State of Georgia

Single Audit Report

Fiscal Year Ended

June 30, 2011

Georgia State Capitol - Close-up of the building's dome

The **Georgia State Capitol**, in Atlanta, Georgia, in the United States, is an architecturally and historically significant building. It has been named a National Historic Landmark and is listed on the National Register of Historic Places. It is the main office building of Georgia's government. The offices of the governor, lieutenant governor, and secretary of state are on the second floor, while the General Assembly meets on the third floor from January to April. There are also visitors' galleries and a museum on the fourth floor.

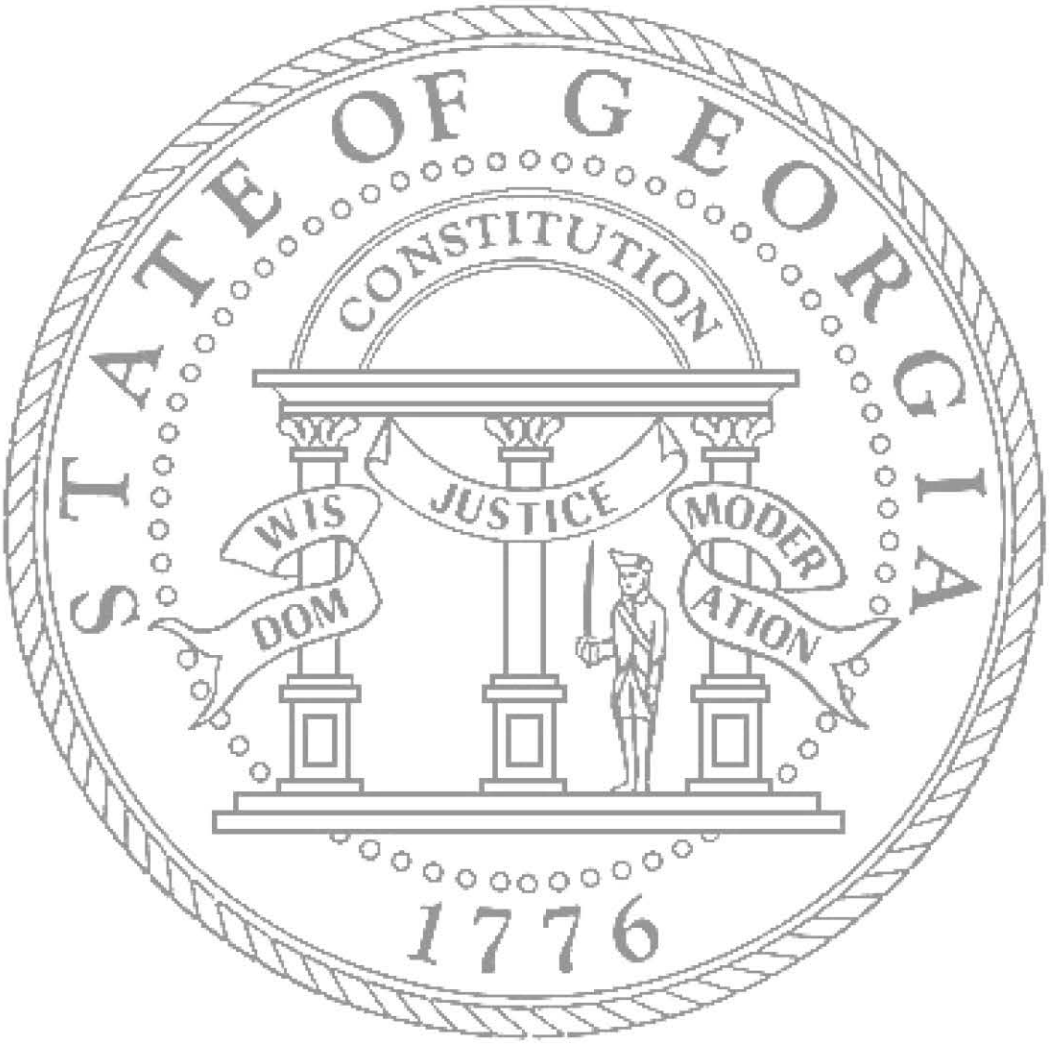
Source: http://en.wikipedia.org/wiki/Georgia_State_Capitol

State of Georgia

NATHAN DEAL, GOVERNOR

Single Audit Report For the Fiscal Year Ended June 30, 2011

Prepared by
State Accounting Office and
Georgia Department of Audits and Accounts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February 28, 2012

The Honorable Nathan Deal
Governor of Georgia
and
Members of the General Assembly
Citizens of the State of Georgia

We are honored to present the *Single Audit Report* of the State of Georgia for the fiscal year ended June 30, 2011. Organizational units comprising the State of Georgia reporting entity are listed in Appendix "A" of this report.

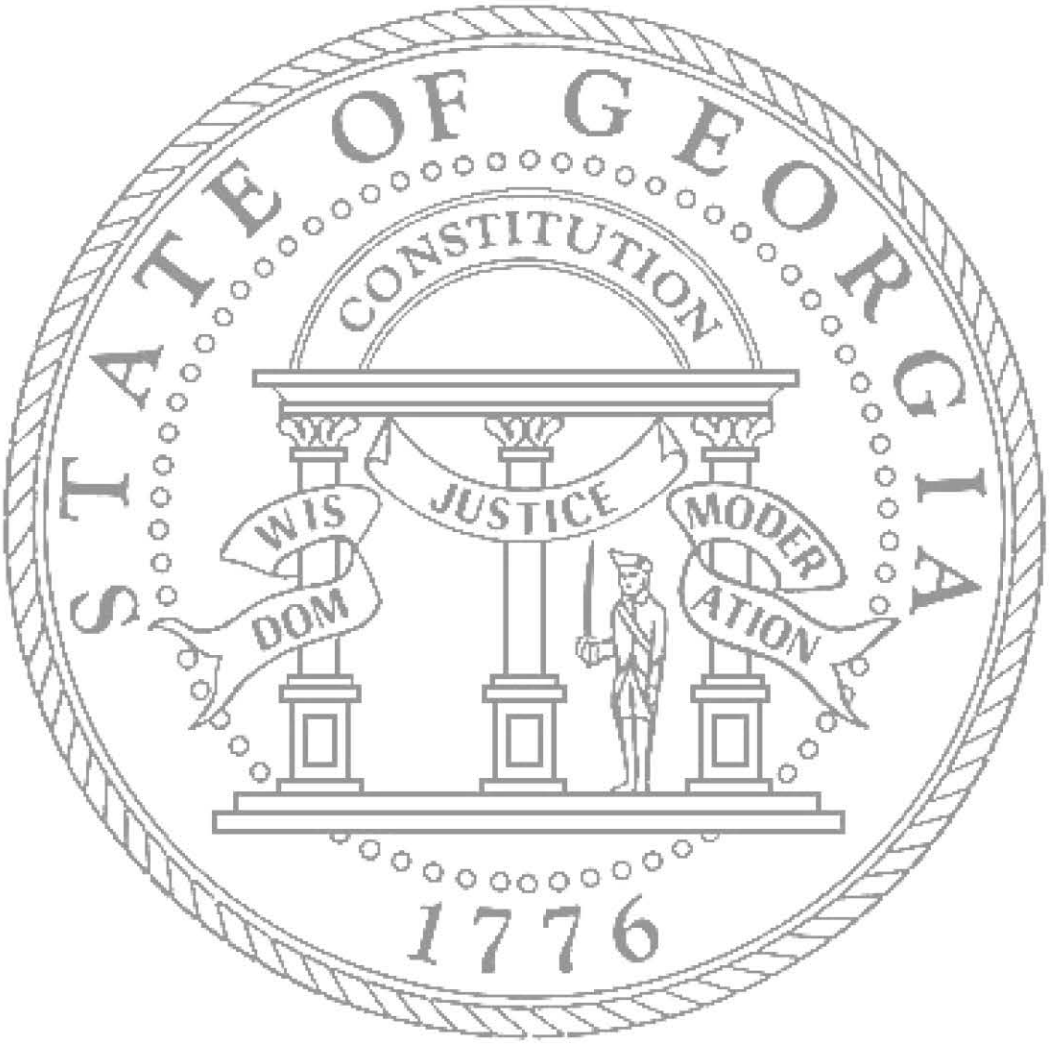
Federal laws and regulations require that the State undergo an annual audit in conformity with the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit organizations.* Accordingly, the *Single Audit Report* of the State of Georgia discloses the results of the financial operations of the State of Georgia reporting entity, as well as its compliance with requirements applicable to Federal financial assistance programs administered by the State.

This report is the culmination of extensive planning, coordination, cooperation, testing and evaluation, and we would like to express our appreciation to all those involved in its preparation and completion. We believe the results of this statewide audit provide valuable information to the State's decision makers and others interested in the activities of the State of Georgia.

Respectfully submitted,

Greg S. Griffin, CPA
State Accounting Officer

Russell W. Hinton, CPA, CGFM
State Auditor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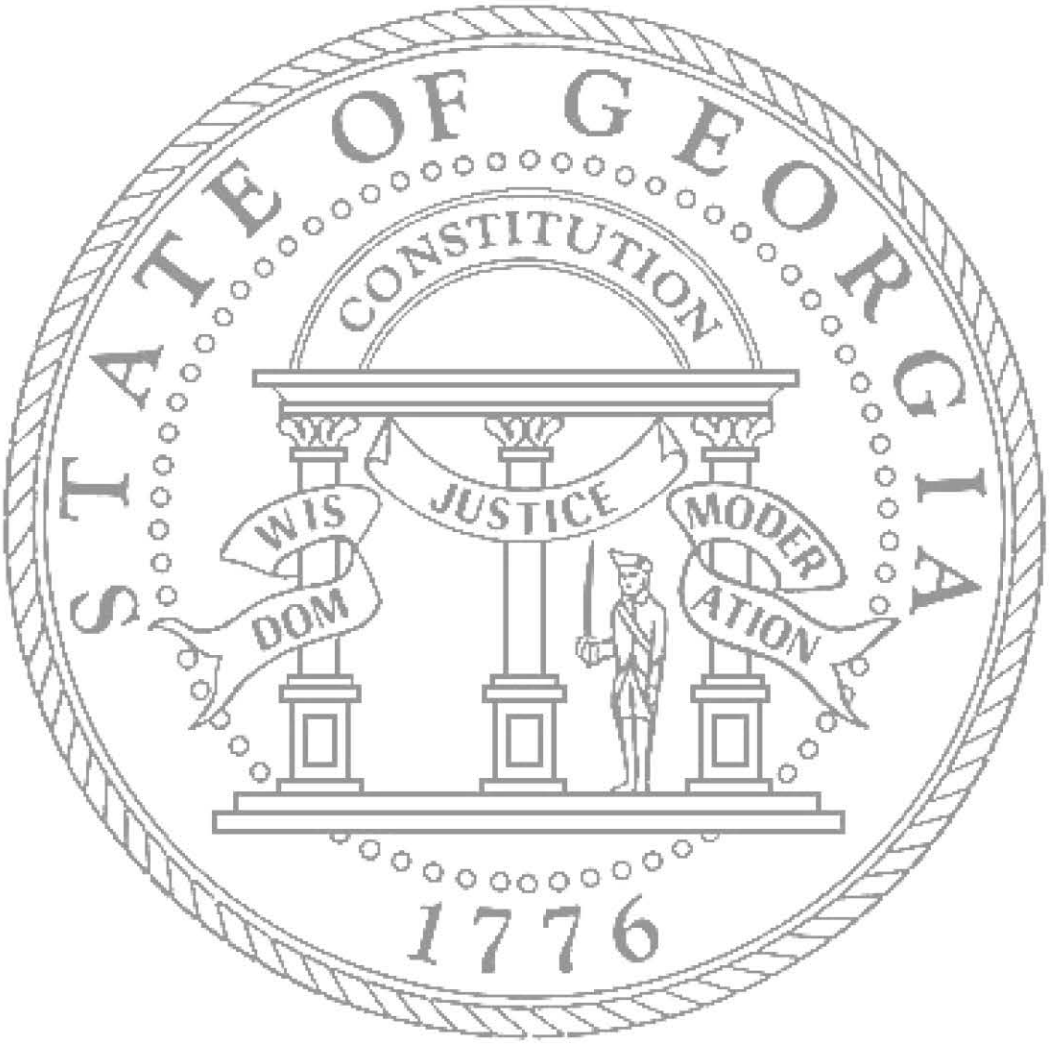
APPENDIX "A" – ORGANIZATIONAL UNITS

Listing of Organizational Units Comprising the State of Georgia Reporting Entity..... AP3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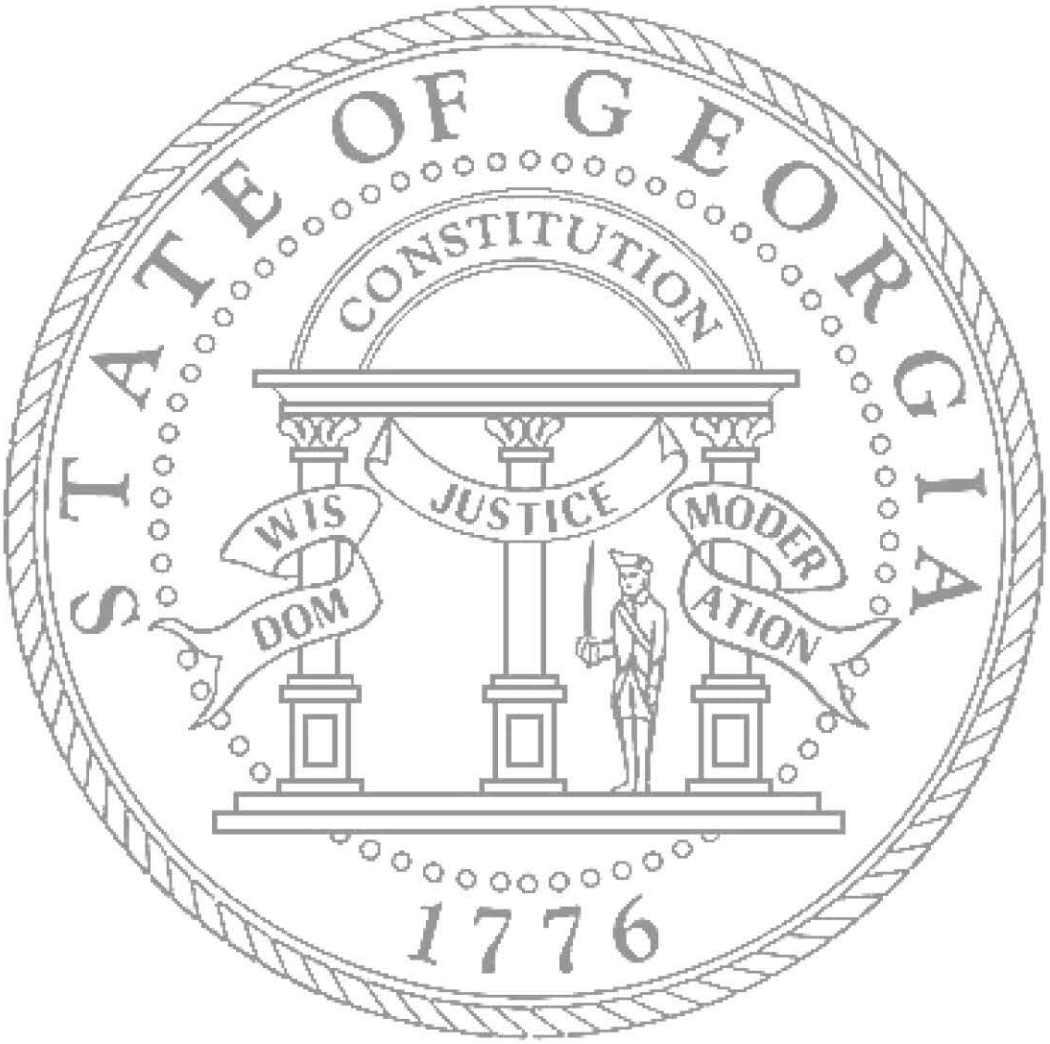
Auditor's Section

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*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DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W. Suite 1-156
Atlanta, Georgia 30334

RUSSELL W. HINTON
STATE AUDITOR
(404) 656-2174

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Nathan Deal
Governor of Georgia
and
Members of the General Assembly
of the State of Georgia

We have audited the financial statements of the governmental activities, business-type activities, the aggregated discretely presented component units, each major fund and the aggregated remaining fund information of the State of Georgia as of and for the year ended June 30, 2011, which collectively comprise the State of Georgia's basic financial statements and have issued our report thereon dated December 30, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the following percentages of total assets and revenues or additions of the indicated opinion units as described in our report on the State of Georgia's financial statements.

Opinion Unit	Percent of Opinion Unit's Total Assets	Percent of Opinion Unit's Total Revenues/Additions
Governmental Activities	13%	26%
Business-Type Activities	4%	18%
Aggregate Discretely Presented Component Units	94%	94%
Governmental Fund - General Fund	12%	22%
Governmental Fund - Georgia Obligation Bond Projects Fund	99%	99%
Proprietary Fund/Enterprise Fund - State Employees' Health Benefit Plan	100%	100%
Aggregate Remaining Fund Information	90%	62%

This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other 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. The financial statements of the Armstrong Atlantic State University Educational Properties Foundation, Inc., Georgia College &

State University Foundation, Inc., Georgia Lottery Corporation, Georgia Southern University Housing Foundation, Inc., Georgia State University Foundation, Inc., Georgia Tech Athletic Association, Georgia Tech Foundation, Inc., Kennesaw State University Foundation, Inc., MCG Health, Inc., MCG Health System, Inc., Medical College of Georgia Foundation, Inc., The Medical College of Georgia Physician's Practice Group Foundation, The University of Georgia Athletic Association, Inc., The University of Georgia Foundation, University System of Georgia Foundation, Inc., and the VSU Auxiliary Services Real Estate Foundation, Inc., audited by other auditors, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of the State of Georgia is responsible for establishing and maintaining effective internal Controls over financial reporting. In planning and performing our audit, we and other auditors considered the State of Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State of Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurances that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of *Findings and Questioned Costs* we and other auditors identified certain deficiencies in internal control over financial reporting that we and other auditors consider to be material weaknesses and other deficiencies that we and other auditors consider to be 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the State of Georgia's financial statements will not be prevented, or detected and corrected on a timely basis. We and other auditors consider the deficiencies described in the accompanying schedule of *Findings and Questioned Costs* to be material weaknesses.

Administrative Services, Department of:	*Human Services, Department of:*
FS-403-11-01	FS-427-11-04
	FS-427-11-06
Prosecuting Attorneys' Council of Georgia:	FS-427-11-12
FS-418-11-100	FS-427-11-100
Community Health, Department of:	*Labor, Department of:*
FS-419-11-01	FS-440-11-04
FS-419-11-02	FS-440-11-08
FS-419-11-03	FS-440-11-100
FS-419-11-04	

Behavioral Health and Developmental Disabilities, Department of:	*Transportation, Department of:*
FS-441-11-06	FS-484-11-01
	FS-484-11-02
	FS-484-11-03
Revenue, Department of:	FS-484-11-09
FS-474-11-02	FS-484-11-100
	Road and Tollway Authority, State:
	FS-927-11-01

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 and other auditors consider the following deficiencies as described in the accompanying schedule of *Findings and Questioned Costs* to be significant deficiencies.

Agriculture. Department of:	*Governor, Office of the:*
FS-402-11-01	FS-422-11-01
FS-402-11-02	
FS-402-11-03	*Human Services, Department of:*
FS-402-11-07	FS-427-11-01
FS-402-11-08	FS-427-11-02
FS-402-11-09	FS-427-11-03
FS-402-11-10	FS-427-11-05
FS-402-11-11	FS-427-11-07
FS-402-11-100	FS-427-11-08
	FS-427-11-09
Administrative Services, Department of:	FS-427-11-10
FS-403-11-02	FS-427-11-11
	FS-427-11-13
Insurance, Department of:	FS-427-11-14
FS-408-11-01	FS-427-11-15
Education, Department of:	*Court of Appeals:*
FS-414-11-01	FS-432-11-01
FS-414-11-02	
	Labor, Department of:
Prosecuting Attorneys' Council of Georgia:	FS-440-11-01
FS-418-11-02	FS-440-11-02
FS-418-11-03	FS-440-11-03
FS-418-11-04	FS-440-11-05
FS-418-11-05	FS-440-11-06
FS-418-11-06	
FS-418-11-07	*Behavioral Health and Developmental Disabilities, Department of:*
Community Health, Department of:	FS-441-11-01
FS-419-11-05	FS-441-11-02
FS-419-11-100	FS-441-11-03
	FS-441-11-04
	FS-441-11-05

Juvenile Justice, Department of:	*Fort Valley State University:*
FS-461-11-01	FS-533-11-01
	FS-533-11-02
Natural Resources, Department of:	FS-533-11-03
FS-462-11-01	FS-533-11-04
FS-462-11-02	
FS-462-11-100	*Georgia Perimeter College:*
FS-462-11-101	FS-571-11-1
	FS-571-11-2
Corrections, Department of:	
FS-467-11-01	*Macon State College:*
FS-467-11-02	FS-581-11-01
FS-467-11-03	FS-581-11-02
	FS-581-11-03
Public Service Commission:	
FS-470-11-01	*South Georgia College:*
	FS-587-11-01
Regents of the University System of Georgia, Board of:	FS-587-11-02
	FS-587-11-03
FS-472-11-01	FS-587-11-04
Revenue, Department of:	*Skidaway Institute of Oceanography:*
FS-474-11-01	FS-593-11-01
FS-474-11-03	FS-593-11-02
FS-474-11-100	FS-593-11-03
Secretary of State:	*West Georgia Technical College:*
FS-478-11-01	FS-826-11-01
	FS-826-11-02
Aviation Hall of Fame:	FS-826-11-03
FS-483-11-02	FS-826-11-04
Transportation, Department of:	*Seed Development Commission, Georgia:*
FS-484-11-04	FS-919-11-01
FS-484-11-05	
FS-484-11-06	*West Georgia Regional Educational Service Agency:*
FS-484-11-07	FS-8604-11-01
FS-484-11-08	
	Griffin Regional Educational Service Agency:
Subsequent Injury Trust Fund:	FS-8624-11-01
FS-489-11-01	
	Chattahoochee-Flint Regional Educational Service Agency:
Public Defender Standards Council, Georgia:	
FS-492-11-01	FS-8724-11-02

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Georgia's financial statements are free of material misstatement, we and other auditors performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements,

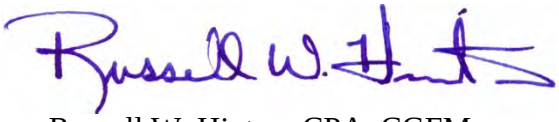
noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly we do not express such an opinion. The results of our tests and those of the other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We and other auditors noted certain matters that were reported to management of the State of Georgia and management of various organizational units of the State of Georgia, respectively, in separate letters.

The State of Georgia's responses to findings identified in our audit are described in the *Corrective Action Responses to Current Year Audit Findings and Questioned Costs* section of the accompanying schedule of *Auditee's Responses*. We did not audit the State of Georgia's responses and, accordingly, we express no opinion on them.

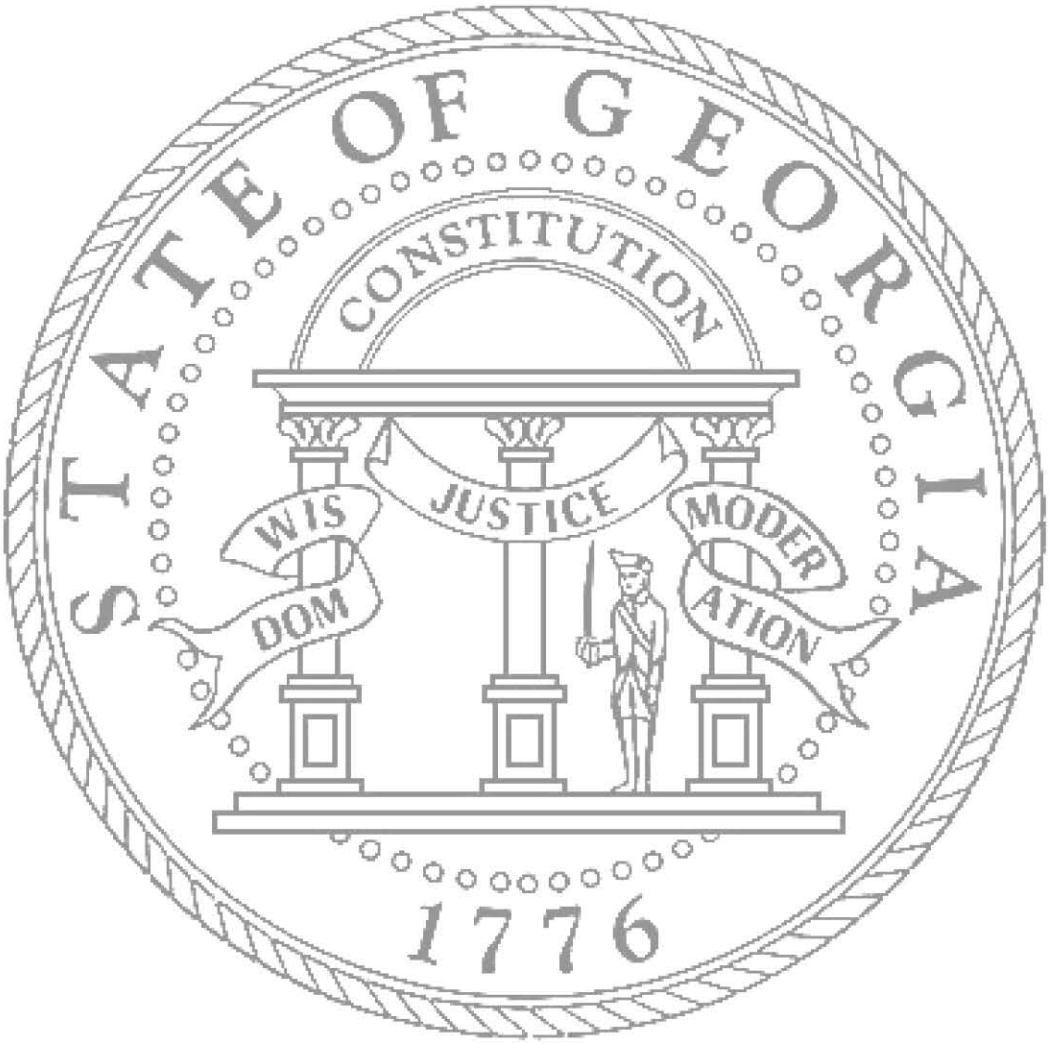
This report is intended solely for the information and use of the management of the State of Georgia, including the Governor and the Georgia General Assembly, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.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

Respectfully submitted,



Russell W. Hinton, CPA, CGFM
State Auditor

December 30, 2011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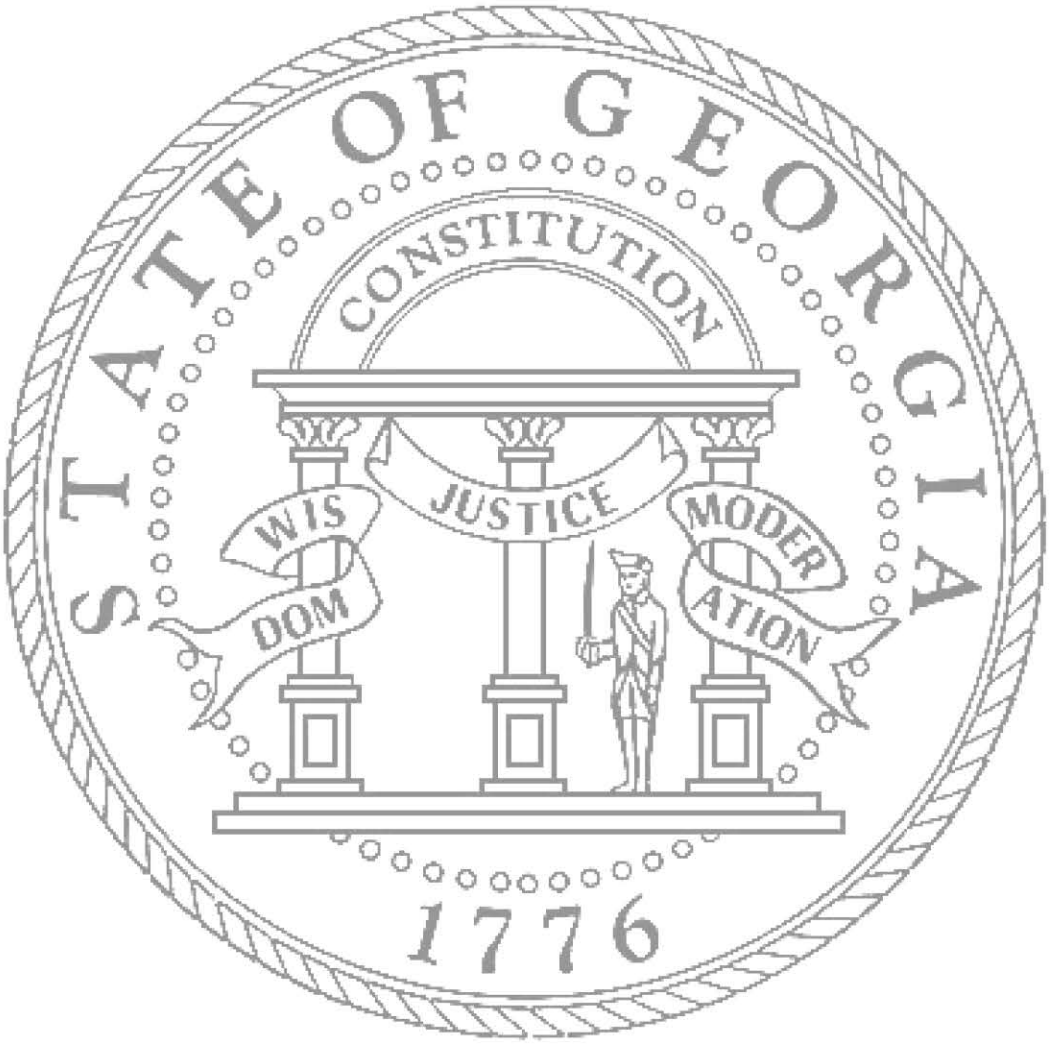
Report on Compliance with Requirements that Could have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133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DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W. Suite 1-156
Atlanta, Georgia 30334

RUSSELL W. HINTON
STATE AUDITOR
(404) 656-2174

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Nathan Deal
Governor of Georgia
and
Members of the General Assembly
of the State of Georgia

Compliance

We have audited the compliance of the State of Georgia 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 major federal programs for the year ended June 30, 2011. The State of Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of *Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the State of Georgia's management. Our responsibility is to express an opinion on the State of Georgia's compliance based on our audit. We did not audit the following major federal programs or percentages of federal programs:

CFDA NO.	PROGRAM NAME	% AUDITED BY OTHER AUDITORS	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	100%	$291,354,078	$0
14.239	Home Investment Partnerships Program	100%	$20,137,923	$0
14.257	ARRA-Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	100%	$11,201,829	$0
14.258	ARRA-Tax Credit Assistance Program (Recovery Act Funded)	100%	$31,976,247	$0
47.076*	Education and Human Services	21%	$16,184,610	$0
66.039*	National Clean Diesel Emissions Reduction Program	24%	$1,309,049	$0
66.458	Capitalization Grants for Clean Water State Revolving Funds	100%	$48,146,407	$0
66.468	Capitalization Grants for Drinking Water State Revolving Funds	100%	$38,424,204	$0
81.041*	State Energy Program	98%	$36,269,222	$0
81.042	Weatherization Assistance for Low-Income Persons	100%	$55,757,245	$0
81.127	ARRA-Energy Efficient Appliance Rebate Program – (EEARP)	100%	$3,734,409	$0
81.128*	Energy Efficiency and Conservation Block Grant Program - (EECBG)	100%	$13,879,395	$0
93.069*	Public Health Emergency Preparedness	97%	$28,449,051	$0
93.767	Children's Health Insurance Program	100%	$229,323,469	$0

93.917	HIV Care Formula Grants	99%	$43,825,586	$0
	Early Intervention Services Cluster	99%	$20,858,595	$0
	Economic Development Cluster	85%	$2,598,604	$0
	Immunization Cluster	99%	$9,268,523	$148,574,497
	Medicaid Cluster	99%	$5,869,350,990	$0
	Research and Development Cluster	89%	$684,616,868	$279,717
	Student Financial Assistance Cluster	37%	$2,327,046,596	$881,838,039
	TRIO Cluster	20%	$9,944,288	$0

* Includes Research and Development Cluster

The programs listed above were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to compliance requirements for these programs, is based on the reports of the other auditors.

Except as discussed in the following seven paragraphs, we conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material affect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State of Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the State of Georgia's compliance with those requirements.

As described in finding numbers FA-441-11-01 and FA-441-11-02 in the accompanying schedule of *Findings and Questioned Costs*, we were unable to obtain sufficient documentation supporting the compliance of the State of Georgia with the Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959) regarding Matching, Level of Effort, Earmarking and Reporting, nor were we able to satisfy ourselves as to the State of Georgia’s compliance with those requirements by other auditing procedures.

As described in finding numbers FA-427-11-03, FA-427-11-09 and FA-427-11-10 in the accompanying schedule of *Findings and Questioned Costs*, we were unable to obtain sufficient documentation supporting the compliance of the State of Georgia with the Child Support Enforcement Program (CFDA 93.563) regarding Matching, Level of Effort, Earmarking, Program Income and Reporting, nor were we able to satisfy ourselves as to the State of Georgia’s compliance with those requirements by other auditing procedures.

As described in finding numbers FA-427-11-04 and FA-427-11-13 in the accompanying schedule of *Findings and Questioned Costs*, we were unable to obtain sufficient documentation supporting the compliance of the State of Georgia with the CCDF Cluster regarding Matching, Level of Effort, Earmarking and Reporting, nor were we able to satisfy ourselves as to the State of Georgia’s compliance with those requirements by other auditing procedures.

As described in finding numbers FA-427-11-06, FA-427-11-11, FA-427-11-17, and FA-427-11-25 in the accompanying schedule of *Findings and Questioned Costs*, we were unable to obtain sufficient documentation supporting the compliance of the State of Georgia with the TANF

Cluster Program regarding Matching, Level of Effort, Earmarking, Reporting and Special Tests and Provisions, nor were we able to satisfy ourselves as to the State of Georgia's compliance with those requirements by other auditing procedures.

As described in finding numbers FA-427-11-05 and FA-427-11-12 in the accompanying schedule of *Findings and Questioned Costs*, we were unable to obtain sufficient documentation supporting the compliance of the State of Georgia with the SNAP Cluster regarding Matching, Level of Effort, Earmarking and Reporting, nor were we able to satisfy ourselves as to the State of Georgia's compliance with those requirements by other auditing procedures.

As described in finding numbers FA-427-11-07 and FA-427-11-15 in the accompanying schedule of *Findings and Questioned Costs*, we were unable to obtain sufficient documentation supporting the compliance of the State of Georgia with the CSBG Cluster Program regarding Matching, Level of Effort, Earmarking and Reporting, nor were we able to satisfy ourselves as to the State of Georgia's compliance with those requirements by other auditing procedures.

As described in finding number FA-427-11-08 and FA-427-11-14 in the accompanying schedule of *Findings and Questioned Costs*, we were unable to obtain sufficient documentation supporting the compliance of the State of Georgia with the Low-Income Home Energy Assistance Program (CFDA 93.568) regarding Matching, Level of Effort, Earmarking and Reporting, nor were we able to satisfy ourselves as to the State of Georgia's compliance with those requirements by other auditing procedures.

As described in finding number FA-427-11-16 in the accompanying schedule of *Findings and Questioned Costs*, the State of Georgia did not comply with requirements regarding Reporting that is applicable to the CCDF Cluster Program, the Low-Income Home Energy Assistance Program (CFDA 93.568), and the TANF Cluster Program. Compliance with this requirement is necessary, in our opinion, for the State of Georgia to comply with requirements applicable to this program.

As described in finding number FA-427-11-18 in the accompanying schedule of *Findings and Questioned Costs*, the State of Georgia did not comply with requirements regarding Reporting that is applicable to the Low-Income Home Energy Assistance Program (CFDA 93.568). Compliance with this requirement is necessary, in our opinion, for the State of Georgia to comply with requirements applicable to this program.

As described in finding number FA-440-11-04 in the accompanying schedule of *Findings and Questioned Costs*, the State of Georgia did not comply with requirements regarding Cash Management that is applicable to the Vocational Rehabilitation Cluster Program. Compliance with this requirement is necessary, in our opinion, for the State of Georgia to comply with requirements applicable to this program.

As described in finding number FA-533-11-01 in the accompanying schedule of *Findings and Questioned Costs*, the State of Georgia did not comply with requirements regarding Eligibility that is applicable to the Student Financial Assistance Cluster Program. Compliance with this requirement is necessary, in our opinion, for the State of Georgia to comply with requirements applicable to this program.

In our opinion, based on our audit and the report of other auditors, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the State of Georgia's compliance with the requirements described in paragraphs four through ten, and except for the noncompliance described in the preceding four paragraphs, the State of Georgia complied in all material respects, with the requirements referred to above that could have a direct and material effect on major federal programs for the year ended June 30, 2011. However, the results of our and other auditors' auditing procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the Federal Awards Findings and Questioned Costs section of the accompanying schedule of *Findings and Questioned Costs* as the following items.

Activities Allowed or Unallowed FA-419-11-07 FA-419-11-10 FA-419-11-11 FA-419-11-12 FA-440-11-03 **Allowable Costs/Cost Principles** FA-419-11-01 FA-419-11-02 FA-419-11-07 FA-419-11-10 FA-419-11-11 FA-419-11-12 FA-427-11-01 FA-427-11-02 FA-440-11-03 **Cash Management** FA-533-11-02 **Eligibility** FA-414-11-01 FA-419-11-04 FA-440-11-05	**Equipment and Real Property Management** FA-414-11-02 **Matching, Level of Effort, Earmarking** FA-419-11-05 FA-5092-11-01 FA-533-11-03 **Procurement and Suspension and Debarment** FA-484-11-01 **Reporting** FA-419-11-03 FA-427-11-19 FA-427-11-20 FA-427-11-21 FA-440-11-06 FA-440-11-07 FA-471-11-02 FA-484-11-02 FA-5092-11-02 **Subrecipient Monitoring** FA-419-11-06 FA-427-11-02	**Subrecipient Monitoring** *(continued)* FA-427-11-22 FA-427-11-23 FA-427-11-24 FA-471-11-01 FA-440-11-08 FA-484-11-03 FA-923-11-01 **Special Tests and Provisions** FA-419-11-08 FA-419-11-09 FA-427-11-24 FA-427-11-26 FA-427-11-27 FA-440-11-09 FA-484-11-01 FA-484-11-04 FA-521-11-01 FA-548-11-01 FA-820-11-01 **Accounting Controls (Overall)** FA-440-11-01 FA-440-11-02

Internal Control Over Compliance

Management of the State of Georgia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. We did not consider the internal control structures applicable to the federal programs listed in the table in paragraph one. Those internal control structures were considered by other auditors whose reports have been furnished to us. Our report, insofar as it relates to the internal control structures used in administering the federal programs mentioned previously is based on the reports of the other auditors.

In planning and performing our audit, we and other auditors considered the State of Georgia's internal control over compliance with the requirements that could have a direct and material

effect on a major federal program to determine auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion of the effectiveness of the State of Georgia's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we and other auditors identified certain deficiencies in internal control over compliance that we considered to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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 other auditors consider the deficiencies in internal control over compliance described in the accompanying schedule of *Findings and Questioned Costs* as items listed below to be material weaknesses.

Cash Management FA-440-11-04 **Eligibility** FA-533-11-01 **Matching, Level of Effort, Earmarking** FA-427-11-03 FA-427-11-04 FA-427-11-05 FA-427-11-06 FA-427-11-07 FA-427-11-08 FA-441-11-01	**Program Income** FA-427-11-09 **Reporting** FA-427-11-10 FA-427-11-11 FA-427-11-12 FA-427-11-13 FA-427-11-14 FA-427-11-15 FA-427-11-16 FA-427-11-17 FA-427-11-18 FA-441-11-02	**Subrecipient Monitoring** FA-427-11-22 FA-427-11-23 FA-427-11-24 FA-471-11-01 FA-484-11-03 **Special Tests and Provisions** FA-427-11-24 FA-427-11-25 FA-427-11-27 FA-440-11-09 FA-484-11-04

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 and other auditors consider the deficiencies in internal control over compliance described in the Federal Awards Findings and Questioned Costs section of the accompanying schedule of *Findings and Questioned Costs* as items listed below to be significant deficiencies.

Activities Allowed or Unallowed	**Eligibility** *(continued)*	**Reporting** *(continued)*
FA-419-11-07	FA-419-11-04	FA-440-11-07
FA-419-11-10	FA-440-11-05	FA-471-11-02
FA-419-11-11		FA-484-11-02
FA-419-11-12	**Equipment and Real Property Management**	FA-5092-11-02
FA-440-11-03	FA-414-11-02	
		Subrecipient Monitoring
Allowable Costs/Cost Principles		FA-419-11-06
FA-419-11-01	**Matching, Level of Effort, Earmarking**	FA-427-11-02
FA-419-11-02	FA-419-11-05	FA-440-11-08
FA-419-11-07	FA-5092-11-01	FA-923-11-01
FA-419-11-10	FA-533-11-03	
FA-419-11-11		**Special Tests and Provisions**
FA-419-11-12		FA-419-11-08
FA-427-11-01	**Procurement and Suspension and Debarment**	FA-419-11-09
FA-427-11-02	FA-484-11-01	FA-427-11-26
FA-440-11-03		FA-484-11-01
		FA-521-11-01
Cash Management	**Reporting**	FA-548-11-01
FA-533-11-02	FA-419-11-03	FA-820-11-01
	FA-427-11-19	
Eligibility	FA-427-11-20	**Accounting Controls (Overall)**
FA-414-11-01	FA-427-11-21	FA-440-11-01
	FA-440-11-06	FA-440-11-02

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the State of Georgia as of and for the year ended June 30, 2011, and have issued our report thereon dated December 30, 2011 which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the State of Georgia's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied by us and other auditors in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

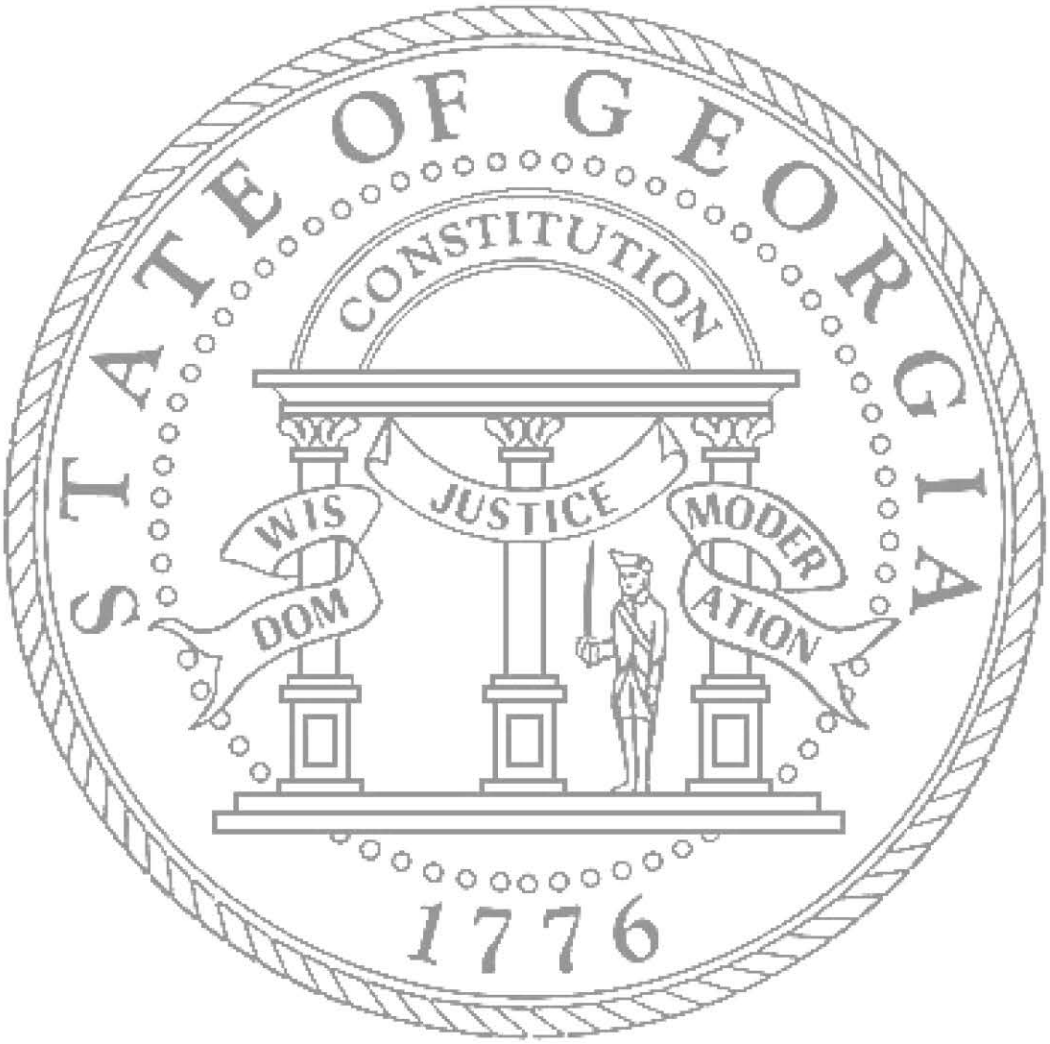
The State of Georgia's responses to the findings identified in our audit are described in the Corrective Action Responses to Current Year Audit Findings and Questioned Costs section of the accompanying schedule of *Auditee's Responses*. We did not audit the State of Georgia's responses and, accordingly, we express no opinion on the responses.

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

Respectfully submitted,

Russell W. Hinton, CPA, CGFM
State Auditor

February 28, 2012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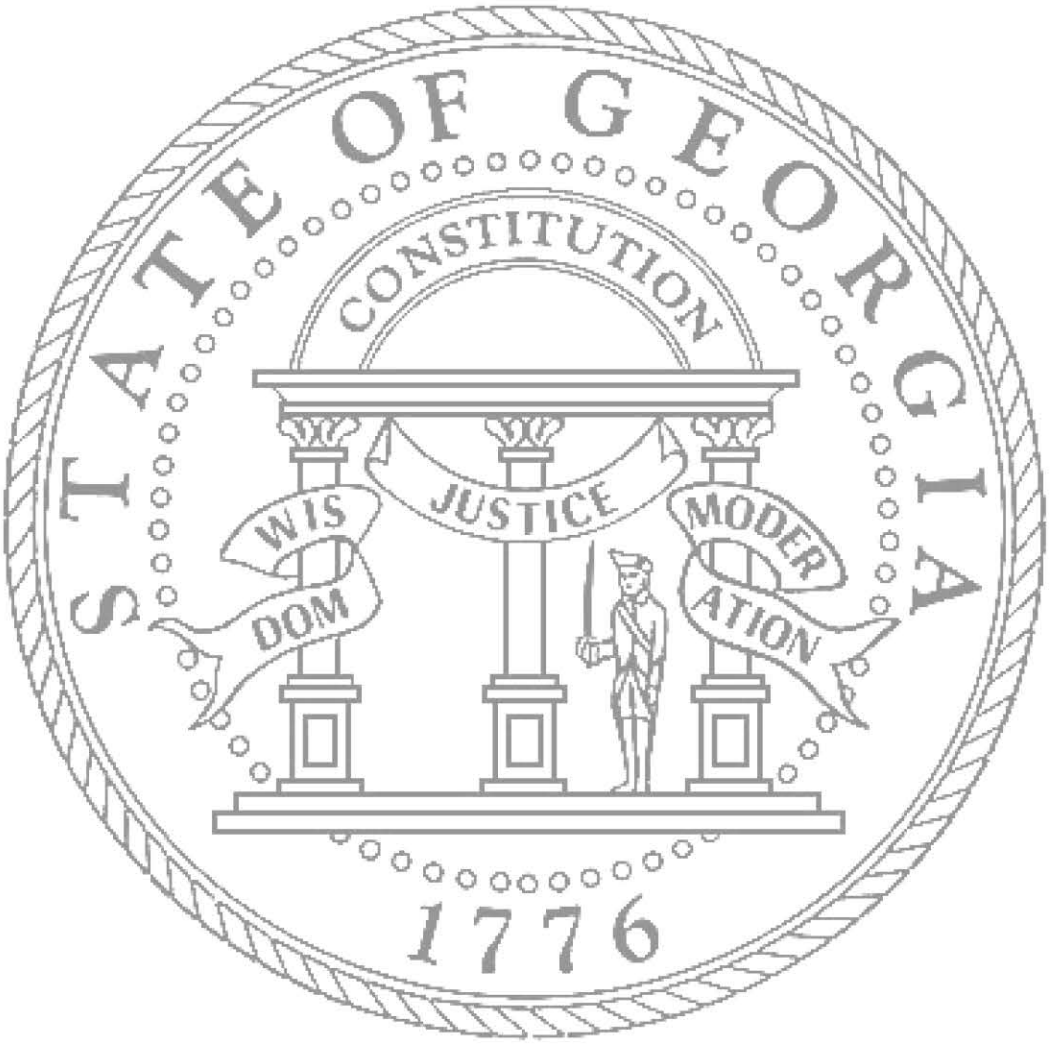
Findings and Questioned Costs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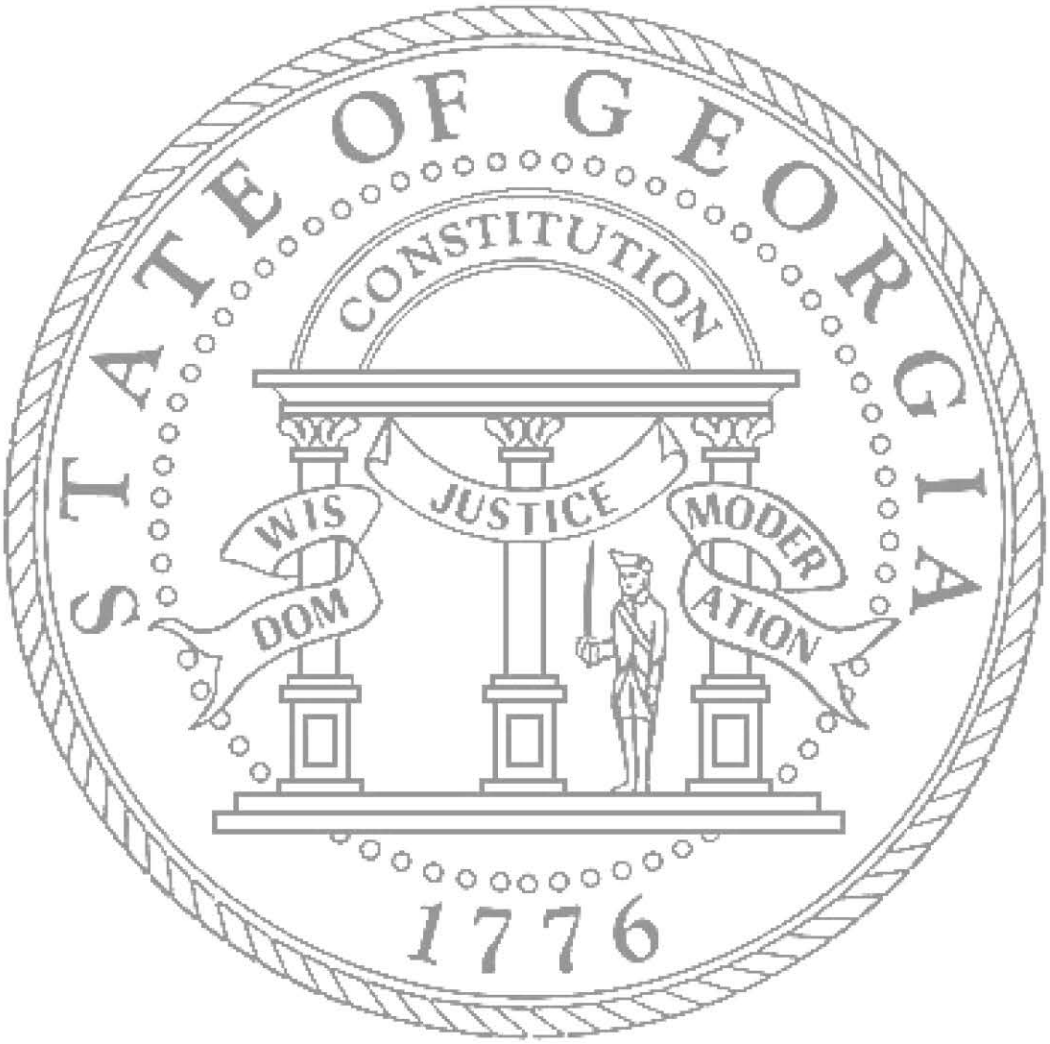
Summary of Auditor's Results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State of Georgia

Summary of Auditor's Results
For the Fiscal Year Ended June 30, 2011

Financial Statements

Type of auditor's report issued:

Governmental Activities; Business-Type Activities; Aggregate Discretely Presented Component Units; Major Governmental Funds: General Fund and General Obligation Bond Projects Fund; Major Proprietary Funds/Enterprise Funds: Higher Education Fund, State Employees' Health Benefit Plan and Unemployment Compensation Fund and Aggregate Remaining Fund Information	Unqualified
Internal control over financial reporting:	
Significant Deficiencies identified?	Yes
Significant Deficiencies evaluated as Material Weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Significant Deficiencies identified?	Yes
Significant Deficiencies evaluated as Material Weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	
Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)	Qualified
Child Support Enforcement (CFDA 93.563)	Qualified
CCDF Cluster	Qualified
TANF Cluster	Qualified
SNAP Cluster	Qualified
CSBG Cluster	Qualified
Low-Income Home Energy Assistance (CFDA 93.568)	Qualified
Vocational Rehabilitation Cluster	Qualified
Student Financial Assistance Cluster	Qualified
All other major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	Yes

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
	Child Nutrition Cluster
	SNAP Cluster
	Economic Development Cluster
12.400	Military Construction, National Guard
14.239	Home Investment Partnerships Program
14.257	ARRA-Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)
14.258	ARRA-Tax Credit Assistance Program (Recovery Act Funded)
	JAG Program Cluster
17.225	Unemployment Insurance
	Employment Service Cluster
	WIA Cluster
	Federal Transit Cluster

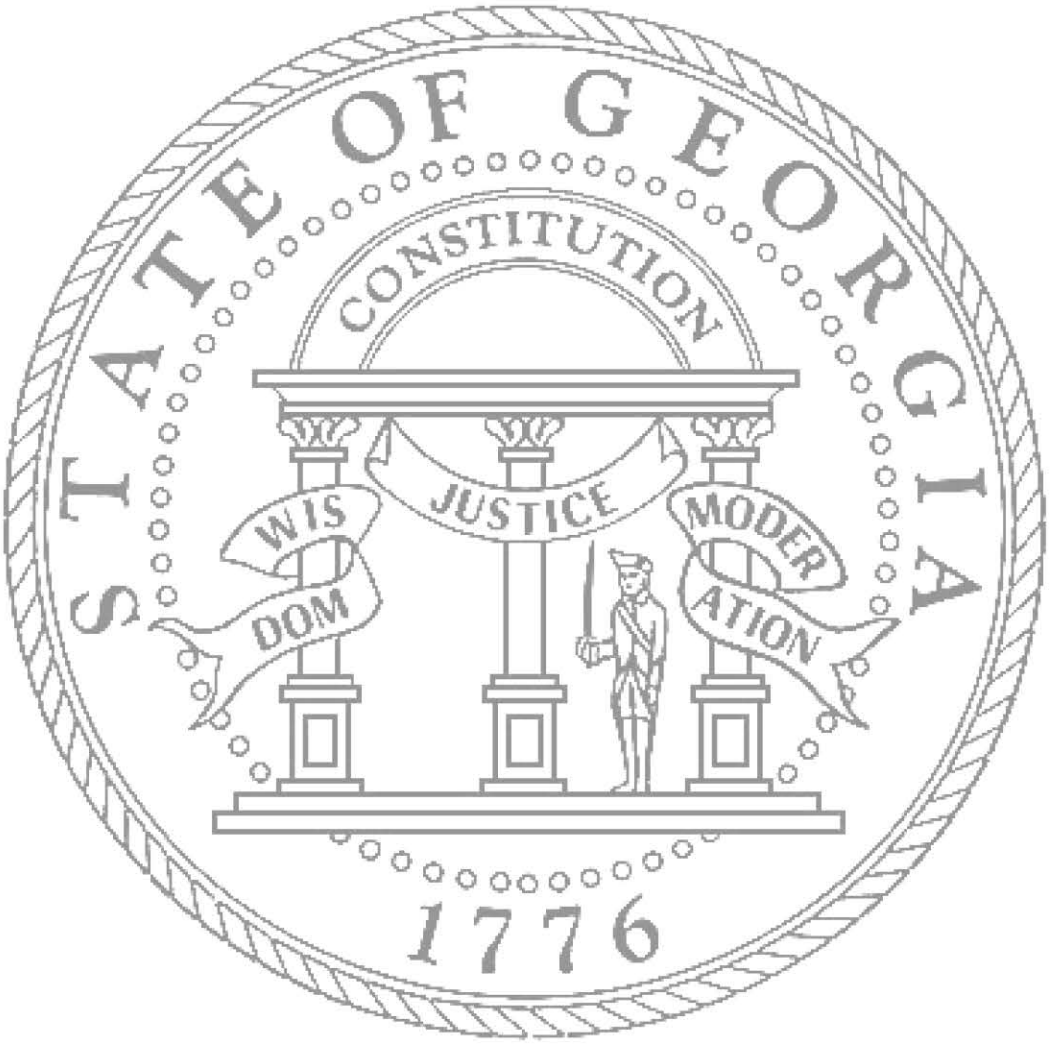
Summary of Auditor's Results
For the Fiscal Year Ended June 30, 2011

CFDA Numbers	Name of Federal Program or Cluster
	Highway Planning and Construction Cluster
47.076	Education and Human Resources
66.039	National Clean Diesel Funding Assistance Program
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds
81.041	State Energy Program
81.042	Weatherization Assistance for Low-Income Persons
81.127	ARRA-Energy Efficient Appliance Rebate Program (EEARP)
81.128	ARRA-Energy Efficiency and Conservation Block Grant Program (EECBG)
84.048	Career and Technical Education-Basic Grants to States
84.410	Education Jobs Fund
	Early Intervention Services (IDEA) Cluster
	Student Financial Assistance Cluster
	State Fiscal Stabilization Fund Cluster
	School Improvement Grants Cluster
	Title I, Part A Cluster
	TRIO Cluster
	Vocational Rehabilitation Cluster
93.069	Public Health Emergency Preparedness
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.767	Children's Health Insurance Program
93.917	HIV Care Formula Grants
93.959	Block Grants for Prevention and Treatment of Substance Abuse
	CCDF Cluster
	CSBG Cluster
	Immunization Cluster
	Medicaid Cluster
	TANF Cluster
	Research and Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs - $33,645,969

Auditee Qualified as low-risk auditee No

Financial Statement Findings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FINANCIAL STATEMENT RELATED FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

ENTITY CODE	ORGANIZATIONAL UNIT	PAGE NO.
402	Agriculture, Department of	30
403	Administrative Services, Department of	36
408	Insurance, Department of	38
414	Education, Department of	39
418	Prosecuting Attorneys' Council of Georgia	40
419	Community Health, Department of	45
422	Governor, Office of the	51
427	Human Services, Department of	52
432	Court of Appeals	67
440	Labor, Department of	67
441	Behavioral Health and Developmental Disabilities, Department of	74
461	Juvenile Justice, Department of	78
462	Natural Resources, Department of	79
467	Corrections, Department of	83
470	Public Service Commission	86
472	Regents of the University System of Georgia, Board of	86
474	Revenue, Department of	87
478	Secretary of State	90
483	Aviation Hall of Fame, Georgia	90
484	Transportation, Department of	91
489	Subsequent Injury Trust Fund	103
492	Public Defender Standards Council, Georgia	104
	Colleges and Universities	
533	Fort Valley State University	104
571	Georgia Perimeter College	108
581	Macon State College	110
587	South Georgia College	113
	Other	
593	Skidaway Institute of Oceanography	115
	State Technical Colleges	
826	West Georgia Technical College	117
919	Seed Development Commission, Georgia	119
927	Road and Tollway Authority, State	120
	Regional Educational Service Agencies	
8604	West Georgia Regional Educational Service Agency	121
8624	Griffin Regional Educational Service Agency	122
8724	Chattahoochee-Flint Regional Educational Service Agency	122

AGRICULTURE, DEPARTMENT OF

Finding Control Number: **FS-402-11-01**
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
Excessive Use of Manual Journal Entries

Condition: Our examination of the Department of Agriculture (Department) included a review of manual journal entries posted to the general ledger. This review revealed that during fiscal year 2011, the Department made three-hundred fifty-six (356) manual journal entries. One-hundred forty-seven (147) of those manual journal entries were made during periods 12 and 998 (adjustment period) which represent 41% of the total made during the fiscal year.

Criteria: Best accounting practices dictate that transactions should be recorded properly and timely during the fiscal year to eliminate the need for excessive adjusting journal entries at year-end.

In addition, the *Accounting Procedures Manual* for the State of Georgia, Section Five, Page 5-6-3 states, in part: "...management should establish procedures to monitor the functioning of control activities and the use of control overrides." These procedures should include periodic reviews of reports to verify that transactions are being recorded correctly in the accounting records.

Cause: The deficiencies noted above were a result of Department's failure to establish adequate internal control policies and procedures to ensure that transactions are recorded properly in the accounting records.

Effect: Excessive use of manual journal entries increases the risk of material misstatement in the financial statements including misstatements due to error or fraud.

Recommendation: The Department of Agriculture should develop and implement policies and procedures in accordance with the *Accounting Procedures Manual* for the State of Georgia to monitor control activities and the use of control overrides. In addition, the Department should apply best accounting practices to reduce the number of manual journal entries required during the year.

Finding Control Number: **FS-402-11-02**
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
REPORTING
Failure to Submit an Accurate Schedule of Expenditures of Federal Awards

Condition: Our examination of the Schedule of Expenditures of Federal Awards (SEFA) submitted by the Department of Agriculture (Department) revealed that actual Federal expenditures entered into the Web portal were not reported on the GAAP basis of accounting. In addition, an incorrect CFDA number was reported for the Aquaculture Grant Program. The Department incorrectly reported this program under CFDA 10.086 as opposed to CFDA 10.103.

Criteria: In accordance with OMB Circular A-133 Subpart C Section .300(a), "The auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity."

The State Accounting Office also issued instructions to all organizations of the State reporting entity for the SEFA which state, "Agency management is responsible for the proper accounting and reporting of federal grants. Expenditures reported in the SEFA must be reported on the GAAP basis of accounting relevant to the organization's reporting fund and must reconcile to expenditures recorded in the organization's accounting records..."

Cause: The Department failed to follow State Accounting Office procedures when entering federal expenditures into the Schedule of Expenditures of Federal Awards application on the web portal.

Effect: Because federal expenditures were not entered into the Web portal application on the GAAP basis, expenditures were overstated by $185,712.35.

Recommendation: The Department of Agriculture should ensure that there are adequate controls in place to ensure that State Accounting Office procedures and OMB Circular A-133 procedures are followed when entering federal expenditures into the Web portal, and to ensure that federal expenditures are reported on the GAAP basis of accounting.

Finding Control Number: **FS-402-11-03**
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
GENERAL LEDGER
Inadequate Bank Reconciliation Procedures

Condition: The Department of Agriculture (Department) did not perform adequate bank reconciliation procedures for various bank accounts. Exceptions noted were as follows:

1. The December 2010 bank reconciliation for the State Revenue Collections Fund account contained forty-eight (48) old (over one year old) outstanding checks totaling $1,460.49, having check dates ranging from September 2005 through September 2009.

2. The December 2010 bank reconciliation for the Petty Cash - Imprest (Brussels) account was incorrect. The balance per general ledger as stated on the reconciliation in the amount of $28,623.74 was different than the actual balance on the general ledger of $49,070.99. When brought to the attention of the Department, the bank reconciliation was corrected.

3. The December 2010 bank reconciliation for the Dog and Cat Sterilization Fund account contained fourteen (14) old (over one year old) outstanding checks totaling $1,710.00, having check dates ranging from January 2007 through November 2009.

4. The November and December 2010 bank reconciliations for the Payroll account were incorrect. The November balance per general ledger as stated on the reconciliation in the amount of $0.00 was different than the actual balance on the general ledger of $31,349.97. The December balance per general ledger as stated on the reconciliation in the amount of $0.00 was different than the actual balance on the general ledger of $30,847.27. When brought to the attention of the Department, the bank reconciliations were corrected. In addition, the bank reconciliations contained three (3) old (over one year old) outstanding checks totaling $765.25, having check dates ranging from August 2008 through December 2009. Also, the bank reconciliations contained a reconciling item for a September 2006 NSF charge in the amount of $434.94 which had yet to be adjusted for.

5. The December 2010 bank reconciliation for the Operating account contained eighty-three (83) old (over one year old) outstanding checks totaling $21,928.20, having check dates ranging from August 2005 through December 2009. In addition, the bank reconciliation contained bank errors over six (6) months old in the net amount of $59.41 and book errors at least six (6) months old in the amount of $-802.68. Also, the June 2011 reconciliation included a reconciling item for the accrual of payroll for hourly employees in the amount of $37,769.33. When recording these transactions, the Department erroneously credited the cash account instead of accounts payable.

6. The March 2011 through June 2011 bank reconciliations for the Federal State Poultry Grading Services account contained no evidence that the reconciliations were reviewed and approved. Also, the June 2011 reconciliation was not signed by the preparer.

Criteria: Policy Number CM-100008 of the State Accounting Manual Policies and Procedures issued by the State Accounting Office (SAO) presents guidelines for agencies in performing bank account reconciliations for state depository bank accounts. This policy states in part "It is the responsibility of each agency to reconcile its bank accounts monthly and to satisfactorily track all reconciling items to resolution in a timely manner...automatic bank reconciliations should clearly show the balances being reconciled and the details of all reconciling items."

Policy Number CM-100006 of the State Accounting Manual Policies and Procedures issued by the State Accounting Office (SAO) provides agencies guidelines on the escheatment process for checks in conjunction with the Department of Revenue's instructions on filing unclaimed property.

This policy states, in part, "All agencies shall comply with the state statutes, "Disposition Unclaimed Property Act", and the filing requirements established by the Georgia Department of Revenue". The policy also states that agencies "will escheat outstanding accounts payable checks over 5 years from the actual check issue date."

"The "Disposition of Unclaimed Property Act", O.C.G.A. Section 44-12-190, protects the rights of owners of abandoned property and relieves those holding the property of the continuing responsibility to account for such property. Under the Act, when an agency holds property that belongs to someone else ("payee") but has lost contact with that owner for a specified period of time ("dormancy period"), that holder must turn over ("remit") the property to the Department of Revenue. The remittance must be accompanied by a report describing the property and contain certain information that will help the state advertise the property and take other steps to return the property to the rightful owner. The Department of Revenue serves as custodian for any property remitted under the Act, allowing the owners or their heirs an opportunity to claim their property in the future...Any checks issued by the State which are not cashed by the recipient are considered unclaimed property. Agencies are subject to honoring the Disposition of Unclaimed Property Act and any federal regulations regarding unclaimed property from federally funded programs."

Cause: The deficiencies noted above were the result of the Department's failure to adequately manage and monitor their bank reconciliation process.

Effect: Failure to maintain an effective bank reconciliation process increases the risk of material misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Department of Agriculture should review their current internal control procedures regarding their bank reconciliations and implement additional policies and procedures to ensure that (1) outstanding checks are reviewed on a monthly basis and adjustments are made in accordance with the Disposition on Unclaimed Property Act, (2) bank reconciliations are reconciled to the general ledger account balance, and (3) other reconciling items such as bank and book errors are researched and adjusted for in a timely manner.

Finding Control Number: **FS-402-11-07**
REVENUES AND RECEIVABLES
Improper Retention of Fees

Condition: Our examination included a review of the Department of Agriculture's (Department) other revenue accounts to determine the basis for the retention and use of certain fees received by the Department. Pursuant to Act No. 360 of the 2009-2010 General Assembly, the Department collected and improperly retained the following fees:

1. Food Sale License Fees (O.C.G.A. 26-2-25) totaling $1,793,285.00
2. Gas Quality/Pump Inspection Fees (O.C.G.A. 10-1-159) totaling $2,472,938.00

Criteria: Based on our review of the constitutional provisions described below, there does not appear to be a legal basis by which the Department may retain and expend the aforementioned fees. Article VII, Section III, Paragraph II of the Georgia Constitution provides in pertinent part as follows:

"(a)...all revenue collected from taxes, fees, and assessments for state purposes, as authorized by revenue measures enacted by the General Assembly, shall be paid into the general fund of the state treasury."

Information: The Department retained the aforementioned fees per the instructions of the budget authorities of the state. A review of the FY 2011 General Appropriations Act (HB 948) and its corresponding "Tracking Sheet" indicated that the foregoing fees were included as separate funding sources in the Consumer Protection Program.

Cause: The deficiencies noted above were a result of Department's misinterpretation of the Georgia Constitution.

Effect: Retention and use of the aforementioned fees by the Department results in noncompliance with the Georgia Constitution.

Recommendation: The Department of Agriculture should seek a resolution of this matter for future appropriation acts through discussions with the Office of Planning and Budget, the House Budget Office, and the Senate Budget and Evaluation Office.

Finding Control Number: **FS-402-11-08**
CAPITAL ASSETS
Inadequate Capital Asset Records

Condition: The accounting procedures of the Department Agriculture (Department) were insufficient to provide adequate internal controls over the capital asset management system. As part of our examination of the Department's capital asset inventory records, a total of one-hundred twenty-three (123) items totaling $17,293,244.35 out of a population of six-hundred fifty-six (656) items totaling $46,450,145.03 were selected for physical inspection. The following deficiencies were noted:

(1) Nine (9) items totaling $182,490.73 could not be located.

(2) Four (4) items lacked a decal.

(3) Twenty (20) items were not located in the designated location as reported on the capital asset inventory listing.

(4) Two (2) items lacked a decal and were not located in the designated location as reported on the capital asset inventory listing.

Criteria: The State Accounting Office's *Accounting Policy Manual*, General Accounting Procedures for Capital Assets, states, as follows: "To ensure compliance with GAAP, State of Georgia organizations must:

(1) Establish controls to ensure proper identification of capital assets.

(2) Ensure that capital asset transactions are properly valued and recorded in asset management records in compliance with State of Georgia policies and laws.

(3) Ensure that a physical inventory of capital assets is conducted at least every two years to validate the existence of capital assets reported in financial statements..."

Cause: The deficiencies noted above were due to the Department's failure to implement adequate policies and procedures necessary to properly record and maintain capital asset inventory records in accordance with State guidelines.

Effect: Failure to maintain complete and accurate capital asset inventory records could result in the misappropriation of assets and a material misstatement of the financial statements.

Recommendation: The Department of Agriculture should develop and implement appropriate policies and procedures to ensure that all capital assets are properly accounted for and reported in accordance with capitalization guidelines and instructions as provided in the State Accounting Office's Accounting Policy Manual.

Finding Control Number: **FS-402-11-09**
EXPENSES/EXPENDITURES AND LIABILITIES
Failure to Obtain Verification Documentation for New Employees

Condition: The Department of Agriculture (Department) did not verify employment eligibility through the federal work authorization program, known as E-Verify, for five (5) newly hired employees. E-Verify is an electronic program, maintained by the U.S. Department of Homeland Security, through which employers verify the employment eligibility of their employees after hire.

Criteria: As prescribed by O.C.G.A. 13-10-91, "(a) Every public employer, including, but not limited to, every municipality and county, shall register and participate in the federal work authorization program to verify employment eligibility of all newly hired employees."

Cause: The deficiency noted above was a result of the Department's failure to have proper controls in place to ensure employment verifications were performed on all newly hired employees.

Effect: Failure to verify employment eligibility for all newly hired employees can result in noncompliance with O.C.G.A. 13-10-91.

Recommendation: The Department of Agriculture should implement policies and procedures to ensure that employment eligibility is verified for all newly hired employees in accordance with O.C.G.A. 13-10-91.

Finding Control Number: **FS-402-11-10**
EXPENSES/EXPENDITURES AND LIABILITIES
Invalid and Questionable Encumbrances

Condition: Our examination included a review of the supporting documentation maintained by the Department of Agriculture (Department) for encumbrances with outstanding balances as of June 30, 2011. We examined forty-two (42) purchase orders totaling $1,731,437.81 out of a population of one-hundred six (106) purchase orders totaling $2,215,111.30. Our examination revealed the following deficiencies:

1. In two (2) instances, purchase orders which were established in a prior year totaling $148,833.61 were determined to be invalid.

2. In twenty-five (25) instances, purchase orders totaling $1,132,365.00 were set-up in the current year but represented fiscal year 2012 obligations.

Criteria: The *Accounting Procedures Manual* for the State of Georgia, Section Three, states, in part: (c) "All appropriated state funds, except for the mandatory appropriations required by this Constitution, remaining unexpended and not contractually obligated at the expiration of such general appropriations Act shall lapse..." "Under the modified accrual basis of accounting it is not sufficient for an economic event to have occurred for an event to effect the operating statement but, in addition, the related cash flow must occur within a short-enough time frame for the event to have an effect on current spendable resources..." "... transactions which purport to obligate appropriated funds must be supported by an approved purchase order, at a minimum, or an executed contract which contains the following:

1. a confirmed vendor,
2. specific services or goods,
3. specific price for the services or goods, and
4. a stated time or range of time for delivery or completion."

The presence of these conditions corresponds to the element of an enforceable contract in that they support the concept of mutual assent.

Cause: The Department failed to follow the guidelines as outlined in the *Accounting Procedures Manual* for the State of Georgia.

Effect: Open encumbrances at fiscal year end which do not contain the required criteria, as identified above, are not considered to be contractually obligated at the expiration of the general appropriations act. The establishment of encumbrances failing to meet the required criteria result in budgetary expenditure/liabilities being overstated with surplus (lapse) being understated.

Recommendation: The Department of Agriculture should implement additional policies and procedures to ensure that encumbrances are recorded as an obligation of state funds only when supported by the required criteria and that any obligated funds that remain unexpended at the completion of a contract are lapsed in accordance with the *Accounting Procedures Manual* for the State of Georgia.

Finding Control Number: **FS-402-11-11**
EXPENSES/EXPENDITURES AND LIABILITIES
Internal Control Deficiencies over Contractual Obligations

Condition: Our examination of the Department of Agriculture (Department) included a review of source documentation maintained in purchase order files for contractual obligations. Our review disclosed that the Department did not record contracts payable on the general ledger. During a discussion with the Department's accounting personnel, it was determined that the Department's common practice was to record an expenditure on the general ledger when payment is made to a contractor/vendor rather than when the contract was executed.

As a result, it was determined that the Department failed to record $3,081,401.20 in contracts payable at December 31, 2010. In addition, it was noted that the Department charged $389,763.48 of grant expenditures to contract expenditure accounts during this same period.

A review of subsequent contract expenditures for the remainder of fiscal year 2011 did not reveal any unrecorded contract obligations as of June 30, 2011.

Criteria: The *Accounting Procedures Manual* for the State of Georgia, Section Three, states, in part: "State budgetary accounting practices require liabilities and expenditures to be recorded when a vendor has been selected and a purchase order approved or a contract executed. In general, budgetary basis expenditures are recorded based on encumbrances. This differs from GAAP in that goods and services need not have been received for liabilities and expenditures to be recorded."

Cause: The deficiencies noted above were a result of the Department's failure to implement adequate internal control policies and procedures to ensure that contractual obligations are recorded on the general ledger in a timely manner and that grant expenditures are recorded correctly.

Effect: Failure to appropriately record contractual obligations and grant expenditures increases the risk of material misstatement in the financial statements including misstatements due to error or fraud.

Recommendation: The Department of Agriculture should implement policies and procedures to ensure that contract payables/expenditures are recorded on the general ledger when a contract has been executed. In addition, the Department should use the correct account for the recording of grant expenditures.

Finding Control Number: **FS-402-11-100**
ACCOUNTING CONTROLS (OVERALL)
BUDGET
Budgetary Compliance Deficiency

Condition: Our review of the Budgetary Compliance Report (BCR) found that the Department of Agriculture (Department) reported the following instance of noncompliance with State laws:

Departmental Administration/Federal Funds/Federal Funds Not Specifically Identified
Expenditures exceeded Funds Available by $224.15.

Criteria: Article VII, Section IV Paragraph VIII of the Constitution of the State of Georgia provides, in part, "…the credit of the State shall not be pledged or loaned to any individual, company, corporation or association." As applied here, this means that amounts reflected in the "variance" column under the heading of Excess (Deficiency) of Funds Available Over/(Under) Expenditures in the Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source Budget Fund are not negative variances.

The accounting records for each appropriated budget unit of the State should be maintained in such a manner to allow for budgetary reporting to be accurately prepared and supported.

Cause: The Department did not have adequate controls in place to prevent overexpenditures at the legal level of budgetary control.

Effect: The Department's failure to monitor their BCR can result in misstatements in the financial statements and noncompliance with the Constitution of the State of Georgia.

Recommendation: The Department should establish the necessary internal controls to monitor their budget activity in order to avoid any overexpenditures at the legal level which is funding source within program.

ADMINISTRATIVE SERVICES, DEPARTMENT OF

Finding Control Number: **FS-403-11-01**
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
FINANCIAL REPORTING AND DISCLOSURE
Risk Management Data Discrepancies

Condition: Numerous discrepancies were noted with the underlying data files maintained by the Risk Management Division of the Department of Administrative Services (DOAS) during the fiscal year under review. Further, the DOAS did not have procedures in place to monitor the data throughout the year, nor were procedures in place to check the data for accuracy prior to providing it for the annual actuarial study performed for financial reporting purposes for the State of Georgia's Comprehensive Annual Financial Report (CAFR).

Criteria: The Documentation Requirements section of the State of Georgia's *Accounting Policy Manual* (APM) states, in part, "Effective internal controls require the proper documentation and support of transactions. Transaction processing controls, including documentation requirements, should be designed with these objectives in mind:

- Recorded transactions are valid and supported by appropriate documentation; none are fictitious.
- All valid transactions are recorded; none are omitted.
- Transaction dollar amounts are properly calculated and accurately recorded."

All transactions affecting the case files should be recorded appropriately and the transactions should be recorded accurately.

Information: Actuarial studies were separately commissioned by the DOAS and the Department of Audits and Accounts (DOAA) for the purpose of determining the State of Georgia's likely future liability related to risk management claims for the Liability Insurance (comprised of the Tort Trust Fund, Employees' Trust Fund and Automobile Liability Trust Fund), Unemployment Compensation and Workers' Compensation self-insured risk management funds. When comparing the reserve (i.e., liability) estimates from the two draft actuarial reports, a difference greater than a range of reasonable estimates was identified for the Tort Fund.

Upon review of the differences, the actuaries determined that the two sources of data they were provided - one in summary form and one in detail form - did not agree to each other, which likely resulted in the differences between their reports. The DOAS researched the problem with their reports and discovered that the underlying data was inaccurate. All closed claims should have $0.00 in reserve, but many did not.

The DOAS worked to correct the data within their system, OASIS, and provided the corrected data files to the DOAA for review. Upon the DOAA's review of the corrected data files, 250 further discrepancies were found on selected individual claims, 232 of which were related to Workers' Compensation claims. The DOAS discovered the problem with the data that was reported from OASIS for the Workers' Compensation claims and made efforts to correct those.

The DOAA was provided with a second set of corrected data files for testing and discovered a total of 22 discrepancies across all risk management categories (Torts-3, Workers' Compensation-4, Auto Liability-6, Broad Form-8, and State Employee Dishonesty and Faithful Performance Bond-1). The DOAS further researched the specific case files that were identified to be problematic and corrected each one so that no further discrepancies existed. The final corrected data was provided to the actuaries to re-perform their studies.

However, the DOAS was not able to determine the reason for and correct the differences between the summary data reports and the detailed data files. Therefore, only the corrected detailed data files were provided to the actuaries.

Cause: The limitation of the OASIS system (only adjusting the incurred amount if a decrease and only adjusting the paid amount if an increase) coupled with the fact the reserve function only ran on a case when the status changed to closed left outstanding reserves being reported on selected closed cases (if any transactions subsequently affected a closed case, the function would not run on that case, therefore leaving the reserve balance instead of removing it). The reserves on the closed cases were altering the data provided from OASIS. The DOAS failed to have procedures in place to compensate for the system's limitations to ensure data accuracy.

Effect: Failure to maintain accurate Risk Management data can cause a material overstatement or understatement of expenditures related to the case files. Additionally, inaccurate records render making any future estimation of Risk Management's liabilities unreliable, which could have a material impact on the State of Georgia's financial statements as reported in the CAFR.

Recommendation: The DOAS should implement policies and procedures to ensure that all case files maintained are accurate. In particular, the DOAS should ensure that all closed Risk Management cases within OASIS have a zero reserve amount.

Finding Control Number: **FS-403-11-02**
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
FINANCIAL REPORTING AND DISCLOSURE
Invalid Year End Encumbrances

Condition: Our review of open encumbrances at the Department of Administrative Services (Department) as of fiscal year end revealed that the Department had three (3) fully invalid encumbrance balances totaling $21,393.00 and one (1) partially invalid encumbrance balance of $37,046.51.

Criteria: The *Accounting Policy Manual* for the State of Georgia, Category 4 - Financial Accounting and Reporting Policies and Procedures, in the policy titled "Accounts Payable, Intergovernmental Payables, Contracts Payable, Payroll/Withholdings Payable, and Benefits Payable" states, in part: "In general, transactions which purport to obligate appropriated funds must be supported by an approved purchase order, at a minimum, or an executed contract which contains the following:

a confirmed vendor,
specific services or goods,
specific price for the services or goods, and
a stated time or range of time for delivery or completion."

Although the Department was in compliance with the Policy Manual at the inception of these encumbrances, best governmental accounting practices dictate that open encumbrance balances should be reviewed to ensure that the Department continues to be in compliance with the Accounting Policy Manual.

Cause: The Department failed to follow the guidelines as outlined in the Accounting Policy Manual for the State of Georgia, along with failing to review their open encumbrances as of fiscal year end to ensure they were still valid.

Effect: Open encumbrances at fiscal year end which do not contain the required criteria, as identified above, are not considered to be contractually obligated at the expiration of the general appropriations act. The establishment of encumbrances failing to meet the required criteria result in budgetary expenditures/liabilities being overstated with surplus or fund balance being understated.

Recommendation: The Department of Administrative Services should implement additional policies and procedures as needed to ensure that all open encumbrances are valid.

INSURANCE, DEPARTMENT OF

Finding Control Number: **FS-408-11-01**
REVENUES AND RECEIVABLES
Reimbursement Requests Not Supported by Financial Records

Condition: The Office of Insurance and Fire Safety Commissioner (Office) submitted reimbursement requests, as required in a contract with the Department of Community Health, which were not supported by the financial records of the Office.

Criteria: The contract between the Office and the Department of Community Health states that "cost reimbursement requests will be supported by quarterly reports which justify the expenses."

Information: The total expenditures submitted on the reimbursement requests were $378,063.00 while the expenditures reflected on the Office's financial records were $235,563.53, resulting in a variance of $142,499.47.

Cause: The deficiency noted above was the result of the Office's failure to reconcile the expenditures reflected on the financial records with the reimbursement requests submitted to the contractor.

Effect: Failure to submit reimbursement requests that are supported by the financial records could increase the risk of material misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Office of Insurance and Fire Safety Commissioner should review their current internal control policies and procedures regarding reimbursement requests and implement additional policies and procedures to ensure that their reimbursement requests are supported by the financial records.

EDUCATION, DEPARTMENT OF

Finding Control Number: **FS-414-11-01**
ACCOUNTING CONTROLS (OVERALL)
Internal Control Deficiencies Regarding Contract Procedures

Condition: The Department of Education (Department) failed to follow established internal controls over contract procedures. Eighty-six (86) contracts were selected for testing having a value of $27,458,369.99 out of a population of $46,701,621.64, and the following deficiencies were noted:

(1) Two (2) contracts included amounts totaling $3,378,767.60 which were not included in the contracts database.

(2) Fifty-nine (59) contracts totaling $24,178,734.99 were signed late (between four (4) and three hundred seventy-five (375)days) by the Department and/or by the vendor.

(3) Fourteen (14) vendors received payments on contracts totaling $423,800.00 prior to signing the contracts.

(4) Services were rendered for six (6) contracts totaling $3,335,717.60 before the contracts were executed.

(5) Five (5) contracts totaling $220,623.00 were signed but not dated by the Department or the vendor.

Criteria: The *Accounting Procedures Manual* for the State of Georgia, Section 5, page 5-1-2 states, in part: "Each State organization has a responsibility to assess their internal control system and use this information to design, implement, and monitor internal controls that are suitable for their organization."

In addition, the *Accounting Procedures Manual* for the State of Georgia, Section 5, page 5-4-2, states, in part: "Documentation involves preserving evidence to substantiate a decision, event, transaction, or system. All documentation should be complete, accurate, and reported promptly."

Cause: The deficiencies noted above occurred as a result of the Department's failure to follow established internal controls over contract procedures.

Effect: Failure to follow established internal controls increases the risk of material misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Department of Education should follow established internal control procedures regarding the initiating, processing, recording, and monitoring of contract activity.

Finding Control Number: **FS-414-11-02**
CAPITAL ASSETS
Inadequate Capital Asset Records

Condition: The accounting procedures of the Department of Education (Department) were insufficient to provide adequate internal controls over the Capital Assets management system. As part of a department-wide sample, a total of one hundred ten (110) capital asset items were selected for physical inspection to test

the accuracy of the Department's capital asset inventory records. The tested items had a value of $2,385,176.15 out of a population of $4,468,126.37 and the following deficiencies were noted:

(1) Eight (8) items totaling $131,254.28 could not be located.

(2) Two (2) items totaling $9,709.00 were found to be surplused, but still appeared on the capital asset inventory listing.

(3) Five (5) items totaling $158,516.24 were assigned an inaccurate location code.

(4) One (1) item totaling $11,400.00 was located but did not appear on the capital asset inventory listing.

Criteria: The State Accounting Office's *Accounting Policy Manual*, General Accounting Procedures for Capital Assets section, states, as follows: "To ensure compliance with GAAP, State of Georgia organizations must:

(1) Establish controls to ensure proper identification of capital assets.

(2) Ensure that capital asset transactions are properly valued and recorded in asset management records in compliance with State of Georgia policies and laws.

(3) Ensure that a physical inventory of capital assets is conducted at least every two years to validate the existence of capital assets reported in financial statements..."

Cause: The deficiencies noted above were caused by the Department's failure to implement adequate policies and procedures necessary to properly record and maintain capital asset inventory records in accordance with State guidelines.

Effect: Failure to maintain complete and accurate capital asset inventory records could result in the misappropriation of assets and a material misstatement of the financial statements.

Recommendation: The Department of Education should develop and implement appropriate policies and procedures to ensure that all capital assets are properly accounted for and reported in accordance with capitalization guidelines and instructions as provided in the State Accounting Office's *Accounting Policy Manual*.

PROSECUTING ATTORNEYS' COUNCIL OF GEORGIA

Finding Control Number: **FS-418-11-02**
REVENUES AND RECEIVABLES
GENERAL LEDGER
Failure to Reconcile Subsidiary Accounts Receivable Ledgers to the General Ledger

Condition: The Prosecuting Attorneys' Council of Georgia did not perform a reconciliation to the general ledger for selected accounts receivable subsidiary ledgers.

Criteria: The general ledger should be reconciled with subsidiary ledgers as a routine matter with any variances noted and resolved in a timely manner.

Cause: The deficiency noted above was a result of the Council's failure to establish internal control procedures to ensure that the accounts receivable subsidiary ledgers were properly reconciled to the general ledger by fiscal year end.

Effect: Accounts receivable balances unreconciled at fiscal year end could cause the financial statements to be misstated and could lead to erroneous decisions by the Council's management.

Recommendation: The Prosecuting Attorneys' Council should implement additional policies and procedures to ensure that balances in the general ledger are routinely reconciled with relevant subsidiary ledgers with any variances noted and resolved in a timely manner.

Finding Control Number: **FS-418-11-03**
GENERAL LEDGER
Balance Within Program Not Identified

Condition: Our review of the Prosecuting Attorneys' Council's FY 2011 Program Changes to Fund Balance worksheet revealed that $306,049.11 of the prior year deficit consists of State General Funds within programs not identified in the general ledger.

Criteria: The Statewide Accounting Policy and Procedure in Section Basis of Accounting and Reporting and Sub-section Overview dictates that funds in the Budgetary Compliance Report be reported in conformity with accounting principles prescribed or permitted by statutes and regulations of the State of Georgia. Budgetary accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. The legal level of budgetary control for the State of Georgia is funding source within program. As such, all budgetary activity within an entity's general ledger should be associated with a legitimate program as outlined in the Appropriations Act, as amended, (Final Budget).

Cause: The deficiency noted was the result of management's failure to ensure that all budgetary activity was associated with a legitimate program as outlined in the Appropriations Act, as amended, (Final Budget).

Effect: Failure to maintain general ledger activity at the legal level of budgetary control increases the risk of noncompliance with the Appropriations Act, as amended, (Final Budget).

Recommendation: The Council should develop adequate controls to ensure that all budgetary activity within the general ledger is associated with a legitimate program.

Finding Control Number: **FS-418-11-04**
GENERAL LEDGER
Year End Balance in Clearing Account

Condition: A review of the year end general ledger trial balance revealed a balance of $2,512,876.01 in clearing accounts.

Criteria: In accordance with the State Accounting Office's (SAO) Statewide Accounting Directive AD 201103 Control/Clearing Accounts, "Balance sheet clearing accounts have been provided in the State Chart of Accounts (SCOA) in the 196xxx and 296xxx account range to facilitate the accumulation of transactions which are later distributed to appropriate accounts. Care should be taken to ensure that each clearing account does not have a balance at the fund type level at the end of each fiscal year since such accounts should not be listed on either budgetary or GAAP financial statements."

Cause: The deficiency noted above was a result of the Council's failure to establish internal control procedures to ensure that the clearing account balance was properly distributed to the appropriate accounts on the general ledger by fiscal year end.

Effect: Balances remaining in the clearing accounts at fiscal year end could cause the financial statements to be misstated and could lead to erroneous decisions by the Council's management.

Recommendation: The Prosecuting Attorneys' Council should ensure that clearing account balances have been distributed to the appropriate accounts at the end of each accounting period and that no balances remain in the clearing accounts at fiscal year end in accordance with the SAO's Accounting Directive.

Financial Statement Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Finding Control Number: **FS-418-11-05**
GENERAL LEDGER
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures

Condition: Our examination included a review of the Prosecuting Attorneys' Council of Georgia's bank reconciliation procedures that were performed on the Operating bank account. The only reconciliation performed was as of June 30th. The June 30th bank reconciliation contained an unreconciled difference of $71,157.00 between the bank and general ledger balance.

Criteria: In accordance with Policy Number CM-100008 of the State Accounting Manual Policies and Procedures issued by the State Accounting Office, "All Agencies shall reconcile their state bank accounts monthly by an employee not involved in recording cash receipts and disbursements." Also this policy says, "Book reconciling items shall be investigated and adjusting book entries shall be recorded within the same month as monthly bank reconciliation sheets are received."

In addition, an adequate system of internal controls dictates that bank reconciliations be performed at a minimum on a monthly basis, and as appropriate, include the following: 1) adequate supporting documentation, 2) reconciling items correctly identified by description and amount, 3) adjustments which are needed are identified and made in a timely manner, 4) accurate general ledger balances, and 5) evidence of an effective supervisory review and approval function.

Cause: The Council's bank reconciliation process failed to ensure that reconciling items were identified and corrected, and reconciliations were reviewed and approved in a timely manner.

Effect: Failure to maintain an effective bank account reconciliation process increases the risk of misstatement due to fraud and the possible misappropriation of the Agency's assets.

Recommendation: The Prosecuting Attorneys' Council of Georgia should review their current internal control procedures in relation to bank reconciliations and implement additional policies and procedures to ensure an effective bank reconciliation process is in place to manage and monitor their bank accounts.

Finding Control Number: **FS-418-11-06**
EXPENSES/EXPENDITURES AND LIABILITIES
FINANCIAL REPORTING AND DISCLOSURE
Deficiencies in Reporting of Operating Leases

Condition: An examination of the operating lease form prepared by the Prosecuting Attorneys' Council of Georgia (Council) revealed the Council could not provide accurate supporting documentation supporting selected operating leases. In addition, the lease form amounts submitted to the State Accounting Office were not supported by the accounting records of the Council.

Criteria: In accordance with the Statewide Accounting Policy & Procedure (Section: Introduction, Sub-section: Management Responsibilities), "the management of each state organization is responsible for the accuracy and completeness of its accounting and financial records and reports."

In addition, an adequate system of internal controls is one that provides for verification of the information submitted to the State Accounting Office regarding current and future lease obligations.

Cause: The Prosecuting Attorneys' Council of Georgia failed to ensure that adequate internal controls were in place to provide for proper verification of the amounts reported to the State Accounting Office for current and future lease obligations.

Effect: Inadequate internal controls increase the risk of misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Prosecuting Attorneys' Council of Georgia should develop and implement adequate internal controls to ensure that the amounts for current and future lease obligations are verified to the accounting records before submission to the State Accounting Office.

Finding Control Number: **FS-418-11-07**
EXPENSES/EXPENDITURES AND LIABILITIES
Failure to Provide Documentation Supporting Agency Head Compensation

Condition: Our examination included a review of the Prosecuting Attorneys' Council of Georgia's (Council) Executive Director's compensation. Authorized documentation could not be provided by the Council to support the Vehicle Allowance portion, in the amount of $7,054.08, of the former Executive Director's total compensation package.

Criteria: The Documentation Requirements section of the Accounting Policy Manual for the State of Georgia states, "All transactions must be supported by appropriate documentation. The same documentation requirements apply to transactions entered directly into an accounting system, as well as those initially entered and processed in an organization subsystem that are transmitted through an automated interface. In all cases, the documentation must be complete and accurate and must allow a transaction to be traced from the source documentation, through its processing, to the financial reports. All documentation should be readily available for examination."

The Prosecuting Attorneys' Council's Board Members are responsible for establishing the annual compensation for the Council's Executive Director. The Council's management is responsible for ensuring adequate controls are in place to ensure the authorized amount of compensation is paid to the Council's Executive Director.

An adequate system of internal control over personal service expenditures is one in which all supporting documentation regarding authorized compensation amounts and authorized payroll withholdings are current and properly maintained.

