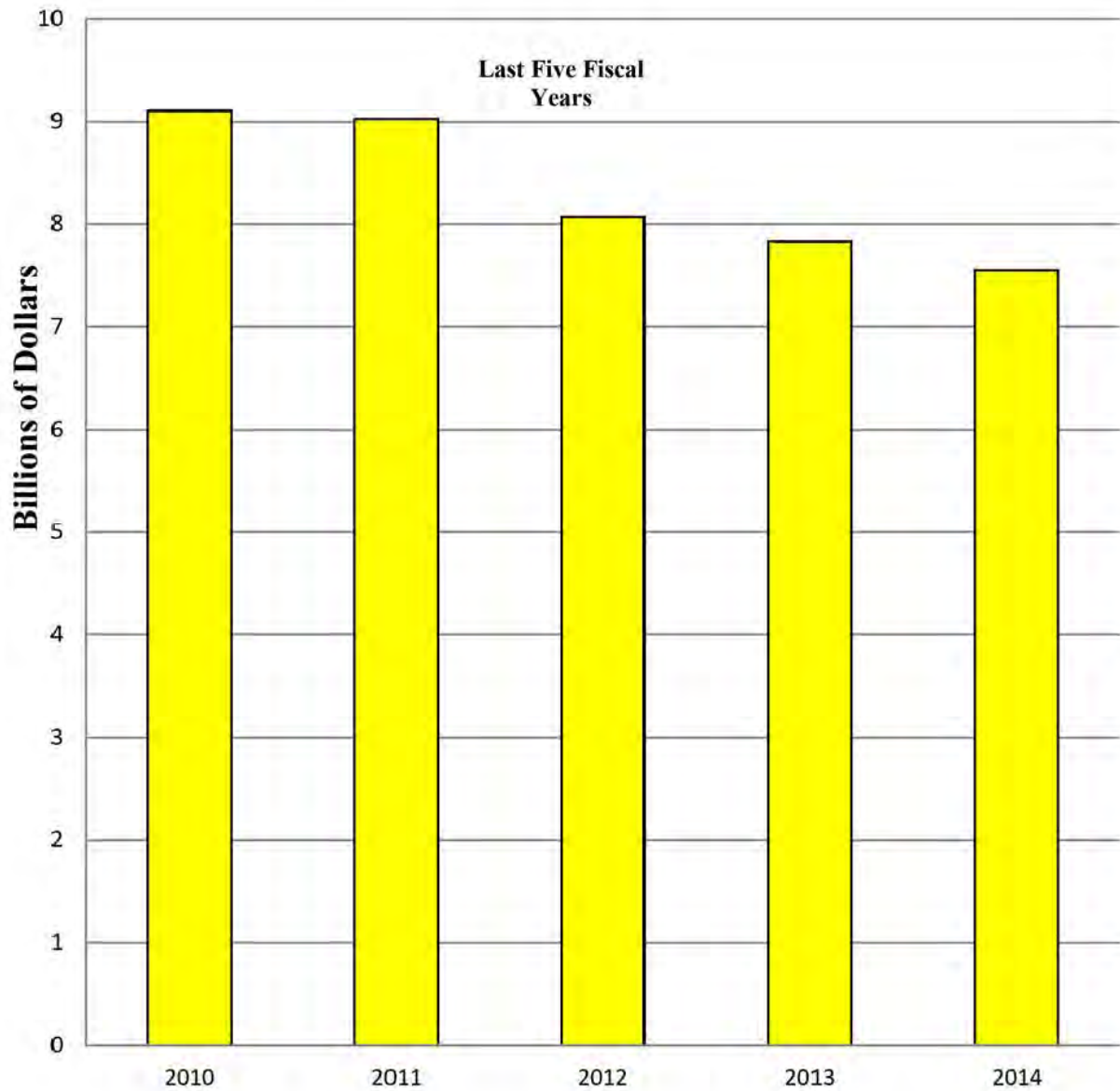
### Percentage of Major Program Assistance Total Expenditures of Federal Awards \$7,548,573,193



### Percentage of Major Program Assistance 308 Programs



## STATE OF MISSISSIPPI Total Federal Financial Assistance



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# STATE OF MISSISSIPPI

## SINGLE AUDIT REPORT

For the Year Ended June 30, 2014

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# **I. AUDIT REPORTING**





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**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
STACEY E. PICKERING  
AUDITOR**

**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***

The Governor, Members of the Legislature  
and Citizens of the State of Mississippi

We have audited, in accordance with the 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 State of Mississippi (the State), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the State's basic financial statements, and have issued our report thereon dated February 12, 2015. Our report includes a reference to other auditors who audited the financial statements of the following, as described in our report on the State of Mississippi's financial statements:

■ Government-wide Financial Statements

● Governmental Activities

- the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, the Mississippi Authority for Educational Television, the State Agencies Self-Insured Workers' Compensation Trust Fund, and selected funds at the Department of Corrections, the Department of Employment Security, the Department of Environmental Quality, the Department of Finance and Administration – Office of Insurance, the Department of Information Technology Services, the Department of Marine Resources, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Development Authority, the Mississippi Emergency Management Agency, the Department of Public Safety, the Department of Rehabilitation Services and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 8% and 42%, respectively, of the assets and revenues of the governmental activities;

● Business-type Activities

- AbilityWorks, Inc. within the Department of Rehabilitation Services, the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program, the Veterans'

Home Purchase Board and the Unemployment Compensation Fund which, in the aggregate, represent 96% and 94%, respectively, of the assets and revenues of the business-type activities;

- Component Units

- the Universities and the nonmajor component units.

- Fund Financial Statements

- Governmental Funds

- the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, the Mississippi Authority for Educational Television and selected funds at the Department of Corrections, the Department of Employment Security, the Department of Environmental Quality, the Department of Information Technology Services, the Department of Marine Resources, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Development Authority, the Mississippi Emergency Management Agency, the Department of Public Safety, the Department of Rehabilitation Services and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 23% and 39%, respectively, of the assets and revenues of the General Fund;

- Proprietary Funds

- the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program and the Unemployment Compensation Fund which are considered major enterprise funds;

- Aggregate Remaining Funds

- the State Agencies Self-Insured Workers' Compensation Trust Fund and selected funds at Department of Information Technology Services and the Department of Finance and Administration – Office of Insurance within the Internal Service Fund;
    - nonmajor enterprise funds for AbilityWorks, Inc. within the Department of Rehabilitation Services and the Veterans' Home Purchase Board;
    - the Pension Trust Funds;
    - the Private-Purpose Trust Funds of the Mississippi Affordable College Savings Program;
- all of which represent 99% and 99%, respectively, of the assets and revenues of the Aggregate Remaining Funds.

Except for the major component unit Universities, this report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. This report does not include the results of the



other auditor's testing of internal control over financial reporting and compliance and other matters for the major component unit Universities that are reported on separately by those auditors.

The financial statements of the Mississippi State University Foundation, Inc., the University of Mississippi Foundation, the University of Southern Mississippi Foundation, the University of Mississippi Medical Center Educational Building Corporation, the University of Mississippi Educational Building Corporation, the University of Mississippi Medical Center Tort Claims Fund, the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund, and the State Institutions of Higher Learning Tort Liability Fund, which were audited by other auditors upon whose reports we are relying, were not audited in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these funds or entities.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we and other auditors considered the State of Mississippi'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 State of Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Mississippi's internal control.

Our and the other auditors' 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: Part 2 – Financial Statement Findings", we and other auditors 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 deficiency described in the accompanying "Schedule of Findings and Questioned Costs: Part 2 – Financial Statement Findings" as item 2014-003 to be a material weakness.

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 deficiency described in the accompanying "Schedule of Findings and Questioned Costs: Part 2 – Financial Statement Findings" as item 2014-002 to be a significant deficiency.

We and the other auditors also noted certain matters involving the internal control over financial reporting, which we have reported to management of the applicable state agencies and institutions of the State of Mississippi in separate communications.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the State of Mississippi's financial statements are free from material misstatement, we and other auditors 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: Part 2 – Financial Statement Findings" as items 2014-001 and 2014-004.

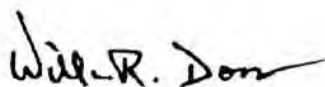
We and the other auditors also noted certain matters which we have reported to management of the State of Mississippi in separate communications.

**Management's Response to Finding**

Management's responses to the findings identified in our audit are described in the accompanying "Management's Response and Corrective Action Plan" section. Management's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Mississippi'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. However, this report is a matter of public record and its distribution is not limited.



**WILLIAM R. DOSS, CPA**  
Director, Financial and Compliance  
Audit Division

Jackson, Mississippi  
February 12, 2015





**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

**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**

The Governor, Members of the Legislature  
and Citizens of the State of Mississippi

**Report on Compliance for Each Major Federal Program**

We and other auditors have audited the State of Mississippi's (the State) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended June 30, 2014. We did not audit the National Guard Military Operations and Maintenance (O&M) Projects, the Disaster Recovery Funds within the CDBG - State-Administered CDBG Cluster, the Unemployment Insurance Program, the WIA Cluster, the Recreational Trails Program within the Highway Planning and Construction Cluster, the Clean Water State Revolving Fund Cluster, the Drinking Water State Revolving Fund Cluster, the Children's Health Insurance Program, the Medicaid Cluster, the Disability Insurance / SSI Cluster, the Disaster Grants - Public Assistance (Presidentially Declared Disasters), and the Hazard Mitigation Grant. Those programs were audited by other auditors whose reports have been furnished to us. The State of Mississippi's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its federal programs.

**Auditor's Responsibility**

Our and the other auditors' responsibility is to express an opinion on compliance for each of the State's major federal programs based on our audit of the types of compliance requirements referred to above. The State of Mississippi's basic financial statements include the operations of the State's public universities, as a major component unit within the discretely presented component units, which received \$939,782,789 in federal awards which is not included in the State's schedule during the year ending June 30, 2014. Our audit, described below, did not include the operations of the public universities because the universities component unit engaged other auditors to perform an audit in accordance with the provisions of OMB Circular A-133.

Except as discussed in the following paragraph, we and other auditors conducted our audits 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 and other auditors plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State of Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit, and the reports of other auditors, provide a reasonable basis for our opinion on compliance for each major federal program. However, our audit, and the audits of other auditors, do not provide a legal determination of the State of Mississippi's compliance.

The scope of this audit did not include testing transactions and records from the major federal programs of the public universities of Mississippi. The audit of those federal programs was conducted in accordance with the provisions of OMB Circular A-133, and a separate report was issued.

**Basis for Qualified Opinion on the Child Nutrition Cluster, the Child and Adult Care Food Program, the Immunization Cooperative Agreements, the CCDF Cluster and TANF Cluster**

As described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 – Federal Award Findings and Questioned Costs," the State of Mississippi did not comply with requirements regarding the following:

Finding #	CFDA #	Program/Cluster Name	Compliance Requirement
2014-006	10.553, 10.555, 10.556, 10.559	Child Nutrition Cluster	Reporting
2014-006	10.558	Child and Adult Care Food Program	Reporting
2014-019	93.268	Immunization Cooperative Agreements	Reporting
2014-009	93.575, 93.596	CCDF Cluster	Allowable Costs/Cost Principles
2014-010	93.575, 93.596	CCDF Cluster	Eligibility
2014-011	93.558	TANF Cluster	Eligibility

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

**Qualified Opinion on the Child Nutrition Cluster, the Child and Adult Care Food Program, the Immunization Cooperative Agreements, the CCDF Cluster and TANF Cluster**

In our opinion, based on our audit and the reports of other auditors, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State of Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster, the Child and Adult Care Food Program, the Immunization Cooperation Agreements, the CCDF Cluster and the TANF Cluster for the year ended June 30, 2014.



### **Unmodified Opinion on Each of the Other Major Federal Programs**

In our opinion, based on our audit and the reports of other auditors, the State of Mississippi 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. We did not test the transactions and records of the major federal programs administered by the state's public universities for compliance with any requirements referred to above to determine the effects of such noncompliance, if any.

### **Other Matters**

The results of our auditing procedures also 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: Part 3 - Federal Award Findings and Questioned Costs" as items 2014-005, 2014-07, 2014-012, 2014-013, 2014-014, 2014-020 and 2014-021. Our opinion on each major federal program is not modified with respect to these matters.

The responses by state agencies to the noncompliance findings identified in our audit, and the audits of other auditors, are described in the accompanying "Section III – Management Responses and Corrective Action Plans." Management's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

We also noted other immaterial instances of noncompliance which have been reported to management of the State of Mississippi in separate communications.

### **Report on Internal Control Over Compliance**

The management of the State of Mississippi 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 and other auditors considered the State of Mississippi'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 State of Mississippi's internal control over compliance. We excluded the federal programs of the State's public universities, as discussed in the fifth paragraph of this report.

Our and the other auditors' 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 and the other auditors 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We and the other auditors consider the deficiencies in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs" as items 2014-006, 2014-009, 2014-010, 2014-011, 2014-012, 2014-015, 2014-019 and 2014-022 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness 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 described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs" as items 2014-005, 2014-008, 2014-013, 2014-016, 2014-017, 2014-018, 2014-020 and 2014-023 to be significant deficiencies.

The responses by state agencies to the internal control over compliance findings identified in our audit, and the audits of other auditors, are described in the accompanying "Section III - Management Responses and Corrective Action Plans." Management's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

We also noted other matters involving internal control over compliance and its operation, which have been reported to management of the State of Mississippi in separate communications.

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. However, this report is matter of public record and its distribution is not limited.

#### **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 State of Mississippi as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the State of Mississippi's basic financial statements. We issued our report thereon dated February 12, 2015 which contained unmodified opinions on those financial statements. We did not audit the financial statements of:

- Government-wide Financial Statements

- Governmental Activities

- the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, the Mississippi Authority for Educational Television, the State Agencies Self-Insured Workers' Compensation Trust Fund, and selected funds at the Department of Corrections, the Department of Employment Security, the Department of Environmental Quality, the Department of Finance and



Administration – Office of Insurance, the Department of Information Technology Services, the Department of Marine Resources, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Development Authority, the Mississippi Emergency Management Agency, the Department of Public Safety, the Department of Rehabilitation Services, and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 8% and 42%, respectively, of the assets and revenues of the governmental activities;

- Business-type Activities

- AbilityWorks, Inc. within the Department of Rehabilitation Services, the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program, the Veterans' Home Purchase Board and the Unemployment Compensation Fund which, in the aggregate, represent 96% and 94%, respectively, of the assets and revenues of the business-type activities;

- Component Units

- the Universities and the nonmajor component units.

- Fund Financial Statements

- Governmental Funds

- the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, the Mississippi Authority for Educational Television and selected funds at the Department of Corrections, the Department of Employment Security, the Department of Environmental Quality, the Department of Information Technology Services, the Department of Marine Resources, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Development Authority, the Mississippi Emergency Management Agency, the Department of Public Safety, the Department of Rehabilitation Services and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 23% and 39%, respectively, of the assets and revenues of the General Fund;

- Proprietary Funds

- the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program and the Unemployment Compensation Fund, which are considered major enterprise funds;

- Aggregate Remaining Funds

- the State Agencies Self-Insured Workers' Compensation Trust Fund and selected funds at the Department of Information Technology Services and the Department of Finance and Administration – Office of Insurance within the Internal Service Fund;
- nonmajor enterprise funds for AbilityWorks, Inc. within the Department of Rehabilitation Services and the Veterans' Home Purchase Board;
- the Pension Trust Funds;

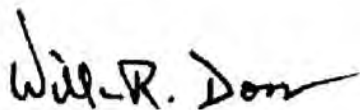
- the Private-Purpose Trust Funds of the Mississippi Affordable College Savings Program;

all of which represent 99% and 99%, respectively, of the assets and revenues of the Aggregate Remaining Funds.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us; and our opinions, insofar as they relate to the amounts included for those agencies, funds, and component units, are based on the reports of the other auditors.

The State of Mississippi has excluded federal programs administered by public universities from the accompanying schedules of expenditures of federal awards, as more fully described in Note 2 to the schedules. The State's public universities were audited in accordance with statutory requirements and the provisions of OMB Circular A-133, and a separate report was issued.

Our audit and the audits of the other auditors were conducted for the purpose of forming our opinions on the financial statements that collectively comprise the State of Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards by Federal Department 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. Although not required by OMB Circular A-133, the Schedule of Expenditures of Federal Awards by State Grantee Agency is presented for purposes of additional analysis. The information in the schedule of expenditures of federal awards has been subjected to the auditing procedures applied by us and other auditors 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, based upon our audit and the audit reports of the other auditors, except for the effects of the omission described in the preceding paragraph, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



**WILLIAM R. DOSS, CPA**  
Director, Financial and Compliance  
Audit Division

Jackson, Mississippi  
March 27, 2015 except for the Schedule of Expenditures of Federal Awards, as to which the date is  
February 12, 2015.



# **Schedule of Expenditures of Federal Awards by Federal Department**



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# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	Agriculture and Commerce / Animal Health 608,833
10.069	Conservation Reserve Program	Agriculture and Commerce 26,096
10.153	Market News	Agriculture and Commerce 1,500
10.156	Federal – State Marketing Improvement Program	Agriculture and Commerce 69,417
10.163	Market Protection and Promotion	Agriculture and Commerce 26,940
10.170	Specialty Crop Block Grant Program – Farm Bill	Agriculture and Commerce 238,121
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	Agriculture and Commerce 1,705,727
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Health 75,776,610
10.558	Child and Adult Care Food Program	Education 36,769,027
10.560	State Administrative Expenses for Child Nutrition	Education 3,590,736
10.574	Team Nutrition Grants	Education -352
10.577	SNAP Partnership Grant	Human Services 1,352,514
10.582	Fresh Fruit and Vegetable Program	Education 1,464,085
10.664	Cooperative Forestry Assistance	Forestry Commission 1,956,508
10.678	Forest Stewardship Program	Forestry Commission 428,807
10.680	Forest Health Protection	Agriculture and Commerce 50,997
10.902	Soil and Water Conservation	Agriculture and Commerce / Soil and Water Conservation Commission 601,714
10.912	Environmental Quality Incentives Program	Agriculture and Commerce -1
10.950	Agricultural Statistics Reports	Agriculture and Commerce 69,461
<b>SUBTOTAL</b>		124,736,740
<b>SNAP Cluster</b>		
10.551	Supplemental Nutrition Assistance Program (SNAP)	Human Services 937,856,793
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Human Services 28,877,915
<b>Total SNAP Cluster</b>		966,734,708
<b>Child Nutrition Cluster</b>		
10.553	School Breakfast Program (SBP)	Education 59,825,677
10.555 @	National School Lunch Program (NSLP)	Education 187,867,043
10.556	Special Milk Program for Children (SMP)	Education 2,528
10.559	Summer Food Service Program for Children (SFSPC)	Education 3,324,021
<b>Total Child Nutrition Cluster</b>		251,019,269

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.



# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	<b>Food Distribution Cluster</b>	
10.565	Commodity Supplemental Food Program Health	674,536
10.568	Emergency Food Assistance Program (Administrative Costs) Human Services	735,672
10.569 @	Emergency Food Assistance Program (Food Commodities) Human Services	5,703,394
	<b>Total Food Distribution Cluster</b>	7,113,602
	<b>Forest Service Schools and Roads Cluster</b>	
10.665	Schools and Roads - Grants to States Treasury	6,295,644
	<b>Total Forest Service Schools and Roads Cluster</b>	6,295,644
	<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>	1,355,899,963
	<b><u>U.S. DEPARTMENT OF COMMERCE</u></b>	
11.407	Interjurisdictional Fisheries Act of 1986 Marine Resources	32,821
11.417	Sea Grant Support Marine Resources	52,500
11.419	Coastal Zone Management Administration Awards Marine Resources	1,610,384
11.420	Coastal Zone Management Estuarine Research Reserves Marine Resources	-597
11.434	Cooperative Fishery Statistics Marine Resources	96,450
11.463	Habitat Conservation Marine Resources	56,559
11.472	Unallied Science Program Wildlife, Fisheries and Parks	90,734
11.473	Coastal Services Center Environmental Quality	-4
11.557	ARRA - Recovery Act - Mississippi Education, Safety and Health Network Governor's Office	879,166
11.558	ARRA - State Broadband Data and Development Grant Program Governor's Office	1,338,328
11.805	MBDA Business Center MS Development Authority	-25,057
	<b>SUBTOTAL</b>	4,131,284
	<b>Economic Development Cluster</b>	
11.307	Economic Adjustment Assistance MS Development Authority	16,914
	<b>Total Economic Development Cluster</b>	16,914
	<b>TOTAL U.S. DEPARTMENT OF COMMERCE</b>	4,148,198
	<b><u>U.S. DEPARTMENT OF DEFENSE</u></b>	
12.002	Procurement Technical Assistance For Business Firms MS Development Authority	472,557
12.106	Flood Control Projects (Passed-through from the U.S. Army Corps of Engineers). Identifying numbers Wildlife, Fisheries and Parks	1,745,931

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
	assigned by the pass through entity – DACW01-3-91-0543, DACW38-91-H-0007, DACW01-3-92-0411, DACW38-3-09-176, DACW01-3-91-0500, DACW01-3-96-0023, DACW38-3-12-9, and DACW01-3-92-0410.		
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	Environmental Quality	197,408
12.400	Military Construction, National Guard	Military Department	4,184,227
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Military Department	76,277,373
12.404	National Guard Challenge Program	Military Department	4,134,874
12.UN1	Teacher and Teacher's Aide Placement Assistance Program	Education	167,164
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			<b>87,179,534</b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
14.231	Emergency Solutions Grant Program	MS Development Authority	1,959,757
14.239	Home Investment Partnerships Program	MS Development Authority	11,540,408
14.241	Housing Opportunities for Persons with AIDS	Health	512,296
14.257	ARRA – Homelessness Prevention and Rapid Re-Housing Program	MS Development Authority	16,569
<b>SUBTOTAL</b>			<b>14,029,030</b>
14.228	<b>CDBG – State-Administered CDBG Cluster</b> Community Development Block Grants / State's Program	MS Development Authority	217,203,441
<b>Total CDBG – State-Administered CDBG Cluster</b>			<b>217,203,441</b>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<b>231,232,471</b>
<b><u>U.S. DEPARTMENT OF THE INTERIOR</u></b>			
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	Environmental Quality	182,155
15.252	Abandoned Mine Land Reclamation (AMLR) Program	Environmental Quality	22,507
15.426	Coastal Impact Assistance Program (CIAP)	Marine Resources	661,290
15.615	Cooperative Endangered Species Conservation Fund	Wildlife, Fisheries and Parks	215,916
15.616	Clean Vessel Act Program	Marine Resources	8,223
15.622	Sportfishing and Boating Safety Act	Marine Resources	454,388
15.630	Coastal Program	Marine Resources	58,003
15.634	State Wildlife Grants	Wildlife, Fisheries and Parks	1,138,568
15.657	Endangered Species Conservation – Recovery Implementation Funds	Wildlife, Fisheries and Parks	24,687

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
15.668	Coastal Impact Assistance Program	Marine Resources	8,003,592
15.810	National Cooperative Geologic Mapping Program	Environmental Quality	79,377
15.819	Energy Cooperatives to Support the National Coal Resources Data System (NCRDS)	Environmental Quality	16,735
15.904	Historic Preservation Fund Grants-In-Aid	Archives and History / Marine Resources	2,778,092
15.916	Outdoor Recreation – Acquisition, Development and Planning	Wildlife, Fisheries and Parks	554,726
15.928	Civil War Battlefield Land Acquisition Grants	Archives and History	364,990
<b>SUBTOTAL</b>			<b>14,563,249</b>
<b>Fish and Wildlife Cluster</b>			
15.605	Sport Fish Restoration Program	Marine Resources / Wildlife, Fisheries and Parks	5,259,646
15.611	Wildlife Restoration and Basic Hunter Education	Wildlife, Fisheries and Parks	12,168,318
<b>Total Fish and Wildlife Cluster</b>			<b>17,427,964</b>
<b>TOTAL U.S. DEPARTMENT OF THE INTERIOR</b>			<b>31,991,213</b>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
16.017	Sexual Assault Services Formula Program	Public Safety	211,255
16.475	Forensic Science Improvement Program	Public Safety	124,394
16.523	Juvenile Accountability Block Grants	Public Safety	543,992
16.540	Juvenile Justice and Delinquency Prevention – Allocation to States	Public Safety	277,470
16.543	Missing Children's Assistance	Attorney General	331,127
16.554	National Criminal History Improvement Program (NCHIP)	Public Safety	151,996
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	Public Safety	324,026
16.575	Crime Victim Assistance	Public Safety	3,965,314
16.576	Crime Victim Compensation	Attorney General	1,865,000
16.588	Violence Against Women Formula Grants	Public Safety	1,625,045
16.593	Residential Substance Abuse Treatment for State Prisoners	Public Safety	349,175
16.607	Bulletproof Vest Partnership Program	Public Safety	1,358
16.609	Project Safe Neighborhoods	Public Safety	49,594
16.710	Public Safety Partnership and Community Policing Grants	Public Safety	-13,039
16.727	Enforcing Underage Drinking Laws Program	Public Safety	59,418
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	Corrections	127,400

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
16.750	Support for Adam Walsh Act Implementation Grant Program	Public Safety	20,151
16.751	Edward Byrne Memorial Competitive Grant Program	Attorney General	25,300
16.800	ARRA – Recovery Act – Internet Crimes against Children Task Force Program (ICAC)	Attorney General	26,444
16.816	John R. Justice Prosecutors and Defenders Incentive Act	Attorney General	57,206
16.922	Equitable Sharing Program	Public Safety	262
16.UN	Domestic Cannabis Eradication / Suppression Program	Narcotics	45,977
16.UN1	DEA Task Force	Narcotics / Public Safety	15,130
16.UN2	Justice Federal Equitable Sharing	Gaming Commission	22,257
16.UN5	U.S. Marshall Service	Public Safety	60,570
<b>SUBTOTAL</b>			<b>10,266,822</b>
<b>JAG Program Cluster</b>			
16.738	Edward Byrne Memorial Justice Assistance Grant Program	Public Safety	1,893,564
16.803	ARRA – Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to States and Territories	Public Safety	-90,833
<b>Total JAG Program Cluster</b>			<b>1,802,731</b>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>12,069,553</b>
<b>U.S. DEPARTMENT OF LABOR</b>			
17.002	Labor Force Statistics	Employment Security	728,063
17.005	Compensation and Working Conditions	Health	35,213
17.225 #	Unemployment Insurance	Employment Security	236,541,154
17.225 #	ARRA – Unemployment Insurance	Employment Security	-2,639
17.235	Senior Community Service Employment Program	Employment Security	854,104
17.245	Trade Adjustment Assistance	Employment Security	580,554
17.267	Incentive Grants – WIA Section 503	Employment Security	194,349
17.271	Work Opportunity Tax Credit Program (WOTC)	Employment Security	141,916
17.273	Temporary Labor Certification for Foreign Workers	Employment Security	110,541
17.277	Workforce Investment Act (WIA) National Emergency Grants	Employment Security	1,694,464
17.280	Workforce Investment Act (WIA) Dislocated Worker National Reserve Demonstration Grants	Employment Security	66,609
17.600	Mine Health and Safety Grants	Environmental Quality	29,085
<b>SUBTOTAL</b>			<b>240,973,413</b>
<b>Employment Service Cluster</b>			
17.207	Employment Service / Wagner-Peyser Funded	Employment Security	6,021,062

(continued)  
See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
	Activities		
17.801	Disabled Veterans' Outreach Program (DVOP)	Employment Security	911,640
17.804	Local Veterans' Employment Representative (LVER) Program	Employment Security	385,803
	<b>Total Employment Service Cluster</b>		<b>7,318,505</b>
	<b>WIA Cluster</b>		
17.258	WIA Adult Program	Employment Security	6,529,565
17.259	WIA Youth Activities	Employment Security	9,882,011
17.278	WIA Dislocated Worker Formula Grants	Employment Security	7,983,038
	<b>Total WIA Cluster</b>		<b>24,394,614</b>
	<b>TOTAL U.S. DEPARTMENT OF LABOR</b>		<b>272,686,532</b>
	<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>		
20.106	Airport Improvement Program	Transportation	321,400
20.218	National Motor Carrier Safety	Public Safety	3,501,743
20.232	Commercial Driver's License Program Improvement Grant	Public Safety	195,749
20.237	Commercial Vehicle Information Systems and Networks	Transportation	573,890
20.2NA	Fatal Analysis Reporting System	Public Safety	95,000
20.314	Railroad Development	Transportation	83,985
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	Transportation	80,871
20.509	Formula Grants for Rural Areas	Transportation	14,230,317
20.509	ARRA – Formula Grants for Rural Areas	Transportation	2,635,851
20.607	Alcohol Open Container Requirements	Public Safety	9,620,322
20.700	Pipeline Safety Program Base Grant	Public Service Commission	606,763
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	Emergency Management	168,793
	<b>SUBTOTAL</b>		<b>32,114,684</b>
	<b>Highway Planning and Construction Cluster</b>		
20.205	Highway Planning and Construction	Transportation	535,754,132
20.205	ARRA – Highway Planning and Construction	Transportation	4,096,758
20.219	Recreational Trails Program	Wildlife, Fisheries and Parks	1,152,221
	<b>Total Highway Planning and Construction Cluster</b>		<b>541,003,111</b>

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
	<b>Transit Services Programs Cluster</b>		
20.513	Enhanced Mobility for Seniors and Individuals with Disabilities	Transportation	1,741,355
20.516	Job Access and Reverse Commute Program	Transportation	200,684
20.521	New Freedom Program	Transportation	666,290
	<b>Total Transit Services Programs Cluster</b>		2,608,329
	<b>Highway Safety Cluster</b>		
20.600	State and Community Highway Safety	Public Safety	6,741,977
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	Public Safety	2,791,029
	<b>Total Highway Safety Cluster</b>		9,533,006
	<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>		585,259,130
	<b><u>APPALACHIAN REGIONAL COMMISSION</u></b>		
23.002	Appalachian Area Development	MS Development Authority	364,021
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	MS Development Authority	148,189
	<b>TOTAL APPALACHIAN REGIONAL COMMISSION</b>		512,210
	<b><u>GENERAL SERVICES ADMINISTRATION</u></b>		
39.003 @	Donation of Federal Surplus Personal Property	Finance and Administration	1,397,539
	<b>TOTAL GENERAL SERVICES ADMINISTRATION</b>		1,397,539
	<b><u>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</u></b>		
45.025	Promotion of the Arts - Partnership Agreements	Arts Commission	737,570
45.168	National Digital Newspaper Program	Archives and History	54,029
45.310	Grants to States	Library Commission	1,754,636
	<b>TOTAL NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</b>		2,546,235
	<b><u>SMALL BUSINESS ADMINISTRATION</u></b>		
59.061	State Trade and Export Promotion Pilot Grant Program	MS Development Authority	222,067
	<b>TOTAL SMALL BUSINESS ADMINISTRATION</b>		222,067

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.



# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<b><u>U.S. DEPARTMENT OF VETERANS AFFAIRS</u></b>		
64.124	All-Volunteer Force Educational Assistance Veterans Affairs Board	84,261
<b>TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS</b>		84,261
<b><u>ENVIRONMENTAL PROTECTION AGENCY</u></b>		
66.032	State Indoor Radon Grants Health	48,449
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act Environmental Quality	381,939
66.040	State Clean Diesel Grant Program Environmental Quality	55,246
66.419	Water Pollution Control State, Interstate, and Tribal Program Support Environmental Quality	52,862
66.432	State Public Water System Supervision Health	1,111,079
66.433	State Underground Water Source Protection Oil and Gas Board	101,250
66.454	Water Quality Management Planning Environmental Quality	100,487
66.460	Nonpoint Source Implementation Grants Environmental Quality	3,187,156
66.461	Regional Wetland Program Development Grants Environmental Quality	10,708
66.472	Beach Monitoring and Notification Program Implementation Grants Environmental Quality	334,912
66.475	Gulf of Mexico Program Environmental Quality / Marine Resources	118,294
66.605	Performance Partnership Grants Agriculture and Commerce / Environmental Quality	8,077,559
66.606	Survey's, Studies, Investigations and Special Purpose Grants Environmental Quality	60,416
66.608	Environmental Information Exchange Network Grant Program and Related Assistance Environmental Quality	535,504
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements Environmental Quality	112,648
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals Environmental Quality	332,835
66.708	Pollution Prevention Grants Program Environmental Quality	96,140
66.709	Multi-Media Capacity Building Grants for States and Tribes Environmental Quality	-1
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements Environmental Quality	118,832
66.804	Underground Storage Tank Prevention, Detection and Compliance Program Environmental Quality	334,553
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program Environmental Quality	906,944
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements Environmental Quality	57,551
<b>SUBTOTAL</b>		16,135,363

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.



# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
66.458	<b>Clean Water State Revolving Fund Cluster</b> Capitalization Grants for Clean Water State Revolving Funds	Environmental Quality	21,824,327
	<b>Total Clean Water State Revolving Fund Cluster</b>		21,824,327
66.468	<b>Drinking Water State Revolving Fund Cluster</b> Capitalization Grants for Drinking Water State Revolving Funds	Health	8,171,885
	<b>Total Drinking Water State Revolving Fund Cluster</b>		8,171,885
	<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>		46,131,575
	<b><u>U.S. DEPARTMENT OF ENERGY</u></b>		
81.041	State Energy Program	MS Development Authority / Treasury	-244,561
81.041	ARRA – State Energy Program	MS Development Authority	2,207
81.042	Weatherization Assistance for Low-Income Persons	Human Services	176,706
81.042	ARRA – Weatherization Assistance for Low-Income Persons	Human Services	2,052,859
81.119	State Energy Program Special Projects	MS Development Authority	364,128
81.122	ARRA – Electricity Delivery and Energy Reliability, Research, Development and Analysis	MS Development Authority	-31
81.301	DOE Salmon Testing Site	Environmental Quality / Health	94,805
81.UN1	Petroleum Violation Escrow – Stripper Well	Treasury	898,513
81.UN4	Petroleum Violation Escrow – Exxon	Treasury	814,571
	<b>TOTAL U.S. DEPARTMENT OF ENERGY</b>		4,159,197
	<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>		
84.002	Adult Education – Basic Grants to States	Board for Community and Junior Colleges	5,955,542
84.010	Title I Grants to Local Educational Agencies	Education	176,678,851
84.011	Migrant Education – State Grant Program	Education	811,104
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	Education	712,780
84.048	Career and Technical Education – Basic Grants to States	Education	12,541,419
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States	Rehabilitation Services	40,928,994
84.144	Migrant Education – Coordination Program	Education	54,534
84.169	Independent Living - State Grants	Rehabilitation Services	505,222
84.177	Rehabilitation Services – Independent Living Services for	Rehabilitation Services	307,368

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
	Older Individuals Who are Blind		
84.181	Special Education – Grants for Infants and Families	Health	4,746,671
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	Rehabilitation Services	338,718
84.196	Education for Homeless Children and Youth	Education	727,353
84.224	Assistive Technology	Rehabilitation Services	376,761
84.265	Rehabilitation Training – State Vocational Rehabilitation Unit In-Service Training	Rehabilitation Services	118,333
84.287	Twenty-First Century Community Learning Centers	Education	16,564,491
84.305	Education Research, Development and Dissemination	Education	16,927
84.323	Special Education – State Personnel Development	Education	1,010,948
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	Education	128,337
84.358	Rural Education	Education	4,979,840
84.365	English Language Acquisition State Grants	Education	1,399,841
84.366	Mathematics and Science Partnerships	Education	1,972,488
84.367	Improving Teacher Quality State Grants	Education	35,716,413
84.369	Grants for State Assessments and Related Activities	Education	3,733,826
84.387	ARRA – Education of Homeless Children and Youth, Recovery Act	Education	-341
84.389	ARRA – Title 1 Grants to Local Educational Agencies, Recovery Act	Education	-1,477
84.391	ARRA – Special Education – Grants to States (IDEA, Part B), Recovery Act	Education	-298,661
84.392	ARRA – Special Education – Preschool Grants (IDEA, Preschool), Recovery Act	Education	-177
84.938	Hurricane Education Recovery	Education	283,145
	<b>SUBTOTAL</b>		<b>310,309,250</b>
	<b>Special Education Cluster (IDEA)</b>		
84.027	Special Education – Grants to States (IDEA, Part B)	Education	122,078,535
84.173	Special Education – Preschool Grants (IDEA, Preschool)	Education	4,018,914
	<b>Total Special Education Cluster (IDEA)</b>		<b>126,097,449</b>
	<b>TRIO Cluster</b>		
84.044	TRIO – Talent Search	Education	402,260
	<b>Total TRIO Cluster</b>		<b>402,260</b>
	<b>Statewide Data Systems Cluster</b>		
84.372	Statewide Data Systems	Education	1,134,089

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
84.384	ARRA - Statewide Data Systems, Recovery Act	Education	1,213,448
	<b>Total Statewide Data Systems Cluster</b>		<b>2,347,537</b>
84.374	<b>Teacher Incentive Fund Cluster</b> Teacher Incentive Fund	Education	1,393,577
	<b>Total Teacher Incentive Fund Cluster</b>		<b>1,393,577</b>
84.377	<b>School Improvement Grants Cluster</b> School Improvement Grants	Education	4,447,895
84.388	ARRA – School Improvement Grants, Recovery Act	Education	7,356,269
	<b>Total School Improvement Grants Cluster</b>		<b>11,804,164</b>
	<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>		<b>452,354,237</b>
	<b><u>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</u></b>		
89.003	National Historical Publications and Records Grants	Archives and History	19,663
	<b>TOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</b>		<b>19,663</b>
	<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>		
93.014	MTOP Program	Mental Health	118,326
93.041	Special Programs for the Aging – Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	Human Services	39,272
93.042	Special Programs for the Aging – Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	Human Services	154,904
93.043	Special Programs for the Aging – Title III, Part D – Disease Prevention and Health Promotion Services	Human Services	128,472
93.048	Special Programs for the Aging – Title IV – and Title II - Discretionary Projects	Human Services	259,799
93.052	National Family Caregiver Support, Title III, Part E	Human Services	1,092,889
93.069	Public Health Emergency Preparedness	Health	112,459
93.070	Environmental Public Health and Emergency Response	Health	388,375
93.071	Medicare Enrollment Assistance Program	Human Services	14,976
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Health	11,107,505
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	Education	120,707

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	Health	469,310
93.103	Food and Drug Administration – Research	Health	241,923
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	Mental Health	1,248,066
93.110	Maternal and Child Health Federal Consolidated Programs	Health	110,118
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Health	821,757
93.127	Emergency Medical Services for Children	Health	121,055
93.130	Cooperative Agreements to States / Territories for the Coordination and Development of Primary Care Offices	Health	185,370
93.136	Injury Prevention and Control Research and State and Community Based Programs	Health	359,035
93.150	Projects for Assistance in Transition from Homelessness (PATH)	Mental Health	280,386
93.184	Disabilities Prevention	Health	87,847
93.217	Family Planning – Services	Health	4,325,888
93.235	Affordable Care Act (ACA) Abstinence Education Program	Human Services	852,659
93.236	Grants to States to Support Oral Health Workforce Activities	Health	451,806
93.241	State Rural Hospital Flexibility Program	Health	500,765
93.243	Substance Abuse and Mental Health Services – Projects of Regional and National Significance	Mental Health	2,470,944
93.251	Universal Newborn Hearing Screening	Health	302,224
93.268 @	Immunization Cooperative Agreements	Health	41,272,903
93.270	Adult Viral Hepatitis Prevention and Control	Health	36,832
93.283	Centers for Disease Control and Prevention - Investigations and Technical Assistance	Emergency Management / Health	7,568,839
93.292	National Public Health Improvement Initiative	Health	134,828
93.296	State Partnership Grant Program to Improve Minority Health	Health	245,937
93.301	Small Rural Hospital Improvement Grant Program	Health	485,621
93.414	ARRA – State Primary Care Offices	Health	53,889
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	Human Services	1,921,141
93.507	PPHF National Public Health Improvement Initiative	Health	121,682
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	Insurance	63,898
93.519	Affordable Care Act (ACA) – Consumer Assistance Program Grants	Insurance	182,269
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	Health	525,056

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.



# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	Insurance	12,358,547
93.539	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – Financed in Part by Prevention and Public Health Funds	Health	612,176
93.544	The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) Authorizes Coordinated Chronic Disease Prevention and Health Promotion Program	Health	353,853
93.548	PPHF: State Nutrition, Physical Activity, and Obesity Programs – Financed in Part by PPHF	Health	1,749,197
93.556	Promoting Safe and Stable Families	Human Services	5,349,732
93.563	Child Support Enforcement	Human Services	22,968,119
93.566	Refugee and Entrant Assistance – State Administered Programs	Human Services	1,471,481
93.568	Low-Income Home Energy Assistance	Human Services	28,332,425
93.569	Community Services Block Grants	Human Services	9,322,787
93.586	State Court Improvement Program	Supreme Court	443,104
93.590	Community-Based Child Abuse Prevention Grants	Human Services	250,377
93.597	Grants to States for Access and Visitation Programs	Human Services	56,357
93.599	Chafee Education and Training Vouchers Program (ETV)	Human Services	344,944
93.600	Head Start	Governor's Office	165,778
93.603	Adoption Incentive Payments	Human Services	471,880
93.617	Voting Access for Individuals with Disabilities – Grants to States	Secretary of State	43,738
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Mental Health	685,919
93.631	Developmental Disabilities Projects of National Significance	Mental Health	390,418
93.643	Children's Justice Grants to States	Human Services	150,251
93.645	Stephanie Tubbs Jones Child Welfare Services Program	Human Services	735,518
93.652	Adoption Opportunities	Human Services	312,605
93.658	Foster Care – Title IV-E	Human Services	20,254,292
93.659	Adoption Assistance	Human Services	9,162,034
93.667	Social Services Block Grant	Human Services	23,493,104
93.669	Child Abuse and Neglect State Grants	Human Services	254,920
93.671	Family Violence Prevention and Services / Domestic Violence Shelter and Supportive Services	Health	1,216,428
93.674	Chafee Foster Care Independence Program	Human Services	1,279,637
93.708	ARRA – Head Start	Human Services	511,150
93.719	ARRA – State Grants to Promote Health Information Technology	Health	2,161,501
93.725	ARRA – Communities Putting Prevention to Work: Chronic Disease Self-Management Program	Human Services	-2,246
93.733	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – Financed in Part by the Prevention and Public Health Fund (PPHF)	Health	757,001

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.735	State Public Health Approaches for Ensuring Qutline Capacity – Funded in Part by Prevention and Public Health Funds (PPHF)	Health	242,214
93.744	PPHF: Breast and Cervical Cancer Screening Opportunities for States, Tribes and Territories Solely Financed by Prevention and Public Health Funds	Health	37,893
93.745	PPHF: Health Care Surveillance / Health Statistics - Surveillance Program Announcement Behavioral Risk Factor Surveillance System Financed in Part by Prevention And Public Health Fund	Health	267,851
93.750	PPHF Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Exchanges	Health	11,223
93.767	Children's Health Insurance Program	Medicaid	179,406,067
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Human Services / Medicaid	939,074
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children	Medicaid	452,002
93.791	Money Follows the Person Rebalancing Demonstration	Medicaid	4,362,373
93.889	National Bioterrorism Hospital Preparedness Program	Health	-1,292
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	Central Mississippi Residential Center	196,650
93.913	Grants to States for Operation of Offices of Rural Health	Health	204,551
93.917	HIV Care Formula Grants	Health	14,299,149
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	Education	55,947
93.940	HIV Prevention Activities – Health Department Based	Health	2,819,399
93.944	Human Immunodeficiency Virus (HIV) / Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	Health	983,172
93.945	Assistance Programs for Chronic Disease Prevention and Control	Health	731,814
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	Health	313
93.958	Block Grants for Community Mental Health Services	Mental Health	3,546,546
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Mental Health	12,905,941
93.977	Preventive Health Services – Sexually Transmitted Diseases Control Grants	Health	1,277,384
93.991	Preventive Health and Health Services Block Grant	Health	1,146,299
93.994	Maternal and Child Health Services Block Grant to the States	Health	8,385,794
<b>SUBTOTAL</b>			<b>456,907,123</b>
<b>Aging Cluster</b>			

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.044	Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers	Human Services	3,174,443
93.045	Special Programs for the Aging – Title III, Part C – Nutrition Services	Human Services	4,927,383
93.053	Nutrition Services Incentive Program		1,294,113
	<b>Total Aging Cluster</b>		<b>9,395,939</b>
	<b>TANF Cluster</b>		
93.558	Temporary Assistance for Needy Families (TANF) State Programs	Human Services	55,300,611
	<b>Total TANF Cluster</b>		<b>55,300,611</b>
	<b>CCDF Cluster</b>		
93.575	Child Care and Development Block Grant	Human Services	52,594,619
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Human Services	13,908,747
	<b>Total CCDF Cluster</b>		<b>66,503,366</b>
	<b>Medicaid Cluster</b>		
93.775	State Medicaid Fraud Control Units	Attorney General	2,431,405
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Health / Medicaid	4,916,903
93.778	Medical Assistance Program	Medicaid	3,648,975,923
93.778	ARRA – Medical Assistance Program	Medicaid	34,842,177
	<b>Total Medicaid Cluster</b>		<b>3,691,166,408</b>
	<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		<b>4,279,273,447</b>
	<b><u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u></b>		
94.013	Volunteers in Service to America	Human Services	102,310
	<b>SUBTOTAL</b>		<b>102,310</b>
	<b>Foster Grandparent / Senior Companion Cluster</b>		
94.016	Senior Companion Program	Human Services	153,655
	<b>Total Foster Grandparent / Senior Companion Cluster</b>		<b>153,655</b>

(continued)  
See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>	255,965
	<b><u>EXECUTIVE OFFICE OF THE PRESIDENT</u></b>	
95.001	High Intensity Drug Trafficking Areas Program      Narcotics / Public Safety	1,276,387
	<b>TOTAL EXECUTIVE OFFICE OF THE PRESIDENT</b>	1,276,387
	<b><u>SOCIAL SECURITY ADMINISTRATION</u></b>	
96.008	Social Security – Work Incentives Planning and Assistance Program      Rehabilitation Services	142,237
	<b>SUBTOTAL</b>	142,237
	<b>Disability Insurance / SSI Cluster</b>	
96.001	Social Security – Disability Insurance (DI)      Rehabilitation Services	28,852,579
	<b>Total Disability Insurance / SSI Cluster</b>	28,852,579
	<b>TOTAL SOCIAL SECURITY ADMINISTRATION</b>	28,994,816
	<b><u>DEPARTMENT OF HOMELAND SECURITY</u></b>	
97.001	Mississippi Interoperable Communications Grant      Public Safety	11,042,896
97.012	Boating Safety Financial Assistance      Wildlife, Fisheries and Parks	1,490,343
97.013	State Access to the Oil Spill Liability Trust Fund      Environmental Quality	495,133
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)      Emergency Management	303,744
97.029	Flood Mitigation Assistance      Emergency Management	7,500
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)      Emergency Management	88,906,348
97.039	Hazard Mitigation Grant      Emergency Management	22,127,092
97.041	National Dam Safety Program      Environmental Quality	398,524
97.042	Emergency Management Performance Grants      Emergency Management / Public Safety	6,155,021
97.043	State Fire Training Systems Grants      State Fire Academy	11,462
97.044	Assistance to Firefighters Grants      Insurance	107,300
97.045	Cooperating Technical Partners      Emergency Management / Environmental Quality	1,997,492
97.052	Emergency Operations Center      Public Safety	2,249,247
97.055	Interoperable Emergency Communications      Public Safety	80,014
97.056	Port Security Grant Program      Public Safety	335,765
97.067	Homeland Security Grant Program      Public Safety	2,942,138
97.082	Earthquake Consortium      Emergency Management	21,468

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.



**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT  
FOR THE YEAR ENDED JUNE 30, 2014**

@ Denotes federal programs with noncash benefits.

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# **Schedule of Expenditures of Federal Awards by State Grantee Agency**



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# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<b><u>Agriculture and Commerce</u></b>		
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	268,209
10.069	Conservation Reserve Program	26,096
10.153	Market News	1,500
10.156	Federal – State Marketing Improvement Program	69,417
10.163	Market Protection and Promotion	26,940
10.170	Specialty Crop Block Grant Program – Farm Bill	238,121
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	1,705,727
10.680	Forest Health Protection	50,997
10.902	Soil and Water Conservation	26,094
10.912	Environmental Quality Incentives Program	-1
10.950	Agricultural Statistics Reports	69,461
	<b>Total U.S. DEPARTMENT OF AGRICULTURE</b>	2,482,561
<b>ENVIRONMENTAL PROTECTION AGENCY</b>		
66.605	Performance Partnership Grants	665,821
	<b>TOTAL Agriculture and Commerce</b>	3,148,382
<b><u>Animal Health</u></b>		
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	340,624
	<b>TOTAL Animal Health</b>	340,624
<b><u>Archives and History</u></b>		
<b>U.S. DEPARTMENT OF THE INTERIOR</b>		
15.904	Historic Preservation Fund Grants-In-Aid	2,774,970
15.928	Civil War Battlefield Land Acquisition Grants	364,990
	<b>Total U.S. DEPARTMENT OF THE INTERIOR</b>	3,139,960
<b>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</b>		
45.168	National Digital Newspaper Program	54,029
<b>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</b>		
89.003	National Historical Publications and Records Grants	19,663
	<b>TOTAL Archives and History</b>	3,213,652

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	<b><u>Arts Commission</u></b>	
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES	
45.025	Promotion of the Arts - Partnership Agreements	737,570
	<b>TOTAL Arts Commission</b>	737,570
	<b><u>Attorney General</u></b>	
	U.S. DEPARTMENT OF JUSTICE	
16.543	Missing Children's Assistance	331,127
16.576	Crime Victim Compensation	1,865,000
16.751	Edward Byrne Memorial Competitive Grant Program	25,300
16.800	ARRA – Recovery Act – Internet Crimes against Children Task Force Program (ICAC)	26,444
16.816	John R. Justice Prosecutors and Defenders Incentive Act	57,206
	<b>Total U.S. DEPARTMENT OF JUSTICE</b>	2,305,077
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.775	State Medicaid Fraud Control Units	2,431,405
	<b>TOTAL Attorney General</b>	4,736,482
	<b><u>Board for Community and Junior Colleges</u></b>	
	U.S. DEPARTMENT OF EDUCATION	
84.002	Adult Education – Basic Grants to States	5,955,542
	<b>TOTAL Board for Community and Junior Colleges</b>	5,955,542
	<b><u>Central Mississippi Residential Center</u></b>	
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	196,650
	<b>TOTAL Central Mississippi Residential Center</b>	196,650
	<b><u>Corrections</u></b>	
	U.S. DEPARTMENT OF JUSTICE	
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	127,400
	<b>TOTAL Corrections</b>	127,400
	<b><u>Education</u></b>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.553	School Breakfast Program (SBP)	59,825,677
10.555 @	National School Lunch Program (NSLP)	187,867,043

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
10.556	Special Milk Program for Children (SMP)	2,528
10.558	Child and Adult Care Food Program	36,769,027
10.559	Summer Food Service Program for Children (SFSPC)	3,324,021
10.560	State Administrative Expenses for Child Nutrition	3,590,736
10.574	Team Nutrition Grants	-352
10.582	Fresh Fruit and Vegetable Program	1,464,085
<b>Total U.S. DEPARTMENT OF AGRICULTURE</b>		<b>292,842,765</b>
<b>U.S. DEPARTMENT OF DEFENSE</b>		
12.UN1	Teacher and Teacher's Aide Placement Assistance Program	167,164
<b>U.S. DEPARTMENT OF EDUCATION</b>		
84.010	Title I Grants to Local Educational Agencies	176,678,851
84.011	Migrant Education – State Grant Program	811,104
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	712,780
84.027	Special Education – Grants to States (IDEA, Part B)	122,078,535
84.044	TRIO – Talent Search	402,260
84.048	Career and Technical Education – Basic Grants to States	12,541,419
84.144	Migrant Education – Coordination Program	54,534
84.173	Special Education – Preschool Grants (IDEA, Preschool)	4,018,914
84.196	Education for Homeless Children and Youth	727,353
84.287	Twenty-First Century Community Learning Centers	16,564,491
84.305	Education Research, Development and Dissemination	16,927
84.323	Special Education – State Personnel Development	1,010,948
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	128,337
84.358	Rural Education	4,979,840
84.365	English Language Acquisition State Grants	1,399,841
84.366	Mathematics and Science Partnerships	1,972,488
84.367	Improving Teacher Quality State Grants	35,716,413
84.369	Grants for State Assessments and Related Activities	3,733,826
84.372	Statewide Data Systems	1,134,089
84.374	Teacher Incentive Fund	1,393,577
84.377	School Improvement Grants	4,447,895
84.384	ARRA – Statewide Data Systems, Recovery Act	1,213,448
84.387	ARRA – Education of Homeless Children and Youth, Recovery Act	-341
84.388	ARRA – School Improvement Grants, Recovery Act	7,356,269
84.389	ARRA – Title 1 Grants to Local Educational Agencies, Recovery Act	-1,477
84.391	ARRA – Special Education – Grants to States (IDEA, Part B), Recovery Act	-298,661
84.392	ARRA – Special Education – Preschool Grants (IDEA, Preschool), Recovery Act	-177
84.938	Hurricane Education Recovery	283,145
<b>Total U.S. DEPARTMENT OF EDUCATION</b>		<b>399,076,628</b>

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.



# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	120,707
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	55,947
	<b>Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	176,654
	<b>TOTAL Education</b>	692,263,211
	<b><u>Emergency Management</u></b>	
	<b>U.S. DEPARTMENT OF TRANSPORTATION</b>	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	168,793
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.283	Centers for Disease Control and Prevention – Investigations and Technical Assistance	769,863
	<b>DEPARTMENT OF HOMELAND SECURITY</b>	
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	303,744
97.029	Flood Mitigation Assistance	7,500
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	88,906,348
97.039	Hazard Mitigation Grant	22,127,092
97.042	Emergency Management Performance Grants	3,758,706
97.045	Cooperating Technical Partners	587,015
97.082	Earthquake Consortium	21,468
	<b>Total DEPARTMENT OF HOMELAND SECURITY</b>	115,711,873
	<b>TOTAL Emergency Management</b>	116,650,529
	<b><u>Employment Security</u></b>	
	<b>U.S. DEPARTMENT OF LABOR</b>	
17.002	Labor Force Statistics	728,063
17.207	Employment Service / Wagner-Peyser Funded Activities	6,021,062
17.225 #	Unemployment Insurance	236,541,154
17.225 #	ARRA – Unemployment Insurance	-2,639
17.235	Senior Community Service Employment Program	854,104
17.245	Trade Adjustment Assistance	580,554
17.258	WIA Adult Program	6,529,565
17.259	WIA Youth Activities	9,882,011
17.267	Incentive Grants – WIA Section 503	194,349
17.271	Work Opportunity Tax Credit Program (WOTC)	141,916
17.273	Temporary Labor Certification for Foreign Workers	110,541
17.277	Workforce Investment Act (WIA) National Emergency Grants	1,694,464
17.278	WIA Dislocated Worker Formula Grants	7,983,038

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.



# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
17.280	Workforce Investment Act (WIA) Dislocated Worker National Reserve Demonstration Grants	66,609
17.801	Disabled Veterans' Outreach Program (DVOP)	911,640
17.804	Local Veterans' Employment Representative (LVER) Program	385,803
	<b>Total U.S. DEPARTMENT OF LABOR</b>	272,622,234
	<b>TOTAL Employment Security</b>	272,622,234
	<b><u>Environmental Quality</u></b>	
	<b>U.S. DEPARTMENT OF COMMERCE</b>	
11.473	Coastal Services Center	-4
	<b>U.S. DEPARTMENT OF DEFENSE</b>	
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	197,408
	<b>U.S. DEPARTMENT OF THE INTERIOR</b>	
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	182,155
15.252	Abandoned Mine Land Reclamation (AMLR) Program	22,507
15.810	National Cooperative Geologic Mapping Program	79,377
15.819	Energy Cooperatives to Support the National Coal Resources Data System (NCRDS)	16,735
	<b>Total U.S. DEPARTMENT OF THE INTERIOR</b>	300,774
	<b>U.S. DEPARTMENT OF LABOR</b>	
17.600	Mine Health and Safety Grants	29,085
	<b>ENVIRONMENTAL PROTECTION AGENCY</b>	
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	381,939
66.040	State Clean Diesel Grant Program	55,246
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	52,862
66.454	Water Quality Management Planning	100,487
66.458	Capitalization Grants for Clean Water State Revolving Funds	21,824,327
66.460	Nonpoint Source Implementation Grants	3,187,156
66.461	Regional Wetland Program Development Grants	10,708
66.472	Beach Monitoring and Notification Program Implementation Grants	334,912
66.475	Gulf of Mexico Program	80,409
66.605	Performance Partnership Grants	7,411,738
66.606	Survey's, Studies, Investigations and Special Purpose Grants	60,416
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	535,504
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	112,648
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	332,835
66.708	Pollution Prevention Grants Program	96,140
66.709	Multi-Media Capacity Building Grants for States and Tribes	-1
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	118,832

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	334,553
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	906,944
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	57,551
	<b>Total ENVIRONMENTAL PROTECTION AGENCY</b>	<b>35,995,206</b>
	<b>U.S. DEPARTMENT OF ENERGY</b>	
81.301	DOE Salmon Testing Site	432
	<b>DEPARTMENT OF HOMELAND SECURITY</b>	
97.013	State Access to the Oil Spill Liability Trust Fund	495,133
97.041	National Dam Safety Program	398,524
97.045	Cooperating Technical Partners	1,410,477
	<b>Total DEPARTMENT OF HOMELAND SECURITY</b>	<b>2,304,134</b>
	<b>TOTAL Environmental Quality</b>	<b>38,827,035</b>
	<b><u>Finance and Administration</u></b>	
	<b>GENERAL SERVICES ADMINISTRATION</b>	
39.003 @	Donation of Federal Surplus Personal Property	1,397,539
	<b>TOTAL Finance and Administration</b>	<b>1,397,539</b>
	<b><u>Forestry Commission</u></b>	
	<b>U.S. DEPARTMENT OF AGRICULTURE</b>	
10.664	Cooperative Forestry Assistance	1,956,508
10.678	Forest Stewardship Program	428,807
	<b>Total U.S. DEPARTMENT OF AGRICULTURE</b>	<b>2,385,315</b>
	<b>TOTAL Forestry Commission</b>	<b>2,385,315</b>
	<b><u>Gaming Commission</u></b>	
	<b>U.S. DEPARTMENT OF JUSTICE</b>	
16.UN2	Justice Federal Equitable Sharing	22,257
	<b>TOTAL Gaming Commission</b>	<b>22,257</b>
	<b><u>Governor's Office</u></b>	
	<b>U.S. DEPARTMENT OF COMMERCE</b>	
11.557	ARRA – Recovery Act – Mississippi Education, Safety and Health Network	879,166
11.558	ARRA – State Broadband Data and Development Grant Program	1,338,328

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	<b>Total U.S. DEPARTMENT OF COMMERCE</b>	2,217,494
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.600	Head Start	165,778
	<b>TOTAL Governor's Office</b>	2,383,272
	<b><u>Health</u></b>	
	<b>U.S. DEPARTMENT OF AGRICULTURE</b>	
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	75,776,610
10.565	Commodity Supplemental Food Program	674,536
	<b>Total U.S. DEPARTMENT OF AGRICULTURE</b>	76,451,146
	<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>	
14.241	Housing Opportunities for Persons with AIDS	512,296
	<b>U.S. DEPARTMENT OF LABOR</b>	
17.005	Compensation and Working Conditions	35,213
	<b>ENVIRONMENTAL PROTECTION AGENCY</b>	
66.032	State Indoor Radon Grants	48,449
66.432	State Public Water System Supervision	1,111,079
66.468	Capitalization Grants for Drinking Water State Revolving Funds	8,171,885
	<b>Total ENVIRONMENTAL PROTECTION AGENCY</b>	9,331,413
	<b>U.S. DEPARTMENT OF ENERGY</b>	
81.301	DOE Salmon Testing Site	94,373
	<b>U.S. DEPARTMENT OF EDUCATION</b>	
84.181	Special Education – Grants for Infants and Families	4,746,671
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.069	Public Health Emergency Preparedness	112,459
93.070	Environmental Public Health and Emergency Response	388,375
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	11,107,505
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	469,310
93.103	Food and Drug Administration – Research	241,923
93.110	Maternal and Child Health Federal Consolidated Programs	110,118
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	821,757
93.127	Emergency Medical Services for Children	121,055
93.130	Cooperative Agreements to States / Territories for the Coordination and Development of Primary Care Offices	185,370
93.136	Injury Prevention and Control Research and State and Community Based Programs	359,035
93.184	Disabilities Prevention	87,847

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures Distributions/ Issuances
93.217	Family Planning – Services	4,325,888
93.236	Grants to States to Support Oral Health Workforce Activities	451,806
93.241	State Rural Hospital Flexibility Program	500,765
93.251	Universal Newborn Hearing Screening	302,224
93.268 @	Immunization Cooperative Agreements`	41,272,903
93.270	Adult Viral Hepatitis Prevention and Control	36,832
93.283	Centers for Disease Control and Prevention – Investigations and Technical Assistance	6,798,976
93.292	National Public Health Improvement Initiative	134,828
93.296	State Partnership Grant Program to Improve Minority Health	245,937
93.301	Small Rural Hospital Improvement Grant Program	485,621
93.414	ARRA – State Primary Care Offices	53,889
93.507	PPHF National Public Health Improvement Initiative	121,682
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	525,056
93.539	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - Financed in Part by Prevention and Public Health Funds	612,176
93.544	The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) Authorizes Coordinated Chronic Disease Prevention and Health Promotion Program	353,853
93.548	PPHF: State Nutrition, Physical Activity, and Obesity Programs – Financed in Part by PPHF	1,749,197
93.671	Family Violence Prevention and Services / Domestic Violence Shelter and Supportive Services	1,216,428
93.719	ARRA – State Grants to Promote Health Information Technology	2,161,501
93.733	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure And Performance – Financed in Part by the Prevention and Public Health Fund (PPHF)	757,001
93.735	State Public Health Approaches for Ensuring Quitline Capacity – Funded in Part by Prevention and Public Health Funds (PPHF)	242,214
93.744	PPHF: Breast and Cervical Cancer Screening Opportunities for States, Tribes and Territories Solely Financed by Prevention and Public Health Funds	37,893
93.745	PPHF: Health Care Surveillance / Health Statistics – Surveillance Program Announcement Behavioral Risk Factor Surveillance System Financed in Part by Prevention and Public Health Fund	267,851
93.750	PPHF Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Exchanges	11,223
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	2,596,698
93.889	National Bioterrorism Hospital Preparedness Program	-1,292
93.913	Grants to States for Operation of Offices of Rural Health	204,551
93.917	HIV Care Formula Grants	14,299,149
93.940	HIV Prevention Activities – Health Department Based	2,819,399
93.944	Human Immunodeficiency Virus (HIV) / Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	983,172
93.945	Assistance Programs for Chronic Disease Prevention and Control	731,814
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	313
93.977	Preventive Health Services – Sexually Transmitted Diseases Control Grants	1,277,384
93.991	Preventive Health and Health Services Block Grant	1,146,299
93.994	Maternal and Child Health Services Block Grant to the States	8,385,794

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.



# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
	<b>Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	109,113,779
	<b>TOTAL Health</b>	200,284,891
	<b><u>Human Services</u></b>	
	<b>U.S. DEPARTMENT OF AGRICULTURE</b>	
10.551	Supplemental Nutrition Assistance Program (SNAP)	937,856,793
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	28,877,915
10.568	Emergency Food Assistance Program (Administrative Costs)	735,672
10.569 @	Emergency Food Assistance Program (Food Commodities)	5,703,394
10.577	SNAP Partnership Grant	1,352,514
	<b>Total U.S. DEPARTMENT OF AGRICULTURE</b>	974,526,288
	<b>U.S. DEPARTMENT OF ENERGY</b>	
81.042	Weatherization Assistance for Low-Income Persons	176,706
81.042	ARRA – Weatherization Assistance for Low-Income Persons	2,052,859
	<b>Total U.S. DEPARTMENT OF ENERGY</b>	2,229,565
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.041	Special Programs for the Aging – Title VII, Chapter 3 – Programs for Prevention of Elder Abuse, Neglect, and Exploitation	39,272
93.042	Special Programs for the Aging – Title VII, Chapter 2 – Long-Term Care Ombudsman Services for Older Individuals	154,904
93.043	Special Programs for the Aging – Title III, Part D – Disease Prevention and Health Promotion Services	128,472
93.044	Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers	3,174,443
93.045	Special Programs for the Aging – Title III, Part C – Nutrition Services	4,927,383
93.048	Special Programs for the Aging – Title IV – and Title II – Discretionary Projects	259,799
93.052	National Family Caregiver Support, Title III, Part E	1,092,889
93.053	Nutrition Services Incentive Program	1,294,113
93.071	Medicare Enrollment Assistance Program	14,976
93.235	Affordable Care Act (ACA) Abstinence Education Program	852,659
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	1,921,141
93.556	Promoting Safe and Stable Families	5,349,732
93.558	Temporary Assistance for Needy Families (TANF) State Programs	55,300,611
93.563	Child Support Enforcement	22,968,119
93.566	Refugee and Entrant Assistance – State Administered Programs	1,471,481
93.568	Low-Income Home Energy Assistance	28,332,425
93.569	Community Services Block Grants	9,322,787
93.575	Child Care and Development Block Grant	52,594,619
93.590	Community-Based Child Abuse Prevention Grants	250,377
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	13,908,747
93.597	Grants to States for Access and Visitation Programs	56,357

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures/ Distributions/ Issuances</u>
93.599	Chafee Education and Training Vouchers Program (ETV)	344,944
93.603	Adoption Incentive Payments	471,880
93.643	Children's Justice Grants to States	150,251
93.645	Stephanie Tubbs Jones Child Welfare Services Program	735,518
93.652	Adoption Opportunities	312,605
93.658	Foster Care – Title IV-E	20,254,292
93.659	Adoption Assistance	9,162,034
93.667	Social Services Block Grant	23,493,104
93.669	Child Abuse and Neglect State Grants	254,920
93.674	Chafee Foster Care Independence Program	1,279,637
93.708	ARRA – Head Start	511,150
93.725	ARRA – Communities Putting Prevention to Work: Chronic Disease Self- Management Program	-2,246
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	819,232
	<b>Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	<b>261,202,627</b>
	<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>	
94.013	Volunteers in Service to America	102,310
94.016	Senior Companion Program	153,655
	<b>Total CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>	<b>255,965</b>
	<b>TOTAL Human Services</b>	<b>1,238,214,445</b>
	<b><u>Insurance</u></b>	
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	63,898
93.519	Affordable Care Act (ACA) – Consumer Assistance Program Grants	182,269
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges	12,358,547
	<b>Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	<b>12,604,714</b>
	<b>DEPARTMENT OF HOMELAND SECURITY</b>	
97.044	Assistance to Firefighters Grants	107,300
	<b>TOTAL Insurance</b>	<b>12,712,014</b>
	<b><u>Library Commission</u></b>	
	<b>NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES</b>	
45.310	Grants to States	1,754,636
	<b>TOTAL Library Commission</b>	<b>1,754,636</b>

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<b><u>Marine Resources</u></b>		
<b>U.S. DEPARTMENT OF COMMERCE</b>		
11.407	Interjurisdictional Fisheries Act of 1986	32,821
11.417	Sea Grant Support	52,500
11.419	Coastal Zone Management Administration Awards	1,610,384
11.420	Coastal Zone Management Estuarine Research Reserves	-597
11.434	Cooperative Fishery Statistics	96,450
11.463	Habitat Conservation	56,559
<b>Total U.S. DEPARTMENT OF COMMERCE</b>		1,848,117
<b>U.S. DEPARTMENT OF THE INTERIOR</b>		
15.426	Coastal Impact Assistance Program (CIAP)	661,290
15.605	Sport Fish Restoration Program	486,775
15.616	Clean Vessel Act Program	8,223
15.622	Sportfishing and Boating Safety Act	454,388
15.630	Coastal Program	58,003
15.668	Coastal Impact Assistance Program	8,003,592
15.904	Historic Preservation Fund Grants-In-Aid	3,122
<b>Total U.S. DEPARTMENT OF THE INTERIOR</b>		9,675,393
<b>ENVIRONMENTAL PROTECTION AGENCY</b>		
66.475	Gulf of Mexico Program	37,885
<b>TOTAL Marine Resources</b>		11,561,395
<b><u>Medicaid</u></b>		
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
93.767	Children's Health Insurance Program	179,406,067
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	2,320,205
93.778	Medical Assistance Program	3,648,975,923
93.778	ARRA – Medical Assistance Program	34,842,177
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	119,842
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children	452,002
93.791	Money Follows the Person Rebalancing Demonstration	4,362,373
<b>Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		3,870,478,589
<b>TOTAL Medicaid</b>		3,870,478,589
<b><u>Mental Health</u></b>		
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
93.014	MTOP Program	118,326

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	1,248,066
93.150	Projects for Assistance in Transition from Homelessness (PATH)	280,386
93.243	Substance Abuse and Mental Health Services – Projects of Regional and National Significance	2,470,944
93.630	Developmental Disabilities Basic Support and Advocacy Grants	685,919
93.631	Developmental Disabilities Projects of National Significance	390,418
93.958	Block Grants for Community Mental Health Services	3,546,546
93.959	Block Grants for Prevention and Treatment of Substance Abuse	12,905,941
<b>Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		21,646,546
<b>TOTAL Mental Health</b>		21,646,546
 <b><u>Military Department</u></b>		
<b>U.S. DEPARTMENT OF DEFENSE</b>		
12.400	Military Construction, National Guard	4,184,227
12.401	National Guard Military Operations and Maintenance (O&M) Projects	76,277,373
12.404	National Guard ChalleNGe Program	4,134,874
<b>Total U.S. DEPARTMENT OF DEFENSE</b>		84,596,474
<b>TOTAL Military Department</b>		84,596,474
 <b><u>MS Development Authority</u></b>		
<b>U.S. DEPARTMENT OF COMMERCE</b>		
11.307	Economic Adjustment Assistance	16,914
11.805	MBDA Business Center	-25,057
<b>Total U.S. DEPARTMENT OF COMMERCE</b>		-8,143
 <b>U.S. DEPARTMENT OF DEFENSE</b>		
12.002	Procurement Technical Assistance For Business Firms	472,557
 <b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
14.228	Community Development Block Grants / State's Program	217,203,441
14.231	Emergency Solutions Grant Program	1,959,757
14.239	Home Investment Partnerships Program	11,540,408
14.257	ARRA – Homelessness Prevention and Rapid Re-Housing Program	16,569
<b>Total U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		230,720,175
 <b>APPALACHIAN REGIONAL COMMISSION</b>		
23.002	Appalachian Area Development	364,021
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	148,189

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.



# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	<b>Total APPALACHIAN REGIONAL COMMISSION</b>	512,210
	<b>SMALL BUSINESS ADMINISTRATION</b>	
59.061	State Trade and Export Promotion Pilot Grant Program	222,067
	<b>U.S. DEPARTMENT OF ENERGY</b>	
81.041	State Energy Program	570,010
81.041	ARRA – State Energy Program	2,207
81.119	State Energy Program Special Projects	364,128
81.122	ARRA – Electricity Delivery and Energy Reliability, Research, Development and Analysis	-31
	<b>Total U.S. DEPARTMENT OF ENERGY</b>	936,314
	<b>TOTAL MS Development Authority</b>	232,855,180
	<b><u>Narcotics</u></b>	
	<b>U.S. DEPARTMENT OF JUSTICE</b>	
16.UN	Domestic Cannabis Eradication / Suppression Program	45,977
16.UN1	DEA Task Force	824
	<b>Total U.S. DEPARTMENT OF JUSTICE</b>	46,801
	<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>	
95.001	High Intensity Drug Trafficking Areas Program	1,229,447
	<b>TOTAL Narcotics</b>	1,276,248
	<b><u>Oil and Gas Board</u></b>	
	<b>ENVIRONMENTAL PROTECTION AGENCY</b>	
66.433	State Underground Water Source Protection	101,250
	<b>TOTAL Oil and Gas Board</b>	101,250
	<b><u>Public Safety</u></b>	
	<b>U.S. DEPARTMENT OF JUSTICE</b>	
16.017	Sexual Assault Services Formula Program	211,255
16.475	Forensic Science Improvement Program	124,394
16.523	Juvenile Accountability Block Grants	543,992
16.540	Juvenile Justice and Delinquency Prevention – Allocation to States	277,470
16.554	National Criminal History Improvement Program (NCHIP)	151,996
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	324,026
16.575	Crime Victim Assistance	3,965,314
16.588	Violence Against Women Formula Grants	1,625,045

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

CFDA Number	State Agency/Federal Department/Program Name	Federal Expenditures Distributions/ Issuances
16.593	Residential Substance Abuse Treatment for State Prisoners	349,175
16.607	Bulletproof Vest Partnership Program	1,358
16.609	Project Safe Neighborhoods	49,594
16.710	Public Safety Partnership and Community Policing Grants	-13,039
16.727	Enforcing Underage Drinking Laws Program	59,418
16.738	Edward Byrne Memorial Justice Assistance Grant Program	1,893,564
16.750	Support for Adam Walsh Act Implementation Grant Program	20,151
16.803	ARRA – Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to States and Territories	-90,833
16.922	Equitable Sharing Program	262
16.UN1	DEA Task Force	14,306
16.UN5	U.S. Marshall Service	60,570
<b>Total U.S. DEPARTMENT OF JUSTICE</b>		9,568,018
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
20.218	National Motor Carrier Safety	3,501,743
20.232	Commercial Driver's License Program Improvement Grant	195,749
20.2NA	Fatal Analysis Reporting System	95,000
20.600	State and Community Highway Safety	6,741,977
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I	2,791,029
20.607	Alcohol Open Container Requirements	9,620,322
<b>Total U.S. DEPARTMENT OF TRANSPORTATION</b>		22,945,820
<b>EXECUTIVE OFFICE OF THE PRESIDENT</b>		
95.001	High Intensity Drug Trafficking Areas Program	46,940
<b>DEPARTMENT OF HOMELAND SECURITY</b>		
97.001	Mississippi Interoperable Communications Grant	11,042,896
97.042	Emergency Management Performance Grants	2,396,315
97.052	Emergency Operations Center	2,249,247
97.055	Interoperable Emergency Communications	80,014
97.056	Port Security Grant Program	335,765
97.067	Homeland Security Grant Program	2,942,138
97.089	Driver's License Security Grant Program	12,207,513
<b>Total DEPARTMENT OF HOMELAND SECURITY</b>		31,253,888
<b>TOTAL Public Safety</b>		63,814,666
<b><u>Public Service Commission</u></b>		
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
20.700	Pipeline Safety Program Base Grant	606,763

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	<b>TOTAL Public Service Commission</b>	606,763
	<b><u>Rehabilitation Services</u></b>	
	<b>U.S. DEPARTMENT OF EDUCATION</b>	
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States	40,928,994
84.169	Independent Living - State Grants	505,222
84.177	Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind	307,368
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	338,718
84.224	Assistive Technology	376,761
84.265	Rehabilitation Training – State Vocational Rehabilitation Unit In-Service Training	118,333
	<b>Total U.S. DEPARTMENT OF EDUCATION</b>	42,575,396
	<b>SOCIAL SECURITY ADMINISTRATION</b>	
96.001	Social Security – Disability Insurance (DI)	28,852,579
96.008	Social Security – Work Incentives Planning and Assistance Program	142,237
	<b>Total SOCIAL SECURITY ADMINISTRATION</b>	28,994,816
	<b>TOTAL Rehabilitation Services</b>	71,570,212
	<b><u>Secretary of State</u></b>	
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.617	Voting Access for Individuals with Disabilities – Grants to States	43,738
	<b>TOTAL Secretary of State</b>	43,738
	<b><u>Soil and Water Conservation Commission</u></b>	
	<b>U.S. DEPARTMENT OF AGRICULTURE</b>	
10.902	Soil and Water Conservation	575,620
	<b>TOTAL Soil and Water Conservation Commission</b>	575,620
	<b><u>State Fire Academy</u></b>	
	<b>DEPARTMENT OF HOMELAND SECURITY</b>	
97.043	State Fire Training Systems Grants	11,462
	<b>TOTAL State Fire Academy</b>	11,462
	<b><u>Supreme Court</u></b>	
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	
93.586	State Court Improvement Program	443,104
	<b>TOTAL Supreme Court</b>	443,104

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
<b><u>Transportation</u></b>		
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
20.106	Airport Improvement Program	321,400
20.205	Highway Planning and Construction	535,754,132
20.205	ARRA – Highway Planning and Construction	4,096,758
20.237	Commercial Vehicle Information Systems and Networks	573,890
20.314	Railroad Development	83,985
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	80,871
20.509	Formula Grants for Rural Areas	14,230,317
20.509	ARRA – Formula Grants for Rural Areas	2,635,851
20.513	Enhanced Mobility for Seniors and Individuals with Disabilities	1,741,355
20.516	Job Access and Reverse Commute Program	200,684
20.521	New Freedom Program	666,290
<b>Total U.S. DEPARTMENT OF TRANSPORTATION</b>		560,385,533
<b>TOTAL Transportation</b>		560,385,533
<b><u>Treasury</u></b>		
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
10.665	Schools and Roads – Grants to States	6,295,644
<b>U.S. DEPARTMENT OF ENERGY</b>		
81.041	State Energy Program	-814,571
81.UN1	Petroleum Violation Escrow – Stripper Well	898,513
81.UN4	Petroleum Violation Escrow – Exxon	814,571
<b>Total U.S. DEPARTMENT OF ENERGY</b>		898,513
<b>TOTAL Treasury</b>		7,194,157
<b><u>Veterans Affairs Board</u></b>		
<b>U.S. DEPARTMENT OF VETERANS AFFAIRS</b>		
64.124	All-Volunteer Force Educational Assistance	84,261
<b>TOTAL Veterans Affairs Board</b>		84,261
<b><u>Wildlife, Fisheries and Parks</u></b>		
<b>U.S. DEPARTMENT OF COMMERCE</b>		
11.472	Unallied Science Program	90,734
<b>U.S. DEPARTMENT OF DEFENSE</b>		

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.



# STATE OF MISSISSIPPI

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2014

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
12.106	Flood Control Projects (Passed-through from the U.S. Army Corps of Engineers). Identifying numbers assigned by the pass-through entity - DACW01-3-91-0543, DACW38-91-H-0007, DACW01-3-92-0411, DACW38-3-09-176, DACW01-3-91-0500, DACW01-3-96-0023, DACW38-3-12-9, and DACW01-3-92-0410.	1,745,931
	<b>U.S. DEPARTMENT OF THE INTERIOR</b>	
15.605	Sport Fish Restoration Program	4,772,871
15.611	Wildlife Restoration and Basic Hunter Education	12,168,318
15.615	Cooperative Endangered Species Conservation Fund	215,916
15.634	State Wildlife Grants	1,138,568
15.657	Endangered Species Conservation – Recovery Implementation Funds	24,687
15.916	Outdoor Recreation – Acquisition, Development and Planning	554,726
	<b>Total U.S. DEPARTMENT OF THE INTERIOR</b>	18,875,086
	<b>U.S. DEPARTMENT OF TRANSPORTATION</b>	
20.219	Recreational Trails Program	1,152,221
	<b>DEPARTMENT OF HOMELAND SECURITY</b>	
97.012	Boating Safety Financial Assistance	1,490,343
	<b>TOTAL Wildlife, Fisheries and Parks</b>	23,354,315
	<b>TOTAL EXPENDITURES OF FEDERAL AWARDS:</b>	\$ 7,548,573,193

### EXPLANATION OF FOOTNOTE REFERENCE:

Program Number with UN denotes unknown CFDA numbers.

Programs which expended funds under the American Recovery and Reinvestment Act of 2009 are identified using "ARRA" in front of the program name.

# The total expenditures for CFDA No. 17.225 include state expenditures of \$204,206,295 and federal expenditures of \$32,332,220.

@ Denotes federal programs with noncash benefits.

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards.

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# **Notes to the Schedules of Expenditures of Federal Awards**



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## STATE OF MISSISSIPPI

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### NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2014

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#### **NOTE 1: PURPOSE OF THE SCHEDULES**

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 awards expended for each individual federal program as identified in the *Catalog of Federal Domestic Assistance* (CFDA). To comply with this requirement, the Department of Finance and Administration required each state agency to prepare and submit a schedule of expenditures of federal awards. Information contained in these schedules was combined by the Department of Finance and Administration to form the accompanying schedules of expenditures of federal awards. Federal programs which have not been assigned a CFDA number have been identified.

#### **NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

A. **Basis of Presentation** - The information in the accompanying schedules of expenditures of federal awards is presented in accordance with OMB Circular A-133. The Schedule of Expenditures of Federal Awards by Federal Department presents a summary of federal awards expended by federal department and CFDA number. The Schedule of Expenditures of Federal Awards by State Grantee Agency presents federal awards expended by recipient agencies of the State of Mississippi.

- **Federal Financial Assistance** - Pursuant to the Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, cooperative agreements, loans, loan guarantees, property (including donated surplus property), interest subsidies, insurance, direct appropriations or other assistance. Accordingly, nonmonetary federal assistance, including food commodities, immunizations and surplus property, is included in federal financial assistance and, therefore, is reported on the schedules of expenditures of federal awards. Federal financial assistance does not include direct federal cash assistance to individuals or procurement contracts used to buy goods or services from vendors.
- **Major Programs** - The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish a risk-based approach to determine which federal programs are major based on certain expenditure thresholds and risk criteria. According to the state's Single Audit Report for the fiscal year ended June 30, 2014, federal expenditures, distributions or issuances totaled \$7,548,573,193. This established the threshold for Type A programs as those with federal expenditures, distributions or issuances which exceeded \$22,645,720. For the fiscal year 2014 audit, there were 23 programs with expenditures exceeding the Type A threshold. Of these 23 programs, three (3) Type A programs were identified as low risk. Risk assessments of Type B programs were performed until three (3) high risk Type B programs were identified. Also, an additional Type B program was selected for audit based on the original selection of programs made using fiscal year 2013 expenditures during the planning phase for the fiscal year 2014 audit. Therefore for fiscal year 2014, twenty four federal award programs, comprising 20 high risk Type A programs and four high risk Type B programs, were audited as major programs for the State of Mississippi.

## STATE OF MISSISSIPPI

### Notes to Schedules of Expenditures of Federal Awards (continued)

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- *Catalog of Federal Domestic Assistance* - The *Catalog of Federal Domestic Assistance* (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA number) which is reflected in the accompanying schedules.
- B. Reporting Entity - The accompanying schedules include all federal programs administered by the State of Mississippi, except for the programs accounted for by the major component unit, Universities, within the component units section of the financial statements, for the year ended June 30, 2014. Expenditures of federal awards provided to the state's public universities and related entities were audited by other auditors in accordance with statutory requirements and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and a separate report is scheduled to be issued by March 31, 2015.
- C. Basis of Accounting - Federal programs included in the accompanying schedules are accounted for in the state's governmental and proprietary funds. Governmental funds are accounted for by using the current financial resources measurement focus and the modified accrual basis of accounting and proprietary funds by using the economic resources measurement focus and the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

Amounts reflected as distributions in the accompanying schedules for donated federal surplus property are based on an estimated average fair market value of 23.3 percent of the original acquisition cost as assigned by the federal government. The amounts reflected in the financial statements of the State of Mississippi for the fiscal year ended June 30, 2014, for distributed surplus property are valued at the handling and shipping costs, which more closely approximate fair market value at the date of the transfer of the surplus property to the State of Mississippi.

The value of food commodity distributions within the National School Lunch Program on the accompanying schedules was calculated using the U.S. Department of Agriculture, Food and Nutrition Service commodity price list in effect at the date of distribution.

The state issues food stamp benefits in electronic form, and benefits are recognized as expenditures when recipients use the benefits.

- D. Expenditures and Expenses - Certain transactions relating to expenditures of federal awards may appear in records of more than one state grantee agency. To avoid duplication and the overstatement of the aggregate level of federal awards expended by the State of Mississippi, the following policies have been adopted:
  1. When monies are received by one state grantee agency and redistributed (expended) to another state grantee agency (i.e., a pass-through of funds by the primary recipient state grantee agency to a subrecipient state grantee agency), the federal financial assistance will be reflected in the primary receiving/expending state grantee agency's accounts.
  2. Purchases of services between state grantee agencies using federal monies will be recorded as *expenditures* or *expenses* on the purchasing agency's records and as *revenues* for services rendered on the providing agency's records. Therefore, the expenditure of federal awards is attributed to the purchasing agency, which is the primary receiving/expending state grantee agency.



## STATE OF MISSISSIPPI

### Notes to Schedules of Expenditures of Federal Awards (continued)

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#### **NOTE 3: OTHER**

- A. All federal expenditures/distributions/issuances included in the accompanying schedules represent assistance received directly from the federal government, unless otherwise noted. Federal financial assistance received indirectly from the federal government (i.e., passed-through from entities outside of the State of Mississippi) is noted parenthetically.
- B. The accompanying schedules of expenditures of federal awards include distributions of donated surplus personal property (CFDA 39.003) of \$1,397,539. These distributions were valued based on an estimated average fair market value of 23.3 percent of the original acquisition cost assigned by the federal government. These distributions were reported in the financial statements of the State of Mississippi for the year ended June 30, 2014, as charges for sales and services of \$271,124. The amount was based upon handling and shipping costs at the date of transfer to the state.
- C. Expenditures reflected in the CFDA 14.228 - Community Development Block Grants/State's program include disbursements made for grants and new loans totaling \$1,886,147. Program income generated by the program in previous years was used to make these grants and new loan payments. In subsequent years, the program income generated from the repayment of loans will be deposited into a revolving loan fund to be redistributed to the local governments under CFDA 14.228 for program activities. At June 30, 2014, the outstanding loan balance for the program totaled \$4,426,834.
- D. The Unemployment Insurance program (CFDA 17.225) is administered through a unique federal-state partnership that was founded upon federal law, but implemented through state law. For the purposes of presenting the expenditures of this program in the accompanying schedules of expenditures of federal awards, both state and federal funds have been considered federal awards expended as denoted with an # to the right of the CFDA number. The breakdown of the state and federal portions of the total program expenditures is as follows:

State Portion	\$204,206,295
Federal Portion	<u>32,332,220</u>
Total	<u>\$236,538,515</u>

- E. Expenditures reflected in CFDA 66.458 - Capitalization Grants for Clean Water State Revolving Funds - include loans to local governments for developing or constructing water treatment facilities. The funding source for these loans includes federal grant funds and state funds. In subsequent years, local governments will be required to repay these funds to the Mississippi Department of Environmental Quality. When received, these funds will be redistributed to local governments through new loans for additional water treatment facility projects. The outstanding loan balance for the year ended June 30, 2014, was \$374,035,832. Total disbursements for new loans for the year ended June 30, 2014, totaled \$67,903,687. Administrative costs associated with the program for the year ended June 30, 2014, totaled \$1,535,386.
- F. Expenditures reflected in CFDA 66.468 - Capitalization Grants for Drinking Water State Revolving Funds - include loans to counties, municipalities and other tax exempt water systems organizations for construction of new water systems, the expansion or repair of existing water systems, and/or the consolidation of new or existing water systems. The funding source for these loans includes federal grant funds and state funds. In subsequent years, the entities will be required to repay these funds to the Mississippi Department of Health. When received, these funds will be used to make new loans for the program activities. The outstanding loan balance for the year ended June 30, 2014, was \$149,404,874.

## STATE OF MISSISSIPPI

### Notes to Schedules of Expenditures of Federal Awards (continued)

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Total disbursements for new loans made during fiscal year 2014 totaled \$16,725,215. Administrative costs associated with the program for the year ended June 30, 2014, totaled \$2,078,945.

- G. State Aid Road Construction is a division of the Mississippi Department of Transportation (MDOT). Federal financial assistance in the amount of \$46,622,645 related to State Aid Road Construction is included on the schedules of expenditures of federal awards under Transportation Department program 20.205 - Highway Planning and Construction.
- H. Noncash Assistance.

The State of Mississippi participated in several federal programs in which noncash benefits were provided through the state to eligible program participants. These noncash benefits programs are identified on the schedules of expenditures of federal awards with an @ to the right of the CFDA number. A listing of these programs follows:

<u>CFDA Number</u>	<u>Program Name</u>
10.555	National School Lunch Program (NSLP)
10.569	Emergency Food Assistance Program (Food Commodities)
39.003	Donation of Federal Surplus Personal Property
93.268	Immunization Cooperative Agreements

- *CFDA 10.555 — National School Lunch Program received \$187,867,043 including cash assistance and noncash assistance. Cash assistance totaled \$170,762,197 and noncash assistance totaled \$17,104,846.*
- *CFDA 93.268 — Immunization Cooperative Agreements received \$41,272,903 including cash assistance and noncash assistance. Cash assistance totaled \$2,454,643 and noncash assistance totaled \$38,818,260.*

- I. The reported expenditures for benefits under the Supplemental Nutrition Assistance Program (SNAP) (CFDA No. 10.551) are supported by both regularly appropriated funds and incremental funding made available under section 101 of the American Recovery and Reinvestment Act of 2009. The portion of total expenditures for SNAP benefits that is supported by Recovery Act funds varies according to fluctuations in the cost of the Thrifty Food Plan, and to changes in participating households' income, deductions, and assets. This condition prevents USDA from obtaining the regular and Recovery Act components of SNAP benefits expenditures through normal program reporting processes. As an alternative, USDA has computed a weighted average percentage to be applied to the national aggregate SNAP benefits provided to households in order to allocate an appropriate portion thereof to Recovery Act funds. This methodology generates valid results at the national aggregate level but not at the individual State level. Therefore, USDA cannot validly disaggregate the regular and Recovery Act components of the reported expenditures for SNAP benefits. At the national aggregate level, however, Recovery Act funds account for approximately 7.79 percent of USDA's total expenditures for SNAP benefits in the Federal fiscal year ended September 30, 2013.

- J. Contingencies.

The State of Mississippi has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of



**STATE OF MISSISSIPPI****Notes to Schedules of Expenditures of Federal Awards (continued)**

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resources for allowable purposes. Any disallowance resulting from an audit may become a liability of the State.

The Office of the Governor – Division of Medicaid has been notified by the Centers for Medicare and Medicaid Services (CMS) of a potential claim relative to potential overpayments by CMS under Medical Assistance Program grants that may have been made between 1981 and 2009 to a number of states, including Mississippi. CMS is working with the Division of Medicaid, as well as various other states, to resolve the discrepancies. The amount questioned by CMS approximates \$28 million for the Division of Medicaid.