Cause: The Prosecuting Attorneys' Council of Georgia failed to maintain adequate documentation supporting the entire compensation package for the former Executive Director.

Effect: Failure to properly document compensation amounts increases the risk of misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Prosecuting Attorneys' Council of Georgia should develop and implement additional procedures to ensure that employee compensation amounts are properly documented and maintained for examination.

Finding Control Number: **FS-418-11-100**
ACCOUNTING CONTROLS (OVERALL)
BUDGET
Failure to Certify the Accuracy of the Budgetary Compliance Report

Condition: Our cursory review of the Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source presented in the Budgetary Compliance Report (BCR) revealed the following instances of non-compliance for the Prosecuting Attorneys' Council of Georgia:

1) District Attorneys/Other Funds
   Expenditures exceeded Funds Available by $153,904.20.
2) Prosecuting Attorney's Council/American Recovery and Reinvestment Act of 2009/Federal Funds Not Specifically Identified
   Expenditures exceeded Funds Available by $26,964.20.

3) Prosecuting Attorney's Council/Other Funds
Expenditures exceeded Funds Available by $163,444.85.

In addition, the Statement of Changes in Fund Balance by Program and Funding Source for the Prosecuting Attorneys' Council of Georgia reflected an overall current year deficit of $258,929.95.

The Prosecuting Attorneys' Council of Georgia also declined to sign the "Letter of Representation" certifying the accuracy of the amounts reported by fund source within budgetary program. As a result, we did not perform detailed testing of the underlying documentation supporting the amounts reported in the BCR. Accordingly, we were unable to determine the Council's compliance with the requirements of the current Appropriations Act, as amended, (Final Budget) and the Constitution of the State of Georgia. These compliance requirements being:

- An appropriated budget unit cannot overspend their authorized budgeted amounts at the legal level of budgetary control (funding source within program). This means that the amounts that are reflected in the "variance" column under the heading of Expenditures Compared to Budget in the Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source Budget Fund are not negative variances.

- Article VII, Section IV Paragraph VIII of the Constitution of the State of Georgia provides, in part, "…the credit of the State shall not be pledged or loaned to any individual, company, corporation or association." As applied here, this means that amounts reflected in the "variance" column under the heading of Excess (Deficiency) of Funds Available Over/(Under) Expenditures in the Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source Budget Fund are not negative variances.

Criteria: Each appropriated budget unit of the State of Georgia was subject to compliance testing to be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AT Section 601). Compliance attestations require that the responsible party of the budget unit organization provide various written representations related to the accuracy of their BCR, to the best of their knowledge and belief. The responsible party's refusal or inability to furnish all appropriate representations in accordance with the attestation standards constitutes a limitation on the scope of the engagement.

Information: The statement as presented in the BCR reflects the Council's budgetary activity at the legal level of budgetary control as prescribed by the FY 2011 Amended Appropriations Act. Also at this level, the BCR reports whether the Council is operating within the debt limitations of the Constitution of the State of Georgia which prohibits expenditures from exceeding funds available.

Cause: Due to the uncertainty regarding the accuracy of the Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source, the Prosecuting Attorneys' Council of Georgia declined to prepare and sign a letter of representation for the examination engagement of the organization's compliance with the 2011 Appropriation Act, as amended.

Effect: The amounts reported in the Council's BCR should not be used for decision-making purposes at the legal level of budgetary control because of the lack of assurances by management and the likelihood that it contains material errors.

Recommendation: The Prosecuting Attorneys' Council of Georgia should manage its budgetary activity at the legal level of control, which is fund source within program. In order to produce accurate and useful BCR reports in the future, actions to be taken by the Council should include, but not be limited to, the following:

1. Obtain additional understanding and needed training regarding Program-Based Budgeting.
2. Monitor PeopleSoft budgetary reports on a weekly basis.
3. Consider the need to allocate administrative costs across programs.
4. Ensure that current activity is not co-mingled with prior year activity.

COMMUNITY HEALTH, DEPARTMENT OF (*)

Finding Control Number: **FS-419-11-01**
REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
FINANCIAL REPORTING AND DISCLOSURE
Upper Payment Limit Calculation

Condition: This is a modification and substantial repeat of finding FS-419-10-01 (and FA-419-10-01) from the year ended June 30, 2010.

At June 30, 2010, the Department of Community Health recorded a preliminary estimate for inpatient and outpatient UPL as the final estimated calculation and payment had not been completed for the 2010 fiscal year. The actual calculation for the 2010 fiscal year was completed and paid during fiscal year 2011; however, the actual payments were approximately $15 million less than the June 30, 2010 accrual. The difference in the estimate and actual payment related to State of Georgia (State) plan amendment changes as well as revisions to certain ratios. The State plan amendment changes and information used to calculate the ratios was however available to the Department of Community Health at the time the estimate was calculated.

Management concurred with the prior year finding and indicated they would contract with the Department of Audits and Accounts (DOAA) to provide support and data validation for all hospital, nursing home and physician UPL payments. Further, management indicated that the DOAA review would precede the submission of sample calculations to Centers for Medicare & Medicaid Services (CMS) and would include verification of source data used in the various UPL calculations.

During fiscal year 2011, the Department of Community Health made UPL payments for hospital inpatient and outpatient services, nursing homes, physician groups and ICF-MR prior to having the calculations reviewed by the DOAA. Additionally, there was no indication of a detailed review performed by Department of Community Health management.

During the annual audit of the Department of Community Health, officials maintained that the DOAA had performed such detail reviews on current fiscal year 2011 calculations and payments, but after extensive inquiries and observations, it was determined that those reviews were made on prior year estimates and not for current year calculations and total payments. Consequently, UPL payments were transacted without an independent review by appropriate parties prior to release of payments.

Criteria: Title 42 of the Code of Federal Regulations, sections 447.272 for hospital inpatient services and 447.321 for hospital outpatient services, nursing homes, physician groups and intermediate care facilities for mental retardation (ICF-MR), states that the Department of Community Health is eligible to calculate Upper Payment Limit (UPL) for providers that are state government, non-state government and privately owned and operated facilities. UPL refers to a reasonable estimate of the amount that would be paid for the services furnished by the group of facilities under Medicare payment principles.

The Department of Community Health's management is responsible for implementing and maintaining adequate controls to ensure a reasonable estimate of the amount is accurately computed. A detail review of the calculation by someone independent of the calculation process is a necessary part of ensuring the reasonableness of the estimated UPL amount.

Information: Material adjustments to the UPL amounts have occurred in previous years as a result of our audit work. For the past several years, total UPL calculated amounts have averaged approximately $200 million per year.

Cause: The Department of Community Health did not have adequate review procedures in place during fiscal year ending June 30, 2010 to ensure a reasonable estimate of UPL was computed. Additionally, the

Department of Community Health's management did not implement adequate review procedures relating to UPL calculations during the year ended June 30, 2011.

Effect: The accrual of inpatient and outpatient UPL at June 30, 2010 was overstated by approximately $15 million. Total UPL payments for accrued amounts as of June 30, 2010 as well as amounts expensed relative to the year ended June 30, 2011 of approximately $285 million were disbursed during the fiscal year ended June 30, 2011 prior to undergoing a detailed review by the DOAA or Department of Community Health management.

Recommendation: It is imperative that management develop adequate procedures to review its UPL calculations in detail in order to ensure the amounts paid as well as the amounts recorded in the Department of Community Health's financial statements are properly supported, reviewed and represent management's best estimate. This process should include a detailed review of supporting documentation to ensure the data used in calculating UPL is accurate and in accordance with the applicable UPL State plan.

Management may decide to ask a third party to review and validate data for all UPL calculations. However, the responsibility for the accuracy of the estimate still rests with management. Therefore, it is necessary that management and the third party have a thorough understanding of the procedures to be performed by the third party. These procedures should be formally documented and management should review the output to ensure they are in agreement.

Finding Control Number: **FS-419-11-02**
EXPENSES/EXPENDITURES AND LIABILITIES
FINANCIAL REPORTING AND DISCLOSURE
Hospice and Nursing Home Patient Liability

Condition: During the prior year's audit (fiscal year 2010) of the Department of Community Health, we made recommendations to management related to payments made to providers for hospice services which included the patient cost sharing amounts. This issue was identified by the Department of Community Health approximately four years ago.

During fiscal year 2011, the Department of Community Health's management made significant efforts to resolve the claim processing and financial reporting aspects of the matter. During fiscal year 2011, the Department of Community Health used its "Change Control Board" and "Customer Service Request" process to communicate to its claim processing vendor the need for correction. However, as of the date of this report the providers have not been billed for the overpayments since the exact amounts are not known.

During the current fiscal year audit, we noted the Department of Community Health had not quantified the amount of overpayments made to hospice and nursing home providers from fiscal years 2003 through 2011. As of June 30, 2011, the exact amount of the over payments to be recovered and due to the Department of Community Health were still unknown.

Criteria: The Department of Community Health is responsible for developing, maintaining, and following internal controls over disbursements to hospice providers and to ensure such disbursements are properly supported and appropriate for the respective services rendered in accordance with all federal reimbursable guidelines.

Information: Based on the result of a complex calculation, the total prior years' overpayments receivable from hospice providers is expected to amount to approximately $57 million, of which approximately $39 million has been reserved as potentially uncollectible. Approximately 65 percent of amounts collected will be owed to the federal government. This will result in a net decrease in benefit expense of approximately $18 million. This audit adjustment was made by the Department of Community Health.

Cause: The Department of Community Health did not have appropriate and adequate safeguards in place to prevent the disbursement of overpayments to hospice and nursing home providers. This occurred

because of a failure of the Division of Family and Children's Services' (DFCS) SUCCESS system to properly interface with the Medicaid Management Information System (MMIS) at the Department of Community Health.

Effect: See the Information above

Recommendation: We recommend management take steps to immediately address issues that surface with systems that interface with the MMIS. Although these system issues appear to now be corrected, other such issues could arise and need prompt attention. Further, when overpayments and errors are identified, management should continue to take the time to calculate an estimate of the effect on the financial statements in the manner of the estimations performed for fiscal year 2011. Failure to estimate these amounts could cause management to be unaware of amounts owed to others or amounts owed to it that could be material. Finally, management should take steps to quantify and then seek to recover amounts owed to it by the hospice providers as soon as possible.

Finding Control Number: **FS-419-11-03**
EXPENSES/EXPENDITURES AND LIABILITIES
FINANCIAL REPORTING AND DISCLOSURE
Accounts Payable and Other Accruals

Condition: Management of the Department of Community Health provided us with a detail listing of liabilities supporting the accounts payable and other accruals reported by the Department of Community Health at June 30, 2011. As a result of our audit procedures, we identified several significant obligations which were not included within the detail and thus excluded from the reported balances of the Department of Community Health at year end.

Criteria: The Department of Community Health's management is responsible for ensuring costs associated with payment obligations are recorded promptly when incurred, and reported accurately in the financial statements as well as the schedule of expenditures of federal awards. An account payable exists when the Department of Community Health has benefited from the delivery of goods or services and the related obligation remains unsatisfied.

Information: See Effect as noted below.

Cause: Management within the various divisions of the Department of Community Health did not provide to the Financial Services Division accurate and timely information related to accounts payable and other accruals. Additionally, appropriate understanding at the clerical level regarding the recording of accounts payable in accordance with generally accepted accounting principles (GAAP) was lacking as compared to the budget basis otherwise adopted by the Department of Community Health.

Effect: An adjustment of approximately $23 million was required to properly state accounts payable and other accruals as well as the related expense.

Recommendation: In an effort to ensure the Department of Community Health's reported obligations and related receivables are accurately stated, we recommend management implement a process which includes a careful review of material disbursements subsequent to year end with the intended purpose of identifying liabilities which should be reflected in the Department of Community Health's accounts payable and other accruals at fiscal year end.

Additionally, we recommend the Department of Community Health establish goals and provide training to employees that reinforces its accrual policies in order to ensure that liabilities are identified and recorded at the point of obligation. We recommend divisions and offices throughout the Department of Community Health be charged with identifying obligations at year end, including any related liabilities, assessing those liabilities and ensuring the timely recording of those liabilities.

Finding Control Number: **FS-419-11-04**
EXPENSES/EXPENDITURES AND LIABILITIES
FINANCIAL REPORTING AND DISCLOSURE
Benefits Payable at State Health Benefit Plan and Fiduciary Funds of the Department of Community Health

Condition: All three (3) funds noted in the criteria below include healthcare costs administered by various third party service providers. During the audit of the fiscal year June 30, 2011 and upon receipt of Department of Community Health prepared financial statements, we noted a debit balance in benefits payable at the School OPEB Fund. Upon inquiry as to the nature of such a balance, it was determined that the debit balance was due to an error on the part of a third party service provider, United Healthcare (UHC), in their processing of claims paid across funds. Additionally, our inquiries resulted in noting that adjustments would be required which would affect all three (3) respective funds.

Criteria: The Department of Community Health's management is responsible for ensuring proper administration of healthcare claims recorded in three (3) funds managed by the Department of Community Health. These three (3) funds include the SHBP Fund and two (2) fiduciary funds (known as the State Employees Postemployment Health Benefit Fund (State OPEB Fund) and the School Personnel Postemployment Health Benefit Fund (School OPEB Fund)). The adoption of the accrual basis of accounting under generally accepted accounting principles is required for each of these funds.

Information: See Effect as noted below.

Cause: Lack of management oversight and investigations into discrepancies noted within the respective general ledgers of the three (3) respective funds.

Effect: Adjustments affecting benefits payable and related accounts were required across the three (3) funds as follows: a) the SHBP Fund recognized approximately $9,929,000 to reduce benefits payable; b) the State OPEB Plan recognized approximately $4,000 to increase benefits payable; and, c) the School OPEB Fund recognized approximately $9,925,000 to increase benefits payable.

Recommendation: The Department of Community Health should enhance communications with its third party service providers relative to all respective accounting and reporting of claims paid and expensed. Further, if discrepancies are noted by either party, then proper investigative actions should be initiated and resolved in a more timely fashion by the management of the Department of Community Health.

Finding Control Number: **FS-419-11-05**
FINANCIAL REPORTING AND DISCLOSURE
Controls Over Processes Performed at Service Organizations

Condition: This is a modification and partial repeat of finding FS-419-10-03 from the year ended June 30, 2010.

Criteria: Management is responsible for implementing and maintaining effective internal controls over financial reporting whether the processing is performed at the Department of Community Health or whether it is outsourced to an outside service organization. This responsibility includes an understanding of user controls to ensure they are implemented and maintained within the Department of Community Health's internal control system.

Information: In reviewing the Department of Community Health's service auditor reports, management could not readily provide us information relative to the user controls that the Department of Community Health has in place to detect and correct any errors that might result from improper processing. Additionally, there were issues with management's understanding of the function and purpose of user controls.

Cause: While management has taken steps to obtain a greater understanding of their service auditor reports, they still did not fully understand the purpose and importance of user controls.

Effect: If the Department of Community Health does not review and implement user controls relative to its key outsourced processes, it may be unaware of changes in the service organization's control structure that could cause transactions to be processed incorrectly. This could affect the amounts and disclosures in the financial statements.

Recommendation: The Department of Community Health has made a conscious effort to obtain a greater understanding of the importance of reviewing the service auditor reports for significant processes and maintaining effective user controls. The Department of Community Health should review the user control section in the service auditor reports on a periodic basis to ensure that they have implemented the key user controls recommended by the service organizations and that those controls are operating effectively. Additionally, the Department of Community Health should communicate the importance of these controls to all appropriate levels of management and staff.

Finding Control Number: **FS-419-11-100**
BUDGET
Inaccurate Statutory (Budgetary) Basis Financial Statements

Condition: Our review of the Budgetary Compliance Report (BCR) found that the Department of Community Health reported the following instances of non-compliance:

1) Medicaid: Low-income Medicaid/Other Funds
   Expenditures exceed Funds Available by $1,599,654

2) Adolescent and Adult Health Promotion/State Appropriated Tobacco Funds
   Expenditures exceed Authorized Budget and Negative Excess Funds Available by $11,433

3) Adolescent and Adult Health Promotion/Federal Funds/Maternal and Child Health Services Block Great
   Expenditures exceed Authorized Budget by $342,249

4) Adolescent and Adult Health Promotion/Other Funds
   Expenditures exceed Funds Available by $52,434

5) Emergency Preparedness/Trauma System Improvement/Federal Funds/Prevention and Treatment of Substance Abuse Block Grant
   Expenditures exceed Authorized Budget by $26,400

6) Emergency Preparedness/Trauma System Improvement/Other Funds
   Expenditures exceed Funds Available by $53,664

7) Epidemiology/Federal Funds/Prevention and Treatment of Substance Abuse Block Grant
   Expenditures exceed Authorized Budget by $50,000

8) Infant and Child Health Essential Health Treatment Services/State General Funds
   Expenditures exceed Authorized Budget and Negative Excess Funds Available by $200,183

9) Infectious Disease Control/State General Funds
   Expenditures exceed Authorized Budget and Negative Excess Funds Available by $2,077

10) Brain and Spinal Injury Trust Fund/Other Funds
    Expenditures exceed Authorized Budget by $4,670

11) Georgia Composite Medical Board/Other Funds
    Expenditures exceed Funds Available by $2,840

Criteria: The Appropriations Act, as amended, (Final Budget) prohibits an agency from overspending their authorized budgeted amounts at the legal level of budgetary control (funding source within program). As applied here, this means that amounts reflected in the "variance" columns of the appropriated budget unit's budgetary comparison schedule at the legal level of budgetary control are not negative variances and do not result in an deficiency of funds available under expenditures.

Article VII, Section IV Paragraph VIII of the Constitution of the State of Georgia provides, in part, "…the credit of the State shall not be pledged or loaned to any individual, company, corporation or association." As applied here, this means that amounts reflected in the "variance" column under the heading of Excess (Deficiency) of Funds Available Over/(Under) Expenditures in the Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source Budget Fund are not negative variances.

The accounting records for each appropriated budget unit of the State should be maintained in such a manner to allow for budgetary reporting to be accurately prepared and supported.

Information: On the Statement of Funds Available and Expenditures Compared to Budget By Program and Funding Sources – Budget Fund, the Excess (Deficiency) of Funds Available Over/(Under) Expenditures column shows deficits in the following five programs:

1. Medicaid: Low-income Medicaid/Other Funds - $1,599,654
2. Adolescent and Adult Health Promotion/State Appropriated Tobacco Funds - $11,433
3. Adolescent and Adult Health Promotion/Other Funds - $52,434
4. Infant and Child Health Essential Health Treatment Services/State General Funds - $200,183
5. Infectious Disease Control/State General Funds - $2,077

However, the Ending Fund Balance / (Deficit) June 30 column found on the Statement of Changes to Fund Balance By Program and Funding Source Budget Fund shows that the five programs have either a zero or a positive balance. Therefore, we deem DCH to be in compliance with the budgetary requirements.

Cause: The following three programs/funding sources reflected expenditures without budget availability. It appears, however, that budgeted funds for each of these are reflected in the funding source Federal Funds not Specifically Identified:

1 Emergency Preparedness/Trauma System Improvement/Federal Funds/Prevention and Treatment of Substance Abuse Block Grant - $26,400
2. Epidemiology/Federal Funds/Prevention and Treatment of Substance Abuse Block Grant - $50,000
3. Brain and Spinal Injury Trust Fund/Other Funds - $4,670

The following program failed to make appropriate budget amendments to recognize available federal and other funds when additional expenditures were booked after the budget module closed resulting in a budgetary deficit.

1. Adolescent and Adult Health Promotion/Federal Funds/Maternal and Child Health Services Block Great - $342,249

The following three programs had adjustments to prior year activity which may have inappropriately funded current year expenditures:

1. Adolescent and Adult Health Promotion/State Appropriated Tobacco Funds - $11,433
2. Infant and Child Essential Health Treatment Services/State General Funds - $200,183
3. Infectious Disease Control - $2,077

The Emergency Preparedness/Trauma System Improvement failed to monitor expenditures of its Other Funds to ensure they did not exceed its total funds available. As a result, expenditures of its Other Funds exceeded its total funds available by $53,664. This over-expenditure, combined with a negative prior period adjustment, resulted in an overall program deficit of $640,914.

Also, the Georgia Composite Medical Board's expenditures for its Other Funds exceeded its authorized budget by $2,840. This over-expenditure, combined with a positive prior period adjustment, resulted in a currently year negative surplus of $1,807 which has been netted with State General Fund surplus.

Effect: All over-expenditures are violations of the Appropriations Act, as amended, (Final Budget). The Emergency Preparedness/Trauma System Improvement/Other Funds exceeded its total funds available by $53,664. This over-expenditure, combined with a negative prior period adjustment, resulted in an overall program deficit of $640,914, which constitutes material non-compliance.

Recommendation: The Department of Community Health should manage its budgetary activity at the legal level of control, which is fund source within program. In order to produce accurate and useful BCR reports in the future, actions to be taken by the Department should include, but are not limited to:

1. Obtain additional understanding and training regarding Program-Based Budgeting.
2. Monitor PeopleSoft budgetary reports throughout the year to ensure that required adjusting entries are made before year end close.
3. Review to ensure appropriate budget amendments are made to reflect all necessary revenue booked.

GOVERNOR, OFFICE OF THE

Finding Control Number: **FS-422-11-01**
EXPENSES/EXPENDITURES AND LIABILITIES
Questionable Payments of Employees' Monthly Parking Fees

Condition: During fiscal year 2011, the Governor's Office for Children and Families, an attached agency to the Office of the Governor, paid the monthly parking fees for its employees. These payments, totaling $16,945.00, were paid from both State and Federal funds sources.

Criteria: Per O.C.G.A. 50-6-24, it is the duty of the State Auditor to report on whether an agency is being handled in an efficient and economical manner, and to call special attention to any excessive cost of operation or any excessive expense.

The Office of Management and Budget (OMB) Circular A-87 Attachment B number 20 states that the "costs of goods or services for personal use of the governmental unit's employees are unallowable regardless of whether the cost is reported as taxable income to the employees."

Questioned Cost: $5,439.75

Information: The Governor's Office for Children and Families used $11,505.25 of their State funds and $5,439.75 of their Federal funds in fiscal year 2011 to pay their employees' monthly parking fees.

Cause: The deficiency noted was a result of the Governor's Office for Children and Families' failure to follow Federal guidelines and to ensure that their State funds were not being expended for questionable purposes.

Effect: Paying employee parking fees with Federal funds caused the Governor's Office for Children and Families to be in noncompliance with Federal regulations and results in a questioned cost amount of $5,439.75. In addition, the use of State funds for this purpose could be a questionable expenditure, as

well, since it gives the appearance that the Governor's Office for Children and Families may have excessively expended State funds.

Recommendation: The Governor's Office for Children and Families should discontinue the use of Federal funds to pay for its employees' monthly parking fees and should seek legal advice from the Department of Law as to whether or not the use of State funds for this purpose is an allowable expenditure and not, potentially, a violation of the "Gratuities Clause" of the Georgia Constitution.

HUMAN SERVICES, DEPARTMENT OF

Finding Control Number: **FS-427-11-01**
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
EXPENSES/EXPENDITURES AND LIABILITIES
Failure to Reconcile TANF Subsidiary System to PeopleSoft

Condition: The Department of Human Services (Department) did not provide a reconciliation to PeopleSoft for Systems & Methods Inc. Lending Help Eliminating Problems(SMILE) subsidiary system, used for recording Temporary Assistance for Needy Families (TANF) direct benefits.

Criteria: The *Accounting Policy Manual* for the State of Georgia, Category 1, Management Responsibilities, states that "The management of each organization of state government is ultimately responsible for the accuracy and completeness of its accounting and financial records and reports." This should include periodic review of reports to ensure data are accurate, reliable, and measuring the appropriate things, as well as, integrating or reconciling information used to manage operations with data generated by the financial reporting system.

Information: As part of the Material Account Balance testing, in order to verify the completeness of the benefits total reported on the general ledger, initiated in the SMILE System, the auditor verified the balance in the SMILE Subsidiary system to the balance on the general ledger. There was only an immaterial variance between the system totals.

Cause: This deficiency is a result of the Department's failure to design and implement the procedures necessary to perform the reconciliation of the SMILE Subsidiary System to the general ledger for Direct Benefits of the TANF program.

Effect: The failure to perform the "year-in-total" reconciliation increases the risk of material misstatements in the financial statements.

Recommendation: The Department of Human Services should establish adequate policies and procedures to perform a "year-in-total" reconciliation between the SMILE System and PeopleSoft for Direct Benefits of the TANF program.

Finding Control Number: **FS-427-11-02**
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
EXPENSES/EXPENDITURES AND LIABILITIES
Failure to Adequately Reconcile Child Care Subsidiary Systems to PeopleSoft

Condition: The Department of Human Services did not provide an adequate reconciliation to PeopleSoft for the Maximus subsidiary system, used for recording Child Care direct benefits.

Criteria: The *Accounting Policy Manual* for the State of Georgia, Category 1, Management Responsibilities, states that "The management of each organization of state government is ultimately responsible for the accuracy and completeness of its accounting and financial records and reports." This should include

periodic review of reports to ensure data are accurate, reliable, and measuring the appropriate things, as well as, integrating or reconciling information used to manage operations with data generated by the financial reporting system.

Information: As part of the Material Account Balance testing, in order to verify the completeness of the benefits total reported on the general ledger, initiated in the Maximus System, the auditor verified the balance in the Maximus Subsidiary system to the balance on the general ledger. There was only an immaterial variance between the system totals.

Cause: This deficiency is the result of the Department's failure to design and implement the procedures necessary to perform an adequate reconciliation of the Maximus subsidiary system to the general ledger for Direct Benefits of the Child Care program.

Effect: The failure to adequately perform the "year-in-total" reconciliation increases the risk of material misstatements in the financial statements.

Recommendation: The Department of Human Services should establish adequate policies and procedures to perform the "year-in-total" reconciliation between the Maximus subsidiary system and PeopleSoft for Direct Benefits of the Child Care program.

Finding Control Number: **FS-427-11-03**
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
EQUITY AND FINANCIAL STATEMENT RECONCILIATIONS
Unsubstantiated Other Reserves Balance

Condition: Our examination of the Statement of Changes to Fund Balance, by Program and Funding Source, Budget Fund, found that the Department of Human Services (Department) had a $26,319,867.56 balance in Other Reserves. The Department was unable to provide adequate documentation and authorization to substantiate the Other Reserves balance. See related finding FS-427-11-100.

Criteria: An adequate system of internal control dictates that controls be in place to ensure that the receipt and disbursement of Other Funds are properly recorded in accordance with the *Accounting Policy Manual* for the State of Georgia (Manual). The Manual, section "Revenue & Receivables", subsection "Prior Year Carry-Over", states that: "At fiscal year-end, all fund balances that are retained for subsequent period expenditures (based on external restrictions, statutory authority, etc.) should be classified as Other Reserves of fund balances. Such classification should be made after funding source trial balances have been analyzed and unexpended balances have been examined and classified in accordance with the policies in the Grants and Other Financial Assistance section of the Accounting Policy Manual."

Cause: The deficiencies noted above were a result of the Department's failure to implement adequate internal controls to ensure that the receipt and disbursement of Other Funds were properly identified and recorded on the financial statements.

Effect: The Department may not be remitting an accurate surplus to the State Treasury for FY'2011.

Recommendation: The Department should develop and implement additional internal control policies and procedures to ensure that the receipt and disbursement of Other Funds are properly recorded in accordance with the *Accounting Policy Manual* for the State of Georgia.

The Department should review the programs that make up the reserve balance and determine their validity within the first half of fiscal year 2012. If any of the reserve amounts should have been remitted as surplus, the Department should immediately forward the amount to State Treasury as Early Remittance of Surplus for fiscal year 2012.

Finding Control Number: **FS-427-11-04**
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
BUDGET
Inadequate Journal Entry Documentation

Condition: Our examination included a review of journal entries that were posted to the Department of Human Services' (Department) general ledger during fiscal year 2011. This review revealed that an excessive number (over 540) of these journal entries were made during periods 12 and 998 (adjustment period). The number of journal entries posted in these two periods were made up 31% of the total number of journal entries that were posted to the general ledger for the entire year. This excessive use of journal entries at the end of the fiscal year indicates weaknesses in the Department's internal controls.

In addition to our review of journal entry activity on the general ledger, we examined the supporting documentation maintained by the Department for various types of journal entries. We did this testing in three separate procedures during the audit work done for the Department of Human Services.

For testing done for the Financial Engagement, the auditors selected seven (7) journal entries with a dollar value of $680,538,408.54 for testing. DHS did not provided a copy of the journal entries or any documentation for the auditors to review, therefore they were all found to be invalid. The entries were analyzed for their effect on the general ledger, and it was determined that the deficiency is more of an internal control issue for lack of adequate supporting documentation, than a misstatement of the general ledger.

For the testing done for Federal Cost Allocation, the auditors reviewed twenty (20) journal entries with a dollar value of $83,954,688.42, of which two (2) with a dollar value of $3,086,867.27 were found to not be adequately supported.

For the testing done on the six major federal compliance programs, in the General Matters section, the auditors selected and reviewed four-hundred and fifty-seven (457) journal entries. The testing of journal entries was performed in three parts:

1. Interim testing in which the auditors selected and reviewed one-hundred and fifty-eight (158) journal entries with a dollar value of $2,506,824,155.17 for the periods 1 through 8 (July through February) for state fiscal year 2011.

   Of the one-hundred and fifty-eight (158) journal entries tested, the auditors found that eighty-seven (87) journal entries with a dollar value of $2,218,312,057.06, were found to be in error. Of those eighty-seven (87) errors, eighty-three (83) were due to the journal entry not being adequately supported, while the remaining four (4) errors were due to DHS not being able to provide any documentation at all.

2. Significant items testing, in which the auditors selected and reviewed a total of forty-two (42) journal entries with a dollar value of $7,027,243,074.89 for the periods 9 through 998 (March through June and including the year-end adjustment period) for state fiscal year 2011.

   Of the forty-two (42) journal entries tested the auditors found that thirty-four (34) journal entries with a dollar value of $6,826,016,694.55 were not adequately supported.

3. Final testing, in which the auditors selected and reviewed a total of two-hundred and fifty-seven (257) journal entries with a dollar value of $2,087,101,385.26 for the periods 9 through 998 (March through June and including the year-end adjustment period) for state fiscal year 2011.
   Of the two-hundred and fifty-seven (257) journal entries tested, the auditors found that one-hundred and twenty-four (124) journal entries with a dollar value of $1,747,361,765.14 were not adequately supported.

The dollar values in major federal compliance program testing above are absolute dollar values of all relevant lines of the journal entries, divided by two.

Analysis of the effect of these journal entries revealed that the net effect on the given programs was not significant, as the entries were mostly for recording Federal revenues and receivables, and moving expenditures between fund sources, departments, and federal fiscal years within the programs. The deficiency is more of an internal control issue for lack of adequate supporting documentation.

DHS journal entries are often upload entries that adjust multiple CFDA's at one time. So if the entry selected was wrong for one CFDA, it is wrong for all the other CFDA's on the entry.

Criteria: The Financial Management Policies and Procedures, policy number 4-8-1,issued by the Office of Planning and Budget and State Accounting Office, states that "Documentation should be maintained for adjustments posted during a fiscal year, especially as a part of year-end closing procedures, that allows for the verification of the adjusted transaction to the source documentation supporting the original transaction. Such documentation should include, but is not necessarily limited to, analysis identifying original deposit ID's, purchase orders, voucher ID's or other relevant identifying reference and should identify the original transaction's budget program by fund source or justification for a change in allocation methodology."

In addition, the *Accounting Procedures Manual* for the State of Georgia (Manual), Section Five, page 5-4-2, states in part that documentation "...involves preserving evidence to substantiate a decision, event, transaction, or system. All documentation should be complete, accurate, and reported promptly."

Further, the *Accounting Policy Manual* from the State Accounting Office of Georgia, Category 3 - Closing Procedures, Section: Documentation Requirements, states in that "All transactions must be supported by appropriate documentation. The same documentation requirements apply to transactions entered directly into an accounting system, as well as those initially entered and processed in an organization subsystem that are transmitted through an automated interface. In all cases, the documentation must be complete and accurate and must allow a transaction to be traced from the source documentation, through its processing, to the financial reports. All documentation should be readily available for examination."

Cause: The deficiencies noted above were a result of the Department's failure to implement adequate internal control procedures to ensure compliance with The Financial Management Policies and Procedures and the *Accounting Policy Manual* for the State of Georgia.

Effect: Approving journal entries without adequate supporting documentation and making excessive journal entries at year end may result in a material misstatement in the financial statements including misstatements due to fraud.

Further, the reliance on excessive manual journal entries being posted at year end to correct problems or make adjustments to PeopleSoft instead of making sure that transactions posted to the subsidiary ledgers throughout the fiscal year are correct or appropriate, could result in a material misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Department of Human Services should develop and implement policies and procedures to ensure that adequate documentation is maintained and reviewed prior to approving journal entries. Additional training on the guidelines included in The Financial Management Policies and Procedures should be provided to employees responsible for preparing and approving journal entries.

Further, the Department should implement additional procedures related to monitoring transactions posted to the subsidiary ledgers during the fiscal year instead of relying on journal entries to correct problems identified just before closing the books.

Finding Control Number: **FS-427-11-05**
GENERAL LEDGER
Ending Balances in Balance Sheet Clearing Accounts

Condition: A review of the general ledger balance sheet clearing accounts revealed that four (4) clearing accounts contained balances at June 30, 2011. Account 196001 had a balance of $31,591,046.96, account 196002 had a balance of $15,466,838.81, account 196003 had a balance of $-324.00, and account 196006 had a balance of $3,405,572.53.

After the books closed, the State Accounting Office (SAO) made several adjustments to the books three (3) of which brought the clearing account balance to zero. Based on our testing, however, we were unable to confirm that these reported balances were accurate. See related finding FS-427-11-100.

Criteria: In accordance with the Accounting Directive 201103 for the State of Georgia, page 2 states: "Balance sheet clearing accounts have been provided in the State Chart of Accounts (SCOA) in the 196xxx and 296xxx account range to facilitate the accumulation of transactions which are later distributed to appropriate accounts. Care should be taken to ensure that each clearing account does not have a balance at the fund type level at the end of each fiscal year since such accounts should not be listed on either budgetary or GAAP financial statements."

Information: An analysis performed on the 196 accounts by fund source revealed that four hundred and fifty (450) fund sources had balances at June 30.

Cause: The deficiencies noted above were a result of the Department's failure to establish internal control procedures to ensure that the clearing account balances at the fund type level were properly distributed to the appropriate accounts on the general ledger by fiscal year end.

Effect: Balances remaining in the clearing accounts at fiscal year-end could cause the financial statements to be misstated and could lead to erroneous decisions by the Department's management.

Recommendation: The Department of Human Services should ensure that clearing account balances have been distributed to the appropriate accounts at the end of each accounting period and that no balances remain in the clearing accounts at the fund type level at fiscal year-end in accordance with the Accounting Directive 201103 for the State of Georgia.

Finding Control Number: **FS-427-11-06**
GENERAL LEDGER
Federal Program Fund Balances

Condition: The Department of Human Services (Department) failed to properly monitor federal program fund source balances. At June 30, 2011 the Department had not set up receivables for the debit fund balances, and had not set up reserves for the credit fund balances. The Department has a total of seven hundred and twenty five (725) Federal fund sources; of which one hundred and forty eight (148) were not properly monitored and had a balance as of June 30, 2011. Seventy-three (73) of the fund sources had credit fund balances totaling $27,519,023.48, and seventy-five (75) fund sources had debit fund balances totaling $99,334,134.65.

Additionally, on the preliminary copy of the Budgetary Compliance Report (BCR), a Federal reserve was shown for $(55,897,141.65). After 28 post-closing adjustments were made by the Department and 17 additional adjusting entries were made by the State Accounting Office, the balance was adjusted to $7,715,152.06. Based on our testing, however, we were unable to confirm that these reported balances were accurate. See related finding FS-427-11-100.

Criteria: In accordance with the *Accounting Policy Manual* for the State of Georgia, Grants and Other Financial Assistance Section Overview, page 1 states in part: "State organizations that administer Federal programs must maintain sufficient accounting records to allow for the recording of Federal funds at an

expenditure level adequate to establish that the funds have not been used in violation of Federal laws and regulations. These records must provide for the identification of individual grants, expenditures and revenues from such grants, unobligated grant balances and grant assets and liabilities."

Information: In addition to the overall accounting control issues, the Federal Reserve balance indicates cash management issues. This is supported by the cash management finding FS-427-11-12.

Cause: The Department's lack of sufficient controls over multiple core functions is the main reason for this excessive Reserve for Federal Funds. The deficiencies noted are:

1. The Department's lack of controls over manual journal entries allows for an excessive number of manual journal entries, the majority of which are invalid since they lack adequate supporting documentation or are incorrect, and the excessive use of re-rate journal entries to maximize grants.

2. The Department's lack of controls over assignment of fund sources and programs in accordance with the State Chart of Accounts allows for fund sources to be set up for invalid or incorrect Catalog of Federal Domestic Assistance (CFDA) numbers, fund sources for state funds being set up using fund source numbers reserved for federal funds, and the use of "Uncontrolled Program" and "Federal Funds Not Specifically Identified".

3. The Department's lack of controls over the monitoring of Federal program fund source balances, including the failure to set up adequate Federal Receivable and Federal Reserve entries at June 30th.

Additionally, Program Directors are not being held accountable for the financial status of their programs.

Effect: The failure to maintain accurate federal fund balances creates excess funds that could be lost to surplus if not properly reserved, and/or deficit balances that might have to be covered by State funds.

Recommendation: In order to ensure accurate Federal program fund balances, actions to be taken by the Department should include, but not be limited to, the following:

1. Improve controls over Manual Journal Entries to ensure that adequate documentation is provided for each journal entry, including listing the actual invoices being moved when expenditures are rerated to other fund sources. Details and totals on supporting documentation must tie to the amounts on the journal entry.

2. Revise the review process to ensure that the personnel who are approving journal entries understand the effect that each journal entry will have on the accounts, fund sources, and programs.

3. Monitor transactions posted during the fiscal year on a regular basis rather than relying on journal entries to correct problems identified at year-end.

4. Review all funds sources and programs for compliance with the State Chart of Accounts and the Code of Federal Domestic Assistance. Provide SAO with information for correcting any errors noted in the set up of fund sources and CFDAs.

5. Hold each Program Director accountable for the financial side of his or her program, since they are familiar with the specific program requirements for the various sections (i.e. period of availability, matching, etc.) and require them to approve any re-rates made to the program during the fiscal year. Program Directors should also review the financial position of the program at least monthly, to ensure that all grant awards have been recorded and that all revenues and expenditures are appropriate and accurate.

Finding Control Number: **FS-427-11-07**
GENERAL LEDGER
REVENUES AND RECEIVABLES
Failure to Record Federal Grant Awards in a Timely Manner

Condition: The Department of Human Services (Department) failed to record Federal grant awards in a timely manner. A review of 64 grant awards revealed that fourteen (14) grant awards were not recorded on the general ledger for at least 30 days after receipt of the award. This review revealed that out of the fourteen (14) grant awards mentioned above, five (5) were not recorded on the general ledger for at least 30 days after receipt of the award, six (6) were not recorded for at least 60 days, two (2) was not recorded for at least 90 days, and one (1) was recorded after 120 days.

Criteria: To accurately account for Federal program revenues and expenditures, grant awards should be recorded on the general ledger in a timely manner.

Cause: The deficiencies noted above were a result of the Department's failure to have adequate internal control procedures to ensure that Federal grant awards are recorded on the general ledger in a timely manner.

Effect: Failure to record grant availability in a timely manner could affect the proper recording of Federal program revenues (and expenditures) which could result in misstatements in the financial statements.

Recommendation: The Department of Human Services should review their current internal control procedures for recording Federal program activity and implement additional procedures, as needed, to ensure the timely recording of Federal grant awards in the general ledger.

Finding Control Number: **FS-427-11-08**
GENERAL LEDGER
REVENUES AND RECEIVABLES
Failure to Reconcile A/R to the General Ledger

Condition: Review of the Department of Human Services (Department) year-end accounts receivable reconciliation revealed the following deficiencies:

Twelve of the nineteen accounts on the year-end accounts receivable reconciliation contained variances, totaling $1,952,899.50. In addition, no subsidiary listing was available to support the balance in any of the individual accounts, nor the accounts receivable in total.

The Department also failed to provide, for review, twenty-eight (28) accounts receivable items selected for testing.

Criteria: The Department of Human Services should have policies and procedures in place to ensure that monthly and year-end reconciliations of the accounts receivable module to the general ledger for all accounts receivable accounts are completed in an accurate manner, and to ensure that all receivable documents are appropriately maintained.

Cause: The deficiencies noted above were caused by the Department's failure to implement adequate policies and procedures to ensure reconciliations performed identified all variances and included proper supporting documentation, as well as the Department's failure to maintain all accounts receivable documents for review.

Effect: Failure to perform accurate reconciliations and to maintain all accounts receivable documentation could result in the accounts receivable module containing invalid information that is not detected in a timely manner. This could result in errors in financial reporting and increase the risk of material misstatement in the financial statements including misstatement due to fraud.

Recommendation: The Department of Human Services should implement additional policies and procedures to ensure that monthly and year-end reconciliations of the accounts receivable module to the general ledger are completed in an accurate manner, being sure to include relevant subsidiary ledgers and to resolve any variances noted in a timely manner. Controls should also be implemented to ensure that all accounts receivable documents are appropriately maintained.

Finding Control Number: **FS-427-11-09**
GENERAL LEDGER
EXPENSES/EXPENDITURES AND LIABILITIES
A/P Reconciliation Inaccurate/Incomplete

Condition: The Department of Human Services (Department) reconciliation of the accounts payable module (subsidiary ledger) to the general ledger for June 30, 2011 was not completed in an accurate manner. On the June reconciliation, there were three (3) accounts payable accounts that had debit balances as follows: account 202050 had a debit balance of $67,225.00, account 215140 had a debit balance of $162.00, and account 222101 had a debit balance of $2,760,189.73. Department personnel could not provide a reasonable explanation for these debit balances.

Additionally, two (2) accounts were not fully reconciled as of June 30, 2011. Account 222101 had a debit balance of $2,760,189.73 and account 231001 had a balance of $6,994,253.35.

A review of Accounts Payable balances over one year old revealed that the Department failed to verify the accuracy of the balances in a timely manner. Ten (10) out of the eleven (11) outstanding balances were from 2006 through 2009. Auditors could not determine the accuracy of the outstanding accounts payable balances totaling $12,083,823.84.

Criteria: The Department of Human Services should have policies and procedures in place to ensure that monthly and year-end reconciliations of the accounts payable module to the general ledger for all accounts payable accounts and outstanding balances are completed in an accurate and timely manner.

Cause: The deficiencies noted above are caused by the Department's failure to appropriately review the accounts payable reconciliation, including questioning why debit balances exist at all, getting those balances corrected to accurately reflect actual payables, and the failure to verify the accuracy of outstanding accounts payable balances.

Effect: Failure to perform accurate reconciliations could result in the accounts payable module containing invalid information that is not detected in a timely manner. This could result in errors in financial reporting and increase the risk of material misstatement in the financial statements including misstatement due to fraud.

Recommendation: The Department of Human Services should implement policies and procedures to ensure monthly and year-end reconciliations of the accounts payable module to the general ledger are completed in an accurate manner, and to verify the validity of the outstanding accounts payable balances on a regular basis.

Finding Control Number: **FS-427-11-10**
GENERAL LEDGER
BUDGET
Surplus not Calculated at the Legal Level of Budgetary Control

Condition: Our examination of the Statement of Changes to Fund Balance, by Program and Funding Source, Budget Fund, found that the Department of Human Services (Department) had eight (8) programs with an overall deficit balance totaling $2,659,513.72, and twenty-eight (28) programs with an overall surplus balance totaling $4,193,179.28. Based on our testing, however, we were unable to confirm that these reported balances were accurate. See related finding FS-427-11-100. As a result, the Department's

year-end surplus could not be determined by 'Program' as required. Rather, the Department's year-end surplus, in the amount of $1,533,665.56, had to be determined at the departmental level.

Criteria: The Appropriations Act, as amended, (Final Budget) prohibits an agency from overspending their authorized budgeted amounts at the legal level of budgetary control (funding source within program). The accounting records for each appropriated budget unit of the State should be maintained in such a manner to allow for budgetary reporting to be accurately prepared and supported.

Cause: The Department's lack of sufficient controls over multiple core functions is the main reason for this failure to comply with the legal level of budgetary compliance. The deficiencies noted are:

1. The Department's lack of controls over manual journal entries allows for an excessive number of manual journal entries, the majority of which are invalid since they lack adequate supporting documentation or are incorrect.

2. The Department's lack of controls over Cash Management allows multiple federal programs to have significant insufficient cash balances throughout the year as well as multiple instances where cash requests significantly exceed actual expenditures.

3. The Department's lack of controls over assignment of fund sources and programs in accordance with the State Chart of Accounts and the Appropriations Act allows for fund sources to be set up for invalid or incorrect Catalog of Federal Domestic Assistance (CFDA) numbers, fund sources for state funds being set up using fund source numbers reserved for federal funds, and the use of "PROGRAM NOT IDENTIFIED".

Effect: The Department may not be remitting an accurate surplus to the State Treasury for FY'2011.

Recommendation: The Department of Human Services should analyze all of its programs on the 2011 Statement of Changes to Fund Balance, by Program and Funding Source, Budget Fund, to determine if any corrections should have been made, re-calculate surplus for 2011, then remit, to the State Treasury, any additional surplus calculated.

In addition, the Department should manage its activity at the legal level of control, which is fund source within program. In order to produce accurate and useful surplus amounts in the future, actions to be taken by the Department should include, but not be limited to, the following:

1. Improve controls over Manual Journal Entries to ensure that adequate documentation is provided for each journal entry, including listing the actual invoices being moved when expenditures are rerated to other fund sources. Details and totals on supporting documentation must tie to the amounts on the journal entry.

2. Revise the review process to ensure that the personnel who are approving journal entries understand the effect that each journal entry will have on the accounts, fund sources, and programs.

3. Monitor transactions posted during the fiscal year on a regular basis rather than relying on journal entries to correct problems identified at year-end.

4. Revise the Cash Management policies and procedures for requesting, recording, and distributing Federal funds to ensure that they are adequate to meet cash management objectives

5. Review all funds sources and programs for compliance with the State Chart of Accounts and the Appropriations Act. Provide SAO with information for correcting any errors noted in the set up of fund sources and programs.

6. Make it a priority to fill the key personnel positions, and to ensure adequate training for all personnel, especially for those who do not have government accounting backgrounds.

Finding Control Number: **FS-427-11-11**
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures

Condition: Our examination included a review of the Department of Human Services' (Department) bank reconciliation procedures that were performed on the Operating, Payroll, Child Support, Public Assistance, Revenue Collections, Vital Records Refund, DHS WIC Program, and Trust Funds accounts. The following deficiencies were noted.

1. For the Operating account, the Department had not posted an excessive number of book adjustments, in the amount of $6,278,020.12, dating back to 2009. The outstanding check list has checks, in the amount of $3,890,799.74 that date back to 2008, that have not been cancelled.

2. For the Payroll account, the Department had not posted an excessive number of book adjustments, in the amount of $2,585,494.77, dating back to 2009. The outstanding check list has checks, in the amount of $267,109.83 that date back to 2005, that have not been cancelled.

3. For the Child Support Recovery account, the Department had not posted an excessive number of book adjustments, in the amount of $39,991,750.55 dating back to September 2010. The outstanding checklist has checks, in the amount of $2,631,141.87 that date back to 2003, that have not been cancelled.

4. For the Public Assistance account, the Department had not posted an excessive number of book adjustments, in the amount of $16,740,349.32 dating back to February 2011.

5. For the Vital Records Refund account, the outstanding check list has checks, in the amount of $2,009.50 dating back to 2008, that have not been recorded on the books.

6. For the Decentralized Trust Funds account's Debt Set Off sub-account, the Department had not posted several book adjustments, in the amount of $487,994.21 dating back to February 2011. The outstanding check list has checks, in the amount of $455,392.56 that date back to 2005, that have not been cancelled.

7. For the Decentralized Trust Funds account, there are 2 sub-accounts labeled as "Brain and Spinal Injury", but that program is no longer being handled by the Department.

8. For the Department of Human Services WIC program account, the Department had not performed any reconciliations throughout the year.

Criteria: Policy Number CM-100008 of the *State Accounting Manual* issued by the State Accounting Office (SAO) provides bank reconciliation guidelines for all organizations to follow. An adequate system of internal controls dictate that bank reconciliations be performed at a minimum on a monthly basis, and as appropriate, include the following: 1) adequate supporting documentation, 2) reconciling items correctly identified by description and amount, 3) adjustments which are needed are identified and made in a timely manner, 4) accurate general ledger balances, and 5) evidence of an effective supervisory review and approval function.

In addition, the Disposition of Unclaimed Property Act as identified in OCGA 44-12-190 through 44-12-236 provides for procedures to be followed for those holding property for someone else and contact has been lost with that person. This act applies to outstanding checks written to both individuals and vendors. Policy Number CM-100006 of the State Accounting Manual provides guidance on the proper accounting procedures regarding old outstanding checks.

Cause: The Department's bank account reconciliation process failed to ensure that reconciling items were properly supported and that outstanding checks were canceled in a timely manner, and that bank activity was recorded on the trial balance.

Effect: Failure to maintain an effective bank account reconciliation process increases the risk of misstatement due to fraud and the possible misappropriation of the Department's assets.

Recommendation: The Department of Human Services should review their current internal control procedures in relation to bank reconciliations and implement additional policies and procedures to ensure an effective bank reconciliation process is in place to manage and monitor bank accounts. In addition, the Department of Human Services should review the Trust Fund accounts labeled as Brain and Spinal Injury and determine if the accounts need to be transferred to the Department of Community Health.

Finding Control Number: **FS-427-11-12**
REVENUES AND RECEIVABLES
Inadequate Procedures Over Cash Draws of Federal Grants

Condition: Our examination of Cash Management over Federal Financial Assistance Programs at the Department of Human Services' (Department) disclosed the following deficiencies:

1. During each month of the year under review, requests for reimbursement were not sufficient to cover Federal program expenditures for multiple programs, with an average insufficient balance of $67,526,166.16.

2. During each month of the year under review, requests for reimbursement were in excess of program expenditures for multiple programs, with an average excess balance of $122,824,469.27.

3. Reimbursements were not accurately recorded in the accounting records. Variances were identified between the reimbursement amounts recorded in the general ledger and amounts reported in the Department's Cash Management Database reports. Explanations provided on those variances identified were not adequate or reasonable.

4. None of the cash draws tested had been reviewed and approved, and none had adequate supporting documentation to ensure that the costs for which reimbursement was requested were paid prior to the date of the reimbursement request.

Criteria: The Cash Management and Letter of Credit Procedures of the Department of Human Services state that the objective of the Department's cash management plan is to draw appropriate amounts of each type of fund available on an as-needed basis to assure that the Department does not have in excess of three days of Federal funds on hand, does not use state funds to subsidize Federal funds, and has sufficient funds to cover checks when they are presented.

Code of Federal Regulations Title 31, Chapter II, Part 205.33 indicates that "a State must minimize the time between the drawdown of Federal funds from the Federal government and their disbursement for Federal program purposes. A Federal Program Agency must limit a funds transfer to a State to the minimum amounts needed by the State and must time the disbursement to be in accord with the actual, immediate cash requirements of the State in carrying out a Federal assistance program or project."

Information: The separate testing of AARA funds was only feasible for the Child Care Development Fund, the Temporary Assistance for Needy Families Block Grant, and the Community Services Block Grant since separate CFDA numbers were designated exclusively for AARA funds for these programs. Separate testing of AARA funds was not possible for the Supplemental Nutrition Assistance Program, or Child Support Enforcement programs due to the fact that the cash draws for AARA funds were not separately stated in the accounting records.

Cause: The Department's policies and procedures for requesting, recording, and distributing Federal funds to reimburse program costs were inadequate.

Effect: Failure to request, record, and distribute Federal funds in an accurate and timely manner resulted in the use of State funds to subsidize Federal program expenditures and affected the proper recording of Federal program revenues, causing misstatements within the financial statements.

In addition, failure to drawdown Federal funds on an as-needed basis could result in an interest liability being incurred.

Recommendation: The Department of Human Services should review their policies and procedures for requesting, recording, and distributing Federal funds to ensure that they are adequate to meet cash management objectives.

Finding Control Number: **FS-427-11-13**
EXPENSES/EXPENDITURES AND LIABILITIES
Invalid and Questionable Encumbrances

Condition: Our examination included a review of the supporting documentation maintained by the Department of Human Services (Department) for twenty three (23) encumbrances with outstanding balances as of June 30, 2011. Our examination revealed the following deficiencies:

1. In eight (8) instances, encumbrances remained on the books after the contracted cut-off dates for valid payments to be made had expired.

2. In one (1) instance, a valid encumbrance totaling $1,577,612.22 was closed in error by the Department of Human Services. A correction had to be made to re-open the encumbrance in the subsequent year.

Criteria: The *Accounting Policy Manual* for the State of Georgia, Section Three, states:

> "In general, transactions which purport to obligate appropriated funds must be supported by an approved purchase order, at a minimum, or an executed contract which contains the following: a confirmed vendor, specific services or goods, specific price for the services or goods, and a stated time or range of time for delivery or completion."

The State Accounting Office Accounting Directive, AD 200905, for PO Year End Procedures states that "For proper accounting and year end calculations of surplus, all open encumbrances should be reviewed and any funds that will not be needed should be disencumbered. This is done by either cancelling or closing the Purchase Order associated with the encumbrance."

Cause: The Department failed to follow the guidelines as outlined in Section Three of the *Accounting Policy Manual* for the State of Georgia and the State Accounting Office's Accounting Directive 200905.

Management failed to implement controls to ensure that proper year end PO procedures were completed.

Effect: Open encumbrances at fiscal year end which do not contain the required criteria, as identified above, are not considered to be contractually obligated at the expiration of the general appropriations act. The establishment of encumbrances failing to meet the required criteria result in budgetary expenditure/liabilities being overstated with surplus (lapse) being understated.

Recommendation: The Department of Human Services should implement additional policies and procedures to ensure that encumbrances are recorded as an obligation of state funds only when supported by the required criteria and that any obligated funds that remain unexpended at the completion of a contract are lapsed in

accordance with the *Accounting Policy Manual* for the State of Georgia. Also, policies and procedures should be implemented to ensure encumbrance balances are not closed in error.

Finding Control Number: **FS-427-11-14**
EQUITY AND FINANCIAL STATEMENT RECONCILIATIONS
Failure to Properly Expense Prior Year Reserves

Condition: Our examination included a review of the Department of Human Services' (Department) Prior Year Reserves. The Department reserved $50,000 for three Equal Employment Opportunity Cases (EEOC) pending litigation in FY 2010. In FY 2011, two of the cases totaling $30,000 were dismissed, and should have been returned to surplus, but were not. Additionally, one FY 2011 EEOC case for $10,000 was paid for with the FY 2010 reserved funds, but should have been paid for with current year funds.

Criteria: An adequate system of internal control dictates that controls be in place to ensure that prior year reserved funds are spent in accordance with the *Accounting Policy Manual* for the State of Georgia (Manual). The Manual, section "Revenue & Receivables", subsection "Prior Year Carry-Over", states that: "In very limited circumstances agencies may have the ability to reserve unexpended funds at the close of a fiscal year. These reserved funds are available to fund expenditures in the subsequent fiscal year. For State funds it is necessary to segregate the source and use of prior year carry-over funds from current year funds in order to demonstrate budgetary compliance."

Cause: The deficiencies noted above were a result of the Department's failure to implement adequate internal controls to ensure that prior year reserved funds would be expensed appropriately.

Effect: The Department may not be remitting an accurate surplus to the State Treasury for FY'2011.

Recommendation: The Department should develop and implement additional internal control policies and procedures to ensure that prior year reserved funds are expensed in accordance with the *Accounting Policy Manual* for the State of Georgia.

Finding Control Number: **FS-427-11-15**
FINANCIAL REPORTING AND DISCLOSURE
SAS 70 Audit Not Performed on the SMILE system

Condition: The Department of Human Services (DHS) failed to ensure that Systems and Methods INC (SMI) had a service auditor report (SAS 70) performed on the Systems & Methods Inc. Lending Help Eliminating Problems (SMILE) System.

Criteria: Management is responsible for implementing and maintaining effective internal controls over financial reporting whether the processing is performed at the Department of Human Services or whether it is outsourced to an outside service organization.

Information: A SAS 70 is an engagement that tests the internal controls of service organization that may be relevant to a user organization's internal controls as it relates to an audit of financial statements.

Cause: The Department of Human Services did not require SMI to have a SAS 70 audit performed on the SMILE system.

Effect: If the Department of Human Services does not obtain service auditor reports on its key processes, it may be unaware of changes in the controls at the service organization that could cause transactions to be processed incorrectly. This could affect the amounts and disclosures in the financial statements.

In addition, the failure to obtain a SAS 70 report for the SMILE meant that User Control Considerations could not be assessed by the Technology Risk and Assurance department.

Recommendation: The Department of Human Services should ensure that the business owners for the key outsourced processes obtain service auditor reports on a yearly basis. Management should review the opinion of the service auditor and review the contents of the report for any deviations noted by the service auditor in testing.

Finding Control Number: **FS-427-11-100**
ACCOUNTING CONTROLS (OVERALL)
FINANCIAL REPORTING AND DISCLOSURE
BUDGET
Failure to Certify the Accuracy of the Budgetary Compliance Report

Condition: Our cursory review of the Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source presented in the Budgetary Compliance Report (BCR) revealed the following instances of noncompliance for the Department of Human Services (Department):

1) Adoption Services/ Federal Funds Not Specifically Identified
   Expenditures exceeded Funds Available by $1,000

2) Child Support Services/ Federal Funds Not Specifically Identified
   Expenditures exceeded Funds Available by $23.18

3) Child Support Services/ American Recovery and Reinvestment Act of 2009-Federal Funds Not Specifically Identified
   Expenditures exceeded Funds Available by $45.01

4) Child Welfare Services/ Other Funds
   Expenditures exceeded Funds Available by $104,086.75

5) Energy Assistance/ Other Funds
   Expenditures exceeded Funds Available by $568,858.00

6) Support for Needy Families-Basic Assistance/TANF-Block Grant Unobligated Balance
   Expenditures exceeded Funds Available by $4,361,567.00

7) Support for Needy Families-Work Assistance/Federal Funds Not Specifically Identified
   Expenditures exceeded Authorized Budget by $8,084,767.94

8) Federal Eligibility Benefit Services/Federal Funds Not Specifically Identified
   Expenditures exceeded Authorized Budget by $122,168.46

The Department of Human Services, however, declined to sign the "Letter of Representation" certifying the accuracy of the amounts reported by fund source within budgetary program. As a result, we did not perform detailed testing of the underlying documentation supporting the amounts reported in the BCR. Accordingly, we were unable to determine the Department's compliance with the requirements of the current Appropriations Act, as amended, (Final Budget) and the Constitution of the State of Georgia.

We did, however, perform a cursory review of the Preliminary BCR and Post-Closing Adjustments done by the Department and discovered the following:

1) On the Preliminary BCR, expenditures for thirty (30) line items in various programs exceeded authorized budget for a total of $82,349,869.93. In addition twelve (12) line items in various programs had expenditures that exceeded funds available for a total of $675,359.31.

2) Thirty-two (32) Post-Closing Adjustments were submitted by the Department and the State Accounting Office posted an additional seventeen (17) entries to the BCR.

Based on our cursory review of these entries and inquiries of management, we determined that most of the journal entries lacked appropriate supporting documentation, and were being made by the agency without the necessary research to determine what the appropriate entry should be to correct the underlying issues.

Criteria: The Appropriations Act, as amended, (Final Budget) prohibits an agency from overspending their authorized budgeted amounts at the legal level of budgetary control (funding source within program). As applied here, this means that amounts reflected in the "variance" columns of the appropriated budget unit's budgetary comparison schedule at the legal level of budgetary control are not negative variances and do not result in a deficiency of funds available under expenditures.

Article VII, Section IV Paragraph VIII of the Constitution of the State of Georgia provides, in part, "…the credit of the State shall not be pledged or loaned to any individual, company, corporation or association." As applied here, this means that amounts reflected in the "variance" column under the heading of Excess (Deficiency) of Funds Available Over/(Under) Expenditures in the Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source Budget Fund are not negative variances.

Cause: Due to the uncertainty regarding the accuracy of the Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source, the Department declined to prepare and sign a letter of representation for the examination engagement of the organization's compliance with the 2011 Appropriations Act, as amended.

Effect: The amounts reported in the Department's BCR for the programs identified should not be used for decision-making purposes at the legal level of budgetary control because of the lack of assurances by management and the likelihood that the BCR contains material errors.

Recommendation: The Department should manage its budgetary activity at the legal level of control, which is fund source within program. In order to produce accurate and useful BCR reports in the future, actions to be taken by the Department should include, but not be limited to, the following:

1. Improve controls over Manual Journal Entries to ensure that adequate documentation is provided for each journal entry, including listing the actual invoices being moved when expenditures are rerated to other fund sources. Details and totals on supporting documentation must tie to the amounts on the journal entry.

2. Revise the review process to ensure that the personnel who are approving journal entries understand the effect that each journal entry will have on the accounts, fund sources, and programs.

3. Monitor transactions posted during the fiscal year on a regular basis rather than relying on journal entries to correct problems identified at year-end.

4. Revise the Cash Management policies and procedures for requesting, recording, and distributing Federal funds to ensure that they are adequate to meet cash management objectives.

5. Review all funds sources and programs for compliance with the State Chart of Accounts and the Appropriations Act. Provide SAO with information for correcting any errors noted in the set up of fund sources and programs.

COURT OF APPEALS

Finding Control Number: **FS-432-11-01**
ACCOUNTING CONTROLS (OVERALL)
Failure to Verify Employment Eligibility for Newly Hired Employees

Condition: Court of Appeals failed to verify the employment eligibility for five (5) new employees hired during the year under review as required by State of Georgia statutes.

Criteria: In accordance with the Official Code of Georgia Title 13 Chapter 10 Article 3 (OCGA 13-10-91), "Every public employer, including, but not limited to, every municipality and county, shall register and participate in the federal work authorization program to verify employment eligibility of all newly hired employees."

Cause: Court of Appeals failed to have adequate controls in place to ensure compliance with OCGA 13-10-91.

Effect: Failure to verify the employment eligibility of newly hired employees represents noncompliance with State law.

Recommendation: Court of Appeals should implement internal controls as needed to ensure they comply with the statutes of the State of Georgia regarding verifying the employment eligibility of prospective employees.

LABOR, DEPARTMENT OF

Finding Control Number: **FS-440-11-01**
ACCOUNTING CONTROLS (OVERALL)
Inadequate Supporting Documentation for Adjusting Journal Entries

See Related Federal Award finding number FA-440-10-01

Condition: Our examination included a review of adjusting journal entries that were posted to the Department of Labor's (Department) general ledger for the month of June 2011 for the major Federal programs. The adjusting journal entries reviewed allocated overhead costs to specific programs, transferred expenses between grant years within programs, or transferred expenses between programs. We noted that the supporting documentation for certain adjusting journal entries was inadequate. The supporting documentation did not contain adequate explanations for the purpose of the journal entries, information was not provided to support the amounts adjusted, nor were there any indication of specific transactions being adjusted.

Criteria: The Financial Management Policies and Procedures, policy number 4-8-1, issued by the Office of Planning and Budget and State Accounting Office, states that "Documentation should be maintained for adjustments posted during a fiscal year, especially as a part of year-end closing procedures, that allows for the verification of the adjusted transaction to the source documentation supporting the original transaction. Such documentation should include, but is not necessarily limited to, analyses identifying original deposit ID's, purchase orders, voucher ID's or other relevant identifying reference and should identify the original transaction's budget program by fund source or justification for a change in allocation methodology."

Further, the *Accounting Policy Manual*, Category 3 - Closing Procedures, Documentation Requirements, issued by the State Accounting Office, states in part that documentation "...Regardless of the format used for storage purposes, all recorded transactions (including adjusting entries and transfers) should be supported by copies of source documents (such as vendor invoices, receiving records, cash receipts, timesheets, loan documents, or bank statements) and other supporting information sufficient to provide clear evidence of...adjustments reclassifying transactions should be traceable to the documentation supporting the original transaction."

Cause: The deficiencies noted above were a result of the Department's failure to implement adequate internal control procedures to ensure compliance with The Financial Management Policies and Procedures and the Accounting Policy Manual for the State of Georgia.

Effect: Approving journal entries without adequate supporting documentation may result in a material misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Department of Labor should develop and implement policies and procedures to ensure that adequate documentation is maintained and reviewed prior to approving journal entries. Additional training on the guidelines included in The Financial Management Policies and Procedures and the Accounting Policy Manual for the State of Georgia should be provided to employees responsible for preparing and approving journal entries.

Finding Control Number: **FS-440-11-02**
ACCOUNTING CONTROLS (OVERALL)
Ineffective Change Management Controls

Condition: Our examination of the Department of Labor (Department) included a review of change management controls related to the Department's significant financial applications: Tax Office Processing Information Computer System (TOPICS), Financial Accounting and Reporting System (FARS), Interactive Voice Response System (IVR), Grants Administration Financial System/Grants Management System (GAFS/GMS) and the HOST system which is a term to describe the mainframe that houses the Unemployment Insurance (UI) Benefits Payment System and the UI Tax System. We noted the Department does not have an adequate change management process in place to ensure only appropriate changes to significant financial applications are moved to the production environment.

Criteria: IT governance should be established over significant financial systems to prevent or detect unauthorized use, damage, loss, or modifications.

Information: The following deficiencies were noted:

- Developers have inappropriate access to promote changes to the production environment supporting significant applications.
- Sufficient evidence was not available to ensure changes to significant financial applications are appropriately authorized, tested and approved by Management prior to being moved into the production environment.
- A process to subsequently monitor changes that have been promoted to production is not in place to determine whether those changes were authorized, tested, and approved and have not circumvented the standard change management process.

Cause: The Department did not adequately establish and implement policies and procedures to govern the integrity and accuracy of the information used in the financial statement preparation process.

Effect: Without proper controls in place, loss, manipulation, or corruption of financial data within this significant system could occur.

Recommendation: The Department of Labor should enhance change management policies and procedures to include the following:

- Inappropriate access to promote changes to the production environment should be removed. If there is a business need for such access, mitigating controls, such as monitoring of changes, should be put in place to determine that only appropriate changes are promoted to the production environment.

- Evidence of authorization, testing, and approval of changes should be maintained for a period of eighteen months.

- A process to periodically review changes promoted to production should be put in place to detect changes performed outside of the normal change management process.

Segregation of access between the development and production environments will assist in mitigating the risk of unauthorized changes, or changes not supporting business needs being migrated into the production environment. A formal change management process will assist in mitigating the risk of inappropriate changes impacting the integrity of financial data; which is utilized by management for decision making and financial reporting.

Finding Control Number: **FS-440-11-03**
GENERAL LEDGER
Inadequate General Ledger

Condition: The Department of Labor (Department) utilizes a secure, ongoing host-based application to process and account for transactions relating to the State of Georgia Unemployment Insurance Program, whereas the general ledger utilized by the Department to produce the financial statements for the Unemployment Compensation Fund is an Excel-based set of spreadsheets which are manually updated on a daily basis from reports and information produced by the host application. This type of setup is commonly referred to as "end-user computing." The general ledger utilized by the Department is inadequate due to being basically a set of ongoing cash sheets. The current system is incapable of producing accrual based accounting financial statements or of providing a detail of account balances.

Criteria: For all State organizational units, the Accounting Policy Manual for the State of Georgia requires for financial accountability purposes, that accounting records be uniformly maintained. Also, in order to eliminate potential information systems security concerns with the processing environment and in order to be able to rely on accounting data and other information produced by the systems which are maintained as end-user computers, traditional internal control procedures (i.e., reconciling, balancing, etc.) must be in place and operating without flaws.

Cause: This condition is due to the Department's failure to develop or purchase a sufficient accounting system to utilize as a general ledger for the Unemployment Compensation Fund.

Effect: The failure to maintain an effective general ledger process increases the risk of material misstatement in the financial statements including misstatements due to fraud. In addition, there is potentially unsupported and/or unauditable financial statement account balances and lack of data integrity if traditional internal controls are not in place and operating effectively.

Recommendation: The Department of Labor should seek to develop or obtain a new accounting system to serve as its general ledger for the Unemployment Compensation Fund. This new accounting system should be capable of accrual based accounting and be totally integrated, if possible, with the host-based application.

Finding Control Number: **FS-440-11-04**
GENERAL LEDGER
Inadequate Accounting Procedures for Federal Funds

Condition: The Department of Labor (Department) did not have sufficient accounting procedures in place to ensure the proper accounting and reporting of federal grant activity associated with the Workforce Investment Act (WIA), including amounts funded through the American Recovery and Reinvestment Act (ARRA).

Criteria: The Accounting Policy Manual for the State of Georgia, Category 4, Financial Accounting and Reporting Policies and Procedures, Grants and Other Financial Assistance, Overview states in part: "State organizations that administer Federal programs must maintain sufficient accounting records to

allow for the recording of Federal funds at an expenditure level adequate to establish that the funds have not been used in violation of Federal laws and regulations. These records must provide for the identification of individual grants, expenditures and revenues for such grants, unobligated grant balances and grant assets and liabilities. The accounting records must also support the preparation of required federal financial reports."

Information: Testing revealed that federal activity associated with the WIA program was maintained on the accounting records of the Department in fifty-two (52) separate fund ledgers. Of these fifty-two (52) fund ledgers, the auditors were able to identify that the actual federal fund receipts for the program were recorded in nine (9) of the separate fund ledgers. Within the numerous separate fund ledgers, the Department made a significant number of journal entries transferring federal funds and expenditures between fund ledgers which resulted in the accounting records overstating actual federal revenues and expenditures of the WIA program by $54,337,438.02. Post Closing adjustments were made by the Department to correct these overstatements.

Cause: The Department failed to implement adequate accounting controls and procedures to ensure that federal activity was properly recorded in the accounting records.

Effect: Failure to implement adequate accounting controls and procedures could result in internal reports to management, federal reporting, grantor reimbursement requests and other restricted grant information generated from the ledger to be inaccurate and misleading. In addition, the Department could place itself in a position where potential misrepresentation of financial activities could occur.

Recommendation: The Department of Labor should review the accounting procedures in place and design and implement controls relative to federal funds to ensure that all grant activity associated with the WIA program is properly accounted for within the accounting records. Adjusting entries to eliminate the overstated revenues and expenditures should be made before the required quarterly reports are submitted.

Finding Control Number: **FS-440-11-05**
GENERAL LEDGER
REVENUES AND RECEIVABLES
Inadequate Procedures Over Cash Draws of Federal Grants

See related Federal Award finding number FA-440-11-04

Condition: Our examination of Cash Management over Federal Financial Assistance Programs at the Department of Labor (Department) disclosed the following deficiency:

Requests for reimbursement were not sufficient to cover Federal program expenditures. The following table identifies programs that had insufficient cash balances during fiscal year 2011:

CFDA #	Program Name	Number of Months of Insufficient Requests	Average Monthly Insufficient Cash Balance
17.ESC	Employment Service Cluster	4	$ (1,810,965.00)
17.ESC	Employment Service Cluster - Amercian Recovery and Reinvestment Act	3	$ (1,713,508.00)
17.225	Unemployment Insurance Administration	4	$ (3,374,680.00)
17.225	Unemployment Insurance Administration - American Recovery and Reinvestment Act	9	$ (983,880.00)
17.WIA	Workforce Investment Act Cluster	5	$ (1,609,710.00)

Criteria: The Code of Federal Regulations Title 31, Chapter II, Section 205.33 states, in part: "The timing and amount of funds transfers must be as close as is administratively feasible to a State's actual cash outlay for direct program costs and the proportionate share of any allowable indirect costs."

Cause: The Department's policies and procedures for requesting and recording Federal funds to reimburse program costs were inadequate.

Effect: Failure to request Federal funds in an accurate and timely manner can result in the use of State or Other funds to subsidize Federal program expenditures.

Recommendation: The Department of Labor should review their policies and procedures for requesting and recording Federal funds to ensure that they are adequate to meet cash management objectives. The Department should also review the clearance patterns used for drawing Federal funds to ensure that they are still relevant to current trends.

Finding Control Number: **FS-440-11-06**
REVENUES AND RECEIVABLES
Inaccurate Employer Tax Rate Calculations

Condition: Our examination of the Department of Labor's (Department) Annual Employer Tax Rate calculations within the Host application revealed application control deficiencies resulting in calculation errors and inaccurate reporting.

Criteria: The Department's management is responsible for designing and monitoring Employer Tax Rate application controls that are accurate and adhere to the requirements of the Official Code of Georgia Annotated 34-8-153 through 34-8-155.

Information: The Department does not have an adequate change management process in place to ensure only appropriate changes to the Host application are moved to the production environment as noted within the Ineffective Change Management finding FS-440-11-02.

Cause: The Department did not adequately perform testing of modifications made to programs that load data to the Host application's experience table.

Effect: Six hundred ten (610) employers' tax rates were lower than the rate would have been had the modifications to the application been accurately implemented, resulting in an understatement to Contribution Revenue of $2,925,526.20. Without adequate change management controls over testing of application modifications, corruption of financial data within this significant system could occur.

Recommendation: The Department of Labor should establish policies and procedures to adequately test program modifications impacting Tax Rate calculations and notifications. These procedures should encompass both completeness and accuracy of modifications. The Department should continue to pursue collection of remaining under payments caused by this application control error.

Finding Control Number: **FS-440-11-08**
BUDGET
Program Budgeting Deficiencies

Condition: The Department of Labor's (Department) accounting system does not generate a budget comparison report by program and fund source that complies with the Prioritized Program Based Budgeting requirements of the Appropriations Act as approved by the Georgia General Assembly. Also, we were unable to tie federal expenses from the budget comparison report, in total, to Labor's grant activity schedule.

Criteria: The State of Georgia's budget, as approved in the Appropriations Act, is enacted each year and serves as a control to ensure that spending is limited to authorized areas and amounts. For the fiscal year under review, the Georgia General Assembly enacted Prioritized Program Based Budgeting for the sixth consecutive year. The Department must demonstrate their compliance by reporting their revenues and expenditures by fund source within program as compared to their budget.

Cause: This deficiency is due to the limitations of the accounting system utilized by the Department to report their activity in a manner that is prescribed by the Appropriations and Amended Appropriations Acts.

Effect: Without a system generated budget comparison report by program, it is doubtful that the Department was monitoring their expenditures against their program budgets throughout the fiscal year. Also, because the amounts on the budget comparison report do not agree in total with their grant activity schedule is an indication that the budget comparison is not accurate.

Recommendation: The Department of Labor should program their accounting system to create a budget comparison report that complies with the requirements of Prioritized Program Based Budgeting. This report should reconcile to the trial balance report by fund source. In addition, a detailed report should be created to support the activity by program and fund source as reported in the program-based budget comparison report.

Finding Control Number: **FS-440-11-100**
BUDGET
Failure to Certify the Accuracy of the Budgetary Compliance Report

Condition: Our review of the Budgetary Compliance Report (BCR) found that the Department of Labor reported the following instances of non-compliance:

1) Department of Labor Administration/Federal Funds/Federal Funds Not Specifically Identified
   Expenditures exceeded Funds Available by $8,798,591.36

2) Department of Labor Administration/American Recovery and Reinvestment Act of 2009/Federal Funds Not Specifically Identified
   Expenditures exceeded Funds Available by $3,755,772.38

3) Department of Labor Administration/Other Funds
   Expenditures exceeded Funds Available by $1,805,691.77

4) Georgia Industries for the Blind/Other Funds
   Expenditures exceeded Funds Available by $998,145.83

5) Roosevelt Warm Springs Institute/Other Funds
Expenditures exceeded Funds Available by $635,143.14

6) Unemployment Insurance/Federal Funds/Federal Funds Not Specifically Identified
Expenditures exceeded Funds Available by $5,404.32

7) Vocational Rehabilitation Program/Federal Funds/Federal Funds Not Specifically Identified
Expenditures exceeded Authorized Budget by $431,590.86

8) Workforce Development/American Recovery and Reinvestment Act of 2009 Federal Recovery – TANF Transfers to SSBG
Expenditures exceeded Authorized Budget by $23,061,280.26

9) Workforce Development/Other Funds
Expenditures exceeded Funds Available by $59,959.93

The Department of Labor, however, declined to sign the "Letter of Representation" certifying the accuracy of the amounts reported by fund source within budgetary program. As a result, we did not perform detailed testing of the underlying documentation supporting the amounts reported in the BCR. Accordingly, we were unable to determine the Department's compliance with the requirements of the current Appropriations Act, as amended, (Final Budget) and the Constitution of the State of Georgia. These compliance requirements are:

- An appropriated budget unit cannot overspend their authorized budgeted amounts at the legal level of budgetary control (funding source within program). This means that the amounts that are reflected in the "variance" column under the heading of Expenditures Compared to Budget in the Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source Budget Fund are not negative variances.

- Article VII, Section IV Paragraph VIII of the Constitution of the State of Georgia provides, in part, "…the credit of the State shall not be pledged or loaned to any individual, company, corporation or association." As applied here, this means that amounts reflected in the "variance" column under the heading of Excess (Deficiency) of Funds Available Over/(Under) Expenditures in the Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source Budget Fund are not negative variances.

Criteria: Each appropriated budget unit of the State of Georgia was subject to compliance testing to be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AT Section 601). Compliance attestations require the responsible party at the budget unit to provide various written representations related to the accuracy of their BCR, to the best of their knowledge and belief. The responsible party's refusal or inability to furnish all appropriate representations in accordance with the attestation standards constitutes a limitation on the scope of the engagement.

Information: The BCR reflects the Department's budgetary activity at the legal level of budgetary control as prescribed by the FY 2011 Amended Appropriations Act. Also at this level, the BCR reports whether the Department is operating within the debt limitations of the Constitution of the State of Georgia which prohibits expenditures from exceeding funds available.

Cause: Due to the uncertainty regarding the accuracy of the Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source, the Department of Labor declined to prepare and sign a letter of representation for the examination engagement of the organization's compliance with the 2011 Appropriations Act, as amended.

Effect: The amounts reported in the Department's BCR should not be used for decision-making purposes at the legal level of budgetary control because of the lack of assurances by management and the likelihood that it contains material errors.

Recommendation: The Department of Labor should manage its budgetary activity at the legal level of control, which is fund source within program. In order to produce accurate and useful BCR reports in the future, actions to be taken by the Department should include, but not be limited to, the following:

1. Obtain additional understanding and needed training regarding Program-Based Budgeting.
2. Monitor budgetary reports on a weekly basis.
3. Consider the need to allocate administrative costs across programs.
4. Ensure that current activity is not co-mingled with prior year activity.

BEHAVIORAL HEALTH AND DEVELOPMENTAL DISABILITIES, DEPARTMENT OF

Finding Control Number: **FS-441-11-01**
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
Excessive Manual Journal Entries During the Adjustment Period (Period 998)

Condition: During the fiscal year 2011 review of the Department of Behavioral Health and Developmental Disabilities (DBHDD), it was determined that an excessive number of manual journal entries (MJE) were being entered during the accounting system's adjustment period, Period 998.

Criteria: Best accounting practices suggest that transactions should be recorded properly and timely during the fiscal year to eliminate the need for excessive adjusting journal entries at year-end.

Information: Our review included four (4) manual journal entries out of the one-hundred and twenty-one (121) or approximately 3.3% of the manual journal entries made during the 998 period of Fiscal Year 2011. All four (4) journal entries tested were found to be adequately supported by documentation.

In addition to our testing of individual manual journal entries, our review included inquiring as to why an excessive amount of journal entries were recorded in period 998. There were a total of four-hundred and nighty-eight (498) manual journal entries made during all of SFY 2011 of which one-hundred and twenty-one (121) , or approximately 24%, were made during period 998. Per DBHDD "most of the MJE completed in period 998 had no affect at the account level. These entries were correcting mainly fund sources or project numbers." They also went on to say that "The entries that did have an affect at the account level...are legitimate entries for closeout."

Cause: The deficiencies noted above were a result of the Department of Behavioral Health and Developmental Disabilities failure to implement adequate internal control policies and procedures to ensure compliance with best accounting practices. Furthermore, DBHDD relied too heavily on the ability to make entries in period 998 that cleaned up or reclassified transactions that could otherwise have been performed throughout the year.

Effect: Failure to appropriately record or correct MJE's when initially entered causes overstatements and understatements in the accounts or programs affected. Without proper account or program balances, compliance or budget monitoring can possibly be rendered ineffective.

Recommendation: The Department of Behavioral Health and Developmental Disabilities should develop and implement policies and procedures to ensure that employees responsible for preparing and approving journal entries are applying best accounting practices to reduce the number of year-end entries that are made.

Finding Control Number: **FS-441-11-02**
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
FINANCIAL REPORTING AND DISCLOSURE
Failure to Submit an Accurate Schedule of Expenditures of Federal Awards

Condition: Our examination of the Schedule of Expenditures of Federal Awards (SEFA) submitted by the Department of Behavioral Health and Developmental Disabilities (Department) revealed that actual Federal expenditures entered into the web portal application were not reported on the GAAP basis of accounting. In addition, the Department had failed to include $24,407,446.06 of expenditures in the Substance Abuse program. Audit adjustments were necessary to correct the misstatements to the SEFA.

Criteria: In accordance with OMB Circular A-133 Subpart C Section .300(a), "The auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity."

The State Accounting Office also issued instructions to all organizations of the State reporting entity for the SEFA which state, "Agency management is responsible for the proper accounting and reporting of federal grants. Expenditures reported in the SEFA must be reported on the GAAP basis of accounting relevant to the organization's reporting fund and must reconcile to expenditures recorded in the organization's accounting records..."

Cause: The deficiencies noted were caused by the Department's failure to follow the State Accounting Office's procedures when entering Federal expenditures into the Schedule of Expenditures of Federal Awards application on the web portal.

Effect: The failure to report Federal expenditures on the GAAP basis and the failure to fully report all program expenditures, resulted in the SEFA being misstated by $27,061,273.61, before audit adjustments.

Recommendation: The Department of Behavioral Health and Developmental Disabilities should ensure there are adequate controls in place to allow for the adherence with the State Accounting Office's instructions and the OMB Circular A-133 requirements when entering Federal expenditures into the web portal application, and to ensure that Federal expenditures are reported on the GAAP basis of accounting.

Finding Control Number: **FS-441-11-03**
GENERAL LEDGER
REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
A/R Reconciliation Inaccurate/Incomplete

Condition: Review of the Department of Behavioral Health and Developmental Disabilities' (Department) year-end accounts receivable reconciliation revealed the following deficiencies:

Five (5) of the fourteen (14) accounts receivable accounts (121001, 122001, 122500, 125001 and 144001), with a total absolute value variance of $137,434,574.03, had not been adequately reconciled.

One (1) of the fourteen (14) accounts receivable accounts (125004) with a balance of $10,767.02 had no subsidiary listing available for support.

In addition, account 125051 has a credit balance of $650,000, which should have been reclassified to a payable account.

Criteria: The Department of Behavioral Health and Developmental Disabilities should have policies and procedures in place to ensure that monthly and year-end reconciliations of the accounts receivable module to the general ledger for all accounts receivable accounts are completed in an accurate manner.

Cause: The deficiencies noted above were caused by the Department's failure to implement adequate policies and procedures to ensure reconciliations performed identified all variances and included proper supporting documentation.

Effect: Failure to perform accurate reconciliations and remove payable amounts from accounts receivable could result in the accounts receivable module containing invalid information that is not detected in a timely manner. This could result in errors in financial reporting and increase the risk of material misstatement in the financial statements including misstatement due to fraud.

Recommendation: The Department of Behavioral Health and Developmental Disabilities should implement policies and procedures to ensure monthly and year-end reconciliations of the accounts receivable module to the general ledger are completed in a timely and accurate manner.

Finding Control Number: **FS-441-11-04**
GENERAL LEDGER
EXPENSES/EXPENDITURES AND LIABILITIES
A/P Reconciliation Inaccurate/Incomplete

Condition: Review of the Department of Behavioral Health and Developmental Disabilities' (Department) year-end accounts payable reconciliation revealed the following deficiencies:

Two (2) of the Thirteen (13) accounts payable accounts (200001 and 200012), with a total variance of $3,649,472.73, had not been adequately reconciled.

For one (1) of the thirteen (13) accounts payable accounts (231001), the Department had not included the subsidiary module amount of $38,198,583.47, and therefore the account was not reconciled.

In addition, the Department of Behavioral Health and Developmental Disabilities has old outstanding payables in the AP module that have already been paid in the amount of $13,904.90. Of this amount, $6,554.85 was also included in the general ledger balance at June 30, 2011.

Criteria: The Department of Behavioral Health and Developmental Disabilities should have policies and procedures in place to ensure that monthly and year-end reconciliations of the accounts payable module to the general ledger for all accounts payable accounts are accurately completed.

Cause: The deficiencies noted above are caused by the Department's failure to appropriately review the accounts payable reconciliation, including providing all needed information as to the reasons for variances and how and why they will be addressed along with making sure that all accounts payable balances in the AP module are included in the reconciliation.

Further, in the case of the old outstanding payables, the accounting and financial records and reports were not properly maintained at the time these transactions took place.

Effect: Failure to perform accurate reconciliations could result in the accounts payable module containing invalid information that is not detected in a timely manner. This could result in errors in financial reporting and increase the risk of material misstatement in the financial statements including misstatement due to fraud.

Further, in regards to the old outstanding payables, the AP module balance is $7,350.05 greater than the general ledger balance, and the accounts payable balance on the general ledger is overstated by $6,554.85 at year end.

Recommendation: The Department of Behavioral Health and Developmental Disabilities should implement policies and procedures to ensure monthly and year-end reconciliations of the accounts payable module to the general ledger are completed in a timely and accurate manner.

In addition, the Department's management should work with State Accounting Office personnel to remove the dated accounts payables so that accounting and financial records and reports accurately and completely reflect the true financial position of the Department of Behavioral Health and Developmental Disabilities.

Finding Control Number: **FS-441-11-05**
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures

Condition: Our examination included a review of the Department of Behavioral Health and Developmental Disabilities' (Department) bank reconciliation procedures that were performed on the Operating and Trust Fund bank accounts. The following deficiencies were noted:

1. For the Operating account, the outstanding checks were not being canceled in a reasonable amount of time. There were instances where checks had been outstanding for more than twenty-three (23) months and had not been canceled.

2. For the Trust Fund Account, out of the forty-seven (47) hospital reconciliations that were submitted, sixteen (16) failed to provide the accounting records required to verify the book balance.

Criteria: Policy Number CM-100008 of the State Accounting Manual issued by the State Accounting Office (SAO) provides bank reconciliation guidelines for all organizations to follow. An adequate system of internal controls dictate that bank reconciliations be performed at a minimum on a monthly basis, and as appropriate, include the following: 1) adequate supporting documentation, 2) reconciling items correctly identified by description and amount, 3) adjustments which are needed are identified and made in a timely manner, 4) accurate general ledger balances, and 5) evidence of an effective supervisory review and approval function.

In addition, the Disposition of Unclaimed Property Act as identified in OCGA 44-12-190 through 44-12-236 provides for procedures to be followed for those holding property for someone else and contact has been lost with that person. This act applies to outstanding checks written to both individuals and vendors. Policy Number CM-100006 of the State Accounting Manual provides guidance on the proper accounting procedures regarding old outstanding checks.

Cause: The Department's bank account reconciliation process failed to ensure that outstanding checks were canceled in a timely manner and that all the Regional Hospitals submitted appropriate documentation to support their reconciliations.

Effect: Failure to maintain an effective bank account reconciliation process increases the risk of misstatement due to fraud and the possible misappropriation of the Department's assets.

Recommendation: The Department of Behavioral Health and Developmental Disabilities should review their current internal control procedures in relation to bank reconciliations and implement additional policies and procedures to ensure an effective bank reconciliation process is in place to manage and monitor bank accounts.

Finding Control Number: **FS-441-11-06**
REVENUES AND RECEIVABLES
Inadequate Procedures Over Cash Draws of Federal Grants

Condition: Our examination of Cash Management over Federal Financial Assistance Programs at the Department of Behavioral Health and Developmental Disabilities (Department) disclosed the following deficiencies:

1. Requests for reimbursement were not sufficient to cover Federal program expenditures. The following table identifies the monthly insufficient cash balances during fiscal year 2011:

Insufficient Funds	
Period	Insufficient Cash Balance
1	(18,027,666.17)
2	(10,603,258.64)
3	(13,273,276.72)
4	(10,279,664.20)
5	(11,665,939.22)
6	(6,479,849.05)
7	(9,982,729.84)
8	(15,169,546.78)
9	(5,103,123.92)
10	(7,298,108.99)
11	(8,788,953.98)
12	(1,767,159.62)

2. Cash draws tested had not been reviewed and approved appropriately, and none had adequate supporting documentation to ensure that the costs for which reimbursement was requested were paid prior to the date of the reimbursement request.

Criteria: Code of Federal Regulations Title 31, Chapter II, Part 205.33 indicates that "a State must minimize the time between the drawdown of Federal funds from the Federal government and their disbursement for Federal program purposes. A Federal Program Agency must limit a funds transfer to a State to the minimum amounts needed by the State and must time the disbursement to be in accord with the actual, immediate cash requirements of the State in carrying out a Federal assistance program or project."

Cause: The Department's policies and procedures for requesting, recording, and distributing Federal funds to reimburse program costs were inadequate.

Effect: Failure to request, record, and distribute Federal funds in an accurate and timely manner resulted in the use of State funds to subsidize Federal program expenditures and affected the proper recording of Federal program revenues, causing misstatements within the financial statements.

Recommendation: The Department of Behavioral Health and Developmental Disabilities should review their policies and procedures for requesting, recording, and distributing Federal funds to ensure that they are adequate to meet cash management objectives.

JUVENILE JUSTICE, DEPARTMENT OF

Finding Control Number: **FS-461-11-01**
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
Agency Head Compensation Exceeds Authorized Amount

Condition: The Department of Juvenile Justice provided their Commissioner with a supplemental vehicle allowance, effective January 7, 2011. The provision of car allowances to State agency heads was eliminated with Revision 5 to the Office of Planning and Budget (OPB) Policy No. 10 relating to State

motor vehicles. No documentation was found in the Commissioner's personnel file granting approval for a vehicle allowance.

Criteria: The Office of Planning and Budget Policy No. 10 originally provided for a vehicle allowance for agency heads, pending approval by the director of the Office of Planning and budget (OPB). This policy was effective February 1, 2005. However, the policy was later revised to eliminate vehicle allowances for agency heads. This revision was effective July 1, 2005. According to OPB, as of the July 2005 revision, only those agency heads already receiving a vehicle allowance could continue to receive the supplement. The current Commissioner is not part of this group already receiving a vehicle allowance.

Information: The Commissioner was paid an allowance of $293.90/pay period. This benefit began midway through the first pay period of January 2011 to the present.

It should be noted that when the Department was alerted to this issue, the Department voluntarily discontinued the car allowance and obtained full reimbursement from the Commissioner.

Cause: The Department of Juvenile Justice was unable to produce documentation supporting the vehicle allowance granted to the Commissioner of the Department for fiscal year 2011.

Effect: Had the improper payments of State funds not been made, the Department would have been able to remit $3,379.65 in additional surplus funds to the State Treasury for fiscal year 2011.

Recommendation: The Department of Juvenile Justice should establish adequate internal controls related to the retention of documentation for all changes in annual compensation.

In fiscal year 2012, the Department should prepare a prior year fund balance adjustment of $3,379.65, representing the portion of the Commissioner's reimbursement applicable to fiscal year 2011 expenditures, and remit this sum to the State Treasury as part of fiscal year 2012 surplus.

NATURAL RESOURCES, DEPARTMENT OF

Finding Control Number: **FS-462-11-01**
ACCOUNTING CONTROLS (OVERALL)
CAPITAL ASSETS
FINANCIAL REPORTING AND DISCLOSURE
Inadequate Capital Asset Records

Condition: The accounting procedures of the Department of Natural Resources (Department) were insufficient to provide adequate internal controls over the Department's capital asset records.

Criteria: Statewide Accounting Policy & Procedure (Section: Capital Assets, Sub-section: Capital Assets - General) issued by the State Accounting Office, requires the following:

1) Capital Assets, in general, should be accounted for in accordance with generally accepted accounting principles (GAAP).

2) State organizations included in the State of Georgia Appropriations Act must maintain accounting records which provide sufficient information to report on the full accrual, modified accrual (where appropriate) and budgetary bases of accounting.

3) For Personal Property (machinery/equipment/furniture/vehicles) assets, amounts are capitalized when the cost or value equals or exceeds a $5,000 threshold.

Questioned Cost: Total known misstatements revealed during testing of Buildings and Building Improvements (understated by $494,701.37), Improvements other than Buildings (overstated by 451,291.07), and Machinery and Equipment (overstated by 556,870.40).

Information: Our testing of the Capital Asset records kept by the Department of Natural Resources revealed the following exceptions:

1) Five (5) items totaling $20,783,116.07 from the Buildings and Building Improvements listing were reviewed. Three (3) items were capitalized using the incorrect amount, resulting in an understatement of $494,701.37.

2) Five (5) items totaling $9,015,928.00 from the Improvements other than Buildings listing were reviewed. One (1) item was capitalized using the incorrect amount, resulting in an overstatement of $451,291.07.

3) Twenty (20) items totaling $571,948.85 from the Machinery and Equipment listing were reviewed. One (1) item was incorrectly capitalized, resulting in an overstatement of $207,691.80.

4) A total of 128 items that were less than the $5,000 capitalization threshold as established by Statewide Accounting Policy & Procedure were included on the listing for Machinery and Equipment, resulting in an overstatement of $349,178.60.

5) The amount reported on the Capital Assets form submitted to the State Accounting Office for Construction in Progress was $77,352,615.15. However, the subsidiary listing kept by the entity amounted to only $31,752,398.60. A misstatement amount for this discrepancy, if any, could not be determined.

6) The amounts reported as Accumulated Depreciation on the Capital Assets form for Buildings and Building Improvements and Improvements Other than Buildings did not agree to the subsidiary listings for Accumulated Depreciation. Further, the misstatements noted in current year testing for Buildings and Building Improvements, Improvements other than Buildings, and Machinery and Equipment categories indicate that in some instances improper capitalized values are being used to calculate accumulated depreciation. A misstatement amount for these discrepancies, if any, could not be determined.

Cause: The deficiencies noted above are the result of management's failure to implement adequate policies and procedures to ensure that the Department's capital asset records are properly maintained in accordance with guidelines established by Statewide Accounting Policy & Procedure.

Effect: A known overstatement for Capital Assets (Net of Accumulated Depreciation) of $513,460.10 and other likely misstatement amounts which could not be determined.

Recommendation: The Department of Natural Resources should develop appropriate policies and procedures to ensure that all of the Department's capital asset subsidiary ledgers are properly maintained in accordance with guidelines established by Statewide Accounting Policy & Procedure.

Finding Control Number: **FS-462-11-02**
ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
FINANCIAL REPORTING AND DISCLOSURE
BUDGET
Invalid Encumbrances

Condition: During review of the Georgia Department of Natural Resources' (DNR) outstanding encumbrances at fiscal year end, it was determined that 18 of DNR's encumbrances were invalid.

Criteria: The *Accounting Policy Manual* for the State of Georgia, Category 4 - Financial Accounting and Reporting Policies and Procedures, "Expenditures, Payables & Encumbrances" Section, "Accounts Payable, Intergovernmental Payables, Contracts Payable, Payroll/Withholdings Payable, and Benefits

Payable" policy states, in part: "In general, transactions which purport to obligate appropriated funds must be supported by an approved purchase order, at a minimum, or an executed contract which contains the following: a confirmed vendor, specific services or goods, specific price for the services or goods, and a stated time or range of time for delivery or completion."

Information: Supporting documentation for a total of 31 encumbrances as of June 30, 2011 totaling $4,515,756.85 was requested for review. Of the 31 items reviewed, 18 items, totaling $266,870.13, were identified as being invalid. Various explanations as to why the encumbrances were not valid were received. These included: 1) services had already been provided and the remainder of the PO should have previously been written off; 2) goods/services were subsequently deemed not to be needed; and 3) the initial needs were altered so as to render the PO inadequate for its original purpose.

Of the 18 invalid encumbrances identified, audit adjustments for 13 of them, totaling $266,863.42, were prepared. The remaining five (5) invalid encumbrances were all under five dollars each; totaling $6.71 altogether. These were deemed insignificant and immaterial and, as a result, were noted only as misstatements.

Cause: DNR failed to follow the guidelines as outlined in the Accounting Policy Manual for the State of Georgia regarding encumbrances.

Effect: Open encumbrances at fiscal year end which do not contain the required criteria, as identified above, are not considered to be contractually obligated at the expiration of the current Appropriations Act, as Amended, (Final Budget). The establishment of encumbrances failing to meet the required criteria results in budgetary expenditures and liabilities being overstated with fund balances and surplus being understated.

Recommendation: DNR should implement additional internal controls as needed to ensure that all open encumbrances reported are valid.

Finding Control Number: **FS-462-11-100**
ACCOUNTING CONTROLS (OVERALL)
BUDGET
Budgetary Noncompliance on Statutory (Budgetary) Basis Financial Statements

Condition: The Department of Natural Resources' (Department) Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source included in the Budgetary Compliance Report (BCR) reported the following instance of noncompliance with the Appropriations Act, as amended, (Final Budget) of the State of Georgia:

Program: Hazardous Waste Trust Fund
Fund Source: State General Funds - Prior Year
Negative Variance in Expenditures Compared to Budget: $456,726.28.

Criteria: The Appropriations Act, as amended, (Final Budget) prohibits an agency from overspending their authorized budgeted amounts at the legal level of budgetary control (funding source within program). As applied here, this means that amounts reflected in the "variance" columns of the appropriated budget unit's budgetary comparison schedule at the legal level of budgetary control are not negative variances and do not result in a deficiency of funds available under expenditures.

The accounting records for each appropriated budget unit of the State should be maintained in such a manner to allow for budgetary reporting to be accurately prepared and supported. Further, each appropriated budget unit of the State should continuously monitor the budget and the expenditures against that budget to ensure accurate reporting and compliance with the Appropriations Act, as amended, (Final Budget).

Information: The BCR reflects the Department's budgetary activity at the legal level of budgetary control as prescribed by the 2011 Amended Appropriations Act (Final Budget). Also at this level, the BCR reports whether the Department is operating within the debt limitations of the Constitution of the State of Georgia which prohibits expenditures from exceeding funds available.

Cause: The Department erroneously entered part of their budget for the Hazardous Waste Trust Fund program under the Pollution Prevention Assistance program and, as a result of the lack of monitoring their budget, failed to notice and correct this error. If the budget had either been initially entered correctly or corrected after the fact, the Department's BCR would not have reported the negative variance noted.

Effect: The appearance of noncompliance with the Appropriations Act, as amended, (Final Budget) and additionally, the activity reported in the Department's BCR for the programs and fund source identified may not be reliable for decision-making purposes.

Recommendation: The Department should establish the necessary internal controls to ensure that their budget is entered correctly and reviewed. Further, the Department should establish controls to monitor their budget and the associated funds available and expenditures to ensure compliance with the Appropriations Act, as amended, (Final Budget) and the Constitution of the State of Georgia.

Finding Control Number: **FS-462-11-101**
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
BUDGET
Inadequate Journal Entry Documentation and Questionable Journal Entry Process

Condition: The Department of Natural Resources (DNR) failed to maintain adequate documentation to support their manual journal entries. In addition, the DNR appeared to have an excessive number of manual journal entries during period 998, the PeopleSoft year-end adjustment period.

Criteria: In Section IV. Procedures/Guidelines of Financial Management Policies and Procedures Policy Number 4-8-1 issued by the Office of Planning and Budget and State Accounting Office, it states that, "Documentation should be maintained for adjustments posted during a fiscal year, especially as a part of year-end closing procedures, that allows for the verification of the adjusted transaction to the source documentation supporting the original transaction. Such documentation should include, but is not necessarily limited to, analysis identifying original deposit ID's, purchase orders, voucher ID's or other relevant identifying reference and should identify the original transaction's budget program by fund source or justification for a change in allocation methodology."

Further, best accounting practices suggest that transactions should be recorded properly and timely during the fiscal year to eliminate the need for excessive adjusting journal entries at year-end.

Information: Our testing involved four (4) of a total of 68 or approximately 5.9% of the manual journal entries made during the 998 period of Fiscal Year 2011. Two (2) of the four (4) manual journal entries tested did not contain sufficient documentation to support the entry being made. The absolute value of these two (2) manual journal entries was $589,110.32 or approximately 0.20% of the absolute value for all 68 manual journal entries made during period 998.

Our testing also included 10 of 428 or approximately 2.3% of the journal entries affecting the various budget programs. Five (5) of these 10 journal entries did not contain sufficient documentation to support the entry being made. The absolute value of these five (5) journal entries was $18,190,312.92 or approximately 26.9% of the absolute value for all 428 journal entries affecting budget programs. However, it was noted that all of these journal entries only impacted fund sources within the same program and none were between budget programs.

Further, our review included inquiring as to why an excessive amount of journal entries were recorded in period 998. Our inquiry revealed that the DNR used manual journal entries to re-rate various account balances and budget programs, and also to correct multiple issues that arose during the fiscal year.

Cause: The deficiencies noted above were a result of the Department's failure to implement adequate internal control policies and procedures to ensure compliance with The Financial Management Policies and Procedures and best accounting practices.

Effect: Making journal entries without adequate supporting documentation may result in misstatements in the financial statements including misstatements due to fraud. Further, excessive year-end journal entries increase the risk of misstatement to the financial statements.

Recommendation: The Department of Natural Resources should develop and implement policies and procedures to ensure that adequate documentation is maintained and reviewed prior to approving journal entries. Also, additional training on the guidelines included in the Financial Management Policies and Procedures should be provided to employees responsible for preparing and approving journal entries as needed.

Further, the Department of Natural Resources should develop and implement policies and procedures to reduce the number of year-end entries needed.

CORRECTIONS, DEPARTMENT OF

Finding Control Number: **FS-467-11-01**
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures

Condition: The Department of Corrections (Department) did not perform adequate bank reconciliation procedures for the Operating and Payroll bank accounts. Exceptions noted were as follows:

1. The bank reconciliations for the Operating account contained unidentified variances for $49,991.34 for the months of July 2010 through May 2011. The bank reconciliation for the Payroll account contained incorrect adjustments for an unknown amount for the months of July 2010 through June 2011.

2. The bank reconciliations for the Operating account did not contain preparer completion dates for the months of July 2010 through November 2010 and did not contain approval dates for the months of July 2010 through September 2010, February 2011, March 2011, May 2011, and June 2011. The bank reconciliations for the Payroll account did not contain preparer completion dates for the months of July 2010 through November 2010 and did not contain approval dates for the months of July 2010, August 2010, and February 2011 through June 2011.

3. The bank reconciliations for the Operating account were not completed in a timely manner for the months of December 2010 and June 2011 and were not approved in a timely manner for the months of October 2010 through December 2010. The bank reconciliations for the Payroll account were not completed in a timely manner for the months of December 2010 and June 2011 and were not approved in a timely manner for the months of September 2010 through December 2010.

4. The bank reconciliations for the Operating account and the Payroll account contained adjustments that were not corrected in a timely manner for the months of July 2010 through June 2011.

5. The bank reconciliation for the Operating account for the month of June 2011 contained ten (10) outstanding checks totaling $2,539.33 that have been outstanding for over one year, having check dates ranging from May 8, 2009 through June 18, 2010. The bank reconciliation

for the Payroll account for the month of June 2011 contained fifty-nine (59) outstanding checks totaling $15,450.53 that have been outstanding for over one year, having check dates ranging from January 15, 2009 through June 30, 2010.

Criteria: An adequate system of internal controls dictates that bank reconciliations be performed at a minimum on a monthly basis, and as appropriate, include the following: 1) adequate supporting documentation, 2) reconciling items correctly identified by description and amount, 3) adjustments are identified and made in a timely manner, and 4) evidence of an effective supervisory review and approval function. In addition, best business practices dictate that all checks over a year old should be canceled or voided.

Cause: The deficiencies noted above were the result of the Department's failure to adequately manage and monitor their bank reconciliation process.

Effect: Failure to maintain an effective bank reconciliation process increases the risk of material misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Department of Corrections should review their current internal control procedures regarding their bank reconciliations and implement additional policies and procedures to ensure an effective bank reconciliation process is in place. In addition, the Department should review outstanding checklists each month and make adjustments accordingly for outstanding checks over one year old.

Finding Control Number: **FS-467-11-02**
CAPITAL ASSETS
Inadequate Capital Asset Records – Personal Property

Condition: The accounting procedures of the Department of Corrections (Department) were insufficient to provide adequate internal controls over the Department's capital asset records. The Department failed to properly maintain complete and accurate capital asset subsidiary ledgers in accordance with the Statewide Accounting Policy and Procedure Manual for the State of Georgia. In addition, the Department failed to accurately report expenditure amounts on the Capital Assets Form. The following deficiencies were noted:

1. The Department incorrectly reported capitalized costs of $4,463,888.99 for the total current year expenditures for Personal Property - Machinery and Equipment on the Capital Assets Form. According to the expenditures recorded on the general ledger, the total cost of the current year expenditures was $4,029,941.62.

2. A review of the Personal Property listing revealed that the Department capitalized two hundred twelve (212) items totaling $258,534.05 that were less than the $5,000.00 capitalization threshold.

3. A review of the listing of all equipment items revealed that thirty-two (32) items totaling $371,893.96 with a cost over $5,000.00 were not capitalized.

4. The Department was unable to reconcile the subsidiary listing for Personal Property (Machinery and Equipment) in the amount of $71,228,716.05 to the amount reported to the State Accounting Office of $72,855,998.41.

Criteria: The Statewide *Accounting Policy and Procedure Manual* for the State of Georgia (Manual), Section Capital Assets - General, states:

"To ensure compliance with GAAP and other requirements of this policy, State of Georgia organizations must:

1. Establish controls to ensure proper identification of capital assets.
2. Ensure that capital asset transactions are properly valued and recorded in asset management records in compliance with State of Georgia policies and laws.

3. Ensure that a physical inventory of capital assets is conducted at least every two years to validate the existence of capital assets reported in financial statements. Assets held in trust and personal property with a cost less than $5,000 are not capitalized for accounting purposes. Each organization may establish inventory requirements for small value assets, if applicable."

Cause: The deficiencies noted above are the result of management's failure to implement adequate policies and procedures to ensure that the Department's capital asset subsidiary ledgers are properly maintained in accordance with guidelines established in the Statewide Accounting Policy and Procedure Manual for the State of Georgia.

Effect: Failure to maintain complete and accurate capital asset inventory records could result in the misappropriation of assets and a material misstatement in the financial statements.

Recommendation: The Department of Corrections should develop appropriate policies and procedures to ensure that the Department's capital asset subsidiary ledgers are properly maintained in accordance with guidelines established in the Statewide Accounting Policy and Procedure Manual for the State of Georgia.

Finding Control Number: **FS-467-11-03**
EXPENSES/EXPENDITURES AND LIABILITIES
FINANCIAL REPORTING AND DISCLOSURE
Deficiencies in Reporting of Operating Leases

Condition: The accounting procedures of the Department of Corrections (Department) were insufficient to provide adequate internal controls over operating leases. The exceptions are noted as follows:

1. The Lease Agreement Data Form submitted to the State Accounting Office (SAO) did not properly report gross rent amounts. The gross rent amounts were overstated by $74,315.14.

2. The Lease Agreement Data Form contained an expired lease for a copier. The gross rent amount included on the Lease Form was $1,637.68.

3. The Lease Agreement Data Form did not contain one (1) lease for a copier. The gross rent payment for this lease was $104.15

Criteria: SAO issued instructions to all organizations of the State reporting entity for Operating Leases which state, in part: "Generally accepted accounting principles (GAAP) require certain lease agreement information be disclosed in the State's Comprehensive Annual Financial Report (CAFR). As part of this process, reporting organizations are required to utilize this form to accumulate information about all lease obligations of the State."

Cause: The deficiencies noted above are a result of the Department's failure to implement adequate policies and procedures to ensure that leases are accounted for and reported in accordance with instructions provided by SAO.

Effect: The failure to properly account for and report accurate lease information can result in misstatements in the financial statements including the Notes to the Financial Statements as reflected in the CAFR.

Recommendation: The Department of Corrections should develop and implement adequate policies and procedures to ensure that leases are accounted for and reported in accordance with instructions provided by the State Accounting Office.

PUBLIC SERVICE COMMISSION

Finding Control Number: **FS-470-11-01**
EXPENSES/EXPENDITURES AND LIABILITIES
Questionable Encumbrances

Condition: Our testing of open encumbrances at fiscal year end identified obligations that were not adequately supported to conclusively establish their validity. Our review of outstanding encumbrances at fiscal year end revealed that the Public Service Commission had fifteen (15) questionable encumbrances.

Criteria: Encumbrances which purport to obligate appropriated funds must be supported by an approved purchase order or executed contract. According to the Accounting Procedures Manual for the State of Georgia, a valid encumbrance must contain the following:

1. Confirmed vendor
2. Specific project/services/goods
3. Specific price for project/services/goods
4. Stated time or range of time for delivery/completion

The presence of these conditions corresponds to the element of an enforceable contract in that they support the concept of mutual assent.

Information: Our examination of the Public Service Commission included a review of supporting documentation for all encumbrances as of fiscal year end 2011. Our examination revealed that the Public Service Commission had eleven (11) invalid encumbrances in the amount of $198,857.85 that were adjusted to surplus. Our examination also determined that there were four (4) invalid encumbrances in the amount of $62,144.73 that should be de-encumbered and the balance reserved. Audit adjustments were posted to the financial statements to remove these invalid encumbrances.

Cause: The Public Service Commission failed to follow the guidelines as outlined in Section 3-2-3 of the Accounting Procedures Manual for the State of Georgia.

Effect: Open encumbrances at fiscal year end which do not contain the required criteria, as identified above, are not considered to be contractually obligated at the expiration of the general appropriations act. The establishment of encumbrances failing to meet the required criteria result in budgetary expenditures/liabilities being overstated with surplus or fund balance being understated.

Recommendation: The Public Service Commission should implement additional policies and procedures to ensure that open encumbrances are valid.

REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA, BOARD OF

Finding Control Number: **FS-472-11-01**
EMPLOYEE COMPENSATION
Inadequate Internal Controls

Condition: The University System Office did not maintain adequate internal controls to ensure the accuracy of employee compensation (salaries).

Criteria: The University System Office's management is responsible for designing and maintaining internal controls that ensure employee compensation payments are properly calculated, disbursed and documented.

Information: A review of internal control procedures over the employee compensation process revealed that individuals responsible for ensuring the accuracy of payroll amounts did not adequately monitor the payroll wages disbursed during the entire fiscal year.

Cause: The deficiency was the result of the weaknesses in the design of the internal controls over employee compensation.

Effect: This deficiency could result in errors in financial reporting and increase the risk of material misstatement in the financial statements including misstatements due to fraud.

Recommendation: The University System Office should implement appropriate procedures to strengthen internal controls to properly monitor employee compensation.

REVENUE, DEPARTMENT OF

Finding Control Number: **FS-474-11-01**
ACCOUNTING CONTROLS (OVERALL)
REVENUES AND RECEIVABLES
Failure to Complete Sales Tax Receipts Reconciliations in a Timely Manner

Condition: The Department of Revenue (Department) failed to complete the Sales Tax Receipts reconciliations, which reconcile the revenues from the receipt subsystems to PeopleSoft, in a timely manner for the months of March 2011 through June 2011. The reconciliations were not completed until September 25, 2011.

Criteria: The *Accounting Procedures Manual* for the State of Georgia, Section Five, Page 5-6-4 states that management should: (1) "Establish policies and procedures to enable management to monitor the reliability of reporting systems. (a) Periodically review reports to ensure data are accurate, reliable, and measuring the appropriate things. (b) Integrate or reconcile information used to manage operations with data generated by the financial reporting system."

An adequate system of internal controls dictates that monthly reconciliations be performed in a timely manner.

Cause: The deficiency noted above was the result of the Department's failure to adequately manage and monitor their Sales Tax Receipts reconciliation process.

Effect: Failure to maintain an effective reconciliation process increases the risk of material misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Department of Revenue should review their current internal control procedures regarding their Sales Tax Receipts reconciliations and implement additional policies and procedures to ensure an effective reconciliation process is in place.

Finding Control Number: **FS-474-11-02**
CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY
Inadequate Bank Reconciliation Procedures

Condition: The Department of Revenue (Department) did not perform adequate bank reconciliation procedures for various bank accounts. Exceptions noted were as follows:

1. The following bank reconciliations contained adjustments that were not corrected in a timely manner:

   - The Operating account for the months of July 2010 through May 2011.
   - The Payroll account for the months of July 2010 through May 2011.

- The General Disbursement account for the months of November 2010 through June 2011.
- The Electronic Fund Transfer account for the month of January 2011.
- The Lockbox account for the months of July 2010 through February 2011.
- The Revenue Collections account for the months of August 2010 through June 2011.
- The Income Tax - Control Disbursement account for the months of July 2010, August 2010, May 2011, and June 2011.
- The Corporate Refunds account for the months of November 2010 through June 2011.
- The Corporate Control Disbursement account for the months of July 2010 through January 2011.

2. The bank reconciliations for the Revenue Collections- IRS Offsets and the Income Tax - Control Disbursement accounts did not contain accurate completion dates.

3. The following bank reconciliations contained approval dates that preceded the completion dates:

   - The Payroll account for the months of July 2010 and October 2010.
   - The General Disbursement account for the months of October 2010 and April 2011.
   - The Electronic Fund Transfer account for the months of August 2010 and October 2010.
   - The Corporate Refunds account for the month of October 2010.

4. Bank reconciliations were not approved in a timely manner for the month of April 2011 for the Payroll account and the Electronic Fund Transfer account.

5. The bank reconciliations for the General Disbursement account, Income Tax – Control Disbursement account, Corporate Refunds account, and Corporate Control Disbursement account contained outstanding checks that have been outstanding for over one year. In addition, the outstanding checklist for the General Disbursement account did not contain an accurate issue date for the checks.

Criteria: An adequate system of internal controls dictates that bank reconciliations be performed at a minimum on a monthly basis, and as appropriate, include the following: 1) adequate supporting documentation, 2) reconciling items correctly identified by description and amount, 3) adjustments are identified and made in a timely manner, and 4) evidence of an effective supervisory review and approval function. In addition, best business practices dictate that all checks over a year old should be canceled or voided.

Cause: The deficiencies noted above were the result of the Department's failure to adequately manage and monitor their bank reconciliation process.

Effect: Failure to maintain an effective bank reconciliation process increases the risk of material misstatement in the financial statements including misstatements due to fraud.

Recommendation: The Department of Revenue should review their current internal control procedures regarding their bank reconciliations and implement additional policies and procedures to ensure an effective bank reconciliation process is in place. In addition, the Department should review outstanding checklists each month and make adjustments accordingly for outstanding checks over one year old.

Finding Control Number: **FS-474-11-03**
REVENUES AND RECEIVABLES
Improper Retention of Fees

Condition: Pursuant to Act No. 360 of the 2009-2010 General Assembly, additional fees were collected by the Department of Revenue (Department). The Department collected and retained a portion of the following fees rather than remitting the fees to the State Treasury:

1. License Plate Production Costs Fees – Amount Retained $7,972,189.40

2. License Fees for Coin Operated Amusement Machines – Amount Retained $509,750.00

Based on our review of the constitutional provisions described below, there does not appear to be a legal basis by which the Department may retain and expend these funds.

Criteria: Article VII, Section III, Paragraph II (a) of the Georgia Constitution provides as follows:

> "Except as otherwise provided in this Constitution, all revenue collected from taxes, fees, and assessments for state purposes, as authorized by revenue measures enacted by the General Assembly, shall be paid into the general fund of the state treasury."

Cause: The License Plate Production Costs Fees, as indicated above, were retained per the instructions of the budget authorities of the State.

A portion of the License Fees for Coin Operated Amusement Machines, as indicated above, was retained by the Department to recover processing costs, however, we are unaware of a constitutional provision allowing them to retain such fees.

Effect: Retention and use of the aforementioned fees by the Department results in noncompliance with the Georgia Constitution.

Recommendation: The Department of Revenue should seek a resolution of this matter for future appropriation acts through discussions with the Office of Planning and Budget, the House Budget Office, and the Senate Evaluation and Budget Office. Further, the Department of Revenue should consult with the Attorney General's office regarding the retention of fees collected.

Finding Control Number: **FS-474-11-100**
BUDGET
Budgetary Compliance Deficiency

Condition: Our review of the Budgetary Compliance Report (BCR) found that Department of Revenue (Department) reported an instance of non-compliance in the Industry Regulation program. Federal expenditures exceeded the authorized budget by $228,329.44 in the Prevention and Treatment of Substance Abuse Block Grant.

Criteria: The Appropriations Act, as amended, (Final Budget) prohibits an appropriated budget unit from overspending their authorized budgeted amounts at the legal level of budgetary control (funding source within program). As applied here, this means that the amounts reflected in the "variance" column under the heading of "Expenditures Compared to Budget" in the Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source Budget Fund are not negative variances.

Cause: The Department did not request a budget amendment to increase their spending authority even though funds were available to cover their expenditures.

Effect: The Department's failure to monitor their BCR can result in misstatements in the financial statements and noncompliance with the 2011 Appropriations Act, as amended, (Final Budget).

Recommendation: The Department of Revenue should implement policies and procedures to ensure that budget amendments are requested in a timely manner so that the Department is in compliance with the 2011 Appropriations Act, as amended, (Final Budget).

SECRETARY OF STATE

Finding Control Number: **FS-478-11-01**
ACCOUNTING CONTROLS (OVERALL)
CAPITAL ASSETS
FINANCIAL REPORTING AND DISCLOSURE
Inaccurate Capital Assets Records - Machinery and Equipment

Condition: The Secretary of State failed to maintain an accurate listing of capital assets for machinery and equipment.

Criteria: The *Accounting Policy Manual* Category 4-Financial Accounting and Reporting Policies and Procedures in section Capital Assets and sub-section Capital Assets - General, provides the policy for maintaining and reporting capital assets. Specifically, on page 12 of this Statewide Accounting Policy and Procedure, it states in part that, "State of Georgia organizations must:

- Ensure that capital assets transactions are properly valued and recorded in asset management records in compliance with State of Georgia policies and laws.
- Ensure that...Assets held in trust and personal property with a cost less than $5,000 are not capitalized for accounting purposes."

Information: Our review of the current year additions to the capital asset balance for the Secretary of State revealed that four (4) out of the 13 items capitalized during fiscal year 2011 were under the $5,000 capitalization threshold as established by the Statewide *Accounting Policy Manual*.

Also a total of four (4) other items were selected from the capital asset listing for additional testing. Of these four (4) items, two (2), fully depreciated items, were identified as being surplused in fiscal year 2005; resulting in an overstatement of capital assets and accumulated depreciation of $126,039.01.

Cause: The Secretary of State failed to develop and implement adequate policies and procedures to ensure that the capital asset inventory records were accurately recorded and maintained.

Effect: Failure to maintain complete and accurate capital asset inventory records could result in the misappropriation of assets and material misstatement of the financial statements.

Recommendation: The Secretary of State should develop and implement adequate policies and procedures to ensure that all capital assets are properly accounted for and reported in accordance with the policies and procedures as provided in the Accounting Policy Manual for the State of Georgia.

AVIATION HALL OF FAME, GEORGIA

Finding Control Number: **FS-483-11-02**
CAPITAL ASSETS
Inadequate Capital Assets Records

Condition: The Georgia Aviation Hall of Fame failed to capitalize the memorabilia items it maintains.

Criteria: Per the Capital Assets Section of the *Georgia Statewide Accounting Policy and Procedure Manual* issued by the State Accounting Office, "effective with the July 1, 2001 implementation of [GASB] Statement No. 34, the State of Georgia policy is to capitalize all future works of art and historical treasure acquisitions, unless they are held for financial gain."

Cause: The deficiency noted was a result of the Georgia Aviation Hall of Fame's failure to have proper controls in place to ensure compliance with the Georgia Statewide Accounting Policy and Procedure Manual.

Effect: While the Georgia Aviation Hall of Fame maintains a listing of memorabilia items and the year of donation, there are no dollar amounts associated with the memorabilia items and the assets are not being capitalized.

Recommendation: The Georgia Aviation Hall of Fame should implement policies and procedures to ensure that all qualifying items are capitalized in accordance with Statewide Accounting Policies and Procedures.

TRANSPORTATION, DEPARTMENT OF

Finding Control Number: **FS-484-11-01**
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
Deficiencies in Other Funds Ledgers

Condition: Our examination included a review of the Department of Transportation's (Department) fund source balances for Other Funds/Reserves. The following deficiencies were noted:

(1) The Department was unable to provide adequate detail to support the other reserves balance of $37,179,592.95 as reflected in the financial statements.

(2) Disbursements of Other Funds were not consistently charged to the correct fund source codes.

In addition, the Department failed to record Deferred Revenue for local cash participation funds that were received but not contractually obligated as of June 30, 2011. An audit adjustment was posted to the Department's budgetary statements to recognize Deferred Revenue totaling $5,946,042.05.

Criteria: An adequate system of internal control dictates that controls be in place to ensure that the receipt and disbursement of Other Funds are properly recorded in accordance with the State Accounting Office's Accounting Policy Manual (Manual). The Manual states in part that: (1) A fund source identifier should be "used to designate revenue sources and track expenditures made against those revenues...", (2) Fund sources in the 40-59 range "...should be used to account for nonfederal restricted funds which do not meet the permanent or private-purpose trust fund definitions...", and (3) "...other revenues received in advance of being earned should be recorded as deferred revenues."

Cause: The deficiencies noted above were a result of the Department's failure to implement adequate internal controls to ensure that the receipt and disbursement of Other Funds were properly identified and recorded on the general ledger.

Effect: Inadequate internal controls increase the risk of material misstatement in the financial statements including misstatements due to error or fraud.

Recommendation: The Department of Transportation should develop and implement additional internal control policies and procedures to ensure that the receipt and disbursement of Other Funds are properly recorded in accordance with the Accounting Policy Manual.

Finding Control Number: **FS-484-11-02**
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
Sub-ledgers Not Properly Maintained

Condition: The Department of Transportation (Department) did not maintain adequate sub-ledgers at the fund source level (i.e., State General Funds, State Motor Fuel Funds, Federal Awards, etc.). Our examination

of fiscal year 2011 transactions and year end account balances reported in the Department's accounting records at the fund source and fund type level revealed the following deficiencies:

(1) Negative cash and accounts receivable balances, debit balances in liability accounts, and deficit fund balances were reported in the Department's sub-ledgers at the fund source level. The Department provided post-closing entries to correct the deficit fund balance in reimbursable based programs (such as Federal Highway Administration Highway Planning and Construction).

(2) Accounts receivables and revenues for reimbursable based programs (such as Federal Highway Administration Highway Planning and Construction) were not recognized when purchase orders or other contractual obligations to procure goods or services were executed. Accounts receivables and revenues were only recognized by the Department at the end of the fiscal year, as part of the close-out process. As a result, accounts receivable and revenue account balances reported in the sub-ledgers during the fiscal year were significantly understated. The Department posted manual journal entries at the end of fiscal year 2011 to recognize $1.6 billion in accounts receivables and revenues for its reimbursable based programs.

(3) Prior year audit adjustments to correct the fund balance in the State General Funds sub-ledger were not properly recorded in the Department's accounting records. As a result, the year end fund balance for State General Funds was overstated by $3.9 million. Audit adjustments were posted to correct the fund balance.

Criteria: An adequate system of internal controls should include procedures that enable management to monitor the reliability of reporting systems. These procedures should involve the following: 1) periodic reviews of reports to verify the accuracy and reliability of data in the accounting records, and 2) reconciling information used to manage operations with data generated by the financial reporting system.

According to the State Accounting Office's Accounting Policy Manual (Manual), Fund Source and Fund are identifiers in the State Chart of Accounts (SCOA) that are "...necessary to maintain accounting records as required by budgetary statutes and by generally accepted accounting principles". In addition, the Manual states that "Separate accountability by funding source should be maintained…" A fund source identifier (first two digits), therefore, should be used to designate revenue sources and track expenditures made against those revenues and to account for assets, liabilities, and fund balances for all specific funding sources.

Also, the Accounting Policy Manual states that "For expenditure-driven funding arrangements (grants, sales and services), receivables and revenues are recorded when qualifying statutory-basis expenditures are recorded or when services have been provided."

Cause: The deficiencies noted above were the result of the Department's failure to have an adequate system of internal controls in place to ensure that fund source ledgers are properly monitored and maintained in accordance with the Accounting Policy Manual.

Effect: An inadequate system of internal controls could increase the risk of material misstatement in the financial statements including misstatements due to error or fraud.

Recommendation: The Department of Transportation should ensure that all fund source ledgers are adequately maintained, which includes recording accounts receivables and revenues for expenditure-driven funding arrangements when qualifying statutory-basis expenditures (encumbrances) are recorded/executed. In addition, the Department should establish monitoring procedures that enable management to verify the accuracy and reliability of data in the accounting records.

Finding Control Number: **FS-484-11-03**
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
FINANCIAL REPORTING AND DISCLOSURE
Failure to Comply with Accounting Policies and Directives

Condition: Our examination included a review of the Department of Transportation's (Department) fiscal year 2011 general ledger to determine if the Department complied with the State Accounting Office's (SAO) policy for Prior Year Carry-Over and the Accounting Directive (AD 201101) for Fund Balance Accounts.

Our examination revealed the following deficiencies:

(1) The prior year reserves identified below were not reclassified to current year funds available (account 492001) on the Department's general ledger in accordance with the Prior Year Carry-Over Policy.
- State Motor Fuel Funds $834,198,343.64
- State Motor Fuel Funds-Contingency Reserve for on-going projects $65,263,665.71
- Roadside Enhancement and Beautification Fund $5,550,377.00
- Other Reserves $17,285,306.49

The Department also failed to reclassify the State Motor Fuel reserves to the prior year funding source (02xxx) that SAO established for unexpended State fund sources.

(2) The fiscal year 2011 State Motor Fuel Funds reserve in the amount of $1,094,450,857.31 was not reclassified from Adjustment to Fund Balance – Establish Reserves (account 390110) to Other Reserves (account 337xxx) in accordance with Accounting Directive 201101.

Criteria: SAO's Statewide Accounting Policy and Procedure, Prior Year Carry-Over (Accounting) sub-section, states, in part: "In order for statutory financial reports to accurately reflect the total funds that are available to support expenditures, prior year reserves must be recognized as a category of available funds..."

"At the beginning of the fiscal year, prior year Other Reserves should be reclassified to current year funds available (account 492001) in the same accounting fund and funding sources as the prior year reserve. Reserves created for unexpended State funding sources should be reclassified in the subsequent fiscal year to the proper prior year funding source (02xxx) and expended from that funding source. Prior year State funding sources must be established at the level of detail necessary to identify the specific State funding source from which the reserve was initiated (State General Funds, Motor Fuel, Lottery, etc.)."

"At fiscal year-end, all fund balances that are retained for subsequent period expenditures (based on external restrictions, statutory authority, etc.) should be classified as Other Reserves of fund balances."

According to the State Accounting Office's Accounting Directive 201101, "During year-end close, fund balances that may be retained for subsequent period expenditure should be reclassified from Adjustment to Fund Balance – Establish Reserves (390110) to Other Reserves (337xxx) in the same accounting fund, funding source and program..."

Information: The Department made an attempt to reclassify the prior year reserves to current year funds available through a manual journal entry that was provided after the close of fiscal year 2011.

Cause: The deficiencies noted above occurred as a result of the Department's failure to implement adequate policies and procedures to ensure compliance with SAO's policy for Prior Year Carry-Over and the Accounting Directive for Fund Balance Accounts.

Effect: Failure on behalf of the Department to comply with the policy for Prior Year Carry-Over and the Accounting Directive for Fund Balance Accounts could result in inaccurate financial reporting which could cause delays in the preparation of the Budgetary Compliance Report.

Recommendation: The Department of Transportation should implement policies and procedures to ensure that prior year and current year reserves are properly classified on the general ledger and the beginning fund balance account is properly used in accordance with the accounting requirements established by the State Accounting Office.

Finding Control Number: **FS-484-11-04**
EXPENSES/EXPENDITURES AND LIABILITIES
Deficiencies in Bid Review Procedures

Condition: Our examination included a review of the Department of Transportation (Department) Office of Bidding Administration's policies and procedures related to the letting and awarding of construction contracts. Our review revealed that post-award bid evaluations were not being performed by the Department in accordance with Federal Highway Administration (FHWA) guidelines.

Criteria: FHWA's Contract Administration Core Curriculum Participant's Manual and Reference Guide 2006, Section III - State Procedures, states that "A conscientious effort to detect bid rigging should be made through a post-award bid evaluation. An adequate number of projects awarded over a sufficient time period should be evaluated. A period of approximately 5 years should be selected for an initial evaluation to determine if any abnormal competitive bid patterns exist. The following information should be considered in a post-award review for abnormal bid patterns:

- number of contract awards to a specific firm,
- project bid tabulations,
- firms that submitted a bid and later become a subcontractor on the same project,
- rotation of firms being the successful bidder,
- consistent percentage differential in the bids,
- consistent percentage of the available work in a geographic area to one firm or to several firms over a period of time,
- consistent percentage differential between the successful bid and the engineer's estimate,
- location of the successful bidder's plant versus location of the other bidders' plants,
- variations in unit bid prices submitted by a bidder on different projects in the same letting,
- type of work involved,
- number of plans and proposals taken out versus the number of bids submitted,
- any other items that indicate noncompetitive bidding, and
- on re-advertised projects, if the eventual successful bidder was also low bidder on the first letting."

Cause: The Department failed to follow FHWA guidelines pertaining to the performance of post-award bid evaluations.

Effect: Failure to perform post-award bid evaluations may allow possible instances of bid rigging/collusion to go undetected.

Recommendation: The Department of Transportation should develop and implement additional internal control procedures to address the risk of bid rigging/collusion and provide the resources needed to ensure that post-award bid evaluations are consistently performed in accordance with Federal Highway Administration guidelines.

Finding Control Number: **FS-484-11-05**
EXPENSES/EXPENDITURES AND LIABILITIES
Deficiencies in Project Closeout Procedures

Condition: The Department of Transportation (Department) did not have adequate monitoring procedures in place to ensure that their project closeout procedures were properly and consistently performed, documented, and completed in a timely manner. Our examination consisted of the following procedures including associated deficiencies:

(1) Interviews with District Office and Central Office Personnel

The results of our interviews revealed that delays in the completion of project closeout procedures were often due to the following:

- Inadequate communication of project status between the Department's decentralized offices (i.e., Area Offices, District Offices, Office of Materials and Research, etc.).
- Missing or incomplete paperwork in project files.
- Changes in personnel (due to relocations, reassignments, terminations / resignations, etc.).

(2) Inspection of Project File Documentation at Four (4) of the Seven (7) District Offices

Our inspection of project file documentation for twelve (12) randomly selected projects that were closed during fiscal year 2011 revealed that the time required to complete the project closeout procedures varied significantly by project. For example, we noted that the time between the dates reported on two project closeout documents (Final Audit and Standard Release form) ranged from a minimum of thirteen (13) days to a maximum of one thousand, four hundred seventy (1,470) days, with the average being three hundred twenty (320) days for the twelve (12) projects examined. Furthermore, we did not find any evidence in the project file documentation to indicate that management consistently monitored the overall performance of the project closeout procedures and/or investigated delays.

(3) Review of Project Data in the PeopleSoft System

We reviewed project data recorded in the PeopleSoft system for inactive projects (i.e., no recent project payments) with open encumbrances as of February 2011 to determine if the projects should have been closed by the Department. Our review included:

- Fifty-three (53) individually significant item open encumbrances, which consisted of eighteen (18) individually significant item open encumbrances totaling $22,099,540.20 with no payment activity since June 30, 2008 and thirty-five (35) individually significant item open encumbrances totaling $23,211,956.31 with no payment activity since June 30, 2009 or June 30, 2010 (for State General Fund encumbrances).
- A random sample of ten (10) open encumbrances totaling $469,363.73 with no payment activity since June 30, 2008.

The following deficiencies were identified during our review:

(a) Twenty-eight (28) of the fifty-three (53) individually significant item open encumbrances totaling $25,945,704.66 should have been closed or canceled by the Department since no additional payments were expected. We noted that the contracts for fifteen (15) of the twenty-eight (28) individually significant item open encumbrances totaling $10,458,923.73 were expired. Ten (10) of these expired contracts were managed/administered by the Department's Office of Intermodal.

The Department closed nine (9) of the twenty-eight (28) individually significant item open encumbrances totaling $13,043,591.36 prior to the end of the fiscal year. Audit adjustments were posted to close the remaining nineteen (19) open encumbrances totaling $12,902,113.30, of which eleven (11) were funded with State General funds.

(b) Seven (7) of the ten (10) random sample open encumbrances totaling $181,449.29 should have been closed or canceled by the Department since no additional payments were expected. We noted that the contracts for four (4) of the seven (7) random sample open encumbrances totaling $84,077.72 were expired.

The Department closed one (1) of the seven (7) random sample open encumbrances totaling $20,701.82 prior to the end of the fiscal year. The remaining six (6) random sample open encumbrances totaling $160,747.44 were identified as misstatements at the end of fiscal year 2011. A projection of the misstatement total to the sample population of $ 35,847,406.35 resulted in additional likely misstatements totaling $13,858,091.15.

In addition, we noted that the project files for five (5) of the encumbrances that were closed through audit adjustments included the Final Acceptance, which is a closeout procedure document that indicates construction is complete. The date on three (3) of the five (5) Final Acceptance documents indicated that construction was completed several years ago.

Criteria: The *Accounting Procedures Manual* for the State of Georgia (Manual), Section Five, Page 5-6-1 states, in part: "… monitoring helps to ensure that control activities and other planned actions that effect internal control are carried out properly and in a timely manner and that the end result is effective internal control. Ongoing monitoring activities include various management and supervisory activities that evaluate and improve the design, execution, and effectiveness of internal control…" The Manual also states that management should establish procedures for adequate inter-departmental communication and "…should regularly ensure that the people they are responsible for are receiving and sharing information appropriately, and that information is timely, sufficient and appropriate to the user(s)."

According to the State Accounting Office (SAO) Accounting Directive AD 200905, "For proper accounting and year end calculation of surplus, all open encumbrances should be reviewed and any funds that will not be needed should be disencumbered. This is done by either canceling or closing the Purchase Order associated with the encumbrance."

Cause: The deficiencies noted above were a result of the Department's failure to implement adequate internal control procedures that provide for consistent monitoring of project closeout procedures and timely communication of project status.

Effect: Inadequate monitoring procedures resulted in budgetary expenditure/liabilities being overstated with fund balance being understated.

Recommendation: The Department of Transportation should develop and implement monitoring procedures that enable management to identify and investigate any delays in the completion of project closeout procedures and evaluate the status of inactive projects in a timely manner.

Finding Control Number: **FS-484-11-06**
EXPENSES/EXPENDITURES AND LIABILITIES
Inadequate Internal Controls over the Office of Intermodal Contracts Administration

Condition: The Department of Transportation's (Department) Office of Intermodal did not have adequate internal controls over contracts administration concerning direct Federal Transit Administration (FTA) grant recipients (i.e., counties, cities, local transit authorities, etc.) with state matching funds for specific transportation projects. Our examination included interviews with Office of Intermodal personnel regarding procedures for administering contracts and review of supporting documentation maintained in contract files.

Our examination revealed that the Office of Intermodal entered into contracts (including supplemental agreements), which obligated state general funds, without verifying and/or documenting the following:

(1) The specific FTA grant number that the state match would be applied to, the grant period, and the total grant funds available for obligation.

(2) FTA approval, which should be obtained by the grant recipient prior to requesting any state matching funds of the project.

(3) FTA approval of any subsequent changes to the project and line items (i.e. equipment, maintenance, etc.) identified in the original contract.

In addition, our review of the supporting documentation maintained for thirty-one (31) individually significant Office of Intermodal contracts with open encumbrances totaling $12,823,624.77 revealed that twelve (12) contracts were expired and contained little to no payment activity for several years. As a result, audit adjustments totaling $1,717,593.78 were posted to close these expired contracts. We also identified discrepancies in the contract expiration/completion date for one (1) of the twelve (12) contracts. The supporting documentation we reviewed included two copies of this contract; one copy was maintained in the Purchase Order file with an expiration date of December 31, 2010, and the other copy was maintained in the Office of Intermodal's contract file with an expiration date of December 31, 2011.

Further investigation into this discrepancy revealed that the contract maintained in the Office of Intermodal's contract file was modified. We found that the contract page with the original expiration date of December 31, 2010 was substituted with a page containing a new/modified expiration date of December 31, 2011. It appears that the Department's procedures for approving and documenting changes to contracts, which includes preparing supplemental agreements and obtaining the Commissioner's approval, were circumvented in this case.

Criteria: The State Accounting Office's (SAO) Accounting Directive (AD 200902) - Contract/Grant Monitoring, states that "Each State organization distributing public funds has an obligation to ensure that contracted services are adequately delivered (contracts), and that recipients adequately perform all agreed-upon services (grants). Each State organization is responsible for designing and implementing an effective contract management system that mitigates risk to the organization and/or to the State."

The *Accounting Procedures Manual* for the State of Georgia (Manual), Section Five, Page 5-6-3, states, in part: "…management should establish procedures to monitor the functioning of control activities and the use of control overrides." The manual also states that "Large State organizations with complex operations should formally document their controls with written policy manuals, formal organization charts, written job descriptions, operating instructions, and information flowcharts."

Cause: The deficiencies noted above were a result of the Department's Office of Intermodal's failure to establish adequate internal controls over its contracts administration.

Effect: Inadequate internal controls increases the risk of material misstatement in the financial statements including misstatements due to error or fraud.

Recommendation: The Department of Transportation's Office of Intermodal should develop and implement additional policies and procedures to ensure that:

- Adequate support for the amount of state matching funds requested by direct recipients of FTA funds is verified and documented prior to contract execution.
- Changes to contracts are properly documented and approved.
- Contracts (including any additional supplemental agreements) are consistently monitored by management.
- Closeout procedures are initiated and completed in a timely manner.

Finding Control Number: **FS-484-11-07**
EXPENSES/EXPENDITURES AND LIABILITIES
Inadequate Monitoring Procedures

Condition: The Department of Transportation (Department) did not have adequate internal control procedures in place to monitor project balances. Our examination included a review of the unearned project cost (outstanding contractual obligations) balances at the end of fiscal year 2011 on all Federal fund source codes for the Highway Planning and Construction program. Our examination revealed that the balance of unearned project costs on twelve (12) Federal fund source codes exceeded the total amount of funds available for the equivalent program (FHWA Code) on the Federal Highway Programs – Outlays report (FMISM80A) by $2,395,745.80.

In addition, we reviewed project data in the PeopleSoft Project Costing Module (the Department's primary management tool to track expenditures) and found the following deficiencies:

(1) Project costs (unearned and earned) on Federal fund source codes for five hundred sixty-eight (568) projects exceeded the total amount of funds available (Agreement Total) reported in PeopleSoft by $12,593,217.15.

(2) The funds available total for numerous projects did not agree with the total amount of funds that were allotted (Allotment Total) in the PeopleSoft Project Costing Module.

Criteria: The *Accounting Procedures Manual* for the State of Georgia, Section Five, Page 5-6-3 states, in part: "…management should establish procedures to monitor the functioning of control activities and the use of control overrides." These procedures should involve the following: 1) periodic reviews of reports to verify the accuracy and reliability of data in the accounting records, and 2) reconciling information used to manage operations with data generated by the financial reporting system.

Cause: The deficiencies noted above were a result of the Department's failure to establish adequate monitoring procedures that would enable management to consistently identify and correct deficit project balances and to reconcile the sub-systems it uses to record contractual obligations and to track the availability of funds to the general ledger.

Effect: Inadequate monitoring procedures could increase the risk of material misstatement in the financial statements including misstatements due to error or fraud.

Recommendation: The Department of Transportation should develop and implement additional internal control procedures to ensure that project balances are consistently monitored throughout the year. These procedures should enable management to determine if project costs and funding agreements were correctly recorded in the accounting records and to investigate and correct deficit balances in a timely manner.

Finding Control Number: **FS-484-11-08**
EXPENSES/EXPENDITURES AND LIABILITIES
BUDGET
Deficiencies in Recording Expenditures

Condition: Our examination included an analytical review of fiscal year 2011 expenditure transactions that were charged to a prior budget year in the Department of Transportation's (Department) accounting records. The analytical review identified twenty-six (26) expenditures totaling $8,808,036.68 with a budget year prior to 2011. Our review of the supporting documentation for each of the twenty-six (26) expenditures revealed the following:

(1) Twelve (12) of the (26) expenditures totaling $1,777,160.45 were incorrectly charged to a prior budget year. Each of the twelve (12) expenditures should have been charged to budget year 2011 and reported as a current year expenditure in the Department's financial statements.

(2) Five (5) of the (26) expenditures totaling $596,531.09 were invalid expenditures caused by line distribution errors, resulting in the year-end encumbrances payable account balance being overstated.

(3) Nine (9) of the (26) expenditures totaling $6,434,345.14 contained no errors.

Criteria: The *Accounting Procedures Manual* for the State of Georgia, Section Five, Page 5-6-3 states, in part: "…management should establish procedures to monitor the functioning of control activities and the use of control overrides." These procedures should include periodic reviews of reports to verify that transactions are being recorded correctly in the accounting records.

According to the State Accounting Office *Accounting Policy Manual*, the Budget Year is "A code used to identify the Appropriation Act (and resulting budget) to which revenue and expenditure transactions relate." Revenue and expenditure transactions should be charged to the correct budget year to ensure that they are reported correctly in the financial statements.

Information: Several of the Department's offices and divisions have employees with access to modify expenditures in the accounting records. Access to modify expenditures across multiple offices and divisions increases the extent of monitoring needed to reduce the risk of material misstatements in the financial statements.

Cause: The deficiencies noted above were a result of the Department's failure to establish adequate monitoring procedures that would enable management to consistently identify and correct budget year and line distribution errors.

Effect: Inadequate monitoring procedures could increase the risk of material misstatement in the financial statements including misstatements due to error or fraud.

Recommendation: The Department of Transportation should develop and implement additional internal control policies and procedures to ensure that expenditure transactions and line distribution entries are consistently monitored throughout the year. These procedures should enable management to determine if expenditure transactions and line distribution entries were correctly recorded in the proper budget year within the accounting records.

Finding Control Number: **FS-484-11-09**
CAPITAL ASSETS
Inadequate Capital Asset Records - Land

Condition: The Department of Transportation (Department) failed to maintain an adequate subsidiary capital asset inventory record for land. The Department's records as presented for audit did not include the following information: Number of acres, location, parcel number, and total cost per parcel.

Criteria: The State Accounting Office's Accounting Policy Manual requires that state organizations maintain a complete and accurate capital asset inventory record. The inventory record for land should include detailed information such as number of acres or square footage, location, parcel number, and total cost per parcel.

Cause: The deficiency noted above is a result of management's failure to implement adequate policies and procedures to ensure that the Department's capital assets are accounted for and reported in accordance with guidelines established by the Accounting Policy Manual.

Effect: Failure to maintain complete and accurate capital asset inventory records could result in the misappropriation of assets and a material misstatement in the financial statements.

Recommendation: The Department of Transportation should maintain its land inventory in a manner such that each parcel of land identifies, at a minimum, the number of acres, location, parcel number, and cost (or estimated historical cost).

Finding Control Number: **FS-484-11-100**
ACCOUNTING CONTROLS (OVERALL)
BUDGET
Failure to Certify the Accuracy of the Budgetary Compliance Report

Condition: Our cursory review of the Budgetary Compliance Report (BCR) found that the Department of Transportation (Department) reported the following instances of noncompliance:

1) Administration/State Motor Fuel Funds
   Expenditures exceeded Authorized Budget by $3,959,241.99.
2) Administration/Federal Highway Administration Highway Planning and Construction
   Expenditures exceeded Funds Available by $1,291,804,707.83.
3) Administration/ARRA-Federal Highway Administration Highway Planning and Construction
   Expenditures exceeded Funds Available by $34,466.92.
   Expenditures exceeded Authorized Budget by $319,031.27.
4) Administration/Other Funds
   Expenditures exceeded Funds Available by $139,946,247.09.
   Expenditures exceeded Authorized Budget by $221,423.49.
5) Data Collection, Compliance and Reporting/State Motor Fuel Funds
   Expenditures exceeded Funds Available by $534,772.50.
   Expenditures exceeded Authorized Budget by $737,454.97.
6) Data Collection, Compliance and Reporting/Federal Funds Not Specifically Identified
   Expenditures exceeded Authorized Budget by $121,510.57.
7) Data Collection, Compliance and Reporting/ARRA-Federal Highway Administration Highway Planning And Construction
   Expenditures exceeded Authorized Budget by $1,096.77.
8) Local Road Assistance/ Federal Highway Administration Highway Planning and Construction
   Expenditures exceeded Authorized Budget by $3,712,725.00.
9) Local Road Assistance/ARRA-Federal Highway Administration Highway Planning and Construction
   Expenditures exceeded Authorized Budget by $42,188,647.20.
10) Payments to the State Road and Tollway Authority/Federal Highway Administration Highway Planning and Construction
    Expenditures exceeded Authorized Budget by $241.10.
11) Ports and Waterways/Federal Funds Not Specifically Identified
    Expenditures exceeded Funds Available by $3,051.68.
12) State Highway System Construction and Improvement/State Motor Fuel Funds
    Expenditures exceeded Funds Available by $194,182,018.67.
    Expenditures exceeded Authorized Budget by $52,309,023.66.
13) State Highway System Construction and Improvement/Federal Funds Not Specifically Identified
    Expenditures exceeded Funds Available by $11,472.33.
    Expenditures exceeded Authorized Budget by $29,671.46.
14) 30State Highway System Construction and Improvement/ARRA-Federal Highway Administration Highway Planning and Construction
    Expenditures exceeded Authorized Budget by $13,106,773.26.
15) State Highway System Construction and Improvement /Other Funds
    Expenditures exceeded Authorized Budget by $7,057,153.25.
16) State Highway System Maintenance/State Motor Fuel Funds
    Expenditures exceeded Funds Available by $12,335,128.28.
    Expenditures exceeded Authorized Budget by $20,054,961.00.
17) State Highway System Maintenance/ARRA-Federal Highway Administration Highway Planning and Construction
    Expenditures exceeded Funds Available by $196,639.43.
    Expenditures exceeded Authorized Budget by $48,884,818.77.

18) State Highway System Operations/Federal Funds Not Specifically Identified
    Expenditures exceeded Funds Available by $18,504.05.
    Expenditures exceeded Authorized Budget by $320,634.63.
19) State Highway System Operations/ARRA-Federal Highway Administration Highway Planning and Construction
    Expenditures exceeded Authorized Budget by $10,043.37.
20) Transit/Federal Funds Not Specifically Identified
    Expenditures exceeded Funds Available by $42,125,903.64.
21) Transit/Other Funds
    Expenditures exceeded Funds Available by $3,374,069.79.
22) State Highway System Construction and Improvement-Special Project/Federal Highway Administration Highway Planning and Construction
    Expenditures exceeded Funds Available by $6,468.06.
23) State Highway System Construction and Improvement-Special Project/Other Funds
    Expenditures exceeded Funds Available by $35,863,438.14.
    Expenditures exceeded Authorized Budget by $33,882,254.99.
24) Special Project-State Highway System Maintenance-Special Project/State Motor Fuel Funds
    Expenditures exceeded Funds Available by $37,567,082.00.
    Expenditures exceeded Authorized Budget by $39,235,125.92.
25) Local Road Assistance-Special Project 2/State Motor Fuel Funds
    Expenditures exceeded Funds Available by $1,763,145.17.
26) Local Road Assistance-Special Project 3/Federal Highway Administration Highway Planning and Construction
    Expenditures exceeded Authorized Budget by $100,000.02.
27) Special Project 3-Local Road Assistance/Other Funds
    Expenditures exceeded Authorized Budget by $1,426,925.17.
28) Program Not Identified/Other Funds
    Expenditures exceeded Funds Available by $209,002,030.74.

The Department of Transportation, however, declined to sign the "Letter of Representation" certifying the accuracy of the amounts reported by fund source within budgetary program. As a result, we did not perform detailed testing of the underlying documentation supporting the amounts reported in the BCR. Accordingly, we were unable to determine the Department's compliance with the requirements of the current Appropriations Act, as amended, (Final Budget) and the Constitution of the State of Georgia. These compliance requirements are:

- An appropriated budget unit cannot overspend their authorized budgeted amounts at the legal level of budgetary control (funding source within program). This means that amounts reflected in the "variance" column under the heading of Expenditures Compared to Budget in the Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source Budget Fund are not negative variances.

- Article VII, Section IV Paragraph VIII of the Constitution of the State of Georgia provides, in part, "…the credit of the State shall not be pledged or loaned to any individual, company, corporation or association." As applied here, this means that amounts reflected in the "variance" column under the heading of Excess (Deficiency) of Funds Available Over/(Under) Expenditures in the Statement of Funds Available and Expenditures Compared to Budget by Program and Funding Source Budget Fund are not negative variances.

Criteria: Each appropriated budget unit of the State of Georgia was subject to compliance testing to be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AT Section 601). Compliance attestations require the responsible party at the budget unit to provide various written representations related to the accuracy of their BCR, to the best of their knowledge and belief. The responsible party's refusal or inability to furnish all appropriate representations in accordance with the attestation standards constitutes a limitation on the scope of the engagement.

Information: The BCR reflects the Department's budgetary activity at the legal level of budgetary control as prescribed by the FY 2011 Amended Appropriations Act. Also at this level, the BCR reports whether the Department is operating within the debt limitations of the Constitution of the State of Georgia which prohibits expenditures from exceeding funds available.

Cause: See "View of Officials" below.

Effect: The amounts reported in the Department's BCR should not be used for decision-making purposes at the legal level of budgetary control because of the lack of assurances by management and the likelihood that it contains material errors.

Recommendation: The Department of Transportation should manage its budgetary activity at the legal level of control, which is fund source within program. In order to produce accurate and useful BCR reports in the future, actions to be taken by the Department should include, but not be limited to, the following:

1. Monitor PeopleSoft budgetary reports on a weekly basis.
2. Consider the need to allocate administrative costs across programs.
3. Ensure that current activity is not co-mingled with prior year activity.

View of Officials: "The Georgia Department of Transportation (GDOT) understands Program-Based Budgeting and manages its budgetary activity at the legal level of control, which is fund source within program. GDOT also monitors PeopleSoft budgetary reports monthly. However, GDOT faces several challenges with budgetary compliance including the recording of revenue on expenditure driven grants and utilizing available prior year funds to cover current year expenditures.

PeopleSoft currently does not support automated matching of expenditures with the available/earned accrued revenue for reimbursable grants, in compliance with the State Budgetary Basis of Accounting. The Department, to the best of its ability, has attempted to maintain receivable/revenue, by state budgetary program, by recording manual journal vouchers. However, this manual process will never be perfectly accurate, given the volume and the high possibility for error.

In addition, the Department is constantly moving expenditures from one funding source to another in order to efficiently utilize funding sources and obtain reimbursement whenever possible. As a result, receivables which were valid on a particular fund source as of 6/30/10 may no longer be valid receivables on the same fund source as of 6/30/11. With the thousands of project level transactions that the Department processes daily and the constantly changing fund sources, this process of set up and take down of receivables/revenue cannot be manually maintained or batch posted by journal voucher on a transaction level basis.

Since GDOT projects can span in excess of five years, keeping revenue and expenditures balanced by program, by fund source, for all past years and for the current year, is impossible with the current PeopleSoft system configuration.

Also, GDOT was unable to amend in all available prior year funds into the FY 2011 budget to cover budgetary shortfalls as had been done in previous years since prior year funds could not be specifically identified by program. GDOT cannot specifically identify prior year fund balance by program for various reasons as follows:

Program-Based Budgeting was implemented by most state agencies in FY 2006; however, it was not implemented by GDOT until FY 2007. GDOT was permitted by the State Accounting Office and the Office of Planning and Budget to use a report tree to report expenditures by program in FY 2006 like many other large agencies. FY 2006 revenue was not reported by program in PeopleSoft nor through a report tree. There was no crosswalk for agencies to transition available fund balance by functions to programs when Program-Based Budgeting was implemented. For example, fund balance prior to program based budgeting was recorded on Fund A1 with no program and has never been re-assigned using a program number under the new system. A substantial portion of GDOT's current fund balance

consists of transactions recorded under the previous method using Fund A1 with no program. GDOT also continues to accumulate additional fund balance on Fund A1 with no program as purchase orders recorded using Fund A1 with no program are closed. Tracking fund balance by program continues to be a challenge for GDOT as existing programs are eliminated, collapsed or as activities are fully or partially reassigned to new programs with no mechanism for reallocating existing fund balance as appropriate.

In addition, GDOT has traditionally used a default program (4180101) since migrating to PeopleSoft in FY 2000 when correcting prior year fund sources for billing purposes. This was done to reduce the number of transaction lines on these entries (numbering up to 8,000 entries in some years), to avoid the possibility of manual errors and better match the workload to the available staff. As a result, fund balance will continue to carry forward in the incorrect program on the Budgetary Compliance Report. GDOT reviewed this business process and no longer utilizes the default program effective July 1, 2011. However, it is not possible to go back and correct six years of entries made in this fashion with current resources. Moreover, much of the detailed transaction data has been stripped and archived by the SAO.

In order to comply with the State Budgetary Basis of Accounting and properly match revenue on reimbursable grants, GDOT implemented a new automated receivable/revenue process effective July 1, 2011. However, GDOT has been unable to address the issue with specifically identifying prior year fund balance by program as indicated above."

SUBSEQUENT INJURY TRUST FUND

Finding Control Number: **FS-489-11-01**
CAPITAL ASSETS
FINANCIAL REPORTING AND DISCLOSURE
Deficiency in Capital Asset Reporting

Condition: The amounts reported by the Subsequent Injury Trust Fund (Fund) to the State Accounting Office on the Capital Assets Form for depreciation expense and accumulated depreciation were understated.

Criteria: As prescribed by O.C.G.A. 50-5B-4, “All organizations of state government…shall conform to and comply with the rules, regulations, policies, procedures, and forms devised, promulgated, and installed by the state accounting officer. All organizations of state government shall submit statements, reports, information, and data necessary to enable the state accounting officer to complete the reports required under this Code section… All organizations of state government shall provide lease information to the state accounting officer to permit the state accounting officer to properly account for and report all capital and operating leases. All organizations of state government shall provide information to the state accounting officer necessary to properly account for and report real property and personal property. All information and reports required in this Code section shall be provided in the form and within the time frame prescribed by the state accounting officer.”

Information: The amount reported by the Fund on the Capital Asset Form for depreciation expense only included depreciation expense from assets capitalized in fiscal year 2009. The depreciation expense for assets capitalized in fiscal year 2006, 2007 and 2008 was not included in their total. The depreciation expense amounts maintained in PeopleSoft and the Fund's subsidiary accounting records appeared to be accurate. However, these amounts were not entered on the Capital Assets Form correctly by the Fund.

Cause: Management’s failure to ensure that depreciation expense and accumulated depreciation is properly reported to the State Accounting Office.

Effect: Current year depreciation expense as reported by the Fund to the State Accounting Office for reporting within the State's Comprehensive Annual Financial Report (CAFR) is understated by $5,169.37 and accumulated depreciation is understated by $22,148.57. The failure to report accurate capital asset information can result in misstatements in the financial statements and notes to the financial statements as reflected in the CAFR.

Recommendation: The Subsequent Injury Trust Fund should implement adequate internal controls to ensure that the capital asset information maintained and reported to the State Accounting Office is accurate.

PUBLIC DEFENDER STANDARDS COUNCIL, GEORGIA

Finding Control Number: **FS-492-11-01**
ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
EXPENSES/EXPENDITURES AND LIABILITIES
Inadequate Supporting Documentation

Condition: The Georgia Public Defender Standards Council failed to maintain adequate documentation for selected accounts payable transactions recorded during fiscal year 2011.

Criteria: The *Accounting Policy Manual* for the State of Georgia, Category 3 - Closing Procedures, in the section titled "Documentation Requirements" states, in part, that "all recorded transactions ... should be supported by copies of source documents (such as vendor invoices, receiving records, cash receipts, timesheets, loan documents, or bank statements) and other supporting information sufficient to provide clear evidence of the following:

a) The authenticity of the transaction.
b) The purpose or reason for the transaction.
c) The vendor/customer involved in the transaction, when applicable.
d) That the transaction was properly authorized.

Valid documentary evidence supports the financial statement assertions of existence or occurrence - that assets, liabilities and equities actually exist and that revenue and expense transactions actually occurred."

Information: Our review included five (5) accounts payable transactions of which two (2) did not have adequate supporting documentation to substantiate the liability created on the general ledger. The two (2) items had a combined total of $73,900.00.

Cause: The deficiencies noted above were a result of the Council's failure to implement adequate internal control policies and procedures to ensure compliance with the Accounting Policy Manual for the State of Georgia.

Effect: Recording and paying liabilities without adequate supporting documentation may result in misstatements in the financial statements, including misstatements due to fraud.

Recommendation: The Georgia Public Defender Standards Council should develop and implement policies and procedures to ensure that adequate documentation is maintained and reviewed prior to the recording and liquidating of all liabilities. Also, additional training on the guidelines included in the Accounting Policy Manual should be provided to employees responsible for establishing and liquidating liabilities.

FORT VALLEY STATE UNIVERSITY

Finding Control Number**: FS-533-11-01**
ACCOUNTING CONTROLS (OVERALL)
Inadequate Separation of Duties

Condition: The University did not maintain adequate separation of duties involving key accounting functions.

Criteria: Management of the University is responsible for designing and maintaining internal controls that provide reasonable assurance that transactions are properly processed and reported. Separation of duties

involving key accounting functions, both manual and automated, is the basis for achieving an adequate system of internal control.

Information: The following deficiencies were noted:

1. Two employees both prepared and approved the same journal entries. Although the University did have a manual journal entry approval process, an instance was noted during testing where a separate journal entry review was not completed.
2. The employee performing the bank reconciliation also prepares and approves journal entries.
3. The employee receiving cash and checks also prepares deposit slips, posts receipts into BANNER and reconciles the deposits posted to the general ledger.
4. The employee who created paychecks for the University performed the payroll reconciliation.
5. Four employees both entered and approved the same purchase orders.
6. The employee responsible for the TGRRCON between BANNER and PeopleSoft also updates detail codes within BANNER, posted receipts, approved deposits, and had custody of cash.
7. Management has granted application access within the PeopleSoft and BANNER Financial Accounting Systems which allows conflicting responsibilities.
8. Employees who have the ability to add new hires also have the ability to make pay changes.

Cause: The University did not adequately segregate the functions of initiating, authorizing, and recording transactions, reconciliations, and maintaining the custody of assets. Compensating controls were either not adequately designed or not formally documented. Additionally, the University has not limited the PeopleSoft or BANNER Financial Accounting System application access to restrict conflicting job responsibilities.

Effect: Without satisfactory accounting policies and procedures requiring separation of duties, the University could place itself in a position where potential misappropriation of assets, fraud, errors and/or irregularities could occur. In addition, the lack of controls could impact reporting of the University's financial position and results of operations.

Recommendation: Management should review the established internal control structure and revise or implement controls to ensure that proper separation of duties exists. Application access controls in the accounting information systems should complement the system of internal control by limiting an employee's access to only the accounting functions necessary for the performance of the employee's duties. In the case when management determines separation of duties is not cost beneficial, management should implement compensating controls that assist in assuring that financial transactions are properly processed and reported.

Finding Control Number: **FS-533-11-02**
EMPLOYEE COMPENSATION
Inadequate Internal Controls

Condition: This is a repeat finding (FS-533-10-02, FS-533-09-05, and FS-533-08-04) from years ended June 30, 2010, June 30, 2009, and June 30, 2008, respectively. The accounting procedures of the University were insufficient to provide for adequate controls over Compensated Absences.

Criteria: The University's management is responsible for maintaining internal controls that provide reasonable assurance that the Compensated Absences balance reflected on the financial statements is properly documented, processed and reported.

Information: Our testing revealed that the University did not have adequate internal controls in place to ensure that earned and used portions of Compensated Absences activity was properly recorded during the year. Upon testing twenty-seven employees from the University’s Compensated Absences Report, the following deficiencies were noted:

1. Three employees earned an incorrect amount of leave based upon hire date and the University's annual leave policy.
2. Six employees' ending leave balances were incorrect based upon a review of beginning balances and current year activity.

Cause: The University failed to implement satisfactory accounting procedures to ensure that all leave amounts were entered into ADP, and that the Compensated Absences Report was accurate prior to the posting of year-end Compensated Absences journal entries.

Effect: Without proper accounting controls and procedures in place, annual leave abuse could occur and the Compensated Absences balance could be misstated on the financial statements.

Recommendation: To reduce the risk of reporting incomplete and/or inaccurate information, the University should implement policies and procedures to ensure that all annual leave taken is properly documented within the leave system. The University should also review compensated absences reports periodically for accuracy, especially at year-end, prior to completing year-end journal entries associated with compensated absences.

Finding Control Number: **FS-533-11-03**
BUDGET PREPARATION/EXECUTION
GENERAL LEDGER
Inadequate Accounting Procedures

Condition: Through our examination, it was determined that the University failed to properly monitor budgetary financial activity during the year.

Criteria: Management is responsible for establishing, maintaining and monitoring internal controls, the purpose of which is to ensure the fair presentation of the budget basis financial statements provided for inclusion of the State of Georgia Budgetary Compliance Report.

Information: The following deficiencies were noted in the University's Budget Basis Financial Statements:

1. The University did not complete the Budget Basis Financial Statements according to the Board of Regents recommended policy.
2. An invalid and unsupported material journal entry was made to the budget funds.
3. Invalid encumbrances of $335,141.87 were noted during the review of encumbrances.
4. An inappropriate transfer was made to the budget funds from an agency fund and proper approval was not provided.
5. Georgia State Financing and Investment Commission (GSFIC) accounts receivable and revenue were materially misstated.
6. Encumbrances payable per budget statement did not agree with the accounting records by $1,249,032.09.
7. A budgetary basis adjusting entry was made in error which incorrectly removed $153,132.86 of expenditures as an adjustment and program transfer.
8. Numerous items presented on the Budget Basis Balance Sheet appear to be incorrect and are not supported by the accounting records.

Cause: These deficiencies were the result of a lack of internal controls over the preparation of budget basis financial statements. The University failed to perform the completion of the budget basis financial statements in accordance with Board of Regents policy.

Effect: Failure to prepare and submit accurate budget basis statements prohibits users from having access to pertinent financial information needed for decision making.

Recommendation: The University should design and implement controls over its budget basis preparation process.

Finding Control Number: **FS-533-11-04**
FINANCIAL REPORTING
Inadequate Controls over the Financial Reporting Process

Condition: The University's accounting procedures were insufficient to provide for adequate controls over the financial statements preparation process.

Criteria: A system of internal control over financial reporting does not stop at the general ledger. Management is responsible for implementing a system of internal control over the preparation of financial statements prepared in accordance with generally accepted accounting principles (GAAP).

Information: The following deficiencies were noted in the University's GAAP basis financial statements:

1. Numerous misstatements and misclassifications were noted on the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets.
2. Several errors were noted in the Notes to the Financial Statements requiring adjustments.
3. The Management's Discussion and Analysis and Statement of Cash Flows required adjustment to agree to the Financial Statements.
4. Two invalid and undocumented journal entries were made during the year under audit causing material misstatements. An adjustment was proposed and posted to correct the error.
5. Several account balances included in accounts payable had debit balances at year-end and were not properly documented.
6. Construction Work-in-Progress and Contracts Payable were misstated on the financial statements.
7. A capital asset building was understated due to not increasing the cost of the asset for expenditures incurred during the fiscal year. An adjustment was proposed and posted to correct the error.
8. Unrecorded accounts payable of $258,161 was noted. Additionally, numerous potentially invalid accounts payable balances dating back to 2006 were noted on the accounting records.
9. Revenue and accounts receivable associated with Georgia State Financing and Investment Commission (GSFIC) were misstated at year-end. An adjustment was proposed and posted to correct the error.
10. Significant invalid accounts receivable were noted at year-end.
11. The University was not able to provide an aging analysis of student receivables that agreed to the financial statements. It was noted that Student Receivables and Allowance for Doubtful Accounts increased during the fiscal year. It does not appear that the University is adequately managing delinquent student accounts receivables.
12. Federal accounts receivable associated with Pell of $268,910.69 were reported but the auditors were unable to substantiate the validity of this balance because the University had not reconciled Federal Pell activity nor requested Federal reimbursement as of the end of fieldwork.

Cause: The University's management failed to adequately review the year-end financial statements to ensure that the statements as presented for audit were accurate and properly supported by underlying accounting records.

Effect: Material misstatements and significant misclassifications were included in the financial statements presented for audit. In addition, the lack of controls and monitoring could impact the reporting of the University's financial position and results of operations.

Recommendation: The University should review the accounting controls and procedures currently in place, identify weaknesses, and design and implement procedures necessary to strengthen controls over the preparation of the financial statements.

GEORGIA PERIMETER COLLEGE

Finding Control Number: **FS-571-11-01**
FINANCIAL REPORTING
Errors Noted in Financial Statement Preparation

Condition: The accounting procedures of the College were insufficient to ensure that various account balances were properly reflected on both the accounting records and the College's financial statements.

Criteria: NCGA Statement 1, paragraph 1, prescribes that an accounting system (1) present fairly and fully disclose funds of the governmental unit in accordance with generally accepted accounting principles and (2) demonstrate compliance with finance related legal and contractual provisions. Additional administrative requirements are contained in the University System of Georgia, Board of Regents' Business Procedures Manual.

Management is responsible for establishing and implementing policies and procedures over the preparation of financial statements prepared in accordance with generally accepted accounting principles (GAAP). Additionally, the College is required to annually submit GAAP basis financial statements for inclusion in the State of Georgia's Comprehensive Annual Financial Report (CAFR) and the State of Georgia's Single Audit Report.

Information: The following deficiencies were noted in the financial statements prepared by the College:

1. The College did not adequately monitor Restricted and Agency Fund activity, which resulted in invalid accounts receivable and deficit fund balances. Items noted include:
   a. Invalid accounts receivable were recorded for HOPE activity, resulting in an overstatement of accounts receivable and deposits held for other organizations of $3,274,133. An entry was proposed and accepted by the College to correct.
   b. Invalid accounts receivable totaling $1,064,202 were recorded for various Federal grants. An entry was proposed and accepted by the College to correct.
   c. Accounts receivable totaling $427,384 were noted for grants with prior budget periods and/or grant codes. These items should be reviewed by the College to determine whether the accounts receivable are still valid.
   d. A prior period adjustment to the HOPE program totaling $1,262,269 was not posted by the College, resulting in an understatement of accounts receivable and deposits held for others. An entry was proposed and accepted by the College to correct.
   e. Restricted net assets were reported at a negative balance of $310,135.

2. Accumulated Depreciation recorded on the financial statements did not agree to the amount on the accounting records by $1,444,308. An entry was proposed and accepted by the College to reduce depreciation expense by this amount.

3. The Cash Flow Statement did not accurately reflect activity for the following items:
   a. Principal Paid on Capital Debt was overstated by $24,806,138. Error was corrected.
   b. Beginning cash on hand did not agree to the prior year ending cash balance by $1,675,475. Error was corrected.
   c. An unreconciled variance of $44,451 was noted for cash flows for purchases of Capital Assets to Capital Assets additions reported in the Selected Notes to the Financial Statements.
   d. Other items on the cash flow statement do not appear reasonable in comparison to other financial data presented in the financial statements. Cash flows from operating activities for grants and contracts and other receipts appear overstated based on operating grants and contracts on the Statement of Revenues, Expenses, and Changes in Net Assets. Cash flows for Agency Fund activities appear understated.

4. Various other adjustments to the financial statements were identified by Department of Audits and Accounts and adjusted/corrected during the Board of Regents review process.
   a. Beginning net assets did not agree to the prior year ending net assets by $21,389,989.
   b. Net assets on the Statement of Net Assets did not agree to the net assets on the Statement of Revenues, Expenses, and Changes in Net Assets due to various rounding items.
   c. State appropriations revenue was not reduced by the amount of surplus remitted to the State of Georgia in the current year.

Cause: The College's management failed to implement satisfactory procedures to ensure that the financial statements were accurate, adequately documented and presented fairly in accordance with generally accepted accounting principles.

Effect: Significant errors were included in the financial statements presented for review. In addition, the lack of satisfactory procedures and failure to adhere to Board of Regents policies could impact reporting of the College's financial position and results of operations.

Recommendation: The College should develop procedures to ensure that the financial statements are accurate, adequately documented, and presented fairly in accordance with generally accepted accounting principles.

Finding Control Number: **FS-571-11-02**
FINANCIAL REPORTING
Inadequate Accounting Procedures over Budget Preparation and Execution

Condition: Through our examination, it was determined that the College failed to properly monitor budgetary financial activity during the year. At June 30, 2011, the College maintained several funds in a deficit situation.

Criteria: Management is responsible for establishing, maintaining and monitoring procedures, the purpose of which is to ensure the fair presentation of the budget basis financial statements provided for inclusion in the State of Georgia Budgetary Compliance Report.

Information: The following deficiencies were noted in the College's budget basis financial statements presented in Schedules 1-4:

1. Balances maintained on the College's general ledger did not agree to the budgetary statements for cash ($54,550.64 overstatement) and encumbrances payable ($130,773.26 overstatement).
2. The College was in a reserved deficit in the Department Sales and Services Fund ($271,248.25), Technology Fees Fund ($94,896.75), and Restricted/Sponsored Funds ($200,575.84).
3. Encumbrances Payable with a credit balance of $54,616.04 were determined to be invalid and were removed from the budgetary statements.
4. The budget ledger within the accounting system, was not being properly monitored and maintained. Certain entries posted to the budget ledger were not reflected on the budgetary statements.

Cause: These deficiencies were a result of a lack of adequate procedures over the preparation of the budget basis financial statements. Additionally, the College failed to implement adequate procedures over its expenditures to ensure that they did not exceed the funds available in each fund.

Effect: Failure to submit accurate budget basis statements prohibits users from having access to pertinent financial information needed for decision making.

Recommendation: The College should design and implement procedures over its expenditures process to ensure that expenditures do not exceed the budget or funds available. Open Purchase Orders should be monitored closely to ensure that encumbrances payable accurately reflect a true obligation of funds.

MACON STATE COLLEGE

Finding Control Number: **FS-581-11-01**
FINANCIAL REPORTING
Inadequate Controls over Financial Reporting

Condition: The College's accounting procedures were insufficient to provide adequate controls over the financial statement preparation process.

Criteria: A system of internal control over financial reporting does not stop at the general ledger. Management is responsible for implementing a system of internal control over the preparation of financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP). Additionally, the College is required to annually submit GAAP basis financial statements for inclusion in the State of Georgia's Comprehensive Annual Financial Report (CAFR) and the State of Georgia's Single Audit Report.

Information: During the audit, the following deficiencies were noted in the College's GAAP basis financial statements:

1) The entity did not properly report GSFIC-managed project J-147 on its financial records, resulting in an overstatement of Capital Grants and Gifts - State of $318,727, an overstatement of Nonoperating Revenues - Gifts of $2,235,397, an overstatement of Construction Work In Progress of $1,261,481, an overstatement of Expenditures (Supplies and Other Services) of $485,268, and an understatement of Accounts Payable of $1,995,058. The entity overstated Beginning Net Assets due to the inaccurate reporting of this project in the prior year of $1,187,683. In addition, Capital Outlay Revenues and Expenditures were misstated on the budget basis statements. An audit adjustment was proposed and posted to correct the error.

2) Deferred Revenues and Accounts Receivable - Other were overstated by $477,945, related to Fall Semester Housing Fees that were not properly removed with year end adjusting entries. An audit adjustment was proposed and posted to correct the error.

3) Revenues and Accounts Receivable-Other were understated by $106,164 related to significant cash-basis accounts that were not posted to the PeopleSoft financial system from BANNER.

4) The entity improperly reported its Capital Lease Liability as a result of using an incorrect amortization schedule. The total liability was understated by $118,518, which included an overstatement of the current liability of $688,748 and an understatement of the noncurrent portion of $807,266.

5) Both Cash and Accounts Payable were overstated by $340,452 as a result of an insurance payment made in December, 2010 which was not recorded on the general ledger until July, 2011. An audit adjustment was proposed and posted to correct the error.

6) Undocumented Accounts Payable of $121,184, some of which dated back to 2002, were reported by the entity.

7) The entity overstated its Compensated Absences Liability by $572,851, which included an understatement of the current portion of $36,937 and an overstatement of the noncurrent portion of $609,788. A portion of this misstatement dated back to prior years causing Beginning Net Assets to be understated by $487,502 and Salaries - Staff Expense was overstated by $85,349. An audit adjustment was proposed and posted to correct the error.

8) The entity misclassified Insurance Proceeds of $584,320 as Other Operating Revenue rather than Other Nonoperating Revenue.

9) The entity failed to reverse its accrued payroll from fiscal year 2010 in the fiscal year under audit, resulting in an overstatement of Accounts Payable and Salaries Expense of $21,437.

10) Numerous adjustments were made to the Statement of Cash Flows, Notes to the Financial Statements and the Management's Discussion and Analysis.

11) An audit adjustment was made to report summer session activity in the proper period, which corrected an understatement of Tuition and Fees of $202,176, an overstatement of Deferred Revenues of $2,096,303, an overstatement of Prepaid Expenses of $656,849, an understatement of Beginning Fund Balance of $1,231,875, an understatement of Salaries Expense of $2,166, and an overstatement of Benefits Expense of $7,569.

Cause: The College's management failed to adequately review the year-end financial statements to ensure that the statements as presented for audit were accurate and properly supported by underlying accounting records.

Effect: Significant and material misstatements were included in the financial statements presented for audit. In addition, the lack of controls and monitoring could impact the reporting of the College's financial position and results of operations.

Recommendation: The College should review the accounting controls and procedures currently in place, identify weaknesses, and design and implement procedures necessary to strengthen controls over the preparation of the financial statements.

Finding Control Number: **FS-581-11-02**
ACCOUNTING CONTROLS (OVERALL)
IT General Controls

Condition: The College does not have a formal, documented process to periodically grant or review application access; to document the authorization and testing of changes; or to document the resolution of identified issues related to financial systems.

Criteria: Management of the College is responsible for designing and maintaining internal controls that provide reasonable assurance that financial applications are operating as they should and access to financial applications is appropriate.

Information: The following deficiencies were noted:

1. No documentation was available for access granted to numerous users added to the BANNER financial system during the fiscal year.

2. The College did not document performance of a recertification of user access to BANNER to ensure access was appropriate during the fiscal year.

3. The College did not adequately maintain documentation for the authorization and testing of changes to the BANNER financial system.

4. The College was unable to identify or document the resolution of BANNER issues occurring during the fiscal year.

Cause: The College did not adequately establish a process to (1) provision access to financial systems; (2) ensure access continues to be appropriate based on job responsibility; (3) document changes to the BANNER financial system are appropriately authorized, tested, and approved prior to movement into the production environment; or (4) document financial system issues and the subsequent resolution.

Effect: A lack of provisioning and monitoring processes or recertification of access may potentially allow inappropriate access to financial systems to go undetected. Without satisfactory policies and procedures governing financial system access and maintenance, the College could place itself in a position where potential misappropriation of assets, fraud, errors and/or irregularities could occur. In addition, the lack of controls could impact reporting of the College's financial position and results of operations.

Recommendation: A periodic review of financial system access should be documented by Management to determine that access continues to be appropriate based on job responsibility. Management should establish policies and procedures requiring changes to the BANNER financial system be authorized, tested, and approved prior to placement into production and that sufficient documentation be maintained to support the process. Additionally, a process for documenting identified system issues and the subsequent resolution should be created.

Finding Control Number: **FS-581-11-03**
EMPLOYEE COMPENSATION
Inadequate Internal Controls

Condition: The accounting procedures of the College were insufficient to ensure adequate separation of duties over Employee Compensation functions, and to ensure that the data in the consolidated payroll system provided by Automatic Data Processing, Inc. (ADP) was reconciled to the general ledger.

Criteria: Management of the College is responsible for designing and maintaining internal controls that provide reasonable assurance that transactions are properly processed and reported. Separation of duties involving key accounting functions, both manual and automated, is the basis for achieving an adequate system of internal control.

Additional administrative requirements contained in the University System of Georgia Board of Regents' Business Procedures Manual require that the general ledger be reconciled to subsidiary records as a routine matter with any variances noted and resolved in a timely manner.

Information: The following deficiencies were noted:

1. Four employees were able to add and make changes to compensation for the same employee within the ADP system.

2. The College failed to formally document their reconciliation of the general ledger to its subsidiary modules for Employee Compensation (ADP).

Cause: The College's management failed to implement satisfactory controls to ensure that the separation of duties within the financial accounting system complemented the entity's established separation of duties policy. Compensating controls were either not adequately designed or not formally documented. In addition, management failed to ensure that the subsidiary ledgers were reconciled to the general ledger.

Effect: Without satisfactory accounting controls and procedures in place, the College could place itself in a position where potential misappropriation of assets could occur. In addition, the lack of controls and procedures could impact reporting of its financial position and results of operations.

Recommendation: Management should review the established internal control structure and revise or implement controls to ensure that proper separation of duties exists. Application access controls in the accounting information systems should complement the system of internal control by limiting an employee's access to only the accounting functions necessary for the performance of the employee's duties. In the case when management determines separation of duties is not cost beneficial, management should implement compensating controls that assist in assuring that financial transactions are properly processed and reported. In addition, management should implement procedures to ensure that the general ledger is regularly reconciled to the subsidiary ledgers to ensure the accuracy of the data in the general ledger and, by extension, the financial statements.

SOUTH GEORGIA COLLEGE

Finding Control Number: **FS-587-11-01**
EXPENDITURES/LIABILITIES/DISBURSEMENTS
Inadequate Internal Controls

Condition: The accounting procedures of the College were insufficient to provide adequate controls over the expenditure process.

Criteria: The College's management is responsible for designing and maintaining internal controls over expenditures that provide reasonable assurance that transactions are valid and are in line with program objectives.

Information: The College does not have any policies or procedures in place for expenditures to have proper approval before an expense is incurred. The College does not utilize purchase requisitions or purchase orders in order to document any approval.

Cause: These deficiencies were a result of management's failure to ensure that internal controls were established, implemented and functioning at the College.

Effect: Without satisfactory accounting controls and procedures in place, the College could place itself in a position where the potential misappropriation of assets could occur. In addition, the lack of controls could impact reporting of its financial position and results of operations.

Recommendation: The College's management should design and implement adequate internal controls that provide reasonable assurance that all transactions are valid and are in line with program objectives.

Finding Control Number: **FS-587-11-02**
EMPLOYEE COMPENSATION
Inadequate Internal Controls

Condition: The accounting procedures of the College were insufficient to provide adequate controls over employee compensation.

Criteria: The College's management is responsible for designing and maintaining policies and procedures to ensure that financial activity is properly processed and reflected on the College's financial records.

Information: The following deficiencies were noted.

1. While gaining an understanding of the internal controls over employee compensation, it was noted that the Human Resources Director has the authority to enter new hires into the system, enter pay changes for all employees, and approve pay changes for those individuals who work within the Humans Resources and Payroll Departments.

2. During testing of employee compensation the following issues were discovered:
    a. One employee was paid incorrectly due to being paid based on an incorrect spreadsheet instead of the employee's contract.
    b. One employee was incorrectly paid overtime. The overtime pay was requested by the employees' supervisor, but is against the policies of the College.

3. During sampling of Compensated Absences there were several instances noted where an employees' leave balance reflected on the report did not agree to timesheets or leave request forms. As a result of the sample, there is a projected misstatement of $227,196 in the Compensated Absences liability at year-end.

Cause: The College's management is responsible for designing and maintaining internal controls to ensure (1) all changes made to the financial accounting system have been authorized and that (2) reports used to prepare the financial statements accurately reflect the actual balances of the system.

Effect: This could result in errors in financial reporting and increases the risk of material misstatement in the financial statements, including misstatements due to fraud.

Recommendation: The College should review the accounting controls and procedures in place and design and implement procedures relative to the accounting functions in the areas mentioned above to ensure that financial activity is properly processed and reflected on the College's accounting records.

Finding Control Number: **FS-587-11-03**
CAPITAL ASSETS
Inadequate Capital Asset Records

Condition: The accounting procedures of the College were insufficient to provide adequate control over Capital Assets.

Criteria: The College should maintain capital asset records in accordance with capitalization guidelines and instructions provided in Chapter 7 of the Board of Regents' Business Procedures Manual.

Information: Overall the internal controls over accurately recording, tracking and reconciling capital assets records did not appear to be operating effectively. The following weaknesses/deficiencies were noted relating to Capital Assets:

1. The Schedule of Library Collections did not agree with the balances reported in the Annual Financial Report by $28,082. Subsequent to the audit, the College provided a Schedule of Library Collections that tied to the Annual Financial Report.

2. Several assets were erroneously excluded from the Capital Asset listing balance at June 30th including equipment totaling $9,729 and building improvements totaling $238,885. An audit adjustment was proposed and posted to correct this error.

3. Construction Work in Progress was not correctly calculated. A project, in the amount of $119,214, was left in the ending balance and should have been moved to Facilities and Other Improvements at June 30th. An audit adjustment was proposed and posted to correct this error.

4. A sample of Capital Asset items revealed the following:

    a. Several equipment items totaling $23,788 were excluded from the Capital Asset listing provided by the College. An audit entry was proposed and posted to correct this entry.

    b. Several assets totaling $55,777 were surplused; however, the College failed to remove these items from the Capital Asset listing.

    c. Four assets totaling $6,559 were capitalized as one item. The individual assets did not meet the capitalization threshold and should not have been capitalized according to the College's Capital Assets Policy.

    d. Several assets were not properly decaled.

Cause: The College's management failed to implement appropriate internal controls and procedures necessary to properly record, maintain and track capital assets.

Effect: Failure to accurately record, track and reconcile capital assets could result in the College placing itself in a position where potential misappropriation of assets and misrepresentation of its financial position and results of operations could occur.

Recommendation: The College should establish appropriate procedures and controls to ensure that an accurate physical inventory of capital assets is performed and that all capital assets listed on the capital assets inventory records can be identified by decal number, description and location. In addition, the College should establish appropriate procedures to ensure that reconciliations are performed with the subsidiary records.

Finding Control Number: **FS-587-11-04**
FINANCIAL REPORTING
Inadequate Controls over Financial Reporting

Condition: The College did not have adequate controls in place to ensure that all required activity was included in the financial statement information presented for audit.

Criteria: A system of internal control over financial reporting does not stop at the general ledger. Management is responsible for implementing a system of internal control over the preparation of financial statement prepared in accordance with general accepted accounting principles (GAAP). Additionally, the College is required to annually submit GAAP basis financial statements for inclusion in the State of Georgia's Comprehensive Annual Financial Report (CAFR) and the State of Georgia's Single Audit Report.

Information: The Governmental Accounting Standards Board (GASB) Statement 35 reporting model requires the presentation of business type activities in the College financial statements, including note disclosures. During the audit, numerous correcting entries were proposed by the auditor and accepted by the client to properly present the entity's business type activities in the financial statements.

Cause: The College did not implement an adequate system of internal control over the financial reporting process.

Effect: Significant errors were included in the financial statements presented for audit. In addition, the lack of controls and failure to adhere to Board of Regents policies could impact reporting of the College's financial position and results of operations.

Recommendation: The College should implement controls over the financial statement reporting process to ensure that all required activity is included in the financial statement information.

SKIDAWAY INSTITUTE OF OCEANOGRAPHY

Finding Control Number: **FS-593-11-01**
EXPENDITURES/LIABILITIES/DISBURSEMENTS
Inadequate Accounting Procedures

Condition: Accounting procedures of the Institute were insufficient to provide for adequate control over expenditures/liabilities/disbursements.

Criteria: An adequate system of internal controls dictates that key accounting functions related to requisitions, approval, custody, record keeping and authorization be properly separated.

Information: The following weaknesses/deficiencies were noted related to the purchasing process:

- Formal requisitions were not utilized.
- The purchase order creation function, purchase order approval function, receipt of goods function, check preparation function and custody of the signature stamp were not separated.

- The check preparation function was not separated from the journal entry function; however, journal entries were approved by another individual as a compensating control.
- Vouchers packages did not contain evidence of approval.
- Many purchase orders did not contain evidence of approval.

The following weaknesses/deficiencies were noted related to the travel reimbursement process:

- Some trips were not formally preapproved with an appropriate signature on the "Request for Authority to Travel at School Expense" form.
- Some on-line travel expense reports were submitted under one user access name and approved under another user access name although both user access names belonged to the same employee.
- Some of the on-line travel expense reports were not approved by another employee as required.

Cause: The Institute's management failed to ensure that internal controls related to the purchasing and travel reimbursement processes were established, implemented and functioning.

Effect: Without satisfactory accounting controls and procedures in place, the Institute could place itself in a position where the potential misappropriation of assets could occur.

Recommendation: The Institute should establish control procedures related to the purchasing process to ensure that the key accounting functions of custody, record keeping and authorization are separated and/or utilize oversight for these incompatible activities. The Institute should also establish approval procedures related to travel reimbursements. In addition, management should monitor controls to provide reasonable assurance that transactions are processed according to established policies.

Finding Control Number: **FS-593-11-02**
BUDGET PREPARATION/EXECUTION
GENERAL LEDGER
Inadequate Accounting Procedures

Condition: Through our examination, it was determined that the Institute failed to properly maintain budgetary financial activity on the accounting records by program and fund source that complies with the Prioritized Program Based Budgeting requirements of the Appropriations Act as approved by the Georgia General Assembly.

Criteria: Management is responsible for establishing, maintaining and monitoring internal controls, the purpose of which is to ensure the fair presentation of the budget basis financial statements provided for inclusion in the State of Georgia Budgetary Compliance Report. The Institute must demonstrate their compliance by reporting revenues and expenditure by fund source within program as compared to their budget.

Information: A review of the budget basis financial statements revealed that the accounting records were not maintained in accordance with the legal level of budgetary control.

Cause: These deficiencies were the result of budgetary activity not being properly maintained by separate identifying source codes/funding sources and a lack of controls over the preparation of the budgetary basis financial statements.

Effect: Due to the lack of proper identification of budgetary activity, the auditor was unable to determine the validity of the budget basis statements.

Recommendation: The Institute should contact the Board of Regents regarding establishing identifying source codes and/or funding sources for all of the budgetary activity. The Institute should also establish formal policies and procedures to ensure that amounts posted to the budgetary basis statements are accurate and properly documented.

Finding Control Number: **FS-593-11-03**
FINANCIAL REPORTING
Inadequate Controls over Financial Reporting

Condition: The Institute's accounting procedures were insufficient to provide for adequate controls over the financial statements preparation process.

Criteria: A system of internal control over financial reporting does not stop at the general ledger. Management is responsible for implementing a system of internal control over the preparation of financial statement prepared in accordance with generally accepted accounting principles (GAAP). Additionally, the Institute is required to annually submit GAAP basis financial statements for inclusion in the State of Georgia's Comprehensive Annual Financial Report (CAFR) and the State of Georgia's Single Audit Report.

Information: During the audit, the following deficiencies were noted in the Institute's GAAP basis financial statements:

1. Expenditures and Beginning Net Assets were both understated by $1,014,833. Beginning Net Assets did not tie to the prior year's final financial statement's ending Net Assets. An audit adjustment was proposed and posted to correct this material error.

2. The Cash Flow Statement required adjustments to properly reflect Payments to Suppliers and beginning Cash.

3. Several errors were noted in the Notes to the Financial Statements requiring adjustment.

4. Management's Discussion and Analysis required adjustment to agree to the Financial Statements.

Cause: The Institute's management failed to adequately review the year-end financial statements to ensure that the statements as presented for audit were accurate.

Effect: Material misstatements were included in the financial statements presented for audit. In addition, the lack of controls and monitoring could impact the reporting of the Institute's financial position and results of operations.

Recommendation: The Institute should review the accounting controls and procedures currently in place, identify weaknesses, and design and implement procedures necessary to strengthen controls over the preparation of the financial statements.

WEST GEORGIA TECHNICAL COLLEGE

Finding Control Number: **FS-826-11-01**
REVENUES/RECEIVABLES/RECEIPTS
Inadequate Internal Controls over Accounts Receivables

Condition: The accounting procedures of the Technical College are insufficient to ensure that uncollectible receivables are being properly reflected in the financial statements.

Criteria: The Technical College's management is responsible for designing and maintaining internal controls that provide reasonable assurance that receivable activity is properly documented, processed and reported.

Information: The Technical College did not have procedures in place to properly identify and record an allowance for doubtful accounts receivable. A review of old receivable balances revealed uncollectible receivables in the amount of $670,038.20. An adjustment was made to properly reflect this balance within the financial statements.

Cause: The Technical College's management failed to implement accounts receivable aging procedures and review these balances for uncollectible receivables.

Effect: Failure to have procedures in place over the aging of receivables could result in the Technical College placing itself in a position where misrepresentation of its financial position and results of operations could occur.

Recommendation: The Technical College should design and implement accounts receivable aging procedures and review these balances for uncollectible receivables.