- K. The State of Mississippi's major federal programs for the year ended June 30, 2014, were based on federal expenditures/distributions/issuances and risk assessments as defined in Note 2:A. Those programs are as follows:

<b>CFDA Number</b>	<b>Program Name</b>
	SNAP Cluster
10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
	Child Nutrition Cluster
10.553	School Breakfast Program (SBP)
10.555	National School Lunch Program (NSLP)
10.556	Special Milk Program for Children (SMP)
10.559	Summer Food Service Program for Children (SFSPC)
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
	CDBG – State-Administered CDBG Cluster
14.228	Community Development Block Grants / State's Program
17.225	Unemployment Insurance
17.225	ARRA – Unemployment Insurance
	WIA Cluster
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.278	WIA Dislocated Worker Formula Grants
	Highway Planning and Construction Cluster
20.205	Highway Planning and Construction

**STATE OF MISSISSIPPI****Notes to Schedules of Expenditures of Federal Awards (continued)**

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20.205	ARRA – Highway Planning and Construction
20.219	Recreational Trails Program
	Clean Water State Revolving Fund Cluster
66.458*	Capitalization Grants for Clean Water State Revolving Funds
	Drinking Water State Revolving Fund Cluster
66.468*	Capitalization Grants for Drinking Water State Revolving Funds
	Special Education Cluster (IDEA)
84.027	Special Education – Grants to States (IDEA, Part B)
84.173	Special Education – Preschool Grants (IDEA, Preschool)
93.074*	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
93.268	Immunization Cooperative Agreements
	TANF Cluster
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
	CCDF Cluster
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant
93.767	Children’s Health Insurance Program
	Medicaid Cluster
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778	Medical Assistance Program
93.778	ARRA – Medical Assistance Program
	Disability Insurance / SSI Cluster
96.001	Social Security – Disability Insurance (DI)
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

**STATE OF MISSISSIPPI**  
**Notes to Schedules of Expenditures of Federal Awards (continued)**

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97.039\* Hazard Mitigation Grant

\*Denotes a Type B Program

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# **Schedule of Findings and Questioned Costs**

## **Part 1 – Summary of Auditor's Results**



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STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014

---

PART 1 - SUMMARY OF AUDITOR'S RESULTS

*Financial Statements*

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? X yes \_\_\_ no
- Significant deficiencies identified? X yes \_\_\_ none reported

Noncompliance material to financial  
statements noted?

X yes \_\_\_ no

*Federal Awards*

Internal control over major programs:

- Material weaknesses identified? X yes \_\_\_ no
- Significant deficiencies identified? X yes \_\_\_ none reported

Type of auditor's report issued on compliance for major programs:

**Unmodified for all major programs except for the Child Nutrition Cluster, the Child and Adult Care Food Program, the Immunization Cooperative Agreements, the CCDF Cluster and the TANF Cluster, which were qualified and except for the state's public universities for which a separate report was issued.**

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

X yes \_\_\_ no

**STATE OF MISSISSIPPI**  
**Schedule of Findings and Questioned Costs**  
**Part 1 - Summary of Auditor's Results (continued)**

Identification of major programs:

<b>CFDA Number</b>	<b>Program Name</b>
	SNAP Cluster
10.551	Supplemental Nutrition Assistance Program (SNAP)
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
	Child Nutrition Cluster
10.553	School Breakfast Program (SBP)
10.555	National School Lunch Program (NSLP)
10.556	Special Milk Program for Children (SMP)
10.559	Summer Food Service Program for Children (SFSPC)
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
	CDBG – State-Administered CDBG Cluster
14.228	Community Development Block Grants/State's Program
17.225	Unemployment Insurance
17.225	ARRA – Unemployment Insurance
	WIA Cluster
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.278	WIA Dislocated Worker Formula Grants
	Highway Planning and Construction Cluster
20.205	Highway Planning and Construction
20.205	ARRA – Highway Planning and Construction
20.219	Recreational Trails Program
	Clean Water State Revolving Fund Cluster
66.458*	Capitalization Grants for Clean Water State Revolving Funds
	Drinking Water State Revolving Fund Cluster
66.468*	Capitalization Grants for Drinking Water State Revolving Funds
	Special Education Cluster (IDEA)
84.027	Special Education – Grants to State (IDEA, Part B)
84.173	Special Education – Preschool Grants (IDEA, Preschool)

**STATE OF MISSISSIPPI**  
**Schedule of Findings and Questioned Costs**  
**Part 1 - Summary of Auditor's Results (concluded)**

<b>CFDA Number</b>	<b>Program Name</b>
93.074*	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
93.268	Immunization Cooperative Agreements
	TANF Cluster
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
	CCDF Cluster
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant
93.767	Children's Health Insurance Program
	Medicaid Cluster
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778	Medical Assistance Program
93.778	ARRA – Medical Assistance Program
	Disability Insurance / SSI Cluster
96.001	Social Security – Disability Insurance (DI)
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.039*	Hazard Mitigation Grant

\* Denotes Type B Program

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$22,645,720

Auditee qualified as low-risk auditee?

     yes      X   no



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# **Schedule of Findings and Questioned Costs**

## **Part 2 – Financial Statement Findings**



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## STATE OF MISSISSIPPI

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2014

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#### PART 2 – FINANCIAL STATEMENT FINDINGS

##### Introduction

This part of the Schedule of Findings and Questioned Costs presents audit findings classified as material weaknesses, significant deficiencies and material noncompliance that are related to the financial statements and are required to be reported in accordance with *Government Auditing Standards*.

Findings are arranged in order by state agency. Each finding has one of the following designations:

- **Material Weakness** – A deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the state's financial statements will not be prevented, or detected and corrected on a timely basis.
- **Significant Deficiency** – 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.
- **Material Noncompliance** – Matters coming to the auditor's attention relating to the state's compliance with certain provision of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts.



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STATE OF MISSISSIPPI

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014

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PART 2 – FINANCIAL STATEMENT FINDINGS

<u>Finding Number</u>	<u>Finding and Recommendation</u>
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**CORRECTIONS**

*Material Noncompliance*

2014-001	<u>Agency Should Ensure Compliance with Provisions of Laws, Regulations and Contracts</u>
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*Finding:*

The former Commissioner of the Mississippi Department of Corrections resigned after a 49 count indictment was returned by a federal grand jury. The indictment alleged the Commissioner was the recipient of bribes and kickbacks in exchange for favorable treatment in the awarding of agency contracts. The alleged actions of the Commissioner indicates that potential noncompliance with laws, regulations and abuse may have occurred through the misuse of an official's position for personal gain. An investigation is ongoing, and the potential cause will be determined at its conclusion.

Management of the Mississippi Department of Corrections is responsible for compliance with provisions of laws, regulations, contracts and grant agreements and preventing abuse.

*Recommendation:*

We recommend that the management of the Mississippi Department of Corrections comply with the directive issued by the Governor which required a review of contracts included in the indictment and also required that contracts be rebid, where appropriate. We also recommend management reevaluate the agency's controls surrounding the procurement process to deter future potential issues.

**NOTE:** See Management's Response and Corrective Action Plan on page 137.

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STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
PART 2 – Financial Statement Findings (continued)

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**HEALTH**

***Significant Deficiency***

2014-002

**Controls Should Be Strengthened over the Preparation and Review of the GAAP Reporting Package and the Schedule of Expenditures of Federal Activity**

***Finding:***

The Mississippi State Department of Health is required to prepare a GAAP Reporting Package for Fund 3301 each state fiscal year. This package includes the Schedule of Expenditures of Federal Activity (Form 27.30.60). We noted the following weaknesses and errors related to the GAAP Reporting Package and Schedule of Expenditures of Federal Activity for fiscal year 2014.

- Fiscal year 2014's Immunization Direct Assistance in Lieu of Cash was incorrectly calculated and reported using the federal fiscal year immunization vaccine report resulting in a net understatement of \$28,603,947. An audit adjustment was proposed and made by agency management to properly state this amount.
- Reports used in compiling the Schedule of Expenditures of Federal Activity were not accurate or complete. We noted transactions were duplicated for September 19, 2013, and the timeframe from December 16, 2013, thru December 31, 2013, and also transactions from January 1, 2014, until January 14, 2014, were excluded from the reports. This resulted in a net overstatement of federal expenditures totaling \$7,093,854. An audit adjustment was proposed and made by agency management to properly state federal expenditures for this amount.
- Transactions on the Received Date Blank and Industry Code Not Blank report used to compile accrual expenditures were incorrectly identified as accrual or no accrual transactions. Some of the transactions identified as accruals on this report were already included as accruals on the E645G report. It was also noted that some transactions on the Received Date report were noted as accruals and should not have been accrued. This resulted in a net overstatement of accrual expenditures in the amount of \$3,073,740. An audit adjustment was proposed and made by agency management to properly state federal expenditures for this amount.
- The GAAP Reporting Package and the Schedule of Expenditures of Federal Activity were not reviewed and signed by authorized agency personnel.
- Twelve instances were noted in which total cumulative federal expenditures for a program exceeded the grant award authorization total.
- Nine instances were noted in which reporting category codes for non-federal grant funds were included in the Schedule of Expenditures of Federal Activity resulting in a net overstatement of expenditures totaling \$4,095,134. An audit adjustment was proposed and made by agency management to remove these programs from the schedule.
- Eight instances were noted in which the Catalog for Federal Domestic



**STATE OF MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**PART 2 – Financial Statement Findings (continued)**

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Assistance (CFDA) numbers reported on the Schedule of Expenditures of Federal Activity were incorrect based on an examination of supporting documentation.

- Three instances were noted in which reporting category codes 064D, 062B, and 062C's Beginning Due From (To) Granting Agency balance did not agree to the ending balance in the prior year's Schedule of Expenditures of Federal Activity. When preparing the schedule, it appears that agency personnel had made an error in recording the reporting categories on the proper line. Because the reporting categories were all within the same program, the net effect was zero.
- Two instances were noted in which current year expenditures for reporting category codes 031C and 127D per the Schedule of Expenditures of Federal Activity did not agree to Fund 3301's total expense summary report. Because these amounts were immaterial, no adjustment was considered necessary.
- One instance was noted in which a new program's (CFDA 93.548) grant award amount included on the schedule did not agree to the grant award notice. This error also results in the grant award being overexpended on the Schedule of Expenditures of Federal Activity.

Good internal controls require a review and approval process to be in place over the GAAP Reporting Package to ensure that the information contained in the GAAP Reporting Package and supporting Schedule of Expenditures of Federal Activity is accurate, complete, properly classified and properly valued. Failure to properly review and approve the GAAP Reporting Package and supporting schedules may result in the improper recording of GAAP adjustments, ultimately affecting the financial position of Mississippi State Department of Health as reflected in the State's Comprehensive Annual Financial Report.

*Recommendation:*

We recommend the Mississippi State Department of Health strengthen controls over the preparation and review of the GAAP Reporting Package, including the Schedule of Expenditures of Federal Activity, to include a supervisory review and approval of all information prior to submission to Department of Finance and Administration to ensure accuracy, completeness, proper classification and valuation of reported information.

**NOTE:** See Management's Response and Corrective Action Plan on page 143.



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
PART 2 – Financial Statement Findings (continued)

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**MISSISSIPPI DEVELOPMENT AUTHORITY**

***Material Weakness***

2014-003

**Controls over GAAP Reporting Packages Should Be Strengthened**

***Finding:***

During our review of the GAAP reporting packet for fund 34AE, the Mississippi Industry Incentive Fund, at the Mississippi Development Authority, we noted the following problems for which audit adjustments were proposed and subsequently made by agency personnel.

- An allowance for uncollectible loans receivable was not determined by the agency. This omission resulted in an overstatement of loans receivable in the amount of \$49,879,636.
- The current portion of the loans receivable account balance was overstated by \$2,890,746 and the noncurrent portion of the loans receivable account balance was understated by this same amount due to a classification error.
- The current portion of the loans receivable account balance was overstated by \$1,714,453 due to a receipt in transit being coded to the incorrect accounting fiscal year.

In addition, we noted the agency had other funds with loans receivable for which an allowance for uncollectible amounts had not been determined. After this was brought to management's attention, agency personnel determined that an additional adjustment was needed. The Department of Finance and Administration made a compilation adjustment in the amount of \$9,060,364 to record the allowance for uncollectible loans receivable for these other funds.

Generally accepted accounting principles require that an allowance for loan receivables be determined and recorded, and that loan balances be properly classified. In addition, Section 27.30.30 of the *Mississippi Agency Accounting Policies and Procedures* (MAAPP) manual provides instructions for recording of loans receivable and the determination of the related allowance for uncollectible loan receivables. The failure to adequately follow generally accepted accounting principles could result in the financial statements being misstated.

***Recommendation***

We recommend the Mississippi Development Authority strengthen internal controls to ensure loans receivable recorded in GAAP reporting packets are fairly stated. All loans receivable should be reviewed and allowances for uncollectible loans receivable should be properly determined and recorded in the agency's GAAP reporting package.

**NOTE:** See Management's Response and Corrective Action Plan on page 165.

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STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
PART 2 – Financial Statement Findings (concluded)

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**TREASURY**

*Material Noncompliance*

2014-004

Investment Ratios Should Be Maintained in Accordance with State Law

*Finding:*

Section 27-105-33, Miss. Code Ann. (1972), establishes guidelines for use in the maintenance of the State's investment pool portfolio. The law also states that at no time shall funds invested in United States Government agency, United States Government instrumentality, or United States Government sponsored enterprise obligations exceed 50 percent of all monies invested with maturities 30 days or longer. Testwork at the Office of the State Treasurer revealed the total of United States Government agency, instrumentality, and government sponsored enterprise obligations exceeded 50 percent of total investments for 12 of the 12 dates selected for testwork (one per month). The actual investment percentages for dates tested ranged from approximately 77 to 84 percent, resulting in investments in U.S. Government agency, instrumentality, and government sponsored enterprise obligations of approximately \$697 million to approximately \$938 million in excess of statutory limits. Failure to maintain investment ratios in the State's investment pool portfolio within the required percentages resulted in violation of state law.

*Recommendation:*

We recommend the Office of the State Treasurer ensure the State's investment pool be maintained in accordance with Section 27-105-33 d. (iii), Miss. Code Ann. (1972). Agency personnel should periodically review the investment pool portfolio for compliance with state law and adjust the portfolio if required. This review should be documented as evidenced by the signature and date of the reviewer.

**NOTE:** See agency response on page 167 and auditor's note on page 169.

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**Schedule of Findings and Questioned Costs**  
**Part 3 – Federal Award Findings and Questioned**  
**Costs**



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## STATE OF MISSISSIPPI

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2014

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#### PART 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

##### Introduction

This part of the Schedule of Findings and Questioned Costs presents audit findings required to be reported by Section 510(a) of OMB Circular A-133.

Findings are grouped by federal funding agency and then organized by state agency. Findings within the state agency are listed in order by type of compliance requirement as listed in Section 320 (b) (2) (xii) of OMB Circular A-133.

Each finding has one of the following designations:

- **Material Weakness** – *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.
- **Significant Deficiency** – *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.
- **Material Noncompliance** – Conditions representing noncompliance with the provisions of laws, regulations, contracts or grant agreements, that in the auditor's judgment have a direct and material effect on a major federal program.
- **Immaterial Noncompliance** – Conditions representing noncompliance with the provisions of laws, regulations, contracts, or grant agreements, that do not have a direct and material effect on a major federal program.

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STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014

PART 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U. S. DEPARTMENT OF AGRICULTURE

CFDA/Finding  
Number

Finding and Recommendation

EDUCATION

ACTIVITIES ALLOWED/UNALLOWED  
ALLOWABLE COSTS/COST PRINCIPLES

*Significant Deficiency*

10.553	School Breakfast Program (SBP)
10.555	National School Lunch Program (NSLP)
10.556	Special Milk Program for Children (SMP)
10.558	Child and Adult Care Food Program
10.559	Summer Food Service Program for Children (SFSPC)

Federal Award Number and Year:	13135MS326N1099	2013
	14135MS326N1099	2014

2014-008

Controls Should Be Strengthened over Payments Made to Subrecipients of the  
Child Nutrition Cluster and Child and Adult Care Food Programs

*Finding:*

Federal Regulations for the National School Lunch Program, 7 CFR Part 210.9(a), require School Food Authorities (SFA's) wishing to participate in the Program to submit a written application to the State agency for any school in which it desires to operate the Program. Applications shall provide the State agency with sufficient information to determine eligibility. Section 210.7(a) states that reimbursement payments to finance nonprofit school food service operations shall be made only to school food authorities operating under a written agreement with the State agency. Federal Regulations for the School Breakfast Program, 7 CFR Part 220.7 (e) states that each school food authority approved to participate in the program shall enter into a written agreement with the State agency that may be amended as necessary. Part 245.6 (c) (1) states eligibility for free or reduced price meals, as determined through an approved application or by direct certification must remain in effect for the entire school year and for up to 30 operating days into the subsequent school year. Lastly, the Policies and Procedures Manual for Child Nutrition Section 3 page 2 states, "The annual Application, Agreement and Free/Reduced Meal Policy related to receipt of Federal Funds for the National School

STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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Lunch Program, School Breakfast Program and Food Distribution Program shall have final approval by the Mississippi Department of Education (MDE) prior to the service of any meals under the (Child Nutrition) program.”

Federal Regulations for the Child and Adult Care Food Program (CACFP) 7 CFR Part 226.11 (a) require that payments be made only to institutions operating under an agreement with the State agency for the meal types specified in the agreement served at approved child care centers, at-risk afterschool care centers, adult day care centers, emergency shelters, and outside-school-hours care centers. The Policies and Procedures Manual for Child Nutrition Section 9, page 3, states The Mississippi Department of Education administers CACFP and approves sponsoring organizations and independent centers to operate the program on the local level.

To provide services under the Child Nutrition program, SFA’s and institutions submit applications electronically to MDE through the computer system named OCEAN. Additional supporting documentation (tax exempt status, food permits, etc) must be mailed in to MDE. Once MDE receives notice of the application pending in OCEAN, agency employees review the application along with the supporting documentation. Once all necessary information is received, the agency approves the contract in OCEAN. Reimbursement claims are then submitted monthly by the SFA’s and institutions through OCEAN. The claim should process against the approved contract, through computer edits, to ensure the claim is valid prior to approval for payment.

In performing testwork at the Mississippi Department of Education related to 317 applications for the National School Lunch Program, School Breakfast Program, Special Milk Program and Summer Food Service Program for Children we noted the following problems.

- One provider did not have an application approval in OCEAN per review of the renewal report, but received reimbursement for services. There was evidence of review and approval of the paper application on file with the agency. For the same provider, the Director of Child Nutrition did not approve the application until after the provider had received a payment.
- Two providers that have current approved applications on file with the agency were reflected as being expired in OCEAN.

In performing testwork related to 447 applications for the CACFP program, we noted the following problems.

- 10 institutions did not have an application approval in OCEAN per review of the renewal report, but received reimbursement for services. There was evidence of review and approval of the paper application on file with the agency.

STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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Further, it was noted per discussion with the Department of Education's Information Systems personnel that there are multiple Office of Child Nutrition staff with the ability to approve an application in OCEAN. The director does not have to approve the application for the status to be approved in OCEAN.

Through interview and observation procedures, we determined there are inadequate controls around change management. Prior to fiscal year 2014, change management controls were handled by the contract software developers. During fiscal year 2014, software changes and updates were handled by MDE programmers; however, it appears that change management controls have not improved since the responsibilities were taken from the contract software developers.

The OCEAN system allowing payments to be processed for entities for which there is no application approval in the system, an application being approved in OCEAN by someone other than the Director of Child Nutrition, or allowing payments for entities with expired applications, could result in unauthorized or erroneous payments being made and not detected within a reasonable time.

*Recommendation:*

We recommend the Mississippi Department of Education strengthen controls over payments made to subrecipients of the Child Nutrition Cluster and Child and Adult Care Food Program from the OCEAN system to ensure payments are only made to entities with an approved active application in the OCEAN system. We further recommend that the agency investigate the irregularities noted in the system to provide future assurance that claims are properly processed and subject to appropriate, accurate computer edits.

**NOTE:** See Management's Response and Corrective Action Plan on page 141.

STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF AGRICULTURE (continued)

CFDA/Finding  
Number

Finding and Recommendation

EDUCATION

**REPORTING**

*Material Weakness*

*Material Noncompliance*

10.553 School Breakfast Program (SBP)  
10.555 National School Lunch Program (NSLP)  
10.556 Special Milk Program for Children (SMP)  
10.558 Child and Adult Care Food Program  
10.559 Summer Food Service Program for Children (SFSPC)

Federal Award Number and Year: 13135MS326N1099 2013  
14135MS326N1099 2014

Questioned Costs: None

2014-006

Controls Should Be Strengthened in the Office of Child Nutrition over Federal Funding Accountability and Transparency Act (FFATA) Reporting to Ensure Compliance with Federal Reporting Requirements

*Finding:*

The *Code of Federal Regulations* (2 CFR part 170) sets forth the reporting requirements of subawards under the Federal Funding Accountability and Transparency Act (Transparency Act). Direct recipients of grants with an effective date on or after October 1, 2010 who make first-tier subawards equal to or exceeding \$25,000 on or after the effective date are required to report each subaward obligating action equal to \$25,000 or more in Federal funds. Direct recipients are required to use the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS) to report qualifying subaward transactions by the end of the month following the month in which the subaward or obligation of \$25,000 or greater was made.

The Mississippi Department of Education (MDE) received funds for the Child Nutrition cluster programs (National School Breakfast Program, National School Lunch Program, Special Milk Program for Children and the Summer Food Service Program) from the United States Department of Agriculture during fiscal year 2014. These funds were passed through to subrecipients in amounts which required subaward reporting under the Transparency Act. For the Child Nutrition cluster \$251,019,269 in total program expenditures occurred per the agency's Schedule of Expenditures of Federal Awards. Of



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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this amount, \$229,211,179 was subject to FFATA reporting. For the Child and Adult Food Care Program \$36,769,027 in total program expenditures occurred per the agency's Schedule of Expenditures of Federal Awards. Of this amount, \$33,753,033 was subject to FFATA reporting. Before commencing testwork the agency notified us of deficiencies in the agency's FFATA reporting process for fiscal year 2014. Six months of claims were not filed, including the months of September 2013, and February through June of 2014.

Upon review of the information provided for months that were filed, the following errors were noted:

- Numerous errors with CFDA numbers on the reports that were submitted.
- Numerous instances in which we could not tie amounts reported to OCEAN amounts for paid claims.

Failure to perform the required FFATA reporting for federal programs resulted in the agency being in noncompliance with federal reporting requirements. Failure to file accurate information could also lead to a change in program funding levels.

*Recommendation:*

We recommend the Mississippi Department of Education strengthen controls over Federal Funding Accountability and Transparency Act (FFATA) reporting to ensure all subaward obligating actions over \$25,000 have been timely and accurately reported in compliance with federal reporting requirements.

**NOTE:** See Management's Response and Corrective Action Plan on page 139.

**EDUCATION**

**SUBRECIPIENT MONITORING**

***Control Deficiency***

***Immaterial Noncompliance***

10.559

Summer Food Service Program for Children (SFSPC)

Federal Award Number and Year: 13135MS326N1099 2013  
14135MS326N1099 2014

Questioned Costs: \$37,006



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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2014-007

Controls Should Be Strengthened in the Office of Child Nutrition over On-Site  
Subrecipient Monitoring of the Summer Food Service Program for Children

*Finding:*

*Code of Federal Regulations* (7 CFR Section 225.7(d)(2)(ii)(A)) related to the Summer Food Service Program for Children requires the state agency to review each sponsor at least once during the first year of operation and review each sponsor at least once every three years after the initial year of participation. The *Code of Federal Regulations* (7 CFR Section 225.7 (d)(2) (ii)(B)) also states the agency must annually review a number of sponsors whose program reimbursements, in the aggregate, account for at least one-half of the total program meal reimbursements in the prior year.

When performing testwork at the Mississippi Department of Education Office of Child Nutrition regarding on-site monitoring, we encountered the following problems:

- Two subrecipients participating in the Summer Food Service Program for Children (SFSPC) in 2013, out of a population of 151, were not listed on the SFSPC monitoring document for 2013. For one of the facilities, it was the subrecipient's first year to participate, and therefore, it should have been monitored in accordance with 7 CFR 225.7 (d)(2)(ii)(A). The other facility had been monitored based on documentation from the agency.
- One subrecipient had amounts due back to the agency in the amount of \$37,006. The agency had sent a 30 day notice; however, they failed to send 60 and 90 day notices, or send the claim to collections after 90 days, in accordance with 7 CFR 225.13. The agency sent another notice after 6 months, and had agreed to accept a lesser amount based on evidence received from the subrecipient.
- The agency has no method in place to ensure that they annually review a number of sponsors that accounts for at least one half of the total program reimbursements made in the prior year in accordance with 7 CFR 225.7 (d)(2)(ii)(B)

Good internal controls require that monitoring documentation be complete and accurate to ensure the timeliness and completion of on-site monitoring reviews in accordance with federal regulations. Failure to ensure sponsors are reviewed in accordance with federal guidelines could lead to changes in funding levels for the agency in the future, and could also cause noncompliance with federal reporting requirements.

*Recommendation:*

We recommend the Mississippi Department of Education Office of Child Nutrition strengthen controls over on-site monitoring to ensure all subrecipients of the Summer

STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF AGRICULTURE (continued)

CFDA/Finding  
Number

Finding and Recommendation

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Food Service Program for Children receive on-site monitoring every three years (or one year in the case of a new facility) in accordance with Federal Regulations.

**NOTE:** See Management's Response and Corrective Action Plan on page 140.

**HEALTH**

**ALLOWABLE COSTS/COST PRINCIPLES**

*Significant Deficiency*

10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
93.268	Immunization Cooperative Agreements
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare

Federal Award Number and Year:   5MS700704 2014 and 2013  
   5U90TP000530-02 2014  
   1H23IP000790-01 2013  
   5H23IP000790-02 2014  
   Pass through from Medicaid

2014-023	<u>Controls Should Be Strengthened over Allowable Costs/Cost Principles for the Time Study System</u>
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*Finding:*

The *Code of Federal Regulations* (2 CFR section 225) requires that allowable costs be determined in accordance with the Office of Management and Budget (OMB) Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. OMB Circular A-87 requires that salaries and wages of employees chargeable to more than one grant program or other cost objective are required to be supported by appropriate time distribution records. The method used should produce adequate and equitable distribution of time and effort. For allocated costs, OMB Circular A-87 requires quarterly comparisons of actual costs to budgeted distributions based on the monthly activity reports. Quarterly adjustments should be made if the reconciliation indicates the actual costs are greater than the budgeted costs.

The Mississippi State Department of Health has implemented a time study system for allocating salaries and fringe benefits to the various programs administered by the



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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agency. The time study is based on time study reporting forms completed by applicable employees for one week of each month. The agency budgets personnel costs to the respective programs for the forthcoming year based on the majority of time a person spent on a single program in the prior year. Reconciliations are performed between current actual time and effort reports and the actual amounts charged for payroll for each program in order to determine the salaries charged to the federal program were reasonable and the program was not overcharged. Any adjustments to payroll are made based upon the results of time study.

During our testing of the agency's time study process, we noted the following deficiencies related to testwork performed to verify that reconciliations between actual time and effort reports and the amount charged for payroll for major programs had been performed at least quarterly.

- Eight instances in which the time study quarterly reconciliations tested did not include signatures evidencing a supervisory review of preparer's work.
- Eight instances in which the incorrect fringe rate was used in calculations of time study for all quarters and for all federal major programs tested.
- One instance in which the lab amount for time study from July 2013 to December 2013 was not recorded on the reconciliation for the Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements.
- Four instances in which the amount for the annual leave payment and the overtime payment per the reconciliations did not agree to the amount reported on the Merlin reports for federal major programs: Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program and State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare (SSC) Program (both quarterly reconciliations for both programs).
- Two instances in which the amount recorded on the second quarter reconciliation for two reporting category codes (008D and 008E) did not agree to what was reported on the COGNOS report for federal major program State Survey and Certification. This error resulted in the totals for the quarterly reconciliation for all reporting category codes to not agree to the Merlin query for the same reporting category codes as well as the reconciliation not agreeing to the COGNOS reports.
- Two instances in which amounts recorded on the second quarter reconciliation for two reporting category codes 009D and 009E did not agree to what was reported on the COGNOS report for federal major program State Survey & Certification. There was an amount recorded for salaries and fringes for reporting category code on the reconciliation that was not reported on the COGNOS report and vice versa (amount recorded on COGNOS that was not on the reconciliation). This problem area resulted in the totals for the quarterly reconciliation for all reporting category codes to not agree to the Merlin query for the same reporting category codes as well as the reconciliation not agreeing to the COGNOS reports.

During our testing, we also noted the following deficiencies related to the agency's Relative Values Table used to determine the allocation of payroll costs for services provided by nurses, nurse practitioners and doctors to various federal programs. These

STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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were deficiencies communicated to agency management in the prior year when the relative values table was originally audited and remained uncorrected in the current year:

- One instance (service code 15) in which time was entered into the Relative Value Table for services that are no longer provided in the clinics and therefore should not be allocating PC03 time.
- Two instances in which the service codes (83B and 85A) could not be traced to the Standard Time report and the Relative Value Table did not agree to auditor calculation of an average of the previous few years' Relative Value tables.
- One instance in which service code 82A did not agree to the Standard Time report. A clerical error was noted on the Standard Time report which should have been listed as 82A and not 83A.
- There was no documented review of the Relative Value Table for fiscal years 2013 or 2014.

In fiscal year 2014, we further noted:

- Once instance in which service code 29 does not appear on the Standard Time Value Table in which time was recorded for nurses, nurse practitioners and doctors on the Relative Value Table.
- Once instance in which program code listed on the Standard Time Value Table for service code 99B does not agree to the program code on the relative value table. On the relative value table, it is listed as GA whereas on the Standard Time Value Table, it is listed as OT.

Our review of the time study process also identified a lack of adherence to cognizant agency policies over time study procedures. Current year time study procedures did not comply with all of the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services' Provider Reimbursement manual requirements for conducting time studies. The manual requires the time study must encompass at least one full week per month of the cost reporting period, each week selected must be a full work week, the weeks selected must be equally distributed among the months in the cost reporting period, and no two consecutive months may use the same week for the study. The Mississippi State Department of Health did not equally distribute the data collection weeks throughout the year.

We also noted data entry errors on the time study form. There were four instances in which the time information listed on the time study form did not agree to the time study information keyed into the time study system. We noted two instances in which the monthly error reports tested did not have a signature that would indicate a review. Auditor extended testwork to the remaining monthly final error reports and noted none of the error reports were signed.

Failure to verify the accuracy of data input on the reconciliations and time study forms; provide an adequate level of supervisory review over the reconciliations and error reports; modify inaccurate relative values data; and adhere to cognizant agency policies



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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for time study procedures could result in the misallocation of federal funds and questioned costs. The agency may then be subject to repaying a portion of the grants, be levied fines and penalties, and potentially lose future grant awards.

*Recommendation:*

We recommend the Mississippi State Department of Health strengthen internal controls to ensure time study reconciliations are timely and accurately prepared, reviewed, and performed for all federal programs to ensure that federal programs have not been overcharged based upon actual distribution of effort. We further recommend that management strengthen internal controls to ensure sufficient monitoring and oversight of time study policies and procedures.