Finding Control Number: **FS-826-11-02**
REVENUES/RECEIVABLES/RECEIPTS
Inadequate Internal Controls over Bookstore Sales

Condition: This is a repeat finding (FS-826-10-02) from the year ended June 30, 2010. The accounting procedures of the Technical College are insufficient to ensure that bookstore sales are properly reflected in the financial statements.

Criteria: The Technical College's management is responsible for designing and maintaining internal controls that provide reasonable assurance that revenue activity is properly documented, processed and reported.

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) *Internal Control - Integrated Framework* states that separate and ongoing evaluations through methods such as the identification and monitoring of key control indicators enable management to determine whether the other components of internal control over financial reporting continue to function over time.

Information: Testing revealed significant unexplained differences between expected bookstore mark-up percentages and calculated mark-up percentages using financial data reported in the financial statements. The Technical College did not adequately monitor bookstore sales revenue.

Cause: The Technical College has not implemented adequate monitoring procedures over bookstore sales. In addition, other control deficiencies exist such as not reconciling bookstore inventory balances, which increases the importance of strong monitoring controls.

Effect: Without satisfactory accounting controls and procedures in place, the Technical College could place itself in a position where the potential misappropriation of assets could occur. In addition, the lack of controls could impact reporting of its financial position and result of operations.

Recommendation: The Technical College should design and implement monitoring procedures over bookstore sales. These monitoring procedures should include but not be limited to the identification and ongoing monitoring of key control indicators such as inventory mark-up percentages.

Finding Control Number: **FS-826-11-03**
EXPENDITURES/LIABILITIES/DISBURSEMENTS
Inadequate Segregation of Duties

Condition: This is a repeat finding (FS-826-10-03) from the year ended June 30, 2010. The accounting procedures of the Technical College were insufficient to provide adequate separation of duties.

Criteria: AICPA Professional Standards, AU 319.04, state that internal control is a process - affected by an entity's board of directors, management and other personnel - designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations.

Separation of duties involving key accounting functions, both manual and automated, is the basis for achieving an adequate system of internal control.

Information: Accounting procedures were designed to allow certain employees the ability to create and post express vouchers within PeopleSoft and process check runs. Potential compensating controls could not be tested due to a lack of documentation.

Cause: The Technical College has not adequately designed procedures to ensure different employees were responsible for initiating transactions, authorizing transactions, recording transactions, reconciling information, and maintaining custody of assets. In addition, potential compensating controls were either not adequately designed or not formally documented.

Effect: Misstatements due to errors or fraud may occur and not be detected in a timely manner.

Recommendation: The Technical College should revise and implement internal controls to ensure that proper separation of duties is established. In the case when management determines segregation of duties is not cost beneficial, management should implement compensating controls that utilize system generated reports and data.

Finding Control Number: **FS-826-11-04**
EXPENDITURES/LIABILITIES/DISBURSEMENTS
Inappropriate Cash Disbursements

Condition: The Technical College expended funds renovating a building that is owned by West Georgia Technical College Foundation.

Criteria: O.C.G.A. 50-16-7 states, in part, as follows: "Any real estate held by the State of Georgia in *fee simple…* may be improved with funds appropriated for a State department…"

This provision has been interpreted as the State must have title to land before permanent improvements may be made thereon. 1954-56 Op. Att'y Gen. pp. 574.

Information: The Technical College entered into an agreement with the West Georgia Technical College Foundation, whereas, the Foundation would lease a building to the Technical College. The Technical College expended funds assisting in the renovation of this building. While the Technical College has received some reimbursement from the Foundation, management has not been able to determine if all expenses were reimbursed because a separate cost identifier was not used to track these disbursements.

Cause: The Technical College did not have policies and procedures in place to ensure that disbursements were in compliance with state law.

Effect: These expenditures were a violation of state law. Additionally, failure to separate projects within the Technical College's general ledger could cause the Technical College to not be fully reimbursed for disbursements that do not provide a direct benefit to the Technical College.

Recommendation: Management should determine the entire amount of disbursements for this renovation project and request reimbursement from West Georgia Technical College Foundation. In addition, the Technical College should implement policies to ensure that all construction projects expenditures are in accordance with the state law.

SEED DEVELOPMENT COMMISSION, GEORGIA

Finding Control Number: **FS-919-11-01**
CAPITAL ASSETS
Inadequate Capital Asset Records

Condition: The accounting procedures of the Georgia Seed Development Commission (Commission) were insufficient to provide adequate internal controls over the Capital Assets management system. Our examination of the Capital Assets management system revealed the following internal control deficiencies:

1. The capital asset inventory records did not include historical cost amounts.

2. The capital asset inventory records did not include a location code feature (other than the city) resulting in the inability to test the physical existence of equipment items without the assistance of a custodian.

In addition, two hundred eighty-five (285) capital asset items were selected for physical inspection to test the accuracy of the Commission's capital asset inventory records. The following deficiencies were noted:

1. Four (4) items were found to be surplused, but still appeared on the capital asset inventory listing.

2. Three (3) items were not located in the designated city as reported on the capital asset inventory listing.

3. Fifteen (15) items lacked either a decal or a serial ID number.

4. Four (4) items were located but did not appear on the capital asset inventory listing.

Criteria: The *Accounting Policy Manual* for the State of Georgia, Section Capital Assets - General, Page 12, states, in part: "To ensure compliance with GAAP and other requirements of this policy, State of Georgia organizations must:

- Establish controls to ensure proper identification of capital assets.
- Ensure that capital asset transactions are properly valued and recorded in asset management records in compliance with State of Georgia policies and laws."

Cause: The deficiencies noted above were caused by the Commission's failure to implement adequate controls and procedures necessary to properly record and maintain capital asset inventory records in accordance with State guidelines.

Effect: Failure to maintain complete and accurate capital asset inventory records could result in the misappropriation of assets and a material misstatement of the financial statements.

Recommendation: The Georgia Seed Development Commission should develop appropriate policies and procedures to ensure that all capital assets are properly accounted for and reported in accordance with capitalization guidelines and instructions as provided in the Accounting Policy Manual for the State of Georgia.

ROAD AND TOLLWAY AUTHORITY, STATE (*)

Finding Control Number: **FS-927-11-01**
CAPITAL ASSETS
Management of Capital Asset Accounts in Enterprise Funds

Condition: The Authority did not properly capitalize all expenses associated with projects that were in progress as of June 30, 2011 in both the Georgia 400 Fund and the I-85 Project Fund. Therefore, construction in progress within the fixed asset sections for these funds was incorrect at year-end.

Criteria: Generally accepted accounting principles generally require the reporting of all capital assets at their historical cost, including construction in progress, which is converted to depreciable status at the end of

a project. The assets are then written off periodically, or depreciated, in a systematic and rational manner.

Information: See above condition

Cause: See above condition

Effect: For the Georgia 400 Fund, adjustments in the amount of $3,064,584 were required to increase the amount recorded in fixed assets primarily in the construction in progress (non-depreciable) fixed asset accounts as of June 30, 2011. Included in the above amount are: a) approximately $2,260,000 related to capitalization of amounts previously expensed; b) approximately $85,000 related to recognition of certain retainage payable amounts; and, c) approximately $720,000 related to the correction of an amount previously recognized in another proprietary fund.

For the I-85 Fund, adjustments in the net amount of $349,920 were required to decrease amounts recorded in construction in progress (non-depreciable) fixed asset accounts as of June 30, 2011. Included in the above amount are: a) approximately $743,000 related to the correction of an amount previously recognized in the I-85 fund (via an Authority proposed adjustment) which should have been recognized in other funds; b) approximately $305,000 related to recognition of certain retainage payable amounts; and, c) approximately ($655,000) related to the recording of duplicate amounts.

Recommendation: We recommend the Authority review all capital asset activity and capitalize assets based on the Authority's capitalization policy. The Authority should record all capital asset transactions, including construction in progress, within the applicable enterprise funds. Finally, the capital asset listing should agree to the applicable general ledgers for asset type, accumulated depreciation, and current year depreciation expense.

WEST GEORGIA REGIONAL EDUCATIONAL SERVICE AGENCY

Finding Control Number: **FS-8604-11-01**
ACCOUNTING CONTROLS (OVERALL)
Failure to Verify Employment Eligibility for New Employees

Condition: The West Georgia Regional Educational Service Agency (RESA) did not verify employment eligibility through the Federal work authorization program, known as E-Verify, for eight (8) newly hired employees.

Criteria: As prescribed by O.C.G.A. 13-10-91, "(a) Every public employer, including, but not limited to, every municipality and county, shall register and participate in the federal work authorization program to verify employment eligibility of all newly hired employees."

Information: E-Verify is an electronic program, maintained by the U.S. Department of Homeland Security, through which employers verify the employment eligibility of its prospective employees.

Cause: The deficiency noted was a result of the RESA's failure to have adequate controls in place to ensure that all newly hired employees are legal residents and eligible for employment.

Effect: Failure to verify employment eligibility of newyly hired employees represents noncompliance on behalf of the RESA with the provisions of O.C.G.A. 13-10-91.

Recommendation: The West Georgia Regional Educational Service Agency should implement policies and procedures to ensure that employment eligibility is verified for all newly hired employees in accordance with O.C.G.A. 13-10-91.

GRIFFIN REGIONAL EDUCATIONAL SERVICE AGENCY

Finding Control Number: **FS-8624-11-01**
ACCOUNTING CONTROLS (OVERALL)
Failure to Verify Employment Eligibility for New Employees and Contractors

Condition: The Griffin Regional Educational Service Agency (RESA) did not verify employment eligibility through the Federal work authorization program, known as E-Verify, for eight (8) newly hired employees and two (2) contractors performing public works contracts.

Criteria: As prescribed by O.C.G.A. 13-10-91, "(a) Every public employer, including, but not limited to, every municipality and county, shall register and participate in the federal work authorization program to verify employment eligibility of all newly hired employees...(b)(1) No public employer shall enter into a contract pursuant to this chapter for the physical performance of services within this state unless the contractor registers and participates in the federal work authorization program to verify information of all newly hired employees or subcontractors. Before a bid for any such service is considered by a public employer, the bid shall include a signed, notarized affidavit from the contractor attesting to the following:

(A) The affiant has registered with and is authorized to use the federal work authorization program;
(B) The user identification number and date of authorization for the affiant; and
(C) The affiant is using and will continue to use the federal work authorization program throughout the contract period."

Information: E-Verify is an electronic program, maintained by the U.S. Department of Homeland Security, through which employers verify the employment eligibility of its prospective employees. For its public works' contractors, the RESA should obtain a notarized affidavit documenting that the contractor has verified the employment eligibility of their employees.

Cause: The deficiency noted was a result of the RESA's failure to have proper controls in place to ensure that all newly hired employees are legal residents and eligible for employment, and to obtain from public works' contractors notarized affidavits to verify their employees' employment eligibility.

Effect: Noncompliance on behalf of the RESA with the provisions of O.C.G.A. 13-10-91.

Recommendation: The Griffin Regional Educational Service Agency should implement policies and procedures to ensure that employment eligibility is verified for all newly hired employees and public works' contractors in accordance with O.C.G.A. 13-10-91.

CHATTAHOOCHEE-FLINT REGIONAL EDUCATIONAL SERVICE AGENCY

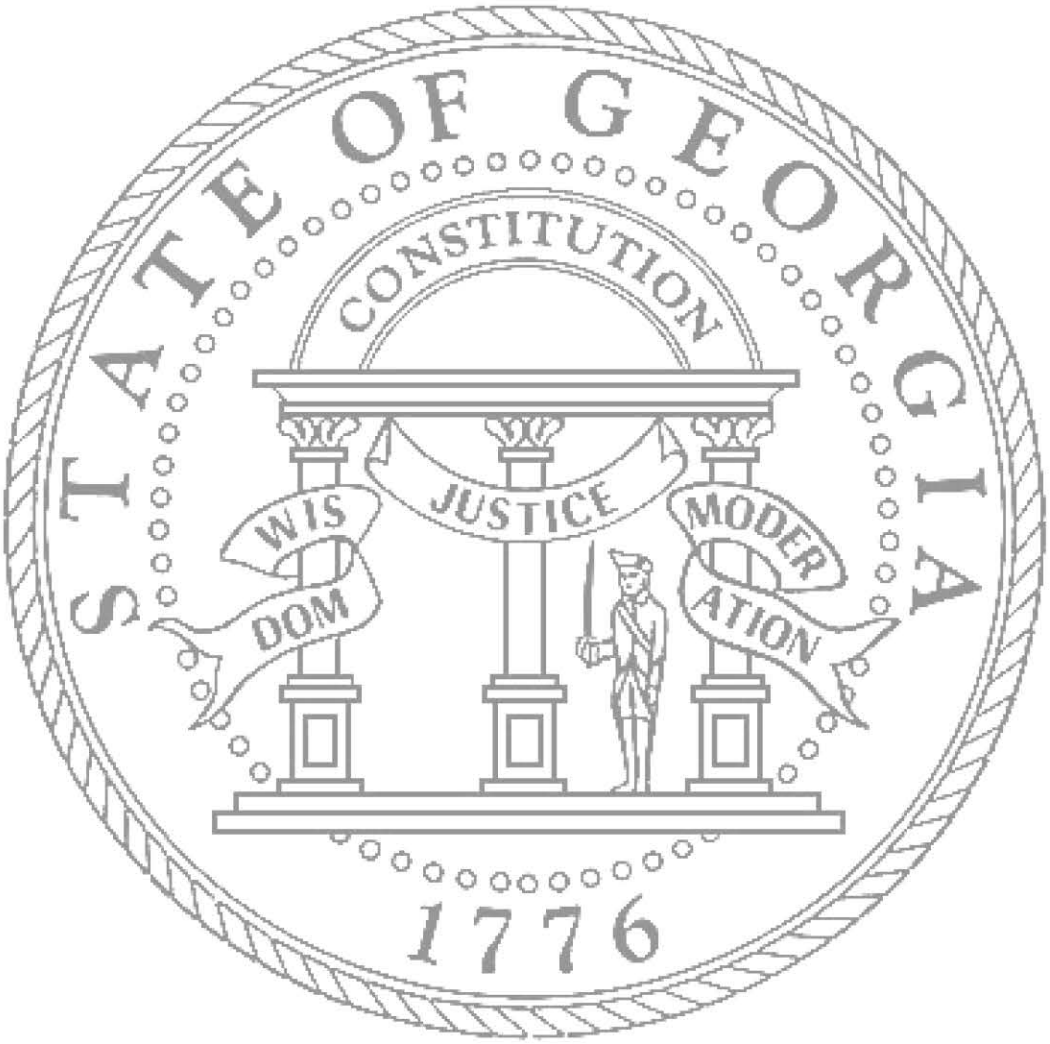
Finding Control Number: **FS-8724-11-02**
ACCOUNTING CONTROLS (OVERALL)
Failure to Verify Employment Eligibility for New Employees

Condition: The Chattahoochee-Flint Regional Educational Service Agency (RESA) did not verify employment eligibility through the Federal work authorization program, known as E-Verify, for four (4) newly hired employees.

Criteria: As prescribed by O.C.G.A. 13-10-91, "(a) Every public employer, including, but not limited to, every municipality and county, shall register and participate in the federal work authorization program to verify employment eligibility of all newly hired employees."

Information:	E-Verify is an electronic program, maintained by the U.S. Department of Homeland Security, through which employers verify the employment eligibility of its prospective employees.
Cause:	The deficiency noted was a result of the RESA's failure to have adequate controls in place to ensure that all newly hired employees are legal residents and eligible for employment.
Effect:	Noncompliance on behalf of the RESA with the provisions of O.C.G.A. 13-10-91.
Recommendation:	The Chattahoochee-Flint RESA should implement policies and procedures to ensure that employment eligibility is verified for all newly hired employees in accordance with O.C.G.A. 13-10-91.

(*) THIS FINDING RESULTED FROM AN AUDIT PERFORMED BY OTHER AUDITORS.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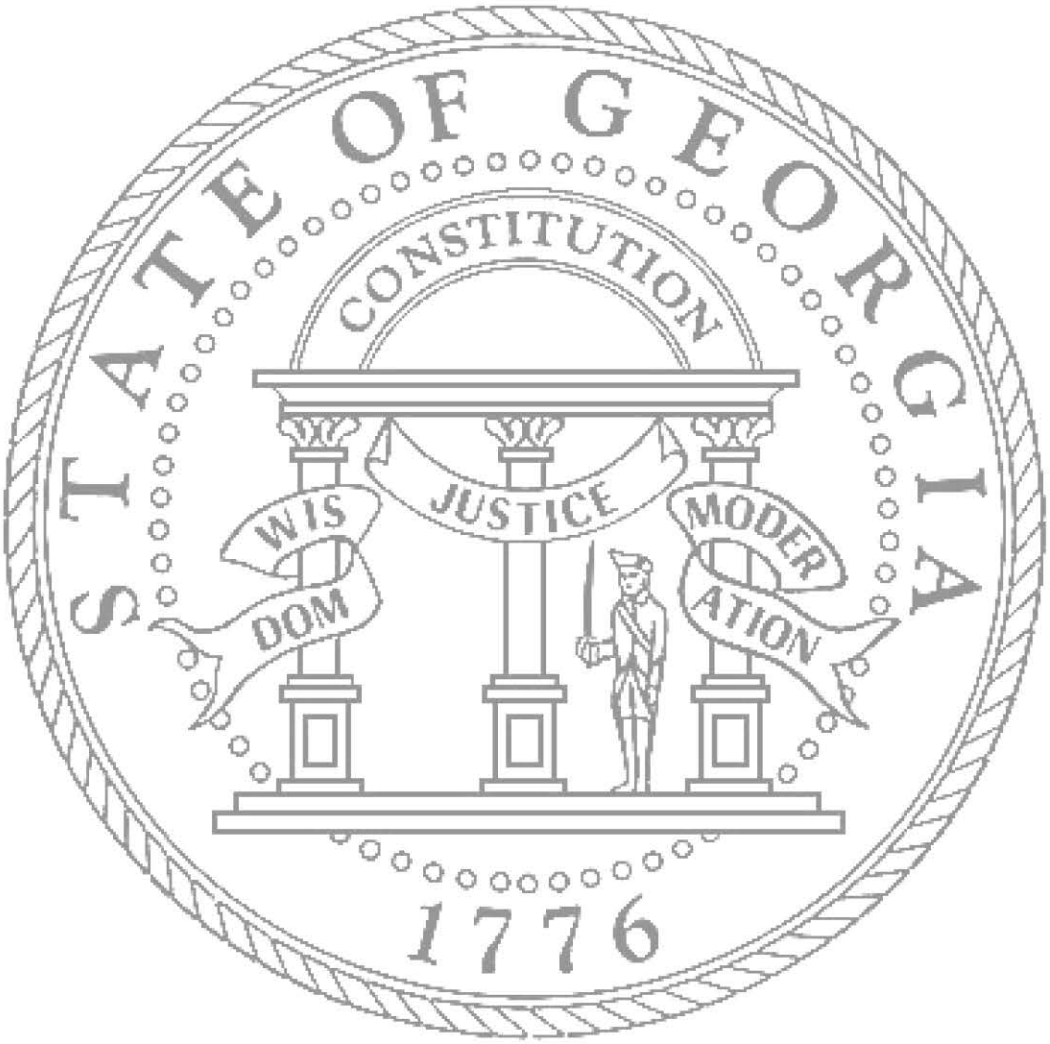
Federal Awards
Findings and Questioned Costs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State of Georgia

Federal Awards Findings and Questioned Costs
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EDUCATION, DEPARTMENT OF

Finding Control Number: **FA-414-11-01**
ELIGIBILITY
Noncompliance with Federal Program Regulations
Career and Technical Education - Basic Grants to States (CFDA 84.048)
U. S. Department of Education
Grant Award: Year 2011 - V048A100010A

Condition: Our examination of the Department of Education's (Department) Career and Technical Education (CTE) program disclosed that the Department allocated Perkins IV funds to secondary subrecipients using population data that was not in accordance with the requirements of the Perkins IV legislation. The Department allocated funds to secondary subrecipients based on data that did not agree with the census data.

Criteria: 1) According to Section 131(a)(1) of Perkins IV legislation, "Thirty percent shall be allocated to such local educational agencies in proportion to the number of individuals aged 5 through 17, inclusive, who reside in the school district served by such local educational agency for the preceding fiscal year compared to the total number of such individuals who reside in the school districts served by all local educational agencies in the State for such preceding fiscal year, as determined on the basis of the most recent satisfactory—(A) data provided to the Secretary by the Bureau of the Census for the purpose of determining eligibility under title I of the Elementary and Secondary Education Act of 1965; or (B) student membership data collected by the National Center for Education Statistics through the Common Core of Data survey system."

2) According to Section 131(a)(2) of Perkins IV legislation, "Seventy percent shall be allocated to such local educational agencies in proportion to the number of individuals aged 5 through 17, inclusive, who reside in the school district served by such local educational agency and are from families below the poverty level…"

Cause: The deficiency noted was a result of the Department's failure to establish adequate internal controls to ensure compliance with Perkins IV legislation.

Effect: Failure to comply with Federal program regulations regarding authorized allocation methods resulted in the allocation of incorrect amounts of Perkins IV funds. Most of these incorrect allocations were under $100 and all of these incorrect allocations were under $1,000 with the exception of six (6) school systems.

Recommendation: The Department of Education should develop appropriate policies and procedures to ensure that secondary funds are allocated in accordance with Perkins IV legislation.

Finding Control Number: **FA-414-11-02**
EQUIPMENT AND REAL PROPERTY MANAGEMENT
Inadequate Equipment and Real Property Management

Condition: The accounting procedures of the Department of Education (Department) were insufficient to provide adequate internal controls over the Equipment and Real Property management system. As part of a department-wide sample, a total of sixteen (16) federally funded equipment items were selected for physical inspection to test the accuracy of the Department's Equipment and Real Property management records. The tested items had a value of $276,585.56 out of a population of $1,006,184.96 and the following deficiencies were noted:

1. Four (4) items totaling $49,284.28 could not be located.

2. Five (5) items totaling $158,516.24 were assigned an inaccurate location code.

Criteria: The Code of Federal Regulations, Title 34, Section 80.32, Part (d)(1) states: "Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property."

Cause: The deficiencies noted above were caused by the Department's failure to implement adequate controls and procedures necessary to properly record and maintain Equipment and Real Property inventory records in accordance with Federal laws and regulations.

Effect: Failure to maintain complete and accurate equipment and real property inventory records could result in misappropriation of assets and noncompliance with provisions set forth in applicable Federal laws and regulations.

Recommendation: The Department of Education should develop appropriate policies and procedures to ensure that all equipment and real property inventories are properly accounted for and reported in accordance with applicable Federal laws and regulations.

COMMUNITY HEALTH, DEPARTMENT OF (*)

Finding Control Number: **FA-419-11-01**
ALLOWABLE COSTS/COST PRINCIPLES
Upper Payment Limit Calculation
State Medicaid Fraud Control Units (CFDA 93.775)
Hurricane Katrina Relief (CFDA 93.776)
State Survey and Certification of Health Care Providers and Suppliers (CFDA 93.777)
Medical Assistance Program (CFDA 93.778)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 05-1105GA5ADM; 05-1105GA5MAP; 05-1105GAEXTN; 05-1105GAQUAL; 05-105GARRA; Year 2010 - 05-1005GA5ADM; 05-1005GA5MAP; 05-1005GAMDSH; 05-1005GARRA

Condition: See Financial Audit Finding FS-419-11-01

Criteria: See Financial Audit Finding FS-419-11-01

Information: See Financial Audit Finding FS-419-11-01

Cause: See Financial Audit Finding FS-419-11-01

Effect: See Financial Audit Finding FS-419-11-01

Recommendation: See Financial Audit Finding FS-419-11-01

Finding Control Number: **FA-419-11-02**
ALLOWABLE COSTS/COST PRINCIPLES
Hospice and Nursing Home Patient Liability
State Survey and Certification of Health Care Providers and Suppliers (CFDA 93.777)
Medical Assistance Program (CFDA 93.778)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 05-1105GA5ADM; 05-1105GA5MAP; 05-1105GAEXTN; 05-1105GAQUAL; 05-105GARRA; Year 2010 - 05-1005GA5ADM; 05-1005GA5MAP; 05-1005GAMDSH; 05-1005GARRA

Condition: See Financial Audit Finding FS-419-11-02
Criteria: See Financial Audit Finding FS-419-11-02

Information: See Financial Audit Finding FS-419-11-02

Cause: See Financial Audit Finding FS-419-11-02

Effect: See Financial Audit Finding FS-419-11-02

Recommendation: See Financial Audit Finding FS-419-11-02

Finding Control Number: **FA-419-11-03**
REPORTING
Accounts Payable and Other Accruals
State Survey and Certification of Health Care Providers and Suppliers (CFDA 93.777)
Medical Assistance Program (CFDA 93.778)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 05-1105GA5ADM; 05-1105GA5MAP; 05-1105GAEXTN; 05-1105GAQUAL; 05-105GARRA; Year 2010 - 05-1005GA5ADM; 05-1005GA5MAP; 05-1005GAMDSH; 05-1005GARRA

Condition: See Financial Statement Audit Finding FS-419-11-03

Criteria: See Financial Statement Audit Finding FS-419-11-03

Information: See Financial Statement Audit Finding FS-419-11-03

Cause: See Financial Statement Audit Finding FS-419-11-03

Effect: See Financial Statement Audit Finding FS-419-11-03

Recommendation: See Financial Statement Audit Finding FS-419-11-03

Finding Control Number: **FA-419-11-04**
ELIGIBILITY
Verification and Documentation of Eligibility
State Survey and Certification of Health Care Providers and Suppliers (CFDA 93.777)
Medical Assistance Program (CFDA 93.778)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 05-1105GA5ADM; 05-1105GA5MAP; 05-1105GAEXTN; 05-1105GAQUAL; 05-105GARRA; Year 2010 - 05-1005GA5ADM; 05-1005GA5MAP; 05-1005GAMDSH; 05-1005GARRA

Condition: This is a modification and substantial repeat of finding FA-419-10-02 from the year ended June 30, 2010.

The Department of Community Health has contracted with the Department of Family and Children Services (DFCS) to provide enrollment and monitoring services for Medicaid members. During fieldwork we noted four (4) recipients' files in a sample of sixty (60) of Medicaid recipients whose eligibility was not properly documented. Those four (4) files included the following documentation deficiencies:

1) Two (2) case files did not contain evidence that eligibility was recertified in a timely manner in accordance with the policies and procedures in place.
2) A case file did not contain acceptable documentation of citizenship.
3) A case file was missing the application and other required documentation.

Criteria: The Department of Community Health is responsible for administering the State of Georgia's Medicaid program. The Medicaid program is overseen by the U.S. Department of Health and Human Services through the Centers for Medicare and Medicaid Services (CMS). The Department of Community Health is responsible for determining that all recipients meet prescribed eligibility requirements and those requirements are appropriately documented.

Information: Without adherence to the Department of Community Health's policies and procedures in place to determine and document Medicaid eligibility, members in the Medicaid program may no longer be eligible to receive benefits if documentation of their eligibility status is incomplete or inadequate.

Cause: The Department of Community Health does not have an adequate monitoring process in place over DFCS to ensure that all CMS guidelines in regards to the documentation of a member's eligibility are properly followed.

Effect: An indeterminate number of participants are inadequately documented as to eligibility for Medicaid. The monetary effect is that federal funds used to fund the Medicaid program may be used to provide benefits for members who are not eligible for the program.

Recommendation: The Department of Community Health should improve their verification and documentation monitoring policy for Medicaid members and create more stringent controls over the eligibility process.

Finding Control Number: **FA-419-11-05**
MATCHING, LEVEL OF EFFORT, EARMARKING
Matching of Allowable Expenditures
Children's Health Insurance Program (CFDA 93.767)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 05-1105GA5021; Year 2010 - 05-1005GA5021

Condition: The Department of Community Health is responsible for administering CHIP. CHIP is overseen by the U.S. Department of Health and Human Services through CMS. The Department of Community Health is responsible for matching federal program expenditures at the federally determined rate.

Criteria: This is a modification and substantial repeat of finding FA-419-10-03 from the year ended June 30, 2010.

The state matching rate for its CHIP expenditures is determined in accordance with the federal matching rate for such expenditures, referred to as enhanced Federal Medical Assistance Percentage (Enhanced FMAP). The Enhanced FMAP for federal fiscal year (FFY) 2011 is 75.73 percent and the Enhanced FMAP for FFY 2010 is 75.57 percent. During fieldwork, we noted twenty-five (25) instances in a sample of fifty-one (51) CHIP administrative expenditures in which incorrect federal matching rates were used. Those twenty-five instances were as follows:

a. Seven (7) expenditures were incorrectly matched at the FFY 2010 Enhanced FMAP based on the date of the expenditure.

b. Eighteen (18) expenditures were incorrectly matched at a rate other than the Enhanced FMAP for CHIP expenditures.

Information: The Department of Community Health has an extensive chart of accounts to separately denote expenditure funding sources and other details. If the funding and other account information is documented incorrectly and is not corrected during the review and approval process, the expenditure could be recorded incorrectly.

Cause: The Department of Community Health did not adequately monitor the matching rate applied to CHIP administrative expenditures.

Effect: The Department of Community Health did not match CHIP expenditures at the correct federally determined rate.

Recommendation: The Department of Community Health should improve their monitoring policy for the payment of CHIP administrative expenditures to ensure expenditures are coded appropriately and matched at the proper rate.

Finding Control Number: **FA-419-11-06**
SUBRECIPIENT MONITORING
Subrecipient Monitoring for Public Health Programs
Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557)
U. S. Department of Agriculture
Special Education-Grants for Infants and Families (CFDA 84.181)
Special Education-Grants for Infants and Families, Recovery Act (CFDA 84.393)
U. S. Department of Education
Public Health Emergency Preparedness (CFDA 93.069)
HIV Care Formula Grants (CFDA 93.917)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 1H75TP000384-01; 3H75TP000384-01W1; 5GA700701; 5GA700703; 5H23IP422521-10; 5U90TP417013-09; 6U90TP000155-02; 6U90TP000155-02; 7U90TP417013-11; G24HA16871; H181A090004; H181A100004; H393A090023A; H393A090023A; X07HA15591; X08HA16846; X09HA20240

Condition: This is a modification and substantial repeat of finding FA-419-10-04 from the year ended June 30, 2010.

During fieldwork, we noted two (2) instances in which the Department of Community Health did not adequately establish and maintain effective internal controls over compliance with subrecipient monitoring requirements.

In the first instance, the PHEP program had initiated an agreement with the Public Health Office of Audits to monitor subrecipient compliance with program requirements for the PHEP program in March 2011. The agreement specified that each subrecipient would be reviewed once every two years. During FY 2011 a subrecipient monitoring review was conducted on only one (1) of the eighteen (18) subrecipients.

The second instance is pervasive across all public health grant programs in which awards are disbursed to the subrecipients via the Uniform Accounting System (UAS). UAS is a system in which a subrecipient district enters program expenditures for reimbursement from the Department of Community Health. Each month UAS interfaces with the Department of Community Health's PeopleSoft accounting software and automatically issues the subrecipient a payment based on the expenditures entered into the system. Although the payments cannot exceed the established budget amount in the PeopleSoft software, there is no Department of Community Health level review of support for the expenditures for which the subrecipient is being reimbursed. As such, the UAS reimbursement process is not designed to prevent fraud or error.

The Department of Community Health requires subrecipients to maintain supporting documentation for any reimbursed expenditures and requires the subrecipients to have independent audits. In addition, the Department of Community Health’s internal audit staff performs agreed upon procedures to review prior year expenditures for a select number of programs. However, it is endemic to the UAS reimbursement process that any review by an independent auditor or by the Department of Community Health’s internal audit staff occurs at a date significantly after the issuance of federal funds. As such, these reviews will not detect fraud or error in a timely manner.

Criteria: The Department of Community Health is responsible for administering various public health grants including the Public Health Emergency Preparedness (PHEP) program, the Ryan White Part B program,

the Special Supplemental Nutrition program for Women, Infants, and Children (WIC) and the Babies Can't Wait program. These programs are overseen by various federal agencies including the U.S. Department of Health and Human Services, the U.S. Department of Agriculture, and the U.S. Department of Education. The Department of Community Health is responsible for establishing and maintaining effective internal controls over compliance with the subrecipient monitoring requirements applicable to these programs.

Information: An agreement to monitor the PHEP subrecipients was not in place for the majority of FY 2011 and an insufficient number of subrecipients were monitored once the agreement was instituted.

Additionally, the UAS reimbursement process and the subsequent reviews of the reimbursements disbursed via that process are not designed to prevent or detect error or fraud in a timely manner.

Cause: The Department of Community Health did not institute an adequate PHEP subrecipient monitoring process in a timely manner. As such, the Department of Community Health did not have sufficient amount of time to adequately conduct the number of subrecipient monitoring reviews prescribed by the agreement in place.

In addition, the UAS reimbursement process does not prevent subrecipient noncompliance with federal program requirements and the agreed upon procedures review of prior year expenditures will not detect subrecipient noncompliance with federal program requirements in a timely manner.

Effect: The subrecipients are not being sufficiently monitored in a timely manner to ensure federal funds are being spent in accordance with terms of the grants. Instances of material noncompliance may not be prevented or detected by the Department of Community Health in a timely manner.

Recommendation: The Department of Community Health should put procedures in place to ensure that subrecipient monitoring reviews are conducted in a timely manner for all subrecipients. In addition, the Department of Community Health should institute a process that will allow for the prevention and/or timely detection of fraud or errors related to subrecipient reimbursement via UAS.

Finding Control Number: **FA-419-11-07**
ACTIVITIES ALLOWED OR UNALLOWED
ALLOWABLE COSTS/COST PRINCIPLES
Controls Over Emergency Preparedness Administrative Expenses
Public Health Emergency Preparedness (CFDA 93.069)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 1H75TP000384-01; 3H75TP000384-01W1; 5U90TP417013-09; 6U90TP000155-02; 6U90TP000155-02; 7U90TP417013-11

Condition: This is a modification and substantial repeat of finding FA-419-10-05 from the year ended June 30, 2010.

The Department of Community Health is required to have adequate controls to prevent and detect material errors. We noted two (2) expenditures in a sample of sixty (60) did not contain evidence of departmental approval in accordance with the procedures put in place by the Department of Community Health.

Criteria: The Department of Community Health is responsible for administering the State of Georgia's PHEP program. The PHEP program is overseen by the U.S. Department of Health and Human Services through the CDC. The Department of Community Health is responsible for establishing and maintaining effective internal controls over compliance with the allowable activities and cost principles applicable to the PHEP program.

Information: The Department of Community Health was unable to locate evidence to demonstrate that the expenditures were appropriately reviewed and approved as an allowable cost for the program in accordance with departmental policies and procedures.

Cause: The policies and procedures the Department of Community Health has in place to prevent and detect improper usage of program funds are not functioning effectively.

Effect: PHEP funds may be improperly used to fund unallowable costs and activities because the policies and procedures in place at the Department of Community Health to prevent and/or detect the improper payment are not being appropriately followed and/or documented.

Recommendation: The Department of Community Health should improve internal controls as they relate to the review and authorization for PHEP administrative expenses.

Finding Control Number: **FA-419-11-08**
SPECIAL TESTS AND PROVISIONS
Controls Over and Compliance with Control, Accountability, and Safeguarding of Vaccine
Immunization Grants (CFDA 93.268)
ARRA - Immunization (CFDA 93.712)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 3H23IP422521-07S1; 3H23IP422521-07S2; 3U01CI000312-06S2; 5H23IP422521-09

Condition: The Department of Community Health is required to have adequate controls to provide adequate oversight of providers that give vaccines under the VFC program to ensure that proper control and accountability is maintained for vaccine, vaccine is properly safeguarded, and VFC eligibility screening is conducted.

Criteria: The Department of Community Health is responsible for administering the State of Georgia's Immunization Grants Cluster program. The Immunization Grants Cluster program is overseen by the U.S. Department of Health and Human Services through the CDC. The Department of Community Health is responsible for establishing and maintaining effective internal controls over compliance with the control, accountability and safeguarding of vaccine requirements applicable to the Vaccines for Children (VFC) program.

Information: We noted six (6) provider oversight reviews in a sample of one hundred and twenty-eight (128) were not appropriately performed in accordance with the procedures put in place by the Department of Community Health. The lack of the review of providers in the prescribed timeframe is a significant deficiency and caused noncompliance for this compliance requirement.

Cause: The policies and procedures the Department of Community Health has in place to oversee providers that give vaccines under the VFC program are not functioning effectively. Due to turnover, the Department of Community Health did not adequately monitor the staff performing the reviews to ensure that the provider oversight reviews were performed in a timely manner.

Effect: Providers that give vaccines under the VFC program may not be maintaining proper control and accountability for vaccine, properly safeguarding vaccine, or conducting VFC eligibility screenings because the policies and procedures in place at the Department of Community Health to oversee these providers are not being appropriately followed and/or documented.

Recommendation: The Department of Community Health should improve internal controls as they relate to the oversight of providers that give vaccines under the VFC program. The Department of Community Health should strengthen the structure of the review process to ensure that there is an individual in place to routinely monitor and document the scheduling and timely completion of the provider oversight reviews by the assigned staff. The Department of Community Health should also have a written personnel succession plan in place to ensure that required functions continue to occur after personnel changes.

Finding Control Number: **FA-419-11-09**
SPECIAL TESTS AND PROVISIONS
Controls Over Compliance with Record of Immunization
Immunization Grants (CFDA 93.268)
ARRA - Immunization (CFDA 93.712)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 3H23IP422521-07S1; 3H23IP422521-07S2; 3U01CI000312-06S2; 5H23IP422521-09

Condition: The Department of Community Health is required to have adequate controls to provide adequate oversight of providers that give vaccines under the VFC program to ensure that a proper record of immunization is maintained for administered vaccines.

Criteria: The Department of Community Health is responsible for administering the State of Georgia's Immunization Grants Cluster program. The Immunization Grants Cluster program is overseen by the U.S. Department of Health and Human Services through the CDC. The Department of Community Health is responsible for establishing and maintaining effective internal controls over compliance with the record of immunization requirements applicable to the VFC program.

Information: We noted six (6) provider oversight reviews in a sample of one hundred and twenty-eight (128) were not appropriately performed in accordance with the procedures put in place by the Department of Community Health. The lack of the review of providers in the prescribed timeframe is a significant deficiency and caused noncompliance for this compliance requirement.

Cause: The policies and procedures the Department of Community Health has in place to oversee providers that give vaccines under the VFC program are not functioning effectively. Due to turnover, the Department of Community Health did not adequately monitor the staff performing the reviews to ensure that the provider oversight reviews were performed in a timely manner.

Effect: Providers that give vaccines under the VFC program may not be maintaining proper records of immunization for administered vaccines because the policies and procedures in place at the Department of Community Health to oversee these providers are not being appropriately followed and/or documented.

Recommendation: The Department of Community Health should improve internal controls as they relate to the oversight of providers that give vaccines under the VFC program. The Department of Community Health should strengthen the structure of the review process to ensure that there is an individual in place to routinely monitor and document the scheduling and timely completion of the provider oversight reviews by the assigned staff. The Department of Community Health should also have a written personnel succession plan in place to ensure that required functions continue to occur after personnel changes.

Finding Control Number: **FA-419-11-10**
ACTIVITIES ALLOWED OR UNALLOWED
ALLOWABLE COSTS/COST PRINCIPLES
Unallowable Charges to and Controls Over Ryan White Part B Expenses
HIV Care Formula Grants (CFDA 93.917)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 5H23IP422521-10; G24HA16871; X07HA15591; X08HA16846; X09HA20240

Condition: The Department of Community Health is required to have adequate controls to prevent and detect material errors. We noted one (1) expenditure in a sample of sixty (60) was inappropriately paid using Ryan White Part B funds due to a coding error.

Criteria: The Department of Community Health is responsible for administering the State of Georgia's Ryan White Part B program. The Ryan White Part B program is overseen by the U.S. Department of Health and Human Services through the HIV/AIDS Bureau of the Health Resources and Services

Administration. The Department of Community Health is responsible for establishing and maintaining effective internal controls over compliance with the allowable activities and cost principles applicable to the Ryan White Part B program.

Information: One (1) expenditure in a sample of sixty (60) was inappropriately paid using Ryan White Part B funds because there was a coding error that was not prevented or detected by the policies and procedures in place at the Department of Community Health.

Cause: The policies and procedures the Department of Community Health has in place to prevent and detect improper usage of program funds are not functioning effectively.

Effect: Ryan White Part B funds were improperly used to fund unallowable costs and activities because the policies and procedures in place at the Department of Community Health to prevent and/or detect the improper payment are not functioning appropriately.

Recommendation: The Department of Community Health should improve internal controls as they relate to the review and authorization of Ryan White Part B expenses.

Finding Control Number: **FA-419-11-11**
ACTIVITIES ALLOWED OR UNALLOWED
ALLOWABLE COSTS/COST PRINCIPLES
Unallowable Charges to and Controls Over Babies Can't Wait Expenses
Special Education - Grants for Infants and Families (CFDA 84.181)
Special Education - Grants for Infants and Families, Recovery Act (CFDA 84.393)
U. S. Department of Education
Grant Awards: Year 2011 - H181A090004; H181A100004; H393A090023A; H393A09023A

Condition: The Department of Community Health is required to have adequate controls to prevent and detect material errors. We noted one (1) expenditure in a sample of sixty (60) was inappropriately paid using Babies Can't Wait funds due to a coding error.

Criteria: The Department of Community Health is responsible for administering the State of Georgia's Babies Can't Wait program. The Babies Can't Wait program is overseen by the U.S. Department of Education. The Department of Community Health is responsible for establishing and maintaining effective internal controls over compliance with the allowable activities and cost principles applicable to the Babies Can't Wait program.

Information: The expenditure was inappropriately paid using Babies Can't Wait funds because there was a coding error that was not prevented or detected by the policies and procedures in place at the Department of Community Health.

Cause: The policies and procedures the Department of Community Health has in place to prevent and detect improper usage of program funds are not functioning effectively.

Effect: Babies Can't Wait funds were improperly used to fund unallowable costs and activities because the policies and procedures in place at the Department of Community Health to prevent and/or detect the improper payment are not functioning appropriately.

Recommendation: The Department of Community Health should improve internal controls as they relate to the review and authorization of Babies Can't Wait expenses.

Finding Control Number: **FA-419-11-12**
ACTIVITIES ALLOWED OR UNALLOWED
ALLOWABLE COSTS/COST PRINCIPLES
Controls Over Women, Infants, and Children (WIC) Benefit Expenses
Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557)
U. S. Department of Agriculture
Grant Awards: Year 2011 - 5GA700701; 5GA700703

Condition: The Department of Community Health is required to have adequate controls to prevent and detect material errors. We noted one (1) expenditure in a sample of sixty (60) did not contain evidence of departmental approval in accordance with the procedures put in place by the Department of Community Health.

Criteria: The Department of Community Health is responsible for administering the State of Georgia's WIC program. The WIC program is overseen by the U.S. Department of Agriculture. The Department of Community Health is responsible for establishing and maintaining effective internal controls over compliance with the allowable activities and cost principles applicable to the WIC program.

Information: There was no evidence one (1) expenditure in a sample of (60) was appropriately reviewed and approved by program staff as an allowable cost for the program in accordance with departmental policies and procedures.

Cause: The policies and procedures the Department of Community Health has in place to prevent and detect improper usage of program funds are not functioning effectively.

Effect: WIC funds may be improperly used to fund unallowable costs and activities because the policies and procedures in place at the Department of Community Health to prevent and/or detect the improper payment are not being appropriately followed and/or documented.

Recommendation: The Department of Community Health should improve internal controls as they relate to the review and authorization of WIC benefit expenses.

HUMAN SERVICES, DEPARTMENT OF

Finding Control Number: **FA-427-11-01**
ALLOWABLE COSTS/COST PRINCIPLES
Questionable computer purchases with TANF ARRA funds.
ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program (CFDA 93.714)
U. S. Department of Health and Human Services
Grant Awards: Year 2010 - 2010G9910CU; 2010G991525

Condition: Our review of the Fresh Start Program revealed that the Department of Human Services (DHS) reimbursed its sub-grantee, the United Way of Metropolitan Atlanta, for forty (40) computers and monitors in the amount of $25,301.46. These computers and monitors were used by temporary personnel hired to assist in program administration from August 2010 until December 2010. In keeping with the State's information technology policies, the computers should have been leased rather than purchased, at a savings to the program in the amount of $13,534.26.

Criteria: According to Section C, part 1 of OMB Circular A-87, to be allowable under Federal awards, costs must:

1. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.

2. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.

The normal process for most State agencies, including DHS, is to lease computers and have them managed under the Georgia Enterprise Technology Services (GETS) program. The GETS program is managed by the Georgia Technology Authority.

Questioned Cost: $13,534.26

Information: The Fresh Start program was one of five programs created by DHS to be funded entirely with an ARRA grant award for Emergency Contingency Funds For Temporary Assistance For Needy Families (TANF) State Programs. DHS contracted with United Way of Metropolitan Atlanta to administer the Fresh Start program. Per inquiry with United Way, we noted that additional temporary program specialists were hired by United Way to assist in the processing of approximately 17,000 applications that were received mostly in a two month period. The computers and monitors were purchased for use by the temporary program specialists.

Cause: DHS failed to follow the State's computer leasing policy when it reimbursed United Way for the purchase price of the computers and monitors.

Effect: Failure to follow the State's computer leasing policy, resulted in overexpenditures in the TANF ARRA program.

Recommendation: The Department of Human Services should implement policies and procedures to ensure compliance with the State guidelines for leasing computers through the GETS program, rather than purchasing. In addition, DHS should recover the 40 computers/monitors and the excessive cost reimbursement of $13,534.26 from the United Way.

Finding Control Number: **FA-427-11-02**
ALLOWABLE COSTS/COST PRINCIPLES
SUBRECIPIENT MONITORING
Questionable benefit payments in excess of program limits.
ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program (CFDA 93.714)
U. S. Department of Health and Human Services
Grant Awards: Year 2010 - 2010G9910CU; 2010G991525

Condition: Our review of the Fresh Start Program recipient files at the United Way of Metropolitan Atlanta, disclosed that in forty-nine (49) of the two hundred and thirty-three (233) files selected for testing, the recipients had received more than the $3,000 limit per resident, as mandated by the Georgia Department of Human Services (DHS) program guidelines.

Criteria: As part of the Fresh Start program, DHS established the maximum benefit payment allowed for each recipient to be $3,000.

Questioned Cost: $43,111.87

Information: The Fresh Start program was one of five programs created by DHS to be funded entirely with ARRA funds. Although funding for ARRA was signed into law February 2009, the Fresh Start program did not get underway until May 2010. DHS contracted with United Way of Metropolitan Atlanta to administer the Fresh Start program. In our discussion with United Way, we noted that applications from potential participants did not start coming in until the end of July 2010 and continued until the application deadline on September 30. Although program specialists were hired by United Way and trained on program guidelines to ensure each file was in compliance and complete, the specialist were apparently overwhelmed with approximately 17,000 applications that were mostly received in the final

two months of the program period, which likely made it difficult to adequately review all files for compliance prior to payments being made.

In addition, each participant file was input to the Pathways system by the sub nonprofit agencies who were taking the applications. Although the system was designed to not accept duplicate addresses, if an address was altered so it was not identical, the system would accept it.

Cause: DHS was not performing any type of subrecipient monitoring of United Way, to ensure that all program guidelines were being followed.

Effect: DHS' failure to perform any subrecipient monitoring resulted in overpayments to recipients, which may need to repaid to the Federal Awarding Agency using State funds.

Recommendation: The Department of Human Services should implement policies and procedures to ensure that adequate subrecipient monitoring occurs when contracting a program to a third party. This monitoring should include verifying that program guidelines are being met and that the third party is capable of handling the work flow associated with successfully running the program.

Finding Control Number: **FA-427-11-03**
MATCHING, LEVEL OF EFFORT, EARMARKING
Internal Control Deficiency
Child Support Enforcement (CFDA 93.563)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 2011G9911CJ; 2011G9911CS; Year 2010 - 2010G9910CJ; 2010G9910CS

Condition: Our examination included a review of the financial reports (396A & 34A) for the Child Support Enforcement program that were submitted to the Federal awarding agency during FY'11. None of the reports tested had been reconciled back to the general ledger, and as a result were considered invalid. Due to this, the auditor did not have reliable expenditure amounts in order for the Matching requirements to be tested.

Criteria: The Code of Federal Regulations Title 2, section 215.23 states: "(a) All contributions, including cash and third party in-kind, shall be accepted as part of the recipient's cost sharing or matching when such contributions meet all of the following criteria.

(1) Are verifiable from the recipient's records.

(2) Are not included as contributions for any other federally-assisted project or program.

(3) Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.

(4) Are allowable under the applicable cost principles.

(5) Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching.

(6) Are provided for in the approved budget when required by the Federal awarding agency."

Cause: The deficiency noted occurred as a result of the Department's failure to establish internal control procedures to ensure that the financial reports (396A & 34A) for the Child Support Enforcement program are completed correctly, reviewed and agree to the general ledger before submission to the Federal grantor agency.

Effect: Failure to reconcile the financial reports for the Child Support Enforcement program to the general ledger resulted in the auditor not having reliable expenditure amounts to use for verifying whether the Matching requirements had been met; resulting in a scope limitation.

Recommendation: The Department of Human Services should develop appropriate policies and procedures to ensure that the financial reports (396A & 34A) for the Child Support Enforcement program are completed correctly, reviewed, and reconciled to the general ledger prior to submission to the Federal grantor agency.

Finding Control Number: **FA-427-11-04**
MATCHING, LEVEL OF EFFORT, EARMARKING
Internal Control Deficiency
Child Care and Development Block Grant (CFDA 93.575)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)
U. S. Department of Health and Human Services
Grant Awards: Year 2008 - 2008G996005; 2008G999004; 2008G999005

Condition: Our examination included a review of the financial reports (ACF-696) for the Child Care Development Fund (CCDF) program that were submitted to the Federal awarding agency during fiscal year 2011. None of the reports tested had been accurately reconciled back to the general ledger, and as a result were considered invalid. Due to this, the auditor did not have reliable expenditure amounts, so the Matching, Level of Effort, and Earmarking requirements could not be tested.

Criteria: For Matching, the A-133 Compliance Supplement, Section G Matching, Level of Effort, Earmarking states: "A State is eligible for Federal matching funds (limit specified in 42 USC 618 and 45 CFR section 98.63) only for those allowable State expenditures that exceed the State's MOE requirement, provided all of the Mandatory Funds (CFDA 93.596) allocated to the State are also obligated by the end of the fiscal year (45 CFR section 98.53). State expenditures will be matched at the Federal Medical Assistance Percentage (FMAP) rate for the applicable fiscal year."

For Level of Effort the A-133 Compliance Supplement, Section G Matching, Level of Effort, Earmarking states: "If a State requests Matching Funds (CFDA 93.596), State MOE (non-Federal) funds for child care activities must be expended in the year for which Matching Funds are claimed in an amount that is at least equal to the State's share of expenditures for FY 1994 or 1995 (whichever is greater) under former Sections 402(g) and (i) of the Social Security Act (42 USC 618). Private or public donated funds may be counted as State expenditures for this purpose (45 CFR section 98.53)."

For Earmarking the A-133 Compliance Supplement, Section G Matching, Level of Effort, Earmarking states: "Administrative Earmark – A State/Territory may not spend on administrative costs more than five percent of total CCDF awards expended (i.e., the total of CFDAs 93.575,93.596, and 93.713) and any State expenditures for which Matching Funds (CFDA 93.596) are claimed (42 USC 9858c(c)(3)(C); 45 CFR section 98.52)."

"Quality Earmark – States and Territories must spend on quality and availability activities, as provided in the State/territorial plan, not less than 4 percent of CCDF funds expended (i.e., the total of CFDAs 93.575, 93.596, and 93.713 funds) and any State expenditures for which Matching Funds (CFDA 93.596) are claimed (45 CFR section 98.51)."

Cause: The deficiency noted above occurred as a result of the Department's failure to establish internal control procedures to ensure that the required financial reports (ACF-696) for the Child Care Cluster are completed correctly, reviewed and agree to the general ledger before submission to the federal grantor agency.

Effect: Failure to reconcile the financial reports for the CCDF program to the general ledger resulted in the auditor not having reliable expenditure amounts to use for verifying whether the Matching, Level of Effort, and Earmarking requirements had been met; resulting in a scope limitation.

Recommendation: The Department of Human Services should develop appropriate policies and procedures to ensure that the financial reports (ACF-696) for the Child Care Cluster program are completed correctly, reviewed, and reconciled to the general ledger prior to submission to the federal grantor agency.

Finding Control Number: **FA-427-11-05**
MATCHING, LEVEL OF EFFORT, EARMARKING
Internal Control Deficiency
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CFDA 10.561)
U. S. Department of Agriculture
Grant Awards: Year 2011 - 5GA400403; 5GA420413; 5GA430413

Condition: Our examination included a review of the financial reports (SF-269) for the State Administrative Matching Grants For The Supplemental Nutrition Assistance (SNAP) program that were submitted to the Federal awarding agency during fiscal year 2011. None of the reports tested had been accurately reconciled to the general ledger, and as a result were considered invalid. Due to this, the auditor did not have reliable expenditure amounts, so the Matching requirements could not be tested.

Criteria: For Matching, the A-133 Compliance Supplement, Section G Matching, Level of Effort, Earmarking states: "The State is required to pay 50 percent of the costs of administering the program. An exception to the 50 percent reimbursement rate is 100 percent grants to administer the Employment and Training Program (7 CFR section 277.4(b))."

Cause: The deficiency noted occurred as a result of the Department's failure to establish internal control procedures to ensure that the financial reports (SF- 269) for the State Administrative Matching Grants for the Supplemental Nutrition Assistance program are completed correctly, reviewed and agree to the general ledger before submission to the Federal grantor agency.

Effect: Failure to reconcile the financial reports for the State Administrative Matching Grants for The Supplemental Nutrition Assistance program to the general ledger resulted in the auditor not having reliable expenditure amounts to use for verifying whether the Matching requirements had been met; resulting in a scope limitation.

Recommendation: The Department of Human Services should develop appropriate policies and procedures to ensure that the financial reports (SF-269) for the State Administrative Matching Grants for the Supplemental Nutrition Assistance program are completed correctly, reviewed, and reconciled to the general ledger prior to submission to the Federal grantor agency.

Finding Control Number: **FA-427-11-06**
MATCHING, LEVEL OF EFFORT, EARMARKING
Internal Control Deficiency
Temporary Assistance for Needy Families (CFDA 93.558)
ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program (CFDA 93.714)
U. S. Department of Health and Human Services
Grant Award: Year 2011 - 2011G991451; 2011G996115; Year 2010 - 2010G9910CU; 2010G991525; 2010G996115; Year 2009 - 2009G991451; 2009G996115; Year 2008 - 2008G991451; 2008G996115

Condition: Our examination included a review of the financial reports (ACF-196) for the Temporary Assistance for Needy Families program that were submitted to the Federal awarding agency during fiscal year 2011. None of the reports tested had been accurately reconciled back to the general ledger, and as a result

were considered invalid. Consequently, the auditor did not have reliable grant expenditure amounts needed for testing of the Level of Effort and Earmarking requirements.

Criteria: For Level of Effort - Maintenance of Effort (MOE), the Code of Federal Regulations Title 45, section 263.2 states: "(a)(1) The minimum basic MOE for a fiscal year is 80 percent of a State's historic State expenditures. (2) However, if a State meets the minimum work participation rate requirements in a fiscal year, as required under Sec. Sec. 261.21 and 261.23 of this chapter, after adjustment for any caseload reduction credit under Sec. 261.41 of this chapter, then the minimum basic MOE for that fiscal year is 75 percent of the State's historic State expenditures."

For Earmarking, the A-133 Compliance Supplement, Section G Matching, Level of Effort, Earmarking states: a. "A State may not spend more than 15 percent for administrative purposes, excluding expenditures for information technology and computerization needed for required tracking and monitoring, of the total combined amounts available under the State family assistance grant, supplemental grant for population increases, contingency funds, and emergency funds (42 USC 604(b)(1) and (2); 45 CFR sections 263.0 and 263.13)."

Cause: The deficiency noted occurred as a result of the Department's failure to establish internal control procedures to ensure that the financial reports (ACF-196) for the Temporary Assistance for Needy Families program are completed correctly, reviewed and agree to the general ledger before submission to the Federal grantor agency.

Effect: Failure to reconcile the financial reports for the Temporary Assistance for Needy Families program to the general ledger resulted in the auditor not having reliable grant expenditure amounts to use for verifying whether the Level of Effort and Earmarking and requirements had been met; resulting in a scope limitation.

Recommendation: The Department of Human Services should develop appropriate policies and procedures to ensure that the financial reports (ACF-196) for the Temporary Assistance for Needy Families program are completed correctly, reviewed, and reconciled to the general ledger prior to submission to the Federal grantor agency.

Finding Control Number: **FA-427-11-07**
MATCHING, LEVEL OF EFFORT, EARMARKING
Internal Control Deficiency
Community Services Block Grant (CFDA 93.569)
ARRA - Community Services Block Grant (CFDA 93.710)
U. S. Department of Health and Human Services
Grant Awards: Year 2009 - 2009G994002; 2009G99UTRN; Year 2008 - 2008G994002

Condition: Our examination included a review of the financial reports (SF-269A) for the Community Services Block Grant (CSBG) program that were submitted to the Federal awarding agency during fiscal year 2011. None of the reports tested had been accurately reconciled back to the general ledger, and were therefore considered invalid. Due to this, the auditor did not have reliable expenditure amounts, so the Earmarking requirements could not be tested.

Criteria: For Earmarking the A-133 Compliance Supplement, Section G Matching, Level of Effort, Earmarking states: a. "A State may not spend more than 15 percent for administrative purposes, excluding expenditures for information technology and computerization needed for required tracking and monitoring, of the total combined amounts available under the State family assistance grant, supplemental grant for population increases, contingency funds, and emergency funds (42 USC 604(b)(1) and (2); 45 CFR sections 263.0 and 263.13)."

Cause: The deficiency noted above occurred as a result of the Department's failure to establish internal control procedures to ensure that the financial reports (SF-269) for the CSBG program are completed correctly, reviewed and agree to the general ledger before submission to the federal grantor agency.

Effect: Failure to reconcile the financial reports for the CSBG program to the general ledger resulted in the auditor not having reliable expenditure amounts to use for verifying whether the Earmarking requirements had been met; resulting in a scope limitation.

Recommendation: The Department of Human Services should develop appropriate policies and procedures to ensure that the financial reports (SF-269) for the CSBG program are completed correctly, reviewed, and reconciled to the general ledger prior to submission to the federal grantor agency.

Finding Control Number: **FA-427-11-08**
MATCHING, LEVEL OF EFFORT, EARMARKING
Internal Control Deficiency
Low-Income Home Energy Assistance (CFDA 93.568)
U. S. Department of Health and Human Services
Grant Awards: Year 2009 - 2009G992201; 2009G992212; Year 2008 - 2008G992201; 2008G992212

Condition: Our examination included a review of the financial reports (SF-269A) for the Low Income Energy Assistance Program (LIHEAP) that were submitted to the Federal awarding agency during fiscal year 2011. None of the reports tested had been accurately reconciled back to the general ledger, and were therefore considered invalid. Due to this, the auditor did not have reliable expenditure amounts, so the Earmarking requirements could not be tested.

Criteria: For Earmarking the A-133 Compliance Supplement, Section G Matching, Level of Effort, Earmarking states: a. "A State may not spend more than 15 percent for administrative purposes, excluding expenditures for information technology and computerization needed for required tracking and monitoring, of the total combined amounts available under the State family assistance grant, supplemental grant for population increases, contingency funds, and emergency funds (42 USC 604(b)(1) and (2); 45 CFR sections 263.0 and 263.13)."

Cause: The deficiency noted above occurred as a result of the Department's failure to establish internal control procedures to ensure that the financial reports (SF-269) for the LIHEAP program are completed correctly, reviewed and agree to the general ledger before submission to the Federal grantor agency.

Effect: Failure to reconcile the financial reports for the LIHEAP program to the general ledger resulted in the auditor not having reliable expenditure amounts to use for verifying whether the Earmarking requirements had been met; resulting in a scope limitation.

Recommendation: The Department of Human Services should develop appropriate policies and procedures to ensure that the financial reports (SF-269) for the LIHEAP program are completed correctly, reviewed, and reconciled to the general ledger prior to submission to the Federal grantor agency.

Finding Control Number: **FA-427-11-09**
PROGRAM INCOME
Internal Control Deficiency
Child Support Enforcement (CFDA 93.563)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 2011G9911CJ; 2011G9911CS; Year 2010 - 2010G9910CJ; 2010G9910CS

Condition: Our examination included a review of the financial reports (396A & 34A) for the Child Support Enforcement program that were submitted to the Federal awarding agency during fiscal year 2011. None of the reports tested had been reconciled back to the general ledger, and as a result were considered invalid. Due to this, the auditor did not have reliable program income amounts, in order to test for the Program Income compliance requirements.

Criteria: The Code of Federal Regulations Title 2, section 215.24 states: "(b) ...program income earned during the project period shall be retained by the recipient and, in accordance with Federal awarding agency regulations or the terms and conditions of the award, shall be used in one or more of the ways listed in the following.

(1) Added to funds committed to the project by the Federal awarding agency and recipient and used to further eligible project or program objectives.

(2) Used to finance the non-Federal share of the project or program.

(3) Deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based."

Cause: The deficiency noted occurred as a result of the Department of Human Services' failure to establish internal control procedures to ensure that the financial reports (396A & 34A) for the Child Support Enforcement program are completed correctly, reviewed and tied to the general ledger before submission to the Federal grantor agency.

Effect: Failure to reconcile the financial reports for the Child Support Enforcement program to the general ledger resulted in the auditor not having reliable program income amounts to use for verifying whether the Program Income requirements had been met; resulting in a scope limitation.

Recommendation: The Department of Human Services should develop appropriate policies and procedures to ensure that the financial reports (396A & 34A) for the Child Support Enforcement program are completed correctly, reviewed, and reconciled to the general ledger prior to submission to the Federal grantor agency.

Finding Control Number: **FA-427-11-10**
REPORTING
Internal Control Deficiencies
Child Support Enforcement (CFDA 93.563)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 2011G9911CJ; 2011G9911CS; Year 2010 - 2010G9910CJ; 2010G9910CS

Condition: Our examination included a review of the financial reports (396A and 34A) for the Child Support Enforcement program (CSE), that were submitted to the Federal awarding agency, during the period under review.

The auditor tested the quarters ending 9/30/2010 and 3/31/2011 for Federal fiscal year 2011. No reconciliations had been performed for any of the reports submitted, and the auditor was unable to independently reconcile the reports back to the general ledger.

Criteria: Per Title 2 Section 215.21 of the Code of Federal Regulations (2 CFR 215.21): "(b) Recipients' financial management systems shall provide for the following. 1) Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Sec. 215.52."

Cause: The deficiencies noted occurred as a result of the Department of Human Service' failure to properly review the Federal reports to ensure they had been reconciled to the general ledger before submission to the Federal grantor agency.

Effect: Failure to reconcile the Federal reports to the general ledger before submission to the Federal grantor agency could result in the submission of inaccurate and/or incomplete Federal financial reports. As a result of these deficiencies, which result in a scope limitation, and Financial Statement finding number FS-427-11-04, we can offer no assurances on the 396A and 34A Child Support Enforcement reports.

Recommendation: The Department of Human Services should implement additional policies and procedures to ensure that Federal reports are reconciled to the general ledger and properly reviewed and approved before submission to the Federal grantor agency.

Finding Control Number: **FA-427-11-11**
REPORTING
Internal Control Deficiency
Temporary Assistance for Needy Families (CFDA 93.558)
ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program (CFDA 93.714)
U. S. Department of Health and Human Services
Grant Award: Year 2011 - 2011G991451; 2011G996115; Year 2010 - 2010G9910CU; 2010G991525; 2010G996115; Year 2009 - 2009G991451; 2009G996115; Year 2008 - 2008G991451; 2008G996115

Condition: Our examination included a review of the financial reports (ACF-196) for the Temporary Assistance for Needy Families program (TANF) that were submitted to the Federal awarding agency.

For State Fiscal Year 2011, only reports submitted for the Quarters ending 9/30/2010 and 3/31/2011 were selected for testing.

For the quarter ending 9/30/2010, DHS submitted three quarterly ACF-196 financial reports for TANF Grant Years 2008 through 2010 (one for each Grant Year).The auditor selected the ACF-196 financial reports for TANF Grant Years 2008, 2009 and 2010 for testing.

For the quarter ending 3/31/2011, DHS submitted three quarterly ACF-196 financial reports for TANF Grant Years 2009 through 2011 (one for each Grant Year). Of those, the auditor selected the ACF-196 financial reports for TANF Grant Years 2009, 2010 and 2011 for testing.

Each of the ACF-196 financial reports requires a reconciliation in order to tie it back to the accounting records. The auditor requested that DHS provide the documentation showing that the reconciling items had been corrected, specifically the journal entry that was made to correct the reconciling item on the general ledger (PeopleSoft). As noted in the information section of this finding, the auditor was informed that a number of reconciling items had not been corrected as of June 30, 2011. The following deficiencies were noted:

For the Quarter ended 9/30/2010:

1. On the TANF Grant FFY 2008 ACF-196 financial report, the auditor identified six (6) items with an absolute dollar value of $323,256.32 that had not been corrected or that did not have adequate documentation to support the corrections that needed to be made.

2. On the TANF Grant FFY 2009 ACF-196 financial report, the auditor identified nineteen (19) items with an absolute dollar value of $1,049,894.99 that had not been corrected or that did not have adequate documentation to support the corrections that needed to be made.

3. On the TANF Grant FFY 2010 ACF-196 financial report, the auditor identified twenty six (26) items with an absolute dollar value of $37,382,469.33 that had not been corrected or that did not have adequate documentation to support the corrections that needed to be made.

For the Quarter ended 3/31/2011:

1. On the TANF Grant FFY 2009 ACF-196 financial report, the auditor identified twenty (20) items with an absolute dollar value of $788,349.14 that had not been corrected or that did not have adequate documentation to support the corrections that needed to be made.

2. On the TANF Grant FFY 2010 ACF-196 financial report, the auditor identified forty-six (46) items with an absolute dollar value of $2,757,063.45 that had not been corrected or that did not have adequate documentation to support the corrections that needed to be made.

3. On the TANF Grant FFY 2011 ACF-196 financial report, the auditor identified thirty-nine (39) items with an absolute dollar value of $1,406,895.87 that had not been corrected or that did not have adequate documentation to support the corrections that needed to be made.

Criteria: Per Title 2 Section 215.21 of the Code of Federal Regulations (2 CFR 215.21): "(b) Recipients' financial management systems shall provide for the following. 1) Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Sec. 215.52."

Information: During inquiries about the reconciling items, the auditee explained that PeopleSoft is the book of record, but that the Grants Accounting Reporting System (GARS) is used for preparing the federal ACF-196 financial reports, since it pulls the data off PeopleSoft, and organizes it into the required reporting categories.

The financial reporting personnel review the GARS data, and based on their understanding of the programs, they make multiple changes in GARS before submitting the reports. For example, if contracts are written with incorrect project or program codes, then the financial reporting personnel make entries to move the expenditures to the correct project, program, and/or CFDA.

The financial reporting personnel also make corrections for EBT transactions uploaded from the DFCS offices and Grant-In-Aid, that the financial reporting personnel determine to be in incorrect project codes. In order for the financial reporting personnel to make these corrections on the general ledger (PeopleSoft), they request supporting documentation from the DFCS offices and Grant-In-Aid. Historically, they have not provided the required support to the reporting personnel, and therefore, the corrections have not been made on the general ledger (PeopleSoft).

In addition, the Budget department submits remax of benefits request memos. The financial reporting personnel make the entries in GARS. DHS was not able to provide the journal entry documentation for the majority of these reconciling items. For the journal entries that were provided, many had already been determined to be invalid based on journal entry testing done in the General Matters section of the Federal Program audit plan.

The other main type of reconciling item is for Cost Allocation issues. For the majority of those reconciling items, DHS was unable to provide evidence of having made the correcting journal entries on the general ledger (PeopleSoft).

Duplicate entries on the general ledger (PeopleSoft) are another issue that the financial reporting personnel correct for. None of the duplicate entries identified had been corrected.

Cause: The deficiencies noted above occurred as a result of the Department's failure to verify that reconciling items are valid before submitting Federal ACF-196 Financial Reports, and the failure to implement adequate policies and procedures to ensure that all reconciling items are posted to the general ledger in a timely manner.

Effect: Failure to verify the validity of reconciling items and the failure to ensure that reconciling items are posted to the general ledger in a timely manner could result in the submission of inaccurate and/or incomplete federal financial reports. As a result of this deficiency and Financial Statement finding number FS-427-11-04, we can offer no assurances on the ACF-196 TANF reports; resulting in a scope limitation.

Recommendation: The Department of Human Services should implement additional policies and procedures to ensure that all reconciling items are valid before submitting the ACF-196 financial reports to the federal grantor agencies, and to ensure that reconciling items are posted to the general ledger in a timely manner.

Finding Control Number: **FA-427-11-12**
REPORTING
Internal Control Deficiencies
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CFDA 10.561)
U. S. Department of Agriculture
Grant Awards: Year 2011 - 5GA400403; 5GA420413; 5GA430413; Year 2010 - 5GA430423

Condition: Our examination included a review of the financial reports (SF-269) for the Supplemental Nutrition Assistance Program (SNAP) that were submitted to the Federal Awarding Agency.

For State Fiscal Year 2011, only reports submitted for the Quarters ending 9/30/2010 and 3/31/2011 were selected for testing.

For the quarter ending 9/30/2010, the Department of Human Services (DHS) submitted one quarterly SF-269 report for the SNAP Grant. This report was for the 2010 Grant Year. This was the report selected for testing.

For the quarter ending 3/31/2011, DHS submitted one quarterly SF-269 report for the SNAP Grant. This report was for the 2011 Grant Year. This was the report selected for testing.

Each of the SF-269 reports requires a reconciliation in order to verify it back to the accounting records. The auditor requested that DHS provide the documentation showing that the reconciling items had been corrected, specifically the journal entry that was made to correct the reconciling item on the general ledger (PeopleSoft). As noted in the information section of this finding, the auditor was informed that a number of reconciling items had not been corrected as of June 30, 2011. The following deficiencies were noted:

For the Quarter ended 9/30/2010:

1. On the SNAP Grant FFY 2010 SF-269 financial report, the auditor identified nine (9) items with an absolute dollar value of $37,881.84 that had not been corrected or that did not have adequate documentation to support the corrections that needed to be made.

For the Quarter ended 3/31/2011:

1. On the SNAP Grant FFY 2011 SF-269 financial report, the auditor identified twenty-four (24) items with an absolute dollar value of $127,861.95 that had not been corrected or that did not have adequate documentation to support the corrections that needed to be made.

Criteria: Per Title 2 Section 215.21 of the Code of Federal Regulations (2 CFR 215.21): "(b) Recipients' financial management systems shall provide for the following. 1. Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Sec. 215.52."

Information: During inquiries about the reconciling items, the auditee explained that PeopleSoft is the book of record, but that the Grants Accounting Reporting System (GARS) is used for preparing the federal SF-269 financial reports, since it extracts the data from PeopleSoft, and organizes it into the required reporting categories.

The financial reporting personnel review the GARS data, and based on their understanding of the programs, they make multiple changes in GARS before submitting the reports. For example, if

contracts are written with incorrect project or program codes, then the financial reporting personnel make entries to move the expenditures to the correct project, program, and/or CFDA.

The financial reporting personnel also make corrections for EBT transactions uploaded from the DFCS offices and Grant-In-Aid, that the financial reporting personnel determine to be in incorrect project codes. In order for the financial reporting personnel to make these corrections on the general ledger (PeopleSoft), they request supporting documentation from the DFCS offices and Grant-In-Aid. Historically, they have not provided the required support to the reporting personnel, and therefore, the corrections have not been made on the general ledger (PeopleSoft).

In addition, the Budget department submits "remax of benefits" request memos. The financial reporting personnel make the entries in GARS. DHS was not able to provide the journal entry documentation for the majority of these reconciling items. For the journal entries that were provided, many had already been determined to be invalid based on journal entry testing done in the General Matters section of the Federal Program audit plan.

The other main type of reconciling item is for Cost Allocation issues. For the majority of those reconciling items, DHS was unable to provide evidence of having made the correcting journal entries on the general ledger (PeopleSoft).

Cause: The deficiencies noted occurred as a result of the Department's failure to verify that reconciling items are valid, before submitting Federal SF-269 Financial Reports, and the failure to implement adequate policies and procedures to ensure that all reconciling items are posted to the general ledger in a timely manner.

Effect: Failure to reconcile the Federal reports to the general ledger before submission to the Federal grantor agency could result in the submission of inaccurate and/or incomplete Federal financial reports. As a result of these deficiencies and Financial Statement finding number FS-427-11-04, we can offer no assurances on the SF-269 Supplemental Nutrition Assistance Program reports; resulting in a scope limitation.

Recommendation: The Department of Human Services should implement additional policies and procedures to ensure that all reconciling items are valid before submitting the SF-269 financial reports to the Federal grantor agencies, and to ensure that reconciling items are posted to the general ledger in a timely manner.

Finding Control Number: **FA-427-11-13**
REPORTING
Internal Control Deficiencies
Child Care and Development Block Grant (CFDA 93.575)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)
ARRA - Child Care and Development Block Grant (CFDA 93.713)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 2011G996005; 2011G999004; 2011G999005; Year 2010 - 2010G996005; 2010G999004; 2010G999005; Year 2009 - 2009G996005; 2009G999004; 2009G999005; 2009G99UTRU; Year 2008 - 2008G996005; 2008G999004; 2008G999005

Condition: Our examination included a review of the financial reports (ACF-696) for the Child Care and Development Fund program (CCDF) that were submitted to the Federal awarding agency.

For State Fiscal Year 2011, only reports submitted for the Quarters ending 9/30/2010 and 3/31/2011 were selected for testing.

For the quarter ending 9/30/2010, the Department of Human Services (DHS) submitted three quarterly ACF-696 financial reports for CCDF Grant Years 2008 through 2010 (one for each Grant Year). The auditor tested the 2009 and 2010 quarterly ACF-696 financial reports.

For the quarter ending 3/31/2011, DHS submitted three quarterly ACF-696 financial reports for CCDF Grant Years 2009 through 2011 (one for each Grant Year). The auditor tested each of the three quarterly ACF-696 financial reports.

Each of the ACF-696 financial reports requires a reconciliation in order for them to agree to the accounting records. The auditor requested that DHS provide the documentation showing that the reconciling items had been corrected, specifically the journal entry that was made to correct the reconciling item on the general ledger (PeopleSoft). As noted in the information section of this finding, the auditor was informed that a number of reconciling items had not been corrected as of June 30, 2011. The following deficiencies were noted:

For the Quarter ended 9/30/2010:

1. On the CCDF Grant FFY 2009 ACF-696 financial report, the auditor identified thirty-nine (39) items with an absolute dollar value of $62,582,403.40 that had not been corrected or that did not have adequate documentation to support the corrections that needed to be made.

2. On the CCDF Grant FFY 2010 ACF-696 financial report, the auditor identified twelve (12) items with an absolute dollar value of $92,235,755.11 that had not been corrected or that did not have adequate documentation to support the corrections that needed to be made.

For the Quarter ended 3/31/2011:

1. On the CCDF Grant FFY 2009 ACF-696 financial report, the auditor identified fourteen (14) items with an absolute dollar value of $517,709.54 that had not been corrected or that did not have adequate documentation to support the corrections that needed to be made.

2. On the CCDF Grant FFY 2010 ACF-696 financial report, the auditor identified seventeen (17) items with an absolute dollar value of $89,985.15 that had not been corrected or that did not have adequate documentation to support the corrections that needed to be made.

3. On the CCDF Grant FFY 2011 ACF-696 financial report, the auditor identified ten (10) items with an absolute dollar value of $9,169.68 that had not been corrected or that did not have adequate documentation to support the corrections that needed to be made.

Criteria: Per Title 2 Section 215.21 of the Code of Federal Regulations (2 CFR 215.21): "(b) Recipients' financial management systems shall provide for the following. 1. Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Sec. 215.52."

Information: During inquiries about the reconciling items, the auditee explained that PeopleSoft is the book of record, but that the Grants Accounting Reporting System (GARS) is used for preparing the federal ACF-696 financial reports, since it extracts the data from PeopleSoft, and organizes it into the required reporting categories.

The financial reporting personnel review the GARS data, and based on their understanding of the programs, make multiple changes in GARS before submitting the reports. For example, if contracts are written with incorrect project or program codes, then the financial reporting personnel make entries to reclassify the expenditures to the correct project, program, and/or CFDA.

The financial reporting personnel also make corrections for EBT transactions uploaded from the DFCS offices and Grant-In-Aid, that the financial reporting personnel determine to be in incorrect project codes. In order for the financial reporting personnel to make these corrections on the general ledger (PeopleSoft), they request supporting documentation from the DFCS offices and Grant-In-Aid.

Historically, they have not provided the required support to the reporting personnel, and therefore, the corrections have not been made on the general ledger (PeopleSoft).

In addition, the Budget department submits "remax of benefits" request memos. The financial reporting personnel make the entries in GARS. DHS was not able to provide the journal entry documentation for the majority of these reconciling items. For the journal entries that were provided, many had already been determined to be invalid based on journal entry testing done in the General Matters section of the Federal Program audit plan.

The other main type of reconciling item is for Cost Allocation issues. For the majority of those reconciling items, DHS was unable to provide evidence of having made the correcting journal entries on the general ledger (PeopleSoft).

Cause: The deficiencies noted occurred as a result of the Department's failure to verify that reconciling items are valid, before submitting Federal ACF-696 Financial Reports, and the failure to implement adequate policies and procedures to ensure that all reconciling items are posted to the general ledger in a timely manner.

Effect: Failure to reconcile the Federal reports to the general ledger before submission to the Federal grantor agency could result in the submission of inaccurate and/or incomplete Federal financial reports. As a result of these deficiencies and Financial Statement finding number FS-427-11-04, we can offer no assurances on the ACF-696 Child Care and Development Fund program reports; resulting in a scope limitation.

Recommendation: The Department of Human Services should implement additional policies and procedures to ensure that all reconciling items are valid before submitting the ACF-696 financial reports to the Federal grantor agencies, and to ensure that reconciling items are posted to the General Ledger in a timely manner.

Finding Control Number: **FA-427-11-14**
REPORTING
Internal Control Deficiencies
Low-Income Home Energy Assistance (CFDA 93.568)
U. S. Department of Health and Human Services
Grant Awards: Year 2010 - 2010G992201; 2010G992212; Year 2009 - 2009G992201; 2009G992212; Year 2008 - 2008G992201; 2008G992212

Condition: Our examination included a review of the financial reports for the Low Income Energy Assistance Program (LIHEAP). The auditor tested both the FFY'09 and the FFY'10 annual Financial Reports (SF-269A), submitted during the period under review. Each of the reports required reconciliations in order to verify them back to the accounting records. The following deficiencies were identified:

For the FFY'09 report, the auditor identified five (5) items with an absolute dollar value of $158,356.80 that lacked evidence of being corrected on the general ledger by June 30, 2011.

For the FFY'10 report, the auditor identified eight (8) items with an absolute dollar value of $980,488.39 that lacked evidence of being corrected on the general ledger by June 30, 2011.

In addition, to the exceptions noted above, the reports were not submitted until four (4) months after the required due dates.

Criteria: Per Title 2 Section 215.21 of the Code of Federal Regulations (2 CFR 215.21): "(b) Recipients' financial management systems shall provide for the following. 1) Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Sec. 215.52."

Cause: The deficiencies noted above occurred as a result of the Department of Human Services' failure to implement adequate policies and procedures to ensure that all reconciling items are posted to the general ledger in a timely manner, and that reports are submitted to the awarding agency by the due dates.

Effect: Failure to ensure that reconciling items are posted to the general ledger in a timely manner could result in the submission of inaccurate and/or incomplete Federal financial reports. Failure to submit the financial reports within the required timeframe could result in noncompliance with Federal program regulations. As a result of these deficiencies and Financial Statement finding number FS-427-11-04, we offer no assurances on the SF-269A LIHEAP reports because of this scope limitation.

Recommendation: The Department of Human Services should implement additional policies and procedures to ensure that all reconciling items for the SF-269A Low Income Energy Assistance Program reports are posted to the general ledger in a timely manner, and that the reports are submitted within the required time frame.

Finding Control Number: **FA-427-11-15**
REPORTING
Internal Control Deficiencies
Community Services Block Grant (CFDA 93.569)
ARRA - Community Services Block Grant (CFDA 93.710)
U. S. Department of Health and Human Services
Grant Awards: Year 2010 - 2010G994002; Year 2009 - 2009G994002; 2009G99UTRN; Year 2008 - 2008G994002

Condition: Our examination included a review of the financial reports for the Community Services Block Grant (CSBG). The auditor tested four (4) reports submitted by the Department of Human Services (Department); the FFY'09 and the FFY'10 annual Financial Reports (SF-269A) for Regular funds, and the Quarter Ending (QE) 6/30/10 & 9/30/10 ARRA reports, all submitted during the period under review. Each of the reports required reconciliations in order to verify them back to the accounting records. The following deficiencies were identified:

For the FFY'09 Regular report, the auditor identified one (1) item with an absolute dollar value of $442,742.35 that lacked evidence of being corrected on the general ledger by June 30, 2011.

For the FFY'10 Regular report, the auditor was unable to determine errors, if any, because a reconciliation was not provided.

For the ARRA QE 9/30/10 report, the reconciliation did not agree to the financial report provided. The auditor was unable to determine a dollar amount of errors.

In addition, to the exceptions noted above, the two Regular fund reports were not submitted until four months after the required due dates.

Criteria: Per Title 2 Section 215.21 of the Code of Federal Regulations (2 CFR 215.21): "(b) Recipients' financial management systems shall provide for the following. 1) Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Sec. 215.52."

Cause: The deficiencies noted occurred as a result of the Department's failure to implement adequate policies and procedures to ensure that all reconciling items are posted to the general ledger in a timely manner, and that reports are submitted to the awarding agency by the due dates.

Effect: Failure to ensure that reconciling items are posted to the general ledger in a timely manner could result in the submission of inaccurate and/or incomplete Federal financial reports. Failure to submit the financial reports within the required time frame results in noncompliance with Federal program regulations. As a result of these deficiencies and financial statement finding number FS-427-11-04, we can offer no assurances on the SF-269A CSBG reports because of this scope limitation.

Recommendation: The Department of Human Services should implement additional policies and procedures to ensure that all reconciling items for the SF-269A Community Services Block Grant reports are posted to the general ledger in a timely manner, and that the reports are submitted within the required time frame.

Finding Control Number: **FA-427-11-16**
REPORTING
Internal Control Deficiency/Noncompliance with Federal Program Regulations
Temporary Assistance for Needy Families (CFDA 93.558)
Low-Income Home Energy Assistance (CFDA 93.568)
Child Care and Development Block Grant (CFDA 93.575)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)
ARRA - Child Care and Development Block Grant (CFDA 93.713)
ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program (CFDA 93.714)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 2011G991451; 2011G992201; 2011G992212; 2011G996005; 2011G996115; 2011G999004; 2011G999005; Year 2010 - 2010G9910CU; 2010G991525; 2010G992201; 2010G992212; 2010G996005; 2010G996115; 2010G999004; 2010G999005; Year 2009 - 2009G991451; 2009G992201; 2009G992212; 2009G996005; 2009G996115; 2009G999004; 2009G999005; 2009G99UTRU; Year 2008 - 2008G991451; 2008G992201; 2008G992212; 2008G996005; 2008G996115; 2008G999004; 2008G999005

Condition: Our examination included a review of the Federal Financial Reports (SF-425) at the Department of Human Services (DHS) for the Temporary Assistance to Needy Families (TANF), Low-Income Home Energy Assistance (LIHEAP), and Child Care Cluster (CCDF) programs for each quarter of fiscal year 2011. The following deficiencies were noted:

1. DHS failed to review and approve the SF-425 reports before submission.

2. The reports did not include any of the required fund sources.

3. DHS was unable to explain any of the amounts on the report, including negative amounts.

4. DHS could not provide documentation to support whether subsequent SF-425 reports included the required information to appropriately resolve, for the Division of Payment Management, any discrepancies between actual expenditures and amounts drawn on earlier SF-425 reports.

Criteria: Per Title 2 Section 215.21 of the Code of Federal Regulations (2 CFR 215.21): "(b) Recipients' financial management systems shall provide for the following. 1) Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Sec. 215.52."

Cause: The deficiencies noted above were the result of DHS's failure to establish policies and procedures to ensure appropriate review and approval of the Federal Financial Reports, and to ensure that the amounts reported were accurately calculated and supported by the accounting records.

Effect: Failure to establish adequate policies and procedures could result in the submission of inaccurate and/or incomplete reports.

Recommendation: The Department of Human Services should establish policies and procedures to ensure that amounts reported on the SF-425 Federal Financial reports are calculated accurately, supported by the accounting records, and are appropriately reviewed and approved, before submission to the federal grantor agency. DHS should also ensure that any discrepancies between the amounts on the SF-425 reports and the actual program expenditures are appropriately resolved, with the Division of Payment Management, on subsequent SF-425 reports.

Finding Control Number: **FA-427-11-17**
REPORTING
Internal Control Deficiency
Temporary Assistance for Needy Families (CFDA 93.558)
ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program (CFDA 93.714)
U. S. Department of Health and Human Services
Grant Award: Year 2010 - 2010G9910CU; 2010G991525; 2010G996115

Condition: Our examination included a review of the financial reports (ACF-196) for the Temporary Assistance for Needy Families program that were submitted to the Federal awarding agency during FY'11. None of the reports tested had been accurately reconciled back to the general ledger, and were therefore considered invalid. Consequently, the auditor did not have reliable grant expenditure amounts needed for testing of The Special Reporting Requirements.

Criteria: Per the Office of Management and Budget (OMB) A-133 Compliance Supplement, Section L3 Special Reporting for the TANF Cluster Program: "The total MOE expenditures reported in item 5 of the ACF-204 should equal the total MOE expenditures reported in line 7, columns (B) plus (C) of the 4th quarter ACF-196 TANF Financial Report; or line 17, column (B) of the ACF-196-TR, Territorial Financial Report."

Cause: The deficiency noted above occurred as a result of the Department's failure to establish internal control procedures to ensure that the financial reports (ACF-196) for the Temporary Assistance for Needy Families program are correctly completed, reviewed and reconciled to the general ledger before submission to the federal grantor agency.

Effect: Failure to reconcile the financial reports for the Temporary Assistance for Needy Families program to the general ledger resulted in the auditor not having reliable grant expenditure amounts to use for verifying whether the Special Reporting requirements had been met; resulting in a scope limitation.

Recommendation: The Department of Human Services should develop appropriate policies and procedures to ensure that the financial reports (ACF-196) for the Temporary Assistance for Needy Families program are correctly completed, reviewed, and reconciled to the general ledger prior to submission to the federal grantor agency.

Finding Control Number: **FA-427-11-18**
REPORTING
Internal Control Deficiency/Noncompliance with Federal Program Regulations
Low-Income Home Energy Assistance (CFDA 93.568)
U. S. Department of Health and Human Services
Grant Awards: Year 2010 - 2010G992201; 2010G992212

Condition: Our examination of the fiscal year 2010 Carryover and Reallotment Report for the Low Income Home Energy Assistance program (LIHEAP), revealed that LIHEAP personnel were unable to provide any supporting documentation for the $4,844,377 reported as the unobligated balance.

Criteria: Per the Office of Management and Budget (OMB) A-133 compliance supplement: "LIHEAP Carryover and Reallotment Report (OMB No. 0970-0106) – Grantees must submit a report no later than August 1 indicating the amount expected to be carried forward for obligation in the following fiscal year and the planned use of those funds. Funds in excess of the maximum carryover limit are subject to reallotment to other LIHEAP grantees in the following fiscal year, and must also be reported (42 USC 8626)."

.Cause: The deficiency noted was the result of the Department of Human Services' failure to establish policies and procedures to ensure appropriate review and approval of the Carryover and Reallotment Report, and to ensure that the amounts reported were accurately calculated and supported by the accounting records.

Effect: Failure to establish adequate policies and procedures could result in the submission of inaccurate and/or incomplete special reports.

Recommendation: The Department of Human Services should establish policies and procedures to ensure that amounts reported on the Carryover and Reallotment Report are accurately calculated, supported by the accounting records, and are appropriately reviewed and approved before submission to the Federal grantor agency.

Finding Control Number: **FA-427-11-19**
REPORTING
Required Transparency Act Reports Not Filed
Low-Income Home Energy Assistance (CFDA 93.568)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 2011G992201; 2011G992212

Condition: Our examination included an inquiry of the Low-Income Home Energy Assistance program (LIHEAP) regarding the Federal Funding Accountability and Transparency Act. The Department of Human Services (Department) did not have any controls in place to ensure that the Federal Funding Accountability and Transparency Act requirements were met.

Criteria: The Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282) (Transparency Act), effective October 1, 2010, in the section that relates to subaward reporting under grants and cooperative agreements states that: "Information on first-tier subawards related to Federal contracts and grants and the executive compensation of awardees must be made publicly available."

Cause: The deficiencies noted were caused by the Department's failure to implement adequate controls and procedures necessary to properly report the required Transparency Act information.

Effect: The effect of this deficiency is noncompliance in accordance with the OMB Guidance on Subaward and Executive Compensation Reporting regarding Federal Funding Accountability and Transparency Act.

Recommendation: The Department should develop appropriate policies and procedures to ensure that all reporting requirements as identified in the OMB guidelines and instructions provided in the OMB "Open Government Directive – Federal Spending Transparency and Subaward and Compensation Data Reporting" guidance are being met.

Finding Control Number: **FA-427-11-20**
REPORTING
Required Transparency Act Reports Not Filed
Community Services Block Grant (CFDA 93.569)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 2011G994002

Condition: Our examination included a review of the Community Services Block Grant (CSBG) regarding the Federal Funding Accountability and Transparency Act requirements. The Department of Human Services (Department) did not have adequate controls in place to ensure that the Federal Funding Accountability And Transparency Act requirements were being met.

Criteria: The Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282) (Transparency Act), effective October 1, 2010, in the section that relates to subaward reporting under grants and cooperative agreements states that: "Information on first-tier subawards related to Federal contracts and grants and the executive compensation of awardees must be made publicly available."

Cause: The deficiencies noted were caused by the Department's failure to implement adequate controls and procedures necessary to properly report the required Transparency Act information.

Effect: The effect of this deficiency is noncompliance in accordance with the OMB Guidance on Subaward and Executive Compensation Reporting regarding Federal Funding Accountability and Transparency Act.

Recommendation: The Department should develop appropriate policies and procedures to ensure that all reporting requirements as identified in the OMB guidelines and instructions provided in the OMB "Open Government Directive – Federal Spending Transparency and Subaward and Compensation Data Reporting" guidance are being met.

Finding Control Number: **FA-427-11-21**
REPORTING
Required Transparency Act Reports Not Filed
Child Support Enforcement (CFDA 93.563)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 2011G9911CJ; 2011G9911CS

Condition: Our examination included a review of the Child Support Enforcement program for the Federal Funding Accountability and Transparency Act requirements. The Department of Human Services (Department) did not have adequate controls in place to ensure that these requirements were being met.

Criteria: The Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282) (Transparency Act), effective October 1, 2010, in the section that relates to subaward reporting under grants and cooperative agreements states that: "Information on first-tier subawards related to Federal contracts and grants and the executive compensation of awardees must be made publicly available."

Cause: The deficiencies noted were caused by the Department's failure to implement adequate controls and procedures necessary to properly report the required Transparency Act information.

Effect: The effect of this deficiency is noncompliance in accordance with the OMB Guidance on Subaward and Executive Compensation Reporting regarding Federal Funding Accountability and Transparency Act.

Recommendation: The Department should develop appropriate policies and procedures to ensure that all reporting requirements as identified in the OMB guidelines and instructions provided in the OMB "Open Government Directive - Federal Spending Transparency and Subaward and Compensation Data Reporting" guidance are being met.

Finding Control Number: **FA-427-11-22**
SUBRECIPIENT MONITORING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Child Support Enforcement (CFDA 93.563)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 2011G9911CJ; 2011G9911CS; Year 2010 - 2010G9910CJ; 2010G9910CS

Condition: Our examination included a review of subaward and approval documents for first-tier subawards granted to non-ARRA Subrecipients of the Child Support Enforcement Program. Inquiry of Department of Human Services (DHS) Personnel revealed that DHS had failed to confirm whether applicants for non-ARRA subawards had registered for a Dun and Bradstreet Universal Numbering System (DUNS) number prior to the issuance of the subaward.

Criteria: The A-133 Compliance Supplement, part 3, Section M states in part that: "A pass-through entity is responsible for: - Determining Subrecipient Eligibility – In addition to any programmatic eligibility criteria under E, "Eligibility for Subrecipients," for subawards made on or after October 1, 2010, determining whether an applicant for a non-ARRA subaward has provided a Dun and Bradstreet Data Universal Numbering System (DUNS) number as part of its subaward application or, if not, before award (2 CFR section 25.110 and Appendix A to 2 CFR part 25)."

Appendix A to 2 CFR Part 25 states in part that: "B. Requirement for Data Universal Numbering System (DUNS) Numbers

If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity may receive a subaward from you unless the entity has provided its DUNS number to you.

2. May not make a subaward to an entity unless the entity has provided its DUNS number to you."

Cause: The deficiency noted above is the result of the Department of Human Services' failure to implement appropriate policies and procedures to ensure compliance with the DUNS number registration requirement for non-ARRA subrecipients.

Effect: Failure to ensure non-ARRA subrecipients have registered for a DUNS number prior to the issuance of subaward results in noncompliance with Federal regulations.

Recommendation: The Department of Human Services should implement appropriate policies and procedures to ensure that all non-ARRA subrecipients have registered for a Dun and Bradstreet Universal Numbering System (DUNS) number prior to the issuance of subawards.

Finding Control Number: **FA-427-11-23**
SUBRECIPIENT MONITORING
Failure to Monitor TANF ARRA Subrecipients
ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program (CFDA 93.714)
U. S. Department of Health and Human Services
Grant Award: Year 2010 - 2010G9910CU; 2010G991525

Condition: For fiscal year 2011, the Department of Human Services (DHS) received ARRA funding for the Temporary Assistance for Needy Families program (TANF) program. The funding was used to established new programs; two of which, Fresh Start and Teen Work, were managed by subrecipients. Inquiry of DHS personnel revealed that DHS had failed to implement any subrecipient monitoring procedures to monitor the subrecipients of the TANF Program.

Criteria: Section 7502 of the Single Audit Act Amendments of 1996 provides that each pass-through entity shall monitor the subrecipient's use of Federal awards through site visits or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements.

Cause: The deficiency noted occurred as a result of the Department of Human Services' failure to implement appropriate policies and procedures to monitor the subrecipients of the TANF Program.