**NOTE:** See Management's Response and Corrective Action Plan on page 147.

**HEALTH**

**REPORTING**

*Material Weakness*

10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
93.268	Immunization Cooperative Agreements
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare

Federal Award Number and Year: 5MS700704 2014 and 2013  
5U90TP000530-02 2014  
1H23IP000790-01 2013  
5H23IP000790-02 2014  
Pass through from Medicaid

2014-022	<u>Controls Should Be Strengthened over the Preparation and Review of the GAAP Reporting Package and the Schedule of Expenditures of Federal Activity</u>
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*Finding:*



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

The Mississippi State Department of Health is required to prepare a GAAP Reporting Package for Fund 3301 each state fiscal year. This package includes the Schedule of Expenditures of Federal Activity (Form 27.30.60). We noted the following weaknesses and errors related to the GAAP Reporting Package and Schedule of Expenditures of Federal Activity for fiscal year 2014.

- Fiscal year 2014's Immunization Direct Assistance in Lieu of Cash was incorrectly calculated and reported using the federal fiscal year immunization vaccine report resulting in a net understatement of \$28,603,947. An audit adjustment was proposed and made by agency management to properly state this amount.
- Reports used in compiling the Schedule of Expenditures of Federal Activity were not accurate or complete. We noted transactions were duplicated for September 19, 2013 and the timeframe from December 16, 2013, thru December 31, 2013, and also transactions from January 1, 2014, until January 14, 2014, were excluded from the reports. This resulted in a net overstatement of federal expenditures totaling \$7,093,854. An audit adjustment was proposed and made by agency management to properly state federal expenditures for this amount.
- Transactions on the Received Date Blank and Industry Code Not Blank report used to compile accrual expenditures were incorrectly identified as accrual or no accrual transactions. Some of the transactions identified as accruals on this report were already included as accruals on the E645G report. It was also noted that some transactions on the Received Date report were noted as accruals and should not have been accrued. This resulted in a net overstatement of accrual expenditures in the amount of \$3,073,740. The amount of overstatement was included on the Schedule of Audit Difference for consideration as an uncorrected difference.
- The GAAP Reporting Package and the Schedule of Expenditures of Federal Activity were not reviewed and signed by authorized agency personnel.
- Twelve instances were noted in which total cumulative federal expenditures for a program exceeded the grant award authorization total.
- Nine instances were noted in which reporting category codes for non-federal grant funds were included in the Schedule of Expenditures of Federal Activity resulting in a net overstatement of expenditures totaling \$4,095,134. An audit adjustment was proposed and made by agency management to remove these programs from the schedule.
- Eight instances were noted in which the Catalog for Federal Domestic Assistance (CFDA) numbers reported on the Schedule of Expenditures of Federal were incorrect based on an examination of supporting documentation.
- Three instances were noted in which reporting category codes 064D, 062B, and 062C's Beginning Due From (To) Granting Agency balance did not agree to the ending balance in the prior year's Schedule of Expenditures of Federal Activity. When preparing the schedule, it appears that agency personnel had made an error in recording the reporting categories on the proper line. Because the reporting categories were all within the same program, the net effect was zero.
- Two instances were noted in which current year expenditures for reporting category codes 031C and 127D per the Schedule of Expenditures of Federal Grant Activity did not agree to Fund 3301's total expense summary report. Because these amounts were immaterial, no adjustment was considered necessary.

STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF AGRICULTURE (continued)

CFDA/Finding  
Number

Finding and Recommendation

- One instance was noted in which a new program's (CFDA 93.548) grant award amount included on the schedule did not agree to the grant award notice. This error also results in the grant award being over-expended on the Schedule of Expenditures of Federal Activity.

Good internal controls require a review and approval process to be in place over the GAAP Reporting Package to ensure that the information contained in the GAAP Reporting Package and supporting Schedule of Expenditures of Federal Activity is accurate, complete, properly classified and properly valued. Failure to properly review and approve the GAAP Reporting Package and supporting schedules may result in the improper recording of GAAP adjustments, ultimately effecting the financial position of Mississippi State Department of Health as reflected in the State's Comprehensive Annual Financial Report.

*Recommendation:*

We recommend the Mississippi State Department of Health strengthen controls over the preparation and review of the GAAP Reporting Package, including the Schedule of Expenditures of Federal Activity, to include a supervisory review and approval of all information prior to submission to Department of Finance and Administration to ensure accuracy, completeness, proper classification and valuation of reported information.

**NOTE:** See Management's Response and Corrective Action Plan on page 147.

**HEALTH**

**REPORTING**

*Immaterial Noncompliance*

10.557  
93,074

Special Supplemental Nutrition Program for Women, Infants, and Children  
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness  
(PHEP) Aligned Cooperative Agreements

Federal Award Number and Year: 5MS700704 2014  
5U90TP000530-02 2014

Questioned Costs: None

2014-021

Subawards Should Be Timely and Accurately Reported in Compliance with the Federal Funding Accountability and Transparency Act (FFATA) Reporting Requirements for the WIC and PHEP/HPP Programs



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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*Finding:*

The *Code of Federal Regulations* (2 CFR part 170) sets forth the reporting requirements of subawards under the Federal Funding and Accountability Transparency Act (Transparency Act). The *Office of Management and Budget* (OMB) Circular A-133 includes subaward data element definitions from *Open Government Directive – Federal Spending Transparency and Subaward and Compensation Data Reporting* (August 27, 2010) Appendix C. The obligation date is defined as the date the subaward agreement is signed, and a subaward must be reported in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS) by the end of the month following the month in which the obligation was made.

During our testwork performed on reporting for the Transparency Act during fiscal year 2014, we noted the following weaknesses.

- There were seven instances of PHEP/HPP subawards, which met the FFATA reporting requirements and were reported in the FSRS system; however, the obligation dates for these seven subawards were reported as the beginning effective date of the subaward instead of the date the subaward was signed, which is the obligation date as defined by FSRS.gov. This also resulted in six of these subawards not being reported in the FSRS system by the last day of the month following the obligation date.
- There were two modifications to a PHEP/HPP subaward in which both modifications met the FFATA reporting requirements but were reported as entirely separate subawards in the FSRS system instead of modifications to the originally reported subaward. This resulted in the subaward amount being overstated; an incorrect obligation (modification) date; and the modification not being filed by the last day of the month following the modification date.
- There were ten instances of WIC subawards, which met the FFATA reporting requirements were reported in the FSRS system; however, the obligation dates for these ten subawards were reported as the beginning effective date of the subaward instead of the date the subaward was signed, which is the obligation date as defined by FSRS.gov. This also resulted in nine of these subawards not being reported by the last day of the month following the obligation date.

Noncompliance with the Transparency Act requirements could result in reduced funding for applicable programs.

STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF AGRICULTURE (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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*Recommendation:*

We recommend the Mississippi State Department of Health ensure all subawards are reported timely and obligation dates are reported accurately in compliance with the Federal Funding Accountability and Transparency Act reporting requirements.

**NOTE:** See Management's Response and Corrective Action Plan on page 146.

**HUMAN SERVICES**

**ALLOWABLE COSTS/COST PRINCIPLES**

*Immaterial Noncompliance*

10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.563	Child Support Enforcement

Federal Award Number and Year: 12352841-B13 2013  
12352841-B14 2014  
G1302MSTANF 2013  
G1402MSTANF 2014  
G1304MS4005 2013  
G1404MS4005 2014

Questioned Costs: \$2,467,132

2014-014	<u>Controls Should Be Strengthened to Ensure Compliance with Allowable Costs Requirements of the SNAP, TANF and Child Support Enforcement Programs</u>
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*Finding:*

The Code of Federal Regulations (45 CFR Part 92.22 and 7 CFR Part 3016.22) requires that programs administered by the respective federal authority adhere to the cost principles of OMB Circular A-87. OMB Circular A-87, Attachment C requires the distribution of joint costs related to a grant program to be supported by a cost allocation plan (CAP). Further, 45 CFR Part 95.517 states that a State may claim costs based on a proposed plan, unless otherwise advised by the Division of Cost Allocation in the appropriate HHS Regional Office.

**STATE OF MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Part 3 – Federal Award Findings and Questioned Costs (continued)**

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**U. S. DEPARTMENT OF AGRICULTURE (continued)**

**CFDA/Finding  
Number**

**Finding and Recommendation**

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During testwork performed for the Division of Cost Allocation for 102 cost pools during fiscal year 2014, we noted the following instances of noncompliance in the cost allocation plan:

- Three of the cost pools' basis type/base codes used in the cost allocation system did not agree to basis type specified for those pools in the cost allocation plan approved by the United States Department of Health and Human Services (HHS)
- Two instances were noted in which costs were charged to cost pools that were not included in the cost allocation plan approved by HHS.

The above instances of noncompliance resulted in known questioned costs of \$2,467,132. Noncompliance with federal allowable costs requirements could potentially result in costs not being accumulated and allocated correctly and could result in questioned costs and recoupment of costs by the federal granting agency.

*Recommendation:*

We recommend the Mississippi Department of Human Services strengthen controls over the review of computations and data used in the cost allocation process to ensure accurate distribution of costs to federal programs and that appropriate approval of costs pools and base codes are granted by the U.S. Department of Health and Human Services before inclusion in the cost allocation system.

**NOTE:** See Management's Response and Corrective Action Plan on page 156.

**HUMAN SERVICES**

**SUBRECIPIENT MONITORING**

***Significant Deficiency***

10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.568	Low-Income Home Energy Assistance Program
93.575	Child Care and Development Block Grant
93.596	Child Care Mandantory and Matching Funds of the Child Care Development Fund
93.667	Social Services Block Grant

Federal Award Number and Year:

SNAP Letter of Credit	G1001MSSOSR	2010
G1002MSTANF	2010	G1101MSSOSR
		2011



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF AGRICULTURE (continued)

CFDA/Finding  
Number

Finding and Recommendation

G1102MSTANF 2011	G1201MSSOSR 2012
G1202MSTANF 2012	G10B1MSLIEAR 2010
G0901MSCCDF 2009	G10B1MSLIEAW 2010
G1001MSCCDF 2010	G11B1MSLIEAR 2011
G1101MSCCDF 2011	G11B1MSLIEAW 2011
G1201MSCCDF 2012	G12B1MSLIEAR 2012

2014-016

Controls Should Be Strengthened over Subrecipient Monitoring for OMB Circular A-133 Audits for the SNAP, TANF, SSBG and LIHEAP Programs and for the CCDF Cluster

*Finding:*

The Office of Management and Budget (OMB) Circular A-133 states the pass-through entity is responsible for (1) ensuring that subrecipients expending \$500,000 or more in Federal awards during their fiscal year have met the audit requirements of OMB Circular A-133 and that the required audits are completed within nine months of the end of the subrecipient's audit period; (2) issuing a management decision on findings within 6 months after receipt of the subrecipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

During our audit of the Mississippi Department of Human Services (MDHS), we reviewed the Division of Program Integrity – Office of Monitoring (OM) audit files and Monitoring Tracking Document for MDHS Subgrantees for state fiscal year 2012. During our review, we noted the following problems.

- Of 24 subgrantees tested, we noted five instances in which no clearance letter from the funding division or communications between the subgrantee and the funding division discussing corrective action could be located in the Office of Monitoring or from the funding division within the six month deadline for corrective action.
- Of 24 subgrantees tested, we noted six instances in which the OMB A-133 audit for the subgrantee was not received by Office of Monitoring within nine months of the subgrantee's fiscal year end. We noted that the OMB A-133 audit report was dated within the nine month period of the subgrantee's fiscal year end. Office of Monitoring sent an initial letter and reminder letter to each subgrantee regarding their OMB A-133 audit report requirements. Subgrantee audit reports were received on average 91 days after the nine month deadline.
- Of seven subgrantees tested on Attachment B of the Status Report, we noted seven instances in which the OMB A-133 audits or Subgrantee Audit Information Forms (SAIF) for the subgrantees were not received by Office of Monitoring within nine months of the subgrantee's fiscal year end. In each instance in which an audit was received, we noted that the OMB A-133 audit report was dated within the nine

STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF AGRICULTURE (concluded)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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month period of the subgrantee's fiscal year end. Office of Monitoring sent an initial letter, reminder letter, and demand letter to each subgrantee regarding their OMB A-133 audit report requirements, but no additional follow-up to obtain the OMB A-133 audit/SAIF was made by Office of Monitoring prior to the auditor's request.

- During testing of completeness, we noted six instances in which subrecipients were not included on the FY2012 tracking report utilized by Office of Monitoring but had expenditures in FY2012 and should have been included for tracking purposes.

Failure to properly monitor subrecipients could allow noncompliance with federal regulations to occur and go undetected, potentially resulting in questioned costs.

*Recommendation:*

We recommend the Mississippi Department of Human Services' Division of Program Integrity – Office of Monitoring (OM) strengthen controls over subrecipient monitoring for OMB A-133 audits to ensure recipients expending \$500,000 or more in Federal funds during their fiscal year are appropriately monitored and an OMB A-133 audit is obtained. We also recommend that the agency follow-up more frequently with the funding divisions to ensure corrective action was taken when a subgrantee's audit report contains findings. We further recommend that OM should ensure all subrecipients are included on the tracking report and continue to follow-up to obtain an OMB A-133 audit or Subgrantee Audit Information Form after the demand letter is issued.

**NOTE:** See Management's Response and Corrective Action Plan on page 159.

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STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

CFDA/Finding  
Number

Finding and Recommendation

HEALTH

ALLOWABLE COSTS/COST PRINCIPLES

*Significant Deficiency*

10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
93.268	Immunization Cooperative Agreements
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare

Federal Award Number and Year: 5MS700704 2014 and 2013  
5U90TP000530-02 2014  
1H23IP000790-01 2013  
5H23IP000790-02 2014  
Pass through from Medicaid

2014-023	<u>Controls Should Be Strengthened over Allowable Costs/Cost Principles for the Time Study System</u>
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*Finding:*

The *Code of Federal Regulations* (2 CFR section 225) requires that allowable costs be determined in accordance with the Office of Management and Budget (OMB) Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. OMB Circular A-87 requires that salaries and wages of employees chargeable to more than one grant program or other cost objective are required to be supported by appropriate time distribution records. The method used should produce adequate and equitable distribution of time and effort. For allocated costs, OMB Circular A-87 requires quarterly comparisons of actual costs to budgeted distributions based on the monthly activity reports. Quarterly adjustments should be made if the reconciliation indicates the actual costs are greater than the budgeted costs.

The Mississippi State Department of Health has implemented a time study system for allocating salaries and fringe benefits to the various programs administered by the agency. The time study is based on time study reporting forms completed by applicable employees for one week of each month. The agency budgets personnel costs to the respective programs for the forthcoming year based on the majority of time a person spent on a single program in the prior year. Reconciliations are performed between current actual time and effort reports and the actual amounts charged for payroll for each program in order to determine the salaries charged to the federal program were reasonable and the program was not overcharged. Any adjustments to payroll are made based upon the results of time study.



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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During our testing of the agency's time study process, we noted the following deficiencies related to testwork performed to verify that reconciliations between actual time and effort reports and the amount charged for payroll for major programs had been performed at least quarterly.

- Eight instances in which the time study quarterly reconciliations tested did not include signatures evidencing a supervisory review of preparer's work.
- Eight instances in which the incorrect fringe rate was used in calculations of time study for all quarters and for all federal major programs tested.
- One instance in which the lab amount for time study from July 2013 to December 2013 was not recorded on the reconciliation for the Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements.
- Four instances in which the amount for the annual leave payment and the overtime payment per the reconciliations did not agree to the amount reported on the Merlin reports for federal major programs: Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program and State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare (SSC) Program (both quarterly reconciliations for both programs).
- Two instances in which the amount recorded on the second quarter reconciliation for two reporting category codes (008D and 008E) did not agree to what was reported on the COGNOS report for federal major program State Survey and Certification. This error resulted in the totals for the quarterly reconciliation for all reporting category codes to not agree to the Merlin query for the same reporting category codes as well as the reconciliation not agreeing to the COGNOS reports.
- Two instances in which amounts recorded on the second quarter reconciliation for two reporting category codes 009D and 009E did not agree to what was reported on the COGNOS report for federal major program State Survey and Certification. There was an amount recorded for salaries and fringes for reporting category code on the reconciliation that was not reported on the COGNOS report and vice versa (amount recorded on COGNOS that was not on the reconciliation). This problem area resulted in the totals for the quarterly reconciliation for all reporting category codes to not agree to the Merlin query for the same reporting category codes as well as the reconciliation not agreeing to the COGNOS reports.

During our testing, we also noted the following deficiencies related to the agency's Relative Values Table used to determine the allocation of payroll costs for services provided by nurses, nurse practitioners and doctors to various federal programs. These were deficiencies communicated to agency management in the prior year when the relative values table was originally audited and remained uncorrected in the current year:

- One instance (service code 15) in which time was entered into the Relative Value Table for services that are no longer provided in the clinics and therefore should not be allocating PC03 time.
- Two instances in which the service codes (83B and 85A) could not be traced to the Standard Time report and the Relative Value Table did not agree to auditor calculation of an average of the previous few years' Relative Value tables.

STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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- One instance in which service code 82A did not agree to the Standard Time report. A clerical error was noted on the Standard Time report which should have been listed as 82A and not 83A.
- There was no documented review of the Relative Value Table for fiscal years 2013 or 2014.

In fiscal year 2014, we further noted:

- Once instance in which service code 29 does not appear on the Standard Time Value Table in which time was recorded for nurses, nurse practitioners and doctors on the Relative Value Table.
- Once instance in which program code listed on the Standard Time Value Table for service code 99B does not agree to the program code on the relative value table. On the relative value table, it is listed as GA whereas on the Standard Time Value Table, it is listed as OT.

Our review of the time study process also identified a lack of adherence to cognizant agency policies over time study procedures. Current year time study procedures did not comply with all of the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services' Provider Reimbursement manual requirements for conducting time studies. The manual requires the time study must encompass at least one full week per month of the cost reporting period, each week selected must be a full work week, the weeks selected must be equally distributed among the months in the cost reporting period, and no two consecutive months may use the same week for the study. The Mississippi State Department of Health did not equally distribute the data collection weeks throughout the year.

We also noted data entry errors on the time study form. There were four instances in which the time information listed on the time study form did not agree to the time study information keyed into the time study system. We noted two instances in which the monthly error reports tested did not have a signature that would indicate a review. Auditor extended testwork to the remaining monthly final error reports and noted none of the error reports were signed.

Failure to verify the accuracy of data input on the reconciliations and time study forms; provide an adequate level of supervisory review over the reconciliations and error reports; modify inaccurate relative values data; and adhere to cognizant agency policies for time study procedures could result in the misallocation of federal funds and questioned costs. The agency may then be subject to repaying a portion of the grants, be levied fines and penalties, and potentially lose future grant awards.



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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*Recommendation:*

We recommend the Mississippi State Department of Health strengthen internal controls to ensure time study reconciliations are timely and accurately prepared, reviewed, and performed for all federal programs to ensure that federal programs have not been overcharged based upon actual distribution of effort. We further recommend that management strengthen internal controls to ensure sufficient monitoring and oversight of time study policies and procedures.

**NOTE:** See Management's Response and Corrective Action Plan on page 147.

**HEALTH**

**PROGRAM INCOME  
REPORTING**

*Immaterial Noncompliance  
Significant Deficiency*

93.268

Immunization Cooperative Agreements

Federal Award Number and Year: 1H23IP000790-01 2013

Questioned Costs: None

2014-020

Controls Should Be Strengthened over the Identification and Reporting of Program Income for the Immunization Cooperative Agreements

*Finding:*

The *United States Code* (42 USC 1396s(c)(2)(C)) states grantees providing direct immunization services may generate program income from fees or donations for vaccines administered. The Immunization Cooperative Grants (Immunization) grant award for federal year 2013 states that "any program income generated under this cooperative agreement will be used in accordance with the additional cost alternative." The grant award further states "general program income subject to this alternative shall be reported on the *Federal Financial Report* (FFR), as appropriate."

During our review of the Mississippi State Department of Health's (MSDH) compliance with the Program Income requirements for the Immunization program for fiscal year

STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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2014, we noted that MSDH has policies related to charging for vaccines administered to patients in the various Health Department Clinics, but we also noted that MSDH did not report program income received on the annual *FFR* report for the federal year 2013 Immunization program. The amount that should have been reported for the period of January 1, 2013 through December 31, 2013 was \$1,068,637.

The failure to properly identify and record program income on the annual *FFR* report could result in the agency being in noncompliance with program income and federal reporting requirements.

*Recommendation:*

We recommend the Mississippi State Department of Health strengthen controls to identify and record program income received on the annual *Federal Financial Report* for each federal grant year for the Immunization Cooperative Agreements.

**NOTE:** See Management's Response and Corrective Action Plan on page 146.

**HEALTH**

**REPORTING**

*Material Noncompliance*

*Material Weakness*

93.268

Immunization Cooperative Agreements

Federal Award Number and Year: 1H23IP000790-01 2013  
5H23IP000790-02 2014

Questioned Costs: None

2014-019

Controls Should Be Strengthened over the Preparation and Review of the Quarterly Federal Financial Report for the Immunization Cooperative Agreements

*Finding:*

The *Federal Financial Report* (FFR) (SF-425/SF-425A (OMB No. 0348-0061)) is the report used by recipients to report expenditures under federal awards, as well as, when applicable, cash status (Lines 10a, 10b, and 10c). The *Office of Management and Budget*



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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*Circular A-133 Compliance Supplement* requires the submission of periodic financial reports for the Immunization Cooperative Agreements (Immunization) program to be complete, accurate, and prepared in accordance with the required accounting basis and be properly supported by accounting records.

During our testing of the Mississippi State Department of Health's compliance with the Financial Reporting requirements for the Immunization program during fiscal year 2014, we noted that quarterly Immunization expenditures of \$575,466 for the quarter ended December 31, 2013, were not reported as cash disbursements on the December 31, 2013 quarterly *FFR*. We further noted that the combined amount of Immunization cash disbursements reported on the March 31, 2014 quarterly *FFR* was a negative \$2,847. Per our review of the GM28 reports, \$685,245 of cash disbursements should have been reported for the quarter ended March 31, 2014. This resulted in the cash disbursements reported for Immunization being understated by \$688,092 on the March 31, 2014 quarterly *FFR*. We also noted that there was no documented approval of the quarterly December 31, 2013 *FFR* prior to submission of the report based on our review of the Internal Review/Sign-off Sheet.

Failure to properly prepare and review the quarterly *FFR*'s could result in the agency not being in compliance with federal reporting requirements by not properly reflecting cash disbursements that have been made for the program.

*Recommendation:*

We recommend the Mississippi State Department of Health strengthen controls in preparing and reviewing the Immunization Cooperative quarterly *Federal Financial Report* to ensure the reports are complete and accurate.

**NOTE:** See Management's Response and Corrective Action Plan on page 145.

STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding  
Number

Finding and Recommendation

HEALTH

**REPORTING**

*Material Weakness*

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children  
93.074 Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements  
93.268 Immunization Cooperative Agreements  
93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare

Federal Award Number and Year: 5MS700704 2014 and 2013  
5U90TP000530-02 2014  
1H23IP000790-01 2013  
5H23IP000790-02 2014  
Pass through from Medicaid

2014-022 Controls Should Be Strengthened over the Preparation and Review of the GAAP Reporting Package and the Schedule of Expenditures of Federal Activity

*Finding:*

The Mississippi State Department of Health is required to prepare a GAAP Reporting Package for Fund 3301 each state fiscal year. This package includes the Schedule of Expenditures of Federal Activity (Form 27.30.60). We noted the following weaknesses and errors related to the GAAP Reporting Package and Schedule of Expenditures of Federal Activity for fiscal year 2014.

- Fiscal year 2014's Immunization Direct Assistance in Lieu of Cash was incorrectly calculated and reported using the federal fiscal year immunization vaccine report resulting in a net understatement of \$28,603,947. An audit adjustment was proposed and made by agency management to properly state this amount.
- Reports used in compiling the Schedule of Expenditures of Federal Activity were not accurate or complete. We noted transactions were duplicated for September 19, 2013 and the timeframe from December 16, 2013, thru December 31, 2013, and also transactions from January 1, 2014, until January 14, 2014, were excluded from the reports. This resulted in a net overstatement of federal expenditures totaling \$7,093,854. An audit adjustment was proposed and made by agency management to properly state federal expenditures for this amount.
- Transactions on the Received Date Blank and Industry Code Not Blank report used to compile accrual expenditures were incorrectly identified as accrual or no accrual transactions. Some of the transactions identified as accruals on this report were

STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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already included as accruals on the E645G report. It was also noted that some transactions on the Received Date report were noted as accruals and should not have been accrued. This resulted in a net overstatement of accrual expenditures in the amount of \$3,073,740. The amount of overstatement was included on the Schedule of Audit Difference for consideration as an uncorrected difference.

- The GAAP Reporting Package and the Schedule of Expenditures of Federal Activity were not reviewed and signed by authorized agency personnel.
- Twelve instances were noted in which total cumulative federal expenditures for a program exceeded the grant award authorization total.
- Nine instances were noted in which reporting category codes for non-federal grant funds were included in the Schedule of Expenditures of Federal Activity resulting in a net overstatement of expenditures totaling \$4,095,134. An audit adjustment was proposed and made by agency management to remove these programs from the schedule.
- Eight instances were noted in which the Catalog for Federal Domestic Assistance (CFDA) numbers reported on the Schedule of Expenditures of Federal were incorrect based on an examination of supporting documentation.
- Three instances were noted in which reporting category codes 064D, 062B, and 062C's Beginning Due From (To) Granting Agency balance did not agree to the ending balance in the prior year's Schedule of Expenditures of Federal Activity. When preparing the schedule, it appears that agency personnel had made an error in recording the reporting categories on the proper line. Because the reporting categories were all within the same program, the net effect was zero.
- Two instances were noted in which current year expenditures for reporting category codes 031C and 127D per the Schedule of Expenditures of Federal Grant Activity did not agree to Fund 3301's total expense summary report. Because these amounts were immaterial, no adjustment was considered necessary.
- One instance was noted in which a new program's (CFDA 93.548) grant award amount included on the schedule did not agree to the grant award notice. This error also results in the grant award being over-expended on the Schedule of Expenditures of Federal Activity.

Good internal controls require a review and approval process to be in place over the GAAP Reporting Package to ensure that the information contained in the GAAP Reporting Package and supporting Schedule of Expenditures of Federal Activity is accurate, complete, properly classified and properly valued. Failure to properly review and approve the GAAP Reporting Package and supporting schedules may result in the improper recording of GAAP adjustments, ultimately affecting the financial position of Mississippi State Department of Health as reflected in the State's Comprehensive Annual Financial Report.

*Recommendation:*

We recommend the Mississippi State Department of Health strengthen controls over the preparation and review of the GAAP Reporting Package, including the Schedule of



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding  
Number

Finding and Recommendation

Expenditures of Federal Activity, to include a supervisory review and approval of all information prior to submission to Department of Finance and Administration to ensure accuracy, completeness, proper classification and valuation of reported information.

**NOTE:** See Management's Response and Corrective Action Plan on page 147.

HEALTH

**REPORTING**

*Immaterial Noncompliance*

10.557  
93.074

Special Supplemental Nutrition Program for Women, Infants, and Children  
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness  
(PHEP) Aligned Cooperative Agreements

Federal Award Number and Year: 5MS700704 2014  
5U90TP000530-02 2014

Questioned Costs: None

2014-021

Subawards Should Be Timely and Accurately Reported in Compliance with the Federal  
Funding Accountability and Transparency Act (FFATA) Reporting Requirements for the  
WIC and Immunization Programs

*Finding:*

The *Code of Federal Regulations* (2 CFR part 170) sets forth the reporting requirements of subawards under the Federal Funding and Accountability Transparency Act (Transparency Act). The *Office of Management and Budget* (OMB) Circular A-133 includes subaward data element definitions from *Open Government Directive – Federal Spending Transparency and Subaward and Compensation Data Reporting* (August 27, 2010) Appendix C. The obligation date is defined as the date the subaward agreement is signed, and a subaward must be reported in the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS) by the end of the month following the month in which the obligation was made.

During our testwork performed on reporting for the Transparency Act during fiscal year 2014, we noted the following weaknesses.

- There were seven instances of PHEP/HPP subawards, which met the FFATA reporting requirements and were reported in the FSRS system; however, the



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obligation dates for these seven subawards were reported as the beginning effective date of the subaward instead of the date the subaward was signed, which is the obligation date as defined by FSRS.gov. This also resulted in six of these subawards not being reported in the FSRS system by the last day of the month following the obligation date.

- There were two modifications to a PHEP/HPP subaward in which both modifications met the FFATA reporting requirements but were reported as entirely separate subawards in the FSRS system instead of modifications to the originally reported subaward. This resulted in the subaward amount being overstated; an incorrect obligation (modification) date; and the modification not being filed by the last day of the month following the modification date.
- There were ten instances of WIC subawards, which met the FFATA reporting requirements were reported in the FSRS system; however, the obligation dates for these ten subawards were reported as the beginning effective date of the subaward instead of the date the subaward was signed, which is the obligation date as defined by FSRS.gov. This also resulted in nine of these subawards not being reported by the last day of the month following the obligation date.

Noncompliance with the Transparency Act requirements could result in reduced funding for applicable programs.

*Recommendation:*

We recommend the Mississippi State Department of Health ensure all subawards are reported timely and obligation dates are reported accurately in compliance with the Federal Funding Accountability and Transparency Act reporting requirements.

**NOTE:** See Management's Response and Corrective Action Plan on page 146.

**HUMAN SERVICES**

**ALLOWABLE COSTS/COST PRINCIPLES**

***Material Noncompliance***

***Material Weakness***

93.575

Child Care and Development Block Grant

93.596

Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Federal Award Number and Year:

G1101MSCCDF 2011

G1201MSTANF 2012

G1301MSCCDF 2013

G1401MSTANF 2014

G1202MSCCDF 2012

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Questioned Costs: \$706

2014-009

Controls Should Be Strengthened to Ensure Compliance with Allowable Costs Requirements of the CCDF Cluster

*Finding:*

The *Code of Federal Regulations* (45 CFR 98) regulates expenditures of funds under the Child Care and Development Block Grant (CCDF), including the identification of allowable costs for CCDF expended through the child care certificate program. The Mississippi Department of Human Services' Division of Early Childhood Care and Development (DECCD) has published the *Mississippi Child Care Payment Program Policy Manual*, based on the CCDF State Plan, which incorporates applicable federal regulations and establishes allowable costs for child care certificate payments under the CCDF program. Specifically, Section 103.02 of this manual addresses co-payment fees and Section 104.04 addresses child care certificate rates. Therefore, eligible school-aged children should be issued certificates that state both full-time and part-time rates eligibility so that the provider can record the proper attendance each day (full-time when school is not in session or part-time when school is in session).

In performing allowable costs testwork related to certificate rates and co-pays during fiscal year 2014, we noted five instances out of 22 school-aged children tested, or 23 percent, in which a child was issued a child care certificate that provided for only full-time attendance rates and co-pays to be paid to a child care provider, resulting in payment of full-time rates and co-pays for times when the child participates in part-time attendance. These five instances resulted in known questioned costs of \$332 out of total year-end school-aged certificate payments of \$20,697,007 and projected questioned costs of \$1,447,259.

Further, we noted one instance out of 36 children tested, or three percent, in which a duplicate certificate was issued for a child, which resulted in two payments being made to the child care provider for the child for the month of January 2014. This instance resulted in known questioned costs of \$374 out of total certificate payments of \$55,301,229 and projected questioned costs of \$2,294,928.

These two instances resulted in total projected questioned costs of \$3,742,187.

Failure of DECCD to properly provide for the payment of part-time rates on the certificates for school-aged children and to detect and prevent duplicate certificates from

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being issued results in improper payments to child care providers, questioned costs and the possible recoupment of funds by the federal granting agency.

*Recommendation:*

We recommend the Mississippi Department of Human Services' Division of Early Childhood Care and Development ensure compliance with the allowable costs requirements of the Child Care and Development Block Grant by strengthening control procedures to ensure child care certificate rates and copays are assigned in accordance with the requirements set forth in the *Code of Federal Regulations* and the *Mississippi Child Care Payment Program Policy Manual*.

**NOTE:** See Management's Response and Corrective Action Plan on page 150.

**HUMAN SERVICES**

**ALLOWABLE COSTS/COST PRINCIPLES**

***Immaterial Noncompliance***

10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.563	Child Support Enforcement

Federal Award Number and Year: 12352841-B13 2013  
12352841-B14 2014  
G1302MSTANF 2013  
G1402MSTANF 2014  
G1304MS4005 2013  
G1404MS4005 2014

Questioned Costs: \$2,467,132

2014-014	<u>Controls Should Be Strengthened to Ensure Compliance with Allowable Costs Requirements of the SNAP, TANF and Child Support Enforcement Programs</u>
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*Finding:*

The Code of Federal Regulations (45 CFR Part 92.22 and 7 CFR Part 3016.22) requires that programs administered by the respective federal authority adhere to the cost principles of OMB Circular A-87. OMB Circular A-87, Attachment C requires the distribution of joint costs related to a grant program to be supported by a cost allocation plan (CAP). Further, 45 CFR Part 95.517 states that a State may claim costs based on a proposed plan, unless otherwise advised by the Division of Cost Allocation in the appropriate HHS Regional Office.

During testwork performed for the Division of Cost Allocation for 102 cost pools during fiscal year 2014, we noted the following instances of noncompliance in the cost allocation plan:

- Three of the cost pools' basis type/base codes used in the cost allocation system did not agree to basis type specified for those pools in the cost allocation plan approved by the United States Department of Health and Human Services (HHS)
- Two instances were noted in which costs were charged to cost pools that were not included in the cost allocation plan approved by HHS.

The above instances of noncompliance resulted in known questioned costs of \$2,467,132. Noncompliance with federal allowable costs requirements could potentially result in costs not being accumulated and allocated correctly and could result in questioned costs and recoupment of costs by the federal granting agency.

*Recommendation:*

We recommend the Mississippi Department of Human Services strengthen controls over the review of computations and data used in the cost allocation process to ensure accurate distribution of costs to federal programs and that appropriate approval of costs pools and base codes are granted by the U.S. Department of Health and Human Services before inclusion in the cost allocation system.

**NOTE:** See Management's Response and Corrective Action Plan on page 156.



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HUMAN SERVICES

**ELIGIBILITY**

*Material Noncompliance*

*Material Weakness*

93.575  
93.596

Child Care and Development Block Grant  
Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Federal Award Number and Year:

G1101MSCCDF 2011	G1201MSCCDF 2012
G1301MSCCDF 2013	G1401MSCCDF 2014

Questioned Costs: \$457

2014-010

Controls Should Be Strengthened to Ensure Compliance with Eligibility Requirements of the CCDF Cluster

*Finding:*

The *Code of Federal Regulations* (45 CFR Part 98.20) sets forth the eligibility requirements for a child to receive child care services. The *Code of Federal Regulations* (45 CFR Part 98.50) further states how the Child Care and Development Block Grant (CCDF) funds should be expended for issuance of child care certificates. The Mississippi Department of Human Services' Division of Early Childhood Care and Development (DECCD) has published the *Mississippi Child Care Payment Program Policy Manual*, based on the CCDF State Plan, which incorporates applicable federal regulations and establishes eligibility criteria to receive child care certificate payments under the CCDF program. Specifically, Chapter 1 of this manual addresses family and child eligibility requirements, including the requirement that an eligible child be less than 13 years of age, or 18 if the eligible child has special needs. This policy manual also provides for periodic re-determination of continuing eligibility.

In performing testwork on 25 child care certificate payments related to a child's eligibility for a child care certificate based on child care provider payments made during fiscal year 2014, we noted the following weaknesses.

- Seven instances, or 28 percent, in which the child's eligibility for the child care certificate could not be verified due to the child care certificate application and supporting documentation not being maintained by DECCD. It was not feasible to determine or project questioned costs associated with this exception due to

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insufficient information and the lack of child care applications and supporting documents.

- Three instances, or 12 percent, in which the certificates were identified as being based on the initial determination of the child's eligibility for the child care certificate as a referral from the Division of Field Operations due to the parent/caretaker receiving basic TANF benefits or transitional TANF benefits, which is the first priority level for a child care certificate. However, based on auditor's review of the TANF case in MAVERICS and/or transitional TANF case in JAWS, the auditor determined that the parent/caretaker was no longer receiving any type of TANF benefits as of the child care certificate benefit date selected for testing, and; therefore should not have been continuing to receive the child care certificate benefit at the TANF priority level. It was not feasible to determine or project questioned costs associated with this exception due to the possibility that the parent/caretaker may still be eligible to receive child care assistance at a different priority level based on reapplying.
- One instance in which the child's birth year had been entered incorrectly into the Child Care Payment System (CCPS), resulting in incorrect certificate rates for the child. Incorrect rates occurred from October 2012 through January 2015. This resulted in known questioned costs of \$449. It was not considered necessary to project questioned costs for this instance.
- Two instances, or eight percent, in which there were improper copay amounts based on the priority level and number of children in the family with an active child care certificate. This resulted in known questioned costs of \$8 and projected questioned costs of \$61,917.

Failure of DECCD to perform re-determination of a child's eligibility to ensure a child care certificate is properly issued could result improper payments to a child care provider representing questioned costs, and the possible recoupment of funds by the federal granting agency.

*Recommendation:*

We recommend the Mississippi Department of Human Services' Division of Early Childhood Care and Development ensure compliance with the Child Care and Development Block Grant eligibility requirements by strengthening control procedures to ensure child care certificates are issued in accordance with eligibility requirements as set forth in the *Code of Federal Regulations* and *Mississippi Child Care Payment Program Policy Manual*.

**NOTE:** See Management's Response and Corrective Action Plan on page 151.

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**HUMAN SERVICES**

**ELIGIBILITY**

*Material Noncompliance*

*Material Weakness*

93.558

Temporary Assistance for Needy Families (TANF) State Programs

Federal Award Number and Year: G1202MSTANF 2012

G1302MSTANF 2013

G1402MSTANF 2014

Questioned Costs: \$7,945

2014-011

**Controls Should Be Strengthened over Compliance with Eligibility and Benefit Payment Requirements of the TANF Program**

*Finding:*

The Mississippi Department of Human Services has published *Volume III, TANF Policy Manual*, which establishes criteria for eligibility under the Temporary Assistance for Needy Families (TANF) program.

Chapter 3, Non-Financial Criteria, requires a MDHS-EA-312, Personal Responsibility Contract, be signed by each adult in the TANF assistance unit at the time of application; all TANF children under the age of 18 must have proof of current immunizations according to the schedule recommended by the Department of Health; and a parent or other relative who accepts a TANF benefit for a child due to the continued absence of a parent must assign support rights to the State by cooperating with the Division of Child Support Enforcement.

Chapter 4, Income and Eligibility Verification System (IEVS), requires all appropriate actions for IEVS data to be resolved in 45 days of the date the Agency receives the data.

Chapter 7, Eligibility Determination Process, requires the TANF case worker to review the Wired Third Party Query (WTPQ) inquiries for each household member age 16 and above at application and redetermination for TANF benefits.

Chapter 10, TANF Work Program Payment Process, states that for a person to receive TANF transitional services, the appropriate application for TANF transitional services



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**Part 3 – Federal Award Findings and Questioned Costs (continued)**

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must be received within 30 days after the TANF case closes due to earned income; if applicable, requires completion of a TANF Child Care Application (MDHS-EA-379); and, if applicable, requires completion of a MDHS-EA-352 to verify number of classroom hours scheduled and attended. Additionally, if receiving a TANF Job Retention Bonus, applicants are required to complete a MDHS-EA-360. This chapter also requires participants of the TANF work component to meet specific participation hours to receive a TANF Work Transportation (J1) stipend and to verify employment and work hours every three months to receive Transitional TANF services. J1 stipends can be paid to TANF participants at the following levels: \$180 for working 20 to 25 hours a week, \$240 for working 26 to 31 hours a week, and \$300 for working 32 to 40 hours a week.

During testing of TANF benefits paid during the fiscal year 2014, we noted the following exceptions.

- One out of six Work Transportation cases tested received benefits but did not have supporting documentation for hours worked to support benefits paid.
- One out of three Job Retention Bonus cases tested received a benefit but did not have a signed Job Retention Bonus Application on file.
- Two out of 70 Basic TANF cases tested did not have a signed Personal Responsibility Contract on file.
- Two out of 70 Basic TANF cases tested had an open alert in IEVS longer than 45 days from the date the case was opened and had not been worked as of the date of our testing.
- Three out of 70 Basic TANF cases tested had an open alert in IEVS longer than 45 days from the date the case was opened; however, they had been worked as of the date of our testing.
- Four out of 70 Basic TANF cases tested were missing acceptable forms of documentation for one or more children.
- Five out of 70 Basic TANF cases tested had open income alerts (Quarterly Wage Match Data) that had not been cleared either before the initial application date or before the redetermination date.
- Six out of 30 Transitional Work Transportation Assistance cases tested did not have a signed Transitional Service Application on file.
- Eight out of 30 cases tested receiving Transitional Work Transportation Assistance did not have a signed Transitional Service Application on file.
- Twelve out of 25 Work Transportation Stipend cases tested did not have supporting documentation for hours worked to support benefit paid.
- Thirteen out of 30 Transitional Work Transportation Assistance cases tested did not have a signed Transitional Service Child Care Services Application on file.
- Fourteen out of 70 Basic TANF cases tested could not be verified whether the application was made in the county for which the recipient resides.
- Eighteen out of 70 Basic TANF cases tested did not have verification of immunization for a child not attending school.
- Twenty-One out of 70 Basic TANF cases tested were not complying with Child Support Enforcement on a child for which benefits were being received.



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Part 3 – Federal Award Findings and Questioned Costs (continued)

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In performing testwork on TANF benefits paid to participants during fiscal year 2014, we noted the following questioned costs.

- Forty four out of 70 Basic TANF benefits tested, or 63 percent, resulted in \$3,145 of known questioned costs. Because of the lack of readily available access to all factors needed to determine the precise population, it is not practical to project known questioned costs.
- Twelve out of 25 J1 stipends paid to participants tested, or 48 percent, resulted in \$2,760 of known questioned costs and \$2,691,927 of projected questioned costs.
- One out of six Transitional Work Transportation Assistance benefits tested, or 17 percent, resulted in \$300 of known questioned costs and \$384,623 of projected questioned costs.
- Eleven out of 30 Work Transportation stipends tested, or 37 percent, paid to participants resulted in \$1,740 of known questioned costs and \$1,232,452 of projected questioned costs.

The results of our testwork described above indicate total known questioned costs of \$7,945 and projected questioned costs of \$4,309,002.

Failure to maintain supporting documentation for eligibility determination as well as not monitoring and reducing benefits to coincide with hours participated in TANF work component could result in questioned costs and recoupment of costs by the federal granting agency.

*Recommendation:*

We recommend the Mississippi Department of Human Services ensure compliance with TANF Eligibility determination and benefit requirements by strengthening control procedures to ensure all supporting documentation is reviewed and maintained and benefits are paid in accordance with the *Volume III, TANF Policy Manual*.

**NOTE:** See Management's Response and Corrective Action Plan on page 152.

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HUMAN SERVICES

**REPORTING**

*Immaterial Noncompliance*

*Material Weakness*

93.568  
93.667

Low-Income Home Energy Assistance Program  
Social Services Block Grant

Federal Award Number and Year: G13B1MSLIEAW 2013  
G13B1MSLIEAR 2013  
G14B1MSLIEAW 2014  
G14B1MSLIEAR 2014  
G1401MSSOSR 2014

Questioned Costs: None

2014-012

Controls Should Be Strengthened over Compliance with Federal Funding Accountability and Transparency Act (FFATA) Reporting Requirements for the SSBG and LIHEAP Programs

*Finding:*

The *Code of Federal Regulations* (2 CFR Part 170) sets forth the reporting requirements of subawards under the Federal Funding and Accountability Transparency Act (FFATA). Direct recipients of grants who make first-tier subawards are required to report each subaward or subaward amendment that results in an obligation of \$25,000 or more in Federal funds. Direct recipients are required to use the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS) to report qualifying subawards or amendments by the end of the month following the month in which the obligation was made.

During testwork performed on reporting for the Transparency Act during fiscal year 2014, we noted the following weaknesses.

- Of the ten SSBG subawards awarded by the Division of Aging and Adult Services which met the FFATA reporting requirements, none of the subawards, or 100 percent, totaling \$5,397,117, have been reported in the FSRS system.
- Of the two subawards awarded by the Division of Youth Services which met the FFATA reporting requirements, both were properly reported in the FSRS system; however, 100 percent of the subawards were not reported in the FSRS system by the last day of the month following the obligation date.
- 100 percent of the reported LIHEAP subawards reported the obligation date as the

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beginning effective date of the subaward instead of the date the subaward was signed (the obligation date as defined by FSRs.gov) in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). This also resulted in one subaward not being reported in the FSRS system by the last day of the month following the obligation date.

- Of the 28 LIHEAP subawards awarded by Division of Community Services which met the FFATA reporting requirements, seven subawards, or 25 percent, totaling \$4,389,037, had not been reported in FSRS as of our testing date.

The Mississippi Department of Human Services (MDHS) has not established internal control policies or procedures nor is a supervisory review performed of the subrecipient contract information that is reported to verify the data is reported accurately or timely.

Noncompliance with Transparency Act requirements could result in reduced funding for applicable programs.

*Recommendation:*

We recommend the Mississippi Department of Human Services ensure compliance with the Federal Funding Accountability and Transparency Act requirements by strengthening control procedures to ensure all subawards are reported timely and obligation dates are reported accurately.

**NOTE:** See Management's Response and Corrective Action Plan on page 153.

**HUMAN SERVICES**

**REPORTING**

*Immaterial Noncompliance*

*Significant Deficiency*

93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.575	Child Care and Development Block Grant
93.596	Child Care Mandantory and Matching Funds of the Child Care and Development Fund

Federal Award Number and Year: G1402MSTANF 2014  
G1301MSCCDF 2013  
G1401MSCCDF 2014

Questioned Costs: None



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2014-013

Controls Should Be Strengthened over Reporting of Subawards for Federal Funding Accountability and Transparency Act (FFATA) Requirements for the TANF Program and CCDF Cluster

*Finding:*

The *Code of Federal Regulations* (2 CFR Part 170) sets forth the reporting requirements of subawards under the Federal Funding and Accountability Transparency Act (Transparency Act). Direct recipients of grants who make first-tier subawards are required to report each subaward or subaward amendment that results in an obligation of \$25,000 or more in Federal funds. Direct recipients are required to use the Federal Funding Accountability and Transparency Subaward Reporting System (FSRS) to report qualifying subawards or amendments by the end of the month following the month in which the obligation was made.

During testwork performed on reporting for the Transparency Act during fiscal year 2014, we noted the following weaknesses.

- There were four TANF subawards awarded by the Division of Field Operations, totaling \$2,749,636, which met the FFATA reporting requirement, that were not reported in the FSRS system by the last day of the month following the obligation date. The obligation dates for these four subawards were reported as the beginning effective date of the subaward instead of the date the subaward was signed, which is the obligation date as defined by FSRS.gov.
- There were thirteen TANF subawards awarded by the Division of Youth Services, totaling \$3,819,700, which met the FFATA reporting requirement, that were not reported in the FSRS system by the last day of the month following the obligation date. The obligation dates for these four subawards were reported as the beginning effective date of the subaward instead of the date the subaward was signed, which is the obligation date as defined by FSRS.gov.
- There were three CCDF subawards awarded by the Division of Early Childhood Care and Development, totaling \$2,500,000, which met the FFATA reporting requirement, that had not been reported in the FSRS system prior to our testing. The obligation dates for nine of the remaining subawards were reported as the beginning effective date of the subaward instead of the date the subaward was signed, which is the obligation date as defined by FSRS.gov.
- For the eleven CCDF subawards awarded by the Division of Early Childhood Care and Development that met the FFATA reporting requirement and were reported, the reports were not reported by the last day of the month following the obligation date.

Mississippi Department of Human Services (MDHS) has not established internal control policies or procedures nor is a supervisory review performed of the subrecipient contract information that is reported to verify the data is reported accurately or timely.



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Noncompliance with Transparency Act requirements could result in reduced funding for applicable programs.

*Recommendation:*

We recommend the Mississippi Department of Human Services ensure compliance with the Federal Funding Accountability and Transparency Act requirements by strengthening control procedures to ensure all subawards are reported timely and obligation dates are reported accurately.

**NOTE:** See Management's Response and Corrective Action Plan on page 155.

**HUMAN SERVICES**

**SUBRECIPIENT MONITORING**

***Material Weakness***

93.568  
93.667

Low-Income Home Energy Assistance Program  
Social Services Block Grant

Federal Award Number and Year: G11B1MSLIEAR 2011  
G12B1MSLIEAR 2012  
G13B1MSLIEAR 2013  
G1201MSSOSR 2012  
G1301MSSOSR 2013

2014-015

**Controls Should Be Strengthened over On-Site Monitoring for the SSBG and LIHEAP Programs**

*Finding:*

The terms and conditions of the grant agreements between the Mississippi Department of Human Services (MDHS) and the U.S. Department of Health and Human Services require MDHS to administer grants in compliance with the *Code of Federal Regulations* (45 CFR Part 92). The *Code of Federal Regulations* (45 CFR Part 92.40) designates MDHS for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and to ensure performance goals are being achieved. Grantee monitoring must cover each program, function or activity.

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We evaluated MDHS's compliance with subrecipient monitoring requirements based on written policies and procedures designed by MDHS's Division of Program Integrity – Office of Monitoring (OM) to satisfy during-the-award monitoring requirements. OM procedures require an on-site monitoring review of each subgrantee contract at least once during the subgrant period. A tracking mechanism is used to ensure all subgrantee contracts are properly identified and monitored. Monitoring tools/checklists are used during each on-site monitoring review to provide guidance and to document a review was performed. The on-site monitoring workpapers are reviewed and approved by OM supervisory personnel prior to issuance of a written report, the Initial Report of Findings & Recommendations, which is used for communicating finding(s) and/or questioned costs to subgrantees. The written report should be issued within 30 working days from the date of the exit conference, which is normally held on the last day of the on-site review.

During testwork performed on subrecipient on-site monitoring for 27 SSBG and LIHEAP subgrant contracts during state fiscal year 2014, we noted the following weaknesses.

- Nineteen tested, or 70 percent, were not monitored within the contract period as required by Program Integrity's Division of Monitoring procedures. Of these 19 contracts:
  - Eighteen were monitored after the respective contract end period but prior to the commencement of audit testing.
  - One contract had not been monitored up to the final date of testwork. Documentation in the contract file indicated that this scheduling oversight was due to an issue with the grants management system.
- Three contracts, 11 percent, were noted in which Corrective Actions were not received from the subrecipient within 15 working days from the date the Initial Monitoring Report (IMR) was issued.
  - Corrective Actions were received between 17 and 26 days from the IMR, with an average of 21 days passing between the IMR and subgrantee's response.
- One subgrant contract's Initial Monitoring Report was issued to the Subgrantee prior to the date of the Monitoring Supervisor's signature on the Monitoring Supervisor Review Checklist.
- One subgrant contract's Monitoring Supervisor Review Checklist was not signed by the Monitoring Supervisor.

During our verification of the completeness of the sample population of 146, we noted:

1. One contract that was listed on the GM18 report and had expenditures in FY2013 was not included on the SFY2013 Subgrant Monitoring Tracking document.

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Therefore, this contract was not subjected to on-site monitoring within the contract period nor as of our testing date.

2. One additional contract on the SFY2013 Subgrant Monitoring Tracking document (outside the parameters of our testing population) for which recorded monitoring dates indicate that monitoring occurred subsequent to contract end date.

We also noted during testing that, with the exception of Division of Youth Services, there is no evidence of the Dun and Bradstreet Data Universal Numbering System (DUNS) number being obtained from the subrecipient prior to the issuance of the subaward. Per the OMB A-133 Circular Compliance Supplement for Fiscal Year 2014, Section M. Subrecipient Monitoring, agencies are required to determine whether an applicant for a subaward has provided a DUNS number as part of its subaward process or, if not, before amounts are awarded.

MDHS programmatic funding divisions rely upon OM monitoring procedures to verify compliance with program regulations and to identify potential problem areas needing corrective action. Failure to properly monitor subrecipients in a timely manner could allow noncompliance with federal regulations to occur and go undetected, potentially resulting in questioned costs.

*Recommendation:*

We recommend the Mississippi Department of Human Services' Division of Program Integrity – Office of Monitoring (OM) strengthen its existing internal controls over on-site monitoring to ensure all active subgrantee contracts are timely monitored during-the-award in accordance with OM policies and procedures. We also recommend that the agency ensure that the Report of Findings & Recommendations prepared as a result of the on-site monitoring be issued in a timely manner to enable immediate corrective action procedures to be initiated. We also recommend that MDHS ensures that subrecipients obtain a DUNS number prior to awarding contracts. We further recommend that the agency maintain all supporting monitoring tools, reports, and correspondence in the monitoring file.

**NOTE:** See Management's Response and Corrective Action Plan on page 157.



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding  
Number

Finding and Recommendation

HUMAN SERVICES

**SUBRECIPIENT MONITORING**

*Significant Deficiency*

10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.568	Low-Income Home Energy Assistance Program
93.575	Child Care and Development Block Grant
93.596	Child Care Mandantory and Matching Funds of the Child Care Development Fund
93.667	Social Services Block Grant

Federal Award Number and Year:

SNAP Letter of Credit	G1001MSSOSR 2010
G1002MSTANF 2010	G1101MSSOSR 2011
G1102MSTANF 2011	G1201MSSOSR 2012
G1202MSTANF 2012	G10B1MSLIEAR 2010
G0901MSCCDF 2009	G10B1MSLIEAW 2010
G1001MSCCDF 2010	G11B1MSLIEAR 2011
G1101MSCCDF 2011	G11B1MSLIEAW 2011
G1201MSCCDF 2012	G12B1MSLIEAR 2012

2014-016	<u>Controls Should Be Strengthened over Subrecipient Monitoring for OMB Circular A-133 Audits for the SNAP, TANF, SSBG and LIHEAP Programs and for the CCDF Cluster</u>
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*Finding:*

The Office of Management and Budget (OMB) Circular A-133 states the pass-through entity is responsible for (1) ensuring that subrecipients expending \$500,000 or more in Federal awards during their fiscal year have met the audit requirements of OMB Circular A-133 and that the required audits are completed within nine months of the end of the subrecipient's audit period; (2) issuing a management decision on findings within 6 months after receipt of the subrecipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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During our audit of the Mississippi Department of Human Services (MDHS), we reviewed the Division of Program Integrity – Office of Monitoring (OM) audit files and Monitoring Tracking Document for MDHS Subgrantees for state fiscal year 2012. During our review, we noted the following problems.

- Of 24 subgrantees tested, we noted five instances in which no clearance letter from the funding division or communications between the subgrantee and the funding division discussing corrective action could be located in the Office of Monitoring or from the funding division within the six month deadline for corrective action.
- Of 24 subgrantees tested, we noted six instances in which the OMB A-133 audit for the subgrantee was not received by Office of Monitoring within nine months of the subgrantee's fiscal year end. We noted that the OMB A-133 audit report was dated within the nine month period of the subgrantee's fiscal year end. Office of Monitoring sent an initial letter and reminder letter to each subgrantee regarding their OMB A-133 audit report requirements. Subgrantee audit reports were received on average 91 days after the nine month deadline.
- Of seven subgrantees tested on Attachment B of the Status Report, we noted seven instances in which the OMB A-133 audits or Subgrantee Audit Information Forms (SAIF) for the subgrantees were not received by Office of Monitoring within nine months of the subgrantee's fiscal year end. In each instance in which an audit was received, we noted that the OMB A-133 audit report was dated within the nine month period of the subgrantee's fiscal year end. Office of Monitoring sent an initial letter, reminder letter, and demand letter to each subgrantee regarding their OMB A-133 audit report requirements, but no additional follow-up to obtain the OMB A-133 audit/SAIF was made by Office of Monitoring prior to the auditor's request.
- During testing of completeness, we noted six instances in which subrecipients were not included on the FY2012 tracking report utilized by Office of Monitoring but had expenditures in FY2012 and should have been included for tracking purposes.

Failure to properly monitor subrecipients could allow noncompliance with federal regulations to occur and go undetected, potentially resulting in questioned costs.

*Recommendation:*

We recommend the Mississippi Department of Human Services' Division of Program Integrity – Office of Monitoring (OM) strengthen controls over subrecipient monitoring for OMB A-133 audits to ensure recipients expending \$500,000 or more in Federal funds during their fiscal year are appropriately monitored and an OMB A-133 audit is obtained. We also recommend that the agency follow-up more frequently with the funding divisions to ensure corrective action was taken when a subgrantee's audit report contains findings. We further recommend that OM should ensure all subrecipients are included on the tracking report and continue to follow-up to obtain an OMB A-133 audit or Subgrantee Audit Information Form after the demand letter is issued.

STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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NOTE: See Management's Response and Corrective Action Plan on page 159.

**HUMAN SERVICES**

**SUBRECIPIENT MONITORING**

***Significant Deficiency***

93.558

Temporary Assistance for Needy Families (TANF) State Programs

Federal Award Number and Year: G1202MSTANF 2012  
G1302MSTANF 2013

2014-017

**Controls Should Be Strengthened over On-Site Monitoring for the TANF Program**

***Finding:***

The terms and conditions of the grant agreements between the Mississippi Department of Human Services (MDHS) and the U.S. Department of Health and Human Services require MDHS to administer grants in compliance with the *Code of Federal Regulations* (45 CFR Part 92). The *Code of Federal Regulations* (45 CFR Part 92.40) designates MDHS for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and to ensure performance goals are being achieved. Grantee monitoring must cover each program, function or activity.

We evaluated MDHS's compliance with subrecipient monitoring requirements based on written policies and procedures designed by MDHS's Division of Program Integrity – Office of Monitoring (OM) to satisfy during-the-award monitoring requirements. OM procedures require an on-site monitoring review of each subgrantee contract at least once during the subgrant period. A tracking mechanism is used to ensure all subgrantee contracts are properly identified and monitored. Monitoring tools/checklists are used during each on-site monitoring review to provide guidance and to document a review was performed. The on-site monitoring workpapers are reviewed and approved by OM supervisory personnel prior to issuance of a written report, the Initial Report of Findings & Recommendations, which is used for communicating finding(s) and/or questioned costs to subgrantees. The written report should be issued within 30 working days from the date of the exit conference, which is normally held on the last day of the on-site review.



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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During testwork performed on subrecipient on-site monitoring for 14 subgrant contracts during state fiscal year 2014, we noted the following weaknesses:

- Two contracts tested, or 14 percent, were not monitored within the contract period as required by Program Integrity's Division of Monitoring procedures. Of these two contracts, both were monitored after the respective contract end period but prior to the commencement of audit testing.
- Four contracts, or 29 percent, were noted in which Corrective Actions were not received from the subrecipient within 15 working days from the date the Initial Monitoring Report (IMR) was issued. Corrective Actions were received between 19 and 41 days from the IMR, with an average of 27 days passing between the IMR and subgrantee's response.
- One subgrant contract's monitoring file, or seven percent, contained the wrong Initial Monitoring Report (different Subgrantee) attached to the file copy of the IMR issuance letter, so auditor could not verify that the IMR was signed/approved by the monitoring supervisor prior to issuance of the report to the subgrantee.

During our verification of the completeness of the sample population of 146, we noted one contract that was listed on the GM18 report and had expenditures in FY2013 but was not included on the SFY2013 Subgrant Monitoring Tracking document. Therefore, this contract was not subjected to on-site monitoring within the contract period nor as of our testing date.

We also noted during testing that there is no evidence of the Dun and Bradstreet Data Universal Numbering System (DUNS) number being obtained from the subrecipient prior to the issuance of the subaward. Per the OMB A-133 Circular Compliance Supplement for Fiscal Year 2014, Section M. Subrecipient Monitoring, agencies are required to determine whether an applicant for a subaward has provided a DUNS number as part of its subaward process or, if not, before amounts are awarded.

MDHS programmatic funding divisions rely upon OM monitoring procedures to verify compliance with program regulations and to identify potential problem areas needing corrective action. Failure to properly monitor subrecipients in a timely manner could allow noncompliance with federal regulations to occur and go undetected, potentially resulting in questioned costs.

*Recommendation:*

We recommend the Mississippi Department of Human Services' Division of Program Integrity – Office of Monitoring (OM) strengthen its existing internal controls over on-site monitoring to ensure all active subgrantee contracts are timely monitored during-the-

STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

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U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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award in accordance with OM policies and procedures. We also recommend that the agency ensure that the Report of Findings & Recommendations prepared as a result of the on-site monitoring be issued in a timely manner to enable immediate corrective action procedures to be initiated. We also recommend that MDHS ensures that subrecipients obtain a DUNS number prior to awarding contracts. We further recommend that the agency maintain all supporting monitoring tools, reports, and correspondence in the monitoring file.