Effect: The failure to properly monitor subrecipients increases the risk that subrecipients will not use Federal awards for authorized purposes, comply with laws, regulations, and the provisions of contracts and grant agreements, and achieve performance goals.

Recommendation: The Department of Human Services should develop appropriate policies and procedure to ensure that subrecipients are monitored in accordance with the Federal guidelines.

Finding Control Number: **FA-427-11-24**
SUBRECIPIENT MONITORING
SPECIAL TESTS AND PROVISIONS
Failure to Accurately Report Amounts on the Schedule of Expenditures of Federal Awards
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (CFDA 10.561)
U. S. Department of Agriculture
Child Support Enforcement (CFDA 93.563)
Low-Income Home Energy Assistance (CFDA 93.568)
ARRA - Child Care and Development Block Grant (CFDA 93.713)
ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program (CFDA 93.714)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 2011G9911CJ; 2011G9911CS; 2011G992201; 2011G992212; 5GA400403; 5GA420413; 5GA430413; Year 2010 - 2010G9910CJ; 2010G9910CS; 2010G9910CU; 2010G991525; 2010G992201; 2010G992212;5GA430423; Year 2009 - 2009G992201; 2009G992212; 2009G99UTRU; Year 2008 - 2008G992201; 2008G992212

Condition: Our examination of the Pass-Through by Entity report, for the Schedule of Expenditures of Federal Awards (SEFA), submitted by the Department of Human Services (Department) revealed that the pass-through amounts provided to subrecipients, required for the notes to the SEFA in the Single Audit Report, were not reported correctly. The deficiencies noted are as follows:

1. For the Temporary Assistance for Needy Families (TANF) program, a pass-through amount that was $832,740 more than what was expected based on the FY11 testing was reported.

2. For the Child Support Enforcement (CSE) program, no pass-through amount was reported. Based on FY11 testing, $5,904,092 should have been reported as the CSE pass-through amount.

3. For the Low-Income Home Energy Assistance (LIHEAP) program, a pass-through amount that was $2,142,100 more than what was expected based on the FY11 testing was reported.

4. For the Child Care Development Fund (CCDF) program, a pass-through amount that was $30,000 less than what was expected based on the FY11 testing was reported.

The Department of Human Services was unable to provide the correct "pass-through to subrecipient" amounts; resulting in audit adjustments to correct these balances in the SEFA.

Additionally, for the Supplemental Nutrition Assistance Program (SNAP), a total expenditure amount that was $200 more than what was expected based on the FY11 testing was reported. This amount was also adjusted in the SEFA.

Criteria: In accordance with OMB Circular A-133 Subpart C Section .300(a), "The auditee shall identify all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency and name of the passthrough entity."

For funds authorized under the American Recovery and Reinvestment Act of 2009, section 176.210 of Title 2 of the Code of Federal Regulations identifies the recipient's responsibilities regarding tracking and documenting Recovery Act expenditures. These, in part, are, "...recipients agree to separately identify the expenditures for Federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA)..."

The State Accounting Office also issued instructions to all organizations of the State reporting entity for the SEFA which state, "Agency management is responsible to ensure proper accounting and reporting

of Federal grants. Expenditures reported in the SEFA must be reported on the GAAP basis of accounting relevant to the organization's reporting fund and must reconcile to expenditures recorded in the organization's accounting records."

Cause: The Department failed to implement adequate policies and procedures to ensure that total Federal award amounts, and amounts provided to subrecipients are reported correctly in the SEFA.

Effect: Failure to accurately report Federal award amounts could result in inaccurate reporting of the SEFA within the Single Audit Report.

Recommendation: The Department of Human Services should implement policies and procedures to ensure that total award amounts, as well as amounts provided to subrecipients are accurately reported in the Schedule of Expenditures of Federal Awards database for reporting within the Single Audit Report.

Finding Control Number: **FA-427-11-25**
SPECIAL TESTS AND PROVISIONS
Internal Control Deficiency
ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program (CFDA 93.714)
U. S. Department of Health and Human Services
Grant Award: Year 2010 - 2010G9910CU; 2010G991525

Condition: Our examination included a review of the financial reports (ACF-196) for the Temporary Assistance for Needy Families program that were submitted to the Federal awarding agency during FY'11. None of the reports tested had been accurately reconciled back to the general ledger, and were therefore considered invalid. Consequently, the auditor did not have reliable grant expenditure amounts needed for testing of the requirements to determine whether DHS had accurately reported its estimated expenditures/actual (revised) expenditures on Form OFA-100, OMB No. 0970-0366 for DHS' request for TANF Emergency Fund Grants.

Criteria: For TANF Emergency Fund Grants, the A-133 Compliance Supplement, Section N Special Tests and Provisions states:

> "6. TANF Emergency Fund Grants – FY 2009 and FY 2010 Compliance Requirement - Three different categories of TANF Emergency Fund grants are available to States, Territories, and Tribes operating TANF programs (referred to collectively as ―jurisdictions') for FY 2009 and FY 2010 (42 USC 603(c), as added by Section 2101 of ARRA). Jurisdictions may apply for and receive funds on a quarterly basis under any or all of the three categories described below, if the jurisdiction meets the conditions of the grant category:
>
> > b. Grant Related to Increased Expenditures for Non-Recurrent Short-Term Benefits: The jurisdiction's expenditures for non-recurrent short-term benefits in a quarter are higher than its expenditures for such benefits in the corresponding quarter of the TANF Emergency Fund base year (FY 2007 or 2008, whichever year has lower non-recurrent short-term benefit expenditures). ―Non-recurrent short-term benefits are defined at 45 CFR section 260.31(b)(1) for States and Territories, and at 45 CFR section 286.10(b)(1) for Tribes.
> >
> > c. Grant Related to Increased Expenditures for Subsidized Employment: The jurisdiction's expenditures for subsidized employment in a quarter are higher than such expenditures in the corresponding quarter of the TANF Emergency Fund base year (FY 2007 or 2008, whichever year has lower subsidized employment expenditures). Subsidized employment refers to ―work subsidies, as defined at 45 CFR section 260.31(b)(2) for States and Territories, and at 45 CFR section 286.10(b)(2) for Tribes."

Cause: The deficiency noted above occurred as a result of the Department's failure to establish internal control procedures to ensure that the financial reports (ACF-196) for the Temporary Assistance for Needy Families program are correctly completed, reviewed and reconciled to the general ledger before submission to the federal grantor agency.

Effect: Failure to reconcile the financial reports for the Temporary Assistance for Needy Families program to the general ledger resulted in the auditor not having reliable grant expenditure amounts to use for verifying whether DHS had accurately reported their estimated expenditures/actual (revised) expenditures for base years 2007 and 2008 on Form OFA-100, OMB No. 0970-0366; resulting in a scope limitation.

Recommendation: The Department of Human Services should develop appropriate policies and procedures to ensure that the financial reports (ACF-196) for the Temporary Assistance for Needy Families program are correctly completed, reviewed, and reconciled to the general ledger prior to submission to the federal grantor agency.

Finding Control Number: **FA-427-11-26**
SPECIAL TESTS AND PROVISIONS
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Child Support Enforcement (CFDA 93.563)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 2011G9911CJ; 2011G9911CS; Year 2010 - 2010G9910CJ; 2010G9910CS

Condition: Our examination included a review of sixty (60) client case files out of a sample population of 331,584 cases from the Child Support Enforcement (CSE) program to determine if the Department of Human Services (Department) complied with applicable Federal laws, regulations, and other program compliance requirements. The following deficiencies were noted:

1. Support cases were not monitored as necessary for two (2) client case files.

2. Delinquent cases were not identified in a timely manner for two (2) client case files.

3. Enforcement action was not initiated in a timely manner for two (2) client case files.

4. Case information recorded in the Support Tracking, Accounting, and Reporting System ($TARS) was not consistent with information in the case file for six (6) client case files.

Criteria: An adequate system of internal controls calls for: (1) transactions to be properly recorded and accounted for in order to properly prepare reliable financial statements and Federal reports, (2) sufficient documentation to be present in order to demonstrate compliance with laws, regulations, and other program compliance requirements.

The Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, Part 4, pages 4-93.563-6 through 4-93.563-8, requires the State agency administering the Child Support Enforcement program to comply with the following:

Enforcement of Support Obligations

"...the agency must maintain a system for (a) monitoring compliance with the support obligation; (b) identifying on the date the parent fails to make payments in an amount equal to support payable for one month, or an earlier date in accordance with State or tribal law, those cases in which there is a failure to comply with the support obligation; and (c) enforcing the obligation. To enforce the obligation the agency must initiate income withholding..." "State IV-D agencies must initiate any other enforcement action, unless service of process is necessary, within 30 calendar days of identification of the delinquency or other support-related noncompliance, or location of the absent parent, whichever occurs later."

Cause: The deficiencies noted above were the result of the Department's failure to implement adequate internal control policies and procedures to ensure that supporting documentation was maintained, and all transactions and related case data were properly recorded in the accounting records.

Effect: Failure to maintain an adequate system of internal controls increases the risk that the Department will not comply with the applicable Federal laws, regulations, and other program compliance requirements.

Recommendation: The Department of Human Services should develop and implement additional policies and procedures to ensure that supporting documentation is maintained, and all transactions and related case data are properly recorded in the accounting records.

Finding Control Number: **FA-427-11-27**
SPECIAL TESTS AND PROVISIONS
Failure to Monitor Health and Safety Requirements
Child Care and Development Block Grant (CFDA 93.575)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CFDA 93.596)
U. S. Department of Health and Human Services
Grant Awards: Year 2011 - 2011G996005; 2011G999004; 2011G999005; Year 2010 - 2010G996005; 2010G999004; 2010G999005; Year 2009 - 2009G996005; 2009G999004; 2009G999005; Year 2008 - 2008G996005; 2008G999004; 2008G999005

Condition: Our examination of the Department of Human Services (Department) included a review of the health and safety requirements for Child Care providers that are managed by the Department of Early Care and Learning (DECAL) for the Child Care Development Fund (CCDF). The CCDF program failed to provide evidence of monitoring the providers managed by DECAL to ensure that health and safety requirements were met.

In addition, one (1) payment of $33 was paid to a provider that had an expired license.

Criteria: OCGA 49-5-12 states that: "(f) The department shall refuse a license or commission upon a showing of: (1) Noncompliance with the rules and regulations for child welfare agencies as adopted by the Board of Human Services which are designated in writing to the facilities as being related to children's health and safety."

Cause: The deficiencies noted occurred as a result of the Department's failure to establish internal control procedures to ensure that the health and safety requirements were met by the providers managed by DECAL.

Effect: Failure by the Department to monitor the providers managed by DECAL could result in a provider receiving funds from CCDF in error because their license had not been revoked.

Recommendation: The Department of Human Services should develop appropriate policies and procedures to ensure that health and safety requirements are met by providers managed by DECAL.

LABOR, DEPARTMENT OF

Finding Control Number: **FA-440-11-01**
ACCOUNTING CONTROLS (OVERALL)
Inadequate Supporting Documentation for Adjusting Journal Entries
Rehabilitation Services-Vocational Rehabilitation Grants to States (CFDA 84.126)
U. S. Department of Education
Grant Award: Year 2010 - H126A100088

Condition: See Financial Statement Finding FS-440-11-01

Criteria: See Financial Statement Finding FS-440-11-01

Information: See Financial Statement Finding FS-440-11-01

Cause: See Financial Statement Finding FS-440-11-01

Effect: See Financial Statement Finding FS-440-11-01

Recommendation: See Financial Statement Finding FS-440-11-01

Finding Control Number: **FA-440-11-02**
ACCOUNTING CONTROLS (OVERALL)
Status of Prior Year Findings Materially Misrepresented in Summary Schedule of Prior Year Findings and Questioned Costs

Condition: Our review of the Summary Schedule of Prior Year Findings and Questioned Costs revealed that the Department of Labor (Department) materially misrepresented the status of two (2) of their prior year audit findings. The Department reported the status of audit finding number FS-440-10-02 as "Significantly Different Corrective Action Implemented." Our follow up and evaluation of this finding revealed that the appropriate response should have been "Unresolved." The Department reported the status of audit finding number FS-440-10-03 as "Previously Reported Corrective Action Implemented." Our follow up and evaluation of this finding revealed that the appropriate response should have been "Partially Resolved."

Criteria: In accordance with the requirements of OMB Circular A-133 Section .315(a) the auditee "...shall prepare a summary schedule of prior audit findings." Section .315(b) states, "The summary schedule of prior audit findings shall report the status of all audit findings included in the prior audit's schedule of findings and questioned costs relative to Federal awards. The summary schedule shall also include audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected in accordance with paragraph (b)(1) of this section, or no longer valid or not warranting further action in accordance with paragraph (b)(4) of this section." Circular A-133 Section .510(a)(7) requires that the auditor report as an audit finding "Instances where the results of audit follow-up procedures disclosed that the summary schedule of prior audit findings prepared by the auditee in accordance with §___.315(b) materially misrepresents the status of any prior audit finding."

Cause: The Department reported the status on two (2) prior year audit findings that were different than the status identified based our follow up and evaluation of those findings.

Effect: The Department has materially misrepresented the status of the prior year findings.

Recommendation: The Department of Labor should correctly report the status of their prior year findings in the Summary Schedule of Prior Year Findings and Questioned Costs as required by OMB Circular A-133.

Finding Control Number: **FA-440-11-03**
ACTIVITIES ALLOWED OR UNALLOWED
ALLOWABLE COSTS/COST PRINCIPLES
Internal Control Deficiencies/Noncompliance with Federal Regulations
Employment Services/Wagner-Peyser Funded Activities (ESC) (CFDA 17.207)
Unemployment Insurance (CFDA 17.225)
WIA Adult Program (CFDA 17.258)
WIA Youth Activities (CFDA 17.259)
WIA Dislocated Workers (CFDA 17.260)
Disabled Veterans' Outreach Program (DVOP) (ESC) (CFDA 17.801)
Local Veterans' Employment Representative Program (LVER) (ESC) (CFDA 17.804)
U. S. Department of Labor
Rehabilitation Services-Vocational Rehabilitation Grants to States (CFDA 84.126)
Vocational Rehabilitation-Recovery Act (CFDA 84.390)
U. S. Department of Education
Grant Awards: Year 2011 - H126A110088-11D; UI-21094-11-55-A-13; Year 2010 - AA-20189-10-55-A-13; AA-20189-10-55-A-13; ES-20743-10-55-A-13; H126A100088D; UI-19577-10-55-A-13; Year 2008 - ES-17554-08-55-A-13; H390A090088

Condition: Our examination included a review of supporting documentation maintained by the Department of Labor (Department) for two-hundred forty (240) non-personal service charges and two-hundred forty (240) personal service expenditure charges to the Unemployment Insurance program (CFDA 17.225), Employment Services Cluster (CFDAs 17.207, 17.801, 17.804), Workforce Investment Act Cluster (CFDAs 17.258, 17.259, 17.260), and Vocational Rehabilitation (CFDAs 84.126, 84.390).

Our examination revealed that thirteen (13) of the non-personal service charges and seventeen (17) of the personal service charges did not contain evidence of supervisory approval, in turn failing the test of control for each compliance requirement.

Criteria: The OMB Circular A-133, subpart C, section .300, part (b) states that it is the auditee's responsibility to, "Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Information: The Department utilizes internal controls in the form of supervisory approval of each transaction or time sheet. The thirty (30) transactions that did not meet the test of control did not contain any evidence of supervisory approval.

Cause: The deficiencies noted above were the result of the Department's failure to follow its own internal control procedures.

Effect: Failure to follow the prescribed internal control procedures increase the risk of material misstatement in the financial statements including misstatements due to fraud and noncompliance with Federal laws, regulations, and other program compliance requirements.

Recommendation: The Department of Labor should ensure that internal controls are operating effectively and that those internal controls are being utilized by the entire organization.

Finding Control Number: **FA-440-11-04**
CASH MANAGEMENT
Inadequate Procedures over Cash Draws of Federal Grants
Rehabilitation Services-Vocational Rehabilitation Grants to States (CFDA 84.126)
U. S. Department of Education
Grant Award: Year 2010 - H126A100088

See related Financial Statement finding number FS-440-11-05

Condition: Our examination of Cash Management over Federal Financial Assistance Programs disclosed that the Department of Labor (Department) requested Federal funds in excess of program expenditures. The following table identifies the programs and the number of months with requests in excess of expenditures:

CFDA #	Program Name	Number of Months Reimbursements Exceeded Expenditures	Average Monthly Balance of Excess Funds on Hand
84.126	Rehabilitation Services_Vocational Rehabilitation Grants to States	11	$ 13,160,980.00

Criteria: The Code of Federal Regulations Title 31, Chapter II, Part 205, Subpart A and B indicates that a State must minimize the time between the drawdown of Federal funds from the Federal government and their disbursement for Federal program purposes. A State and Federal Program Agency must limit the amount of funds transferred to the minimum required to meet a State's actual and immediate cash needs.

Cause: The Department's policies and procedures for requesting Federal funds to reimburse program costs were inadequate.

Effect: Failure to drawdown Federal funds on an as-needed basis could result in an interest liability being incurred.

Recommendation: The Department of Labor should review their policies and procedures for requesting Federal funds to ensure that they are adequate to meet cash management objectives. The Department should also review the clearance patterns used for drawing Federal funds to ensure that they are still relevant to current trends.

Finding Control Number: **FA-440-11-05**
ELIGIBILITY
Ineligible Participants Received Benefits under the Adult and Dislocated Worker Programs
WIA Adult Program (CFDA 17.258)
WIA Dislocated Workers (CFDA 17.260)
U. S. Department of Labor
Grant Awards: Year 2010 - AA-20189-10-55-A-13; Year 2009 - AA-18634-09-55-A-13

Condition: Our examination of the Georgia Mountains Workforce Investment Board (GMWIB) at the Georgia Department of Labor (Department) included a review of supporting eligibility determination documentation for sixty (60) Youth, sixty (60) Adult, and sixty (60) Dislocated Worker program participants.

Our examination disclosed that two (2) participants were ineligible, one (1) in the Adult program and one (1) in the Dislocated Worker program. The individual participant files did not support eligibility for program assistance.

Criteria: 20 CFR 662.240 paragraph b, part 1 states that the One-Stop partner makes, "Determinations of whether the individuals are eligible to receive assistance under subtitle B of Title I of WIA."

Questioned Cost: $2,279.24

Information: The GMWIB utilizes a Department approved document titled the "Adult/Dislocated Worker Workstatement." This document provides eligibility requirements and other program guidance.

The income for the ineligible Adult program participant exceeded the income allowed by the Adult Self-Sufficiency Policy which is based on the Federal Lower Living Income Chart.

The ineligible Dislocated Worker program participant was not eligible due to the time lapsed between receiving an intensive service and the time the participant entered the Workforce Investment Act (WIA) program. The "Adult/Dislocated Worker Workstatement" states in regards to intensive services that, "If a customer has completed the same or similar assessment (intensive service) within the previous twelve months, the GMWIB may utilize the results." The participant received an intensive service from a technical college in September 2009, but did not apply for WIA benefits until March of 2011 making the time elapsed between receiving the intensive service and applying for benefits more than twelve months. As a result, the participant is determined to be ineligible.

Cause: The deficiencies noted occurred as a result of the Department management's failure to ensure that One-Stop partners were complying with the policies and procedures included in the "Adult/Dislocated Worker Workstatement."

Effect: Failure to adhere to the prescribed policies and procedures can result in erroneous payments to and on behalf of ineligible participants.

Recommendation: The Department of Labor should ensure that One-Stop partners adhere to prescribed policies and procedures included in the "Adult/Dislocated Worker Workstatement" regarding participant eligibility.

Finding Control Number: **FA-440-11-06**
REPORTING
Reports not Reconciled to the Accounting Records
WIA Adult Program (CFDA 17.258)
WIA Youth Activities (CFDA 17.259)
WIA Dislocated Workers (CFDA 17.260)
U. S. Department of Labor
Grant Awards: Year 2010 - AA-20189-10-55-A-13; Year 2009 - AA-18634-09-55-A-13;
Year 2008 - AA-17116-08-55-A-13

Condition: Our examination of the Workforce Investment Act (WIA) American Recovery and Reinvestment Act (ARRA) 1512 report for the quarter ending March 31, 2011 revealed that Georgia Department of Labor (Department) completed the report using unadjusted amounts from their accounting records which included approximately $14 million in duplicated revenue and expenditures.

In addition, the auditor tested forty-three (43) ETA-9130 financial reports for the quarter ending December 31, 2010 and identified seven (7) reports that did not agree with the financial information maintained within the accounting records and the subsidiary Grants Administration Financial System.

Criteria: Federal regulations (20 CFR 667.300) require the Department to ensure that reported information is accurate and reconciled as necessary.

Information: Because of deficiencies within the accounting records that overstated WIA revenues and expenditures, the information submitted on the ARRA 1512 report was overstated. The Department also utilizes information from the accounting system and the Grants Administration Financial System to prepare the ETA-9130 reports.

Cause: The deficiencies noted were the result of the Department's failure to ensure that the internal control procedures in place for reporting were consistently performed and that adequate internal control procedures were in place to ensure that the financial reports are reconciled to the accounting records prior to their submission.

Effect: Failure to adhere to prescribed internal control procedures could result in the submission of inaccurate and/or incomplete reports.

Recommendation: The Department of Labor should ensure that established internal control procedures for reporting are adequate and operating as designed. The Department should also develop and implement additional internal control procedures to ensure that reports reconcile to the accounting records and any differences are properly investigated and documented. The Department should follow guidelines detailed in the Federal regulations of the WIA Program to ensure compliance with program requirements.

Finding Control Number: **FA-440-11-07**
REPORTING
Required Transparency Act Reports Not Filed
WIA Adult Program (CFDA 17.258)
WIA Youth Activities (CFDA 17.259)
WIA Dislocated Workers (CFDA 17.260)
U. S. Department of Labor
Grant Awards: Year 2010 - AA-20189-10-55-A-13

Condition: Our examination included an inquiry of the Workforce Investment Act Program (WIA) regarding the Federal Funding Accountability and Transparency Act. The Department of Labor (Department) did not have adequate controls in place to ensure that the Federal Funding Accountability and Transparency Act requirements for reports were met.

Criteria: The Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282) (Transparency Act), effective October 1, 2010, in the section that relates to subaward reporting under grants and cooperative agreements states that: "Information on first-tier subawards related to Federal contracts and grants and the executive compensation of awardees must be made publicly available."

Cause: The deficiencies noted were caused by the Department's failure to implement adequate controls and procedures necessary to properly report the required Transparency Act information.

Effect: The effect of this deficiency is noncompliance in accordance with the OMB Guidance on Subaward and Executive Compensation Reporting regarding Federal Funding Accountability and Transparency Act.

Recommendation: The Department of Labor should develop appropriate policies and procedures to ensure that all reporting requirements as identified in the OMB guidelines and instructions provided in the OMB "Open Government Directive Federal Spending Transparency and Subaward and Compensation Data Reporting" guidance are being met.

Finding Control Number: **FA-440-11-08**
SUBRECIPIENT MONITORING
Failure to Monitor Subrecipient's Activities Throughout the Fiscal Year
WIA Adult Program (CFDA 17.258)
WIA Youth Activities (CFDA 17.259)
WIA Dislocated Workers (CFDA 17.260)
U. S. Department of Labor
Grant Awards: Year 2010 - AA-20189-10-55-A-13

Condition: Our examination of the Workforce Investment Act (WIA) at the Georgia Department of Labor (Department) revealed that the Department did not conduct any on-site reviews of subrecipients during the fiscal year.

Criteria: The Office of Management and Budget's (OMB) Compliance Supplement for the WIA Program Section M 2a. states that, "Each State must have a monitoring system which: (1) Provides for annual on-site monitoring reviews of local areas' compliance with DOL uniform administrative requirements, as required by WIA section 184(a)(4)."

Information: The Department conducted on-site reviews for a different program, which was administered through the Local Workforce Investment Boards (WIA subrecipients). However, the Department did not conduct any on-site reviews of WIA subrecipient activities.

Cause: The deficiency occurred as a result of the Department's failure to adhere to uniform administrative requirements, as stated in the OMB's Compliance Supplement and WIA law.

Effect: Failure to adequately monitor subrecipients results in noncompliance with laws and regulations and could result in unallowable expenditures being charged to the program.

Recommendation: The Department of Labor should adhere to the OMB's compliance requirements, as well as the requirements established by WIA law, to engage in annual on-site reviews of its subrecipients.

Finding Control Number: **FA-440-11-09**
SPECIAL TESTS AND PROVISIONS
Failure to Submit an Accurate Schedule of Expenditures of Federal Awards
Unemployment Insurance (CFDA 17.225)
WIA Adult Program (CFDA 17.258)
WIA Youth Activities (CFDA 17.259)
WIA Dislocated Workers (CFDA 17.260)
Workforce Investment Act (WIA) National Emergency Grants (CFDA 17.277)
WIA Dislocated Worker Formula Grants (CFDA 17.278)
U. S. Department of Labor
ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program (CFDA 93.714)
U. S. Department of Health and Human Services

Condition: Our examination of the Schedule of Expenditures of Federal Awards (SEFA) submitted by the Department of Labor (Department) revealed the following deficiencies:

1) Grants that had American Recovery and Reinvestment Act (ARRA) expenditures were identified, but the ARRA and non-ARRA portions were not reported separately.

2) The American Recovery and Reinvestment Act (ARRA) expenditures of $746,414.10 for the Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors, CFDA No. 17.275, were initially reported as non-ARRA funded expenditures.

3) Administrative and Statewide program expenditures for all WIA grants, Adult CFDA No. 17.258, Youth CFDA No. 17.259 and Dislocated Worker CFDA No. 17.260 were reported under the Adult program CFDA No. 17.258. The same process was used for American Recovery and Reinvestment Act (ARRA) and non-ARRA programs.

4) Unemployment Insurance expenditures of $2,957,010,725.03, CFDA No. 17.225, were not initially reported on the SEFA.

5) Pass-through amounts of $105,656,843.09 were not initially reported on the SEFA.

Criteria: In accordance with OMB Circular A-133 Subpart C Section .300(a), "The auditee shall identify all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency and name of the pass-through entity."

In relation to funds authorized under the American Recovery and Reinvestment Act of 2009, section 176.210 of Title 2 of the Code of Federal Regulations identifies the recipient's responsibilities regarding tracking and documenting Recovery Act expenditures. These, in part, are, "…recipients agree to separately identify the expenditures for Federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA)...".

The State Accounting Office also issued instructions to all organizations of the State reporting entity for the SEFA which state, "Agency management is responsible to ensure proper accounting and reporting of Federal grants. Expenditures reported in the SEFA must be reported on the GAAP basis of accounting relevant to the organization's reporting fund and must reconcile to expenditures recorded in the organization's accounting records."

Information: For the misstatement amounts which could be determined, audit adjustments were made to correct the SEFA for the errors identified in the Condition paragraph.

Cause: The Department failed to implement adequate policies and procedures to ensure that expenditures of Federal awards were accurately reported on their SEFA. In addition, the Department failed to follow the instructions provided by the OMB and the State Accounting Office.

Effect: Failure to accurately report expenditures for Federal awards could result in misstatements on the SEFA as reported in the Single Audit Report.

Recommendation: The Department of Labor should implement additional policies and procedures to ensure that an accurate Schedule of Federal Awards is prepared and submitted in accordance with Federal regulations and the State Accounting Office guidelines.

BEHAVIORAL HEALTH AND DEVELOPMENTAL DISABILITIES, DEPARTMENT OF

Finding Control Number: **FA-441-11-01**
MATCHING, LEVEL OF EFFORT, EARMARKING
Internal Control Deficiency
Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)
U. S. Department of Health and Human Services
Grant Awards: Year 2010 - 2B08TI010061-10; Year 2009 - 2B08TI010012-09; 2B08TI010061-09

Condition: Our examination included a review of the financial reports (SF-269A) for the Substance Abuse Prevention and Treatment Block Grant (SAPT) program that were submitted to the Federal awarding agency during fiscal year 2011. The report needed for the testing of Earmarking had not been accurately reconciled back to the general ledger, and was therefore considered invalid. Due to this, the auditor did not have reliable expenditure amounts in order to test for the Earmarking requirements.

Criteria: For Earmarking, the A-133 Compliance Supplement, Section G Matching, Level of Effort, Earmarking states: "a. A State may not spend more than 15 percent for administrative purposes, excluding expenditures for information technology and computerization needed for required tracking and monitoring, of the total combined amounts available under the State family assistance grant, supplemental grant for population increases, contingency funds, and emergency funds (42 USC 604(b)(1) and (2); 45 CFR sections 263.0 and 263.13)."

Cause: The deficiency noted occurred as a result of the Department's failure to establish internal control procedures to ensure that the financial reports (SF-269) for the SAPT program are completed correctly, reviewed and agree to the general ledger before submission to the Federal grantor agency.

Effect: Failure to reconcile the financial reports for the SAPT program to the general ledger resulted in the auditor not having reliable expenditure amounts to use for verifying whether the Earmarking requirements had been met; resulting in a scope limitation.

Recommendation: The Department of Behavioral Health and Developmental Disabilities should develop appropriate policies and procedures to ensure that the financial reports (SF-269) for the Substance Abuse Prevention and Treatment Block Grant program are completed correctly, reviewed, and reconciled to the general ledger prior to submission to the Federal grantor agency.

Finding Control Number: **FA-441-11-02**
REPORTING
Internal Control Deficiencies
Block Grants for Prevention and Treatment of Substance Abuse (CFDA 93.959)
U. S. Department of Health and Human Services
Grant Awards: Year 2010 - 2B08TI010061-10; Year 2009 - 2B08TI010061-09

Condition: Our examination included a review of the annual financial reports (SF-269A) for the Substance Abuse Prevention and Treatment (SAPT) Block Grant at the Department of Behavioral Health and Developmental Disabilities (DBHDD) that were submitted to the Federal awarding agency.

For State Fiscal Year 2011, reports submitted for the year ending 9/30/2010 were selected for testing.

For the year ending 9/30/2010, DBHDD should have submitted two (2) SF-269A financial reports, one for SAPT Federal Grant Year 2009 and one for SAPT Federal Grant Year 2010. The following deficiencies were noted:

The Department of Behavioral Health and Developmental Disabilities was not able to provide the required SF-269A reports for grant years 2009 and 2010. Due to multiple versions of the reports provided by DBHDD, the auditor was unable to determine which actual reports were submitted to the Federal Awarding Agency.

In addition, it could not be determined whether appropriate reconciliations of the reports back to the general ledger had been performed.

Criteria: Per Title 45 Section 96.30 of the Code of Federal Regulations (45 CFR 96.30):

> "(b) Financial summary of obligation and expenditure of block grant funds —(1) Block grants containing time limits on both the obligation and the expenditure of funds. After the close of each statutory period for the obligation of block grant funds and after the close of each statutory period for the expenditure of block grant funds, each grantee shall report to the Department:
>
> (i) Total funds obligated and total funds expended by the grantee during the applicable statutory periods; and
>
> (ii) The date of the last obligation and the date of the last expenditure.
>
> (4) Submission of information. Grantees shall submit the information required by paragraph (b)(1), (2), and (3) of this section on OMB Standard Form 269A, Financial Status Report (short form). Grantees are to provide the requested information within 90 days of the close of the applicable statutory grant periods."

Also Per Title 2 Section 215.21 of the Code of Federal Regulations (2 CFR 215.21):

> "(b) Recipients' financial management systems shall provide for the following. (1) Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Sec. 215.52."

Cause: The deficiencies noted occurred as a result of the DBHDD's failure to implement adequate policies and procedures to ensure that all required Federal reports are submitted and to ensure that all reconciling items for the SF-269A reports are posted to the general ledger in a timely manner.

Effect: Failure to submit Federal reports and the failure to reconcile the Federal reports to the general ledger before submission to the Federal grantor agency could result in the submission of inaccurate and/or incomplete Federal financial reports. As a result of these deficiencies, which result in a scope limitation, we can offer no assurances on the SF-269A Substance Abuse Prevention and Treatment reports.

Recommendation: The Department of Behavioral Health and Developmental Disabilities should implement policies and procedures to ensure that Federal reports are reconciled to the general ledger and properly reviewed and approved before submission to the Federal grantor agency.

In addition, policies and procedures should be implemented to ensure that all required Federal reports are submitted in a timely manner and that proper documentation of their review, approval and submission is retained as evidence of such.

INVESTIGATION, GEORGIA BUREAU OF

Finding Control Number: **FA-471-11-01**
SUBRECIPIENT MONITORING
Deficiencies in Subrecipient Monitoring Procedures and Failure to Accurately Report Pass-Through Amounts Provided to Subrecipients.
Edward Byrne Memorial Justice Assistance Grant Program (CFDA 16.738)
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government (CFDA 16.803)
U. S. Department of Justice
Grant Awards: Year 2011 - 2010-DJ-BX-0362; Year 2010 - 2009-DJ-BX-0077; Year 2009 - 2009-SU-B9-003; Year 2008 - 2008-DJ-BX-0011; 2008-DJ-BX-0762

Condition: During our examination of the subrecipient monitoring procedures at the Criminal Justice Coordinating Council (Council), an administratively attached agency of the Georgia Bureau of Investigation, the following deficiencies were noted:

1. The Council did not have procedures in place for during-the-award monitoring for adherence with the Federal compliance requirements of the program, except to validate that subrecipient expenditures were for approved purposes.

2. The Council did not have procedures in place to ensure that the A-133 requirement for Federal audits of subrecipients was met.

3. Pass-Through amounts provided to subrecipients, required for the Notes to the Schedule of Expenditures of Federal Awards (SEFA) for the Single Audit Report were not submitted as required.

Criteria: Per the Office of Management and Budget (OMB) A-133 Compliance Supplement, part 3, page 3-M-1:

> "A pass-through entity is responsible for:

During-the-Award Monitoring – Monitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

Subrecipient Audits – (1) Ensuring that subrecipients expending $500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period; (2) issuing a management decision on audit 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 accordance with OMB Circular A-133 Subpart C Section .300(a), "The auditee shall identify all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the federal agency and name of the pass-through entity."

Cause: The deficiencies noted were the result of the Council's failure to implement procedures to adequately perform during-the-award monitoring or to adequately monitor the submission of subrecipient audit reports. Additionally, the Council failed to implement adequate policies and procedures to ensure that the Federal Award amounts provided to subrecipients are reported correctly for Single Audit Report purposes.

Effect: Failure to adequately perform during-the-award monitoring and ensure subrecipient audit requirements are met results in noncompliance with Federal regulations. In addition, the failure to obtain audit reports within the required time period could result in noncompliance and/or misstatements not being detected by management.

The failure to accurately report Federal award amounts provided to subrecipients could result in inaccurate reporting within the Single Audit Report.

Recommendation: The Council should develop and implement policies and procedures to fully monitor the during-the-award process for subrecipients and to ensure that subrecipients submit their audit reports as required. The Council should also implement policies and procedures to ensure that amounts provided to subrecipients get reported correctly as pass-through amounts for reporting within the Single Audit Report.

Finding Control Number: **FA-471-11-02**
REPORTING
Reporting Deficiencies
Edward Byrne Memorial Justice Assistance Grant Program (CFDA 16.738)
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government (CFDA 16.803)
U. S. Department of Justice
Grant Awards: Year 2011 - 2008-DJ-BX-0762; 2009-SU-B9-0003; Year 2010 - 2008-DJ-BX-0011; 2009-DJ-BX-0077

Condition: During our examination of the Federal Financial Reports (SF-425) prepared and submitted by the Criminal Justice Coordinating Council (Council), an attached agency of the Georgia Bureau of Investigation, the following deficiencies were noted:

1. The Council failed to accurately complete the Federal fiscal year 2011 financial status reports for the JAG Program Cluster. Interest income was not reported on the December 2010

financial status report for four (4) grants. In addition, interest income was not reported on the March 2011 report for one (1) grant.

2. The Council failed to review and approve the SF-425 reports before their submission.

Criteria: Per Title 2 Section 215.21 of the Code of Federal Regulations (2 CFR 215.21): "(b) Recipients' financial management systems shall provide for the following. 1) Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Sec. 215.52."

Information: The financial status reports (SF-425) were not accurate for two (2) of the four (4) quarters during the year. However, by year end, the Council had implemented adequate internal controls to ensure that their financial status reports were completed accurately and reviewed and approved prior to their submission. In addition, the Council corrected and resubmitted their financial reports which contained errors.

Cause: The deficiency noted above occurred as a result of the Criminal Justice Coordinating Council's failure to have adequate internal control procedures in place to ensure that the financial status reports for the JAG Program Cluster were accurately completed, reviewed and approved prior to their submission.

Effect: Failure to accurately complete, review and approve the financial status reports for the JAG Program Cluster resulted in noncompliance with program requirements due to the initial submission of inaccurate reports.

Recommendation: The Criminal Justice Coordinating Council should continue to use the internal control policies and procedures for financial reporting developed at year end to ensure that the financial status reports are accurately completed reviewed and approved prior to their submission.

TRANSPORTATION, DEPARTMENT OF

Finding Control Number: **FA-484-11-01**
PROCUREMENT AND SUSPENSION AND DEBARMENT
SPECIAL TESTS AND PROVISIONS
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Highway Planning and Construction (CFDA 20.205)
U. S. Department of Transportation
Grant Awards: N 4510.697; N 4510.705; N 4510.727; N 4510.738

Condition: The Department of Transportation's (Department) Office of Materials and Research did not consistently complete and/or maintain quarterly Materials Certificate (MC) Checklists in accordance with the Department's Quality Assurance program. During our examination of the Office of Materials and Research project files, we noted that quarterly Materials Certificate Checklists were not completed for twelve (12) of the twenty-five (25) projects tested even though the construction reports for these projects indicated that materials were used. In addition, the Materials Certificate Checklists were not completed for seven (7) projects that were funded with American Recovery and Reinvestment Act (ARRA) funds.

Criteria: According to the Department's policies and procedures, Sections 20.2 and 20.3, "Projects let January 2002 and after require a Materials Certificate Checklist to be completed and sent to the Office of Materials and Research, Materials Audit Unit for every project that has a construction report turned in during the preceding three months... The MC checklist shall be completed every January, April, July and October by the Project Engineer for every project that had work going on for the previous three months... The deadline to turn in the checklist is 30 days after the last day of the report month."

Section 1605 of the American Recovery and Reinvestment Act specifies that for any ARRA funded project requiring the construction, alteration, maintenance or repair of a public building or public work, 100% of the iron, steel and manufactured goods used in the project must be produced in the United States.

Cause: The deficiencies noted were the result of the Department's failure to ensure that the quarterly Materials Certificate Checklists were consistently completed and maintained in accordance with the internal control procedures established in the Quality Assurance program.

Effect: Failure to adhere to the prescribed internal control procedures may affect project costs and project closeout procedures and could result in noncompliance with Federal regulations.

Recommendation: The Department of Transportation should review their internal controls and implement additional controls as needed to ensure that the established procedures relating to the completion of the quarterly Materials Certificate Checklists are properly and consistently followed.

Finding Control Number: **FA-484-11-02**
REPORTING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Formula Grants for Other Than Urbanized Areas (CFDA 20.509)
U. S. Department of Transportation
Grant Awards: GA-18-X029-01; GA-18-X030-01; GA-18-X031-00

Condition: Our examination of Special Reporting for the Nonurbanized Area Formula program included a review of the Statewide Summary report (RU-30) that the Department of Transportation (Department) submitted to the National Transit Database (NTD) during fiscal year 2011 and the supporting source documentation, which included the following:

- Rural General Public Transit Service forms (RU-20)
- Subrecipient Financial and Operating Information (reported in the Rural Management Information System)

Our examination revealed the following deficiencies:

(1) The Department did not have a review process in place to ensure the accuracy and completeness of the financial and operating information reported in the RU-30 report and the supporting RU-20 forms.

(2) Discrepancies were identified between the financial and operating information reported in the Rural General Public Transit Service forms and Rural Management Information System for six (6) of the ten (10) subrecipients that were randomly selected for testing.

Criteria: The Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, Part 1, Page 1-6, states, in part: "As a condition of receiving Federal awards, non-Federal entities agree to comply with applicable laws, regulations, and the provisions of contract and grant agreements, and to maintain internal control to provide reasonable assurance of compliance with these requirements."

An adequate system of internal controls requires that reports of Federal Awards be reviewed by a supervisor or manager prior to being submitted to the Federal awarding agency to assure accuracy and completeness of the data and information included in the reports. Proper documentation should be maintained to preserve evidence that the review was performed. The date of the review and the signature of the reviewer (even in electronic form) should be included in the supporting documentation.

Cause: The deficiencies noted were the result of the Department's failure to have adequate internal control procedures over Special Reporting to ensure the accuracy and completeness of the financial and

operating information reported in the Statewide Summary report and supporting Rural General Public Transit Service forms.

Effect: Inadequate internal controls over Special Reporting resulted in the submission of inaccurate and/or incomplete information to the National Transit Database and increased the risk that the Department will not comply with Federal regulations.

Recommendation: The Department of Transportation should develop and implement internal controls over Special Reporting to ensure that reviews of the financial and operating information included in the Statewide Summary report and Rural General Public Transit Service forms are performed and that the information reported is accurate and properly supported by the subrecipient information maintained in the Rural Management Information System.

Finding Control Number: **FA-484-11-03**
SUBRECIPIENT MONITORING
Internal Control Deficiencies/Noncompliance with Federal Program Regulations
Highway Planning and Construction (CFDA 20.205)
U. S. Department of Transportation
Grant Awards: N 4510.697; N 4510.705; N 4510.727; N 4510.738

Condition: Our examination of Subrecipient Monitoring for the Highway Planning and Construction Cluster (HPCC) program included interviews with the Department of Transportation's (Department) central office and district office personnel and the inspection of supporting documentation. The following deficiencies were noted during our examination:

(1) The Department could not provide formal written internal control policies and procedures for evaluating and monitoring compliance with the Subrecipient Monitoring requirements when determining Subrecipient Eligibility, Central Contractor Registration, Award Identification, and Pass-Through Entity Impact. Furthermore, there was no evidence that the Department complied with these requirements during the fiscal year.

(2) The Department did not have policies and procedures in place that define or establish what constitutes reasonable or adequate performance and documentation of "During-the-Award Monitoring" of HPCC subrecipients, except to require that subrecipient expenditures be approved prior to reimbursement.

(3) The Office of Management and Budget (OMB) Circular A-133 requirement for Federal audits of subrecipients was not consistently met. The Department's Office of Audits failed to obtain audits for three (3) of the twelve (12) subrecipients tested. In addition, there were no formal written internal control policies and procedures for: a) enforcing sanctions or other appropriate actions for noncompliance with the A-133 requirement, b) issuing management decisions on subrecipient audit findings, and c) verifying the timely implementation of corrective actions by subrecipients.

Criteria: The OMB Circular A-133 Compliance Supplement, Part 1, Page 1-6, states: "As a condition of receiving Federal awards, non-Federal entities agree to comply with laws, regulations, and the provisions of contract and grant agreements, and to maintain internal control to provide reasonable assurance of compliance with these requirements."

According to the Subrecipient Monitoring section included in Part 3 of the OMB Circular A-133 Compliance Supplement, a pass-through entity is responsible for:

- Determining Subrecipient Eligibility

"… for subawards made on or after October 1, 2010, determining whether an applicant for a non-ARRA subaward has provided a Dun and Bradstreet Data Universal Numbering System (DUNS) number as part of its subaward application or, if not, before award…"

- Central Contractor Registration (CCR)
  "For ARRA subawards, identifying to first-tier subrecipients the requirement to register in the Central Contractor Registration, including obtaining a DUNS number, and maintaining the currency of that information..."

- Award Identification
  "At the time of the subaward, identifying to the subrecipient the Federal award information (i.e., CFDA title and number; award name and number; if the award is research and development; and name of Federal awarding agency) and applicable compliance requirements. For ARRA subawards, identifying to the subrecipient the amount of ARRA funds provided by the subaward and advising the subrecipient of the requirement to identify ARRA funds in the Schedule of Expenditures of Federal Awards (SEFA) and the SF-SAC…"

- During-the-Award Monitoring
  "Monitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved."

- Subrecipient Audits
  "(1) Ensuring that subrecipients expending $500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133…" "…and that the required audits are completed within 9 months of the end of the subrecipient's audit period; (2) issuing a management decision on audit 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."

- Pass-Through Entity Impact
  "Evaluating the impact of subrecipient activities on the pass-through entity's ability to comply with applicable Federal regulations."

In addition, the Highway Planning and Construction Cluster (HPCC) program compliance requirements included in Part 4 of the OMB Circular A-133 Compliance Supplement state that "State DOTs are responsible for determining that subrecipients of Federal-aid highway funds have adequate project delivery systems for projects approved under 23 USC. They also are required to determine whether subrecipients have sufficient accounting controls to properly manage such Federal-aid funds…"

Cause: The deficiencies noted were the result of the Department's failure have internal control policies and procedures in place to ensure compliance with the A-133 requirements for Subrecipient Monitoring.

Effect: Inadequate internal controls over Subrecipient Monitoring could result in improper program costs being reimbursed to subrecipients and noncompliance with Federal regulations.

Recommendation: The Department of Transportation should develop, implement, and formally document policies and procedures over Subrecipient Monitoring to ensure that the A-133 compliance requirements are consistently followed and documented for subrecipients of Highway Planning and Construction Cluster funds.

Federal Awards Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Finding Control Number: **FA-484-11-04**
SPECIAL TESTS AND PROVISIONS
Failure to Submit an Accurate Schedule of Expenditures of Federal Awards
Airport Improvement Program (CFDA 20.106)
Highway Planning and Construction (CFDA 20.205)
Safety Data Improvement Program (CFDA 20.234)
Federal Transit Capital Investments Grants (CFDA 20.500)
Metropolitan Transportation Planning (CFDA 20.505)
Federal Transit Formula Grants (CFDA 20.507)
Formula Grants for Other Than Urbanized Areas (CFDA 20.509)
Job Access Reverse Commute (CFDA 20.516)
U. S. Department of Transportation
Grant Awards: Year 2011 – GA-04-0017-01; GA-18-X031-00; GA-2011-000-00432; GA-37-X022-01; GA-80-0006-01; GA-90-X286-00; N 4510.738; Year 2010 - 3-13-0000-04; 3-13-SBGP-005; 3-13-SBGP-006; GA-18-X030-01; GA-37-X019-01; GA-80-0005-00; GA-90-X259-01; N 4510.727; Year 2009 - 3-13-SBGP-0003; 3-13-SBGP-0004; GA-18-X029-01; GA-86X001; GA-86X001; N 4510.697; N 4510.705

Condition: Our examination of the Schedule of Expenditures of Federal Awards (SEFA) submitted by the Department of Transportation (Department) revealed the following deficiencies, which were corrected by audit adjustments:

1) The expenditure total identified in the SEFA for CFDA (Catalog of Federal Domestic Assistance) No. 20.205, Highway Planning and Construction (Federal-Aid Highway Program), was understated by $426,664.08.

2) CFDA No. 20.234, Safety Data Improvement Program, was incorrectly identified in the SEFA as a direct grant instead of an indirect grant.

3) The expenditure total for CFDA No. 20.500, Federal Transit - Capital Investment Grants, was incorrectly classified in the SEFA as expenditures of Federal awards under the American Recovery and Reinvestment Act (ARRA).

4) The amount of ARRA funds and regular Expenditure Award (non-ARRA) funds provided to subrecipients during fiscal year 2011 were not identified in the SEFA for the following programs:

CFDA No.	Program Name	Amount
American Recovery and Reinvestment Act		
20.106	Airport Improvement Program	$217,315.34
20.205	Highway Planning and Construction	$31,824,347.04
20.507	Federal Transit - Formula Grants	$1,277,902.18
20.509	Formula Grants for Other Than Urbanized Areas	$10,639,860.44
Regular Expenditure Awards		
20.205	Highway Planning and Construction	$29,337,608.71
20.500	Federal Transit - Capital Investment Grants	$2,487,188.82

Errors totaling $204,152.71 were also noted in the amounts reported for regular Expenditure Award funds provided to subrecipients for the following programs:

CFDA No.	Program Name
20.106	Airport Improvement Program
20.505	Metropolitan Transportation Planning
20.507	Federal Transit Formula Grants
20.509	Formula Grants for Other Than Urbanized Areas
20.516	Job Access - Reverse Commute

Criteria: As prescribed by O.C.G.A. 50-5B-4, (b)"All organizations of state government…shall conform to and comply with the rules, regulations, policies, procedures, and forms devised, promulgated, and installed by the state accounting officer. (c) All organizations of state government shall submit statements, reports, information, and data necessary to enable the state accounting officer to complete the reports required under this Code section...(g) All information and reports required in this Code section shall be provided in the form and within the time frame prescribed by the state accounting officer."

The State Accounting Office issued instructions to all organizations of the State reporting entity for the SEFA which state, "Agency management is responsible to ensure proper accounting and reporting of Federal grants. Expenditures reported in the SEFA must be reported on the GAAP basis of accounting relevant to the organization's reporting fund and must reconcile to expenditures recorded in the organization's accounting records."

In accordance with OMB Circular A-133 Subpart C Section .300(a) and .310(b), (1) "The auditee shall identify all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency and name of the pass-through entity." (2) "...pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program."

Cause: The Department failed to implement adequate policies and procedures that would provide for the accurate reporting of expenditures of Federal awards on the SEFA as required by federal regulations and SAO instructions.

Effect: Failure to accurately report expenditures for Federal awards could result in misstatements in the Single Audit Report.

Recommendation: The Department of Transportation should implement policies and procedures to ensure that an accurate Schedule of Expenditures of Federal Awards is prepared and submitted in accordance with Federal regulations and the State Accounting Office guidelines.

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC. (*)

Finding Control Number: **FA-5092-11-01**
MATCHING, LEVEL OF EFFORT, EARMARKING
Failure to Meet Required Earmarking Threshold
U. S. Department of Education
TRIO Cluster CFDA # 84.047

Condition: At least two-thirds of the individuals served by an Upward Bound program must be low-income individuals who are potential first-generation college students. Based on the data reported in the annual performance report submitted to the Department of Education ("ED") by the Research Foundation for the period September 1, 2009 through August 31, 2010, only 65.0% of participants in the Upward Bound – Veterans program qualified as both low income and first generation college students.

Criteria: Per 34 CFR 645.4 at least two-thirds of the individuals served under the proposed Upward Bound project will be low-income individuals who are potential first-generation college students.

Cause: Insufficient monitoring of program participants' eligibility status in aggregate.

Effect: A violation or failure to comply with Federal laws and regulations may result in ED withholding payments to the Research Foundation, withholding approval of further grants with the Research Foundation, and any other action deemed necessary to gain compliance.

Recommendation: The program director should monitor the percentage of participants that qualify as both Low Income and First Generation and take appropriate corrective action if the program is not meeting the two-thirds requirement.

Finding Control Number: **FA-5092-11-02**
REPORTING
Required Reports Not Filed or Not Submitted on Time
U. S. Department of Health and Human Services
U. S. Department of Defense
Research and Development Cluster (CFDA # 93.061, 93.389 and 12.431)

Condition: Certain financial and other reports required by grant and contractual agreements entered into by the Research Foundation with various federal agencies were not submitted on time. Of a total of 33 reports judgmentally selected for testing, 3 were not submitted within the required timeframe.

Criteria: The Research Foundation is required to submit performance and financial reports as required by the award terms and conditions. Such reports are required to be submitted within a specified timeframe as required by the applicable grant or contract agreement.

Cause: Insufficient monitoring of compliance with the reporting terms and conditions of awards.

Effect: A violation or failure to comply with an award's terms and conditions may result in the Federal agency withholding payments to the Research Foundation, withholding approval of further grants with the Research Foundation, and any other action deemed necessary to gain compliance.

Recommendation: Efforts should continue to be made by the Research Foundation to reemphasize policies and procedures to ensure required reports are submitted to the contracting agencies by the specified due dates.

ALBANY STATE UNIVERSITY

Finding Control Number: **FA-521-11-01**
SPECIAL TESTING AND PROVISIONS
Deficiencies in Student Financial Aid Process
U. S. Department of Education
Student Financial Aid Cluster Program

Condition: This is a repeat finding (FA-521-10-01) from year ended June 30, 2010. The Student Financial Aid Office failed to properly perform the refund process and to ensure that unearned Title IV funds were returned in a timely manner.

Criteria: Provisions included in 34 CFR 668 provide general requirements for administering Student Financial Aid (SFA) programs.

Questioned Cost: $1,103.00

Information: A sample of twenty-five students that received Federal financial aid and withdrew from the University were selected to determine if refunds were calculated and returned in the correct amount to the proper

funding agency and/or student. Our examination revealed that the University failed to properly calculate the withdrawal refunds for three students due to a deficiency in the operation of the automated control process. The refund calculation for three students caused the University to refund $258.00 more than should have been to the various SFA programs. In addition, one student, noted during the Student Financial Aid sample of awards and disbursements, withdrew from all classes during Fall 2010 semester, but no refund was calculated for the student, which resulted in the University refunding $1,103.00 less than should have been to various SFA programs.

Cause: These deficiencies were the result of management's failure to properly process student financial aid refunds in accordance with Federal regulations due to ineffective operation of the automated control process.

Effect: The SFA Office is not refunding the correct amount of refunds to the Title IV Federal program.

Recommendation: The University should develop and implement procedures to ensure that student financial aid refunds are properly calculated and unearned funds are correctly returned to the appropriate accounts in a timely manner in accordance with the Higher Education Amendments of 1998, Public Law 105-204. The University should also contact the U. S. Department of Education regarding the resolution of this finding.

FORT VALLEY STATE UNIVERSITY

Finding Control Number: **FA-533-11-01**
ELIGIBILITY
Overpayment of Student Financial Aid
U. S. Department of Education
Student Financial Aid Cluster Program

Condition: This is a repeat finding (FA-533-10-01, FA-533-09-01 and FA-533-08-01) from years ended June 30, 2010, June 30, 2009 and June 30, 2008, respectively. The University's Student Financial Aid Office improperly determined the financial need of eligible students.

Criteria: Provisions included in 34 CFR 668 provide general provisions for administering Student Financial Aid (SFA) programs and 34 CFR 674, 675, 676, 682, 690, and 691 provide eligibility and other related program requirements that are specific to the Federal Perkins Loan Program, Federal Work-Study Program, Federal Supplemental Educational Opportunity Grant (SEOG), Federal Family Educational Loan Program (FFEL), Federal Pell Grant Program, and the Federal ACG/SMART Programs, respectively.

Questioned Cost: Questioned Costs of $25,253.96 were identified for students who received student financial aid in excess of their eligible need, which when projected over the entire population, resulted in a projected misstatement of $1,417,043.25.

Information: A sample of sixty financial aid files was selected to determine if financial aid was properly calculated and disbursed to eligible students. The items sampled contained financial aid disbursements of $813,501.51 out of a population of $45,646,972.74. The following deficiencies were noted:

1. Testing of the Scholarships and Fellowships balance reflected on the Statement of Revenues, Expenses and Changes in Net Assets revealed that a significant amount of scholarships were not processed through BANNER but were instead processed through the University's accounts payable system, which could have resulted in the omission of these scholarships from the calculation of student's financial need.

2. Two students in the sample were not in compliance with the University's published satisfactory academic progress policies. Federal regulations (34 CFR 668.32 and 668.34)

state that a student must maintain satisfactory academic progress to be eligible to receive financial assistance under the Title IV programs. The two students failed to meet the quantitative requirements of satisfactory academic progress and this noncompliance resulted in SFA over disbursements totaling $21,629.00.

3. Two students in the sample received Direct Unsubsidized Student Loans before the Subsidized need-based loan limit was reached.

4. One student in the sample was disbursed Direct Student Loans in excess of the annual loan limit totaling $2,301.00.

5. One student in the sample was disbursed Direct Subsidized Student Loans in excess of the aggregate loan limit.

6. Four students were qualified to receive Academic Competitiveness Grant (ACG) awards and did not receive the grant during the academic year.

7. One student was qualified to receive SMART Grant funds and did not receive the grant during the academic year.
8. A refund calculation was not prepared for one student in the sample who unofficially withdrew during the academic year and received Federal financial aid payments. Upon performing a Return of Title IV Funds calculation, it was noted that the University should have returned $1,323.96 in funds disbursed to the student.

Cause: The University's Student Financial Aid Office had not performed a risk assessment of its procedures to identify areas subject to nonconformity with eligibility requirements, and thus there were insufficient controls in place to assure that SFA funds were awarded and disbursed correctly.

Effect: The University was not in compliance with Federal regulations concerning the awarding of SFA funds to students. A total of $25,253.96 was disbursed in excess of eligibility. Additionally, $3,138.00 in eligible aid was not disbursed.

Recommendation: The University should perform a risk assessment of its processes and procedures for determining each student's financial aid eligibility. Where vulnerable, the University should develop and/or modify its policies and procedures to ensure that correct amounts will be awarded to students in conformity with financial need requirements. Additionally, the University should develop and implement a monitoring process to ensure that controls are properly implemented. The University should also contact the U. S. Department of Education regarding the resolution of this finding.

Finding Control Number: **FA-533-11-02**
CASH MANAGEMENT
Excessive Cash Balances
U. S. Department of Education
Student Financial Aid Cluster Program

Condition: The University maintained excessive cash balances related to the Federal Direct Loan program.

Criteria: Provisions included in 34 CFR 668.163 and 668.166 provide requirements for maintaining and accounting for funds and excess cash, respectively.

Information: Upon review of cash drawdowns and disbursements related to the Federal Direct Loan program, excessive cash balances were noted for seventeen days in the fiscal year. Provisions included in 34 CFR 668.166(a)(1), "The Secretary considers excess cash to be any amount of Title IV, HEA program funds, other than Federal Perkins Loan Program funds, that an institution does not disburse to students or parents by the end of the third business day following the date the institution received those funds

from the Secretary." Provisions included in 34 CFR 668.163(c)(4) allows the University to keep the initial $250 it earns on Federal Direct Loan funds. The University earned $580.33 interest during the seventeen days that funds were not disbursed to students or parents, resulting in $330.33 that should be returned to the U. S. Department of Education.

Cause: The University failed to disburse Federal Direct Loan funds within three business days of the receipt of funds.

Effect: The University was not in compliance with Federal regulations concerning the disbursement of Federal Direct Loan funds and excess cash.

Recommendation: The University should establish procedures to ensure that Federal Direct Loan funds are disbursed within three days of the receipt of such funds. The University should only request Federal Direct Loan funds when the amounts are immediately needed to disburse funds to students or parents. Additionally, the University should develop and implement a monitoring process to ensure that controls are properly implemented. The University should also contact the U. S. Department of Education regarding the resolution of this finding.

Finding Control Number: **FA-533-11-03**
MATCHING, LEVEL OF EFFORT AND EARMARKING
Failure to Comply with Federal Work-Study Earmarking Requirements
U. S. Department of Education
Student Financial Aid Cluster Program

Condition: The University failed to use at least seven percent of the sum of its initial and supplemental Federal Work-Study allocations for an award year to compensate students employed in community service activities.

Criteria: Provisions included in 34 CFR 675.18 provide requirements for the use of Federal Work-Study program funds.

Information: Upon review of expenditures related to the Federal Work-Study (FWS) program, it was noted that the proper amount was not expended for community service activities. Per provisions included in 34 CFR 675.18(g)(1) and (2), "For the 2000-2001 award year and subsequent award years, an institution must use at least seven percent of the sum of its initial and supplemental FWS allocations for an award year to compensate students employed in community service activities… The Secretary may waive the requirements…of this section if the Secretary determines that an institution has demonstrated that enforcing the requirements…of this section would cause a hardship for students at the institution." The University also failed to obtain a hardship waiver to provide for the University's exemption from this requirement. The FWS amount authorized for the University was $408,525. Seven percent of the authorization is $28,596.75. The University expended $19,790.88 for community service activities. The University should have expended an additional $8,805.87 for community service activities to be in compliance with Federal regulations.

Cause: The University failed to adequately monitor Federal Work-Study program expenditures to ensure that the proper amount was expended for community service activities.

Effect: The University was not in compliance with Federal regulations concerning the use of Federal Work-Study program funds.

Recommendation: The University should establish procedures to ensure that the proper amount of Federal Work-Study program funds is expended for community service activities. Additionally, the University should develop and implement a monitoring process to ensure that controls are properly implemented. The University should also contact the U. S. Department of Education regarding the resolution of this finding.

SAVANNAH STATE UNIVERSITY

Finding Control Number: **FA-548-11-01**
SPECIAL TESTS AND PROVISIONS
Deficiencies in Student Financial Aid Refund Process
Student Financial Aid Cluster Program

Condition: The Student Financial Aid office failed to properly perform the refund process and to ensure that unearned Title IV funds were returned in a timely manner. This deficiency was previously reported in finding FA-548-10-01 and FA-548-09-01 from fiscal years ended June 30, 2010 and June 30, 2009, respectively.

Criteria: Provisions included in 34 CFR 668 provide general requirements for administering Student Financial Aid (SFA) programs. Provisions included in 34 CFR 685 provide eligibility and other related program requirements that are specific to William D. Ford Direct Student Loan Program.

Questioned Cost: $153.36

Information: Twelve students that received Federal financial aid and officially withdrew from the University were randomly selected to determine if refunds were calculated and returned in the correct amount to the proper funding agency and/or student. Our examination revealed the following deficiencies:

1. One student's unearned Title IV funds were not applied by the University to the appropriate student financial aid programs within 45 days as required by the Higher Education Amendments of 1998, Public Law 105-244.

2. In one instance, the University failed to accurately calculate the amount of earned and unearned Federal financial aid funds after receiving notification of the student's official withdrawal. This resulted in an understatement of Title IV funds returned to the U.S. Department of Education in the amount of $153.36.

3. The University failed to accurately calculate the percentage of earned and unearned Federal financial aid funds after receiving notification of each student's official withdrawal. The University utilized a rounded percentage in the Banner system and a precise percentage in the manual calculation of Title IV funds to be returned to the U.S. Department of Education, resulting in immaterial variances that are reported as accounts receivable to the University or a post-withdrawal disbursement to the student.

Cause: These deficiencies were the result of management's failure to properly process student financial aid refunds in accordance with Federal regulations.

Effect: The SFA Office failed to accurately calculate funds earned and unearned funds were not returned in a timely manner.

Recommendation: The University should develop and implement procedures to ensure that student financial aid refunds are properly calculated and unearned funds are correctly returned to the appropriate accounts in a timely manner in accordance with the Higher Education Amendments of 1998, Public Law 105-244. The University should contact the U.S. Department of Education regarding resolution of this finding.

ALBANY TECHNICAL COLLEGE

Finding Control Number: **FA-820-11-01**
SPECIAL TESTING AND PROVISIONS
Deficiencies in Student Financial Aid Refund Process
U. S. Department of Education
Student Financial Aid Cluster Program

Condition: The Student Financial Aid Office failed to properly perform the refund process and to ensure that unearned Title IV funds were returned in a timely manner. The Technical College failed to calculate student Federal Work Study (FWS) correctly.

Criteria: Provisions included in 34 CFR 668 provide general requirements for administering Student Financial Aid (SFA) programs.

Questioned Cost: $398.00

Information: A sample of seven students that received Federal financial aid and withdrew from the Technical College were selected to determine if refunds were calculated and returned in the correct amount to the proper funding agency and/or student. Our examination revealed that the Technical College failed to properly calculate the withdrawal refunds for two students due to a deficiency in the operation of the automated control process. The refund calculation for these two students resulted in the Technical College refunding $398.00 less than should have been to various SFA programs; it was also noted that the Technical College failed to return the funds to the grantor program within the required time frame for one of the seven students tested.

Cause: These deficiencies were the result of management's failure to properly process student financial aid refunds in accordance with Federal regulations due to ineffective operation of the automated control process,

Effect: The SFA Office is not refunding the correct amount of refunds to the Title IV Federal program.

Recommendation: The Technical College should develop and implement procedures to ensure that student financial aid refunds are properly calculated and unearned funds are correctly returned to the appropriate accounts in a timely manner in accordance with the Higher Education Amendments of 1998, Public Law 105-204. The Technical College should also contact the U. S. Department of Education regarding the resolution of this finding.

HOUSING AND FINANCE AUTHORITY, GEORGIA (*)

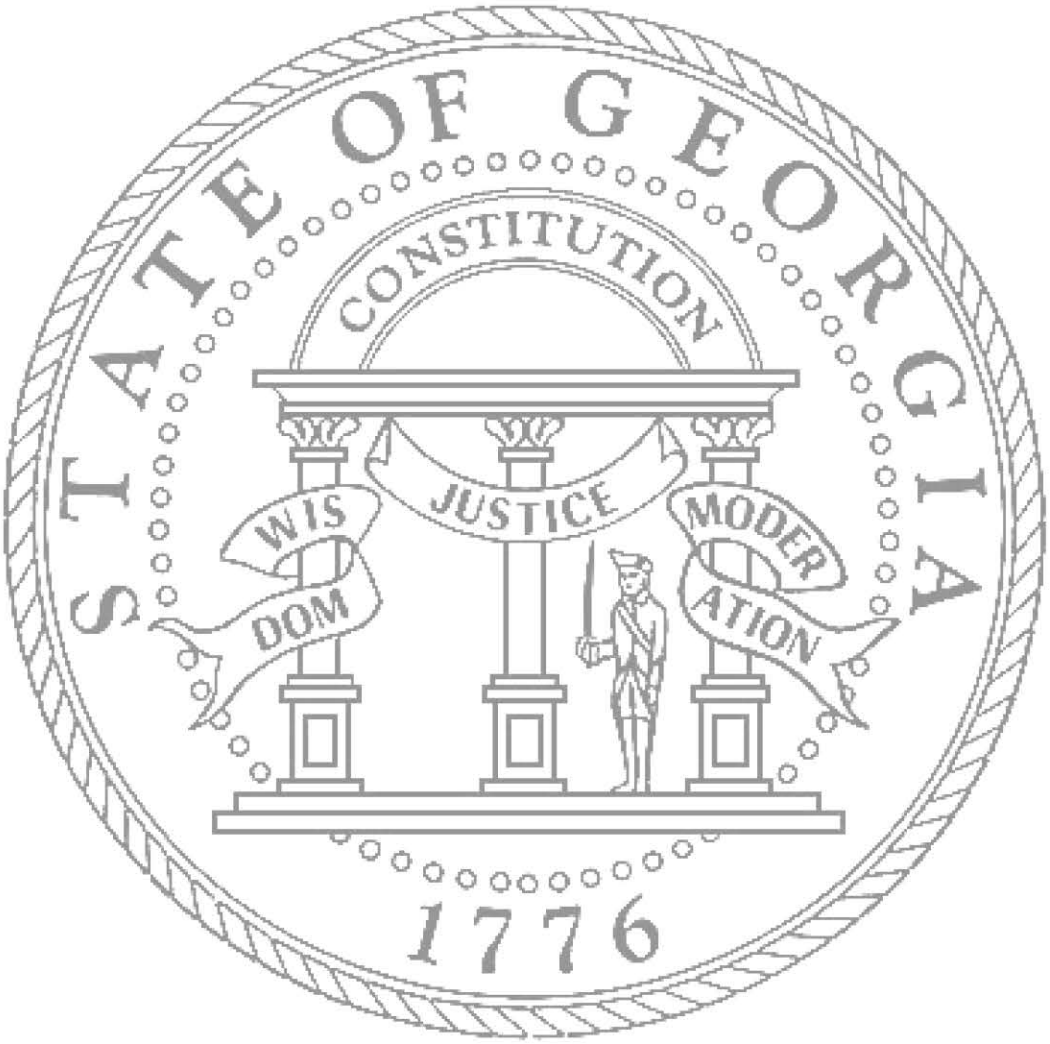
Finding Control Number: **FA-923-11-01**
SUBRECIPIENT MONITORING
Subgrantees did not have adequate documentation of income verification
Homelessness Prevention and Rapid Re-housing Program (HPRP)(Recovery Act Funded) (CFDA 14.257)
U. S. Department of Housing and Urban Development

Condition: Two (2) subgrantees did not have adequate documentation of income verification for eleven participants. The eleven (11) participants did not have any income per the applicant self-declaration. However, the subgrantees did not properly document their attempts to verify $0 income.

Criteria: Income documentation in order of preference is as follows: written third-party verification, oral third-party verification, and applicant self-declaration. Attempts to verify with a third party must be documented before relying on the self-declaration.

Information:	The finding is a misunderstanding in regards to the type of documentation required by HUD for income verification.
Cause:	Eleven participant files did not have proper documentation of attempts at third party income verification.
Effect:	Payments may be made to participants who do not meet the income criteria.
Recommendation:	The Authority should ensure that the subgrantees document all attempts to obtain third-party income verification before relying on the self-declaration.

(*) THIS FINDING RESULTED FROM AN AUDIT PERFORMED BY OTHER AUDITORS.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Auditee's Section

Expenditures of Federal Awards

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Schedule of Expenditures of Federal Awards

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Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
African Development Foundation				
01.OFA	Other Federal Assistance			
Direct			$ 80,061	(R)
Through:	JETS	71307	$ 26,375	
Program Total			**106,436**	
AGENCY TOTAL			$ **106,436**	
Agriculture, U.S. Department of				
10.001	Agricultural Research_Basic and Applied Research			
Direct			$ 1,768,184	(R)
Through:	IOWA STATE UNIVERSITY	20291	$ 20,249	(R)
	MONSANTO	60249	13,000	(R)
	UNIVERSITY OF FLORIDA	20220	5,171	(R)
Program Total			**1,806,604**	
10.025	Plant and Animal Disease, Pest Control, and Animal Care			
Direct			1,600,372	(R)
Through:	MISSISSIPPI STATE UNIVERSITY	20262	3,478	(R)
	RUTGERS UNIVERSITY	20214	84,869	(R)
Program Total			**1,688,719**	
10.028	Wildlife Services			
Direct			677,844	(R)
Program Total			**677,844**	
10.072	Wetlands Reserve Program			
Direct			33,995	(R)
Through:	R STICAS DEL GUADALQUIVIR	70341	1,972	(R)
Program Total			**35,967**	
10.103	2009 Aquaculture Grant Program			
Direct			102,501	
Program Total			**102,501**	
10.104	Poultry Loss Contract Grant Assistance Program			
Through:	STATE OF ARKANSAS	710847443	17,767,702	
Program Total			**17,767,702**	
10.156	Federal-State Marketing Improvement Program			
Direct			45,523	(R)
Program Total			**45,523**	
10.162	Inspection Grading and Standardization			
Direct			33,840	
Program Total			**33,840**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Agriculture, U.S. Department of				
10.163	Market Protection and Promotion			
Direct			$ 170,394	
Program Total			**170,394**	
10.168	Farmers' Market Promotion Program			
Through:	GSU RESEARCH AND SERVICE FOUNDATION	063828383	$ 17,196 (R)	
Program Total			**17,196**	
10.169	Specialty Crop Block Grant Program			
Direct			3,680	
Program Total			**3,680**	
10.170	Specialty Crop Block Grant Program - Farm Bill			
Direct			929,454	
Through:	UNIV OF CALIFORNIA/DAVIS	20423	11,722 (R)	
Program Total			**941,176**	
10.200	Grants for Agricultural Research, Special Research Grants			
Direct			1,280,925 (R)	
Through:	AUBURN UNIVERSITY	20288	-244 (R)	
	AUBURN UNIVERSITY	20288	28,936 (R)	
	CLEMSON UNIVERSITY	20208	4,560 (R)	
	CLEMSON UNIVERSITY	20208	31,909 (R)	
	CORNELL UNIVERSITY	67101	115,702 (R)	
	DONALD DANFORTH PLANT SCI CTR	68932	21,271 (R)	
	FLORIDA STATE UNIVERSITY	20278	203,271 (R)	
	MISSISSIPPI STATE UNIVERSITY	20262	19,330 (R)	
	NORTH CAROLINA STATE UNIV	20211	-219 (R)	
	NORTH DAKOTA STATE UNIVERSITY	20319	3,462 (R)	
	REGENTS OF UNIVERSITY OF CALIF	20285	8,000 (R)	
	RUTGERS UNIVERSITY	20214	869 (R)	
	SOUTHERN REGION SM FRUIT CONS	68534	6,318 (R)	
	UNIVERSITY OF ARKANSAS	20217	2,793 (R)	
	UNIVERSITY OF FLORIDA	20220	31,040 (R)	
	UNIVERSITY OF FLORIDA	20220	97,103 (R)	
	WEST VIRGINIA UNIV RSCH CORP	68507	749 (R)	
	WEST VIRGINIA UNIVERSITY	20363	20,430 (R)	
Program Total			**1,876,205**	
10.202	Cooperative Forestry Research			
Direct			885,077 (R)	
Program Total			**885,077**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Agriculture, U.S. Department of				
10.203	Payments to Agricultural Experiment Stations Under the Hatch Act			
Direct			$ 4,214,051	(R)
Program Total			**4,214,051**	
10.206	Grants for Agricultural Research_Competitive Research Grants			
Direct			1,931,999	(R)
Through:	BAYLOR UNIVERSITY	68960	$ -2,538	(R)
	UNIV OF CALIFORNIA/DAVIS	20423	50,061	(R)
	UNIV OF MARYLAND/COLLEGE PARK, MD	20223	147,763	(R)
	UNIVERSITY OF ARIZONA	20266	54,019	(R)
	WASHINGTON STATE UNIVERSITY	20236	25,499	(R)
	UNIVERSITY OF WISCONSIN/MADISON, WISCONSIN	20232	112,202	(R)
Program Total			**2,319,005**	
10.207	Animal Health and Disease Research			
Direct			85,889	(R)
Program Total			**85,889**	
10.210	Food and Agricultural Sciences National Needs Graduate Fellowship Grants			
Direct			21,561	(R)
Program Total			**21,561**	
10.212	Small Business Innovation Research			
Through:	SSS OPTICAL TECHNOLOGIES, LLC	61539	16,175	(R)
Program Total			**16,175**	
10.215	Sustainable Agriculture Research and Education			
Direct			3,036,279	(R)
Through:	HERBERT GREEN AGROECOLOGY, INC.	108301	3,646	(R)
	UNIVERSITY OF FLORIDA	20220	4	(R)
Program Total			**3,039,929**	
10.216	1890 Institution Capacity Building Grants			
Direct			2,578,912	(R)
Program Total			**2,578,912**	
10.217	Higher Education Challenge Grants			
Direct			479,942	(R)
Through:	UNIVERSITY OF FLORIDA	20220	42,724	(R)
	UNIVERSITY OF WISCONSIN/MADISON, WISCONSIN	20232	11,175	(R)
Program Total			**533,841**	
10.219	Biotechnology Risk Assessment Research			
Direct			78,861	(R)
Program Total			**78,861**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Agriculture, U.S. Department of				
10.220	Higher Education Multicultural Scholars Program			
Direct			$ 73,880	(R)
Program Total			**73,880**	
10.250	Agricultural and Rural Economic Research			
Direct			114,325	(R)
Program Total			**114,325**	
10.253	Food Assistance and Nutrition Research Programs (FANRP)			
Through:	UNIVERSITY OF BALTIMORE	UNKNOWN	$ 46,816	(R)
Program Total			**46,816**	
10.254	Program of Research on the Economic of Invasive Species Management (PREISM)			
Direct			51,042	(R)
Program Total			**51,042**	
10.303	Integrated Programs			
Direct			1,847,349	(R)
Through:	NORTH CAROLINA STATE UNIV	20211	27,060	(R)
	NORTH CAROLINA STATE UNIV	20211	31,027	(R)
	SOUTH DAKOTA STATE UNIVERSITY	20387	7,297	(R)
	TEXAS AGRILIFE EXTENSION SERVICE	2008-51130-19537	12,129	(R)
	TEXAS AGRILIFE EXTENSION SVC	20466	68,786	(R)
	UNIV OF CALIFORNIA/DAVIS	20423	86,610	(R)
	UNIVERSITY OF FLORIDA	20220	2,158	(R)
	UNIVERSITY OF IDAHO	20287	41,635	(R)
	UNIVERSITY OF MINESOTA	41-6007513	557	
	VIRGINIA POLYTECHNIC INSTITUTE	20233	4,309	(R)
	WESTERN MICHIGAN UNIVERSITY	20376	101,177	(R)
Program Total			**2,230,094**	
10.304	Homeland Security_Agricultural			
Direct			463,195	(R)
Through:	UNIVERSITY OF FLORIDA	20220	51,976	(R)
Program Total			**515,171**	
10.305	International Science and Education Grants			
Direct			68,010	(R)
Program Total			**68,010**	
10.307	Organic Agriculture Research and Extension Initiative			
Direct			28,112	(R)

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Agriculture, U.S. Department of				
Through:	UNIVERSITY OF FLORIDA	20220	$ 2,514 (R)	
Program Total			**30,626**	
10.309	Specialty Crop Research Initiative			
Direct			$ 586,711 (R)	
Through:	TEXAS A&M RESEARCH FOUND	69107	13,357 (R)	
	UNIV OF MARYLAND/COLLEGE PARK, MD	20223	101,383 (R)	
Program Total			**701,451**	
10.310	Agriculture and Food Research Initiative (AFRI)			
Direct			1,871,629 (R)	
Through:	EMORY UNIVERSITY	67128	33,314 (R)	
	NORTH CAROLINA STATE UNIV	20211	72,284 (R)	
	UNIV OF CALIFORNIA/RIVERSIDE	29252	2,201 (R)	
	UNIV OF KENTUCKY RESEARCH FDN	69324	56,363 (R)	
	UNIV OF NEBRASKA-LINCOLN	20263	359 (R)	
	UNIVERSITY OF FLORIDA	20220	320 (R)	
	UNIVERSITY OF MINNESOTA	20225	9,880 (R)	
	WASHINGTON STATE UNIVERSITY	20236	10,977 (R)	
Program Total			**2,057,327**	
10.315	ARRA-Trade Adjustment Assistance for Farmers Training Coordination Program - TAAF			
Through:	UNIVERSITY OF MINNESOTA	20225	18,210 (R)	
Program Total			**18,210**	
10.443	Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers			
Direct			309,985 (R)	
Program Total			**309,985**	
10.446	Rural Community Development Initiative			
Direct			15,795 (R)	
Program Total			**15,795**	
10.450	Crop Insurance			
Direct			79,007 (R)	
Program Total			**79,007**	
10.455	Community Outreach and Assistance Partnership Program			
Direct			23,387 (R)	
Program Total			**23,387**	
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection			
Direct			5,987,830	
Program Total			**5,987,830**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES	
Agriculture, U.S. Department of					
10.500	Cooperative Extension Service				
Direct			$ 13,490,119 (R)		
Through:	AUBURN UNIVERSITY	20288	$ 109,025 (R)		
	CLEMSON UNIVERSITY	20208	1,000 (R)		
	COUNTY OF DOUGHERTY	40154	3,907 (R)		
	KANSAS STATE UNIVERSITY	20255	153,603 (R)		
	LOUISIANA STATE UNIVERSITY	20252	619 (R)		
	MONTANA STATE UNIVERSITY	20380	1,243 (R)		
	NORTH CAROLINA STATE UNIV	20211	710 (R)		
	PURDUE UNIVERSITY	20213	141,064 (R)		
	PURDUE UNIVERSITY	20213	26,583 (R)		
	TEXAS AGRILIFE EXTENSION SVC	20466	62,072 (R)		
	TEXAS COOPERATIVE EXTENSION	20406	-86 (R)		
	UNIV OF NEBRASKA-LINCOLN	20263	38,372 (R)		
	UNIVERSITY OF ARKANSAS	20217	8,513 (R)		
	UNIVERSITY OF FLORIDA	20220	1,599 (R)		
Program Total			**14,038,343**		
10.551	Supplemental Nutrition Assistance Program(SC)				
Direct			3,766	2,824,500,630	
Program Total			**3,766**	**2,824,500,630**	(4)
10.553	School Breakfast Program(CNC)				
Direct			143,492,823		
Program Total			**143,492,823**		
10.555	National School Lunch Program(CNC)				
Direct			524,677,311	47,632,573	
Program Total			**524,677,311**	**47,632,573**	(4)
10.556	Special Milk Program for Children(CNC)				
Direct			13,837		
Program Total			**13,837**		
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children				
Direct			291,354,078		
Program Total			**291,354,078**		(2)
10.558	Child and Adult Care Food Program				
Direct			4,893,750		
Program Total			**4,893,750**		
10.559	Summer Food Service Program for Children(CNC)				
Direct			13,116		
Program Total			**13,116**		

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Agriculture, U.S. Department of				
10.560	State Administrative Expenses for Child Nutrition			
Direct			$ 8,366,150	
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	$ 35,676	
Program Total			**8,401,826**	
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program(SC)			
Direct			66,061,860	
Program Total			**66,061,860**	
10.561	ARRA-State Administrative Matching Grants for the Supplemental Nutrition Assistance Program(SC)			
Direct			172,908	
Program Total			**172,908**	
10.565	Commodity Supplemental Food Program			
Direct			152,524	
Program Total			**152,524**	
10.568	Emergency Food Assistance Program - Administrative Costs(EFA)			
Direct			1,531,409	
Program Total			**1,531,409**	
10.568	ARRA-Emergency Food Assistance Program - Administrative Costs(EFA)			
Direct			1,291,940	
Program Total			**1,291,940**	
10.574	Team Nutrition Grants			
Direct			142,435	
Through:	UNIVERSITY OF MISSISSIPPI	UNKNOWN	-300 (R)	
Program Total			**142,135**	
10.580	Supplemental Nutrition Assistance Program, Outreach/Participation Program			
Direct			566,512	
Program Total			**566,512**	
10.582	Fresh Fruit and Vegetable Program			
Direct			2,555,247	
Program Total			**2,555,247**	
10.600	Foreign Market Development Cooperator Program			
Direct			14,806 (R)	
Program Total			**14,806**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Agriculture, U.S. Department of				
10.603	Emerging Markets Program			
Direct			$ 147,003	(R)
Program Total			**147,003**	
10.652	Forestry Research			
Direct			1,069,956	(R)
Through:	UNIV OF KENTUCKY RESEARCH FDN	69324	$ 7,525	(R)
	US ENDOWMENT FORESTRY & COMMUN	67051	255,975	(R)
Program Total			**1,333,456**	
10.664	Cooperative Forestry Assistance			
Direct			3,982,466	(R)
Program Total			**3,982,466**	
10.665	Schools and Roads_Grants to States(SRC)			
Direct			1,690,086	
Program Total			**1,690,086**	
10.672	Rural Development, Forestry, and Communities			
Through:	UNIV OF MISSOURI-COLUMBIA	20443	3,046	(R)
Program Total			**3,046**	
10.676	Forest Legacy Program			
Direct			3,549,717	(R)
Program Total			**3,549,717**	
10.678	Forest Stewardship Program			
Direct			295,388	(R)
Program Total			**295,388**	
10.680	Forest Health Protection			
Direct			1,188,540	(R)
Program Total			**1,188,540**	
10.687	ARRA-Recovery Act of 2009: Capital Improvement and Maintenance			
Direct			128,763	(R)
Program Total			**128,763**	
10.688	ARRA-Recovery Act of 2009: Wildland Fire Management			
Direct			5,872,872	
Program Total			**5,872,872**	
10.769	Rural Business Enterprise Grants			
Direct			384,275	
Program Total			**384,275**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Agriculture, U.S. Department of				
10.783	ARRA-Rural Business Enterprise Grants - ARRA			
Direct			$ 402,907	
Program Total			**402,907**	
10.855	Distance Learning and Telemedicine Loans and Grants			
Direct			271,112	
Program Total			**271,112**	
10.856	1890 Land Grant Institutions Rural Entrepreneurial Outreach Program			
Direct			74,318	
Program Total			**74,318**	
10.868	Rural Energy for America Program			
Direct			67,240	(R)
Program Total			**67,240**	
10.902	Soil and Water Conservation			
Direct			2,429,310	(R)
Program Total			**2,429,310**	
10.903	Soil Survey			
Direct			18,233	(R)
Program Total			**18,233**	
10.912	Environmental Quality Incentives Program			
Direct			183,758	(R)
Through:	AUBURN UNIVERSITY	20288	$ 9,743	(R)
Program Total			**193,501**	
10.916	Watershed Rehabilitation Program			
Direct			131,194	
Program Total			**131,194**	
10.916	ARRA-Watershed Rehabilitation Program			
Through:	USDA NATURAL RESOURCES CONSERVATION SERVICE	58-0642409	2,349,179	
Program Total			**2,349,179**	
10.950	Agricultural Statistics Reports			
Direct			67,300	
Program Total			**67,300**	
10.960	Technical Agricultural Assistance			
Direct			43,568	(R)
Program Total			**43,568**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Agriculture, U.S. Department of				
10.961	Scientific Cooperation and Research			
Direct			$ 40,759 (R)	
Program Total			**40,759**	
10.962	International Training_Foreign Participant			
Direct			168,624 (R)	
Program Total			**168,624**	
10.OFA	Other Federal Assistance			
Direct			136,454 (R)	
Through:	INSECTIGEN, INC.	61380	$ 10,901 (R)	
	PENNSYLVANIA STATE UNIVERSITY	20269	193,874 (R)	
	UNIVERSITY OF FLORIDA	20220	40,661 (R)	
Program Total			**381,890**	
AGENCY TOTAL			$ **1,135,856,546**	$ **2,872,133,203**
Commerce, U.S. Department of				
11.010	Community Trade Adjustment Assistance(EDC)			
Direct			$ 11,745 (R)	
Program Total			**11,745**	
11.011	Ocean Exploration			
Direct			11,163 (R)	
Program Total			**11,163**	
11.113	ITA Special Projects			
Through:	NATIONAL TEXTILE CENTER/CLEMSON, SC	ITA-08-07400	$ 329,966 (R)	
	TEX TECH INDUSTRIES/NORTH MONMOUTH, ME	SB134109CN0074	77,277 (R)	
Program Total			**407,243**	
11.300	Investments for Public Works and Economic Development Facilities(EDC)			
Direct			940,025	
Program Total			**940,025**	
11.303	Economic Development_Technical Assistance			
Direct			2,445,249 (R)	
Program Total			**2,445,249**	
11.307	Economic Adjustment Assistance(EDC)			
Direct			14,974	
Through:	FLORIDA CITRUS MUTUAL	04-69-06351	38,770 (R)	
Program Total			**53,744**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Commerce, U.S. Department of				
11.307	ARRA-Economic Adjustment Assistance(EDC)			
Direct			$ 1,643,605	
Program Total			**1,643,605**	
11.313	Trade Adjustment Assistance			
Direct			1,447,669	
Program Total			**1,447,669**	
11.400	Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)			
Through:	HYDROLOGIC RESEARCH CENTER/SAN DIEGO, CA	NA07OAR4310457	$ 18,313 (R)	
Program Total			**18,313**	
11.407	Interjurisdictional Fisheries Act of 1986			
Direct			138,983	
Program Total			**138,983**	
11.417	Sea Grant Support			
Direct			1,309,094 (R)	
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	6,755 (R)	
	MARYLAND EASTERN SHORE	NA17AE626	320,658 (R)	
	SOUTH CAROLINA SEA GRANT CONSORTIUM	371,372,373	74,002 (R)	
	UNIVERSITY OF MISSISSIPPI	20273	3,566 (R)	
	UNIVERSITY OF PUERTO RICO	R92108	16,737 (R)	
	UNIVERSITY OF PUERTO RICO	66-0433761	23,475 (R)	
Program Total			**1,754,287**	
11.419	Coastal Zone Management Administration Awards			
Direct			3,984,418	
Program Total			**3,984,418**	
11.420	Coastal Zone Management Estuarine Research Reserves			
Direct			621,851 (R)	
Program Total			**621,851**	
11.429	Marine Sanctuary Program			
Direct			804,942 (R)	
Program Total			**804,942**	
11.430	Undersea Research			
Through:	UNIVERSITY OF MISSISSIPPI	20273	98,535 (R)	
	UNIVERSITY OF NORTH CAROLINA/WILMINGTON	NA08OAR4300863 (NCB)	75,290 (R)	
Program Total			**173,825**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Commerce, U.S. Department of				
11.431	Climate and Atmospheric Research			
Direct			$ 483,746	(R)
Through:	UNIV CORP FOR ATOMOSPHERIC RSC	60993	$ 236,486	(R)
	UNIVERSITY OF FLORIDA	20220	38,079	(R)
	BENNETT AEROSPACE/CARY, NC	WC133R-09-CN-0113	97,865	(R)
	UCLA/LOS ANGELES, CA	NA08OAR4310882	-10,404	(R)
Program Total			**845,772**	
11.432	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes			
Through:	UNIV OF SOUTHERN MISSISSIPPI	20274	30,009	(R)
	UNIVERSITY OF MIAMI	68841	99,202	(R)
Program Total			**129,211**	
11.433	Marine Fisheries Initiative			
Direct			32,388	(R)
Through:	FISHAMERICA FOUNDATION	69394	8,576	(R)
Program Total			**40,964**	
11.434	Cooperative Fishery Statistics			
Direct			174,040	
Program Total			**174,040**	
11.435	Southeast Area Monitoring and Assessment Program			
Through:	SOUTH CAROLINA DEPT OF NATURAL RESOURCES	576000286	133,712	
Program Total			**133,712**	
11.439	Marine Mammal Data Program			
Direct			52,991	
Program Total			**52,991**	
11.441	Regional Fishery Management Councils			
Direct			18,417	
Program Total			**18,417**	
11.454	Unallied Management Projects			
Direct			19,375	(R)
Program Total			**19,375**	
11.460	Special Oceanic and Atmospheric Projects			
Direct			-25,790	(R)
Through:	FLORIDA STATE UNIVERSITY/TALLAHASSEE, FLA	NA10OAR4600209	19,258	(R)
	FLORIDA STATE UNIVERSITY/TALLAHASSEE, FLA	NA09OAR4600198	68,141	(R)
Program Total			**61,609**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Commerce, U.S. Department of				
11.463	Habitat Conservation			
Direct			$ 29,435	(R)
Program Total			**29,435**	
11.467	Meteorologic and Hydrologic Modernization Development			
Through:	COOP PROGRAM OF METEOR ED/TRN	68347	$ 20,981	(R)
Program Total			**20,981**	
11.469	Congressionally Identified Awards and Projects			
Direct			226,111	
Through:	CONSORTIUM FOR OCEAN LEADERSHIP	52-1892964	19,945	
Program Total			**246,056**	
11.472	Unallied Science Program			
Direct			760,999	
Through:	SC DEPT OF NATURAL RESOURCES	20329	536,183	(R)
Program Total			**1,297,182**	
11.473	Coastal Services Center			
Through:	SC SEA GRANT CONSORTIUM	93-374	12,066	(R)
	UNIVERSITY OF MARYLAND	248,249,250	56,929	(R)
Program Total			**68,995**	
11.474	Atlantic Coastal Fisheries Cooperative Management Act			
Direct			304,854	
Program Total			**304,854**	
11.478	Center for Sponsored Coastal Ocean Research_Coastal Ocean Program			
Through:	UNIVERSITY OF NOTRE DAME	68888	61,094	(R)
Program Total			**61,094**	
11.481	Educational Partnership Program			
Direct			22,698	
Program Total			**22,698**	
11.550	Public Telecommunications Facilities Planning and Construction			
Direct			721,040	
Program Total			**721,040**	
11.558	ARRA-State Broadband Data and Development Grant Program			
Direct			606,402	
Program Total			**606,402**	
11.609	Measurement and Engineering Research and Standards			
Direct			108,274	(R)

Schedule of Expenditures of Federal Awards
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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Commerce, U.S. Department of				
Through:	GSU RESEARCH AND SERVICE FOUNDATION	063828383	$ 5,000	
	STATE UNIV OF NEW YORK/ALBANY, NY	70NANB7H6168	101,746	(R)
Program Total			**215,020**	
11.610	National Center for Standards and Certification Information			
Through:	DEEP SPRINGS TECHNOLOGY/TOLEDO, OH	70NANB7H7024	9,144	(R)
Program Total			**9,144**	
11.611	Manufacturing Extension Partnership			
Direct			$ -134	
Program Total			**-134**	
11.616	Technology Innovation Program (TIP)			
Through:	CYPHY WORKS/WAYLAND, MA	70NANB10H013	194,997	(R)
	RUTGERS UNIVERSITY	70NANB10H014	74,493	(R)
	THIRD WAVE SYSTEMS/MINNEAPOLIS, MN	70NANB10H007	57,290	(R)
Program Total			**326,780**	
11.618	National Institute of Standards and Technology Construction Grant Program			
Through:	PURDUE UNIVERSITY/WEST LAFAYETTE, IN	70NANB7H6168	25,754	(R)
Program Total			**25,754**	
11.618	ARRA-National Institute of Standards and Technology Construction Grant Program			
Direct			816,616	(R)
Program Total			**816,616**	
11.800	Minority Business Development Centers			
Direct			160,575	
Program Total			**160,575**	
11.805	MBDA Business Center			
Direct			45,263	
Program Total			**45,263**	
11.OFA	Other Federal Assistance			
Direct			9,873	(R)
Program Total			**9,873**	
AGENCY TOTAL			$ **20,920,781**	

Schedule of Expenditures of Federal Awards
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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Defense, U.S. Department of				
12.100	Aquatic Plant Control			
Direct			$ 367,428	
Through:	EG&G MANAGEMENT SYSTEMS/HOLLOMAN AFB, NM	F08635-00-C-0014	$ 6,449	(R)
	GEOSYNTEC CONSULTANTS/CANADA	W912HQ-07-C-0028	63,090	(R)
	L3 COMMUNICATIONS/TORRANCE, CA	N00178-04-D-4143	-135	(R)
	LOCKHEED - FORT WORTH/FORT WORTH, TX	HR0011-08-C-0090	-38,968	(R)
	MADISON RESEARCH CORPORATION/HUNTSVILLE, AL	W31P4Q-050A00029	13,164	(R)
	PARKER HANNIFIN CORPORATION/JACKSONVILLE, AL	FA8650-08-C-2801	57,366	(R)
	RAYTHEON	N66001-08-C-2011	121,169	(R)
	SAIC	UNKNOWN	280,853	(R)
	SAIC	W31P4Q-05-A-0031TO	322,604	(R)
	TELECORDIA TECHNOLOG	UNKNOWN	4,551	(R)
	UNIVERSITY OF PENNSYLVANIA/PHILADELPHIA, PA	UNKNOWN	29,412	(R)
	VERCO MATERIALS LLC	W911NF-05-9-0001	8,993	(R)
Program Total			**1,235,976**	
12.112	Payments to States in Lieu of Real Estate Taxes			
Direct			1,693,817	
Program Total			**1,693,817**	
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services			
Direct			561,946	
Program Total			**561,946**	
12.114	Collaborative Research and Development			
Direct			927,934	(R)
Program Total			**927,934**	
12.300	Basic and Applied Scientific Research			
Direct			22,149,176	(R)
Through:	FLORIDA ATLANTIC UNIVERSITY/BOCA RATON, FL	N00014-09-1-0317	8,182	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	171,766	(R)
	ADVANCED ROTORCRAFT TECH/MOUNTAINVIEW, CA	N0014-09-C-0814	47,873	(R)
	AEROTONOMY INCORPORATED	N00014-10-C-0157	75,700	(R)
	AMERICAN ENERGY TECHNOLOGIES CO (ATEC)/GLENVIEW,IL	N00014-10-M-0341	5,646	(R)
	AMERICAN MAGLEV TECHNOLOGY OF FLORIDA/MARIETTA, GA	N68335-08-C-0297	62,479	(R)
	ARINC CORPORATION/	00178-04-D-4016	53,281	(R)
	ATK MISSILE SYSTEMS CO/WOODLAND HILL, CA	N00019-08-C-0058	6	(R)
	AUBURN UNIVERSITY/AUBURN, ALABAMA	N00014-10-C-0190	24,922	(R)
	BBN SYSTEM AND TECHNOLOGIES, ARLINGTON, VA	N66001-09-C-2073	-11,022	(R)
	BBN SYSTEM AND TECHNOLOGIES, ARLINGTON, VA	N6600001-08-C-2050	29,000	(R)
	BENNETT AEROSPACE/CARY, NC	N68936-10-C-0101	142,567	(R)
	BOSTON ENGINEERING CORP/WALTHAM, MA	N68335-09-C-0386	-6	(R)
	CFD RESEARCH CORPORATION/HUNTSVILLE, AL	N68335-09-C-0577	41,780	(R)
	CONTINUUM DYNAMICS INC	N68335-09-C-0335	9,715	(R)
	CREARE INC/HANOVER, NH	N68335-08-C-0132	52,364	(R)
	GENERAL DYNAMICS INFORMATION TECHNOLOGY INC/FAIRFAX, VA	N00178-04-D-4012/D.O	17,210	(R)