**NOTE:** See Management's Response and Corrective Action Plan on page 160.

**HUMAN SERVICES**

**SPECIAL TESTS AND PROVISIONS-PENALTY FOR REFUSAL TO WORK**

***Significant Deficiency***

93,558

Temporary Assistance for Needy Families (TANF) State Programs

Federal Award Number and Year: G1302MSTANF 2013  
G1402MSTANF 2014

2014-018

Controls Should Be Strengthened over Termination of Benefits for Non-Participation of Work-Eligible Adults in the Work Activities Program of the TANF Program

***Finding:***

The *Code of Federal Regulations* (45 CFR Part 261.10) states a parent or caretaker receiving assistance as part of the Temporary Assistance for Needy Families (TANF) program must engage in work activities when the State has determined an individual is ready to engage in work or when he or she has received assistance for a total of 24 months, whichever is earlier.

*Volume III, TANF Policy Manual*, published by the Mississippi Department of Human Services (MDHS), establishes requirements for satisfactory participation in the TANF work program. Specifically, Chapter 9 of the *Volume III, TANF Policy Manual* requires all adult TANF recipients who are determined work-eligible to participate in the TANF work program in order to continue receiving benefits. State law limits the receipt of TANF benefits to a maximum of 24 months for work-eligible adults who fail to participate without good cause in allowable TANF work program activities.



STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)

CFDA/Finding  
Number

Finding and Recommendation

Discussions with agency personnel in the Division of Field Operations indicate there is currently no policy requiring review of the “TANF High Counter Report”. Use of the report at the county/regional offices and in the central office would have allowed prevention/detection of the errors by MDHS personnel. Due to the lack of controls being in place, auditors substantively tested a sample of the transactions to verify that benefits were not paid in error and found no exceptions.

Failure to properly reduce or terminate benefits could result in questioned costs and recoupment of costs by the federal granting agency. Additionally, per the *Code of Federal Regulations* (45 CFR Part 261.14 and 261.54), if MDHS does not properly reduce or terminate benefits, the Department of Health and Human Services may penalize MDHS by reducing grant assistance between one and five percent.

*Recommendation:*

We recommend the Mississippi Department of Human Services strengthen control procedures over work-eligible recipients who are not participating in work activities. Control procedures should include a documented review of the monthly “TANF High Counter Report”. Further, we recommend the central office implement procedures to confirm county/regional personnel have reviewed their respective reports and taken appropriate action to either terminate/reduce benefits or grant permissible exemptions for cases exhausting the 24 month maximum for non-participation in a work program.

**NOTE:** See Management’s Response and Corrective Action Plan on page 161.

**MEDICAID**

**REPORTING**

*Significant Deficiency*

*Immaterial Noncompliance*

93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII)
	Medicare
93.778	Medical Assistance Program

Federal Award Number and Year:	1305MS5001	10/1/12 - 9/30/13
	1405MS5001	10/1/13 - 9/30/14
	1305MS5MAP	10/1/12 - 9/30/13
	1405MS5MAP	10/1/13 - 9/30/14

STATE OF MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Part 3 – Federal Award Findings and Questioned Costs (concluded)

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U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (concluded)

**CFDA/Finding  
Number**

**Finding and Recommendation**

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Questioned Costs: None

2014-005

Controls Should Be Strengthened to Ensure Compliance with Reporting Requirements

*Finding:*

The CMS-64, Quarterly Statement of Expenditures for the Medical Assistance Program (OMB No. 0938-0067) is required to be used in lieu of the SF-425, Federal Financial Report, prepared quarterly, and submitted electronically to CMS within 30 days after the end of the quarter.

During our testing, we noted instances where the CMS-64, Quarterly Statement of Expenditures for the Medical Assistance Program was not submitted electronically to CMS within 30 days after the end of the quarter. Failure to fully comply with the requirements outlined could result in action by CMS.

*Recommendation:*

Internal control policies and procedures should be adopted and followed to ensure that all CMS-64, Quarterly Statement of Expenditures, for the Medical Assistance Program are submitted electronically to CMS within 30 days after the end of the quarter.

**NOTE:** See Management's Response and Corrective Action Plan on page 163.

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## **II. SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS**





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## STATE OF MISSISSIPPI

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### SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2014

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#### Instructions to Management

Each state grantee agency included in the prior year Single Audit Report for the State of Mississippi prepared a summary schedule of prior federal audit findings as required by OMB Circular A-133, Section 315 (b). In order to provide a systematic approach for reporting, agencies were asked to follow the format listed below.

For each prior year federal audit finding, the agency should include the following: (1) finding identification including finding number, finding heading, *Catalog of Federal Domestic Assistance* (CFDA) number and program name, (2) current status, and (3) planned corrective action, if required. These items are discussed below:

- (1) Each finding number, finding heading, CFDA number and program name should be listed in the same sequence as presented in the prior year Single Audit Report.
- (2) The current status should be identified with one of the following terms:
  - a. "Fully Corrected" - All corrective action has been taken.
  - b. "Partially Corrected" - Some, but not all, corrective action has been taken.
  - c. "Not Corrected" - Corrective action has not been taken.
  - d. "Not Valid" - Finding is no longer valid and does not warrant further action.
- (3) Corrective action should be noted for findings that are not identified as "Fully Corrected."
  - a. When audit findings are "Partially Corrected" or "Not Corrected," describe the planned corrective action as well as any partial corrective action taken.
  - b. When audit findings are "Not Valid," describe the reasons the findings are no longer considered valid or do not warrant further action.

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STATE OF MISSISSIPPI

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SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2014

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12-05	Human Services	129
2013-002	Education	125
2013-003	Education	125
2013-004	Education	125
2013-005	Education	125
2013-006	Employment Security	133
2013-007	Employment Security	133
2013-008 *a	Health	127
2013-009	Human Services	129
2013-010	Human Services	130
2013-011 *b	Human Services	130
2013-012 *c	Human Services	130
2013-013	Human Services	131
2013-014 *d	Human Services	131
2013-015	Human Services	132
2013-016	Human Services	132

\*a The agency indicates the finding is partially corrected; finding 2014-023 was written to report current year problems noted.

\*b The agency indicates the finding is partially corrected; finding 2014-010 was written to report current year problems noted.

\*c The agency indicates the finding is partially corrected; finding 2014-012 was written to report current year problems noted.

\*d the agency indicates the finding is partially corrected; finding 2014-013 was written to report current year problems noted.



STATE OF MISSISSIPPI

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SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2014

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INDEX LISTED BY STATE GRANTEE AGENCY

<u>STATE GRANTEE AGENCY NAME</u>	<u>FINDING NUMBER</u>	<u>PAGE NUMBER</u>
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Education	2013-003	125
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Human Services	2013-009	129
Human Services	2013-010	130
Human Services	2013-011	130
Human Services	2013-012	130
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Human Services	2013-015	132
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## MISSISSIPPI DEPARTMENT OF EDUCATION

Carey M. Wright, Ed.D.  
State Superintendent of Education

### SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS For the Year Ended June 30, 2014

2013-002      Controls Should Be Strengthened over Employee Time Certifications

10.560      State Administrative Expenses for Child Nutrition

FULLY CORRECTED

2013-003      Controls Should Be Strengthened over the Procurement Process Related to the State Administrative Expenses for Child Nutrition Program

10.560      State Administrative Expenses for Child Nutrition

FULLY CORRECTED

2013-004      Controls Should Be Strengthened over Payments Made to Child Nutrition and Child and Adult Care Food Program Subrecipients

10.553      School Breakfast Program  
10.555      National School Lunch Program  
10.556      Special Milk Program for Children  
10.558      Child and Adult Care Food Program  
10.559      Summer Food Service Program for Children


FULLY CORRECTED

2013-005      Controls Should Be Strengthened over Monitoring for OMB Circular A-133 Audits for Child Nutrition Subrecipients

10.553      School Breakfast Program  
10.555      National School Lunch Program  
10.556      Special Milk Program for Children  
10.559      Summer Food Service Program

FULLY CORRECTED

Signed:

  
Carey M. Wright, Ed.D., State Superintendent of Education

Date:      January 30, 2015

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MISSISSIPPI STATE DEPARTMENT OF HEALTH

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS  
For the Year Ended June 30, 2014

11-05 Controls over Time Study Procedures Should Be Strengthened

93.069 Public Health Emergency Preparedness  
93.889 National Bioterrorism Hospital Preparedness Program

FULLY CORRECTED

2013-008 Controls Should Be Strengthened over the Allowable Costs/Cost Principles for the Time Study System

10.557 Special Supplemental Nutrition Program for Women, Infants and Children  
93.069 Public Health Emergency Preparedness  
93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare  
93.889 National Bioterrorism Hospital Preparedness Program

PARTIALLY CORRECTED

Time Study Reconciliations were properly prepared in FY 2014 for the above referenced programs. As stated in previous audit correspondence, the agency has acquired KRONOS as a time and attendance program. Phase I of the new KRONOS timekeeping system, the modules that collect employees' hours worked, was implemented September 1, 2013. The agency is currently working on the implementation of the KRONOS Activities module that will identify on a daily basis the various activities employees are working on. As a pilot, the agency's goal is to have WIC personnel begin using the KRONOS activities function within the next couple of months. As issues are resolved after the pilot phase, we will phase in other programs over time. We will be running KRONOS activities in parallel with the old Time Study system for several months until the KRONOS activities module is fully operational.

Signed: Mitchell Currier, CAO  
Mary Currier, MD, MPH, State Health Officer

Date: 1/30/2015



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STATE OF MISSISSIPPI  
Phil Bryant, Governor  
DEPARTMENT OF HUMAN SERVICES  
Richard A. Berry, Executive Director

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February 27, 2015

Stacey E. Pickering, State Auditor  
Office of the State Auditor  
State of Mississippi  
P.O. Box 956  
Jackson, Mississippi 39205-0956

Dear Mr. Pickering:

The following are our responses and corrective action plans to the prior year audit for the year ended June 30, 2014:

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS  
For the Year Ended June 30, 2014

12-05      Controls over On-Site Monitoring Should Be Strengthened

93.558      Temporary Assistance for Needy Families (TANF) State Programs  
93.575      Child Care and Development Block Grant  
93.596      Child Care Mandatory and Matching Funds of the Child Care and  
Development Fund  
93.713      ARRA – Child Care and Development Block Grant

FULLY CORRECTED

2013-009      Controls Should Be Strengthened to Ensure Compliance with Allowable  
Costs Requirements

93.575      Child Care and Development Block Grant  
93.596      Child Care Mandatory and Matching Funds of the Child Care  
and Development Fund

FULLY CORRECTED

2013-010      Controls Should Be Strengthened over Compliance with Eligibility and Benefit Payment Requirements

93.558      Temporary Assistance for Needy Families (TANF) State Programs  
93.714      ARRA – Emergency Contingency Fund for Temporary Assistance  
              for Needy Families (TANF) State Programs

FULLY CORRECTED

2013-011      Controls Should Be Strengthened to Ensure Compliance with Eligibility Requirements

93.575      Child Care and Development Block Grant  
93.596      Child Care Mandatory and Matching Funds of the Child Care  
              and Development Fund

1. PARTIALLY CORRECTED

The corrective action indicates that parent redeterminations would be completed in SFY 2014, ending on June 30, 2014. DECCD did conduct parent redeterminations as soon as possible after the creation of this Corrective Action Plan. Parent redeterminations began in May of 2014 and continued through September 2014. While the action had been launched, it was not fully completed by the end of SFY 2014.

2. FULLY CORRECTED

3. FULLY CORRECTED

4. FULLY CORRECTED

2013-012      Controls Should Be Strengthened over Compliance with Federal Funding Accountability and Transparency Act (FFATA) Requirements

93.667      Social Services Block Grant

1. PARTIALLY CORRECTED (Re: sub awards issued by the Division of Aging and Adult Services)

Continuing Corrective Action Plan:

Division of Aging and Adult Services will insure that subaward data will be input in a timely manner for FFATA reporting within the required reporting period. The Budget and Accounting Office is working with Aging and Adult Services to insure proper training and reporting according to the guidelines of the Federal Transparency Act. The Department is working now to file the necessary reports.



2. PARTIALLY CORRECTED (Re: sub awards issued by the Division of Youth Services)

Regarding sub-awards awarded by the Division of Youth Services, training has been accomplished; however reports are not timely because the grant letters are signed in September. Funds should be obligated by the end of October but the award letter does not arrive until November. We cannot obligate funds without the awards letter.

3. FULLY CORRECTED (Re: sub awards issued by the Division of Social Services Block Grant).

2013-013 Agency Should Ensure On-Site Monitoring is Properly Performed

93.575 Child Care and Development Block Grant  
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

FULLY CORRECTED

2013-014 Controls Should Be Strengthened over Reporting of Subawards for Federal Funding Accountability and Transparency Act (FFATA) Requirement

93.558 Temporary Assistance for Needy Families (TANF) State Programs  
93.575 Child Care and Development Block Grant  
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

- FULLY CORRECTED (Re: sub awards issued by the Division Of Field Operations)
- PARTIALLY CORRECTED (Re: sub awards issued by the Division of Youth Services)

Regarding sub-awards awarded by the Division of Youth Services, training has been accomplished; however reports are not timely because the grant letters are signed in September. Funds should be obligated by the end of October but the award letter does not arrive until November. We cannot obligate funds without the awards letter.
- FULLY CORRECTED (Re: sub awards issued by the Division of Early Childhood Care and Development)



2013-015      Controls Should Be Strengthened over On-Site Monitoring

93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs

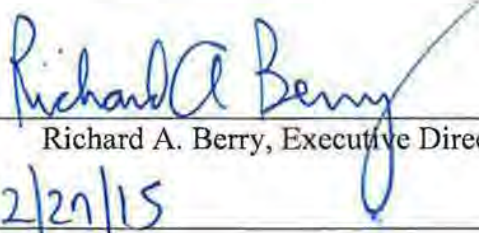
FULLY CORRECTED

2013-016      Controls Should Be Strengthened over Subrecipient Monitoring for OMB Circular A-133 Audits

10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant
93.714	ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs

FULLY CORRECTED

Signed: \_\_\_\_\_

  
Richard A. Berry, Executive Director

Date: \_\_\_\_\_

2/27/15



## MISSISSIPPI DEPARTMENT *of* EMPLOYMENT SECURITY

OFFICE OF THE GOVERNOR  
MARK HENRY  
EXECUTIVE DIRECTOR

### SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

For the Year Ended June 30, 2014

2013-006      On-Site Monitoring Reviews Should Be Performed for the WIA Program

17.258	WIA Adult Program
17.259	WIA Youth Activities
17.278	WIA Dislocated Worker Formula Grants
17.278	ARRA – WIA Dislocated Worker Formula Grants

Status - Fully Corrected

2013-007      A Process Should Be Established to Ensure Compliance with Reporting Requirements

17.258	WIA Adult Program
17.259	WIA Youth Activities
17.278	WIA Dislocated Worker Formula Grants
17.278	ARRA – WIA Dislocated Worker Formula Grants

Status – Fully Corrected

Signed

*Mark Henry*

Title

*Executive Director*

Date

*Feb. 27, 2015*

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### **III. MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS**





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## STATE OF MISSISSIPPI

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### MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS FOR THE YEAR ENDED JUNE 30, 2014 Instructions to Management

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In order to provide a systematic approach for agencies to respond to audit findings, the management of each agency was requested to follow the instructions listed below in preparation of the formal response to single audit findings and the corrective action plan.

For each AUDIT FINDING, the agency should include the following: (1) *Catalog of Federal Domestic Assistance* (CFDA) number and program name, (2) type of compliance requirement, (3) audit finding number and finding heading, (4) response, and (5) corrective action plan. These items are discussed below:

1. Each CFDA number and program name should be listed in the same sequence presented in the management letter. The entire finding is not required to be repeated.
2. Each type of compliance requirement should be listed in the same sequence as presented in the management letter.
3. Each audit finding number and finding heading should be listed separately in the same sequence as presented in the management letter. The entire finding is not required to be repeated.
4. Responses of the agency to audit findings should be included directly below each audit finding heading. For each response, the agency should state whether they concur or do not concur with the individual finding and recommendation and the reasons why.
5. After an audit finding heading has been listed along with the corresponding agency response, the plan for corrective action should be listed using the following format:
  - a. Specific steps to be taken to correct situation.
  - b. Name(s) of the contact person(s) responsible for corrective action.
  - c. Anticipated completion date for corrective action.
  - d. Specific reasons why corrective action is not necessary, if applicable.

OMB Circular A-133, Section 400 requires audit findings to be resolved between federal agencies and audited agencies within six months after the receipt of the single audit report by the federal government. Audited agencies should maintain permanent files on all correspondence with the federal government during the audit resolution process. Federal agencies may ask for additional information pertaining to audit findings.

On the following pages, we have compiled the formal response to the findings and recommendations and the corrective action plan of each agency's management.

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**STATE OF MISSISSIPPI**

DEPARTMENT OF CORRECTIONS

**MARSHALL FISHER**  
COMMISSIONER

March 4, 2015

Honorable Stacey E. Pickering  
State Auditor  
State of Mississippi  
P.O. Box 956  
Jackson, MS 39205

Dear Mr. Pickering:

We have reviewed the audit finding below in reference to the Mississippi Department of Corrections 2014 fiscal year audit. Listed below is our individual response and plan for corrective action:

Audit Finding:        Agency Should Ensure Compliance with Provisions of Laws, Regulations  
2014-001                and Contracts

Response:              The agency concurs with this finding.

Corrective Action:    The Mississippi Department of Corrections is in the process of rebidding all contracts mentioned in the Governor's directive. The agency will engage a CPA firm to assist in developing an internal control plan for the agency, which will include processes and procedures related to all procurements.

Should you have any questions regarding our response or corrective action plan, please feel free to contact Rick McCarty at (601) 359-5682.

Sincerely,

A handwritten signature in dark ink, appearing to read "Marshall Fisher", is written over a horizontal line.

Marshall Fisher  
Corrections Commissioner  
State of Mississippi

MF/rm:ah



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## MISSISSIPPI DEPARTMENT OF EDUCATION

Carey M. Wright, Ed.D.  
State Superintendent of Education

March 25, 2015

The Honorable Stacey E. Pickering, State Auditor  
Office of the State Auditor  
State of Mississippi  
P.O. Box 956  
Jackson, MS 39205-0956

Dear Mr. Pickering:

In accordance with your correspondence dated March 20, 2015, the Mississippi Department of Education (MDE) is providing the following response and corrective action plan for the single audit findings for the fiscal year ending June 30, 2014.

### Single Audit Findings:

#### Reporting

*Material Weakness*  
*Material Noncompliance*

- 10.553 School Breakfast Program (SBP)
- 10.555 National School Lunch Program (NSLP)
- 10.556 Special Milk Program (SMP)
- 10.558 Child and Adult Care Food Program (CACFP)
- 10.559 Summer Food Service Program for Children (SFSPC)

Federal Award Number and Year: 13135MS326N1099 2013  
14135MS326N1099 2014

Questioned Costs: None

- 2014-006 Controls Should be Strengthened in the Office of Child Nutrition over Federal Funding Accountability and Transparency Act (FFATA) Reporting to Ensure Compliance with Federal Reporting Requirements

Response: Training of Office of Child Nutrition staff has not been completed and reporting has not been assigned to that office. The Office of Accounting filed partial reports for the months of July 2013 through January 2014.

#### Corrective Action Plan:

- A. Specific steps to be taken to correct the situation.

The Office of Accounting will complete training for Child Nutrition Staff. At that time, reports will be filed by the Office of Child Nutrition on a monthly basis.

March 25, 2015

B. Name of the contact person responsible for corrective action.

James A. Hart, Director – Office of Accounting  
Scott Clements, Director – Office of Child Nutrition

C. Anticipated completion date for corrective action.

May 15, 2015

Subrecipient Monitoring

*Control Deficiency*  
*Immaterial Noncompliance*

10.559 Summer Food Service Program for Children (SFSPC)

Federal Award Number and Year: 13135MS326N1099 2013  
14135MS326N1099 2014

Questioned Costs: \$37,006

2014-007 Controls Should be Strengthened in the Office of Child Nutrition over On-Site Subrecipient Monitoring of the Summer Food Service Program for Children

Response: The OCeaN system does not include tracking of monitoring, all tracking is performed manually. Also, monitors are not notified by the system of additional reviews that must be completed as new organizations are approved. This resulted in the failure to review 1 of 151 organizations. Further, there is no automated system to track overclaims due to the agency or to calculate the amount of reimbursement for reviewed organizations in the Summer Food Service Program for Children.

The Office of Child Nutrition has been working with the Mississippi Department of Information Technology Services (ITS) for nearly two years to obtain a replacement of the OCeaN system. Due to the scope of work and delays from ITS, the Request for Proposals is scheduled for release in April 2015.

Corrective Action Plan:

A. Specific steps to be taken to correct the situation.

Until such time as a suitable replacement is obtained, the Office of Child Nutrition will implement second party checks on tracking of monitoring, payments due to the agency, and calculations of reimbursements for monitoring of subrecipients.

B. Name of the contact person responsible for corrective action.

Scott Clements, Director – Office of Child Nutrition

C. Anticipated completion date for corrective action.

June 1, 2015

March 25, 2015

Activities Allowed/Unallowed  
Allowable Costs/Cost Principles

*Significant Deficiency*

10.553 School Breakfast Program (SBP)  
10.555 National School Lunch Program (NSLP)  
10.556 Special Milk Program (SMP)  
10.558 Child and Adult Care Food Program (CACFP)  
10.559 Summer Food Service Program for Children (SFSPC)

Federal Award Number and Year: 13135MS326N1099 2013  
14135MS326N1099 2014

2014-008 Controls Should be Strengthened over Payments Made to Subrecipients of the Child Nutrition Cluster and Child and Adult Care Food Programs

Response: The Office of Child Nutrition concurs that the contract status of 13 organizations of the 764 applications reviewed was not reflected accurately in OCeaN, the web-based claims payment and contract system. However, these organizations had been approved both on paper and within OCeaN. In no instances were erroneous or invalid payments made to subrecipients.

On-line approval of contracts is appropriately assigned to the Division Director for the Child and Adult Care Food Program. The Assistant Director for the Office of Child Nutrition also has approval rights and serves as a backup to the Division Director.

The Office of Child Nutrition has been working with the Mississippi Department of Information Technology Services (ITS) for nearly two years to obtain a replacement of the OCeaN system. Due to the scope of work and delays from ITS, the Request for Proposals is scheduled for release in April 2015.

Corrective Action Plan:

A. Specific steps to be taken to correct the situation.

The identified reporting and approval errors have been reported to MDE's Office of Technology and Strategic Services (OTSS) and are under investigation. OTSS will make changes to the OCeaN system as necessary to correct the reporting errors. Additionally, MDE is working with ITS to replace OCeaN with a newer system and vendor support. The system will include improved reporting and stringent controls regarding payment approvals.

OTSS has implemented a Change Control Management procedure. Currently, OTSS employees are using a manual change request form for OCeaN. Automated tracking products have been reviewed and a system is currently being implemented.

B. Name of the contact person responsible for corrective action.

Scott Clements, Director – Office of Child Nutrition  
Ellen Burnham – Office of Technology and Strategic Services



Honorable Stacey E. Pickering

Page 4

March 25, 2015

C. Anticipated completion date for corrective action.

June 1, 2015

Should you have any questions or need additional information please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Carey M. Wright". The signature is fluid and cursive, with the first name "Carey" being more prominent.

Carey M. Wright, Ed.D.  
State Superintendent of Education



MISSISSIPPI STATE DEPARTMENT OF HEALTH

March 24, 2015

FINANCIAL AUDIT FINDINGS

Stacey E. Pickering, State Auditor  
Office of the State Auditor  
State of Mississippi  
P. O. Box 956  
Jackson, MS 39205-0956

Dear Mr. Pickering:

Enclosed for your review are the responses and corrective action plans for the Financial Audit Findings for the Mississippi State Department of Health for the Fiscal Year ended 2014.

**AUDIT FINDINGS:**

**SIGNIFICANT DEFICIENCY**

2014-002      Controls Should Be Strengthened over the Preparation and Review of the GAAP Reporting Package and the Schedule of Expenditures of Federal Activity

The agency concurs with this finding. The FY 2014 GAAP Reporting Package and the Schedule of Expenditures of Federal Activity were prepared by an outside firm. In the future the process will be conducted by agency staff and reviewed by supervisory personnel.

  
Mary Currier, M.D., M.P.H.  
State Health Officer

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## MISSISSIPPI STATE DEPARTMENT OF HEALTH

March 24, 2015

### SINGLE AUDIT FINDINGS

Stacey E. Pickering, State Auditor  
Office of the State Auditor  
State of Mississippi  
P. O. Box 956  
Jackson, MS 39205-0956

Dear Mr. Pickering:

Enclosed for your review are the responses and corrective action plans for the Single Audit Findings for the Mississippi State Department of Health for the Fiscal Year ended 2014.

### **AUDIT FINDINGS:**

#### **REPORTING**

##### **Material Noncompliance Material Weakness**

CFDA #93.268      Immunization Cooperative Agreements

Federal Award Number and Year: 1H23IP000790-01 2013  
5H23IP000790-02 2014

2014-019      Controls Should Be Strengthened over the Preparation and Review of the  
Quarterly *Federal Financial Report* for the Immunization Cooperative  
Agreements

The agency concurs with this finding. Review procedures will be strengthened to ensure the reports are prepared properly and documentation of the review is maintained.

#### **PROGRAM INCOME REPORTING**

##### **Immaterial Noncompliance**

570 East Woodrow Wilson • Post Office Box 1700 • Jackson, MS 39215-1700  
1-866-HLTHY4U • [www.HealthyMS.com](http://www.HealthyMS.com)

*Equal Opportunity in Employment/Services*



### Significant Deficiency

CFDA #93.268

Immunization Cooperative Agreements

Federal Award Number and Year: 1H23IP000790-01 2013

2014-20

Controls Should Be Strengthened over the Identification and Reporting of Program Income for the Immunization Cooperative Agreements

The agency concurs with this finding and made the necessary changes in the report when it was discovered by the auditor. Staff responsible for preparing the federal reports were reminded of the importance of ensuring program income is properly identified and reported.

### REPORTING

#### Immaterial Noncompliance

CFDA #10.557

CFDA #93.074

Special Supplemental Nutrition Program for Women, Infants, and Children Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements

Federal Award Number and Year: 5MS700704 2014  
5U90TP000530-02 2014

2014-21

Subawards Should be Timely and Accurately Reported in Compliance with the Federal Funding Accountability and Transparency Act (FFATA) Reporting Requirements for the WIC and PHEP/HPP Programs

The agency concurs with this finding. Program staff were reminded about the importance of reporting the information timely and the proper obligation date to report.

### REPORTING

#### Material Weakness

CFDA #10.557

CFDA #93.074

CFDA #93.268

CFDA #93.777

Special Supplemental Nutrition Program for Women, Infants, and Children Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements  
Immunization Cooperative Agreements  
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare

Federal Award Number and Year: 5MS700704 2014 and 2013  
5U90TP000530-02 2014  
1H23IP000790-01 2013  
5H23IP000790-02 2014  
Pass through from Medicaid

2014-022

Controls Should Be Strengthened over the Preparation and Review of the GAAP Reporting Package and the Schedule of Expenditures of Federal Activity

The agency concurs with this finding. The FY 2014 GAAP Reporting Package and the Schedule of Expenditures of Federal Activity were prepared by an outside firm. In the future the process will be conducted by agency staff and reviewed by supervisory personnel.

**ALLOWABLE COSTS/COST PRINCIPLES**

**Significant Deficiency**

CFDA #10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
CFDA #93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
CFDA #93.268	Immunization Cooperative Agreements
CFDA #93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare

Federal Award Number and Year: SMS700704 2014 and 2013  
SU90TP000530-02 2014  
IH23IP000790-01 2013  
SH23IP000790-02 2014  
Pass through from Medicaid

2014-023

Controls Should Be Strengthened over Allowable Costs/Cost Principles for the Time Study System

The agency concurs with this finding. The responsibility of preparing the time study reconciliations has been assigned to different personnel. The reconciliation will be reviewed and approved to ensure they are accurately prepared. In addition, corrections have been made to the relative value tables to ensure they are accurate. Also, time study staff will ensure the weeks selected for time study are equally distributed and that reviews of error reports are properly documented. The agency is still in the process of developing the activities reporting portion of the KRONOS Time Keeping system. At this point there is no implementation date set.

  
Mary Currier, M.D., M.P.H.  
State Health Officer

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STATE OF MISSISSIPPI  
Phil Bryant, Governor  
DEPARTMENT OF HUMAN SERVICES  
Richard A. Berry, Executive Director

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SINGLE AUDIT FINDINGS

March 25, 2015

Stacey E. Pickering, State Auditor  
Office of the State Auditor  
State of Mississippi  
P.O. Box 956  
Jackson, Mississippi 39205-0956

Dear Mr. Pickering:

The following are our responses and corrective action plans to the Single Audit Findings in the Single Audit Management Report as outlined in the Mississippi Department of Human Services' audit performed for Fiscal Year 2014:

SINGLE AUDIT FINDINGS:

**CFDA/Finding  
Number**

**Finding and Recommendation**

**ALLOWABLE COSTS/COST PRINCIPLES**

***Material Noncompliance***

***Material Weakness***

93.575

Child Care and Development Block Grant

93.596

Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Federal Award Number and Year:

G1101MSCCDF 2011

G1201MSTANF 2012

G1301MSCCDF 2013

G1401MSTANF 2014

G1202MSCCDF 2012

Questioned Costs: \$706



2014-009

Controls Should Be Strengthened to Ensure Compliance with Allowable Costs Requirements of the CCDF Cluster

Response:

While it is true that most school-aged children require part time care for most days during the school year, it is also true that parents of school-aged children work non-traditional hours and can need care for an excess of 6 hours per day during the school year. The Division of Early Childhood Care and Development (DECCD) allows for school aged children to be issued full-time certificates for care so that parents are not burdened with tuition payments when the part-time subsidy rate does not cover the care they need. Given this information regarding the ability for school-aged children to be issued full-time certificates, DECCD respectfully disagrees with the questioned costs associated with this finding. It is not possible to project questioned costs without considering the validity of some full-time certificates for school-aged children. Additionally, the issuance of full-time certificates for school-aged children is allowable, and not out of compliance with the allowable cost requirements of the Child Care and Development Block Grant, the Code of Federal Regulations, or the Mississippi Child Care Payment Policy Manual as stated in the Report.

In response to the questioned costs related to duplicate certificates, and duplicate provider payments, DECCD has taken measures to address this in the future. The case identified by the audit team involved a case where the child's identifying information was incomplete, which allowed for a duplicate certificate. DECCD has expanded the information used to identify children to prevent the issuance of duplicate certificates in the future.