Defense, U.S. Department of

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Through:	GENERAL DYNAMICS INFORMATION TECHNOLOGY INC/FAIRFAX, VA	N00178-04-D-4012/ D.	$ 90,404	(R)
	GPA TECHNOLOGIES INC/VENTURA,CA	N62583-09-D-0029	29,444	(R)
	GRYPHON INC/LEXINGTON, MD	N00178-04-D-4061, FC	76,428	(R)
	H&R TECHNOLOGY INC/WALTHAM, MA	N00014-10-M-0309	12,751	(R)
	IMPACT TECHNOLOGIES/STATE COLLEGE, PA	N00014-10-M-0260	28,746	(R)
	INTELLIGENT FIBER OPTIC SYSTEMS CORP/SANTA CLARA, CA	UNKNOWN	27,000	(R)
	IRIS TECHNOLOGY CORPORATION/IRVINE, CA	N00014-10-M-0247	18,591	(R)
	IROBOT CORPORATION/BURLINGTON, MA	N0001410C0515	44,324	(R)
	IROBOT CORPORATION/BURLINGTON, MA	N00014-09-C-0101	-9,217	(R)
	ITT AVIONICS DIVISION/CLIFTON, NJ	N00024-09-C-6316	187,613	(R)
	JOHNS HOPKINS APPLIED PHYSICS LAB/LAUREL, MD	N000024-03-D-6606	5	(R)
	JT3 LLC	F42650-01-C-7218	4,924	(R)
	L3 COMMUNICATIONS/TORRANCE, CA	SNW035-083	1,137	(R)
	L3 COMMUNICATIONS/TORRANCE, CA	N00014-06-D-0056	16,126	(R)
	LOCKHEED MARTIN/MOORESTOWN, NJ	N00014-09-D-0702	205,702	(R)
	NAVMAR APPLIED SCIENCES COMPANY/WARMINSTER, PA	N00178-05-D-4467	21,912	
	NORTH CAROLINA STATE UNIVERSITY/RALEIGH, NC	N00014-10-1-0958	101,619	(R)
	NORTHROP GRUMMAN/BALTIMORE, MD	N66001-09-C-2023	121,052	(R)
	NORTHROP GRUMMAN/BETHPAGE, NEW YORK	N00019-08-C-0023	134,166	(R)
	PENNSYLVANIA STATE UNIV/UNIV PARK, PA	N00014-04-1-0683	-1,971	(R)
	PHOSPHOR TECH CORPORATION/MABLETON, GA	N00014-09-C-0473	12,330	(R)
	QUES TEK INNOVATIONS LLC/EVANSTON, IL	UNKNOWN	93,141	(R)
	RADIO-HYDRO-PHYSICS	N6833509C0575	9,126	(R)
	RADIO-HYDRO-PHYSICS	N6833510C0405	110,993	(R)
	RAYTHEON/BBN SYSTEM AND TECHNOLOGIES/CAMBRIDGE, MA	N66001-11-C-4017	50,959	(R)
	RES & ENG DEV/N00178-05-D4527	N00178-05-D4527	1,007,705	(R)
	RESEARCH AND ENGINEERING DEVELOPMENT INC/LEXINGTON	N00178-05-D-4527	462,476	(R)
	SAIC	N00178-04-D-4119	28,390	(R)
	SAIC	N00140-06-C-0084	47,211	(R)
	TECHNICAL DATA ANALYSIS INC/FALLS CHURCH, VA	N68335-09-C-0184	67,885	(R)
	TETRA TECH NUS INC/PITTSBURG, PA	N68711-05-C-0054	13,453	(R)
	UNITED TECHNOLOGIES/EAST HARTFORD, CT	N00014-10-C-0204	78,436	(R)
	UNIV OF CALIFORNIA/SAN DIEGO/LAJOLLA, CA	N00014-08-1-1131	33,540	(R)
	UNIV OF CALIFORNIA/SAN DIEGO/LAJOLLA, CA	N00014-07-1-0740	247,028	(R)
	UNIV OF FLORIDA/	N00014-07-1-0143	66,089	(R)
	UNIV OF MICHIGAN/	N65540-10-C-003	107,377	(R)
	UNIV OF MICHIGAN/	N65540-10-C-0003	179,993	(R)
	UNIV OF SOUTH CAROLINA/COLUMBIA, SC	W1926G-10-2-0041	80,181	(R)
	UNIVERSITY OF CALIFORNIA/BERKELEY, CA	W911NF-08-2-0004	140,527	(R)
	UNIVERSITY OF ILLINOIS	N00014-08-1-0397	14,333	(R)
	UNIVERSITY OF PENNSYLVANIA/PHILADELPHIA, PA	N00014-08-1-0696	342,774	(R)
	WOODS HOLE OCEANOGRAPHIC INSTITUTE/WOODS HOLE, MA	N00014-07-1-0992	46,112	(R)
Program Total			**27,231,454**	

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Defense, U.S. Department of				
12.351	Basic Scientific Research - Combating Weapons of Mass Destruction			
Direct			$ 348,867	(R)
Through:	UNIVERSITY OF NEW MEXICO/ALBUQUERQUE, NM	HDTRA1-08-1-0017	$ 76,488	(R)
Program Total			**425,355**	
12.400	Military Construction, National Guard			
Direct			19,729,072	
Through:	CH2M HILL INC	61495	1	(R)
	SAIC	DAHA92-01-D-0008-014	95,790	(R)
Program Total			**19,824,863**	
12.400	ARRA-Military Construction, National Guard			
Direct			758,258	
Program Total			**758,258**	
12.401	National Guard Military Operations and Maintenance - O and M Projects			
Direct			30,352,520	
Program Total			**30,352,520**	
12.401	ARRA-National Guard Military Operations and Maintenance - O and M Projects			
Direct			462,017	
Program Total			**462,017**	
12.404	National Guard ChalleNGe Program			
Direct			8,918,083	
Program Total			**8,918,083**	
12.420	Military Medical Research and Development			
Direct			2,442,460	(R)
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	467,278	(R)
	PENNINGTON BIOMEDICAL RSCH CTR	20389	-4,011	(R)
	TRUE RESEARCH FOUNDATION	69400	188,868	(R)
	UNIV OF PITTSBURGH/PITTSBURGH, PA	W81XWH-08-2-0032	123,423	(R)
Program Total			**3,218,018**	
12.431	Basic Scientific Research			
Direct			33,530,786	(R)
Through:	BAYLOR COLLEGE OF MEDICINE	29245	656,254	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	141,727	(R)
	UNIV OF CALIFORNIA/SANTA BARBARA	29248	135,514	(R)
	ADVANCED DYNAMICS INC/LEXINGTON, KY	W911W6-10-C-0026	52,407	(R)
	ADVANCED MATERIALS CORPORATION/PITTSBURGH, PA	W911-NF-07-C-0097	8,736	(R)
	ADVANCED ROTORCRAFT TECH/MOUNTAINVIEW, CA	W911W6-09-C-0044	52,327	(R)
	AEROTONOMY INCORPORATED	W911W6-08-C-0047	18,062	(R)
	ALION SCIENCE AND TECHNOLOGY/ROME, NEW YORK	DAAD19-01-C-0065	234,467	(R)
	AMERICAN ENERGY TECHNOLOGIES CO (ATEC)/GLENVIEW,IL	H92222-10-P-0065	10,000	(R)
	ANALYTICAL RESEARCH LLC/BOWIE,MD	HSHQDC-07-00060	-1,650	(R)
	APPLIED SIGNAL TECHNOLOGIES INC/SUNNYVALE, CA	UNKNOWN	18,492	(R)

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

Defense, U.S. Department of

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Through:	BAE SYSTEMS SCIENCE & TECHNOLOGY, INC/FAYETTEVILLE	DAAB07-03-D-B009/021	$ -12,563	(R)
	BAE SYSTEMS/NASHUA, NH	W911NF-08-2-0004	684,754	(R)
	BATTELLE	W911NF-07-D-0001 / 0	24,800	(R)
	BATTELLE	W911NF-07-D-0001	116,124	(R)
	BATTELLE/	W911NF-D-0001/D.O. 0	181,501	(R)
	BELL HELICOPTER TEXTRON/	W911W6-06-2-002	40,852	(R)
	BELL HELICOPTER TEXTRON/	W911W6-07-2-0003	296,250	(R)
	BERRIEHILL RESEARCH CORP/DAYTON, OH	UNKNOWN	27,507	(R)
	BOSTON DYNAMICS/BOSTON,MA	W911NF-10-C-0070	198,460	(R)
	BROWN UNIVERSITY/PROVIDENCE, RI	W911NF-08-1-0249	109,300	(R)
	CACI/EATONTOWN, NJ	W15P7T-06-D-E402	-13,811	(R)
	CARNEGIE MELLON INSTITUTE/PITTSBURGH, PA	2911NF-11-1-0061	12,199	(R)
	CERADYNE THERMO MATERIALS/	W13P4Q-09-G-0001	3,385	(R)
	CFD RESEARCH CORPORATION/HUNTSVILLE, AL	W31P40-10-P-0416	15,000	(R)
	CRYSTAL IS/GREEN ISLAND,NY	W911NF-09-2-0068	93,775	(R)
	DATA MATRIX SOLUTIONS, INC/ABERDEEN, MD	W911QX-09-C-0087	117,358	(R)
	DEEP SPRINGS TECHNOLOGY/TOLEDO, OH	W911NF-10-2-0084	314,440	(R)
	DUKE UNIVERSITY/DURHAM, NC	W911NF-10-1-0231	410,401	(R)
	DUPONT CENTRAL RESEARCH & DEVELOPMENT/WILMINGTON, DE	W19CRB-06-D-0032	178,484	(R)
	DYNETICS INCORPORATED/	HHM402-04-D-0007	623,211	(R)
	DYNETICS INCORPORATED/	HHM402-04-D-0007	15,900	
	DYNETICS INCORPORATED/	HHM402-09-D-0015	9,224	(R)
	EARTHLY DYNAMICS CORPORATION/ATLANTA,GA	W9124R-09-P-1088	107,861	(R)
	ELECTRICORE INC/VALENCIA, CA	W909MY-08-C-0032	133,267	(R)
	ENGENIUSMICRO/MABLETON, GA	W31P4Q-10-C-0027	131,324	(R)
	ENGENIUSMICRO/MABLETON, GA	W56HZV-10-C-0180	15,945	(R)
	HSTAR TECHNOLOGIES CORP/BOXBOROUGH, MA	W81XWH-11-C-0007	29,923	(R)
	IMPACT TECHNOLOGIES LLC/ROCHESTER, NY	W911NF-07-2-0075	-4,934	(R)
	INTELLIGENT SOFTWARE SOLUTIONS/ COLORADO SPRINGS, CO	FA8750-09-D-0022-000	9,749	
	KANSAS STATE UNIVERSITY	W911NF-07-1-0476	46,881	(R)
	KITWARE INC/CLIFTON PARK, NY	W31P4Q-10-C-0262	37,829	(R)
	L3 COMMUNICATIONS	USZA22-03-D-0006	72,448	(R)
	L3 COMMUNICATIONS/ROCKWALL, TEXAS	DAAB07-02-D-P0001	110,479	(R)
	LOCKHEED MARTIN INTEGRATED SERVICES/MARLTON, NJ	W15P7T-06-D-E405	125,036	(R)
	LOCKHEED-MARTIN/ORLANDO, FL	W31P4Q08CA123	-977	(R)
	LUNA INNOVATIONS/BLACKSBURG, VA	W15P7T-11-C-H206	24,455	(R)
	LUNA INNOVATIONS/BLACKSBURG, VA	W15P7T-10-C-C002	16,285	(R)
	MODINE MANUFACTURING COMPANY	W15P7T-07-C-P014	22,182	(R)
	MODINE MANUFACTURING COMPANY/RACINE, WI	W15P7T-08-C-P219/PO#	19,130	(R)
	MORGAN RESEARCH CORP/HUNTSVILLE, AL	W31P4Q-05-A-0030	4,016	(R)
	NGIMAT/ATLANTA, GA	W911NF-08-C-0099	44,044	(R)
	NUMERICA/ FT. COLLINS, CO	HQ0147-08-C-7929	61,281	(R)
	OHIO STATE UNIVERSITY/COLUMBUS, OH	W911NF-08-1-0238	151,479	(R)
	OHIO STATE UNIVERSITY/COLUMBUS, OH	91-NF-10-1-0290	72,185	(R)
	OPTEOS INC/ANN ARBOR, MI	W9113-M-06-C0044	-359	(R)
	PARAMOUNT INDUSTRIES INC/LANGHORNE,PA	FA8650-10-C-5705	21,194	(R)
	PENNSYLVANIA STATE UNIV/UNIV PARK, PA	W911NF-08-1-0124	153,891	(R)

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Defense, U.S. Department of				
Through:	PENNSYLVANIA STATE UNIV/UNIV PARK, PA	W911NF-04-1-0178	$ -20	(R)
	POLARIS SENSOR TECHNOLOGIES INC/HUNTSVILLE, AL	W9113M-10-C-0054	7,828	(R)
	RADIANCE TECHNOLOGIES/HUNTSVILLE, AL	W9113M-11-C-0013	103,140	(R)
	RICARDO INC/VAN BUREN TWP, MI	W56HZV-08-C0236	180,000	(R)
	SA PHOTONICS/SAN FRANCISCO, CA	W911NF-11-C-0010	41,382	(R)
	SAIC	W31P4Q-05-A-0031TO	3,875,525	(R)
	SAIC	W31P4Q-05-A-0031	71,919	(R)
	SAIC	W911SR-08-C-0052	113,371	(R)
	SCIENTIFIC RESEARCH CORP/ATLANTA, GA	W31P4Q-06-D-A004	85,814	(R)
	TECHNOLOGY SERVICE CORP/FAIRFAX,VA	W31P4Q-10-C-0203	97,652	(R)
	TECHSOLVE/CINCINNATI, OH	WK15QKN-08-2-006	6,575	(R)
	UES INC/DAYTON, OH	FA8650-04-D-2404	52,286	(R)
	UNITED TECHNOLOGIES/EAST HARTFORD, CT	W31P4Q-09-C-0067	379,188	(R)
	UNITED TECHNOLOGIES/EAST HARTFORD, CT	W912HQ-10-C-0050	38,287	(R)
	UNITED TECHNOLOGIES/EAST HARTFORD, CT	W91CRB-09-C-0055	87,986	(R)
	UNIV OF CENTRAL FL/	W911NF-06-1-0283	408,705	(R)
	UNIV OF FLORIDA/	W911QY-08-C-0136	20,727	(R)
	UNIV OF ILLINOIS/URBANA, ILLINOIS	W911NF-10-1-0524	76,588	(R)
	UNIV OF MARYLAND/COLLEGE PARK, MD	W911NF-07-1-0576	394,113	(R)
	UNIV OF SOUTH CAROLINA/ COLUMBIA, SC	W912DY-07-2-0041	116,746	(R)
	UNIV OF SOUTHERN CALIFORNIA/MARINA DEL RAY, CA	W911NF-08-1-0468	21,176	(R)
	UNIVERSITY OF CALIFORNIA/SANTA BARBARA, CA	W911NF-09-1-0553	120,014	(R)
	VERTICAL LIFT CONSORTIUM	W911W6-06-2-0002	217,127	(R)
	VERTICAL LIFT CONSORTIUM INC (CRI)/GLEN MILL, PA	W911W6-05-2-003/P000	16,655	(R)
	VERTICAL LIFT CONSORTIUM INC (CRI)/GLEN MILL, PA	W911W6-05-2-0003/P00	35,061	(R)
	VERTICAL LIFT CONSORTIUM INC/GLEN MILL, PA	W911W6-06-2-0002-1	251,275	(R)
	VERTICAL LIFT CONSORTIUM INC/GLEN MILL, PA	W911W6-05-2-0003	86,565	(R)
	VIRTUAL AEROSURFACE TECHNOLOGIES/ATLANTA, GA	W9113M-08-C-0165	4,934	(R)
	VIRTUAL AEROSURFACE TECHNOLOGIES/ATLANTA, GA	W9113M-09-C-0015	86,867	(R)
	VIRTUAL AEROSURFACE TECHNOLOGIES/ATLANTA, GA	W911W6-09-C-0029	89,533	(R)
	WANG ELECTRO-OPTO CORPORATION/MARIETTA, GA	W9113M-09-C-0005	11,852	(R)
	YULISTA MANAGEMENT SERVICES/HUNTSVILLE, AL	W31P4Q-06-C-R190	834,631	(R)
	YULISTA MANAGEMENT SERVICES/HUNTSVILLE, AL	W31P4Q-10-C-R190	914,441	(R)
Program Total			**48,556,230**	
12.431	ARRA-Basic Scientific Research			
Through:	EATON CORPORATION/	W9132T-10-C-0018	79,198	(R)
	STONE MOUNTAIN TECHNOLOGIES INC.	W909MY-10-C-1014	135,857	(R)
	UNITED TECHNOLOGIES/EAST HARTFORD, CT	W9132T-10-C0013	149,683	(R)
Program Total			**364,738**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Defense, U.S. Department of				
12.551	National Security Education_Scholarships			
Direct			$ 358,948	
Program Total			**358,948**	
12.556	Competitive Grants: Promoting K-12 Student Achievement at Military-Connected Schools			
Through:	MUSCOGEE COUNTY BOARD OF EDUCATION	58-6000143	$ 446,319	
Program Total			**446,319**	
12.558	Department of Defense Impact Aid (Supplement, CWSD, BRAC)			
Direct			243,570	
Program Total			**243,570**	
12.599	Congressionally Directed Assistance			
Direct			67,220	(R)
Program Total			**67,220**	
12.610	Community Economic Adjustment Planning Assistance for Joint Land Use Studies			
Direct			61,406	
Program Total			**61,406**	
12.630	Basic, Applied, and Advanced Research in Science and Engineering			
Direct			35,588,899	(R)
Through:	ACADEMY OF APPLIED SCIENCE	67899	19,481	(R)
	TKC GLOBAL	61208	10,635	(R)
	ALION SCIENCE AND TECHNOLOGY/ROME, NEW YORK	N65236-04-D-3831	38	(R)
	ANALYTICAL RESEARCH LLC/BOWIE,MD	HSHQDC-10-J-00114	15,640	(R)
	BAE SYSTEMS/ CALIFORNIA, MD	HDTRA1-11-C0013	21,545	(R)
	BENNETT AEROSPACE/CARY, NC	N68936-09-C-0107	19,570	(R)
	BOEING AEROSPACE COMPANY/	HR0011-08-C-0106	-372	(R)
	BOEING AEROSPACE COMPANY/	HR0011-10-C-0075	220,885	(R)
	BOEING/MESA, AZ	HR0011-10-9-0001	188,569	(R)
	CACI	HR0011-06-C-0127	109,841	(R)
	CERADYNE THERMO MATERIALS/	W31P4Q-09-G-0001	14,797	(R)
	DYNETICS INCORPORATED/	HHM402-09-D-0015	238,390	(R)
	ELECTRIC FUEL CORPORATION/AUBURN, AL	W15P7T-09-C-S327	-2,184	(R)
	GENERAL ATOMICS/SAN DIEGO, CA	FA8650-08-C-5039	-221	(R)
	HAWKER BEACHCRAFT CORPORATION/ WICHITA, KS	FA8637-10-R-6000	7,511	(R)
	HRL LABORATORIES/MALIBU, CA	HR0011-09-C-0126	113,637	(R)
	HRL LABORATORIES/MALIBU, CA	HR0011-09-C-0001	315,581	(R)
	ICES CORP/FAIRFAX, VA	HC1047-10-C-4022	1,190	
	IMPACT TECHNOLOGIES/ATLANTA, GA	W31P4Q-09-0538	49,023	(R)
	INSTITUTE OF INTERNATIONAL EDUCATION/WASHINGTON, DC	W9137B-07-0064	7,653	
	JOHNS HOPKINS APPLIED PHYSICS LAB/LAUREL, MD	08-G-4030	13,531	(R)
	JT3 LLC	F42650-01-C-7218	38,850	(R)
	KITWARE INC/CLIFTON PARK, NY	HR0011-10-C-0112	238,705	(R)
	LINCOLN LABORATORY/MASSACHUSETTS INST OF TECH	FA8721-05-C-0002	14,910	(R)
	LOCKHEED - FORT WORTH/FORT WORTH, TX	HR0011-08-C-0090	500,598	(R)

Defense, U.S. Department of

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Through:	LOCKHEED - MARTIN/MARIETTA, GA	UNKNOWN	$ 545,980	(R)
	LOCKHEED MARTIN ADVANCED TECHNOLOGY LAB/CHERRY HILL, NJ	HR0011-11-C-0033	98,240	(R)
	LOCKHEED MARTIN INTEGRATED SERVICES/MARLTON, NJ	W15P7T-06-D-E405	2,838,551	(R)
	LOCKHEED MARTIN/FORT WORTH, TEXAS	FA8611-08-C-2897	85,850	(R)
	LOCKHEED-MARTIN	H92254-09-D-0001	16,126	(R)
	LOCKHEED-MARTIN	D-10-PC20022	195,043	(R)
	MAGNOLIA OPTICAL TECHNOLOGIES INC/WOBURN, MA	N10PC20062	29,702	(R)
	MARCO (MICROELECTRONICS ADVANCED RESEARCH CORP)/DURHAM, NC	HR-0011-10-3-0002	6,202,262	(R)
	METACOMP TECHNOLOGIES INC/AGOURA HILLS, CA	HQ0006-10-C-7392	30,000	(R)
	NEW PAX, INC.	DE-SC0003256	39,067	(R)
	NITEK INC/IRMO, SC	FA23861014168	104,383	(R)
	NITRONEX CORPORATION/RALEIGH, NC	HQ0006-08-C-7658	9,052	(R)
	NOBLIS/FALLS CHURCH, VA	W81XWH-07-D-0017	334,805	(R)
	NORTHROP CORPORATION/	HR0011-00-C-0032	58,321	(R)
	NVIDIA/AUSTIN, TX	HR0011-10-9-0008	49,268	(R)
	POLYMER AGING CONCEPTS INC/DAHLONEGA, GA	DE-FG02-07ER84687	112,458	(R)
	PRATT & WHITNEY AIRCRAFT/	UNKNOWN	336,393	(R)
	PRINCETON UNIVERSITY/PLAINSBORO, NJ	N00014-09-1-1074	122,359	(R)
	PURDUE UNIVERSITY	W15PT-10-C-B019	81,143	(R)
	RAYTHEON	08-C-8531	60,155	(R)
	RAYTHEON	N66001-09-C-2013	428,348	(R)
	RAYTHEON	HR0011-09-C-0036	95,863	(R)
	S2 CORPORATION/BOZEMAN, MT	HQ0006-10-C-7209	10,961	(R)
	SAIC	HHM402-09-D-0031/DO	13,820	(R)
	SAIC	HHM402-09-D-0031	26,192	(R)
	SAIC	UNKNOWN	19,274	(R)
	SANDIA NATL LABS/SANDIA CORP	UNKNOWN	16,871	
	SOUTH CAROLINA RES AUTH/CHARLESTON, SC	N00014-06-D-045	107,787	(R)
	SPECTRA RESEARCH/DAYTON, OH	1006084	15,000	(R)
	STEVENS INST OF TECHNOLOGY/	H98230-08-D-0171	414,119	(R)
	STEVENS INST OF TECHNOLOGY/	H98230-10-D-0031	11,950	
	TELEDYNE SYSTEMS COMPANY/NORTHRIDGE, CA	HR0011-10-C-0031	158,663	(R)
	UNIV OF VIRGINIA/CHARLOTTESVILLE, VA	HR0011-10-C-0117	102,104	(R)
	UNIVERSITY OF CALIFORNIA/BERKELEY, CA	HM1582-08-1-0007	77,334	(R)
	VANDERBILT UNIVERSITY	FA8650-10-C-7082	310,956	(R)
	VANDERBILT UNIVERSITY	FA8650-10-C-7075	185,758	(R)
	VERSAQ/ATLANTA, GA	HQ0006-10-C-7404	32,000	(R)
	WYLE LABORATORIES/	HC1047-05-D-4005	62,359	(R)
Program Total			**51,185,219**	

12.631 Science, Technology, Engineering and Mathematics (STEM) Educational Program: Science, Mathematics And Research for Transformation (SMART)

Direct		$ 23,163	
Program Total		**23,163**	

Defense, U.S. Department of

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
12.800	Air Force Defense Research Sciences Program			
Direct			$ 108,487,624	(R)
Through:	AZIMUTH CORPORATION	61427	$ 61,848	(R)
	NDP OPTRONICS LLC	UNKNOWN	47,855	(R)
	UNIV OF MARYLAND/COLLEGE PARK, MD	20223	20,945	(R)
	AEROSPACE TESTING ALLIANCE/ARNOLD AFB, TN	F40600-03-C-0001	60,000	(R)
	ANALYTICAL MECHANICS ASSOCIATES, INC/HAMPTON, VA	FA9550-10-C-0061	33,868	(R)
	ANDOVER CORPORATION/SALEM, NH	FA8614-04-C-2004.	37,079	(R)
	AURORA FLIGHT SCIENCES/CAMBRIDGE, MA	FA9550-10-C-0039	154,295	(R)
	BAE SYSTEMS MISSION SOLUTIONS/SAN DIEGO, CA	FA-8720-04-D-0002 00	867,798	(R)
	BAE SYSTEMS/NASHUA, NH	FA8650-09-C-7926	212,221	(R)
	BAE SYSTEMS/NASHUA, NH	FA9451-11-C-0256	29,618	(R)
	BALL AEROSPACE SYSTEMS DIV/	FA8601-08-F-0105	4,590	(R)
	BENNETT AEROSPACE/CARY, NC	N00014-09-M-0269	4	(R)
	BENNETT AEROSPACE/CARY, NC	FA8650-10-M-6077	29,998	(R)
	BERRIEHILL RESEARCH CORP/DAYTON, OH	UNKNOWN	134,297	(R)
	BIHRLE APPLIED RESEARCH/ HAMPTON, VA	FA8640-06-D-3624	41,508	(R)
	BOEING AEROSPACE COMPANY/	FA8650-08-D-3857	12,914	(R)
	BOEING AEROSPACE COMPANY/	F33615-00-D-3052	2,430	(R)
	BOEING AEROSPACE COMPANY/	FA8633-05-D-2003	142,545	(R)
	BOEING AEROSPACE COMPANY/	NNC07CB76C	161,815	(R)
	BOEING/LONG BEACH, CA	F33657-01-C-0047	570,449	(R)
	BOOZ, ALLEN AND HAMILTON INC	SPO700-03-D-1380	259,962	(R)
	BOOZ, ALLEN AND HAMILTON INC	FA8650-11-D-1011	17,470	(R)
	CFD RESEARCH CORPORATION/HUNTSVILLE, AL	FA95501-10-C-0053	123,859	(R)
	CLARKSON AEROSPACE/HOUSTON, TX	FA8650-05-D-1912	169,316	(R)
	COMBUSTION SCIENCE AND ENGINEERING LTD	FA8650-09-C-2009	81,526	(R)
	CORCORAN ENGINEERING, INC/WALTHAM, MA	FA9451-10-10D-0243	11,418	(R)
	CREARE INC/HANOVER, NH	FA9101-11-M-0004	20,167	(R)
	DNOVUS/GA	FA9550-09-C-0111	195,372	(R)
	DOTY CONSULTING SERVICES/DAYTON, OH	UNKNOWN	10,000	(R)
	DYNETICS INCORPORATED/	HHM402-04-D-0007	-54	(R)
	DYNETICS INCORPORATED/	HHM402-9-D-0015	4,701	(R)
	EG&G/LAS VEGAS, NV	FA9200-080C-0179	245,847	(R)
	ENERGY RESEARCH CONSULTANTS/LAGUNA HILLS, CA	FA8650-07-M-2784	44,793	(R)
	GENERAL DYNAMICS	FA8650-07-D-6800	37,907	
	GRAMMATECH INC	FA8650-10-C-7025	203,568	(R)
	HARRIS CORPORATION/	UNKNOWN	-481	(R)
	HARVARD UNIVERSITY/BOSTON, MA	FA9550-09-1-0669	161,251	(R)
	HONEYWELL MILITARY AVION/	W911W6-08-02-0011	145,005	(R)
	HYPERCOMP INC/WESTLAKE VILLAGE,CA	FA9550-10-C-0125	40,000	(R)
	IMAGING SYSTEMS TECHNOLOGY/TOLEDO, OH	IIP-0956629	76,117	(R)
	IMAGING SYSTEMS TECHNOLOGY/TOLEDO, OH	FA8601-07-P-0472	8,201	(R)
	IMPACT TECHNOLOGIES LLC/ROCHESTER, NY	FA9550-10-C-0036	65,796	(R)
	IMPACT TECHNOLOGIES LLC/ROCHESTER, NY	FA8501-10-P-0121	6,930	(R)
	IMPACT TECHNOLOGIES LLC/ROCHESTER, NY	FA8501-10-C-0035	16,884	(R)
	INNOVATIVE SCIENTIFIC SOLUTIONS INC (ISSI)/DAYTON, OH	F33615-03-D-2329 DO0	90,000	(R)

Defense, U.S. Department of

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Through:	JOHNSON RES & DEVELOPMT CO/ATLANTA, GA	FA9550-11-C-0004	$ 56,743	(R)
	JT3 LLC	F42650-01-C-7218	170,006	(R)
	L3 COMMUNICATIONS/ROCKWALL, TEXAS	FA8620-06-G-4003	3,589	(R)
	LAVENDER INDUSTRIES INC/CHATSWORTH, CA	FA8650-07-C-6766	110,429	(R)
	LOCKHEED MARTIN/FORT WORTH, TEXAS	N00019-02-C-3002	112,950	(R)
	LOCKHEED MARTIN/MOORESTOWN, NJ	H94003-04-D-0001	304,090	(R)
	LOCKHEED-MARTIN/ORLANDO, FL	N61339-00-D-0707	31,914	(R)
	LOCKHEED-MARTIN/ORLANDO, FL	UNKNOWN	38,110	(R)
	MA INST OF TECHNOLOGY/CAMBRIDGE, MA	FA9550-09-1-0420	95,233	(R)
	METACOMP TECHNOLOGIES INC/AGOURA HILLS, CA	FA9550-10-C-0155	30,000	(R)
	NANO ENGINEERED MATERIALS CORP	FA9550-10-C-0030	148,918	(R)
	NORTHROP CORPORATION/	UNKNOWN	50,765	(R)
	NORTHROP GRUMMAN/REDONDO BEACH, CA	FAA 8002-05-C-7002	35,043	(R)
	NORTHROP GRUMMAN/ROLLING MEADOWS, IL	F09603-03-D-0002	16,345	(R)
	OAK RIDGE NAT'L LAB/MARTIN MARIETTA	DE-AC05-00OR22725	61,786	(R)
	OHIO STATE UNIVERSITY/COLUMBUS, OH	FA9550-09-1-0602	112,089	(R)
	PENNSYLVANIA STATE UNIV/UNIV PARK, PA	FA-9550-11-1-0002	8,128	(R)
	PENNSYLVANIA STATE UNIV/UNIV PARK, PA	FA9550-07-1-0582	115,698	(R)
	PORTAGE ENVIRONMENTAL INC/IDAHO FALLS, ID	FA8903-05-D-8730	-37	(R)
	PRATT & WHITNEY AIRCRAFT/	FA8650-06-2-5211	43,173	(R)
	PRATT & WHITNEY AIRCRAFT/	FA9300-10-C-0010	40,167	(R)
	PROPAGATION RESEARCH ASSOCIATES/MARIETTA, GA	FA8650-11-M-1168	7,362	(R)
	QUES TEK INNOVATIONS LLC/EVANSTON, IL	FA8650-10-C-5206	57,418	(R)
	RADIANCE TECHNOLOGIES/HUNTSVILLE, AL	FA8650-09-C-1644	43,687	(R)
	RAYTHEON/BBN SYSTEM AND TECHNOLOGIES/CAMBRIDGE, MA	FA8750-11-C-0098	2,247	(R)
	SAIC	FA8650-08-D-1327	218,208	(R)
	SAIC	F09603-01-D-0208	368	(R)
	SAIC	FA8650-11-C-7138	1,011	(R)
	SAIC	FA8750-10-C-0032	51,019	(R)
	SAIC	FA8650-09-C-7961	169,412	(R)
	SAIC	UNKNOWN	168,572	(R)
	SCHAFER CORPORATION/CHELMSFORD, MA	FA4953-05-D-0176	94,136	(R)
	SCIENTIFIC RESEARCH CORP	FA8530-08-D-0014	10,531	
	SET CORPORATION/VIENNA, VA	FA8650-10-C-1716	146,669	(R)
	SOUTHWEST RESEARCH INSTITUTE/	FO960302D0066-DO0293	1,577	(R)
	STAR TECHNOLOGY & RESEARCH	AF9453-09-C-0301	167,083	(R)
	TAITECH INC/BEAVERCREEK, OH	FA 9550-09-C-0069	30,962	(R)
	TELCORDIA TECHNOLOGIES/MORRISTOWN, NJ	DAAD19-01-C-0062 TO	860,485	(R)
	TYBRIN CORPORATION/FT. WALTON BEACH, FL	FA8720-04-D-0003	296	(R)
	UES INC	FA8650-09-D-5037	99,307	(R)
	UES INC/DAYTON, OH	FA8650-08-C-6832	52,451	(R)
	UNIV OF CALIFORNIA/SAN DIEGO/LAJOLLA, CA	FA8650-09-C-7917, 20	288,002	(R)
	UNIV OF FLORIDA/	N0014-07-1-0143	24,439	(R)
	UNIV OF FLORIDA/	FA8651-08-D-0108	125,887	(R)
	UNIV OF ILLINOIS/URBANA, ILLINOIS	FA9550-10-1-0573	28,855	(R)
	UNIVERSAL TECHNOLOGY CORP, DAYTON, OH	FA8650-05-D-5807	-26,125	(R)
	UNIVERSITY OF TEXAS/ARLINGTON, TX	FA9550-08-1-0317	-7,301	(R)

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Defense, U.S. Department of				
Through:	UNIVERSITY OF WISCONSIN/MADISON, WISCONSIN	FA9550-10-1-0396	$ 107,852	(R)
	UTAH STATE UNIVERSITY/LOGAN, UTAH	FA9550-08-1-0405	19,987	(R)
	VANDERBILT UNIVERSITY/NASHVILLE, TN	FA9550-05-1-0306	-7,373	(R)
	WIND INNOVATIONS LLC/BOZEMAN, MT	UNKNOWN	13,355	(R)
	YULISTA MANAGEMENT SERVICES/HUNTSVILLE, AL	W31P4Q-06-C-R190	6,695	(R)
Program Total			**117,491,469**	
12.800	ARRA-Air Force Defense Research Sciences Program			
Through:	UNIVERSAL TECHNOLOGY CORP, DAYTON, OH	FA8650-08-D-2806	39,345	(R)
Program Total			**39,345**	
12.900	Language Grant Program			
Direct			$ 13,137	(R)
Through:	KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOU	37-1535589	1,948	
Program Total			**15,085**	
12.901	Mathematical Sciences Grants Program			
Direct			91,920	(R)
Through:	ASSOCIATION FOR WOMEN IN MATHEMATICS	23-7354959	1,408	
	UNIVERSITY OF SOUTH CAROLINA	UNKNOWN	5,972	(R)
Program Total			**99,300**	
12.902	Information Security Grant Program			
Direct			50,825	(R)
Program Total			**50,825**	
12.910	Research and Technology Development			
Direct			12,904,943	(R)
Through:	CALIFORNIA INSTITUTE OF TECH	FA8650-08-C-7853	64,229	(R)
	DRS EW AND NETWORK SYSTEM INC	F09603-01-D0214	72,208	(R)
	DYNETICS INCORPORATED/	HHM402-09-D-0015	1,776,934	(R)
	LOCKHEED-MARTIN	F09603-01-D-0207-015	627,919	(R)
	PRINCETON UNIVERSITY / PLAINSBORO, NJ	HR0011-05-1-0057	58,122	(R)
	PRINCETON UNIVERSITY/PLAINSBORO, NJ	HR0011-09-1-0055	112,736	(R)
	UCLA/LOS ANGELES, CA	HR0011-10-1-0009	54,524	(R)
	UNIV OF NOTRE DAME/SOUTH BEND, IN	N66001-10-C-2003	78,207	(R)
	UNIVERSITY OF CALIFORNIA RIVERSIDE/RIVERSIDE, CA	H94003-10-2-1003	37,504	(R)
Program Total			**15,787,326**	
12.OFA	Other Federal Assistance			
Direct			3,459,756	(R)
Through:	EG&G, INC.	UNKNOWN	33,423	(R)
	GSU RESEARCH AND SERVICE FOUNDATION	063828383	120,892	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	78,184	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	100,433	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	69,557	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	43,783	
	NEK SECURITIES GROUP, INC.	UNKNOWN	12,158	

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	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Defense, U.S. Department of			
Through: PENNSYLVANIA STATE UNIVERSITY	20269	$ 66,623 (R)	
Program Total		**3,984,809**	
12.OFA ARRA-Other Federal Assistance			
Direct		$ 21,406 (R)	
Program Total		**21,406**	
AGENCY TOTAL		$ **334,406,619**	
Central Intelligence Agency			
13.OFA Other Federal Assistance			
Direct		$ 1,448 (R)	
Program Total		**1,448**	
AGENCY TOTAL		$ **1,448**	
Housing and Urban Development, U.S. Department of			
14.169 Housing Counseling Assistance Program			
Direct		$ 154,000 (R)	
Program Total		**154,000**	
14.171 Manufactured Home Construction and Safety Standards			
Direct		601,457	
Program Total		**601,457**	
14.219 Community Development Block Grants. Small Cities Program			
Through: CITY OF WARNER ROBINS	20382	$ 2,000	
Program Total		**2,000**	
14.225 Community Development Block Grants/Special Purpose Grants/Insular Areas			
Direct		2 (R)	
Program Total		**2**	
14.228 Community Development Block Grants State's program and Non-Entitlement Grants in Hawaii(CDBG-S)			
Direct		67,782,589	
Program Total		**67,782,589**	
14.231 Emergency Shelter Grants Program			
Direct		2,114,985	
Program Total		**2,114,985**	
14.235 Supportive Housing Program			
Direct		608,691	
Program Total		**608,691**	

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	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Housing and Urban Development, U.S. Department of			
14.238 Shelter Plus Care			
Direct		$ 8,749,690	
Program Total		**8,749,690**	
14.239 Home Investment Partnerships Program			
Direct		20,137,923	
Program Total		**20,137,923**	
14.241 Housing Opportunities for Persons with AIDS			
Direct		1,915,191	
Program Total		**1,915,191**	
14.251 Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants			
Direct		56,198	
Program Total		**56,198**	
14.253 ARRA-Community Development Block Grant ARRA Entitlement Grants CDBG-R-Recovery Act Funded(CDBG-R)			
Through: ATHENS-CLARKE COUNTY	581911146	$ 81,866	
Program Total		**81,866**	
14.255 ARRA-Community Development Block Grants States program and Non-Entitlement Grants in Hawaii-Recovery Act Funded(CDBG-S)			
Direct		6,178,836	
Program Total		**6,178,836**	
14.257 ARRA-Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)			
Direct		11,201,829	
Program Total		**11,201,829**	
14.258 ARRA-Tax Credit Assistance Program (Recovery Act Funded)			
Direct		31,976,247	
Program Total		**31,976,247**	(3)
14.316 Housing Counseling Training Program			
Direct		423,206	
Program Total		**423,206**	
14.401 Fair Housing Assistance Program_State and Local			
Direct		377,326	
Program Total		**377,326**	
14.520 Historically Black Colleges and Universities Program			
Direct		203,514	
Program Total		**203,514**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Housing and Urban Development, U.S. Department of				
14.871	Section 8 Housing Choice Vouchers(HVC)			
Direct			$ 112,459,852	
Program Total			**112,459,852**	
14.900	Lead-Based Paint Hazard Control in Privately-Owned Housing			
Direct			29,904	
Program Total			**29,904**	
AGENCY TOTAL			$ **265,055,306**	
Interior, U.S. Department of				
15.506	Water Desalination Research and Development Program			
Direct			$ -1,079 (R)	
Program Total			**-1,079**	
15.605	Sport Fish Restoration(FWC)			
Direct			6,221,482	
Program Total			**6,221,482**	
15.608	Fish and Wildlife Management Assistance			
Direct			9,751 (R)	
Program Total			**9,751**	
15.611	Wildlife Restoration(FWC)			
Direct			5,940,973	
Through:	TENNESSEE WILDLIFE RESC AGENCY	20480	$ 21,774 (R)	
	VIRGINIA DEPT GAME INLAND FISH	20453	28,409 (R)	
Program Total			**5,991,156**	
15.614	Coastal Wetlands Planning, Protection and Restoration Act			
Direct			39,480 (R)	
Program Total			**39,480**	
15.615	Cooperative Endangered Species Conservation Fund			
Direct			1,834,847 (R)	
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC	063828383	3,899 (R)	
Program Total			**1,838,746**	
15.616	Clean Vessel Act			
Direct			44,268	
Program Total			**44,268**	
15.622	Sportfishing and Boating Safety Act			
Direct			100,000	
Program Total			**100,000**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Interior, U.S. Department of				
15.623	North American Wetlands Conservation Fund			
Direct			$ 1,000,000	
Program Total			**1,000,000**	
15.628	Multistate Conservation Grant Program			
Direct			56,145	(R)
Program Total			**56,145**	
15.629	Great Apes Conservation			
Direct			6,818	(R)
Program Total			**6,818**	
15.630	Coastal Program			
Direct			5,341	(R)
Program Total			**5,341**	
15.631	Partners for Fish and Wildlife			
Direct			35,397	(R)
Program Total			**35,397**	
15.632	Conservation Grants Private Stewardship for Imperiled Species			
Direct			55,155	(R)
Program Total			**55,155**	
15.634	State Wildlife Grants			
Direct			2,164,994	
Through:	SC DEPT OF NATURAL RESOURCES	20329	$ 10,312	(R)
Program Total			**2,175,306**	
15.637	Migratory Bird Joint Ventures			
Direct			18,770	(R)
Program Total			**18,770**	
15.650	Research Grants - Generic			
Direct			36,311	(R)
Through:	NORTHERN KENTUCKY UNIVERSITY	20477	39,352	(R)
	UNIV OF MICHIGAN/	NBCHC080037	21,802	(R)
Program Total			**97,465**	
15.655	Migratory Bird Monitoring, Assessment and Conservation			
Direct			149,802	(R)
Through:	WILDLIFE MANAGEMENT INSTITUTE	67406	13,478	(R)
Program Total			**163,280**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Interior, U.S. Department of				
15.656	ARRA-Recovery Act Funds - Habitat Enhancement, Restoration and Improvement.			
Direct			$ 9,034	
Program Total			**9,034**	
15.657	ARRA-Endangered Species Conservation - Recovery Implementation Funds			
Direct			15,095	
Program Total			**15,095**	
15.660	Endangered Species - Candidate Conservation Action Funds			
Direct			2,787	(R)
Program Total			**2,787**	
15.805	Assistance to State Water Resources Research Institutes			
Direct			150,617	(R)
Program Total			**150,617**	
15.807	Earthquake Hazards Reduction Program			
Direct			37,126	(R)
Program Total			**37,126**	
15.808	U.S. Geological Survey_ Research and Data Collection			
Direct			601,991	(R)
Through:	AFS FISHERIES INFO TECH SECTION	521467469	$ 525	
	AMERICA VIEW, INCORPORATED	77-0602801	42,692	
	PROGRAM INCOME	67428	1,024	(R)
	GEORGIA AQUARIUM INC	G10AC00672	17,069	(R)
Program Total			**663,301**	
15.810	National Cooperative Geologic Mapping Program			
Direct			51,594	
Program Total			**51,594**	
15.812	Cooperative Research Units Program			
Direct			435,137	(R)
Through:	NORTH CAROLINA STATE UNIV	20211	6,885	(R)
Program Total			**442,022**	
15.817	ARRA-National Geospatial Program - Building The National Map			
Direct			630,172	(R)
Program Total			**630,172**	
15.904	Historic Preservation Fund Grants-In-Aid			
Direct			990,056	
Program Total			**990,056**	

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	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Interior, U.S. Department of			
15.916 Outdoor Recreation_Acquisition, Development and Planning			
Direct		$ 1,250,861	
Program Total		**1,250,861**	
15.922 Native American Graves Protection and Repatriation Act			
Direct		16,227	(R)
Program Total		**16,227**	
15.926 American Battlefield Protection			
Direct		83,312	(R)
Program Total		**83,312**	
15.944 Natural Resource Stewardship			
Direct		775	(R)
Program Total		**775**	
15.OFA Other Federal Assistance			
Direct		85,831	(R)
Program Total		**85,831**	
AGENCY TOTAL		$ **22,286,291**	
Justice, U.S. Department of			
16.017 Sexual Assault Services Formula Program			
Direct		$ 230,071	
Program Total		**230,071**	
16.203 Sex Offender Management Discretionary Grant			
Direct		4,138	
Program Total		**4,138**	
16.300 Law Enforcement Assistance_FBI Advanced Police Training			
Direct		182,100	(R)
Program Total		**182,100**	
16.523 Juvenile Accountability Incentive Block Grants			
Direct		1,644,738	
Program Total		**1,644,738**	
16.540 Juvenile Justice and Delinquency Prevention_Allocation to States			
Direct		1,630,434	
Program Total		**1,630,434**	
16.541 Developing, Testing and Demonstrating Promising New Programs			
Direct		383,897	
Program Total		**383,897**	

Schedule of Expenditures of Federal Awards
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	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Justice, U.S. Department of			
16.543 Missing Childrens Assistance			
Direct		$ 639,817	
Program Total		**639,817**	
16.550 State Justice Statistics Program for Statistical Analysis Centers			
Direct		542 (R)	
Program Total		**542**	
16.554 National Criminal History Improvement Program (NCHIP)			
Direct		35,714	
Program Total		**35,714**	
16.560 National Institute of Justice Research, Evaluation, and Development Project Grants			
Direct		595,092 (R)	
Program Total		**595,092**	
16.575 Crime Victim Assistance			
Direct		10,890,513	
Program Total		**10,890,513**	
16.576 Crime Victim Compensation			
Direct		4,104,540	
Program Total		**4,104,540**	
16.578 Federal Surplus Property Transfer Program			
Direct		1,620	
Program Total		**1,620**	
16.579 Byrne Formula Grant Program			
Direct		732,276 (R)	
Program Total		**732,276**	
16.580 Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program			
Direct		548,864 (R)	
Through: NATIONAL CENTER FOR STATE COURTS/WILLIAMSBURG, VA	2009-DD-BX-K026	$ 55,200 (R)	
Program Total		**604,064**	
16.585 Drug Court Discretionary Grant Program			
Direct		311,978	
Program Total		**311,978**	
16.588 Violence Against Women Formula Grants			
Direct		3,632,194	
Program Total		**3,632,194**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Justice, U.S. Department of				
16.588	ARRA-Violence Against Women Formula Grants			
Direct			$ 1,954,008	
Program Total			**1,954,008**	
16.593	Residential Substance Abuse Treatment for State Prisoners			
Direct			223,344	
Program Total			**223,344**	
16.595	Community Capacity Development Office			
Through:	CITY OF MARIETTA	033-87-007372	$ 2,240	
	KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOU	37-1535589	2,866	
Program Total			**5,106**	
16.601	Corrections_Training and Staff Development			
Through:	FEDERAL CORRECTIONAL INSTITUTION	10-0007204	61,611	
Program Total			**61,611**	
16.607	Bulletproof Vest Partnership Program			
Direct			21,533	
Program Total			**21,533**	
16.609	Project Safe Neighborhoods			
Direct			394,784	
Program Total			**394,784**	
16.610	Regional Information Sharing Systems			
Through:	CRIMINAL INFORMATION SHARING ALLIANCE/FOLSOM, CA	97-LB-VX-K009	131,355 (R)	
Program Total			**131,355**	
16.710	Public Safety Partnership and Community Policing Grants			
Direct			324,124	
Program Total			**324,124**	
16.727	Enforcing Underage Drinking Laws Program			
Direct			534,276	
Program Total			**534,276**	
16.738	Edward Byrne Memorial Justice Assistance Grant Program(JAG)			
Direct			922,834	
Through:	CITY OF ATLANTA	58-6000511	117,421	
Program Total			**1,040,255**	
16.741	Forensic DNA Backlog Reduction Program			
Direct			1,941,586	
Program Total			**1,941,586**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Justice, U.S. Department of				
16.744	Anti-Gang Initiative			
Direct			$ 24,499	
Program Total			**24,499**	
16.746	Capital Case Litigation			
Direct			222,916	
Program Total			**222,916**	
16.748	Convicted Offender and/or Arrestee DNA Backlog Reduction Program			
Direct			210,502	
Program Total			**210,502**	
16.751	Edward Byrne Memorial Competitive Grant Program			
Direct			2,339,380	(R)
Through:	GSU RESEARCH AND SERVICE FOUNDATION	063828383	$ 44,784	(R)
Program Total			**2,384,164**	
16.753	Congressionally Recommended Awards			
Direct			553,530	(R)
Program Total			**553,530**	
16.800	ARRA-Recovery Act - Internet Crimes against Children Task Force Program (ICAC)			
Direct			244,122	
Program Total			**244,122**	
16.801	ARRA-Recovery Act - State Victim Assistance Formula Grant Program			
Direct			404,148	
Program Total			**404,148**	
16.802	ARRA-Recovery Act - State Victim Compensation Formula Grant Program			
Direct			45,941	
Program Total			**45,941**	
16.803	ARRA-Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to States and Territories(JAG)			
Direct			13,046,437	
Program Total			**13,046,437**	
16.808	ARRA-Recovery Act - Edward Byrne Memorial Competitive Grant Program			
Direct			694,361	
Program Total			**694,361**	
16.812	Second Chance Act Prisoner Reentry Initiative			
Direct			121,095	
Program Total			**121,095**	

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	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Justice, U.S. Department of			
16.OFA Other Federal Assistance			
Direct		$ 8,403,668 (R)	
Program Total		**8,403,668**	
AGENCY TOTAL		$ **58,611,093**	
Labor, U.S. Department of			
17.002 Labor Force Statistics			
Direct		$ 1,915,881	
Program Total		**1,915,881**	
17.005 Compensation and Working Conditions			
Direct		-7,418	
Program Total		**-7,418**	
17.151 ARRA-Employee Benefits Security Administration - EBSA			
Direct		66,528	
Program Total		**66,528**	
17.207 Employment Service - Wagner-Peyser Funded Activities(ESC)			
Direct		22,457,898	
Program Total		**22,457,898**	
17.207 ARRA-Employment Service - Wagner-Peyser Funded Activities(ESC)			
Direct		8,779,434	
Program Total		**8,779,434**	
17.225 Unemployment Insurance			
Direct		2,945,654,999	
Program Total		**2,945,654,999**	(1)
17.225 ARRA-Unemployment Insurance			
Direct		102,625,880	
Program Total		**102,625,880**	(1)
17.235 Senior Community Service Employment Program			
Direct		3,737,705	
Program Total		**3,737,705**	
17.245 Trade Adjustment Assistance			
Direct		5,980,538	
Program Total		**5,980,538**	
17.249 Employment Services and Job Training Pilots - Demonstrations and Research			

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Labor, U.S. Department of				
Through:	UNIVERSITY OF BALTIMORE	UNKNOWN	$ 13,267	(R)
Program Total			**13,267**	
17.258	WIA Adult Program(WIA)			
Direct			$ 34,290,620	
Through:	ATLANTA REGIONAL COMMISSION	58-6002324	534,500	
	CITY OF MACON	586000612	129,498	
	EAST CENTRAL GEORGIA WORKFORCE INVESTMENT	58 211 4208	44,716	
	JOB TRAINING UNLIMITED	582181803	559,967	
	NORTHEAST GEORGIA REGIONAL DEV CENTER	580902860	90,858	
	RICHMOND/BURKE JOB TRAINING AUTHORITY	58 211 3801	104,770	
	RIVER VALLEY REGIONAL COMMISSION	58-1937286	213,060	
	SOUTH GEORGIA REGIONAL DEVELOPMENT CENTER	580942510	41,953	
	SOUTHERN GEORGIA REGIONAL COMMISSION	27-0371708	38,453	
	SOUTHERN GEORGIA REGIONAL COMMISSION	UNKNOWN	16,620	
	SOUTHWEST GEORGIA REGIONAL COMMISSION	UNKNOWN	62,905	
	WEST CENTRAL GA WORKFORCE DEV CORP	58-1835067	5,890	
Program Total			**36,133,810**	
17.258	ARRA-WIA Adult Program(WIA)			
Direct			15,099,521	
Through:	COOSA VALLEY REGIONAL DEVELOPMENT CENTER	58-6015195	181,594	
	MIDDLE GEORGIA CONSORTIUM, INCORPORATED	35602	50,695	
	MIDDLE GEORGIA CONSORTIUM	58-1391833	121,719	
	NORTHWEST GEORGIA REGIONAL COMMISSION	01-03-45-CA2	440,257	
Program Total			**15,893,786**	
17.259	WIA Youth Activities(WIA)			
Direct			22,453,628	
Through:	JOB TRAINING UNLIMITED	58-2181803	1,277,985	
	NORTHEAST GEORGIA REGIONAL DEV. CENTER	580902860	26,010	
	SOUTHERN GEORGIA REGIONAL COMMISSION	UNKNOWN	48,221	
	SOUTHERN GEORGIA REGIONAL COMMISSION	27-0371708	28,036	
	SOUTHWEST GEORGIA REGIONAL COMMISSION	UNKNOWN	57,117	
	WEST CENTRAL GA WORKFORCE DEV CORP	58-1835067	5,976	
Program Total			**23,896,973**	
17.259	ARRA-WIA Youth Activities(WIA)			
Direct			1,483,924	
Through:	NORTHWEST GEORGIA REGIONAL COMMISSION	01-03-45-CA2	222,637	
	SOUTHWEST GEORGIA WORKFORCE INVESTMENT BOARD	58-6002009	81,664	
Program Total			**1,788,225**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Labor, U.S. Department of				
17.260	WIA Dislocated Workers(WIA)			
Direct			$ 25,255,959	
Through:	COOSA VALLEY REGIONAL DEVELOPMENT CENTER	58-6015195	$ 89,216	
	ITA, CAREER CENTER	1116	63,231	
	NORTHEAST GEORGIA REGIONAL DEV CENTER	580902860	258,959	
	RICHMOND BURKE JOB TRAINING AUTHORITY	58 211 3801	61,531	
	SOUTHERN GEORGIA REGIONAL COMMISSION	27-0371708	9,906	
	SOUTHWEST GEORGIA REGIONAL COMMISSION	UNKNOWN	40,223	
	THE VALLEY PARTNERSHIP	UNKNOWN	7,272	(R)
Program Total			**25,786,297**	
17.260	ARRA-WIA Dislocated Workers(WIA)			
Direct			20,262,693	
Through:	ATLANTA REGIONAL COMMISSION	586002324	113,348	
	NORTHWEST GEORGIA REGIONAL COMMISSION	586015195	341,322	
	NORTHWEST GEORGIA REGIONAL COMMISSION	01-03-45-CA2	18,342	
	RIVER VALLEY REGIONAL COMMISSION	58-1937286	263,249	
	SOUTHERN GEORGIA REGIONAL COMMISSION	UNKNOWN	69,587	
	SOUTHERN GEORGIA REGIONAL COMMISSION	27-0371708	21,767	
Program Total			**21,090,308**	
17.261	WIA Pilots, Demonstrations, and Research Projects			
Direct			47,723	
Program Total			**47,723**	
17.266	Work Incentives Grant			
Direct			361,477	
Through:	ATLANTA REGIONAL COMMISSION	586002324	194,012	
	NORTHWEST GEORGIA REGIONAL COMMISSION	586015195	12,180	
	NORTHWEST GEORGIA REGIONAL COMMISSION	01-03-45-CA2	98,085	
Program Total			**665,754**	
17.268	H-1B Job Training Grants			
Direct			304,054	
Program Total			**304,054**	
17.269	Community Based Job Training Grants			
Direct			2,668,499	
Program Total			**2,668,499**	
17.271	Work Opportunity Tax Credit Program			
Direct			79,698	
Program Total			**79,698**	

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	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Labor, U.S. Department of			
17.273 Temporary Labor Certification for Foreign Workers			
Direct		$ 486,103	
Program Total		**486,103**	
17.275 ARRA-Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors			
Direct		2,687,309	
Program Total		**2,687,309**	
17.276 ARRA-Health Coverage Tax Credit - HCTC			
Direct		459,697	
Program Total		**459,697**	
17.277 Workforce Investment Act (WIA) National Emergency Grants(WIA)			
Direct		71,311	
Program Total		**71,311**	
17.278 WIA Dislocated Worker Formula Grants(WIA)			
Direct		9,143,231	
Program Total		**9,143,231**	
17.502 Occupational Safety and Health_Susan Harwood Training Grants			
Direct		496,277	(R)
Program Total		**496,277**	
17.504 Consultation Agreements			
Direct		1,525,171	(R)
Program Total		**1,525,171**	
17.600 Mine Health and Safety Grants			
Direct		192,842	
Program Total		**192,842**	
17.801 Disabled Veterans Outreach Program (DVOP)(ESC)			
Direct		3,078,775	
Program Total		**3,078,775**	
17.804 Local Veterans Employment Representative Program (LVER)(ESC)			
Direct		2,749,769	
Program Total		**2,749,769**	
AGENCY TOTAL		$ **3,240,470,324**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
State, U.S. Department of				
19.011	Academic Exchange Programs - Special Academic Exchange Programs			
Direct			$ 5,316 (R)	
Program Total			**5,316**	
19.017	Environmental and Scientific Partnerships and Programs			
Direct			268,473 (R)	
Program Total			**268,473**	
19.019	International Programs to Combat Human Trafficking			
Direct			186,117 (R)	
Program Total			**186,117**	
19.300	Program for Study of Eastern Europe and the Independent States of the Former Soviet Union			
Through:	UNIVERSITY OF DELAWARE	UNKNOWN	$ 3 (R)	
Program Total			**3**	
19.400	Academic Exchange Programs - Graduate Students			
Direct			37,750 (R)	
Program Total			**37,750**	
19.408	Academic Exchange Programs - Teachers			
Direct			181,421 (R)	
Program Total			**181,421**	
19.415	Professional and Cultural Exchange Programs - Citizen Exchanges			
Direct			21,060 (R)	
Program Total			**21,060**	
19.519	Overseas Refugee Assistance Programs for Near East and South Asia			
Through:	NATIONAL ACADEMY OF SCIENCES	67988	58,226 (R)	
Program Total			**58,226**	
19.901	Export Control and Related Border Security			
Through:	RAYTHEON COMPANY	61606	44,536 (R)	
Program Total			**44,536**	
19.OFA	Other Federal Assistance			
Direct			844,366 (R)	
Through:	SCIENCE APPLICATIONS INTL CORP	61126	-13,981 (R)	
Program Total			**830,385**	
AGENCY TOTAL			$ **1,633,287**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Transportation, U.S. Department of				
20.106	Airport Improvement Program			
Direct			$ 19,934,147	
Program Total			**19,934,147**	
20.106	ARRA-Airport Improvement Program			
Direct			217,741	
Program Total			**217,741**	
20.108	Aviation Research Grants			
Direct			1,076,991	(R)
Through:	INNOVATIVE SOLUTIONS INTL INC/VIENNA, VA	DTFAWA-05-A-0005	$ 29,556	(R)
Program Total			**1,106,547**	
20.109	Air Transportation Centers of Excellence			
Direct			2,625,981	(R)
Through:	BOOZ, ALLEN AND HAMILTON INC	DTRT57-10-D-30015	59,003	(R)
Program Total			**2,684,984**	
20.200	Highway Research and Development Program			
Through:	UNIVERSITY OF CENTRAL FLORIDA	UNKNOWN	348,312	(R)
	PROFESSIONAL SERVICES INDUSTRIES INC/FAIRFAX, VA	DTFH61-04-C-00029	50,712	(R)
	RICE UNIVERSITY/HOUSTON, TEXAS	NCHRP-147	23,734	(R)
	THE NATIONAL ACADEMIES	DOT-6505-099	9,858	(R)
	THE NATIONAL ACADEMIES	DOT-6507-001	93,094	(R)
Program Total			**525,710**	
20.205	Highway Planning and Construction(HPCC)			
Direct			1,267,986,554	(R)
Through:	UNIVERSITY OF NEBRASKA/LINCOLN, NE	SHRP-R-19A	21,045	(R)
Program Total			**1,268,007,599**	
20.205	ARRA-Highway Planning and Construction(HPCC)			
Direct			318,881,245	
Program Total			**318,881,245**	
20.218	National Motor Carrier Safety			
Direct			7,709,082	
Program Total			**7,709,082**	
20.219	Recreational Trails Program(HPCC)			
Direct			1,408,140	
Program Total			**1,408,140**	
20.232	Commercial Driver's License Program Improvement Grant			
Direct			3,310	
Program Total			**3,310**	

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	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Transportation, U.S. Department of			
20.237 Commercial Vehicle Information Systems and Networks			
Direct		$ 893,467	
Program Total		**893,467**	
20.238 Commercial Drivers License Information System (CDLIS) Modernization Grant			
Direct		68,961	
Program Total		**68,961**	
20.313 Railroad Research and Development			
Direct		2,100,220 (R)	
Program Total		**2,100,220**	
20.500 Federal Transit_Capital Investment Grants(FTC)			
Direct		14,508,352	
Program Total		**14,508,352**	
20.505 Metropolitan Transportation Planning			
Direct		2,291,216	
Program Total		**2,291,216**	
20.507 Federal Transit_Formula Grants(FTC)			
Direct		15,427,566	
Program Total		**15,427,566**	
20.507 ARRA-Federal Transit_Formula Grants(FTC)			
Direct		2,350,937	
Program Total		**2,350,937**	
20.509 Formula Grants for Other Than Urbanized Areas			
Direct		12,044,297	
Program Total		**12,044,297**	
20.509 ARRA-Formula Grants for Other Than Urbanized Areas			
Direct		10,660,167	
Program Total		**10,660,167**	
20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities(TSP)			
Direct		3,744,564	
Program Total		**3,744,564**	
20.514 Public Transportation Research			
Direct		57,860 (R)	
Program Total		**57,860**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Transportation, U.S. Department of				
20.516	Job Access_Reverse Commute(TSP)			
Direct			$ 1,532,156	
Program Total			**1,532,156**	
20.521	New Freedom Program(TSP)			
Direct			499,821	
Program Total			**499,821**	
20.522	Alternatives Analysis			
Direct			9,592	
Program Total			**9,592**	
20.600	State and Community Highway Safety(HSC)			
Direct			4,695,119	
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	$ 4,200	
Program Total			**4,699,319**	
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants (HSC)			
Direct			3,501,474	
Program Total			**3,501,474**	
20.602	Occupant Protection Incentive Grants(HSC)			
Direct			619,717	
Program Total			**619,717**	
20.609	Safety Belt Performance Grants(HSC)			
Direct			3,750,356	
Program Total			**3,750,356**	
20.610	State Traffic Safety Information System Improvement Grants(HSC)			
Direct			1,926,301	
Program Total			**1,926,301**	
20.612	Incentive Grant Program to Increase Motorcyclist Safety(HSC)			
Direct			164,226	
Program Total			**164,226**	
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants			
Direct			168,835	
Program Total			**168,835**	
20.700	Pipeline Safety Program Base Grants			
Direct			1,399,034 (R)	
Program Total			**1,399,034**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Transportation, U.S. Department of				
20.701	University Transportation Centers Program			
Direct			$ 931,587	(R)
Through:	GSU RESEARCH AND SERVICE FOUNDATION	063828383	$ 12,137	(R)
	UNIV OF TENNESSEE/	DTRT07-G-0004	16,908	(R)
Program Total			**960,632**	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants			
Direct			441,724	
Program Total			**441,724**	
20.720	State Damage Prevention Program Grants			
Direct			150,030	
Program Total			**150,030**	
20.761	Biobased Transportation Research			
Through:	UNIVERSITY OF TENNESSEE	20271	150,221	(R)
Program Total			**150,221**	
20.762	Research Grants			
Direct			735,786	(R)
Through:	CC TECHNOLOGIES	DTPH56-08-T-000013	54,055	(R)
	COLONIAL PIPELINE COMPANY/ATLANTA, GA	UNKNOWN	140,357	(R)
	PROFESSIONAL SERVICES INDUSTRIES INC/FAIRFAX, VA	DTFH61-10-D-00017	145,841	(R)
	SAIC	DTFH61-06-D-00005	19,866	(R)
	THE NATIONAL ACADEMIES	DOT 6506-400	1,153	(R)
Program Total			**1,097,058**	
20.OFA	Other Federal Assistance			
Direct			59,175	
Program Total			**59,175**	
AGENCY TOTAL			$ **1,705,755,783**	
Department of the Treasury				
21.008	Low Income Taxpayer Clinics			
Direct			$ 42,900	
Program Total			**42,900**	
AGENCY TOTAL			$ **42,900**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Appalachian Regional Commission				
23.001	Appalachian Regional Development (See individual Appalachian Programs)			
Direct			$ 6,250	
Program Total			**6,250**	
23.002	Appalachian Area Development			
Direct			55,000	
Through:	DALTON UTILITIES	41274	$ 10,645 (R)	
Program Total			**65,645**	
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects			
Direct			195,191	1,320,619
Through:	EAST TENNESSEE STATE UNIVERSITY	62-6021046	365,641	
	EAST TENNESSEE STATE UNIVERSITY	62-6021046	3,928	
Program Total			**564,760**	**1,320,619** (3)
AGENCY TOTAL			$ **636,655**	$ **1,320,619**
Equal Employment Opportunity Commission				
30.001	Employment Discrimination_Title VII of the Civil Rights Act of 1964			
Direct			$ 54,738	
Program Total			**54,738**	
AGENCY TOTAL			$ **54,738**	
General Services Administration				
39.003	Donation of Federal Surplus Personal Property			
Direct			$ 0	25,443,050
Program Total			**0**	**25,443,050**
39.007	Sale of Federal Surplus Personal Property			
Direct			218,040 (R)	
Program Total			**218,040**	
39.012	Public Buildings Service			
Direct			77,479 (R)	
Program Total			**77,479**	
AGENCY TOTAL			$ **295,519**	$ **25,443,050**

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
National Aeronautics and Space Administration				
43.001	Science			
Direct			$ 441,437	(R)
Through:	CALIFORNIA INST OF TECHNOLOGY	68126	$ 31,592	(R)
	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	1,458	(R)
	JET PROPULSION LABORATORY	UNKNOWN	113,864	(R)
	JET PROPULSION LABORATORY	UNKNOWN	25,250	(R)
	JET PROPULSION LABORATORY	67725	829	(R)
	SPACE TELESCOPE SCIENCE INST	68527	301	(R)
	SPACE TELESCOPE SCIENCE INSTITUTE	UNKNOWN	106,900	(R)
	SPACE TELESCOPE SCIENCE INSTITUTE	UNKNOWN	398	(R)
	CALIFORNIA POLYTECHNIC STATE UNIVERSITY/SAN LUIS OBISPO, CA	NNL07AA55C	272,316	(R)
	MASSACHUSETTS INST OF TECH (MIT)/CAMBRIDGE, MA	NNX11AF17G	16,326	(R)
	SOUTHWEST RESEARCH INSTITUTE/	NNM06AA75C	200,622	(R)
	UNIV OF MARYLAND/COLLEGE PARK, MD	NCC 3989	333,759	(R)
Program Total			**1,545,052**	
43.002	Aeronautics			
Direct			13,797,156	(R)
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	7,733	(R)
	AERIUS PHOTONICS LLCVENTURA, CA	NNX11CH05P	2,474	(R)
	AEROTONOMY INCORPORATED	NNX08CA44P	9,193	(R)
	ANALYTICAL SERVICES & MATERIALS INCORPORATED/HAMPTON, VA	NNL09AA01Z	14,410	(R)
	BOEING AEROSPACE COMPANY/	NNL08AA16B-NNL11AAOO	81,903	(R)
	CFD RESEARCH CORP	NNX10CF01P	9,180	(R)
	CFX BATTERY INC/AZUSA, CA	UNKNOWN	27,330	(R)
	CLARK ATLANTA UNIVERSITY/ATLANTA, GA	NCC31044	679	(R)
	ELORET CORPORATION	NNX10CC51P	14,280	(R)
	ELORET CORPORATIONSUNNYVALE, CA	NNA04BC25C	10,000	
	EMERGENT SPACE TECHNOLOGIES INC/GREENBELT,MD	NNX11CE08P	14,988	(R)
	IMPACT TECHNOLOGIES LLC/ROCHESTER, NY	NNX09CB61C	122,500	(R)
	JET PROPULSION LAB	NMO710764	20,543	(R)
	JET PROPULSION LAB/CALIFORNIA INST. OF TECH	NMO710973	21,779	(R)
	JET PROPULSION LAB/CALIFORNIA INST. OF TECH	UNKNOWN	55,636	(R)
	JOHNS HOPKINS APPLIED PHYSICS LAB/LAUREL, MD	NNA09DB31A	103,345	(R)
	KWJ ENGINEERING INC/NEWARK, CA	NNX11CE36P	32,933	(R)
	LOCKHEED - MARTIN/MARIETTA, GA	NND11AG01	127,467	(R)
	MA INST OF TECHNOLOGY/CAMBRIDGE, MA	NNX07AE89G	104,486	(R)
	MATERIALS TECHNOLOGIES CORP/MILFORD, CT	UNKNOWN	47,724	(R)
	METRON/HERNDON, VA	NNA07BB40C	10,627	(R)
	NATIONAL INSTITUTE OF AEROSPACE	NCC1-02043	37,087	(R)
	NATIONAL INSTITUTE OF AEROSPACE/HAMPTON, VA	NNL-09-AA00A	10,845	(R)
	NATIONAL INSTITUTE OF AEROSPACE/HAMPTON, VA	NNL08AA00B	192,890	(R)
	NORTHEASTERN UNIVERSITY/BOSTON, MA	NNX08AE37A	80,704	(R)
	TETHERS UNLIMITED	NNX11CD67P	5,193	(R)
	UNIV OF HAWAII/NATURAL ENERGY INSTITUTE	NNX08AR49G	80,997	(R)
	UNIVERSITY OF CALIFORNIA/BERKELEY, CA	NNX08AK56G	21,565	(R)
	UNIVERSITY OF IDAHO/MOSCOW, IDAHO	UNKNOWN	4,500	

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National Aeronautics and Space Administration				
Through:	UNIVERSITY OF SOUTHERN MISSISSIPPI/HATTIESBURG, MS	NNX10AK44G	$ 68,536	
Program Total			**15,138,683**	
43.003	Exploration			
Direct			$ 7,090	
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	83,212	(R)
	UNIVERSITY OF CALIFORNIA/BERKELEY, CA	NNX09AN18G	17,670	(R)
Program Total			**107,972**	
43.004	ARRA-Aeronautics, Recovery Act			
Through:	IMPACT TECHNOLOGIES LLC/ROCHESTER, NY	NNX10RA81P	30,000	(R)
	UNIV OF VIRGINIA/CHARLOTTESVILLE, VA	NNA10DE79C	110,858	(R)
Program Total			**140,858**	
43.005	ARRA-Exploration, Recovery Act			
Direct			502,296	(R)
Program Total			**502,296**	
43.OFA	Other Federal Assistance			
Direct			1,452,432	(R)
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	15,916	
	JET PROPULSION LABORATORY	UNKNOWN	30,313	(R)
	RUTGERS UNIVERSITY	20214	44,598	(R)
	SPACE TELESCOPE SCIENCE INSTITUTE	UNKNOWN	1,614	(R)
	SPACE TELESCOPE SCIENCE INSTITUTE	UNKNOWN	84,258	(R)
	UNIV OF SOUTHERN MISSISSIPPI	20274	26,535	(R)
Program Total			**1,655,666**	
AGENCY TOTAL			$ **19,090,527**	
National Foundation on the Arts and the Humanities				
45.024	Promotion of the Arts_Grants to Organizations and Individuals			
Direct			$ 93,925	(R)
Through:	ARTS MIDWEST	411000424	$ 713	
Program Total			**94,638**	
45.024	ARRA-Promotion of the Arts_Grants to Organizations and Individuals			
Direct			23,327	(R)
Through:	MID-ATLANTIC ARTS FOUNDATION	52-1169382	8,500	
Program Total			**31,827**	
45.025	Promotion of the Arts_Partnership Agreements			
Direct			811,822	
Program Total			**811,822**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
National Foundation on the Arts and the Humanities				
45.025	ARRA-Promotion of the Arts_Partnership Agreements			
Through:	SOUTHERN ARTS FEDERATION	56-1129587	$ 3,750	
Program Total			**3,750**	
45.129	Promotion of the Humanities_Federal/State Partnership			
Through:	GEORGIA HUMANITIES COUNCIL	51-0180861	134	
	GEORGIA HUMANITIES COUNCIL	51-0180861	4,356	
	GEORGIA HUMANITIES COUNCIL	51-0180861	3,000	
Program Total			**7,490**	
45.149	Promotion of the Humanities_Division of Preservation and Access			
Direct			$ 53,616	(R)
Program Total			**53,616**	
45.160	Promotion of the Humanities_Fellowships and Stipends			
Direct			51,233	(R)
Program Total			**51,233**	
45.161	Promotion of the Humanities_Research			
Direct			88,135	(R)
Program Total			**88,135**	
45.162	Promotion of the Humanities_Teaching and Learning Resources and Curriculum Development			
Direct			9,253	
Program Total			**9,253**	
45.163	Promotion of the Humanities_Professional Development			
Direct			170,475	
Program Total			**170,475**	
45.164	Promotion of the Humanities_Public Programs			
Direct			18,127	(R)
Program Total			**18,127**	
45.168	Promotion of the Humanities_We the People			
Direct			24,840	(R)
Program Total			**24,840**	
45.169	Promotion of the Humanities_Office of Digital Humanities			
Direct			71,395	(R)
Program Total			**71,395**	
45.301	Museums for America			
Direct			74,448	
Program Total			**74,448**	

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National Foundation on the Arts and the Humanities				
45.309	Museum Grants for African American History and Culture			
Direct			$ 39,907	
Program Total			**39,907**	
45.310	Grants to States			
Direct			5,719,644	
Program Total			**5,719,644**	
45.312	National Leadership Grants			
Direct			232,129 (R)	
Program Total			**232,129**	
45.313	Laura Bush 21st Century Librarian Program			
Direct			123,619	
Program Total			**123,619**	
AGENCY TOTAL			$ **7,626,348**	
National Science Foundation				
47.041	Engineering Grants			
Direct			$ 14,871,762 (R)	
Through:	ARIZONA STATE UNIVERSITY	20272	$ 112,397 (R)	
	GSU RESEARCH AND SERVICE FOUNDATION	063828383	190,581 (R)	
	MASSACHUSETTS INST OF TECH	68196	69,333 (R)	
	ALPZHI INC/ATLANTA,GA	IIP-1047095	35,157 (R)	
	ARIZONA STATE UNIVERSITY/TEMPE, AZ	836046	95,278 (R)	
	CORNELL UNIVERSITY	335765	1,451,682 (R)	
	FURMAN UNIVERSITY/GREENVILLE, SC	CBET-0853692	48,854 (R)	
	LEHIGH TECHNOLOGIES/NAPLES, FL	IIP-1013373	29,929 (R)	
	MA INSTITUTE OF TECHNOLOGY	DBET-0939511	1,014,896 (R)	
	MARQUETTE UNIVERSITY/MILWAUKEE, WI	ECCS-0824017	67,428 (R)	
	NANO TECH LABS INC/YADINVILLE, NC	IIP-1046519	11,772 (R)	
	PROSPECT PHOTONICS/ATLANTA, GA	IIP-0956900	53,082 (R)	
	PURDUE UNIVERSITY/WEST LAFAYETTE, IN	AGR DTD 12/18/08	7,984 (R)	
	RAYTHEON/BBN SYSTEM AND TECHNOLOGIES/CAMBRIDGE, MA	CNS-1050190	10,045 (R)	
	SYZYGY MEMORY PLASTICS CORP/ATLANTA, GA	IIP-1003287	-53 (R)	
	TEXAS A & M INIVERSITY/KINGSVILLE, TX	EEC-1042056	19,841 (R)	
	TEXAS ENGINEERING STATION-TAMU/COLLEGE STATION, TX	CMMI-0709283	51,520 (R)	
	THE NATIONAL ACADEMIES	DUE-0814328	2,500	
	UCLA/LOS ANGELES, CA	CMMI-0802658	1,056 (R)	
	UNIV OF ALABAMA/TUSCALOOSA, AL	CTS-0608896	136,126 (R)	
	UNIV OF CENTRAL FL/	IIP-0433461	30,168 (R)	
	UNIV OF MAINE/ORONO, ME	CBET-0553861	48,582 (R)	
	UNIVERSITY OF CALIFORNIA RIVERSIDE/RIVERSIDE, CA	903894	5,298 (R)	
	UNIVERSITY OF CALIFORNIA/BERKELEY, CA	CBET-0709090	22,952 (R)	
	UNIVERSITY OF MINNESOTA/MINNEAPOLIS, MN	EEC-0540834	655,971 (R)	
	UNIVERSITY OF MINNESOTA/MINNEAPOLIS, MN	EEC-0540834	4,912	

National Science Foundation

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Through:	UNIVERSITY OF MISSOURI/ROLLA, MISSOURI	EFRI-0836017	$ 344,386	(R)
	VIRGINIA TECH/BLACKSBURG, VA	CMMI-1132373	12,356	(R)
	WASHINGTON STATE UNIVERSITY/PULLMAN, WA	CMMI-0936543	8,655	(R)
Program Total			**19,414,450**	
47.049	Mathematical and Physical Sciences			
Direct			$ 15,360,301	(R)
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	80,415	(R)
	HOPE COLLEGE	UNKNOWN	39,860	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	42,114	(R)
	UNIVERSITY OF FLORIDA	59-6002052	26,851	(R)
	UNIVERSITY OF FLORIDA	20220	89,523	(R)
	CARNEGIE MELLON INSTITUTE/PITTSBURGH, PA	CBET-0651182	32,464	(R)
	CROSSBOW TECHNOLOGY INC	945335	5,478	(R)
	INSTITUTE FOR ADVANCED STUDY/PRINCETON, NJ	NSF DMS-0635607	98,670	(R)
	NANO ENGINEERED MATERIALS CORP	NSF 0945004	14	(R)
	NOVANA INC/ALPHARETTA, GA	IIP-0848524	30,867	(R)
	PURDUE UNIVERSITY/WEST LAFAYETTE, IN	1037992-CHE	64,257	(R)
	TEXAS ENGINEERING STATION-TAMU	DMR-0844082	52,546	(R)
	UNIV OF MICHIGAN/	DMR 0454533	3,108	(R)
	UNIV OF MICHIGAN/	SP4144012255-13	13,087	(R)
	UNIV OF WASHINGTON/SEATTLE, WA	DMR-0120967	1,666	
	UNIV OF WASHINGTON/SEATTLE, WA	DMR-0120967	1,077,307	(R)
	UNIVERSITY OF MINNESOTA/MINNEAPOLIS, MN	DMR-0819885	62,443	(R)
	UNIVERSITY OF MINNESOTA/MINNEAPOLIS, MN	DMR-0709584	65,061	(R)
	UNIVERSITY OF OREGON/EUGENE, OREGON	DMR-0804648	453	(R)
Program Total			**17,146,485**	
47.049	ARRA-Mathematical and Physical Sciences			
Through:	UNIVERSITY OF ILLINOIS/CHICAGO,IL	NSF DMS-0914802 ARRA	54,019	(R)
Program Total			**54,019**	
47.050	Geosciences			
Direct			8,406,415	(R)
Through:	CLARK UNIVERSITY	20006	117,100	(R)
	MARINE BIOLOGICAL LABORATORY	67228	68,763	(R)
	SC SEA GRANT CONSORTIUM	68764	15,943	(R)
	UNIVERSITY OF LOUISVILLE	UNKNOWN	15,475	(R)
	CARNEGIE MELLON INSTITUTE/PITTSBURGH, PA	CMS-0619078	4,849	(R)
	CONSORTIUM OF UNIV FOR RES IN EARTHQUAKE ENG/RICHMOND, CA	CMMI-0721399	35,733	(R)
	DREXEL UNIVERSITY/PHILADELPHIA, PA	627227	11,555	(R)
	IRIS/ARLINGTON, VA	EAR-0733069	8,267	(R)
	UNIV OF CALIFORNIA/SAN DIEGO/LAJOLLA, CA	OCE0417616	19,994	(R)
	UNIV OF SOUTHERN CALIFORNIA/MARINA DEL RAY, CA	EAR-0529922	75,436	(R)
	UNIVERSITY OF CALIFORNIA/DAVIS, CA	ATM-0807702	66,214	(R)
Program Total			**8,845,744**	

National Science Foundation

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
47.070	Computer and Information Science and Engineering			
Direct			$ 15,692,850	(R)
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	$ 6,585	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	27,108	(R)
	UNIVERSITY OF ARIZONA	20266	64,599	(R)
	WASHINGTON STATE UNIVERSITY	UNKNOWN	2,933	(R)
	BBN SYSTEM AND TECHNOLOGIES, ARLINGTON, VA	UNKNOWN	82,566	(R)
	COMPUTING RESEARCH ASSOCIATION/WASHINGTON, DC	1019343	109,857	(R)
	COMPUTING RESEARCH ASSOCIATION/WASHINGTON, DC	CNS-0937060	12,393	(R)
	HAMPTON UNIVERSITY/HAMPTON,VA	CNS-1042466	9,112	
	UNIV OF KENTUCKY RESEARCH FDN	EPS-0814194	36,180	(R)
	UNIV OF NOTRE DAME/SOUTH BEND, IN	CNS-1004014	50,738	(R)
	UNIVERSITY OF MARYLAND BALTIMORE COUNTY/BALTIMORE, MD	CNS-1061621	165	(R)
Program Total			**16,095,086**	
47.074	Biological Sciences			
Direct			13,757,648	(R)
Through:	AMERICAN STATISTICAL ASSOC	68002	50,403	(R)
	CFD RESEARCH COOPERATION	67112	30,000	(R)
	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	513,318	(R)
	INDIANA UNIVERSITY	20235	334,970	(R)
	IOWA STATE UNIVERSITY	20291	459,922	(R)
	J. CRAIG VENTER INSTITUTE	154	17,702	(R)
	KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOU	37-1535589	81,349	(R)
	LOUISIANA STATE UNIVERSITY	20252	26,145	(R)
	MICHIGAN STATE UNIVERSITY	20210	1,701	(R)
	MISSISSIPPI STATE UNIVERSITY	20262	28,401	(R)
	OHIO STATE UNIVERSITY	31-6401599	1,509	(R)
	PENNSYLVANIA STATE UNIVERSITY	20269	121,270	(R)
	SC SEA GRANT CONSORTIUM	68764	30,548	(R)
	UNIV OF CALIFORNIA/DAVIS	20423	64,639	(R)
	UNIVERSITY OF ARIZONA	20266	67,860	(R)
	UNIVERSITY OF CALIFORNIA	20218	196,555	(R)
	UNIVERSITY OF CONNECTICUT	20219	161,202	(R)
	UNIVERSITY OF MICHIGAN	20234	19,094	(R)
	UNIVERSITY OF PUERTO RICO	20414	13,740	(R)
	VIRGINIA COMMONWEALTH UNIV	20368	5,442	(R)
	VIRGINIA POLYTECHNIC INSTITUTE	20233	26,122	(R)
	WASHINGTON UNIVERSITY	20364	18,646	(R)
	ARIZONA STATE UNIVERSITY/TEMPE, AZ	EEC-0080012	128,935	(R)
	DUKE UNIVERSITY/DURHAM, NC	DBI-0820624	50,754	(R)
Program Total			**16,207,875**	

National Science Foundation

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
47.075	Social, Behavioral, and Economic Sciences			
Direct			$ 2,673,405	(R)
Through:	ARIZONA STATE UNIVERSITY	20272	$ 8,786	(R)
	CLARK UNIVERSITY	20006	2,655	(R)
	COLUMBIA UNIVERSITY	68698	24,343	(R)
	RESEARCH FD OF ST UN OF NY	69125	17,990	(R)
	RESEARCH FOUNDATION OF SUNY	UNKNOWN	10,828	(R)
	UNIV NORTH CAROLINA CHAPEL HIL	20228	15,704	(R)
	ARIZONA STATE UNIVERSITY/TEMPE, AZ	SES-0531194	41,128	(R)
	ARIZONA STATE UNIVERSITY/TEMPE, AZ	SES-0937591	112,928	(R)
	CLARK ATLANTA UNIVERSITY/ATLANTA, GA	DMR 0934142	84,754	(R)
	COMPUTING RESEARCH ASSOCIATION/WASHINGTON, DC	CNS-0937060	130,002	(R)
	NEW MEXICO HIGHLANDS UNIVERSITY/LAS VEGAS, NM	DMR-0934212	86,875	(R)
	SRI INTERNATIONAL	OMA0835854	104,891	(R)
Program Total			**3,314,289**	
47.076	Education and Human Resources			
Direct			14,626,558	(R)
Through:	CLARK ATLANTA UNIVERSITY	HRD-0503372	38,403	
	CLARK ATLANTA UNIVERSITY	UNKNOWN	86,605	
	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	775,725	
	KCP TECHNOLOGIES	61621	62,913	(R)
	KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOU	37-1535589	8,575	(R)
	KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOU	37-1535589	69,240	
	MESA	94-3067788	5,000	(R)
	NATIONAL CENTER FOR SCIENCE AND CIVIC ENGAGEMENT	0618431	2,800	
	SC SEA GRANT CONSORTIUM	68764	567	(R)
	SAN DIEGO STATE UNIV FOUND	69098	35,344	(R)
	TEXAS ENGINEERING EXPERIMENT STATION	DUE-0801893	70,111	
	UNIV OF MARYLAND/COLLEGE PARK, MD	20223	24,853	(R)
	UNIVERSITY OF MASS - DARTMOUTH	20396	70,040	(R)
	AGNES SCOTT COLLEGE/DECATUR, GA	DUE-0836997	59,502	(R)
	MICHIGAN TECHNOLOGICAL UNIVERSITY/HOUGHTON, MICH	ORL-0833542	24,877	
	MID-CONTINENT RES FOR EDUCATION AND LEARNING/DENVER, CO	DRL-0822128	38,769	
	THE NATIONAL ACADEMIES	DRL-1048010	39,483	(R)
	UNIV OF PITTSBURGH/PITTSBURGH, PA	DRL-0741685	94,169	(R)
	UNIVERSITY OF CALIFORNIA/OAKLAND, CA	10-MESA-631188-51-16	4,750	
	UNIVERSITY OF CALIFORNIA/OAKLAND, CA	10-MESA-631188-51-17	4,750	
	UNIVERSITY OF WYOMING/LARAMIE, WYOMING	DGE-0948027	5,732	
Program Total			**16,148,766**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
National Science Foundation				
47.078	Polar Programs			
Direct			$ 800,113	(R)
Through:	UNIV CORP FOR ATMOSPH RESEARC/BOULDER COLORADO	ATM-0301213	$ 10,080	(R)
Program Total			**810,193**	
47.079	International Science and Engineering (OISE)			
Direct			303,739	(R)
Through:	GSU RESEARCH AND SERVICE FOUNDATION	063828383	1,283	(R)
	UNIVERSITY OF NEVADA	29238	9,398	(R)
Program Total			**314,420**	
47.080	Office of Cyberinfrastructure			
Direct			3,351,971	(R)
Through:	UNIV OF ILLINOIS/URBANA, ILLINOIS	OCI-1047916	30,187	(R)
	UNIVERSITY OF TEXAS AT AUSTIN/AUSTIN,TX	OCI-0749334	45,000	(R)
Program Total			**3,427,158**	
47.082	ARRA-Trans-NSF Recovery Act Research Support			
Direct			8,252,007	(R)
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC	063828383	42,045	(R)
	KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOU	37-1535589	6,536	
	KENNESAW STATE UNIVERSITY RESEARCH AND SERVICE FOU	37-1535589	5,361	(R)
	UNIVERSITY OF ILLINOIS	20221	22,318	(R)
	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	616033693	9,674	(R)
	UNIVERSITY OF VERMONT	20310	30,164	(R)
	BBN SYSTEM AND TECHNOLOGIES, ARLINGTON, VA	CNS-0944089	150,008	(R)
	CORNELL UNIVERSITY/ITHACA, NY	ECCS-0335765	32,156	(R)
	OAK RIDGE NATIONAL LAB	DE-AC05-00OR22725	39,327	
	POMONA COLLEGE/CLAREMONT, CA	SES-0925043	39,784	(R)
	UNIV OF TENNESSEE/	IOS-1041871	42,731	(R)
	UNIV OF TEXAS-PAN AMERICAN/EDINBURG, TX	DBI-0934013	9,337	(R)
Program Total			**8,681,448**	
47.OFA	Other Federal Assistance			
Direct			93,968	(R)
Through:	BRIGHAM YOUNG UNIVERSITY	68724	1,741	(R)
	GSU RESEARCH AND SERVICE FOUNDATION	063828383	7,469	(R)
Program Total			**103,178**	
47.OFA	ARRA-Other Federal Assistance			
Direct			54,492	(R)
Program Total			**54,492**	
AGENCY TOTAL			$ **110,617,603**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Small Business Administration			
59.006 8(a) Business Development Program			
Direct		$ 734	
Program Total		**734**	
59.037 Small Business Development Centers			
Direct		4,174,743	(R)
Through: GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	$ 104,806	
Program Total		**4,279,549**	
59.058 Federal and State Technology Partnership Program			
Direct		67,198	(R)
Program Total		**67,198**	
59.OFA Other Federal Assistance			
Direct		108,625	(R)
Program Total		**108,625**	
AGENCY TOTAL		$ **4,456,106**	
Veterans Affairs, U.S. Department of			
64.008 Veterans Domiciliary Care			
Direct		$ 66,452	(R)
Program Total		**66,452**	
64.013 Veterans Prosthetic Appliances			
Direct		16,917	(R)
Program Total		**16,917**	
64.015 Veterans State Nursing Home Care			
Direct		11,970,516	
Program Total		**11,970,516**	
64.016 Veterans State Hospital Care			
Direct		-9,237	(R)
Program Total		**-9,237**	
64.018 Sharing Specialized Medical Resources			
Direct		105,531	(R)
Program Total		**105,531**	
64.027 ARRA-Post 9/11 Veterans Educational Assistance			
Direct		2,195,596	
Program Total		**2,195,596**	

Schedule of Expenditures of Federal Awards
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	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Veterans Affairs, U.S. Department of			
64.028 Post 9/11 Veterans Educational Assistance			
Direct		$ 1,447,919	
Program Total		**1,447,919**	
64.101 Burial Expenses Allowance for Veterans			
Direct		51,470	
Program Total		**51,470**	
64.116 Vocational Rehabilitation for Disabled Veterans			
Direct		143,362	
Program Total		**143,362**	
64.120 Post-Vietnam Era Veterans' Educational Assistance			
Direct		662,754	
Program Total		**662,754**	
64.203 State Cemetery Grants			
Direct		2,277,573	
Program Total		**2,277,573**	
64.OFA Other Federal Assistance			
Direct		44,894	(R)
Program Total		**44,894**	
AGENCY TOTAL		$ **18,973,747**	
Environmental Protection Agency			
66.001 Air Pollution Control Program Support			
Through: MACTEC, INC.	60906	$ 13,933	(R)
Program Total		**13,933**	
66.032 State Indoor Radon Grants			
Direct		$ 295,361	
Program Total		**295,361**	
66.034 Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			
Direct		966,341	
Through: EMORY UNIVERSITY/ATLANTA, GA	CR-83407301-0	14,795	(R)
SOUTHEASTERN STATES AIR RESOURCE MANAGERS INC/FOREST PARK, GA	XA-95411009/XA-96431	274,366	(R)
Program Total		**1,255,502**	
66.039 National Clean Diesel Emissions Reduction Program			
Direct		195,626	
Program Total		**195,626**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Environmental Protection Agency				
66.039	ARRA-National Clean Diesel Emissions Reduction Program			
Direct			$ 670,042	(R)
Through:	COBB COUNTY/MARIETTA, GA	2A-95428710-0	$ 443,381	(R)
Program Total			**1,113,423**	
66.040	State Clean Diesel Grant Program			
Direct			354,861	
Program Total			**354,861**	
66.040	ARRA-State Clean Diesel Grant Program			
Direct			1,551,691	
Program Total			**1,551,691**	
66.202	Congressionally Mandated Projects			
Through:	CONSORTIUM FOR PLANT BIOTECH R	68714	21,764	(R)
	THE CONSORTIUM FOR PLANT BIOTECH RES INC/ST SIMONS, GA	EM-83438801-1	28,931	(R)
Program Total			**50,695**	
66.309	Surveys, Studies, Investigations, Training and Special Purpose Activities Relating to Environmental Justice			
Direct			5,575	
Program Total			**5,575**	
66.419	Water Pollution Control State, Interstate, and Tribal Program Support			
Direct			194,006	
Program Total			**194,006**	
66.432	State Public Water System Supervision			
Direct			105,793	
Program Total			**105,793**	
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act			
Direct			764	(R)
Through:	VARIOUS OTHER STATES	20204	7,275	(R)
Program Total			**8,039**	
66.454	Water Quality Management Planning			
Direct			7,200,496	
Through:	FLA. FISH&WILDLIFE CONSV. COMM	20381	34,922	(R)
Program Total			**7,235,418**	
66.454	ARRA-Water Quality Management Planning			
Direct			602,640	
Program Total			**602,640**	