Corrective Action Plan:

In order to help avoid duplicate cases/case records/certificates in the Child Care Payment System (CCPS), the Mississippi Department of Information Technology Services is making changes to CCPS to allow for the utilization of case ID numbers from other programs such as TANF to help identify cases and case records in CCPS. This process should be fully functional by September 30, 2015.

## ELIGIBILITY

### *Material Noncompliance*

### *Material Weakness*

93.575

Child Care and Development Block Grant

93.596

Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Federal Award Number and Year:

G1101MSCCDF 2011

G1201MSCCDF 2012

G1301MSCCDF 2013

G1401MSCCDF 2014

Questioned Costs: \$457

2014-010

Controls Should Be Strengthened to Ensure Compliance with Eligibility Requirements of the CCDF Cluster

Response:

In June, July, and August of 2014 DECCD performed client redeterminations for all cases identified as non-referred clients. Per federal rule, client redetermination will occur no fewer than 12 months from the date of initial eligibility determination, or last date of redetermination. DECCD will continue to redetermine clients eligible for subsidy according to this federal rule. Client redeterminations will be an on-going process each fiscal year.

The data system interface with the TANF client system increased functionality during the 2014 year. During this year, DECCD was better able to identify cases where clients continued to receive services without an active/open referral from TANF caseworkers. These cases are terminated as they are identified via the system interface, which should help control the issuance of certificates to clients no longer eligible for services.

Corrective Action Plan:

A. ITS is currently completing the online client redetermination process that will allow DECCD to perform client redeterminations on a regular basis. DECCD will redetermine clients eligible in the manner prescribed in the CCDF legislation of 2014.



B. DECCD's Data Integrity Manager will be reviewing the reconciliation report between JAWS and CCPS on a weekly basis to identify gaps between referral information and service records. This process will support increased alignment between the two programs' client

#### **ELIGIBILITY**

##### ***Material Noncompliance*** ***Material Weakness***

93.558 Temporary Assistance for Needy Families (TANF) State Programs

Federal Award Number and Year: G1202MSTANF 2012  
G1302MSTANF 2013  
G1402MSTANF 2014

Questioned Costs: \$7,945

2014-011 Controls Should Be Strengthened over Compliance with Eligibility and Benefit Payment Requirements of the TANF Program

#### **Response:**

The Mississippi Department of Human Services (MDHS) agrees that controls should be strengthened over compliance with eligibility and benefit payment requirements of the TANF program. MDHS has policy of which eligibility workers should be aware that provide adequate controls to address the various findings revealed by this audit. For a variety of reasons staff did not follow policy and procedures in a complete, accurate and timely fashion in every case. The details of management's responses to the specific findings are attached hereto as Exhibit A, "Disposition Request For Issue Regarding TANF's Eligibility Testwork" pages 1 through 10.

#### **Corrective Action Plan:**

The Division of Field Operations will re-emphasize to its staff the importance of adherence to policy and procedures as set out in Volume III, TANF Policy Manual.

As indicated on the attached "Disposition Request For Issue Regarding TANF's Eligibility Testwork", where applicable the findings have been explained as correct, corrected upon receipt of the audit finding, or submitted to the proper staff member for completion.

## REPORTING

### *Immaterial Noncompliance* *Material Weakness*

93.568  
93.667

Low-Income Home Energy Assistance Program  
Social Services Block Grant

Federal Award Number and Year:      G13B1MSLIEAW 2013  
   G13B1MSLIEAR 2013  
   G14B1MSLIEAW 2014  
   G14B1MSLIEAR 2014  
   G1401MSSOSR 2014

Questioned Costs: None

2014-012

Controls Should Be Strengthened over Compliance with Federal Funding Accountability and Transparency Act (FFATA) Reporting Requirements for the SSBG and LIHEAP Programs

Response (Re: SSBG):

The Mississippi Department of Human Services concurs that controls should be strengthened over compliance with federal funding to preclude reduced funding for the program.

Relative to the current audit finding, we respectfully submit that: the ten (10) subawards were required to be reported in FFATA by the Division of Aging and Adult Services (DAAS), not SSBG. Specifically, SSBG subgrants with DAAS. DAAS subgrants with the ten (10) subawardees. Therefore, DAAS is the direct recipient who subawards funding to the ten (10) subawardees.

Corrective Action Plan (Re: SSBG):

Office of Subgrants and Procurement (OSP) Director will communicate to the Director, Division of Aging and Adult Services, the requirement of FFATA reporting is DAAS' responsibility.

Response (Re: LIHEAP):

The Mississippi Department of Human Services concurs that controls should be strengthened over compliance with Federal Funding Accountability and Transparency Act (FFATA) Requirements.



1. Regarding the LIHEAP subawards reporting the effective date and not the date signed as the obligation date, due to lack of training, the Division of Community Services (DCS) misinterpreted the requirement that the obligation date of the subawards for FFATA reporting purposes should be the date subawards are signed and not the beginning effective date of the subaward. Reporting the effective date caused the reporting to not be submitted timely.
2. Regarding the seven subawards awarded by DCS, these subawards were not reported due to the appropriate staff not receiving the required information needed to enter them into FFATA and the lack of training with all staff involved resulted in a failure to comply with FFATA reporting requirements

Corrective Action Plan (Re: LIHEAP):

The Division of Community Services has entered all of the contracts that had not been reported as of August 14, 2014. The Division has incorporated a file system and a second level supervisory review to ensure all information that is reported into FFATA is correct and reported timely. All contract subaward obligation dates are being reported as the date the contract was signed per the Subgrant Signature Sheet. However, subawards being reported by the last day of the month following the obligation date is still a challenge due to the MAGIC system (Statewide Accounting System Implementation).

Internal controls have been put into place to insure that all staff involved with some portion of compiling the FFATA report are aware of the timeliness and sensitivity in which the information should be reported.

Attached are our modified procedures for FFATA submissions, entitled "Completing FFATA Report".

**REPORTING**

***Immaterial Noncompliance  
Significant Deficiency***

93.558  
93.575  
93.596

Temporary Assistance for Needy Families (TANF) State Programs  
Child Care and Development Block Grant  
Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Federal Award Number and Year:      G1402MSTANF 2014  
   G1301MSCCDF 2013  
   G1401MSCCDF 2014

Questioned Costs: None

2014-013      Controls Should Be Strengthened over Reporting of Subawards for Federal Funding Accountability and Transparency Act (FFATA) Requirements for the TANF Program and CCDF Cluster

Response (CCDF):

In December 2014 DECCD implemented a contract review process that adds a layer of oversight that was previously missing from contract management. This process involves monthly reviews of contract information in the contract reporting systems to ensure compliance with all reporting requirements.

Corrective Action Plan (CCDF):

- A. In order to ensure compliance with reporting requirements, each month, the DECCD Fiscal Officer and Operations Manager review the current contracts and prepare information to submit to the DECCD Director for review.
- B. On a quarterly basis the DECCD Director will review the information provided by the Fiscal Officer and Operations Manager to oversee any reporting errors.
- C. Records of these processes will be kept with the DECCD Fiscal Officer.

Response (TANF):

The Mississippi Department of Human Services concurs that controls should be strengthened over reporting of subawards for Federal Funding Accountability and Transparency Act (FFATA) Requirements for the TANF program. The Division of Field Operations (DFO) will insure all FFATA reporting will be timely and correct in the future.

Corrective Action Plan:

To insure the timeliness and correctness of the reports in FFATA, a supervisor will review all FFATA entries. The reports will be reviewed by DFO management to ensure timeliness and that the data is correct.

**ALLOWABLE COSTS/COST PRINCIPLES**

***Immaterial Noncompliance***

10.561      State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

93.558      Temporary Assistance for Needy Families (TANF) State Programs



93.563

Child Support Enforcement

Federal Award Number and Year:	12352841-B13	2013
	12352841-B14	2014
	G1302MSTANF	2013
	G1402MSTANF	2014
	G1304MS4005	2013
	G1404MS4005	2014

Questioned Costs: \$2,467,132

2014-014

Controls Should Be Strengthened to Ensure Compliance with Allowable Costs Requirements of the SNAP, TANF and Child Support Enforcement Programs

Response:

The Mississippi Department of Human Services concurs that controls should be strengthened to ensure compliance with allowable costs requirements of the SNAP, TANF, and Child Support Enforcement Programs. \$2,467,132 of the questioned costs in this finding relates to our actual use of allocation bases different from what was stated in our Cost Allocation Plan (CAP) for Pools P160, P185, and P280. This occurred as a result of our restructure of the field operations units of our Economic Assistance Division and Child Support Enforcement Division. At the time we amended our plan, which was before the restructure was fully operational, the agency's plans were for the two divisions to share common overhead costs for certain activities that would be appropriately allocated using headcount in the respective divisions. While the restructure was being implemented, it became apparent that what we thought would be common overhead costs for certain activities actually remained as either costs directly attributable to Child Support Enforcement or directly attributable Economic Assistance activities and programs. Then we were faced with either using the incorrect allocation methodology as we had amended into our CAP or using the correct allocation methodology and amending our plan. We chose to allocate the costs correctly and amend the plan as soon as possible.

\$1,715 of the questioned costs was due to our use of two obsolete pools, P090 and P291 that had inadvertently not been removed from the system.

Corrective Action Plan:

We will amend our Cost Allocation Plan to update the allocation basis shown for Pools P160, P185, and P280. We have already removed the two obsolete pools, i.e. P090 and P280 from the system which will prevent clerical personnel from using them by mistake.

**SUBRECIPIENT MONITORING**

*Material Weakness*

93.568  
93.667

Low-Income Home Energy Assistance Program  
Social Services Block Grant

Federal Award Number and Year:      G11B1MSLIEAR 2011  
   G12B1MSLIEAR 2012  
   G13B1MSLIEAR 2013  
   G1201MSSOSR 2012  
   G1301MSSOSR 2013

2014-015

Controls Should Be Strengthened over On-Site Monitoring for the SSBG and LIHEAP Programs

Response:

The Agency concurs with the finding and controls have been strengthened over subrecipient monitoring.

Corrective Action Plan:

These guidelines have been put in place and are operating efficiently.

New guidelines have been put in place to help the Office of Monitoring obtain all subgrants from the funding divisions in a timely manner. One of the guidelines is for subgrants and contracts to be emailed instead of paper copies being delivered. This will assure and properly place the responsibility of Office of Monitoring having all current information. Responses to and from the funding divisions on questioned cost memos and other information will also be handled by email. Returned receipts are now a requirement for all emails sent out by the Office of Monitoring.



Two reviews will be used to insure Review Checklists and Fiscal Monitoring tools will be completed prior to the issuance of the Initial Monitoring report. Each team member will be responsible for updating the tracking system on a daily basis and will be reviewed by the supervisors at the end of each week. There has been put into place a new set of guidelines, where each monitor is assigned subgrants. These assignments are based on the ending dates of the subgrants. This will allow each monitor to budget their time and resources more responsibly.

One of the goals set by the Director of Office of Monitoring was to ensure that the monitoring staff will have adequate time frames to issue initial reports, allow for responses and issue status and or clearance reports. The Director of Office of Monitoring has updated the time requirements in our Standard Operating Procedures. The Office of Monitoring now has teams in place that are trained properly and are fully staffed. A new training manual and an emphasis placed on timeliness for reports and responses, should allow the Office of Monitoring to issue all reports and responses timely.

The Division of Program Integrity is in the process of amending the subgrant manual to include a requirement for the DUNS number to be indicated on the Subgrant Signature Sheet. The Office of Monitoring will not process Administrative Review Memoranda (ARMs) until a Subgrant Signature Sheet has a DUNS number placed on it.

## **SUBRECIPIENT MONITORING**

### ***Significant Deficiency***

10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.558	Temporary Assistance for Needy Families (TANF) State Programs
93.568	Low-Income Home Energy Assistance Program
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care Development Fund
93.667	Social Services Block Grant

### **Federal Award Number and Year:**

SNAP Letter of Credit	G1001MSSOSR	2010	
G1002MSTANF	2010	G1101MSSOSR	2011
G1102MSTANF	2011	G1201MSSOSR	2012
G1202MSTANF	2012	G10B1MSLIEAR	2010
G0901MSCCDF	2009	G10B1MSLIEAW	2010
G1001MSCCDF	2010	G11B1MSLIEAR	2011
G1101MSCCDF	2011	G11B1MSLIEAW	2011
G1201MSCCDF	2012	G12B1MSLIEAR	2012

2014-016

Controls Should Be Strengthened over Subrecipient Monitoring for OMB Circular A-133 Audits for the SNAP, TANF, SSBG and LIHEAP Programs and for the CCDF Cluster

Response:

The Agency concurs with the finding and controls have been strengthened over subrecipient monitoring for OMB Circular A-133.

**Corrective Action Plan:**

These guidelines have been put in place and are operating efficiently.

To stress the importance of timely reporting of required A-133 audits, the Office of Monitoring will put into place a program to help ensure applicable subgrantees/contractors respond to initial, reminder and demand letters, as well as written monitoring findings. The Office of Monitoring will utilize the State of Mississippi website to obtain audits of schools, counties, cities and other State entities that file audit reports with the State Auditor's Office. The monitors from the Office of Monitoring will be instructed to get a copy of the subgrantees audits when completing their monitoring visits and determine if the audit report was submitted timely to MDHS for review.

The funding divisions within MDHS will be given training to reinforce the importance of responding to the corrective actions sent to them after a review of the A-133 audits by the Office of Monitoring. The Director of Program Integrity and the Director of Monitoring will also be following up by telephone and memo correspondence until a correction is received and resolved by the funding divisions.

Monthly tracking will be reviewed more closely to avoid missing any subgrantees that have expenditures and should file reports under the OMB Circular A-133.

## SUBRECIPIENT MONITORING

### Significant Deficiency

93.558

## Temporary Assistance for Needy Families (TANF) State Programs

Federal Award Number and Year: G1202MSTANF 2012  
G1302MSTANF 2013



2014-017

Controls Should Be Strengthened over On-Site Monitoring for the TANF Program

Response:

The Agency concurs with the finding and controls have been strengthened over subrecipient monitoring for the TANF Program

Corrective Action Plan:

These guidelines have been put in place and are operating efficiently.

New guidelines have been put in place to help the Office of Monitoring obtain all subgrants from the funding divisions in a timely manner. One of the guidelines is for subgrants and contracts to be emailed instead of paper copies being delivered. This will assure and properly place the responsibility of Office of Monitoring having all current information. Responses to and from the funding divisions on questioned cost memos and other information will also be handled by email. Returned receipts are now a requirement for all emails sent out by the Office of Monitoring.

Two reviews will be used to insure Review Checklists and Fiscal Monitoring tools will be completed prior to the issuance of the Initial Monitoring report. Each team member will be responsible for updating the tracking system on a daily basis and will be reviewed by the supervisors at the end of each week. There has been put into place a new set of guidelines, where each monitor is assigned subgrants. These assignments are based on the ending dates of the subgrants. This will allow each monitor to budget their time and resources more responsibly.

One of the goals set by the Director of Office of Monitoring was to ensure that the monitoring staff will have adequate time frames to issue initial reports, allow for responses and issue status and or clearance reports. The Director of Office of Monitoring has updated the time requirements in our Standard Operating Procedures. The Office of Monitoring now has teams in place that are trained properly and are fully staffed. A new training manual and an emphasis placed on timeliness for reports and responses, should allow the Office of Monitoring to issue all reports and responses timely.

The Division of Program Integrity is in the process of amending the subgrant manual to include a requirement for the DUNS number to be indicated on the Subgrant Signature Sheet. The Office of Monitoring will not process ARMs until a Subgrant Signature Sheet has a DUNS number placed on it.

#### **SPECIAL TESTS AND PROVISIONS-PENALTY FOR REFUSAL TO WORK**

##### ***Significant Deficiency***

93.558 Temporary Assistance for Needy Families (TANF) State Programs

Federal Award Number and Year: G1302MSTANF 2013  
G1402MSTANF 2014

2014-018 Controls Should Be Strengthened over Termination of Benefits for Non-Participation of Work-Eligible Adults in the Work Activities Program of the TANF Program

##### **Response:**

The Mississippi Department of Human Services concurs that controls should be strengthened over termination of benefits for non-participation of work-eligible adults in the work activities program of the TANF program.

##### **Corrective Action Plan:**

Bulletin 6504-TANF Time Limit Counters and Bulletin 6505 TANF 24-Month Counter "Clean up" were issued October 10, 2014, putting policy and procedures in place. Counties were provided an ad hoc report of cases that had received TANF benefits for 24 or more months and directed to conduct a desk review and handle according to procedures outlined. Counties reviewed and completed this report by October 31, 2014. County directors then provided a status report to their Regional directors by November 5, 2014.



We appreciate the courtesy and professionalism demonstrated by Stephanie Palmertree and her field staff throughout the audit. Should you have any questions regarding our responses or corrective action plans, please feel free to contact Earl D. Walker of the Division of Budgets and Accounting at 601-359-4665.

Respectfully,



Richard A. Berry  
Executive Director  
RAB:EDW:pt

Pc: Mark Smith  
John Davis  
William Simpson  
Kim Shackelford  
Earl D. Walker



MISSISSIPPI DIVISION OF  
**MEDICAID**

March 12, 2015

Stacey E. Pickering, State Auditor  
Office of the State Auditor  
State of Mississippi  
P.O. Box 956  
Jackson, MS 39205

Dear Mr. Pickering:

We have reviewed the single audit finding below in reference to our fiscal year 2014 audit. Listed below is our individual response and plan for corrective action:

**Audit Finding:**

2014-005                      Instances were noted where the CMS-64, Quarterly Statement of Expenditures for the Medical Assistance program was not submitted electronically to CMS within 30 days after the end of the quarter.

**Response:**                      The agency concurs with this finding and will endeavor to adopt and implement internal control policies and procedures to provide for the timely submission of all CMS-64, Quarterly Statement of Expenditures, for the Medical Assistance Program within the 30 day required timeframe after the end of each quarter.

**Corrective Action:**              In keeping with the above, the management of the Mississippi Division of Medicaid (DOM) would like to further acknowledge and document the following: (1) the two reports noted as late by the auditors were both submitted within two days of the required due date. DOM will do everything within its power to submit all future reports within the required timeframe or will document in writing the notification to CMS of any delay in the submission of the report. In this case, DOM chose accuracy over timeliness on the noted reports, because the reports drove the federal financial participation. During the noted time period, DOM implemented a new cost allocation plan that improved the reporting accuracy. The noted delays were directly related to the learning curve and technical issues associated with that new process. Despite internal control policies and procedures in place at DOM, submitting the CMS-64 Report within 30 days after the end of the quarter may be delayed due to the reliance on outside third parties for required information for the CMS-64 Report. Medical service expenditure amounts are obtained from DOM's fiscal agent, administrative expenditures are obtained from the statewide

Stacey E. Pickering  
March 12, 2015  
Page 2

accounting system, and indirect costs are allocated using a contractor's software system. If any of these systems are unable to supply DOM with timely, reliable information, DOM may not be able to meet the 30 day deadline. (2) DOM would like to take this opportunity to express the difficulties with preparing this complicated report within the allotted time. CMS has continued to add to the required information and the complexity of its reporting without providing formal training or instructions, compounding the difficulties of this report.

Name of Contact Person: Margaret King, Deputy Administrator for Finance

Anticipated Completion Date: March 31, 2015

Sincerely,

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

David J. Dzielak, Ph.D.  
Executive Director



STATE OF MISSISSIPPI  
PHIL BRYANT, GOVERNOR  
MISSISSIPPI DEVELOPMENT AUTHORITY  
BRENT CHRISTENSEN  
EXECUTIVE DIRECTOR

**Financial Audit Management Report**

March 20, 2015

Honorable Stacey E. Pickering, State Auditor  
Office of the State Auditor  
State of Mississippi  
P.O. Box 956-  
Jackson, MS 39205-0956

Dear Mr. Pickering:

This letter is in response to the findings during the Financial Audit Findings of the Mississippi Development Authority (MDA) for the fiscal year ended June 30, 2014. Our response is as follows:

**MATERIAL WEAKNESS**

**2014-003      Controls over GAAP Reporting Packages Should be Strengthened**

**Response:**

MDA concurs with the finding.

**Corrective Action Plan:**

The MDA has made adjustments to our internal GAAP preparation procedures to account of the allowance for uncollectible loans receivables. In addition, the MDA will strengthen our internal procedures to more accurately categorize loan balances when possible.

We appreciate the professional manner in which the audit team conducted this audit. If you have any questions concerning this response, please contact Brian Daniel at (601) 359-2596.

Sincerely,

  
Brent Christensen  
Executive Director



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**OFFICE OF THE STATE TREASURER**  
**LYNN FITCH**  
TREASURER

March 19, 2015

Honorable Stacey E. Pickering  
State Auditor  
State of Mississippi  
8<sup>th</sup> Floor, Woolfolk Building  
Jackson, Mississippi 39201

Dear Mr. Pickering:

We have reviewed the audit finding below in reference to our fiscal year 2014 audit. Listed below is our individual response and plan for corrective action:

**AUDIT FINDING:** Investment Ratios Should be Maintained in Accordance with State Law

**Response:** We do not concur with the audit finding. We fundamentally disagree with the application of the 50 percent limitation to certain Agency securities.


**Corrective Action:** Under the conservatorship put in place on September 7, 2008, FNMA and FHLMC are being run by the Federal Housing Finance Agency. The US Treasury's actions on September 7<sup>th</sup> included the institution of Preferred Stock Purchase Agreements, which are the foundation of the direct financial support of the US government to the agencies. The Treasury secretary's speech highlighted the additional security and clarity that these agreements provide to debt holders of FNMA and FHLMC. There were other steps that provided additional security to the debt holders through the provision of greater market stability, but the Purchase Agreements are, in our view, the most important and direct source of financial support. Because FNMA and FHLMC are congressionally chartered, only Congress can effect a permanent change in the status of the companies – either making them entirely public or entirely private. That is a matter that has yet to be determined. Reform will likely occur in some form over the next couple of years, and we will see what ultimately becomes of FNMA and FHLMC. The point put forth by Treasury is that what we know today is that the debt is for all intents and purposes fully supported by the US government, and


therefore the debt of FNMA and FHLMC held in the portfolio should not be included in the 50 percent calculation. There is not an explicit legal guarantee, and there will not be – partly because of the balance sheet effects on the US as a whole and partly because of the congressional charters of these companies, to say nothing of the precedent set by the US assuming a public/private entity's debt. The net result of the conservatorship is financial support of the companies, which includes support to pay its debt obligations and amounts to a guarantee from the federal government on the debt.

Treasury does not believe it is in the best interests of the taxpayers to liquidate FNMA and FHLMC holdings in favor of Treasuries to lower the allocation to Agencies due to the large losses in income to the portfolio that would result from such a rebalancing. The allocation to FNMA and FHLMC securities does not represent additional risk vis-à-vis Treasuries to the State or the taxpayers but does offer meaningfully higher yields. As FNMA and FHLMC holdings mature and/or are called, US Treasury holdings will be added to the portfolio as market rates and pricing are compelling compared to prevailing market rates of securities of similar maturities. Since March 2012, \$750 million of US Treasury securities have been added to the portfolio.

In the 2014 legislative session, the Office of the State Treasurer (OST) proposed revisions to amend Miss. Code Ann. § 27-105-33. The proposed revisions included the removal of the fifty percent required allocation to Treasury securities. The revisions were introduced in HB 1027 (please see attached), which was passed by the House of Representatives, Senate, and signed by the Governor March 19, 2014. The revisions to Miss. Code Ann. § 27-105-33 were effective July 1, 2014. Due to the revision to Miss. Code Ann. § 27-105-33, the OST will no longer be non-compliant to the referenced audit finding.

Sincerely,

  
Lynn Fitch  
State Treasurer

  
Liana Jackson  
Deputy



**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
STACEY E. PICKERING  
AUDITOR**

**Auditor's note to the Response from Management**

**TREASURY**

**MATERIAL NONCOMPLIANCE**

**Finding Number**

**Finding Heading**

2014-004

Investment Ratios Should Be Maintained in Accordance with State Law

**Rebuttal to Agency Response:**

We have reviewed the comments made by the agency in response to the above noted finding. We wish to place additional emphasis on the fact the agency remains in violation of Section 27-105-33, Miss. Code Ann. (1972). This statute makes no provision for the Treasurer's judgment to be substituted in lieu of strict compliance with its requirements.



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## IV. INDICES



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**STATE OF MISSISSIPPI**

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**INDEX OF FINANCIAL STATEMENT FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2014**

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2014-002	63	Health
2014-003	65	Mississippi Development Authority
2014-004	67	Treasury

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**STATE OF MISSISSIPPI**

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**INDEX OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
LISTED BY FEDERAL DEPARTMENT  
FOR THE YEAR ENDED JUNE 30, 2014**

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1. U.S. Department of Agriculture: Page 71
2. U.S. Department of Commerce: None
3. U.S. Department of Defense: None
4. U.S. Department of Housing and Urban Development: None
5. U.S. Department of the Interior: None
6. U.S. Department of Justice: None
7. U.S. Department of Labor: None
8. U.S. Department of Transportation: None
9. Appalachian Regional Commission: None
10. General Services Administration: None
11. National Foundation on the Arts and the Humanities: None
12. Small Business Administration: None
13. U.S. Department of Veterans Affairs: None
14. Environmental Protection Agency: None
15. U.S. Department of Energy: None
16. U.S. Department of Education: None
17. National Archives and Records Administration: None
18. U.S. Department of Health and Human Services: Page 89
19. Corporation for National and Community Service: None
20. Executive Office of the President: None
21. Social Security Administration: None
22. Department of Homeland Security: None

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STATE OF MISSISSIPPI

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INDEX OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
LISTED BY STATE GRANTEE AGENCY  
FOR THE YEAR ENDED JUNE 30, 2014

---

1. Agriculture and Commerce: None
2. Animal Health: None
3. Archives and History: None
4. Arts Commission: None
5. Attorney General: None
6. Board for Community and Junior Colleges: None
7. Central Mississippi Residential Center: None
8. Corrections: None
9. Education: Page 71
10. Emergency Management: None
11. Employment Security: None
12. Environmental Quality: None
13. Finance and Administration: None
14. Forestry Commission: None
15. Gaming Commission: None
16. Governor's Office: None
17. Health: Pages 77, 89
18. Human Services: Pages 84, 98
19. Insurance: None
20. Library Commission: None
21. Marine Resources: None
22. Medicaid: Page 118
23. Mental Health: None
24. Military Department: None
25. Mississippi Development Authority: None
26. Narcotics: None
27. Oil and Gas Board: None
28. Public Safety: None
29. Public Service Commission: None
30. Rehabilitation Services: None
31. Secretary of State: None
32. Soil and Water Conservation Commission: None
33. State Fire Academy: None
34. Supreme Court: None
35. Transportation: None
36. Treasury: None
37. Veterans Affairs Board: None
38. Wildlife, Fisheries and Parks: None

**Note:** *If findings and recommendations related to an agency appear on more than one page in a sequence, only the first page is indicated in the above reference.*



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STATE OF MISSISSIPPI

INDEX OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
LISTED BY FINDING NUMBER  
FOR THE YEAR ENDED JUNE 30, 2014

<u>FINDING NUMBER</u>	<u>PAGE NUMBER</u>	<u>STATE GRANTEE AGENCY NAME</u>
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2014-020	92	Health
2014-021	82, 97	Health
2014-022	80, 95	Health
2014-023	77, 89	Health

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**STATE OF MISSISSIPPI**

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**INDEX OF MANAGEMENT RESPONSES TO FEDERAL AWARD FINDINGS  
AND CORRECTIVE ACTION PLANS  
LISTED BY STATE GRANTEE AGENCY  
FOR THE YEAR ENDED JUNE 30, 2014**

---

1. Agriculture and Commerce: None
2. Animal Health: None
3. Archives and History: None
4. Arts Commission: None
5. Attorney General: None
6. Board for Community and Junior Colleges: None
7. Central Mississippi Residential Center: None
8. Corrections: None
9. Education: Page 139
10. Emergency Management: None
11. Employment Security: None
12. Environmental Quality: None
13. Finance and Administration: None
14. Forestry Commission: None
15. Gaming Commission: None
16. Governor's Office: None
17. Health: Page 145
18. Human Services: Page 149
19. Insurance: None
20. Library Commission: None
21. Marine Resources: None
22. Medicaid: Page 163
23. Mental Health: None
24. Military Department: None
25. Mississippi Development Authority: None
26. Narcotics: None
27. Oil and Gas Board: None
28. Public Safety: None
29. Public Service Commission: None
30. Rehabilitation Services: None
31. Secretary of State: None
32. Soil and Water Conservation Commission: None
33. State Fire Academy: None
34. Supreme Court: None
35. Transportation: None
36. Treasury: None
37. Veterans Affairs Board: None
38. Wildlife, Fisheries and Parks: None



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## **V. ACKNOWLEDGMENTS**



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## **ACKNOWLEDGMENTS**

### **REPORT PREPARED BY:**

**Stacey E. Pickering, State Auditor**  
**Patrick S. Dendy, CPA, Deputy State Auditor**  
**William R. Doss, CPA, Director, Financial and Compliance Audit Division**  
**Rob Robertson, Director, Agency Audit Section**

Many thanks to the following managers, supervisors and field staff of the Office of the State Auditor for their efforts in gathering information contained in this Single Audit Report:

#### **Managers**

Amy Buller, CPA  
Yolanda Campbell, CPA  
Karlanne Coates, CPA  
Sallie Dier, CPA

#### **Supervisors**

Stacey Allman, CPA  
Johnnie Davenport  
Jeanne Julious  
Kayla McKnight  
Stephanie Palmertree, CPA  
Donna Parmegiani, CPA  
Kristi Webb  
Thomas Wirt, CPA

#### **Field Staff**

Lee Alford	Alan Jarrett
Jason Ashley	Cheryl Johnston, CPA
Virginia Anderson	Katherine Landrum, CPA
Camden Baird, CPA	Jeremy Miller, CPA
Jessie Crews	John Newell
Kevin Cribbs	Taylor Phillips
Selena Davis	Elaina Jo Smith
Kyle Goldman	David Stewart
Kelly Holtsinger	Elevia Tate
Kari Horn	

#### **Information Systems Audit Staff**

David Ashley, CISA, Director  
Mike Ferguson, CISA, Manager  
LaDonna Johnson, CISA

We would also like to thank staff members of the Bureau of Financial Reporting, Department of Finance and Administration, for their assistance through compilation of the Schedule of Expenditures of Federal Awards.



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**Office of the State Auditor**  
**Post Office Box 956**  
**Jackson, Mississippi 39205-0956**  
**[www.osa.state.ms.us](http://www.osa.state.ms.us)**