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For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES	
Environmental Protection Agency					
66.458	Capitalization Grants for Clean Water State Revolving Funds				
Direct			$ 13,514,695		
Program Total			**13,514,695**		(3)
66.458	ARRA-Capitalization Grants for Clean Water State Revolving Funds				
Direct			34,631,712		
Program Total			**34,631,712**		(3)
66.460	Nonpoint Source Implementation Grants				
Direct			307,556		
Program Total			**307,556**		
66.461	Regional Wetland Program Development Grants				
Direct			291,215	(R)	
Program Total			**291,215**		
66.468	Capitalization Grants for Drinking Water State Revolving Funds				
Direct			28,527,740		
Program Total			**28,527,740**		(3)
66.468	ARRA-Capitalization Grants for Drinking Water State Revolving Funds				
Direct			9,896,464		
Program Total			**9,896,464**		(3)
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs				
Direct			1,675		
Program Total			**1,675**		
66.472	Beach Monitoring and Notification Program Implementation Grants				
Direct			252,182		
Program Total			**252,182**		
66.474	Water Protection Grants to the States				
Direct			67,077		
Program Total			**67,077**		
66.509	Science To Achieve Results (STAR) Research Program				
Direct			1,179,126	(R)	
Through:	DOWN TO EARTH ENERGY INC	61619	$ 50,257	(R)	
	CLEMSON UNIVERSITY/CLEMSON, SC	RD-83388601	29,056	(R)	
	EMORY UNIVERSITY/ATLANTA, GA	RD-83479901	232,258	(R)	
	EMORY UNIVERSITY/ATLANTA, GA	EPA-RC2009-STAR-C1	5,009	(R)	
Program Total			**1,495,706**		

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Environmental Protection Agency				
66.511	Office of Research and Development Consolidated Research/Training/Fellowships			
Direct			$ 33,607	(R)
Through:	ARIZONA STATE UNIVERSITY	RD-83385601	$ 143,595	(R)
Program Total			**177,202**	
66.514	Science To Achieve Results (STAR) Fellowship Program			
Direct			50,273	(R)
Program Total			**50,273**	
66.516	P3 Award: National Student Design Competition for Sustainability			
Direct			23,476	(R)
Program Total			**23,476**	
66.605	Performance Partnership Grants			
Direct			10,755,059	
Program Total			**10,755,059**	
66.608	Environmental Information Exchange Network Grant Program and Related Assistance			
Direct			79,392	
Program Total			**79,392**	
66.700	Consolidated Pesticide Enforcement Cooperative Agreements			
Direct			662,883	
Program Total			**662,883**	
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements			
Direct			63,640	
Program Total			**63,640**	
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals			
Direct			166,255	
Program Total			**166,255**	
66.708	Pollution Prevention Grants Program			
Direct			75,974	
Program Total			**75,974**	
66.709	Multi-Media Capacity Building Grants for States and Tribes			
Direct			16,831	
Program Total			**16,831**	
66.716	Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies			
Direct			9,446	(R)
Program Total			**9,446**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Environmental Protection Agency				
66.717	Source Reduction Assistance			
Direct			$ 4,807	
Program Total			**4,807**	
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements			
Direct			140,011	
Program Total			**140,011**	
66.804	Underground Storage Tank Prevention, Detection and Compliance Program			
Direct			1,357,085	
Program Total			**1,357,085**	
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program			
Direct			2,165,309	
Program Total			**2,165,309**	
66.805	ARRA-Leaking Underground Storage Tank Trust Fund Corrective Action Program			
Direct			1,698,254	
Program Total			**1,698,254**	
66.808	Solid Waste Management Assistance			
Direct			23,354	
Program Total			**23,354**	
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements			
Direct			500,844	
Program Total			**500,844**	
66.817	State and Tribal Response Program Grants			
Direct			1,119,379	
Program Total			**1,119,379**	
66.951	Environmental Education Grants			
Through:	DOW AGROSCIENCES LLC	61551	$ -4,945	(R)
Program Total			**-4,945**	
66.OFA	Other Federal Assistance			
Direct			20,925	(R)
Through:	UPPER OCMULGEE RIVER RC & D	11129	-133	(R)
Program Total			**20,792**	
AGENCY TOTAL			$ **121,073,906**	

Schedule of Expenditures of Federal Awards
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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Nuclear Regulatory Commission				
77.006	U. S. Nuclear Regulatory Commission Nuclear Education Grant Program			
Direct			$ 137,718	(R)
Through:	WYLE LABORATORIES/	ACRP-AO-12	$ 6,226	(R)
Program Total			**143,944**	
77.007	U.S. Nuclear Regulatory Commission Minority Serving Institutions Program (MSIP)			
Direct			4,681	
Program Total			**4,681**	
77.008	U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program			
Direct			202,661	(R)
Program Total			**202,661**	
AGENCY TOTAL			$ **351,286**	
Energy, U.S. Department of				
81.003	Granting of Patent Licenses			
Direct			$ 2,967,649	(R)
Program Total			**2,967,649**	
81.022	ARRA-Used Energy-Related Laboratory Equipment Grants			
Direct			64,441	
Program Total			**64,441**	
81.036	Inventions and Innovations			
Through:	MARINE BIOLOGICAL LABORATORY	67228	$ 66,736	(R)
	UT-BATTELLE LLC	67929	4,001,642	(R)
	OAK RIDGE NATL LAB/OAK RIDGE, TN	DE-AC05-00OR22725	30,218	(R)
	PACIFIC NORTHWEST NATIONAL LAB	DE-AC05-76RL01830	85,346	(R)
Program Total			**4,183,942**	
81.041	State Energy Program			
Direct			835,214	(R)
Program Total			**835,214**	
81.041	ARRA-State Energy Program			
Direct			35,434,008	
Program Total			**35,434,008**	
81.042	Weatherization Assistance for Low-Income Persons			
Direct			4,446,792	
Program Total			**4,446,792**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Energy, U.S. Department of				
81.042	ARRA-Weatherization Assistance for Low-Income Persons			
Direct			$ 51,310,453	
Program Total			**51,310,453**	
81.049	Office of Science Financial Assistance Program			
Direct			11,146,256	(R)
Through:	ARGONNE NATIONAL LABORATORY	68067	$ 145,854	(R)
	DUKE UNIVERSITY	67922	107,902	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	225,320	(R)
	OAK RIDGE NATIONAL LAB	UNKNOWN	13,444	(R)
	SAVANNAH RIVER NUCLEAR SOLUTION	235236	93,629	(R)
	UNIVERSITY OF CALIFORNIA	20218	75,269	(R)
	UNIVERSITY OF WASHINGTON	20292	75,373	(R)
	ARGONNE NATL LAB/UCHICAGO ARGONNE LLC/ARGONNE, IL	DE-AC02-06CH11357	37,369	(R)
	BEA/IDAHO NATIONAL LAB/IDAHO FALLS	DE-AC07-05ID14517	560,863	(R)
	CARNEGIE MELLON INSTITUTE/PITTSBURGH, PA	DE-FG02-03ER15472	231	(R)
	CARNEGIE MELLON INSTITUTE/PITTSBURGH, PA	DE-SC0002448	171,626	(R)
	CHEVRONTEXACO	SO 4523551	45,450	(R)
	CLEMSON UNIVERSITY/CLEMSON, SC	DE-FE0004542	11,971	(R)
	CLEMSON UNIVERSITY/CLEMSON, SC	DE-FC21-92MC29061	32,046	(R)
	COMPACT MEMBRANE SYSTEMS	DE-FG02-08ER86343	153,635	(R)
	CONTINUUM DYNAMICS INC/EWING, NJ	DE-SC004403	32,823	(R)
	DOW CHEMICAL COMPANY/	UNKNOWN	26,053	(R)
	FLORIDA STATE UNIVERSITY/TALLAHASSEE, FLA	DE-FG02-07ER46451	12,497	(R)
	HARVARD UNIVERSITY/BOSTON, MA	DE-FG02-01ER45921	45,428	(R)
	IDAHO STATE UNIV/POCATELLO, ID	TASK ORDER #00105 /	32,164	(R)
	KENT STATE UNIVERSITY/KENT, OHIO	DE-SC0001412	172,444	(R)
	LAWRENCE BERKELEY NATIONAL LAB/UNIVERSITY OF CALIF	DE-AC02-05CH11231	401,364	(R)
	LLNL/LAWRENCE LIVERMORE NATL SEC LLC/LIVERMORE,CA	DE-AC52-07NA27344	48,193	(R)
	LOS ALAMOS NATIONAL LAB/LOS ALAMOS NATIONAL SECURI	DE-AC52-06NA25396	28,650	(R)
	LSU/BATON ROUGE, LA	DE-SC0001058	114,958	(R)
	MICHIGAN STATE UNIVERSITY/EAST LANSING, MI	DE-FG02-07ER64389	80,842	(R)
	NEI CORPORATION/PISCATAWAY, NY	DE-FG02-08ER85101	1,243	(R)
	NORTH CAROLINA STATE UNIV/RALEIGH, NC	DE-FG07-03ID14532	12,790	(R)
	OAK RIDGE NATIONAL LAB	DE-AC05-00OR22725	1,303,861	(R)
	OAK RIDGE NATL LAB/UT BATTELLE LLC	DE-AC0500OR22725	15,868	(R)
	OAK RIDGE NATL LABS	DOE DE-AC05-00OR2272	9,615	(R)
	OG TECHNOLOGIES/ANN ARBOR, MI	DE-SC0001570	36,515	(R)
	PACIFIC NW NATL LAB/BATTELLE MEMORIAL INST	DE-AC05076RL01830	5,002	(R)
	PACIFIC NW NATL LAB/BATTELLE MEMORIAL INST	DE-AC02-98CH10886	214,298	(R)
	PACIFIC NW NATL LAB/BATTELLE MEMORIAL INST	DE-AC05-76RL01830	160,791	(R)
	PALL CORPORATIONPENSACOLA, FL	DE-FE0001181	101,877	(R)
	PHOSPHOR TECH CORPORATION/MABLETON, GA	FE-0004224	20,168	(R)
	POLYMER AGING CONCEPTS INC/DAHLONEGA, GA	DE-SC0001967	141,399	(R)
	PRINCETON UNIVERSITY/PLAINSBORO, NJ	DE-FG02-04ER46165	154,276	(R)
	PROJECT PERFORMANCE CORP/MCLEAN, VA	DE-DT0000016	584,650	(R)
	SANDIA NATL LABS/SANDIA CORP	SF6432-EI	25,353	(R)

Energy, U.S. Department of

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Through:	SAVANNAH RIVER NATIONAL LAB/ AIKEN, SC	DE-AC09-08SR22470	$ 175	
	SOUTH CAROLINA STATE UNIVERSITY/ORANGEBURG, SC	DE-FG07-005ID14692	40,000	
	SOUTH CAROLINA STATE UNIVERSITY/ORANGEBURG, SC	DE-FG07-005ID14692	18,195	(R)
	SOUTHWEST RESEARCH INSTITUTE	DE-FE0001057	26,917	(R)
	U.S. SOLAR HOLDINGS/BOISE, ID	DE-FC36-08-GO18155	24,807	(R)
	UCLA/LOS ANGELES, CA	DE-FG02-07ER64439	3,367	(R)
	UNIV OF AKRON/AKRON, OH	DE-SC0005364	95,339	(R)
	UNIV OF ILLINOIS/URBANA, ILLINOIS	DE-FG07-07ID14891	105,043	(R)
	UNIV OF OKLAHOMA/NORMAN, OK	DE-SC0004601	7,154	(R)
	UNIV OF SOUTH CAROLINA/COLUMBIA, SC	DE-SC0001061	237,062	(R)
	UNIV OF TENNESSEE/	DE-FG05-080R23331	143	(R)
	UNIVERSITY OF SOUTH CAROLINA	102125	76,964	(R)
	URS ENERGY & CONSTRUCTION	DE-FE0004000	44,074	(R)
	VANDERBILT UNIVERSITY/NASHVILLE, TN	DE-FC01-06320753	26,643	(R)
Program Total			**17,385,243**	
81.049	ARRA-Office of Science Financial Assistance Program			
Through:	CITY OF ATLANTA/	DE-EE0000801/001	56,227	(R)
	FERMILAB/BATAVIA, IL	DE-AC02-07CH11359	69,883	(R)
	NGIMAT/ATLANTA, GA	DE-SC0004657	52,833	(R)
	OAK RIDGE NATL LAB/UT BATTELLE LLC	DE-AC05-00OR22725	90,790	(R)
	OG TECHNOLOGIES/ANN ARBOR, MI	DE-SC0003254	99,494	(R)
	SIEMENS/ORLANDO, FL	DE-FC26-05NT42644-AR	31,607	(R)
	SIEMENS/ORLANDO, FL	DE-FC26-05NT42644-AR	127,057	(R)
	STONE MOUNTAIN TECHNOLOGIES INC/UNICOI, TN	DE=EE000985	94,359	(R)
	ULTRASONIC TECHNOLOGIES INC/TAMPA, FL	DE-EE0004549	3,988	(R)
	UNIVERSITY OF ARIZONA	DE-SC0001084	801,769	(R)
Program Total			**1,428,007**	
81.057	University Coal Research			
Direct			$ 24,418	(R)
Program Total			**24,418**	
81.064	Office of Scientific and Technical Information			
Through:	UT-BATTELLE LLC	67929	28	(R)
Program Total			**28**	
81.079	Regional Biomass Energy Programs			
Direct			33,515	(R)
Through:	SOUTH DAKOTA STATE UNIVERSITY	20387	50,971	(R)
	CLEANTECH PARTNERS INC/MIDDLETON, WI	DE-PS36-06-GO96002F	1,075	(R)
Program Total			**85,561**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Energy, U.S. Department of				
81.086	Conservation Research and Development			
Direct			$ 337,203	(R)
Through:	IBM CORPORATION/	DE-EE00002897	$ 98,242	(R)
	NORTH CAROLINA STATE UNIV/RALEIGH, NC	DE-FC36-04GO14308	75,975	(R)
Program Total			**511,420**	
81.086	ARRA-Conservation Research and Development			
Through:	GE GLOBAL RESEARCH	61394	89,507	(R)
	EATON CORPORATION/	DE-EE000911	130,608	(R)
Program Total			**220,115**	
81.087	Renewable Energy Research and Development			
Direct			2,016,678	(R)
Through:	CONSORTIUM FOR PLANT BIOTECH R	68714	235,213	(R)
	DOW AGROSCIENCES LLC	61551	27,510	(R)
	RUTGERS UNIVERSITY	20214	16,850	(R)
	SOUTH DAKOTA STATE UNIVERSITY	20387	23,701	(R)
	UNIVERSITY OF ARKANSAS	20217	127,021	(R)
	UNIVERSITY OF ARKANSAS	20217	287,468	(R)
	ARIZONA STATE UNIVERSITY/TEMPE, AZ	DEEE0003372	18,600	(R)
	BALLARD POWER SYSTEMS/CANADA	DE-EE0000466	104,605	(R)
	BEA/IDAHO NATIONAL LAB/IDAHO FALLS	DE-AC07-OID14517	166,938	(R)
	OAK RIDGE ASSOCIATED UNIV/OAK RIDGE, TENNESSEE	7-24767	24,342	(R)
	OAK RIDGE NATL LAB/UT BATTELLE LLC	DE-AC05-00OR22725	24,037	(R)
	SAVANNAH RIV NATL LAB	DE-AC09-08SR22470	10,696	(R)
	SOUTHERN ALLIANCE FOR CLEAN ENERGY/ATLANTA, GA	DE-FG26-08NT05555/SP	9,397	(R)
	THE CONSORTIUM FOR PLANT BIOTECH RES INC/ST SIMONS, GA	DE-FG36-02GO12026-00	47,891	(R)
Program Total			**3,140,947**	
81.087	ARRA-Renewable Energy Research and Development			
Through:	ALGENOL BIOFUELS/BONITRA SPRINGS, FL	DE-EE0002867	220,989	(R)
	COLORADO STATE UNIVERSITY	DE-EE0002627	204,847	(R)
	UNITED TECHNOLOGIES/EAST HARTFORD, CT	DE-EE0002770	157,964	(R)
Program Total			**583,800**	
81.089	Fossil Energy Research and Development			
Direct			973,132	(R)
Through:	UNIVERSITY OF MISSISSIPPI	20273	281,717	(R)
	PARKER HANNIFIN CORPORATION/JACKSONVILLE, AL	DE-FE0005508	5,785	(R)
	PENNSYLVANIA STATE UNIV/UNIV PARK, PA	DE-NT0005054	42,420	(R)
	SANDIA NAT'L LABS/WESTERN ELECTRIC CO	DE-AC04-AL-85000	41,585	
	SANDIA NAT'L LABS/WESTERN ELECTRIC CO	DE-AC04-AL-85000	11,957	(R)
	SOUTHWEST RESEARCH INSTITUTE/	DE-FC26-07NT43056	33,783	(R)
Program Total			**1,390,379**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Energy, U.S. Department of				
81.106	Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions			
Through:	SOUTHERN STATES ENERGY BOARD	58-0864888	$ 246,632	
Program Total			**246,632**	
81.113	Defense Nuclear Nonproliferation Research			
Direct			$ 715,484	(R)
Through:	LAWRENCE LIVERMORE NAT'L LAB/LIVERMORE, CA	DE-AC52-07NA27344	-6,098	(R)
Program Total			**709,386**	
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance			
Direct			270,560	
Program Total			**270,560**	
81.117	ARRA-Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance			
Direct			291,047	(R)
Program Total			**291,047**	
81.119	State Energy Program Special Projects			
Direct			96,685	
Program Total			**96,685**	
81.121	Nuclear Energy Research, Development and Demonstration			
Direct			1,081,138	(R)
Program Total			**1,081,138**	
81.122	Electricity Delivery and Energy Reliability, Research, Development and Analysis			
Direct			177,412	(R)
Program Total			**177,412**	
81.122	ARRA-Electricity Delivery and Energy Reliability, Research, Development and Analysis			
Direct			909,209	(R)
Program Total			**909,209**	
81.123	National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program			
Through:	ARGONNE NATIONAL LABORATORY	68067	20,576	(R)
	LOS ALAMOS NATIONAL SECURITY	61485	8,379	(R)
Program Total			**28,955**	
81.126	Federal Loan Guarantees for Innovative Energy Technologies			
Through:	SAVANNAH RIVER NUCLEAR SOLUTNS	61579	79,080	(R)
Program Total			**79,080**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Energy, U.S. Department of				
81.126	ARRA-Federal Loan Guarantees for Innovative Energy Technologies			
Through:	SAVANNAH RIVER NUCLEAR SOLUTNS	61579	$ 134,810	(R)
Program Total			**134,810**	
81.127	ARRA-Energy Efficient Appliance Rebate Program (EEARP)			
Direct			$ 3,734,409	
Program Total			**3,734,409**	
81.128	ARRA-Energy Efficiency and Conservation Block Grant Program (EECBG)			
Direct			13,867,064	
Through:	SOUTHEAST ENERGY EFFICIENCY ALLIANCE/ATLANTA, GA	DE-EE0003575	12,331	(R)
Program Total			**13,879,395**	
81.133	ARRA-Geologic Sequestration Training and Research Grant Program			
Direct			205,096	(R)
Program Total			**205,096**	
81.135	ARRA-Advanced Research and Projects Agency-Energy Financial Assistance Program			
Direct			1,334,746	(R)
Through:	NORTH CAROLINA STATE UNIV	20211	206,898	(R)
	MA INST OF TECHNOLOGY/CAMBRIDGE, MA	DE-AR0000123	123,865	(R)
	NEW PAX, INC	DE-00000022	487,651	(R)
Program Total			**2,153,160**	
81.214	Environmental Monitoring, Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis			
Direct			185,122	
Program Total			**185,122**	
81.OFA	Other Federal Assistance			
Direct			975,925	(R)
Through:	CONSORTIUM FOR PLANT BIOTECH R	68714	11,083	(R)
	LAWRENCE BERKELEY NATL LAB	20475	48,614	(R)
	SAVANNAH RIVER NUCLEAR SOLUTNS	61579	157,053	(R)
	UT-BATTELLE LLC	67929	39,693	(R)
Program Total			**1,232,368**	
81.OFA	ARRA-Other Federal Assistance			
Direct			100,151	
Through:	COUNTY OF ATHENS-CLARKE	40001	13,898	(R)
	PACIFIC NORTHWEST NATIONAL LABORATORY	31-4379427	335,601	
Program Total			**449,650**	
AGENCY TOTAL			$ **149,876,531**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
84.002	Adult Education - Basic Grants to States			
Direct			$ 19,334,379	
Through:	ERC INC	DAAH01-03-C-R180	$ 8,365	(R)
Program Total			**19,342,744**	
84.007	Federal Supplemental Educational Opportunity Grants(SFA)			
Direct			9,362,851	
Program Total			**9,362,851**	
84.010	Title I Grants to Local Educational Agencies(TITLE1A)			
Direct			273,012,365	
Through:	CLARKE COUNTY SCHOOL DISTRICT	40092	49,246	(R)
	CLAYTON COUNTY PUBLIC SCHOOLS	586000212	16,843	
	GREENE CO BOARD OF EDUCATION	40091	5,189	(R)
	PROJECT GRAD USA	76-0666426	6,500	
Program Total			**273,090,143**	
84.011	Migrant Education_State Grant Program			
Direct			4,195,871	
Through:	SOUTHERN PINE MIGRANT EDUCATIONAL AGENCY	58-1171281	31,167	
Program Total			**4,227,038**	
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			
Direct			343,229	
Program Total			**343,229**	
84.016	Undergraduate International Studies and Foreign Language Programs			
Direct			106,339	
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	35,933	
Program Total			**142,272**	
84.017	International Research and Studies			
Direct			322,905	(R)
Program Total			**322,905**	
84.021	Overseas Programs - Group Projects Abroad			
Direct			87,972	(R)
Program Total			**87,972**	
84.027	Special Education_Grants to States(SEC-IDEA)			
Direct			191,188,115	
Program Total			**191,188,115**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
84.031	Higher Education_Institutional Aid			
Direct			$ 13,569,528	
Program Total			**13,569,528**	
84.032	Federal Family Education Loans(SFA)			
Direct			49,012,264	841,216,280
Program Total			**49,012,264**	**841,216,280** (3)
84.033	Federal Work-Study Program(SFA)			
Direct			11,187,564	
Program Total			**11,187,564**	
84.038	Federal Perkins Loan Program_Federal Capital Contributions(SFA)			
Direct			191,565	38,632,895
Program Total			**191,565**	**38,632,895** (3)
84.042	TRIO_Student Support Services(TRIO)			
Direct			1,649,587	
Program Total			**1,649,587**	
84.044	TRIO_Talent Search(TRIO)			
Direct			1,778,852 (R)	
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	$ 373,953	
Program Total			**2,152,805**	
84.047	TRIO_Upward Bound(TRIO)			
Direct			5,867,164 (R)	
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	340,770	
Program Total			**6,207,934**	
84.048	Career and Technical Education-Basic Grants to States			
Direct			37,904,909	
Through:	GA VOCATIONAL STAFF DEVELOPMENT CONSORTIUM	CTAE6073	31,413	
Program Total			**37,936,322**	
84.063	Federal Pell Grant Program(SFA)			
Direct			815,445,286	
Program Total			**815,445,286**	
84.066	TRIO_Educational Opportunity Centers(TRIO)			
Direct			595,429	
Program Total			**595,429**	
84.069	Leveraging Educational Assistance Partnership			
Direct			751,739	
Program Total			**751,739**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
84.116	Fund for the Improvement of Postsecondary Education			
Direct			$ 1,548,443	(R)
Through:	FLORIDA A&M UNIVERSITY	20315	$ 11,440	(R)
	GSU RESEARCH AND SERVICE FOUNDATION, INC	063828383	33,422	
	MICHIGAN STATE UNIVERSITY	20210	10,374	(R)
	UNIVERSITY OF FLORIDA	20220	10,446	(R)
	UTAH STATE UNIVERSITY	20336	12,759	(R)
Program Total			**1,626,884**	
84.120	Minority Science and Engineering Improvement			
Direct			179,757	(R)
Program Total			**179,757**	
84.126	Rehabilitation Services_Vocational Rehabilitation Grants to States(VRC)			
Direct			90,479,790	
Program Total			**90,479,790**	
84.128	Rehabilitation Services_Service Projects			
Direct			48,705	
Program Total			**48,705**	
84.128	ARRA-Rehabilitation Services_Service Projects			
Through:	SOUTHEAST ENERGY EFFICIENCY	DE-EE0003575	12,331	(R)
Program Total			**12,331**	
84.129	Rehabilitation Long-Term Training			
Direct			182,166	
Program Total			**182,166**	
84.133	National Institute on Disability and Rehabilitation Research			
Direct			3,014,936	(R)
Through:	SYRACUSE UNIVERSITY/SYRACUSE, NY	H133A060094	53,588	(R)
	UNIVERSITY OF DENVER/ DENVER, CO	ECCS-1028710	962	(R)
Program Total			**3,069,486**	
84.141	Migrant Education_High School Equivalency Program			
Direct			486,572	
Program Total			**486,572**	
84.149	Migrant Education_College Assistance Migrant Program			
Direct			431,545	
Program Total			**431,545**	
84.153	Business and International Education Projects			
Direct			104,032	(R)
Program Total			**104,032**	

Schedule of Expenditures of Federal Awards
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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
84.169	Independent Living_State Grants(ILSG)			
Direct			$ 584,103	
Program Total			**584,103**	
84.173	Special Education_Preschool Grants(SEC-IDEA)			
Direct			4,938,425	
Program Total			**4,938,425**	
84.177	Rehabilitation Services_Independent Living Services for Older Individuals Who are Blind(ILS)			
Direct			714,321	
Program Total			**714,321**	
84.181	Special Education-Grants for Infants and Families(EIS-IDEA)			
Direct			13,523,858	
Through:	MINOT STATE UNIVERSITY	UNKNOWN	$ 4,714	
Program Total			**13,528,572**	
84.184	Safe and Drug-Free Schools and Communities_National Programs			
Direct			56,116	
Through:	COBB COUNTY SCHOOLS DISTRICT	6331	33,636	(R)
	GSU RESEARCH AND SERVICE FOUNDATION, INC	063828383	160,897	
Program Total			**250,649**	
84.185	Byrd Honors Scholarships			
Direct			1,407,000	
Program Total			**1,407,000**	
84.186	Safe and Drug-Free Schools and Communities_State Grants			
Direct			1,244,630	
Program Total			**1,244,630**	
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities			
Direct			588,900	
Program Total			**588,900**	
84.196	Education for Homeless Children and Youth(EHCY)			
Direct			754,726	
Program Total			**754,726**	
84.200	Graduate Assistance in Areas of National Need			
Direct			712,197	(R)
Program Total			**712,197**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
84.213	Even Start_State Educational Agencies			
Direct			$ 1,318,375	
Program Total			**1,318,375**	
84.215	Fund for the Improvement of Education			
Direct			359,106	
Through:	DEKALK COUNTY	UNKNOWN	$ 85,733	
Program Total			**444,839**	
84.217	TRIO_McNair Post-Baccalaureate Achievement(TRIO)			
Direct			242,168	
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	191,683	
Program Total			**433,851**	
84.220	Centers for International Business Education			
Direct			410,612 (R)	
Program Total			**410,612**	
84.224	Assistive Technology			
Direct			828,134	
Program Total			**828,134**	
84.226	Income Contingent Loan Program			
Direct			0	46,404
Program Total			**0**	**46,404** (3)
84.235	Rehabilitation Services Demonstration and Training Programs			
Direct			328,737	
Through:	AMERICAN ACADEMY OF ORTHOTISTS AND	UNKNOWN	30,795 (R)	
Program Total			**359,532**	
84.264	Rehabilitation Training_Continuing Education			
Through:	SYRACUSE UNIVERSITY/SYRACUSE, NY	H264A080021	32,560 (R)	
Program Total			**32,560**	
84.265	Rehabilitation Training_State Vocational Rehabilitation Unit In-Service Training			
Direct			133,067	
Program Total			**133,067**	
84.268	Federal Direct Student Loans(SFA)			
Direct			1,414,382,387	
Program Total			**1,414,382,387**	
84.282	Charter Schools			
Direct			940,601	
Program Total			**940,601**	

Schedule of Expenditures of Federal Awards
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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
84.287	Twenty-First Century Community Learning Centers			
Direct			$ 31,151,298	
Through:	DOUGLAS COUNTY SCHOOL SYSTEM	40267	$ 31,854	(R)
	GREENSBORO DREAMERS	69775	4,147	(R)
	NEWTON COUNTY SCHOOL SYSTEM	40269	8,256	(R)
	UNIVERSITY OF FLORIDA	20220	17,918	(R)
Program Total			**31,213,473**	
84.293	Foreign Language Assistance			
Through:	CLARKE COUNTY SCHOOL DISTRICT	40092	11,455	(R)
Program Total			**11,455**	
84.305	Education Research, Development and Dissemination			
Direct			864,608	(R)
Through:	DEKALK COUNTY	UNKNOWN	69,001	
	RUTGERS UNIVERSITY/PISCATAWAY, NJ	R305A0901210	219,635	(R)
Program Total			**1,153,244**	
84.315	Capacity Building for Traditionally Underserved Populations			
Direct			21,636	
Program Total			**21,636**	
84.318	Educational Technology State Grants(ETSG)			
Direct			-1,807,324	
Program Total			**-1,807,324**	
84.323	Special Education - State Personnel Development			
Direct			775,624	
Program Total			**775,624**	
84.324	Research in Special Education			
Direct			3,442,869	(R)
Through:	UNIVERSITY OF KENTUCKY	20222	21,490	(R)
	UNIVERSITY OF MINNESOTA	20225	102,716	(R)
	UNIVERSITY OF OREGON	UNKNOWN	35,808	(R)
Program Total			**3,602,883**	
84.325	Special Education_Personnel Development to Improve Services and Results for Children with Disabilities			
Direct			1,099,085	(R)
Program Total			**1,099,085**	
84.326	Special Education_Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			
Direct			265,344	
Program Total			**265,344**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
84.327	Special Education_Technology and Media Services for Individuals with Disabilities			
Direct			$ 306,184	
Program Total			**306,184**	
84.331	Grants to States for Workplace and Community Transition Training for Incarcerated Individuals			
Direct			558,860	
Program Total			**558,860**	
84.332	Comprehensive School Reform Demonstration			
Through:	FLORIDA STATE UNIVERSITY	20278	$ 16,958 (R)	
Program Total			**16,958**	
84.333	Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrations in Educating Students with Disabilities			
Direct			325,678 (R)	
Program Total			**325,678**	
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs			
Direct			588,548	
Program Total			**588,548**	
84.335	Child Care Access Means Parents in School			
Direct			112,724	
Program Total			**112,724**	
84.336	Teacher Quality Partnership Grants(TQPG)			
Direct			3,088,330 (R)	
Program Total			**3,088,330**	
84.350	Transition to Teaching			
Direct			1,341,990 (R)	
Through:	DEKALB COUNTY SCHOOL SYSTEM	40254	53,432 (R)	
Program Total			**1,395,422**	
84.351	Arts in Education			
Through:	ALLIANCE THEATRE	UNKNOWN	95,995 (R)	
	ALLIANCE THEATRE	UNKNOWN	-2,268 (R)	
Program Total			**93,727**	
84.357	Reading First State Grants			
Direct			618,815	
Program Total			**618,815**	

Schedule of Expenditures of Federal Awards
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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
84.358	Rural Education			
Direct			$ 3,903,925	
Program Total			**3,903,925**	
84.359	Early Reading First			
Through:	UNITED WAY OF METRO ATLANTA	UNKNOWN	$ 31,017 (R)	
Program Total			**31,017**	
84.365	English Language Acquisition Grants			
Direct			7,347,397	
Program Total			**7,347,397**	
84.366	Mathematics and Science Partnerships			
Direct			5,249,344	
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	99,316	
	JACKSON COUNTY SCHOOL SYSTEM	40243	57,897 (R)	
Program Total			**5,406,557**	
84.367	Improving Teacher Quality State Grants			
Direct			58,403,046 (R)	
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	267,693	
	ROCKDALE COUNTY PUBLIC SCHOOLS	586000312	12,000	
Program Total			**58,682,739**	
84.369	Grants for State Assessments and Related Activities			
Direct			3,684,545	
Program Total			**3,684,545**	
84.371	Striving Readers			
Direct			86,537	
Program Total			**86,537**	
84.372	Statewide Data Systems(SWDS)			
Direct			2,686,114	
Program Total			**2,686,114**	
84.373	Special Education_Technical Assistance On State Data Collection			
Direct			371,457	
Through:	VANDERBILT UNIVERSITY	UNKNOWN	13,626 (R)	
Program Total			**385,083**	
84.375	Academic Competitiveness Grants(SFA)			
Direct			12,928,731	
Program Total			**12,928,731**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of			
84.376 National Science and Mathematics Access to Retain Talent (SMART) Grants (SFA)			
Direct		$ 9,943,362	
Program Total		**9,943,362**	
84.377 School Improvement Grants(SIG)			
Direct		1,455,016	
Program Total		**1,455,016**	
84.378 College Access Challenge Grant Program			
Direct		1,888,052 (R)	
Program Total		**1,888,052**	
84.379 Teacher Education Assistance for College and Higher Education Grants (TEACH Grants) (SFA)			
Direct		3,452,920	
Program Total		**3,452,920**	
84.382 Strengthening Minority-Serving Institutions			
Direct		1,514,075	
Program Total		**1,514,075**	
84.386 ARRA-Education Technology State Grants, Recovery Act(ETSG)			
Direct		14,743,717	
Program Total		**14,743,717**	
84.387 ARRA-Education for Homeless Children and Youth, Recovery Act(EHCY)			
Direct		-529,409	
Program Total		**-529,409**	
84.388 ARRA-School Improvement Grants, Recovery Act(SIG)			
Direct		19,507,278	
Program Total		**19,507,278**	
84.389 ARRA-Title I Grants to Local Educational Agencies, Recovery Act(TITLE1A)			
Direct		-76,769,610	
Program Total		**-76,769,610**	
84.390 ARRA-Rehabilitation Services-Vocational Rehabilitation Grants to States, Recovery Act(VRC)			
Direct		7,473,656	
Program Total		**7,473,656**	
84.391 ARRA-Special Education Grants to States, Recovery Act(SEC-IDEA)			
Direct		-58,258,484	
Program Total		**-58,258,484**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
84.392	ARRA-Special Education - Preschool Grants, Recovery Act(SEC-IDEA)			
Direct			$ -2,310,026	
Program Total			**-2,310,026**	
84.393	ARRA-Special Education - Grants for Infants and Families, Recovery Act(EIS-IDEA)			
Direct			7,330,023	
Program Total			**7,330,023**	
84.395	ARRA-State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act			
Direct			494,155	
Program Total			**494,155**	
84.396	ARRA-State Fiscal Stabilization Fund (SFSF) - Investing in Innovation (i3) Fund, Recovery Act			
Through:	CLEMSON UNIVERSITY	UNKNOWN	$ 16,483	
	FORSYTH COUNTY BD OF EDUCATION	40105	76,126	(R)
	OHIO STATE UNIVERSITY	UNKNOWN	75,155	
Program Total			**167,764**	
84.397	ARRA-State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act(SFS)			
Direct			127,903,001	
Program Total			**127,903,001**	
84.398	ARRA-Independent Living State Grants, Recovery Act(ILSG)			
Direct			260,769	
Program Total			**260,769**	
84.399	ARRA-Independent Living Services for Older Individuals Who are Blind, Recovery Act(ILS)			
Direct			474,433	
Program Total			**474,433**	
84.410	Education Jobs Fund			
Direct			322,313,830	
Program Total			**322,313,830**	
84.928	National Writing Project			
Direct			145,585	(R)
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	53,271	
	NATIONAL WRITING PROJECT	68636	45,372	(R)
	UNIVERSITY OF CA	UNKNOWN	44,665	
	UNIVERSITY OF CALIFORNIA	94-3130846	38,306	
	UNIVERSITY OF CALIFORNIA	07-GA07NATIONAL WRIT	26,339	
Program Total			**353,538**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Education, U.S. Department of				
84.OFA	Other Federal Assistance			
Direct			$ 208,855	
Through:	KENT STATE UNIVERSITY	UNKNOWN	$ 43,362	
	UNIVERSITY OF TENNESSEE	62-6001636	149,193	
Program Total			**401,410**	
AGENCY TOTAL			$ **3,497,828,822**	$ **879,895,579**
National Archives and Records Administration				
89.003	National Historical Publications and Records Grants			
Direct			$ 8,931	
Through:	ATLANTA-FULTON PUBLIC LIBRARY	41267	$ 75 (R)	
Program Total			**9,006**	
AGENCY TOTAL			$ **9,006**	
U.S. Election Assistance Commission				
90.401	Help America Vote Act Requirements Payments			
Direct			$ 1,416	
Program Total			**1,416**	
90.403	U.S. Election Assistance Commission Research Grants			
Through:	THE INFORMATION TECH & INNOVATION FDN (ITIF)/WASHI	E4064914	$ 140,757 (R)	
Program Total			**140,757**	
AGENCY TOTAL			$ **142,173**	
United States Institute of Peace				
91.001	Annual Grant Competition			
Direct			$ 2,000 (R)	
Program Total			**2,000**	
AGENCY TOTAL			$ **2,000**	
Health and Human Services, U.S. Department of				
93.004	Cooperative Agreements to Improve the Health Status of Minority Populations			
Through:	MOREHOUSE SCHOOL OF MEDICINE/ATLANTA, GA	6 MPCMP061011-03-03	$ 14,909 (R)	
Program Total			**14,909**	
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program			
Direct			$ 300,243	
Program Total			**300,243**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
93.010	Community-Based Abstinence Education (CBAE)			
Through:	FRIENDS OF COBB COMMISSION ON YOUTH	58-2119585	$ 47,337 (R)	
Program Total			**47,337**	
93.041	Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation			
Direct			$ 80,534	
Program Total			**80,534**	
93.042	Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals			
Direct			474,954	
Program Total			**474,954**	
93.043	Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services			
Direct			426,902	
Program Total			**426,902**	
93.044	Special Programs for the Aging-Title III Part B-Grants for Supportive Services and Senior Centers(AC)			
Direct			9,831,973	
Through:	SOUTHEASET GA REGIONAL DEVELOPMENT CENTER	AAA-2004-11	42,561	
Program Total			**9,874,534**	
93.045	Special Programs for the Aging-Title III, Part C-Nutrition Services(AC)			
Direct			16,339,162	
Program Total			**16,339,162**	
93.048	Special Programs for the Aging_Title IV_and Title II_Discretionary Projects			
Direct			1,290,931	
Program Total			**1,290,931**	
93.051	Alzheimers Disease Demonstration Grants to States			
Direct			452,661	
Program Total			**452,661**	
93.052	National Family Caregiver Support			
Direct			3,735,059	
Program Total			**3,735,059**	
93.053	Nutrition Services Incentive Program(AC)			
Direct			2,134,561	
Program Total			**2,134,561**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
93.061	Innovations in Applied Public Health Research			
Direct			$ 755,145	(R)
Through:	ASSN OF UNV CTR ON DISABILITIE	68667	$ 19,740	(R)
	GSU RESEARCH AND SERVICE FOUNDATION	063828383	2,949	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	3,721	(R)
	UNIVERSITY OF OKLAHOMA	UNKNOWN	17,328	(R)
	UNIVERSITY OF PITTSBURGH	67387	35,414	(R)
	EMORY UNIVERSITY/ATLANTA, GA	2 R01 HL070531	156,193	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 R21 HL087969-01A1	6,732	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 RO1 HL085417-01A2	67,082	(R)
	POLY-ORTH INTERNATIONAL/SHARON, MA	5R44HD057492	3,010	(R)
	STATE UNIV OF NEW YORK AT BINGHAMTON/BINGHAMTON, N	1R01DC009429-01	69,380	(R)
	TASK FORCE FOR GLOBAL HEALTH/DECATUR, GA	5U36CD300430-28	27,423	(R)
	TKC GLOBAL SOLUTIONS LLC/HERNDON, VA	200-2006-15969-0029	83,445	(R)
	TKC INTEGRATION SERVICES LLC/TUCKER, GA	200-2006-15969	10,585	(R)
Program Total			**1,258,147**	
93.063	Centers for Genomics and Public Health			
Direct			26,150	(R)
Program Total			**26,150**	
93.065	Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure			
Direct			55,335	
Program Total			**55,335**	
93.067	Global AIDS			
Through:	ASSOC OF PUBLIC HEALTH LABS	U2G/PS001799	29,747	(R)
Program Total			**29,747**	
93.069	Public Health Emergency Preparedness			
Direct			28,449,051	(R)
Program Total			**28,449,051**	
93.070	Environmental Public Health and Emergency Response			
Direct			209,708	
Program Total			**209,708**	
93.071	Medicare Enrollment Assistance Program			
Direct			301,234	
Program Total			**301,234**	
93.086	Healthy Marriage Promotion and Responsible Fatherhood Grants			
Direct			173,708	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Through:	MULTNOMAH COUNTY OREGON	20451	$ 2,738	(R)
Program Total			**176,446**	
93.087	Enhance The Safety Of Children Affected By Parental Methamphetamine Or Other Substance Abuse			
Direct			$ 327,721	
Program Total			**327,721**	
93.089	Emergency System for Advance Registration of Health Professional Volunteers			
Direct			12,402	
Program Total			**12,402**	
93.092	Personal Responsibility Education Program			
Direct			12,895	
Program Total			**12,895**	
93.103	Food and Drug Administration_Research			
Direct			850,771	(R)
Through:	UNIV OF CALIFORNIA/DAVIS	20423	176	(R)
	CHILDREN'S HOSPITAL BOSTON/BOSTON, MA	1P50-FD003792-01	3,536	(R)
Program Total			**854,483**	
93.107	Area Health Education Centers Point of Service Maintenance and Enhancement Awards			
Direct			491,803	
Program Total			**491,803**	
93.110	Maternal and Child Health Federal Consolidated Programs			
Direct			516,683	(R)
Through:	HEMOPHILIA OF GEORGIA	H30MC00011	9,750	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	75,714	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	259,157	(R)
	UNIVERSITY OF TEXAS HEALTH SCIENCE	UNKNOWN	25,976	(R)
Program Total			**887,280**	
93.113	Biological Response to Environmental Health Hazards			
Direct			85,788	(R)
Through:	FRED HUTCHINSON CANCER RSCH CT	68954	12,925	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	22,106	(R)
	MEDICAL UNIVERSITY OF S C	20305	22,010	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5 PO1 ES016731-02	74,864	(R)
	INDIANAPOLIS UNIV PERDUE UNIV/INDIANAPOLIS, IND	R03ES016434	26,585	(R)
	SCIMETRIKA LLC/DURHAM,NC	200-2009-31909	10,498	(R)
Program Total			**254,776**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
93.114	Applied Toxicological Research and Testing			
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	$ 309,765 (R)	
Program Total			**309,765**	
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs			
Direct			$ 2,452,067	
Program Total			**2,452,067**	
93.121	Oral Diseases and Disorders Research			
Direct			242,155 (R)	
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	652,713 (R)	
	COLUMBIA UNIVERSITY/NEW YORK, NY	1 RO1 DE018248-01A2	31,713 (R)	
Program Total			**926,581**	
93.124	Nurse Anesthetist Traineeships			
Direct			22,164	
Program Total			**22,164**	
93.127	Emergency Medical Services for Children			
Direct			134,760	
Program Total			**134,760**	
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices			
Direct			190,439	
Program Total			**190,439**	
93.135	Centers for Research and Demonstration for Health Promotion and Disease Prevention			
Direct			3,236	
Program Total			**3,236**	
93.136	Injury Prevention and Control Research and State and Community Based Programs			
Direct			2,068,546 (R)	
Through:	EMORY UNIVERSITY	UNKNOWN	3,119 (R)	
	EMORY UNIVERSITY	UNKNOWN	1,071 (R)	
	KENT STATE UNIVERSITY	UNKNOWN	57,447 (R)	
	UNIV OF KENTUCKY RESEARCH FDN	69324	44,042 (R)	
	UNIVERSITY OF CALIFORNIA, SAN DIEGO	UNKNOWN	54,051 (R)	
Program Total			**2,228,276**	
93.143	NIEHS Superfund Hazardous Substances_Basic Research and Education			

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Through:	UNIVERSITY OF TEXAS AT AUSTIN/AUSTIN,TX	R01 ES016154-01	$ 49,441	(R)
Program Total			**49,441**	
93.150	Projects for Assistance in Transition from Homelessness (PATH)			
Direct			$ 1,284,140	
Program Total			**1,284,140**	
93.161	Health Program for Toxic Substances and Disease Registry			
Direct			608,701	(R)
Program Total			**608,701**	
93.172	Human Genome Research			
Through:	DUKE UNIVERSITY	UNKNOWN	94,363	(R)
Program Total			**94,363**	
93.173	Research Related to Deafness and Communication Disorders			
Direct			36,055	(R)
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	238,437	(R)
	UNIV OF CALIFORNIA/SANTA BARBARA	29248	106,862	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5 R01 DC005017-07	80,405	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5 R01 DC008343-04	41,489	(R)
Program Total			**503,248**	
93.178	Nursing Workforce Diversity			
Direct			668,559	
Through:	GSU RESEARCH SERVICES FOUNDATION, INC.	063828383	134,944	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	128,433	
Program Total			**931,936**	
93.185	Immunization Research, Demonstration, Public Information and Education_Training and Clinical Skills Improvement Projects			
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	9,865	
Program Total			**9,865**	
93.191	Patient Navigator and Chronic Disease Prevention Program			
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	96,669	
Program Total			**96,669**	
93.197	Childhood Lead Poisoning Prevention Projects_State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children			
Direct			333,983	
Program Total			**333,983**	

Health and Human Services, U.S. Department of

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
93.206	Human Health Studies_Applied Research and Development			
Direct			$ 1,207,219	(R)
Through:	BETH ISRAEL DEACONESS MEDICAL CENTER/BOSTON,MA	7R01HL083867-05	$ 106,646	(R)
	BRIGHAM AND WOMEN'S HOSPITAL/BOSTON, MA	2US4EB005149-06	5,266	(R)
	BRIGHAM AND WOMEN'S HOSPITAL/BOSTON, MA	2US54EB005149-06	10,622	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5R01MH080007-03	10,372	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 RO1 CA1132065-01A2	115,812	(R)
	INDEPENDENT FEDERAL AGENCIES	UNKNOWN	35,744	(R)
	LSU/BATON ROUGE, LA	2 R01 NS054281	40,165	(R)
	NEXTEK MOBILITY/ALBUQUERQUE,NM	1R43HD59334-01A2	2,851	(R)
Program Total			**1,534,697**	
93.211	Telehealth Programs			
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	53	
Program Total			**53**	
93.213	Research and Training in Complementary and Alternative Medicine			
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	89,020	(R)
	TEXAS TECH UNIVERSITY	20244	35,817	(R)
	UNIV OF KY RESEARCH FDN/LEXINGTON,KY	2 RO1 DA013425-04A2	8,456	(R)
Program Total			**133,293**	
93.217	Family Planning_Services			
Direct			8,630,887	
Program Total			**8,630,887**	
93.224	Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)			
Direct			2,616,303	
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	69,122	
Program Total			**2,685,425**	
93.226	Research on Healthcare Costs, Quality and Outcomes			
Direct			904,385	(R)
Through:	"NASMHPD" NATIONAL ASSOCIATION OF STATE MENTAL HEA	UNKNOWN	6,548	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	35,056	(R)
	CHILDREN'S HEALTHCARE OF ATLANTA/ ATLANTA, GA	1 UC1 HS015236-01	-463	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 R18 HS017831-01	24,955	(R)
Program Total			**970,481**	
93.231	Epidemiology Cooperative Agreements			

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Through:	UNIVERSITY OF MINNESOTA	20225	$ 961,279	(R)
Program Total			**961,279**	
93.235	Abstinence Education Program			
Direct			$ 406,535	
Program Total			**406,535**	
93.236	Grants for Dental Public Health Residency Training			
Direct			455,865	
Program Total			**455,865**	
93.239	Policy Research and Evaluation Grants			
Through:	BOWLING GREEN STATE UNIVERSITY	20472	-300	(R)
Program Total			**-300**	
93.240	State Capacity Building			
Direct			142,430	
Program Total			**142,430**	
93.241	State Rural Hospital Flexibility Program			
Direct			617,457	
Program Total			**617,457**	
93.242	Mental Health Research Grants			
Direct			1,610,603	(R)
Through:	EMORY UNIVERSITY	UNKNOWN	-1,031	(R)
	EMORY UNIVERSITY	UNKNOWN	32,951	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	1,678,786	(R)
	SOUTHERN REGION SM FRUIT CONS	68534	1,235	(R)
	UNIVERSITY OF ILLINOIS	20221	52,589	(R)
	UNIVERSITY OF IOWA	20251	54,017	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5R01MH073719-04	12,815	
	EMORY UNIVERSITY/ATLANTA, GA	5 R01 MH050268	32,039	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 R01 MH092902-01A2	9,758	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5 K23 MH077869-03	6,129	(R)
Program Total			**3,489,891**	
93.243	Substance Abuse and Mental Health Services_Projects of Regional and National Significance			
Direct			7,609,333	(R)
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC	063828383	10,866	
	MCFARLAND AND ASSOCIATES	280-08-05005	89,040	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	41,670	
	MOREHOUSE SCHOOL OF MEDICINE	581438873	623	
	MOREHOUSE SCHOOL OF MEDICINE	58-0566205	11,241	
	VA COMMONWEALTH UNIV	UNKNOWN	30,060	
	YALE UNIVERSITY	SU79T1020253-02	43,395	(R)
	YALE UNIVERSITY/NEW HAVEN, CT	5 U79 TI020253-03	21,489	(R)
Program Total			**7,857,717**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
93.247	Advanced Nursing Education Grant Program			
Direct			$ 131,083	
Through:	GSU RESEARCH AND SERVICE FOUNDATION	063828383	$ 158,320	
Program Total			**289,403**	
93.251	Universal Newborn Hearing Screening			
Direct			454,711	
Program Total			**454,711**	
93.262	Occupational Safety and Health Program			
Direct			606,675 (R)	
Through:	UNIV OF ALABAMA AT BIRMINGHAM	20317	12,124 (R)	
	UNIVERSITY OF WASHINGTON	20292	-3,139 (R)	
Program Total			**615,660**	
93.264	Nurse Faculty Loan Program (NFLP)(SFA)			
Direct			0	52,900
Program Total			**0**	**52,900** (3)
93.268	Immunization Grants(IMC)			
Direct			7,346,059	145,423,225
Program Total			**7,346,059**	**145,423,225** (4)
93.269	Complex Humanitarian Emergency and War-Related Injury Public Health Activities			
Direct			11,433 (R)	
Program Total			**11,433**	
93.273	Alcohol Research Programs			
Direct			2,122,540 (R)	
Through:	EMORY UNIVERSITY	67128	47,171 (R)	
Program Total			**2,169,711**	
93.279	Drug Abuse and Addiction Research Programs			
Direct			5,562,879 (R)	
Through:	DARTMOUTH COLLEGE	68755	264,892 (R)	
	EMORY UNIVERSITY	67128	107,036 (R)	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	646,620 (R)	
	MEDICAL UNIVERSITY OF SOUTH CAROLINA	UNKNOWN	-300 (R)	
	UNIVERSITY OF KENTUCKY	20222	82,879 (R)	
	UNIVERSITY OF MICHIGAN	38-6006309	264 (R)	
	EMORY UNIVERSITY	1 R01 DA040996-01	107,630 (R)	
Program Total			**6,771,900**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
93.282	Mental Health National Research Service Awards for Research Training			
Direct			$ 11,600	(R)
Program Total			**11,600**	
93.283	Centers for Disease Control and Prevention_Investigations and Technical Assistance			
Direct			13,669,549	(R)
Through:	HEMOPHILIA OF GEORGIA	U 01 DD000201-01	$ 9,769	
	ASSN OF PUBLIC HEALTH LABS	U60/CD303019	20,279	(R)
Program Total			**13,699,597**	
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health			
Direct			4,705,233	(R)
Through:	BETH ISRAEL DECONESS MEDICAL CENTER	UNKNOWN	27,112	(R)
	BETH ISRAEL DECONESS MEDICAL CENTER	UNKNOWN	45,021	(R)
	UNIVERSITY OF OREGON	UNKNOWN	125,541	(R)
	BRIGHAM AND WOMEN'S HOSPITAL/BOSTON, MA	1 U54 EB005149-01	19,029	(R)
	DREXEL UNIVERSITY/PHILADELPHIA, PA	R01EB012855	20,703	(R)
	TUFTS UNIVERSITY/MEDFORD, MA	R01-EB003210	34,317	(R)
Program Total			**4,976,956**	
93.296	State Partnership Grant Program to Improve Minority Health			
Direct			387,248	
Program Total			**387,248**	
93.301	Small Rural Hospital Improvement Grant Program			
Direct			496,982	
Program Total			**496,982**	
93.307	Minority Health and Health Disparities Research			
Direct			2,460,002	(R)
Through:	FLORIDA STATE UNIVERSITY	20278	2,109	(R)
	GSU RESEARCH AND SERVICE FOUNDATION	063828383	273,403	
	TEXAS A&M UNIVERSITY	20253	14,098	(R)
Program Total			**2,749,612**	
93.310	Trans-NIH Research Support			
Direct			718,751	(R)
Through:	UNIVERSITY OF TEXAS AT AUSTIN/AUSTIN,TX	1R01GM095638-01	37,290	(R)
Program Total			**756,041**	
93.333	Clinical Research			
Direct			331,595	(R)
Program Total			**331,595**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students(SFA)			
Direct			$ 0	46,070
Program Total			**0**	**46,070** (3)
93.358	Advanced Nursing Education Traineeships			
Direct			300,984 (R)	
Through:	GSU RESEARCH SERVICES FOUNDATION, INC.	063828383	$ 31,844	
Program Total			**332,828**	
93.359	Nurse Education, Practice and Retention Grants			
Direct			1,081,040	
Program Total			**1,081,040**	
93.361	Nursing Research			
Direct			9,138 (R)	
Through:	INDIANA UNIVERSITY	20235	56,630 (R)	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	90,270 (R)	
Program Total			**156,038**	
93.364	Nursing Student Loans(SFA)			
Direct			0	1,879,708
Program Total			**0**	**1,879,708** (3)
93.389	National Center for Research Resources			
Direct			4,367,415 (R)	
Through:	EMORY UNIVERSITY	67128	7,272 (R)	
	LOUISIANA STATE UNIVERSITY	20252	135,240 (R)	
	BRIGHAM AND WOMEN'S HOSPITAL/BOSTON, MA	P41 RR013218-11	46,673 (R)	
	CORNELL UNIVERSITY/ITHACA, NY	2 R01 RR020115-05	69,079 (R)	
	EMORY UNIVERSITY/ATLANTA, GA	5 TL1 RR025010-03	68,390	
	EMORY UNIVERSITY/ATLANTA, GA	5 UL1 RR025008-03	274,309 (R)	
	EMORY UNIVERSITY/ATLANTA, GA	5 TL1 RR025010-03	7,965 (R)	
Program Total			**4,976,343**	
93.389	ARRA-National Center for Research Resources			
Through:	MOREHOUSE SCHOOL OF MEDICINE/ATLANTA, GA	R24RR017964-S2	16,278	
Program Total			**16,278**	
93.390	Academic Research Enhancement Award			
Direct			7,192 (R)	
Program Total			**7,192**	
93.393	Cancer Cause and Prevention Research			
Direct			265,493 (R)	

Health and Human Services, U.S. Department of

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC	063828383	$ 63,209	(R)
	INDIANA UNIVERSITY	20235	38,446	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	1,001,586	(R)
	WAKE FOREST UNIVERSITY	UNKNOWN	143,113	(R)
Program Total			**1,511,847**	
93.394	Cancer Detection and Diagnosis Research			
Direct			$ 717,958	(R)
Through:	BETH ISRAEL DECONESS MEDICAL CENTER	UNKNOWN	38,200	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	427,855	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1U01CA151802-01	101,340	(R)
Program Total			**1,285,353**	
93.395	Cancer Treatment Research			
Direct			821,596	(R)
Through:	EMORY UNIVERSITY	UNKNOWN	11,670	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	938,204	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	18,815	
	BOOZ, ALLEN AND HAMILTON INC	HHSN2639999000461	22,977	(R)
Program Total			**1,813,262**	
93.396	Cancer Biology Research			
Direct			243,498	(R)
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	2,676,837	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 R01 CA 108468-01	40,031	(R)
Program Total			**2,960,366**	
93.397	Cancer Centers Support Grants			
Through:	EMORY UNIVERSITY	67128	56,466	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5 P50 CA128613-03	42,805	(R)
Program Total			**99,271**	
93.398	Cancer Research Manpower			
Direct			27,723	(R)
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	115,586	(R)
Program Total			**143,309**	
93.399	Cancer Control			
Direct			27,261	(R)
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	600,636	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 U54 CA119338-01	143,930	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5 U54 CA119338-05	61,074	(R)
	VIVONETICS/ATLANTA, GA	R42CA103103	36,420	(R)
Program Total			**869,321**	

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	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of			
93.402 ARRA-State Loan Repayment Program			
Direct		$ 72,580	
Program Total		**72,580**	
93.407 ARRA-Scholarships for Disadvantaged Students(SFA)			
Direct		457,622	
Program Total		**457,622**	
93.408 ARRA-Nurse Faculty Loan Program(SFA)			
Direct		0	10,186
Program Total		**0**	**10,186** (3)
93.411 ARRA-Equipment to Enhance Training for Health Professionals			
Direct		10,222	
Program Total		**10,222**	
93.505 Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program			
Direct		218,528	
Program Total		**218,528**	
93.507 Strengthening Public Health Infrastructure for Improved Health Outcomes			
Direct		170,333	
Program Total		**170,333**	
93.513 Affordable Care Act (ACA) Advanced Nursing Education Expansion Initiative			
Direct		142,560	
Program Total		**142,560**	
93.516 Affordable Care Act (ACA) Public Health Training Centers Program			
Direct		76,442 (R)	
Program Total		**76,442**	
93.518 Affordable Care Act - Medicare Improvements for Patients and Providers			
Direct		223,875	
Program Total		**223,875**	
93.519 Affordable Care Act (ACA) Consumer Assistance Program Grants			
Direct		101,781	
Program Total		**101,781**	
93.520 Centers for Disease Control and Prevention - Affordable Care Act (ACA) - Communities Putting Prevention to Work			
Direct		26,391	
Program Total		**26,391**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
93.520	ARRA-Centers for Disease Control and Prevention - Affordable Care Act (ACA) - Communities Putting Prevention to Work			
Through:	DEKALB COUNTY	UNKNOWN	$ 65,425 (R)	
Program Total			**65,425**	
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			
Direct			$ 77,700	
Program Total			**77,700**	
93.523	The Affordable Care Act - Human Immunodeficiency Virus (HIV) Prevention and Public Health Fund Activities			
Direct			233,889	
Program Total			**233,889**	
93.525	State Planning and Establishment Grants for the Affordable Care Act (ACA)'s Exchanges			
Direct			331,057	
Program Total			**331,057**	
93.556	Promoting Safe and Stable Families			
Direct			11,548,462	
Program Total			**11,548,462**	
93.558	Temporary Assistance for Needy Families (TANF)(TANF)			
Direct			350,532,968	
Through:	CLARKE COUNTY SCHOOL DISTRICT	40092	5,025 (R)	
Program Total			**350,537,993**	
93.560	Family Support Payments to States_Assistance Payments			
Direct			-1,118	
Program Total			**-1,118**	
93.563	Child Support Enforcement			
Direct			64,423,238	
Program Total			**64,423,238**	
93.563	ARRA-Child Support Enforcement			
Direct			11,591,161	
Program Total			**11,591,161**	
93.564	Child Support Enforcement Research			
Direct			174,553	
Program Total			**174,553**	

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	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of			
93.566 Refugee and Entrant Assistance_State Administered Programs			
Direct		$ 8,716,769	
Program Total		**8,716,769**	
93.568 Low-Income Home Energy Assistance			
Direct		68,803,199	
Program Total		**68,803,199**	
93.569 Community Services Block Grant(CSBG)			
Direct		18,015,386	
Program Total		**18,015,386**	
93.575 Child Care and Development Block Grant(CCDF)			
Direct		90,366,622	
Program Total		**90,366,622**	
93.576 Refugee and Entrant Assistance_Discretionary Grants			
Direct		666,936	
Program Total		**666,936**	
93.579 U.S. Repatriation			
Direct		822	
Program Total		**822**	
93.583 Refugee and Entrant Assistance_Wilson/Fish Program			
Through: UNIVERSITY OF VIRGINIA	20275	$ 105,799	(R)
Program Total		**105,799**	
93.584 Refugee and Entrant Assistance_Targeted Assistance Grants			
Direct		995,998	
Program Total		**995,998**	
93.586 State Court Improvement Program			
Direct		784,376	
Program Total		**784,376**	
93.590 Community-Based Child Abuse Prevention Grants			
Direct		985,453	
Program Total		**985,453**	
93.592 Family Violence Prevention and Services/Grants for Battered Women's Shelters_Discretionary Grants			
Through: MATHEMATICA POLICY RESEARCH, INC.	UNKNOWN	469,115	(R)
Program Total		**469,115**	

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	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of			
93.595 Welfare Reform Research, Evaluations and National Studies			
Direct		$ 434,531 (R)	
Program Total		**434,531**	
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund(CCDF)			
Direct		106,340,214	
Program Total		**106,340,214**	
93.597 Grants to States for Access and Visitation Programs			
Direct		348,336	
Program Total		**348,336**	
93.599 Chafee Education and Training Vouchers Program (ETV)			
Direct		753,595	
Program Total		**753,595**	
93.600 Head Start(HS)			
Direct		3,235,252 (R)	
Program Total		**3,235,252**	
93.603 Adoption Incentive Payments			
Direct		187,274	
Program Total		**187,274**	
93.617 Voting Access for Individuals with Disabilities_Grants to States			
Direct		245,431	
Program Total		**245,431**	
93.630 Developmental Disabilities Basic Support and Advocacy Grants			
Direct		2,218,119 (R)	279,717
Program Total		**2,218,119**	**279,717** (4)
93.632 University Centers for Excellence in Developmental Disabilities Education, Research, and Service			
Direct		1,294,637 (R)	
Program Total		**1,294,637**	
93.643 Childrens Justice Grants to States			
Direct		39,061	
Program Total		**39,061**	
93.645 Child Welfare Services_State Grants			
Direct		8,781,944	
Program Total		**8,781,944**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
93.647	Social Services Research and Demonstration			
Through:	MARCUS AUTISM CENTER/ATLANTA,GA	90XP0224/01	$ 29,883	(R)
Program Total			**29,883**	
93.648	Child Welfare Research Training or Demonstration			
Through:	UNIVERSITY OF MISSOURI	20226	46,020	(R)
Program Total			**46,020**	
93.652	Adoption Opportunities			
Direct			$ 3,509	
Program Total			**3,509**	
93.658	Foster Care_Title IV-E			
Direct			80,720,973	
Program Total			**80,720,973**	
93.658	ARRA-Foster Care_Title IV-E			
Direct			1,875,965	
Program Total			**1,875,965**	
93.659	Adoption Assistance			
Direct			36,833,316	
Program Total			**36,833,316**	
93.659	ARRA-Adoption Assistance			
Direct			2,074,370	
Program Total			**2,074,370**	
93.667	Social Services Block Grant			
Direct			25,480,384	
Program Total			**25,480,384**	
93.669	Child Abuse and Neglect State Grants			
Direct			689,974	
Program Total			**689,974**	
93.670	Child Abuse and Neglect Discretionary Activities			
Through:	RADY CHILDREN'S HOSPITAL-SAN DIEGO	UNKNOWN	115,272	
	CHILDREN'S HEALTHCARE OF ATLANTA/ ATLANTA, GA	90XA014301	49,606	(R)
Program Total			**164,878**	
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters_Grants to States and Indian Tribes			
Direct			2,715,293	
Program Total			**2,715,293**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
93.674	Chafee Foster Care Independence Program			
Direct			$ 3,276,086	
Program Total			**3,276,086**	
93.701	ARRA-Trans-NIH Recovery Act Research Support			
Direct			15,724,197	(R)
Through:	AUBURN UNIVERSITY	UNKNOWN	$ 50,554	(R)
	BURNHAM INST FOR MEDICAL RESCH	67069	140,469	(R)
	COLUMBIA UNIVERSITY	UNKNOWN	26,225	(R)
	DONALD DANFORTH PLANT SCI CTR	68932	26,957	(R)
	EMORY UNIVERSITY	UNKNOWN	8,400	(R)
	EMORY UNIVERSITY	67128	236,211	(R)
	GSU RESEARCH AND SERVICE FOUNDATION	063828383	32,833	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	5,619,367	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	191,152	
	OHIO STATE UNIVERSITY	1R21HL089036-01A2	36,242	(R)
	UNIVERSITY OF ILLINOIS AT CHICAGO	UNKNOWN	49,555	(R)
	UNIVERSITY OF WYOMING	20365	92,635	(R)
	WAKE FOREST UNIVERSITY	68059	18,874	(R)
	BOSTON UNIVERSITY/BOSTON, MA	5 RC2 GM092602-02	1,388	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5 P30NS069250-02	30,497	(R)
	EMORY UNIVERSITY/ATLANTA, GA	3 U54 CA119338-0551	53,501	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5 RC2 CA148265-02	79,034	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5 RC2 HG05542-02	101,890	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 U10 AI090023-01	110,926	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 RC1 DK086939-01	113,762	(R)
	NEW YORK UNIVERSITY/NEW YORK, NY	1R01EB008069-01A2	150,001	(R)
	UNIV OF WASHINGTON/SEATTLE, WA	1 RC1 CA144825-01	131,691	(R)
Program Total			**23,026,361**	
93.703	ARRA-Grants to Health Center Programs			
Direct			772,541	
Through:	EMORY UNIVERSITY/ATLANTA, GA	3 P01 HD032571-1451	30,793	(R)
	EMORY UNIVERSITY/ATLANTA, GA	3 PO1 HD032571-1451	37,792	(R)
Program Total			**841,126**	
93.708	ARRA-Head Start(HS)			
Direct			138,243	
Program Total			**138,243**	
93.709	ARRA-Early Head Start(HS)			
Through:	ENRICHMENT SERVICES PROGRAM INC DEPT OF EARLY CHIL	04GA346201	45,807	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	10,593	
Program Total			**56,400**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
93.710	ARRA-Community Services Block Grant(CSBG)			
Direct			$ 9,508,668	
Program Total			**9,508,668**	
93.711	ARRA-Strengthening Communities Fund			
Through:	ACTION INC	68048	$ 53,866 (R)	
Program Total			**53,866**	
93.712	ARRA-Immunization(IMC)			
Direct			1,922,464	3,151,272
Program Total			**1,922,464**	**3,151,272** (4)
93.713	ARRA-Child Care and Development Block Grant(CCDF)			
Direct			32,803,533	
Program Total			**32,803,533**	
93.714	ARRA-Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program(TANF)			
Direct			90,999,639	
Program Total			**90,999,639**	
93.717	ARRA-Preventing Healthcare-Associated Infections			
Direct			370,551	
Program Total			**370,551**	
93.718	ARRA-Health Information Technology Regional Extension Centers Program			
Through:	MOREHOUSE SCHOOL OF MEDICINE/ATLANTA, GA	90RC00013	435,541	
Program Total			**435,541**	
93.719	ARRA-State Grants to Promote Health Information Technology			
Direct			1,017,834	
Program Total			**1,017,834**	
93.720	ARRA-Survey and Certification Ambulatory Surgical Center Healthcare-Associated Infection (ASC-HAI) Prevention Initiative(MC)			
Direct			29,165	
Program Total			**29,165**	
93.721	ARRA-Health Information Technology Professionals in Health Care			
Through:	PITT COMMUNITY COLLEGE	1-560793335-A1	262,886	
Program Total			**262,886**	
93.723	ARRA-Prevention and Wellness-State, Territories and Pacific Islands			
Direct			917,038 (R)	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Through:	RESEARCH TRIANGLE INSTITUTE	UNKNOWN	$ 20,161	(R)
Program Total			**937,199**	
93.724	ARRA-Prevention and Wellness-Communities Putting Prevention to Work Funding Opportunities Announcement (FOA)			
Direct			$ 88,724	
Program Total			**88,724**	
93.725	ARRA-Communities Putting Prevention to Work: Chronic Disease Self-Management Program			
Direct			526,786	
Program Total			**526,786**	
93.767	Children's Health Insurance Program			
Direct			229,249,091	
Through:	MD. DEPART OF HEALTH AND MENTAL HYGIENE	UNKNOWN	74,378	
Program Total			**229,323,469**	
93.768	Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities			
Direct			18,502	(R)
Program Total			**18,502**	
93.773	Medicare_Hospital Insurance			
Direct			4,297,435	
Program Total			**4,297,435**	
93.775	State Medicaid Fraud Control Units(MC)			
Direct			2,946,822	
Program Total			**2,946,822**	
93.777	State Survey and Certification of Health Care Providers and Suppliers(MC)			
Direct			4,543,107	
Program Total			**4,543,107**	
93.778	Medical Assistance Program(MC)			
Direct			5,290,872,549	
Program Total			**5,290,872,549**	
93.778	ARRA-Medical Assistance Program(MC)			
Direct			570,959,347	
Program Total			**570,959,347**	
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations			
Direct			11,210,007	
Program Total			**11,210,007**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children			
Direct			$ 3,809,393	
Program Total			**3,809,393**	
93.790	Alternate Non-Emergency Service Providers or Networks			
Direct			481,833	
Program Total			**481,833**	
93.822	Health Careers Opportunity Program			
Direct			230,152	
Program Total			**230,152**	
93.837	Cardiovascular Diseases Research			
Direct			2,982,069	(R)
Through:	EMORY UNIVERSITY	67128	$ 15,147	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	10,532,667	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	872	
	MEDICAL COLLEGE OF WISCONSIN	68974	589,247	(R)
	RESEARCH FOUNDATION OF SUNY	UNKNOWN	22,277	(R)
	UNIVERSITY OF ILLINOIS	20221	76,541	(R)
	UNIVERSITY OF SOUTH CAROLINA	20243	37,863	(R)
	WRIGHT STATE UNIVERSITY	20440	104,591	(R)
	BURNHAM INSTITUTE FOR MEDICAL RESEARCH	R01 HL085481	156,353	(R)
	EMORY UNIVERSITY	1R01 HL071061-01A1	211	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5 U01 HL 080711-05	1,573	(R)
	EMORY UNIVERSITY/ATLANTA, GA	2 R01 HL060903-08	21,602	(R)
	EMORY UNIVERSITY/ATLANTA, GA	2 R01 HL070531	134,870	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 R01 HL087012-01A1	169,931	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 RO1 HL090601-01A2	126,239	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 P01 HL095070-01A1	66,844	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 R01HL094527-01A2	83,014	(R)
	EMORY UNIVERSITY/ATLANTA, GA	3395	24,158	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 R01 HL083867-01	-2,027	(R)
	EMORY UNIVERSITY/ATLANTA, GA	2 RO1 HL070531	97,446	(R)
	EMORY UNIVERSITY/ATLANTA, GA	R01 HL07627-01A2	41,581	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5 R21 HL089120-01A1	11,716	(R)
	OREGON HEALTH & SCIENCE UNIVERSITY/PORTLAND, OR	R01GL095474	172,602	(R)
	UNIV OF MAINE/ORONO, ME	R01HL092926-01A2	228,675	(R)
Program Total			**15,696,062**	
93.838	Lung Diseases Research			
Direct			368,111	(R)

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	$ 2,107,426	(R)
Program Total			**2,475,537**	
93.839	Blood Diseases and Resources Research			
Direct			$ 1,086,683	(R)
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	394,318	(R)
Program Total			**1,481,001**	
93.846	Arthritis, Musculoskeletal and Skin Diseases Research			
Direct			480,210	(R)
Through:	BAYLOR COLLEGE OF MEDICINE	UNKNOWN	61,271	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	443,945	(R)
Program Total			**985,426**	
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research			
Direct			2,159,395	(R)
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	6,726,648	(R)
	UNIV OF ALABAMA AT BIRMINGHAM	20317	36,308	(R)
	UNIVERSITY OF CINCINNATI	UNKNOWN	20,317	(R)
	UNIVERSITY OF PITTSBURGH	UNKNOWN	23,643	(R)
	UNIVERSITY OF PITTSBURGH	UNKNOWN	4,441	(R)
	EMORY UNIVERSITY/ATLANTA, GA	2 R01 DK056481-07A2	51,699	(R)
	EMORY UNIVERSITY/ATLANTA, GA	2R011DK069275-10	22,739	(R)
	UNIV OF CALIFORNIA/SAN DIEGO/LAJOLLA, CA	2 U54 GM069338-06	402,989	(R)
Program Total			**9,448,179**	
93.848	Digestive Diseases and Nutrition Research			
Direct			382,028	(R)
Through:	UNIVERSITY OF TOLEDO	20321	-29	(R)
Program Total			**381,999**	
93.849	Kidney Diseases, Urology and Hematology Research			
Direct			217	(R)
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	213,156	(R)
Program Total			**213,373**	
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders			
Direct			1,608,789	(R)
Through:	EMORY UNIVERSITY	58-0566256	76	(R)
	EMORY UNIVERSITY	UNKNOWN	23,253	(R)
	EMORY UNIVERSITY	UNKNOWN	149,874	
	EMORY UNIVERSITY	67128	65,032	(R)
	GSU RESEARCH AND SERVICE FOUNDATION	063828383	1,312	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	4,952	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	3,631,711	(R)
	UNIV OF TEXAS HLTH SCI CTR/HTN	20383	9,560	(R)
	UNIVERSITY OF SOUTH CAROLINA	20243	3,333	(R)

Health and Human Services, U.S. Department of

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Through:	CASE WESTERN RESERVE UNIVERSITY/CLEVELAND, OH	R01 NS063971	$ 19,535	(R)
	DREXEL UNIVERSITY/PHILADELPHIA, PA	NIH R01 NS048844	72,864	(R)
	EMORY UNIVERSITY	5R01NS054911-03	19,768	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 R01 NS053822-01A2	120,708	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5 R21 NS057718-002	-2,052	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 R21 MS054809-02	1,953	(R)
	EMORY UNIVERSITY/ATLANTA, GA	UNKNOWN	75,900	(R)
	MICHIGAN STATE UNIVERSITY/EAST LANSING, MI	R01NS06031	139,331	(R)
	REGENERATION MATRIX INC/JOHNS CREEK,GA	1R41NS067771-01A1	42,731	(R)
	UNIVERSITY OF PENNSYLVANIA/PHILADELPHIA, PA	2-R01-NS-042645-06A2	41,532	(R)
Program Total			**6,030,162**	
93.855	Allergy, Immunology and Transplantation Research			
Direct			$ 10,696,076	(R)
Through:	AUBURN UNIVERSITY	20288	-24	(R)
	EMORY UNIVERSITY	67128	17,511	(R)
	GSU RESEARCH AND SERVICE FOUNDATION, INC	063828383	85,453	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	2,305,487	(R)
	SOUTHEAST CENTER OF EXCELLENCE FOR	UNKNOWN	51,773	(R)
	UNIVERSITY OF ARIZONA	20266	69,291	(R)
	UNIVERSITY OF NORTH CAROLINA - CHAPEL	UNKNOWN	-1,094	(R)
	UNIVERSITY OF SOUTH FLORIDA	20294	229,433	(R)
	EMORY UNIVERSITY/ATLANTA, GA	3395	569,374	(R)
	EMORY UNIVERSITY/ATLANTA, GA	2 U19 AI057266-06	90,993	(R)
	UNIV OF ALA AT BIRMINGHAM/BIRMINGHAM, AL	5P30AI027767-22 REVI	123,973	(R)
	UNIVERSITY OF WISCONSIN/MADISON, WISCONSIN	20232	178	(R)
Program Total			**14,238,424**	
93.856	Microbiology and Infectious Diseases Research			
Direct			926,220	(R)
Through:	AUBURN UNIVERSITY	20288	-10,810	(R)
	BRANDEIS UNIVERSITY	67628	117,060	(R)
	EMORY UNIVERSITY	67128	1,777,972	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	16,631	(R)
	RADIATION EFFECTS RESEARCH FND	79025	241,877	(R)
Program Total			**3,068,950**	
93.859	Biomedical Research and Research Training			
Direct			12,756,544	(R)
Through:	AMERICAN SOCIETY FOR CELL BIOLOGY	396054285	2,573	(R)
	AMERICAN SOCIETY FOR CELL BIOLOGY	39-6054285	14,203	
	BIOINQUIRE LLC	61520	231,870	(R)
	ECHELON BIOSCIENCES, INC.	UNKNOWN	98,280	(R)
	ECHELON BIOSCIENCES, INC.	UNKNOWN	251	(R)
	GLYCOSENSORS & DIAGNOSTICS LLC	61616	8,115	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	704,546	(R)
	RENSSELAER POLYTECHNIC INSTITU	68780	91,698	(R)
	RUTGERS UNIVERSITY	20214	97,505	(R)

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Through:	SCRIPPS	61170	$ 278,212	(R)
	SENA RESEARCH, INC.	UNKNOWN	54,426	(R)
	UNIV OF OKL HEALTH SCIENCE CTR	20299	50,198	(R)
	UNIVERSITY OF ILLINOIS	20221	17,543	(R)
	UNIVERSITY OF PENNSYLVANIA	20240	93,552	(R)
	UNIVERSITY OF WASHINGTON	20292	51,278	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 P20 GM072069-01	-330	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5 U01 HL08071101-05	130,942	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5 U01 HL080711-05	50,028	(R)
	MEDICAL UNIVERSITY OF SOUTH CAROLINA	2 R01 GM063265-05A1	61,753	(R)
	UNIV OF FLORIDA/	R01 DK047858	44,239	(R)
	UNIV OF MICHIGAN/	7R01GM084222-02	177,520	(R)
	UNIVERSITY OF KANSAS/LAWRENCE, KS	1 R01 GM084222-01A1	-69,378	(R)
	UNIVERSITY OF WISCONSIN/MADISON, WISCONSIN	1 R01 GM076274-01A1	-547	(R)
Program Total			**14,945,021**	
93.865	Child Health and Human Development Extramural Research			
Direct			$ 2,222,352	(R)
Through:	EMORY UNIVERSITY	UNKNOWN	79,168	(R)
	MMJ LABS	UNKNOWN	21,084	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	1,145,112	(R)
	STATE UNIVERSITY OF NEW YORK	UNKNOWN	68,368	(R)
	UNIVERSITY OF CALIFORNIA, IRVINE	UNKNOWN	-6,118	(R)
	UNIVERSITY OF CONNECTICUT	UNKNOWN	250,056	(R)
	UNIVERSITY OF PITTSBURGH	UNKNOWN	38,710	(R)
	UNIVERSITY OF ROCHESTER	20312	28,172	(R)
	UNIVERSITY OF TEXAS /AUSTIN	20231	74,791	(R)
	EMORY UNIVERSITY/ATLANTA, GA	2 P01 HD032571-11A1	299,721	(R)
	EMORY UNIVERSITY/ATLANTA, GA	2 RO1 HD046922-06A2	105,904	(R)
	MICROPERFUSIONS INC/ATLANTA, GA	NIH 5R43NS065543-02	33,556	(R)
Program Total			**4,360,876**	
93.866	Aging Research			
Direct			2,655,764	(R)
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	800,146	(R)
	UNIVERSITY OF MINNESOTA	UNKNOWN	7,873	(R)
	WAKE FOREST UNIVERSITY	68059	50,683	(R)
	EMORY UNIVERSITY/ATLANTA, GA	1 P01 AG026423-01A2	69,797	(R)
	UNIVERSITY OF MIAMI MEDICAL SCHOOL	2 P01 AG017211-11	57,957	(R)
	UNIVERSITY OF MIAMI MEDICAL SCHOOL/MIAMI, FL	5 P01 AG017211-12	345,047	(R)
	UNIVERSITY OF WISCONSIN/MADISON, WISCONSIN	UNKNOWN	30,105	(R)
	UNIVERSITY OF WISCONSIN/MADISON, WISCONSIN	UNKNOWN	-2,033	(R)
	VANDERBILT UNIVERSITY/NASHVILLE, TN	1 R21AG030184-01A1	951	(R)
Program Total			**4,016,290**	

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
93.867	Vision Research			
Direct			$ 3,652,900	(R)
Through:	BETH ISRAEL DECONESS MEDICAL CENTER	UNKNOWN	$ 30,461	(R)
	CASE WESTERN RESERVE UNIV	68434	51,051	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	3,007,110	(R)
	CHILDREN'S HOSPITAL BOSTON/BOSTON, MA	1P50-FD003792-01	85,666	(R)
	EMORY UNIVERSITY	R24 EY017045-01	230,668	(R)
	EMORY UNIVERSITY/ATLANTA, GA	5 U01 HL 080711-05	31,574	(R)
	UNIVERSITY OF CALIFORNIA/BERKELEY, CA	1 R01 EY019965-01	101,662	(R)
Program Total			**7,191,092**	
93.879	Medical Library Assistance			
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	6,179	(R)
	UNIVERSITY OF FLORIDA	20220	19,686	(R)
Program Total			**25,865**	
93.884	Grants for Training in Primary Care Medicine and Dentistry			
Direct			228,628	
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	129,158	
Program Total			**357,786**	
93.887	Health Care and Other Facilities			
Direct			98,914	(R)
Program Total			**98,914**	
93.888	Specially Selected Health Projects			
Direct			73,641	(R)
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC.	063828383	103,949	
Program Total			**177,590**	
93.889	National Bioterrorism Hospital Preparedness Program			
Direct			15,469,310	
Program Total			**15,469,310**	
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program			
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC	063828383	82,102	
Program Total			**82,102**	
93.913	Grants to States for Operation of Offices of Rural Health			
Direct			174,525	
Program Total			**174,525**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
93.917	HIV Care Formula Grants			
Direct			$ 43,432,970	
Through:	RICHMOND COUNTY HEALTH DEPARTMENT	UNKNOWN	$ 392,616	
Program Total			**43,825,586**	
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease			
Direct			1,225,380	
Program Total			**1,225,380**	
93.924	Ryan White HIV/AIDS Dental Reimbursements Community Based Dental Partnership			
Direct			280,179	
Program Total			**280,179**	
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds(SFA)			
Direct			682,044	
Program Total			**682,044**	
93.926	Healthy Start Initiative			
Direct			900,709	
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	83,901	
Program Total			**984,610**	
93.928	Special Projects of National Significance			
Direct			698,088	(R)
Program Total			**698,088**	
93.932	Native Hawaiian Health Systems			
Through:	EMORY UNIVERSITY	UNKNOWN	-3,588	(R)
Program Total			**-3,588**	
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems			
Direct			254,492	
Program Total			**254,492**	
93.940	HIV Prevention Activities_Health Department Based			
Direct			7,379,792	
Program Total			**7,379,792**	
93.941	HIV Demonstration, Research, Public and Professional Education Projects			
Direct			95,706	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Through:	UNIVERSITY OF CALIFORNIA, SAN FRANCISCO	UNKNOWN	$ 1,786	(R)
Program Total			**97,492**	
93.943	Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups			
Direct			$ 1,610,002	
Program Total			**1,610,002**	
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance			
Direct			1,007,892	
Program Total			**1,007,892**	
93.945	Assistance Programs for Chronic Disease Prevention and Control			
Direct			33,448	
Program Total			**33,448**	
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			
Direct			284,886	
Program Total			**284,886**	
93.956	Agricultural Health and Safety Programs			
Through:	NC A AND T UNIVERSITY	661059531	11,799	
Program Total			**11,799**	
93.958	Block Grants for Community Mental Health Services			
Direct			10,176,733	
Program Total			**10,176,733**	
93.959	Block Grants for Prevention and Treatment of Substance Abuse			
Direct			50,493,141	
Through:	COUNCIL ON ALCOHOL AND DRUGS, INC.	58-1088401	13,784	
Program Total			**50,506,925**	
93.969	Geriatric Education Centers			
Direct			114,244	(R)
Through:	EMORY UNIVERSITY	UNKNOWN	84,464	
Program Total			**198,708**	
93.977	Preventive Health Services_Sexually Transmitted Diseases Control Grants			
Direct			3,181,644	
Program Total			**3,181,644**	

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		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
93.978	Preventive Health Services_Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants			
Direct			$ 1,093	(R)
Program Total			**1,093**	
93.989	International Research and Research Training			
Direct			1,626,701	(R)
Through:	CASE WESTERN RESERVE UNIV	68434	$ 172,725	(R)
	EMORY UNIVERSITY	67128	8,668	(R)
Program Total			**1,808,094**	
93.991	Preventive Health and Health Services Block Grant			
Direct			2,409,489	
Program Total			**2,409,489**	
93.994	Maternal and Child Health Services Block Grant to the States			
Direct			13,954,646	
Program Total			**13,954,646**	
93.995	Adolescent Family Life_Demonstration Projects			
Through:	COMMUNITIES IN SCHOOLS OF GA	68988	73,933	(R)
Program Total			**73,933**	
93.OFA	Other Federal Assistance			
Direct			2,150,406	(R)
Through:	ABEOME, INC.	61312	42,660	(R)
	INDIANA UNIVERSITY	20235	12,313	(R)
	IOWA STATE UNIVERSITY	20291	177,594	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	16,524	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	331,242	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	15,920	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	13,587	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	2,002	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	801	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	24,178	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	29,736	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	7,997	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	6,040	(R)
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	6,208	
	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	8,837	
	NATIONAL LATINO ALLIANCE FOR THE	UNKNOWN	6	(R)
	RICHMOND COUNTY HEALTH DEPARTMENT	UNKNOWN	5,235	
	SCIENCE APPLICATIONS INTL CORP	61126	429,269	(R)
	UNIVERSITY OF PENNSYLVANIA	20240	790,895	(R)
	UNIVERSITY OF UTAH	20326	22,035	(R)
	VARIOUS OTHER STATES	20204	441,102	(R)
	UNIVERSITY OF WISCONSIN/MADISON, WISCONSIN	20232	-106	(R)

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Health and Human Services, U.S. Department of				
Program Total			**4,534,481**	
93.OFA	ARRA-Other Federal Assistance			
Through:	MEDICAL COLLEGE OF GEORGIA RESEARCH INSTITUTE	96-666-8691	$ 26,870 (R)	
Program Total			**26,870**	
AGENCY TOTAL			$ **7,598,962,283**	$ **150,843,078**
Corporation for National and Community Service				
94.003	State Commissions			
Direct			$ 298,628	
Through:	CORPORATION FOR NATL & COMM SV	68701	$ 257,704 (R)	
Program Total			**556,332**	
94.004	Learn and Serve America_School and Community Based Programs			
Direct			570,683	
Program Total			**570,683**	
94.005	Learn and Serve America_Higher Education			
Direct			113,460 (R)	
Through:	MOREHOUSE SCHOOL OF MEDICINE	58-1438873	-624	
Program Total			**112,836**	
94.006	AmeriCorps			
Direct			4,002,195	
Through:	JUMPSTART NATIONAL	UNKNOWN	10,189	
	JUMPSTART NATIONAL	UNKNOWN	45,448	
	JUMPSTART FOR YOUNG CHILDREN/ATLANTA, GA	JS-SITE #55	40,082	
	JUMPSTART FOR YOUNG CHILDREN/ATLANTA, GA	CFDA-94.006-JS-SITE	7,939	
Program Total			**4,105,853**	
94.006	ARRA-AmeriCorps			
Direct			137,126	
Program Total			**137,126**	
94.007	Program Development and Innovation Grants			
Direct			64,738	
Through:	NORTH CAROLINA CAMPUS COMPACT-NATIONAL AND COMMUNI	36628 NTNLCOMMUNITYS	2,500	
	CAMPUS COMPACT/ETON,NC	01.15.2011	1,000	
Program Total			**68,238**	
94.009	Training and Technical Assistance			
Direct			105,266	
Program Total			**105,266**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Corporation for National and Community Service				
94.013	Volunteers in Service to America			
Direct			$ 35,052	
Program Total			**35,052**	
94.016	Senior Companion Program(FGCC)			
Through:	GSU RESEARCH AND SERVICE FOUNDATION, INC	063828383	$ 168,537	
Program Total			**168,537**	
AGENCY TOTAL			$ **5,859,923**	
Executive Office of the President				
95.001	High Intensity Drug Trafficking Areas Program			
Through:	ATLANTA POLICE DEPARTMENT	586000511	$ 71,347	
Program Total			**71,347**	
AGENCY TOTAL			$ **71,347**	
Social Security Administration				
96.001	Social Security_Disability Insurance(DI/SSI)			
Direct			$ 74,319,556	
Program Total			**74,319,556**	
96.007	Social Security_Research and Demonstration			
Through:	UNIVERSITY OF MICHIGAN	UNKNOWN	$ 26,050	(R)
Program Total			**26,050**	
96.008	Social Security - Work Incentives Planning and Assistance Program			
Direct			284,348	
Program Total			**284,348**	
AGENCY TOTAL			$ **74,629,954**	
Homeland Security, U.S. Department of				
97.001	Pilot Demonstration or Earmarked Projects			
Through:	DARTMOUTH COLLEGE/HANOVER, NH	2006-CS-001-000001-0	$ 42,401	(R)
Program Total			**42,401**	
97.005	State and Local Homeland Security National Training Program			
Direct			$ 113,902	(R)
Through:	DARTMOUTH COLLEGE/HANOVER, NH	2006-CS-001-000001	63,899	(R)
	NORTHROP GRUMMAN/BALTIMORE, MD	HSHHQDC-09-C-00011	37,205	(R)
Program Total			**215,006**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Homeland Security, U.S. Department of			
97.008 Non-Profit Security Program(HLS)			
Direct		$ 17,566,006	
Program Total		**17,566,006**	
97.010 Citizenship Education and Training			
Direct		39,321	
Program Total		**39,321**	
97.012 Boating Safety Financial Assistance			
Direct		2,581,835	
Program Total		**2,581,835**	
97.023 Community Assistance Program State Support Services Element (CAP-SSSE)			
Direct		138,999	
Program Total		**138,999**	
97.029 Flood Mitigation Assistance			
Direct		18,344	
Program Total		**18,344**	
97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)			
Direct		25,646,364	
Program Total		**25,646,364**	
97.039 Hazard Mitigation Grant			
Direct		5,388,242	
Program Total		**5,388,242**	
97.041 National Dam Safety Program			
Direct		279,361	
Program Total		**279,361**	
97.042 Emergency Management Performance Grants			
Direct		7,984,058	
Program Total		**7,984,058**	
97.043 State Fire Training Systems Grants			
Direct		33,163	
Program Total		**33,163**	
97.044 Assistance to Firefighters Grant			
Direct		150,745	
Program Total		**150,745**	

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Homeland Security, U.S. Department of				
97.045	Cooperating Technical Partners			
Direct			$ 6,850,406	
Program Total			**6,850,406**	
97.046	Fire Management Assistance Grant			
Direct			2,096,191	
Program Total			**2,096,191**	
97.047	Pre-Disaster Mitigation			
Direct			1,319,892	
Program Total			**1,319,892**	
97.052	Emergency Operations Center			
Direct			66,153	
Program Total			**66,153**	
97.053	Citizen Corps(HLS)			
Direct			239,127	
Program Total			**239,127**	
97.055	Interoperable Emergency Communications			
Direct			4,543,526	
Program Total			**4,543,526**	
97.056	Port Security Grant Program			
Direct			2,977,735	(R)
Program Total			**2,977,735**	
97.061	Centers for Homeland Security			
Direct			1,101	
Through:	KANSAS STATE UNIVERSITY	20255	$ 38,610	(R)
	UNIVERSITY OF NORTH CAROLINA MEDICAL	UNKNOWN	55,890	(R)
	UNIVERSITY OF TEXAS AT SAN ANTONIO	74-1717115	24,050	
	PURDUE UNIVERSITY/WEST LAFAYETTE, IN	2009-ST-061-CI0001	96,643	(R)
	UNIVERSITY OF MINNESOTA/MINNEAPOLIS, MN	210-ST-061-FD0001	40,521	(R)
Program Total			**256,815**	
97.062	Scientific Leadership Awards			
Direct			56,252	
Program Total			**56,252**	
97.070	Map Modernization Management Support			
Direct			70	
Program Total			**70**	

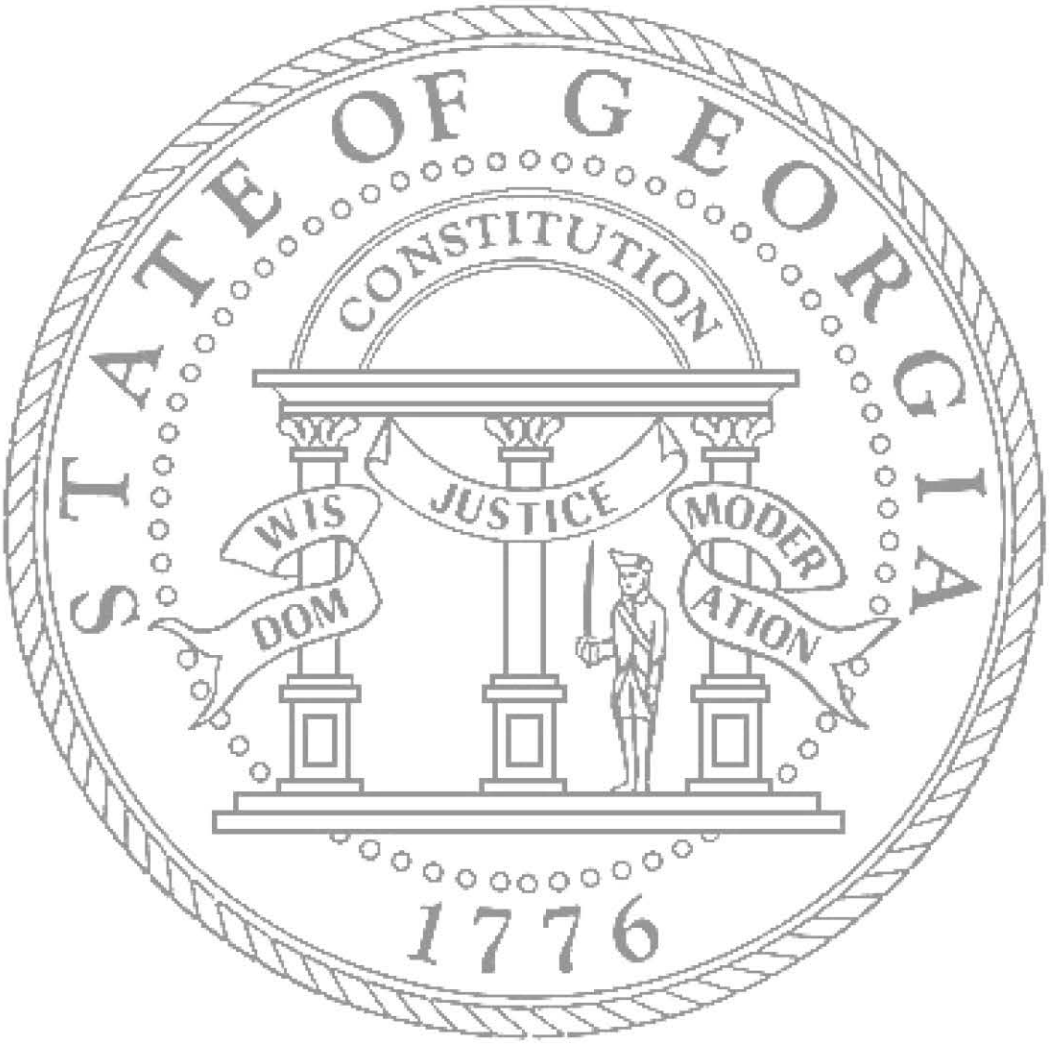
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

	PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Homeland Security, U.S. Department of			
97.071 Metropolitan Medical Response System(HLS)			
Direct		$ 506,131	
Program Total		**506,131**	
97.073 State Homeland Security Program (SHSP)(HLS)			
Direct		15,711,348	
Program Total		**15,711,348**	
97.074 Law Enforcement Terrorism Prevention Program (LETPP)			
Direct		1,156,647	
Program Total		**1,156,647**	
97.075 Rail and Transit Security Grant Program			
Direct		1,756,427	
Program Total		**1,756,427**	
97.077 Homeland Security Research Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Detection			
Direct		444,647 (R)	
Program Total		**444,647**	
97.078 Buffer Zone Protection Plan (BZPP)			
Direct		1,423,144	
Program Total		**1,423,144**	
97.082 Earthquake Consortium			
Direct		76,458	
Program Total		**76,458**	
97.089 Driver's License Security Grant Program			
Direct		392,712	
Program Total		**392,712**	
97.091 Homeland Security Biowatch Program			
Direct		548,414	
Program Total		**548,414**	
97.104 Homeland Security-related Science, Technology, Engineering and Mathematics (HS STEM) Career Development Program			
Direct		150,038 (R)	
Program Total		**150,038**	
97.115 ARRA-Assistance to Firefighters Grant (ARRA)			
Direct		1,296	
Program Total		**1,296**	

State of Georgia

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

		PASS-THROUGH ENTITY IDENTIFYING NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Homeland Security, U.S. Department of				
97.116	ARRA-Port Security Grant Program (ARRA)			
Direct			$ 89,852	
Program Total			**89,852**	
AGENCY TOTAL			$ **100,747,126**	
International Development, U.S. Agency for				
98.001	USAID Foreign Assistance for Programs Overseas			
Through:	AUBURN UNIVERSITY	20288	$ 34,874 (R)	
	COLORADO STATE UNIVERSITY	20246	10,357 (R)	
	FLORIDA STATE UNIVERSITY	20278	56,312 (R)	
	HIGHER EDUCATION FOR DEVELOPMENT	UNKNOWN	80,040	
	TETRA TECH ARD	61685	10,899 (R)	
	UNIVERSITY OF CALIFORNIA	20218	4,368 (R)	
	VIRGINIA POLYTECHNIC INSTITUTE	20233	1,850 (R)	
	VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSIT	546001805	11,501 (R)	
Program Total			**210,201**	
98.012	USAID Development Partnerships for University Cooperation and Development			
Direct			$ 3,104,446 (R)	
Through:	HEBREW UNIVERSITY OF JERUSALEM	70346	51,965 (R)	
	HIGHER EDUCATION FOR DEVELOPMT	68864	56,196 (R)	
	HIGHER EDUCATION FOR DEVELOPMENT	UNKNOWN	2,046	
	HIGHER EDUCATION FOR DEVELOPMENT	UNKNOWN	204,660	
	HIGHER EDUCATION FOR DEVELOPMENT	UNKNOWN	58,934	
Program Total			**3,478,247**	
98.OFA	Other Federal Assistance			
Direct			446,735 (R)	
Through:	HIGHER EDUCATION FOR DEVELOPMENT	UNKNOWN	118,807 (R)	
Program Total			**565,542**	
AGENCY TOTAL			$ **4,253,990**	
Miscellaneous				
99.OFA	Other Federal Assistance			
Direct			$ 303,900	
Program Total			**303,900**	
AGENCY TOTAL			$ **303,900**	
GRAND TOTAL EXPENDITURES of FEDERAL AWARDS			$ **18,501,010,304**	$ **3,929,635,529**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Notes to the Schedule of Expenditures of Federal Awards

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State of Georgia

Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2011

PURPOSE OF THE SCHEDULE

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 reflecting total expenditures for each Federal financial assistance program as identified in the Catalog of Federal Domestic Assistance (CFDA).

SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The accompanying schedule includes all Federal financial assistance programs administered by the State of Georgia for the fiscal year ended June 30, 2011. Refer to Appendix "A" for a comprehensive listing of organizational units comprising the financial reporting entity.

Basis of Presentation - The accompanying *Schedule of Expenditures of Federal Awards* is presented in accordance with OMB Circular A-133.

A. Federal Financial Assistance - Pursuant to the Single Audit Act Amendments of 1996 and OMB Circular A-133, Federal financial assistance is defined as assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursements for services rendered to individuals for Medicare and Medicaid.

B. Major Programs - The Single Audit Act Amendments of 1996 and OMB Circular A-133 established a risk-based approach for defining Major Federal financial assistance programs. This approach resulted in 38 of 46 Type A programs and 5 Type B programs being selected as major programs for the State of Georgia. For the fiscal year ended June 30, 2011, a Type A program is defined as any Federal program which exceeded $33,645,969 in expenditures/disbursements/issuances.

Basis of Accounting - The *Schedule of Expenditures of Federal Awards* is prepared using the basis of accounting as described in Note 1 of the CAFR.

Expenditures and Expenses - When a state organization receives Federal monies and redistributes such monies to another state organization, (i.e. pass-through funds from the primary recipient to a subrecipient), the Federal assistance is recorded in both the primary recipient's and the subrecipient's accounts. This method of reporting expenditures/expenses results in an overstatement of the aggregate level of Federal expenditures/expenses. Therefore, net Federal expenditures/expenses are reported in the schedule.

OTHER

The following Notes provide additional pertinent information regarding Federal financial assistance:

(1) Expenditures reported for CFDA NO. 17.225 include Federal, State and/or other funds. More specifically, this CFDA includes Federal expenditures of $2,032,183,156 and State expenditures of $1,016,097,723.

(2) During the fiscal year ended June 30, 2011, the Georgia Department of Community Health (DCH) received $48,961,993 in cash rebates from infant formula manufacturers on sales of formula to participants in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (CFDA NO. 10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR_246 & PL (Public Law) 108-265 as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC benefit costs. The rebate contract allowed the department to serve approximately 60,811 additional persons per month during fiscal year 2011.

(3) Federally funded loan programs incurred the following current fiscal year monetary and nonmonetary expenditures:

	MONETARY								*NONMONETARY*		
CFDA NUMBER	GRANT PROGRAM		NEW FEDERAL CAPITAL		FEDERAL REIMBURSEMENT		ADMINISTRATIVE COSTS		LOANS OUTSTANDING AT 06/30/11		LOANS MADE DURING THE YEAR
14.258	Tax Credit Assistance Program (Recovery Act Funded)	$	-	$	31,976,247	$	-	$	-	$	-
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects (*)	$	-	$	-	$	-	$	1,320,619	$	-
66.458	Capitalization Grants for Clean Water State Revolving Funds (*)	$	34,449,000	$	48,134,963	$	1,509,997	$	761,463,422	$	58,604,993
66.468	Capitalization Grants for Drinking Water State Revolving Funds (*)	$	32,071,000	$	38,205,269	$	886,710	$	135,472,706	$	27,814,543
84.032	Federal Family Education Loans (*)	$	-	$	-	$	-	$	834,949,872	$	6,266,408
84.038	Federal Perkins Loan Program _Federal Capital Contributions	$	-	$	-	$	191,565	$	37,056,353	$	1,576,543
84.226	Income Contingent Loan Program	$	-	$	-	$	-	$	46,404	$	-
93.264	Nurse Faculty Loan Program (NFLP)	$	-	$	-	$	-	$	52,900	$	-
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	$	-	$	-	$	-	$	46,070	$	-
93.364	Nursing Student Loans	$	-	$	-	$	-	$	1,879,708	$	-
93.408	ARRA – Nurse Faculty Loan Program	$	-	$	-	$	-	$	10,186	$	-

(*) The monetary amount for this program does not equal the monetary amount shown in the schedule. Numerous grants and contracts have been combined for reporting purposes.

(4) Certain programs administered by the Federal government provide goods and services to organizational units of the State in lieu of monetary assistance. An analysis, for major programs, of nonmonetary assistance and the values assigned by the Federal government during the year under review is reflected below:

CFDA NO.

10.551 The Federal government provides food stamps to low-income households. The amount of food stamp benefits a household receives depends on the household's size and financial circumstances. The Georgia Department of Human Services (DHS) is responsible for determining eligibility for participation in the Food Stamp Program. For the year under review, the total value of food stamp benefits distributed as approved by DHS was $2,824,500,630.

10.555 The amount reported represents non-monetary expenditures reported by Georgia Department of Education.

93.268 The amount reported represents the U. S. Department of Health and Human Services assigned value of immunizations for vaccine-preventable diseases to eligible individuals.

93.630 The amount reported represents non-monetary expenditures reported by Georgia Department of Behavioral Health & Developmental Disabilities.

93.712 The amount reported represents the U. S. Department of Health and Human Services assigned value of ARRA immunizations for vaccine-preventable diseases to eligible individuals.

(5) Cluster programs are detailed on the *Schedule of Cluster Programs* and identified as follows on the *Schedule of Expenditures of Federal Awards*:

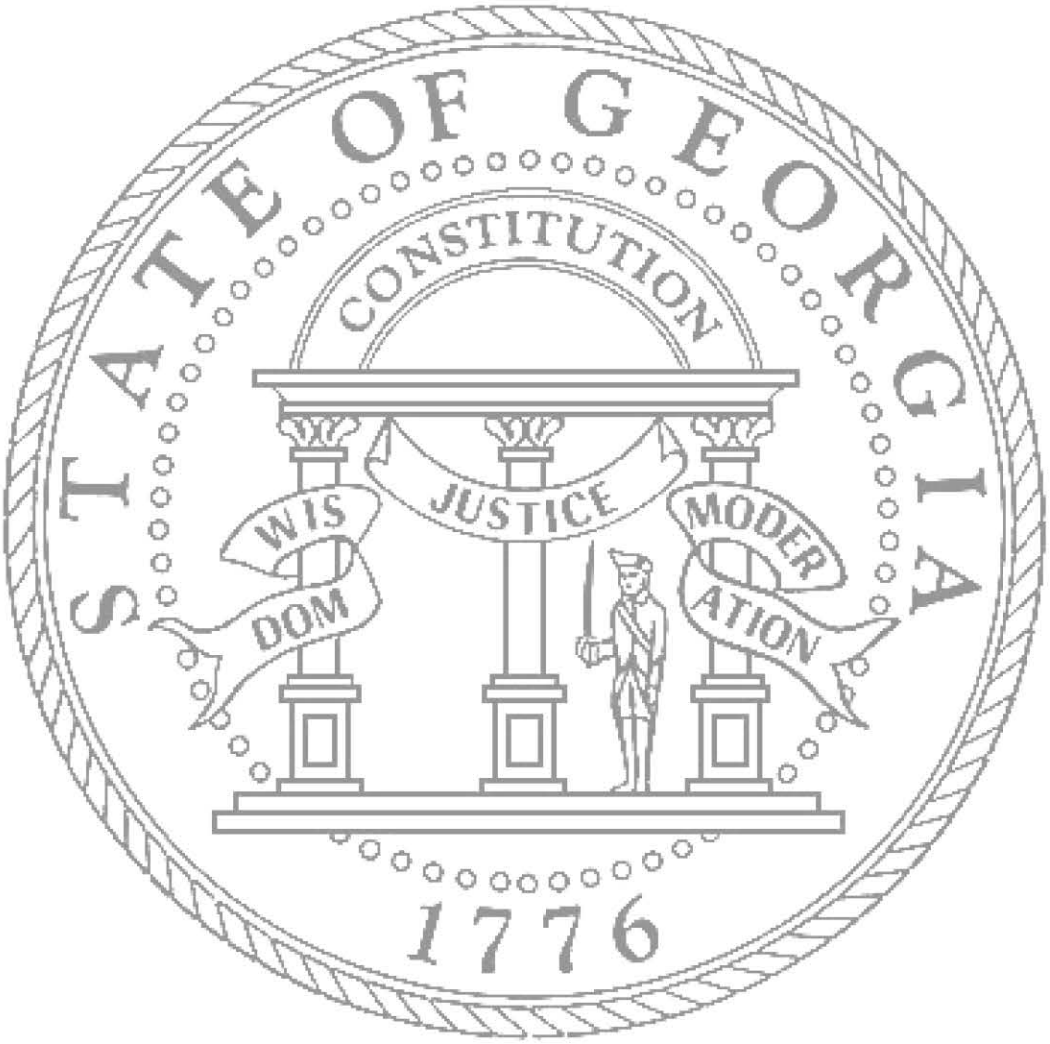
(AC)	Aging Cluster (AC)
(CCDF)	CCDF Cluster (CCDF)
(CDBG-R)	CDBG - Entitlement Grants Cluster (CDBG-R)
(CDBG-S)	CDBG - State-Administered CDBG Cluster (CDBG-S)
(CSBG)	CSBG Cluster (CSBG)
(CNC)	Child Nutrition Cluster (CNC)
(DI/SSI)	Disability Insurance/SSI Cluster (DI/SSI)
(EIS-IDEA)	Early Intervention Services (IDEA) Cluster (EIS-IDEA)
(EDC)	Economic Development Cluster (EDC)
(EHCY)	Education of Homeless Children and Youth Cluster (EHCY)
(ETSG)	Educational Technology State Grants Cluster (ETSG)
(EFA)	Emergency Food Assistance Cluster (EFA)
(ESC)	Employment Service Cluster (ESC)
(FTC)	Federal Transit Cluster (FTC)
(FWC)	Fish and Wildlife Cluster (FWC)
(FGCC)	Foster Grandparent / Senior Companion Cluster (FGCC)
(HS)	Head Start Cluster (HS)
(HPCC)	Highway Planning and Construction Cluster (HPCC)
(HSC)	Highway Safety Cluster (HSC)
(HLS)	Homeland Security Cluster (HLS)
(HVC)	Housing Voucher Cluster (HVC)
(IMC)	Immunization Cluster (IMC)
(ILS)	Independent Living Services for Older Individuals Who Are Blind Cluster (ILS)
(ILSG)	Independent Living State Grants Cluster (ILSG)
(JAG)	JAG Program Cluster (JAG)
(MC)	Medicaid Cluster (MC)
(R)	Research and Development Cluster (R)
(SC)	SNAP Cluster (SC)

(SIG)	School Improvement Grants Cluster (SIG)
(SRC)	Schools and Roads Cluster (SRC)
(SEC-IDEA)	Special Education Cluster (SEC-IDEA)
(SFS)	State Fiscal Stabilization Fund Cluster (SFS)
(SWDS)	Statewide Data Systems Cluster (SWDS)
(SFA)	Student Financial Assistance Cluster (SFA)
(TANF)	TANF Cluster (TANF)
(TRIO)	TRIO Cluster (TRIO)
(TQPG)	Teacher Quality Partnership Grants Cluster (TQPG)
(TITLE1A)	Title I, Part A Cluster (TITLE1A)
(TSP)	Transit Services Programs Cluster (TSP)
(VRC)	Vocational Rehabilitation Cluster (VRC)
(WIA)	WIA Cluster (WIA)

(6) Circular A-133 requires the Schedule of Expenditures of Federal Awards to include, to the extent practical, an identification of the total amount provided to sub-recipients from each Federal program. Major programs expenditures presented in the schedule account for approximately 93.59% of total Federal expenditures for the State of Georgia. Provided below is the amount of major programs awards provided to sub-recipients:

CFDA NUMBER	GRANT PROGRAM	AMOUNT PASSED TO SUBRECIPIENTS
10.553	School Breakfast Program (CNC)	$ 143,492,823
10.555	National School Lunch Program (CNC)	522,745,520
10.556	Special Milk Program for Children (CNC)	13,837
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SC)	1,719,040
14.239	Home Investment Partnerships Program	4,057,131
17.258	ARRA-WIA Adult Program (WIA)	6,448,335
17.258	WIA Adult Program (WIA)	20,112,016
17.259	ARRA-WIA Youth Activities (WIA)	1,260,204
17.259	WIA Youth Activities (WIA)	21,193,317
17.260	ARRA-WIA Dislocated Workers (WIA)	13,134,480
17.260	WIA Dislocated Workers (WIA)	21,422,396
17.277	Workforce Investment Act (WIA) National Emergency Grants (WIA)	51,662
17.278	WIA Dislocated Worker Formula Grants (WIA)	773,196
20.205	ARRA-Highway Planning and Construction (HPCC)	31,824,347
20.205	Highway Planning and Construction (HPCC)	29,337,609
20.219	Recreational Trails Program (HPCC)	1,150,101
20.500	Federal Transit_Capital Investment Grants (FTC)	2,487,189
20.507	ARRA- Federal Transit_Formula Grants (FTC)	1,277,902

20.507	Federal Transit_Formula Grants (FTC)	$	6,481,467
66.458	ARRA-Capitalization Grants for Clean Water State Revolving Funds		33,849,355
66.458	Capitalization Grants for Clean Water State Revolving Funds		12,774,355
66.468	ARRA-Capitalization Grants for Drinking Water State Revolving Funds		9,473,467
66.468	Capitalization Grants for Drinking Water State Revolving Funds		28,051,327
81.041	ARRA-State Energy Program		34,232,492
81.041	State Energy Program		277,071
81.042	ARRA-Weatherization Assistance for Low-Income Persons		48,000,824
81.042	Weatherization Assistance for Low-Income Persons		3,978,867
81.127	ARRA-Energy Efficient Appliance Rebate Program - EEARP		3,736,520
81.128	ARRA-Energy Efficiency and Conservation Block Grant Program - EECBG		13,558,746
84.010	Title I Grants to Local Educational Agencies (TITLE1A)		265,544,433
84.048	Career and Technical Education-Basic Grants to States		35,154,227
84.377	School Improvement Grants (SIG)		227,096
84.388	ARRA-School Improvement Grants, Recovery Act (SIG)		17,464,416
84.389	ARRA-Title I Grants to Local Educational Agencies, Recovery Act (TITLE1A)		-77,724,038
84.410	Education Jobs Fund		322,313,830
93.563	Child Support Enforcement		5,904,092
93.568	Low-Income Home Energy Assistance		65,583,757
93.569	Community Services Block Grant (CSBG)		17,351,888
93.710	ARRA-Community Services Block Grant (CSBG)		9,247,935
93.713	ARRA-Child Care and Development Block Grant (CCDF)		5,142,885
93.714	ARRA-Emergency Contingency Fund For Temporary Assistance for Needy Families (TANF) State Program (TANF)		19,453,687
	Research and Development Cluster (R)		24,543,362
	TOTAL	**$**	**$1,727,123,167**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Schedule of Cluster Programs

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Schedule of Cluster Programs
For the Fiscal Year Ended June 30, 2011

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Aging Cluster (AC)			
Special Programs for the Aging-Title III Part B-Grants for Supportive Services and Senior Centers	93.044	$ 9,874,534	
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	16,339,162	
Nutrition Services Incentive Program	93.053	2,134,561	
Total		$ **28,348,257**	
CCDF Cluster (CCDF)			
Child Care and Development Block Grant	93.575	$ 90,366,622	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	106,340,214	
ARRA - Child Care and Development Block Grant	93.713	32,803,533	
Total		$ **229,510,369**	
CDBG - Entitlement Grants Cluster (CDBG-R)			
ARRA - Community Development Block Grant ARRA Entitlement Grants CDBG-R-Recovery Act Funded	14.253	$ 81,866	
Total		$ **81,866**	
CDBG - State-Administered CDBG Cluster (CDBG-S)			
Community Development Block Grants State's program and Non-Entitlement Grants in Hawaii	14.228	$ 67,782,589	
ARRA - Community Development Block Grants States program and Non-Entitlement Grants in Hawaii-Recovery Act Funded	14.255	6,178,836	
Total		$ **73,961,425**	
CSBG Cluster (CSBG)			
Community Services Block Grant	93.569	$ 18,015,386	
ARRA - Community Services Block Grant	93.710	9,508,668	
Total		$ **27,524,054**	
Child Nutrition Cluster (CNC)			
School Breakfast Program	10.553	$ 143,492,823	
National School Lunch Program	10.555	524,677,311	47,632,573
Special Milk Program for Children	10.556	13,837	
Summer Food Service Program for Children	10.559	13,116	
Total		$ **668,197,087**	$ **47,632,573**
Disability Insurance/SSI Cluster (DI/SSI)			
Social Security_Disability Insurance	96.001	$ 74,319,556	
Total		$ **74,319,556**	
Early Intervention Services (IDEA) Cluster (EIS-IDEA)			
Special Education-Grants for Infants and Families	84.181	$ 13,528,572	
ARRA - Special Education - Grants for Infants and Families, Recovery Act	84.393	7,330,023	
Total		$ **20,858,595**	

Schedule of Cluster Programs
For the Fiscal Year Ended June 30, 2011

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Economic Development Cluster (EDC)			
Investments for Public Works and Economic Development Facilities	11.300	$ 940,025	
Economic Adjustment Assistance	11.307	14,974	
ARRA - Economic Adjustment Assistance	11.307	1,643,605	
Total		$ **2,598,604**	
Education of Homeless Children and Youth Cluster (EHCY)			
Education for Homeless Children and Youth	84.196	$ 754,726	
ARRA - Education for Homeless Children and Youth, Recovery Act	84.387	-529,409	
Total		$ **225,317**	
Educational Technology State Grants Cluster (ETSG)			
Educational Technology State Grants	84.318	$ -1,807,324	
ARRA - Education Technology State Grants, Recovery Act	84.386	14,743,717	
Total		$ **12,936,393**	
Emergency Food Assistance Cluster (EFA)			
Emergency Food Assistance Program - Administrative Costs	10.568	$ 1,531,409	
ARRA - Emergency Food Assistance Program - Administrative Costs	10.568	1,291,940	
Total		$ **2,823,349**	
Employment Service Cluster (ESC)			
Employment Service - Wagner-Peyser Funded Activities	17.207	$ 22,457,898	
ARRA - Employment Service - Wagner-Peyser Funded Activities	17.207	8,779,434	
Disabled Veterans Outreach Program (DVOP)	17.801	3,078,775	
Local Veterans Employment Representative Program (LVER)	17.804	2,749,769	
Total		$ **37,065,876**	
Federal Transit Cluster (FTC)			
Federal Transit_Capital Investment Grants	20.500	$ 14,508,352	
Federal Transit_Formula Grants	20.507	15,427,566	
ARRA - Federal Transit_Formula Grants	20.507	2,350,937	
Total		$ **32,286,855**	
Fish and Wildlife Cluster (FWC)			
Sport Fish Restoration	15.605	$ 6,221,482	
Wildlife Restoration	15.611	5,940,973	
Total		$ **12,162,455**	
Foster Grandparent/Senior Companion Cluster (FGCC)			
Senior Companion Program	94.016	$ 168,537	
Total		$ **168,537**	
Head Start Cluster (HS)			
Head Start	93.600	$ 3,085,002	
ARRA - Head Start	93.708	138,243	
ARRA - Early Head Start	93.709	56,400	
Total		$ **3,279,645**	

State of Georgia

Schedule of Cluster Programs
For the Fiscal Year Ended June 30, 2011

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Highway Planning and Construction Cluster (HPCC)			
Highway Planning and Construction	20.205	$ 1,267,671,256	
ARRA - Highway Planning and Construction	20.205	318,881,245	
Recreational Trails Program	20.219	1,408,140	
Total		$ **1,587,960,641**	
Highway Safety Cluster (HSC)			
State and Community Highway Safety	20.600	$ 4,699,319	
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	3,501,474	
Occupant Protection Incentive Grants	20.602	619,717	
Safety Belt Performance Grants	20.609	3,750,356	
State Traffic Safety Information System Improvement Grants	20.610	1,926,301	
Incentive Grant Program to Increase Motorcyclist Safety	20.612	164,226	
Total		$ **14,661,393**	
Homeland Security Cluster (HLS)			
Non-Profit Security Program	97.008	$ 17,566,006	
Citizen Corps	97.053	239,127	
Metropolitan Medical Response System	97.071	506,131	
State Homeland Security Program (SHSP)	97.073	15,711,348	
Total		$ **34,022,612**	
Housing Voucher Cluster (HVC)			
Section 8 Housing Choice Vouchers	14.871	$ 112,459,852	
Total		$ **112,459,852**	
Immunization Cluster (IMC)			
Immunization Grants	93.268	$ 7,346,059	145,423,225
ARRA - Immunization	93.712	1,922,464	3,151,272
Total		$ **9,268,523**	$ **148,574,497**
Independent Living Services for Older Individuals Who Are Blind Cluster (ILS)			
Rehabilitation Services_Independent Living Services for Older Individuals Who are Blind	84.177	$ 714,321	
ARRA - Independent Living Services for Older Individuals Who are Blind, Recovery Act	84.399	474,433	
Total		$ **1,188,754**	
Independent Living State Grants Cluster (ILSG)			
Independent Living_State Grants	84.169	$ 584,103	
ARRA - Independent Living State Grants, Recovery Act	84.398	260,769	
Total		$ **844,872**	
JAG Program Cluster (JAG)			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	$ 1,040,255	
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to States and Territories	16.803	13,046,437	
Total		$ **14,086,692**	

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Schedule of Cluster Programs
For the Fiscal Year Ended June 30, 2011

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Medicaid Cluster (MC)			
ARRA - Survey and Certification Ambulatory Surgical Center Healthcare-Associated Infection (ASC-HAI) Prevention Initiative	93.720	$ 29,165	
State Medicaid Fraud Control Units	93.775	2,946,822	
State Survey and Certification of Health Care Providers and Suppliers	93.777	4,543,107	
Medical Assistance Program	93.778	5,290,872,549	
ARRA - Medical Assistance Program	93.778	570,959,347	
Total		$ **5,869,350,990**	
Reseach and Development Cluster (R)			
Other Federal Assistance	01.OFA	$ 80,045	
Agricultural Research_Basic and Applied Research	10.001	1,806,604	
Plant and Animal Disease, Pest Control, and Animal Care	10.025	652,469	
Wildlife Services	10.028	677,844	
Wetlands Reserve Program	10.072	35,967	
Federal-State Marketing Improvement Program	10.156	45,523	
Farmers' Market Promotion Program	10.168	17,196	
Specialty Crop Block Grant Program - Farm Bill	10.170	11,722	
Grants for Agricultural Research, Special Research Grants	10.200	1,876,205	
Cooperative Forestry Research	10.202	885,077	
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	4,214,051	
Grants for Agricultural Research_Competitive Research Grants	10.206	2,319,005	
Animal Health and Disease Research	10.207	85,889	
Food and Agricultural Sciences National Needs Graduate Fellowship Grants	10.210	21,561	
Small Business Innovation Research	10.212	16,175	
Sustainable Agriculture Research and Education	10.215	3,036,456	
1890 Institution Capacity Building Grants	10.216	2,578,912	
Higher Education Challenge Grants	10.217	524,474	
Biotechnology Risk Assessment Research	10.219	78,861	
Higher Education Multicultural Scholars Program	10.220	73,880	
Agricultural and Rural Economic Research	10.250	114,325	
Food Assistance and Nutrition Research Programs (FANRP)	10.253	46,816	
Program of Research on the Economic of Invasive Species Management (PREISM)	10.254	51,042	
Integrated Programs	10.303	2,229,537	
Homeland Security_Agricultural	10.304	515,171	
International Science and Education Grants	10.305	68,010	
Organic Agriculture Research and Extension Initiative	10.307	30,626	
Specialty Crop Research Initiative	10.309	701,451	
Agriculture and Food Research Initiative (AFRI)	10.310	2,057,327	
ARRA - Trade Adjustment Assistance for Farmers Training Coordination Program - TAAF	10.315	18,210	
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers	10.443	72,441	
Rural Community Development Initiative	10.446	15,795	
Crop Insurance	10.450	79,007	
Community Outreach and Assistance Partnership Program	10.455	23,387	
Cooperative Extension Service	10.500	11,302,308	
Team Nutrition Grants	10.574	-300	
Foreign Market Development Cooperator Program	10.600	14,806	
Emerging Markets Program	10.603	147,003	
Forestry Research	10.652	935,768	
Cooperative Forestry Assistance	10.664	191,353	
Rural Development, Forestry, and Communities	10.672	3,046	
Forest Legacy Program	10.676	47,498	
Forest Stewardship Program	10.678	20,155	
Forest Health Protection	10.680	344,121	

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Schedule of Cluster Programs
For the Fiscal Year Ended June 30, 2011

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Reseach and Development Cluster (R)			
ARRA - Recovery Act of 2009: Capital Improvement and Maintenance	10.687	$ 128,763	
Rural Energy for America Program	10.868	67,240	
Soil and Water Conservation	10.902	19,954	
Soil Survey	10.903	10,115	
Environmental Quality Incentives Program	10.912	193,501	
Technical Agricultural Assistance	10.960	39,461	
Scientific Cooperation and Research	10.961	40,759	
International Training_Foreign Participant	10.962	116,821	
Other Federal Assistance	10.OFA	381,890	
Community Trade Adjustment Assistance	11.010	11,745	
Ocean Exploration	11.011	11,163	
ITA Special Projects	11.113	407,243	
Economic Development_Technical Assistance	11.303	141,034	
Economic Adjustment Assistance	11.307	38,770	
Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)	11.400	18,313	
Sea Grant Support	11.417	1,754,287	
Coastal Zone Management Estuarine Research Reserves	11.420	64,649	
Marine Sanctuary Program	11.429	804,942	
Undersea Research	11.430	173,825	
Climate and Atmospheric Research	11.431	845,772	
National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	129,211	
Marine Fisheries Initiative	11.433	40,964	
Unallied Management Projects	11.454	19,375	
Special Oceanic and Atmospheric Projects	11.460	61,609	
Habitat Conservation	11.463	29,435	
Meteorologic and Hydrologic Modernization Development	11.467	20,981	
Unallied Science Program	11.472	536,183	
Coastal Services Center	11.473	68,995	
Center for Sponsored Coastal Ocean Research_Coastal Ocean Program	11.478	61,094	
Measurement and Engineering Research and Standards	11.609	210,020	
National Center for Standards and Certification Information	11.610	9,144	
Technology Innovation Program (TIP)	11.616	326,780	
National Institute of Standards and Technology Construction Grant Program	11.618	25,754	
ARRA - National Institute of Standards and Technology Construction Grant Program	11.618	816,616	
Other Federal Assistance	11.OFA	9,873	
Aquatic Plant Control	12.100	868,548	
Collaborative Research and Development	12.114	927,934	
Basic and Applied Scientific Research	12.300	27,187,918	
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351	425,355	
Military Construction, National Guard	12.400	95,791	
Military Medical Research and Development	12.420	3,218,018	
Basic Scientific Research	12.431	48,516,208	
ARRA - Basic Scientific Research	12.431	364,738	
Congressionally Directed Assistance	12.599	67,220	
Basic, Applied, and Advanced Research in Science and Engineering	12.630	51,094,110	
Air Force Defense Research Sciences Program	12.800	117,342,664	
ARRA - Air Force Defense Research Sciences Program	12.800	39,345	
Language Grant Program	12.900	13,137	
Mathematical Sciences Grants Program	12.901	97,892	
Information Security Grant Program	12.902	50,825	
Research and Technology Development	12.910	15,787,326	
Other Federal Assistance	12.OFA	691,848	
ARRA - Other Federal Assistance	12.OFA	21,406	
Other Federal Assistance	13.OFA	1,448	

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Schedule of Cluster Programs
For the Fiscal Year Ended June 30, 2011

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Reseach and Development Cluster (R)			
Housing Counseling Assistance Program	14.169	$ 28,890	
Community Development Block Grants/Special Purpose Grants/Insular Areas	14.225	2	
Water Desalination Research and Development Program	15.506	-1,079	
Fish and Wildlife Management Assistance	15.608	9,751	
Wildlife Restoration	15.611	50,183	
Coastal Wetlands Planning, Protection and Restoration Act	15.614	39,480	
Cooperative Endangered Species Conservation Fund	15.615	20,518	
Multistate Conservation Grant Program	15.628	56,145	
Great Apes Conservation	15.629	6,818	
Coastal Program	15.630	5,341	
Partners for Fish and Wildlife	15.631	6,060	
Conservation Grants Private Stewardship for Imperiled Species	15.632	55,155	
State Wildlife Grants	15.634	10,312	
Migratory Bird Joint Ventures	15.637	18,770	
Research Grants - Generic	15.650	97,465	
Migratory Bird Monitoring, Assessment and Conservation	15.655	163,280	
Endangered Species - Candidate Conservation Action Funds	15.660	2,787	
Assistance to State Water Resources Research Institutes	15.805	150,617	
Earthquake Hazards Reduction Program	15.807	37,126	
U.S. Geological Survey_ Research and Data Collection	15.808	588,322	
Cooperative Research Units Program	15.812	442,022	
ARRA - National Geospatial Program - Building The National Map	15.817	439,325	
Native American Graves Protection and Repatriation Act	15.922	16,227	
American Battlefield Protection	15.926	21,479	
Natural Resource Stewardship	15.944	775	
Other Federal Assistance	15.OFA	85,831	
Law Enforcement Assistance_FBI Advanced Police Training	16.300	182,100	
State Justice Statistics Program for Statistical Analysis Centers	16.550	542	
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	595,092	
Byrne Formula Grant Program	16.579	91,998	
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	539,309	
Regional Information Sharing Systems	16.610	131,355	
Edward Byrne Memorial Competitive Grant Program	16.751	2,384,164	
Congressionally Recommended Awards	16.753	30,567	
Other Federal Assistance	16.OFA	955	
Employment Services and Job Training Pilots - Demonstrations and Research	17.249	13,267	
WIA Dislocated Workers	17.260	7,272	
Occupational Safety and Health_Susan Harwood Training Grants	17.502	496,277	
Consultation Agreements	17.504	1,354,661	
Academic Exchange Programs - Special Academic Exchange Programs	19.011	5,316	
Environmental and Scientific Partnerships and Programs	19.017	268,473	
International Programs to Combat Human Trafficking	19.019	186,117	
Program for Study of Eastern Europe and the Independent States of the Former Soviet Union	19.300	3	
Academic Exchange Programs - Graduate Students	19.400	37,750	
Academic Exchange Programs - Teachers	19.408	181,421	
Professional and Cultural Exchange Programs - Citizen Exchanges	19.415	21,060	
Overseas Refugee Assistance Programs for Near East and South Asia	19.519	58,226	
Export Control and Related Border Security	19.901	44,536	
Other Federal Assistance	19.OFA	229,803	
Aviation Research Grants	20.108	1,106,547	
Air Transportation Centers of Excellence	20.109	2,684,984	
Highway Research and Development Program	20.200	525,710	
Highway Planning and Construction	20.205	336,343	

State of Georgia

Schedule of Cluster Programs
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	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Reseach and Development Cluster (R)			
Railroad Research and Development	20.313	$ 2,100,220	
Public Transportation Research	20.514	57,860	
Pipeline Safety Program Base Grants	20.700	183,404	
University Transportation Centers Program	20.701	960,632	
Biobased Transportation Research	20.761	150,221	
Research Grants	20.762	1,097,058	
Appalachian Area Development	23.002	10,645	
Sale of Federal Surplus Personal Property	39.007	218,040	
Public Buildings Service	39.012	77,479	
Science	43.001	1,545,052	
Aeronautics	43.002	13,814,587	
Exploration	43.003	100,882	
ARRA - Aeronautics, Recovery Act	43.004	140,858	
ARRA - Exploration, Recovery Act	43.005	502,296	
Other Federal Assistance	43.OFA	1,018,990	
Promotion of the Arts_Grants to Organizations and Individuals	45.024	33,199	
ARRA - Promotion of the Arts_Grants to Organizations and Individuals	45.024	23,327	
Promotion of the Humanities_Division of Preservation and Access	45.149	47,621	
Promotion of the Humanities_Fellowships and Stipends	45.160	51,233	
Promotion of the Humanities_Research	45.161	88,135	
Promotion of the Humanities_Public Programs	45.164	18,127	
Promotion of the Humanities_We the People	45.168	24,840	
Promotion of the Humanities_Office of Digital Humanities	45.169	71,395	
National Leadership Grants	45.312	232,129	
Engineering Grants	47.041	18,861,152	
Mathematical and Physical Sciences	47.049	17,020,822	
ARRA - Mathematical and Physical Sciences	47.049	54,019	
Geosciences	47.050	8,845,744	
Computer and Information Science and Engineering	47.070	16,026,583	
Biological Sciences	47.074	16,092,079	
Social, Behavioral, and Economic Sciences	47.075	3,254,289	
Education and Human Resources	47.076	8,989,019	
Polar Programs	47.078	810,193	
International Science and Engineering (OISE)	47.079	314,420	
Office of Cyberinfrastructure	47.080	3,427,158	
ARRA - Trans-NSF Recovery Act Research Support	47.082	7,988,211	
Other Federal Assistance	47.OFA	57,651	
ARRA - Other Federal Assistance	47.OFA	54,492	
Small Business Development Centers	59.037	4,118,047	
Federal and State Technology Partnership Program	59.058	67,198	
Other Federal Assistance	59.OFA	81,181	
Veterans Domiciliary Care	64.008	21,040	
Veterans Prosthetic Appliances	64.013	13,724	
Veterans State Hospital Care	64.016	-9,237	
Sharing Specialized Medical Resources	64.018	58,929	
Other Federal Assistance	64.OFA	10,802	
Air Pollution Control Program Support	66.001	13,933	
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	289,161	
ARRA - National Clean Diesel Emissions Reduction Program	66.039	940,661	
Congressionally Mandated Projects	66.202	50,695	
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	66.436	8,039	
Water Quality Management Planning	66.454	34,922	
Regional Wetland Program Development Grants	66.461	84,723	
Science To Achieve Results (STAR) Research Program	66.509	1,495,706	
Office of Research and Development Consolidated	66.511	177,202	

Schedule of Cluster Programs
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	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Reseach and Development Cluster (R)			
Research/Training/Fellowships		$	
Science To Achieve Results (STAR) Fellowship Program	66.514	$ 50,273	
P3 Award: National Student Design Competition for Sustainability	66.516	23,476	
Research, Development, Monitoring, Public Education, Training, Demonstrations, and Studies	66.716	9,446	
Environmental Education Grants	66.951	-4,945	
Other Federal Assistance	66.OFA	20,792	
U. S. Nuclear Regulatory Commission Nuclear Education Grant Program	77.006	100,972	
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008	11,205	
Granting of Patent Licenses	81.003	2,967,649	
Inventions and Innovations	81.036	4,183,942	
State Energy Program	81.041	27,193	
Office of Science Financial Assistance Program	81.049	17,244,540	
ARRA - Office of Science Financial Assistance Program	81.049	1,428,007	
University Coal Research	81.057	24,418	
Office of Scientific and Technical Information	81.064	28	
Regional Biomass Energy Programs	81.079	85,561	
Conservation Research and Development	81.086	470,149	
ARRA - Conservation Research and Development	81.086	220,115	
Renewable Energy Research and Development	81.087	3,140,947	
ARRA - Renewable Energy Research and Development	81.087	583,800	
Fossil Energy Research and Development	81.089	1,348,794	
Defense Nuclear Nonproliferation Research	81.113	709,386	
ARRA - Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117	70,130	
Nuclear Energy Research, Development and Demonstration	81.121	931,768	
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	177,412	
ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	909,209	
National Nuclear Security Administration (NNSA) Minority Serving Institutions (MSI) Program	81.123	28,955	
Federal Loan Guarantees for Innovative Energy Technologies	81.126	79,080	
ARRA - Federal Loan Guarantees for Innovative Energy Technologies	81.126	134,810	
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	12,331	
ARRA - Geologic Sequestration Training and Research Grant Program	81.133	205,096	
ARRA - Advanced Research and Projects Agency-Energy Financial Assistance Program	81.135	2,153,160	
Other Federal Assistance	81.OFA	1,232,368	
ARRA - Other Federal Assistance	81.OFA	13,898	
Adult Education - Basic Grants to States	84.002	8,365	
Title I Grants to Local Educational Agencies	84.010	54,435	
International Research and Studies	84.017	322,905	
Overseas Programs - Group Projects Abroad	84.021	87,972	
TRIO_Talent Search	84.044	419,619	
TRIO_Upward Bound	84.047	675,699	
Fund for the Improvement of Postsecondary Education	84.116	292,814	
Minority Science and Engineering Improvement	84.120	179,757	
ARRA - Rehabilitation Services_Service Projects	84.128	12,331	
National Institute on Disability and Rehabilitation Research	84.133	2,222,647	
Business and International Education Projects	84.153	104,032	
Safe and Drug-Free Schools and Communities_National Programs	84.184	33,636	
Graduate Assistance in Areas of National Need	84.200	81,569	
Centers for International Business Education	84.220	410,112	
Rehabilitation Services Demonstration and Training Programs	84.235	30,795	
Rehabilitation Training_Continuing Education	84.264	32,560	
Twenty-First Century Community Learning Centers	84.287	62,175	

Schedule of Cluster Programs
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	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Reseach and Development Cluster (R)			
Foreign Language Assistance	84.293	$ 11,455	
Education Research, Development and Dissemination	84.305	1,084,243	
Research in Special Education	84.324	3,602,883	
Special Education_Personnel Development to Improve Services and Results for Children with Disabilities	84.325	1,004,013	
Comprehensive School Reform Demonstration	84.332	16,958	
Demonstration Projects to Support Postsecondary Faculty, Staff, and Administrations in Educating Students with Disabilities	84.333	325,678	
Teacher Quality Partnership Grants	84.336	1,501,299	
Transition to Teaching	84.350	510,247	
Arts in Education	84.351	93,727	
Early Reading First	84.359	31,017	
Mathematics and Science Partnerships	84.366	57,897	
Improving Teacher Quality State Grants	84.367	2,126,902	
Special Education_Technical Assistance On State Data Collection	84.373	13,626	
College Access Challenge Grant Program	84.378	8,735	
ARRA - State Fiscal Stabilization Fund (SFSF) - Investing in Innovation (i3) Fund, Recovery Act	84.396	76,126	
National Writing Project	84.928	84,826	
National Historical Publications and Records Grants	89.003	75	
U.S. Election Assistance Commission Research Grants	90.403	140,757	
Annual Grant Competition	91.001	2,000	
Cooperative Agreements to Improve the Health Status of Minority Populations	93.004	14,909	
Community-Based Abstinence Education (CBAE)	93.010	47,337	
Innovations in Applied Public Health Research	93.061	1,258,147	
Centers for Genomics and Public Health	93.063	26,150	
Global AIDS	93.067	29,747	
Public Health Emergency Preparedness	93.069	183,485	
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	2,738	
Food and Drug Administration_Research	93.103	574,332	
Maternal and Child Health Federal Consolidated Programs	93.110	379,712	
Biological Response to Environmental Health Hazards	93.113	254,776	
Applied Toxicological Research and Testing	93.114	309,765	
Oral Diseases and Disorders Research	93.121	926,581	
Injury Prevention and Control Research and State and Community Based Programs	93.136	697,436	
NIEHS Superfund Hazardous Substances_Basic Research and Education	93.143	49,441	
Health Program for Toxic Substances and Disease Registry	93.161	608,701	
Human Genome Research	93.172	94,363	
Research Related to Deafness and Communication Disorders	93.173	498,345	
Human Health Studies_Applied Research and Development	93.206	1,260,966	
Research and Training in Complementary and Alternative Medicine	93.213	133,293	
Research on Healthcare Costs, Quality and Outcomes	93.226	499,001	
Epidemiology Cooperative Agreements	93.231	961,279	
Policy Research and Evaluation Grants	93.239	-300	
Mental Health Research Grants	93.242	3,477,076	
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	4,835,753	
Occupational Safety and Health Program	93.262	594,531	
Complex Humanitarian Emergency and War-Related Injury Public Health Activities	93.269	11,433	
Alcohol Research Programs	93.273	2,169,711	
Drug Abuse and Addiction Research Programs	93.279	6,771,900	
Mental Health National Research Service Awards for Research Training	93.282	11,600	
Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	72,702	
Discovery and Applied Research for Technological Innovations to	93.286	4,658,212	

Schedule of Cluster Programs
For the Fiscal Year Ended June 30, 2011

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Reseach and Development Cluster (R)			
Improve Human Health		$	
Minority Health and Health Disparities Research	93.307	$ 2,476,209	
Trans-NIH Research Support	93.310	756,041	
Clinical Research	93.333	331,595	
Advanced Nursing Education Traineeships	93.358	25,022	
Nursing Research	93.361	156,038	
National Center for Research Resources	93.389	4,733,916	
Academic Research Enhancement Award	93.390	7,192	
Cancer Cause and Prevention Research	93.393	1,511,847	
Cancer Detection and Diagnosis Research	93.394	1,285,353	
Cancer Treatment Research	93.395	1,762,836	
Cancer Biology Research	93.396	2,960,366	
Cancer Centers Support Grants	93.397	99,271	
Cancer Research Manpower	93.398	143,309	
Cancer Control	93.399	869,321	
Affordable Care Act (ACA) Public Health Training Centers Program	93.516	76,442	
ARRA - Centers for Disease Control and Prevention - Affordable Care Act (ACA) - Communities Putting Prevention to Work	93.520	65,425	
Temporary Assistance for Needy Families (TANF)	93.558	5,025	
Refugee and Entrant Assistance_Wilson/Fish Program	93.583	105,799	
Family Violence Prevention and Services/Grants for Battered Women's Shelters_Discretionary Grants	93.592	469,115	
Welfare Reform Research, Evaluations and National Studies	93.595	434,531	
Head Start	93.600	150,250	
Developmental Disabilities Basic Support and Advocacy Grants	93.630	2,206,372	$ 279,717
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	567,907	
Social Services Research and Demonstration	93.647	29,883	
Child Welfare Research Training or Demonstration	93.648	46,020	
Child Abuse and Neglect Discretionary Activities	93.670	49,606	
ARRA - Trans-NIH Recovery Act Research Support	93.701	22,802,376	
ARRA - Grants to Health Center Programs	93.703	68,585	
ARRA - Strengthening Communities Fund	93.711	53,866	
ARRA - Prevention and Wellness-State, Territories and Pacific Islands	93.723	70,084	
Medicaid Infrastructure Grants To Support the Competitive Employment of People with Disabilities	93.768	18,502	
Cardiovascular Diseases Research	93.837	15,695,190	
Lung Diseases Research	93.838	2,475,537	
Blood Diseases and Resources Research	93.839	1,481,001	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	985,426	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	9,448,179	
Digestive Diseases and Nutrition Research	93.848	381,999	
Kidney Diseases, Urology and Hematology Research	93.849	213,373	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	5,852,502	
Allergy, Immunology and Transplantation Research	93.855	14,238,424	
Microbiology and Infectious Diseases Research	93.856	3,068,950	
Biomedical Research and Research Training	93.859	14,570,562	
Child Health and Human Development Extramural Research	93.865	4,311,433	
Aging Research	93.866	3,845,608	
Vision Research	93.867	7,191,092	
Medical Library Assistance	93.879	25,865	
Health Care and Other Facilities	93.887	98,914	
Specially Selected Health Projects	93.888	73,641	
Special Projects of National Significance	93.928	51,551	
Native Hawaiian Health Systems	93.932	-3,588	
HIV Demonstration, Research, Public and Professional Education Projects	93.941	1,786	

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Schedule of Cluster Programs
For the Fiscal Year Ended June 30, 2011

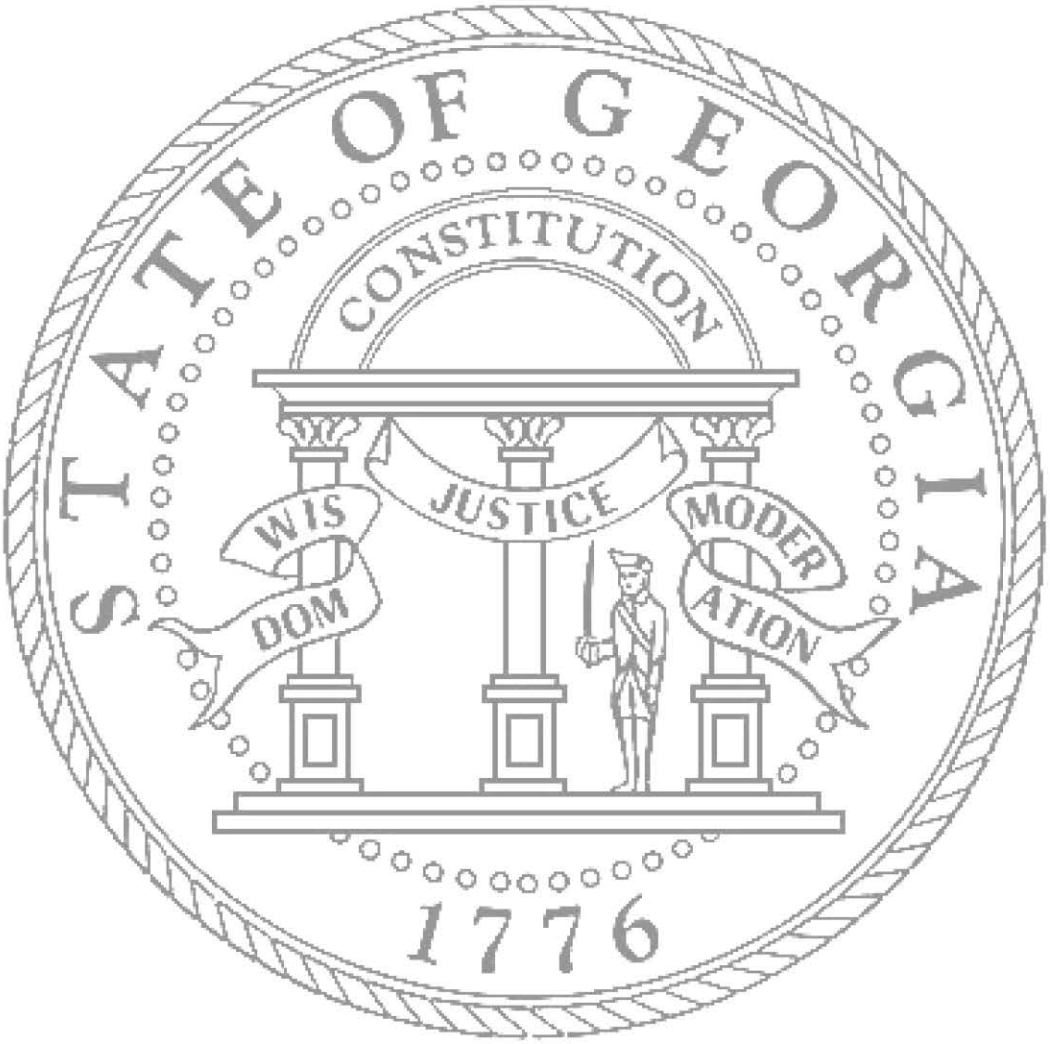
	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Reseach and Development Cluster (R)			
Geriatric Education Centers	93.969	$ 114,244	
Preventive Health Services_Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants	93.978	1,093	
International Research and Research Training	93.989	1,808,094	
Adolescent Family Life_Demonstration Projects	93.995	73,933	
Other Federal Assistance	93.OFA	3,567,677	
ARRA - Other Federal Assistance	93.OFA	26,870	
State Commissions	94.003	257,704	
Learn and Serve America_Higher Education	94.005	113,460	
Social Security_Research and Demonstration	96.007	26,050	
Pilot Demonstration or Earmarked Projects	97.001	42,401	
State and Local Homeland Security National Training Program	97.005	215,006	
Port Security Grant Program	97.056	1,640,309	
Centers for Homeland Security	97.061	231,664	
Homeland Security Research Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Detection	97.077	441,612	
Homeland Security-related Science, Technology, Engineering and Mathematics (HS STEM) Career Development Program	97.104	145,302	
USAID Foreign Assistance for Programs Overseas	98.001	130,161	
USAID Development Partnerships for University Cooperation and Development	98.012	3,096,065	
Other Federal Assistance	98.OFA	407,631	
Total		$ **684,616,868**	$ **279,717**
SNAP Cluster (SC)			
Supplemental Nutrition Assistance Program	10.551	$ 3,766	$ 2,824,500,630
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	66,061,860	
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	172,908	
Total		$ **66,238,534**	$ **2,824,500,630**
School Improvement Grants Cluster (SIG)			
School Improvement Grants	84.377	$ 1,455,016	
ARRA - School Improvement Grants, Recovery Act	84.388	19,507,278	
Total		$ **20,962,294**	
Schools and Roads Cluster (SRC)			
Schools and Roads_Grants to States	10.665	$ 1,690,086	
Total		$ **1,690,086**	
Special Education Cluster (SEC-IDEA)			
Special Education_Grants to States	84.027	$ 191,188,115	
Special Education_Preschool Grants	84.173	4,938,425	
ARRA - Special Education Grants to States, Recovery Act	84.391	-58,258,484	
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	-2,310,026	
Total		$ **135,558,030**	
State Fiscal Stabilization Fund Cluster (SFS)			
ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	$ 127,903,001	
Total		$ **127,903,001**	

Schedule of Cluster Programs
For the Fiscal Year Ended June 30, 2011

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Statewide Data Systems Cluster (SWDS)			
Statewide Data Systems	84.372	$ 2,686,114	
Total		$ **2,686,114**	
Student Financial Assistance Cluster (SFA)			
Federal Supplemental Educational Opportunity Grants	84.007	$ 9,362,851	
Federal Family Education Loans	84.032	49,012,264	$ 841,216,280
Federal Work-Study Program	84.033	11,187,564	
Federal Perkins Loan Program_Federal Capital Contributions	84.038	191,565	$ 38,632,895
Federal Pell Grant Program	84.063	815,445,286	
Federal Direct Student Loans	84.268	1,414,382,387	
Academic Competitiveness Grants	84.375	12,928,731	
National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376	9,943,362	
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379	3,452,920	
Nurse Faculty Loan Program (NFLP)	93.264	0	$ 52,900
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	0	$ 46,070
Nursing Student Loans	93.364	0	$ 1,879,708
ARRA - Scholarships for Disadvantaged Students	93.407	457,622	
ARRA - Nurse Faculty Loan Program	93.408	0	$ 10,186
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	682,044	
Total		$ **2,327,046,596**	$ **881,838,039**
TANF Cluster (TANF)			
Temporary Assistance for Needy Families (TANF)	93.558	$ 350,532,968	
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	90,999,639	
Total		$ **441,532,607**	
TRIO Cluster (TRIO)			
TRIO_Student Support Services	84.042	$ 1,649,587	
TRIO_Talent Search	84.044	1,733,186	
TRIO_Upward Bound	84.047	5,532,235	
TRIO_Educational Opportunity Centers	84.066	595,429	
TRIO_McNair Post-Baccalaureate Achievement	84.217	433,851	
Total		$ **9,944,288**	
Teacher Quality Partnership Grants Cluster (TQPG)			
Teacher Quality Partnership Grants	84.336	$ 1,587,031	
Total		$ **1,587,031**	
Title I, Part A Cluster (TITLE1A)			
Title I Grants to Local Educational Agencies	84.010	$ 273,035,708	
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	-76,769,610	
Total		$ **196,266,098**	

Schedule of Cluster Programs
For the Fiscal Year Ended June 30, 2011

	CFDA NUMBER	MONETARY EXPENDITURES	NONMONETARY EXPENDITURES
Transit Services Programs Cluster (TSP)			
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	$ 3,744,564	
Job Access_Reverse Commute	20.516	1,532,156	
New Freedom Program	20.521	499,821	
Total		$ **5,776,541**	
Vocational Rehabilitation Cluster (VRC)			
Rehabilitation Services_Vocational Rehabilitation Grants to States	84.126	$ 90,479,790	
ARRA - Rehabilitation Services-Vocational Rehabilitation Grants to States, Recovery Act	84.390	7,473,656	
Total		$ **97,953,446**	
WIA Cluster (WIA)			
WIA Adult Program	17.258	$ 36,133,810	
ARRA - WIA Adult Program	17.258	15,893,786	
WIA Youth Activities	17.259	23,896,973	
ARRA - WIA Youth Activities	17.259	1,788,225	
WIA Dislocated Workers	17.260	25,779,025	
ARRA - WIA Dislocated Workers	17.260	21,090,308	
Workforce Investment Act (WIA) National Emergency Grants	17.277	71,311	
WIA Dislocated Worker Formula Grants	17.278	9,143,231	
Total		$ **133,796,669**	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Auditee's Responses

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Summary Schedule of Prior Year Findings and Questioned Costs

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Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

FINDING CONTROL NUMBER	AUDITEE RESPONSE / STATUS	COMMENTS
PRIOR YEAR FINANCIAL STATEMENT / FEDERAL AWARD FINDINGS AND QUESTIONED COSTS		
Agriculture, Department of		
FS-402-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-402-10-100	Further Action Not Warranted (Finding Closed)	
Accounting Office, State		
FA-407-09-01	Further Action Not Warranted (Finding Closed)	
FA-407-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-407-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
Properties Commission, State		
FS-410-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
Education, Department of		
FA-414-07-01	Partially Resolved (On Track)	See Comments Page 335
FA-414-07-02	Further Action Not Warranted (Finding Closed)	
FA-414-09-04	Further Action Not Warranted (Finding Closed)	
FA-414-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-414-10-02	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-414-10-03	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-414-10-04	Partially Resolved (On Track)	See Comments Page 335
FS-414-08-01	Partially Resolved (On Track)	See Comments Page 335
FS-414-09-04	Further Action Not Warranted (Finding Closed)	
FS-414-10-01	Unresolved (On Track)	See Comments Page 335
FS-414-10-02	Partially Resolved (On Track)	See Comments Page 335
FS-414-10-03	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-414-10-04	Previously Reported Corrective Action Implemented (Finding Closed)	
Prosecuting Attorneys' Council		
FS-418-09-01	Unresolved (On Track)	See Comments Page 336
FS-418-09-02	Further Action Not Warranted (Finding Closed)	
FS-418-09-03	Further Action Not Warranted (Finding Closed)	
FS-418-10-02	Unresolved (On Track)	See Comments Page 336
FS-418-10-03	Unresolved (On Track)	See Comments Page 336
FS-418-10-04	Further Action Not Warranted (Finding Closed)	
FS-418-10-05	Further Action Not Warranted (Finding Closed)	
FS-418-10-06	Further Action Not Warranted (Finding Closed)	
FS-418-10-07	Further Action Not Warranted (Finding Closed)	
FS-418-10-08	Further Action Not Warranted (Finding Closed)	
FS-418-10-10	Further Action Not Warranted (Finding Closed)	
Community Health, Department of		
FA-419-09-01	Further Action Not Warranted (Finding Closed)	
FA-419-09-03	Further Action Not Warranted (Finding Closed)	
FA-419-09-04	Further Action Not Warranted (Finding Closed)	
FA-419-10-01	Unresolved (On Track)	See Comments Page 337
FA-419-10-02	Unresolved (On Track)	See Comments Page 337

State of Georgia

Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

FINDING CONTROL NUMBER	AUDITEE RESPONSE / STATUS	COMMENTS
PRIOR YEAR FINANCIAL STATEMENT / FEDERAL AWARD FINDINGS AND QUESTIONED COSTS		
FA-419-10-03	Unresolved (On Track)	See Comments Page 337
FA-419-10-04	Unresolved (On Track)	See Comments Page 337
FA-419-10-05	Unresolved (On Track)	See Comments Page 337
FA-419-10-06	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-419-09-01	Further Action Not Warranted (Finding Closed)	
FS-419-10-01	Unresolved (On Track)	See Comments Page 337
FS-419-10-02	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-419-10-03	Unresolved (On Track)	See Comments Page 337
FS-419-10-100	Further Action Not Warranted (Finding Closed)	
Governor, Office of the		
FA-422-09-01	Partially Resolved (On Track)	See Comments Page 338
FA-422-10-01	Further Action Not Warranted (Finding Closed)	
FS-422-10-02	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-422-10-03	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-422-10-100	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-422-10-101	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-422-10-102	Further Action Not Warranted (Finding Closed)	
Human Services, Department of		
FA-427-09-01	Further Action Not Warranted (Finding Closed)	
FA-427-09-08	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-427-09-13	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-427-09-15	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-427-09-16	Further Action Not Warranted (Finding Closed)	
FA-427-09-17	Further Action Not Warranted (Finding Closed)	
FA-427-10-01	Unresolved (On Track)	See Comments Page 338
FA-427-10-02	Further Action Not Warranted (Finding Closed)	
FA-427-10-03	Unresolved (On Track)	See Comments Page 338
FA-427-10-04	Unresolved (On Track)	See Comments Page 338
FA-427-10-05	Unresolved (On Track)	See Comments Page 339
FA-427-10-06	Unresolved (On Track)	See Comments Page 339
FA-427-10-07	Unresolved (On Track)	See Comments Page 339
FA-427-10-08	Unresolved (On Track)	See Comments Page 339
FA-427-10-09	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-427-10-10	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-427-10-11	Unresolved (On Track)	See Comments Page 339
FA-427-10-12	Unresolved (On Track)	See Comments Page 339
FA-427-10-13	Unresolved (On Track)	See Comments Page 340
FA-427-10-14	Unresolved (On Track)	See Comments Page 340
FA-427-10-15	Unresolved (On Track)	See Comments Page 340
FA-427-10-16	Unresolved (On Track)	See Comments Page 340
FA-427-10-17	Unresolved (On Track)	See Comments Page 340

State of Georgia

Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

FINDING CONTROL NUMBER	AUDITEE RESPONSE / STATUS	COMMENTS
PRIOR YEAR FINANCIAL STATEMENT / FEDERAL AWARD FINDINGS AND QUESTIONED COSTS		
FA-427-10-18	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-427-10-19	Further Action Not Warranted (Finding Closed)	
FA-427-10-20	Unresolved (On Track)	See Comments Page 340
FA-427-10-21	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-427-10-22	Unresolved (On Track)	See Comments Page 341
FA-427-10-23	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-427-09-01	Further Action Not Warranted (Finding Closed)	
FS-427-09-02	Further Action Not Warranted (Finding Closed)	
FS-427-09-03	Further Action Not Warranted (Finding Closed)	
FS-427-09-04	Further Action Not Warranted (Finding Closed)	
FS-427-09-06	Further Action Not Warranted (Finding Closed)	
FS-427-09-07	Further Action Not Warranted (Finding Closed)	
FS-427-09-09	Further Action Not Warranted (Finding Closed)	
FS-427-10-01	Unresolved (On Track)	See Comments Page 341
FS-427-10-02	Partially Resolved (On Track)	See Comments Page 341
FS-427-10-03	Unresolved (On Track)	See Comments Page 341
FS-427-10-04	Unresolved (On Track)	See Comments Page 341
FS-427-10-05	Unresolved (On Track)	See Comments Page 341
FS-427-10-06	Unresolved (On Track)	See Comments Page 342
FS-427-10-07	Unresolved (On Track)	See Comments Page 342
FS-427-10-08	Unresolved (On Track)	See Comments Page 342
FS-427-10-09	Further Action Not Warranted (Finding Closed)	
FS-427-10-10	Unresolved (On Track)	See Comments Page 342
FS-427-10-100	Further Action Not Warranted (Finding Closed)	
FS-427-10-11	Unresolved (On Track)	See Comments Page 342
FS-427-10-12	Unresolved (On Track)	See Comments Page 342
Juvenile Court Judges, Council of		
FS-431-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
Supreme Court		
FS-438-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-438-10-02	Previously Reported Corrective Action Implemented (Finding Closed)	
Labor, Department of		
FA-440-09-01	Further Action Not Warranted (Finding Closed)	
FA-440-09-02	Partially Resolved (On Track)	See Comments Page 343
FA-440-09-03	Further Action Not Warranted (Finding Closed)	
FA-440-10-01	Partially Resolved (On Track)	See Comments Page 343
FA-440-10-02	Further Action Not Warranted (Finding Closed)	
FA-440-10-03	Partially Resolved (On Track)	See Comments Page 343
FA-440-10-04	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-440-10-05	Partially Resolved (On Track)	See Comments Page 343
FA-440-10-06	Further Action Not Warranted (Finding Closed)	

Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

FINDING CONTROL NUMBER	AUDITEE RESPONSE / STATUS	COMMENTS
PRIOR YEAR FINANCIAL STATEMENT / FEDERAL AWARD FINDINGS AND QUESTIONED COSTS		
FS-440-09-01	Further Action Not Warranted (Finding Closed)	
FS-440-09-02	Further Action Not Warranted (Finding Closed)	
FS-440-09-03	Further Action Not Warranted (Finding Closed)	
FS-440-10-01	Partially Resolved (On Track)	See Comments Page 343
FS-440-10-02	Significantly Differing Corrective Action Implemented (Finding Closed)	
FS-440-10-03	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-440-10-04	Partially Resolved (On Track)	See Comments Page 343
FS-440-10-05	Unresolved (On Track)	See Comments Page 344
FS-440-10-06	Further Action Not Warranted (Finding Closed)	
Behavioral Health and Developmental Disabilities, Department of		
FA-441-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-441-10-02	Unresolved (On Track)	See Comments Page 344
FA-441-10-03	Unresolved (On Track)	See Comments Page 344
FS-441-10-01	Partially Resolved (On Track)	See Comments Page 344
FS-441-10-100	Further Action Not Warranted (Finding Closed)	
Juvenile Justice, Department of		
FA-461-10-01	Further Action Not Warranted (Finding Closed)	
FS-461-09-01	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-461-10-100	Further Action Not Warranted (Finding Closed)	
Natural Resources, Department of		
FS-462-08-04	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-462-08-05	Further Action Not Warranted (Finding Closed)	
FS-462-08-06	Further Action Not Warranted (Finding Closed)	
FS-462-09-01	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-462-09-02	Unresolved (Not On Track)	See Comments Page 345
FS-462-09-03	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-462-09-04	Further Action Not Warranted (Finding Closed)	
FS-462-09-05	Further Action Not Warranted (Finding Closed)	
FS-462-09-06	Further Action Not Warranted (Finding Closed)	
FS-462-09-07	Further Action Not Warranted (Finding Closed)	
FS-462-10-01	Unresolved (On Track)	See Comments Page 345
FS-462-10-02	Unresolved (On Track)	See Comments Page 345
FS-462-10-03	Unresolved (On Track)	See Comments Page 345
FS-462-10-04	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-462-10-05	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-462-10-06	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-462-10-100	Further Action Not Warranted (Finding Closed)	
Corrections, Department of		
FS-467-09-02	Further Action Not Warranted (Finding Closed)	
FS-467-10-100	Further Action Not Warranted (Finding Closed)	
FS-467-10-101	Further Action Not Warranted (Finding Closed)	

Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

FINDING CONTROL NUMBER	AUDITEE RESPONSE / STATUS	COMMENTS
PRIOR YEAR FINANCIAL STATEMENT / FEDERAL AWARD FINDINGS AND QUESTIONED COSTS		
FS-467-10-102	Previously Reported Corrective Action Implemented (Finding Closed)	
Public Service Commission		
FS-470-10-01	Further Action Not Warranted (Finding Closed)	
Regents of the University System of Georgia, Board of		
FS-472-10-01	Partially Resolved (On Track)	See Comments Page 345
FS-472-10-02	Previously Reported Corrective Action Implemented (Finding Closed)	
Revenue, Department of		
FS-474-06-01	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-474-08-05	Unresolved (On Track)	See Comments Page 345
FS-474-09-04	Further Action Not Warranted (Finding Closed)	
FS-474-09-05	Further Action Not Warranted (Finding Closed)	
FS-474-09-06	Further Action Not Warranted (Finding Closed)	
FS-474-10-01	Partially Resolved (On Track)	See Comments Page 346
FS-474-10-100	Further Action Not Warranted (Finding Closed)	
Driver Services, Department of		
FS-475-10-100	Previously Reported Corrective Action Implemented (Finding Closed)	
Student Finance Commission, Georgia		
FS-476-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
Transportation, Department of		
FA-484-09-01	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-484-09-03	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-484-09-04	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-484-09-05	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-484-09-06	Further Action Not Warranted (Finding Closed)	
FA-484-09-09	Further Action Not Warranted (Finding Closed)	
FA-484-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-484-10-02	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-484-10-03	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-484-10-04	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-484-10-05	Unresolved (On Track)	See Comments Page 346
FA-484-10-06	Partially Resolved (On Track)	See Comments Page 346
FS-484-09-02	Further Action Not Warranted (Finding Closed)	
FS-484-09-03	Further Action Not Warranted (Finding Closed)	
FS-484-09-04	Further Action Not Warranted (Finding Closed)	
FS-484-09-07	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-484-09-08	Further Action Not Warranted (Finding Closed)	
FS-484-10-01	Unresolved (Not On Track)	See Comments Page 346
FS-484-10-02	Unresolved (On Track)	See Comments Page 347
FS-484-10-03	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-484-10-04	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-484-10-05	Unresolved (On Track)	See Comments Page 347

State of Georgia

Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

FINDING CONTROL NUMBER	AUDITEE RESPONSE / STATUS	COMMENTS
PRIOR YEAR FINANCIAL STATEMENT / FEDERAL AWARD FINDINGS AND QUESTIONED COSTS		
FS-484-10-06	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-484-10-07	Further Action Not Warranted (Finding Closed)	
FS-484-10-08	Unresolved (On Track)	See Comments Page 348
FS-484-10-100	Further Action Not Warranted (Finding Closed)	
Veterans Service, State Department of		
FS-488-10-100	Further Action Not Warranted (Finding Closed)	
Public Defenders Standards Council, Georgia		
FS-492-09-04	Previously Reported Corrective Action Implemented (Finding Closed)	
Georgia State University Research Foundation		
FA-5092-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-5092-10-02	Unresolved (On Track)	See Comments Page 348
FA-5092-10-03	Unresolved (Not On Track)	See Comments Page 348
Albany State University		
FA-521-10-01	Partially Resolved (On Track)	See Comments Page 349
Armstrong Atlantic State University		
FS-524-09-01	Further Action Not Warranted (Finding Closed)	
FS-524-09-03	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-524-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-524-10-02	Previously Reported Corrective Action Implemented (Finding Closed)	
Fort Valley State University		
FA-533-09-01	Further Action Not Warranted (Finding Closed)	
FA-533-09-04	Further Action Not Warranted (Finding Closed)	
FA-533-09-06	Further Action Not Warranted (Finding Closed)	
FA-533-10-01	Unresolved (On Track)	See Comments Page 349
FA-533-10-02	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-533-10-03	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-533-09-03	Further Action Not Warranted (Finding Closed)	
FS-533-09-05	Further Action Not Warranted (Finding Closed)	
FS-533-10-01	Further Action Not Warranted (Finding Closed)	
FS-533-10-02	Unresolved (On Track)	See Comments Page 349
Georgia Southern University		
FS-539-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
Savannah State University		
FA-548-09-01	Further Action Not Warranted (Finding Closed)	
FA-548-10-01	Unresolved (On Track)	See Comments Page 349
FA-548-10-02	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-548-08-03	Partially Resolved (On Track)	See Comments Page 349
FS-548-09-01	Further Action Not Warranted (Finding Closed)	
Valdosta State University		
FS-551-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	

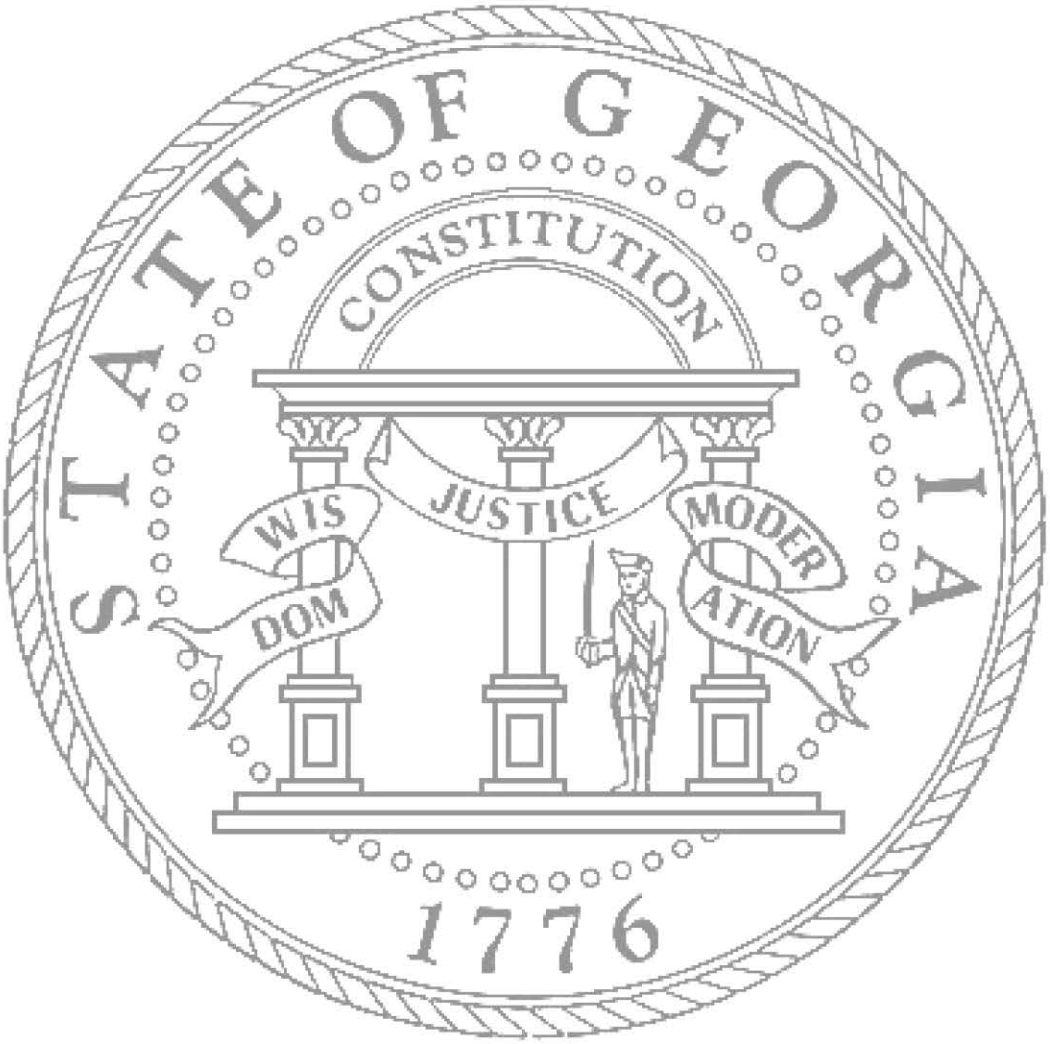
State of Georgia

Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

FINDING CONTROL NUMBER	AUDITEE RESPONSE / STATUS	COMMENTS

PRIOR YEAR FINANCIAL STATEMENT / FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Abraham Baldwin Agricultural College		
FS-557-09-01	Previously Reported Corrective Action Implemented (Finding Closed)	
FS-557-09-02	Further Action Not Warranted (Finding Closed)	
FS-557-10-01	Further Action Not Warranted (Finding Closed)	
FS-557-10-02	Further Action Not Warranted (Finding Closed)	
Georgia Perimeter College		
FS-571-10-01	Partially Resolved (On Track)	See Comments Page 350
West Georgia Technical College		
FS-826-10-02	Unresolved (On Track)	See Comments Page 350
FS-826-10-03	Partially Resolved (On Track)	See Comments Page 350
FS-826-10-05	Previously Reported Corrective Action Implemented (Finding Closed)	
Moultrie Technical College		
FS-837-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
Higher Education Assistance Corporation, Georgia		
FA-918-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-918-10-02	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-918-10-03	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-918-10-04	Previously Reported Corrective Action Implemented (Finding Closed)	
Seed Development Commission, Georgia		
FS-919-09-01	Further Action Not Warranted (Finding Closed)	
FS-919-10-01	Partially Resolved (On Track)	See Comments Page 350
Environmental Finance Authority, Georgia		
FA-928-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-928-10-02	Previously Reported Corrective Action Implemented (Finding Closed)	
FA-928-10-03	Previously Reported Corrective Action Implemented (Finding Closed)	
Southwest Georgia Railroad Excursion Authority		
FS-984-10-01	Previously Reported Corrective Action Implemented (Finding Closed)	
Statewide		
FS-SW-10-01	Further Action Not Warranted (Finding Closed)	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Auditee's Response
Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

AUDITEE'S COMMENTS

EDUCATION, DEPARTMENT OF

Finding Control Number: FA-414-07-01

ACTIVITIES ALLOWED OR UNALLOWED - ELIGIBILITY - SUBRECEPIENT MONITORING

Collusion and Management Override of Controls

While verbal indication has been made by visiting the USED monitoring team that no reimbursement of expenditures will be requested, the GaDOE is currently waiting on an official USED document in regards to the questioned costs.

Finding Control Number: FA-414-10-04

EQUIPMENT AND REAL PROPERTY MANAGEMENT

Inadequate Equipment and Real Property Management

The GaDOE was able to verify all capital assets at the time of our physical inspection, which was completed in March and April 2011. When the external auditors did their audit work in August 2011, capital assets were moved from one location to another and moved within the server room. These changes led to some assets being located at another location not visited by the external auditors and some capital assets arranged in the server room where the serial number or decal number or both could no longer be read. This resulted in the capital assets not being located by the external auditors or assigned an inaccurate location code. We also noted that two disposed capital assets were still on our inventory when they should have been removed. This should have been addressed as part of our physical inspection but was not. We have started drafting internal policies and procedures regarding moving capital assets from one location to another and how to record capital assets in PeopleSoft when the serial number or decal number or both cannot be verified due to how the capital asset is set-up. We intend to do another physical inspection of capital assets in the server room and at the leased data center in Suwanee after the end of the calendar year, since all of the issues noted by the external auditors were with capital assets at these locations.

Finding Control Number: FS-414-08-01

ACCOUNTING CONTROLS (OVERALL)

Inadequate Controls over the Academic Coach Program

Criminal charges were brought by the Attorney General's office against three (3) Academic Coach fund recipients. Those individuals pled guilty and have paid to GaDOE $8,996 in restitution. The GaDOE's Legal Services and School Improvement departments have collected funds from fourteen (14) individuals who wrongfully obtained funds. Currently, one (1) individual is in the process of reimbursing GaDOE. The Attorney General's office has filed suit against one (1) individual from whom GaDOE was unable to collect funds and reach a settlement. The Attorney General's office declined to file suit against the other seven (7) individuals.

Finding Control Number: FS-414-10-01

ACCOUNTING CONTROLS (OVERALL)

Internal Control Deficiencies Regarding Contract Procedures

The GaDOE has an established training for program managers and staff that stresses the importance of having a fully executed contract prior to work beginning under that contract, as well as the components and importance of effective contract administration. Mandatory training sessions were conducted during FY 2011, which included a presentation of this finding by the GaDOE's Internal Audit Manager to staff to reiterate the importance of a properly established, executed, and administered contract. Four slides were added to the PowerPoint training given on contracts. The internal audit manager presented the information on these slides. The contracts attorney has been running reports in the Contracts Database to indicate contracts that have conflicts with execution dates and service begin dates and following up with GaDOE staff as necessary.

Finding Control Number: FS-414-10-02

CAPITAL ASSETS

Inadequate Capital Asset Records

AUDITEE'S COMMENTS

The GaDOE was able to verify all capital assets at the time of our physical inspection, which was completed in March and April 2011. When the external auditors did their audit work in August 2011, capital assets were moved from one location to another and moved within the server room. These changes led to some assets being located at another location not visited by the external auditors and some capital assets arranged in the server room where the serial number or decal number or both could no longer be read. This resulted in the capital assets not being located by the external auditors or assigned an inaccurate location code. We also noted that two disposed capital assets were still on our inventory when they should have been removed. This should have been addressed as part of our physical inspection but was not. We have started drafting internal policies and procedures regarding moving capital assets from one location to another and how to record capital assets in PeopleSoft when the serial number or decal number or both cannot be verified due to how the capital asset is set-up. We intend to do another physical inspection of capital assets in the server room and at the leased data center in Suwanee after the end of the calendar year, since all of the issues noted by the external auditors were with capital assets at these locations.

PROSECUTING ATTORNEYS' COUNCIL

Finding Control Number: FS-418-09-01

ACCOUNTING CONTROLS (OVERALL)

Deficit Fund Balance

We concur with this finding. Thank you for the opportunity to make a management response, to be included in the Management Report, to the finding that the Prosecuting Attorneys Council over expended its allotment in violation of the Budget Act. While it is clear that the Council over expended its allotment, it is less clear that the Council violated the Budget Act or any other provision of Georgia law.

In the draft of your Budget Report, you state that the Council voluntarily accepted the 25 percent reduction of our June allotment. This suggests that the Council was consulted prior to the withholding of the allotment; and, of course, that was not the case. In fact, the Council had attempted to draw funds from its appropriation but was denied. We were informed on June 8, 2009, that our allocation would not be forthcoming.

The 25 percent of the June allocation that was withheld was approximately $625,000. The original deficit was $681,447.86 in FY 2009 and was reduced to $597,319 at the end of FY 2010. The Council clearly understands that the treasury cannot give us funds that it does not have. We further are aware of the difficulties placed on our state leaders in these difficult times. Those same conditions applied to our June payroll. When confronted with paying the 2009 obligation from the 2010 allocation, a violation of public policy, or overspending our 2009 allocation, the Council chose what it believed to be the lesser of the evils.

We are currently working with Georgia Department of Audits and the Attorney General's Office to resolve the issue.

Finding Control Number: FS-418-10-02

ACCOUNTING CONTROLS (OVERALL)

Failure to Meet the Minimum Purchasing Card Requirements

PAC currently has a purchasing card agreement that meets the Statewide P-Card policy. The policy will be reviewed annually by management and made available to auditors.

Finding Control Number: FS-418-10-03

GENERAL LEDGER

Failure to Reconcile Accounts Payable to the General Ledger

Procedures will be implemented in FY 2012 to ensure that the account payable ledger is reconciled to the general ledger monthly. The corrective action previously implemented did not resolve the deficiency due to personnel changes just before and after year end. The new corrective action will be successful since management is aware of the following deficiency and is committed to making the appropriate changes.

AUDITEE'S COMMENTS

COMMUNITY HEALTH, DEPARTMENT OF

Finding Control Number: FA-419-10-01

ALLOWABLE COSTS/COST PRINCIPLES

Upper Payment Limit Calculation

See Financial Audit Finding FS-419-10-01.

Finding Control Number: FA-419-10-02

ELIGIBILITY

Verification and Documentation of Eligibility

See current year finding FA-419-11-04 for status of the verification and the documentation of eligibility.

Finding Control Number: FA-419-10-03

MATCHING, LEVEL OF EFFORT, EARMARKING

Matching of Allowable Expenditures

See current year finding FA-419-11-05 for status of the matching of allowable expenditures.

Finding Control Number: FA-419-10-04

SUBRECIPIENT MONITORING

Subrecipient Monitoring

See current year finding FA-419-11-06 for status of the subrecipient monitoring.

Finding Control Number: FA-419-10-05

ACTIVITIES ALLOWED OR UNALLOWED
ALLOWABLE COSTS/COST PRINCIPLES
Controls Over Emergency Preparedness Administrative Expenses

See current year finding FA-419-11-07 for status of the controls over emergency preparedness administrative expenses.

Finding Control Number: FS-419-10-01

REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
FINANCIAL REPORTING AND DISCLOSURE
Upper Payment Limit Calculation

See current year finding FS-419-11-01 for status of the Upper Payment Limit Calculation.

Finding Control Number: FS-419-10-03

FINANCIAL REPORTING AND DISCLOSURE

Controls Over Processes Performed at Service Organizations

AUDITEE'S COMMENTS

See current year finding FS-419-11-05 for status of the controls over processes performed at service organizations.

GOVERNOR, OFFICE OF THE

Finding Control Number: FA-422-09-01

SUBRECIPIENT MONITORING

Inadequate Subrecipient Monitoring Procedures

The Georgia Emergency Management Agency (GEMA) has reviewed its Grantee-Sub-grantee Agreements and grant awards and identified areas for improvement in the current practice of monitoring sub-grantee compliance with OMB Circular A-133.

Our agency is resolving the insufficiencies through the following actions:
Procedures have been drafted for the grants management staff to adhere to upon receipt of notification from the State of Georgia Department of Audits and Accounts Non-profit and Local Government Audits Division regarding noncompliant entities. In addition, the Federal Audit Clearinghouse (FAC) database will be utilized to monitor compliance as well.

We are currently implementing an agency Grants Management System (GMS). This system has a built-in accommodation to create sub-grantee monitoring checklists for individual grants to provide employees with a standard list for identifying which aspects of the sub-grantee's performance will be examined. This functionality will also create an agency wide tracking system for statuses on resolution of sub-recipient audit findings. Thus, each list will serve as a readily accessible guide to employees as well as provide management with tools for overseeing the status of the monitoring results.

GEMA anticipates that our Grants Management System should be fully implemented by December 31, 2012

HUMAN SERVICES, DEPARTMENT OF

Finding Control Number: FA-427-10-01

ACCOUNTING CONTROLS (OVERALL)

Inadequate Journal Entry Documentation

The Department has developed and communicated documentation standards, defined an accountability and review process, and is tracking progress on a monthly basis. Process improvement efforts are ongoing.

Finding Control Number: FA-427-10-03

CASH MANAGEMENT

Inadequate Procedures Over Cash Draws of Federal Funds

The Department is partnering with Bronner consulting to develop the process. The Department has developed an accountability and review process, and is working on catching up backlog and reconciling old items. Process improvement efforts will continue.

Finding Control Number: FA-427-10-04

MATCHING, LEVEL OF EFFORT, EARMARKING

Internal Control Deficiency

The Department is working on the development of a schedule of federal reporting, and the development and implementation of revised procedures. The Department has implemented an accountability and review process, and will monitor progress on a monthly basis. Process improvement efforts will continue.

AUDITEE'S COMMENTS

Finding Control Number: FA-427-10-05

MATCHING, LEVEL OF EFFORT, EARMARKING

Internal Control Deficiency

The Department is working on the development of a schedule of federal reporting, and the development and implementation of revised procedures. The Department has implemented an accountability and review process, and will monitor progress on a monthly basis. Process improvement efforts will continue.

Finding Control Number: FA-427-10-06

MATCHING, LEVEL OF EFFORT, EARMARKING
SPECIAL TESTS AND PROVISIONS
Internal Control Deficiency

The Department is working on the development of a schedule of federal reporting, and the development and implementation of revised procedures. The Department has implemented an accountability and review process, and will monitor progress on a monthly basis. Process improvement efforts will continue.

Finding Control Number: FA-427-10-07

MATCHING, LEVEL OF EFFORT, EARMARKING

Internal Control Deficiency

The Department is working on the development of a schedule of federal reporting, and the development and implementation of revised procedures. The Department has implemented an accountability and review process, and will monitor progress on a monthly basis. Process improvement efforts will continue.

Finding Control Number: FA-427-10-08

MATCHING, LEVEL OF EFFORT, EARMARKING

Internal Control Deficiency

The Department is working on the development of a schedule of federal reporting, and the development and implementation of revised procedures. The Department has implemented an accountability and review process, and will monitor progress on a monthly basis. Process improvement efforts will continue.

Finding Control Number: FA-427-10-11

PROGRAM INCOME

Internal Control Deficiency

The Department is implementing reconciliations, improving the documentation of reconciliations, and implementing an accountability and review process on a monthly basis. Process Improvement efforts will continue.

Finding Control Number: FA-427-10-12

REPORTING

Internal Control Deficiencies

The Department is working on the development of a schedule of federal reporting, and the development and implementation of revised procedures. The Department has implemented an accountability and review process, and will monitor progress on a monthly basis. Process improvement efforts will continue.

Auditee's Response
Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

AUDITEE'S COMMENTS

Finding Control Number: FA-427-10-13

REPORTING

Internal Control Deficiency

The Department is working on the development of a schedule of federal reporting, and the development and implementation of revised procedures. The Department has implemented an accountability and review process, and will monitor progress on a monthly basis. Process improvement efforts will continue.

Finding Control Number: FA-427-10-14

REPORTING

Internal Control Deficiencies

The Department is working on the development of a schedule of federal reporting, and the development and implementation of revised procedures. The Department has implemented an accountability and review process, and will monitor progress on a monthly basis. Process improvement efforts will continue.

Finding Control Number: FA-427-10-15

REPORTING

Internal Control Deficiencies

The Department is working on the development of a schedule of federal reporting, and the development and implementation of revised procedures. The Department has implemented an accountability and review process, and will monitor progress on a monthly basis. Process improvement efforts will continue.

Finding Control Number: FA-427-10-16

REPORTING

Internal Control Deficiency

The Department is working on the development of a schedule of federal reporting, and the development and implementation of revised procedures. The Department has implemented an accountability and review process, and will monitor progress on a monthly basis. Process improvement efforts will continue.

Finding Control Number: FA-427-10-17

REPORTING

Internal Control Deficiency/Noncompliance with Federal Program Regulations

The Department is working on the development of a schedule of federal reporting, and the development and implementation of revised procedures. The Department has implemented an accountability and review process, and will monitor progress on a monthly basis. Process improvement efforts will continue.

Finding Control Number: FA-427-10-20

SPECIAL TESTS AND PROVISIONS

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

The Department has developed and conducted training, implemented an accountability and review process, and tracked outcomes and monitored them for additional adjustments. Process improvement efforts will continue.

Auditee's Response
Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

AUDITEE'S COMMENTS

Finding Control Number: FA-427-10-22

SUBRECIPIENT MONITORING

Failure to Accurately Report Pass-Through Amounts Provided to Subrecipients

The Department has developed a subrecipient monitoring identification tool and provided training. The Department is developing PeopleSoft tracking and reporting means, and will develop a process for linking subrecipient's data to expenditures data. The Department is working on developing SEFA procedures and will develop a manual back-up process. Process improvement efforts will continue.

Finding Control Number: FS-427-10-01

ACCOUNTING CONTROLS(OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
BUDGET
Inadequate Journal Entry Documentation

The Department has developed and communicated documentation standards, defined an accountability and review process, and provided training. Process improvement efforts continue to reduce the number of journal entries at year end.

Finding Control Number: FS-427-10-02

ACCOUNTING CONTROLS (OVERALL)
EXPENSIES/EXPENDITURES AND LIABILITIES
GENERAL LEDGER
Failure to Reconcile TANF Subsidiary Systems to PeopleSoft

The Department is implementing reconciliations, improving the documentation of reconciliations, and implementing an accountability and review process on a monthly basis. Process Improvement efforts will continue.

Finding Control Number: FS-427-10-03

ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
GENERAL LEDGER
Failure to Reconcile the Maximus Subsidiary Systems to PeopleSoft

The Department is continuing its process improvement efforts.

Finding Control Number: FS-427-10-04

GENERAL LEDGER

Federal Program Fund Balances

The Department is reconciling all beginning balances and is monitoring balances and tracking progress on a monthly basis. Process improvement efforts will continue.

Finding Control Number: FS-427-10-05

GENERAL LEDGER

Ending Balances in Balance Sheet Clearing Accounts

The Department is developing and implementing a new process, and will implement an accountability and review process on a monthly basis. Process improvement efforts will continue.

Auditee's Response
Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

AUDITEE'S COMMENTS

Finding Control Number: FS-427-10-06

GENERAL LEDGER
REVENUES AND RECEIVABLES
Failure to Record Federal Grant Awards in a Timely Manner

The Department is communicating with its federal partners, tracking awards in a log, and will implement and communicate central receivings, and track progress on a monthly basis. Process improvement efforts will continue.

Finding Control Number: FS-427-10-07

GENERAL LEDGER
REVENUES AND RECEIVABLES
Failure to Reconcile Accounts Receivable to General Ledger

The Department is implementing reconciliations, improving the documentation of reconciliations, and implementing an accountability and review process on a monthly basis. Process Improvement efforts will continue.

Finding Control Number: FS-427-10-08

GENERAL LEDGER
EXPENSES/EXPENDITURES AND LIABILITIES
Accounts Payable Reconciliation Inaccurate/Incomplete

The Department is implementing reconciliations, improving the documentation of reconciliations, and implementing an accountability and review process on a monthly basis. Process Improvement efforts will continue.

Finding Control Number: FS-427-10-10

CASH, INVESTMENTS AND INVESTMENT-RELATED ACTIVITY

Inadequate Bank Reconciliation Procedures

The Department has assigned responsibility and provided training, defined an accountability and review process, and is catching up on backlog and old reconciling items.

Finding Control Number: FS-427-10-11

REVENUES AND RECEIVABLES

Inadequate Procedures Over Cash Draws of Federal Grants

The Department is partnering with Bronner consulting to develop the process. The Department has developed an accountability and review process, and is working on catching up backlog and reconciling old items. Process improvement efforts will continue.

Finding Control Number: FS-427-10-12

EXPENSES/EXPENDITURES AND LIABILITIES

Invalid and Questionable Encumbrances

The Department has developed an accountability and review process. The Department is tracking progress on a monthly basis, and has implemented a process to review quarterly. Process improvement efforts will continue.

AUDITEE'S COMMENTS

LABOR, DEPARTMENT OF

Finding Control Number: FA-440-09-02

ALLOWABLE COSTS/COST PRINCIPLES
ACTIVITIES ALLOWED OR UNALLOWED
Overpayment of unemployment Compensation Benefits
Unemployment Insurance Administration (UI) CFDA 17.225)

Appropriate Controls and program edits have been installed to prevent a future recurrence of the situation that caused these overpayments. As of December 31, 2011 only $ 91,190 remains uncollected from this occurrence.

Finding Control Number: FA-440-10-01

ACCOUNTING CONTROLS (OVERALL)

Inadequate Supporting Documentation for Adjusting Journal Entries

The Department has implemented procedures to improve the level of documentation that is readily available to support adjusting journal entries made by the Department.

This documentation has been included as a part of the Department's Accounting and Procedures Manual.

Finding Control Number: FA-440-10-03

CASH MANAGEMENT

Inadequate Procedures over Cash Draws of Federal Grants

The Department has implemented additional procedures to improve the timing of cash drawn from the Federal Government with payment of the actual expenditures. These additional procedures include the scheduling of cash drawdowns on a more frequent basis and creation of a new consolidated report that groups Federal expenditures by funding source.

Finding Control Number: FA-440-10-05

REPORTING

Reports not Reconciled to the Accounting Records

As noted in our corrective action plan, amounts reported on the various reports were not incorrect. The Department has implemented procedures to ensure revenues and expenditures for the Workforce Investment Act are not overstated on the Financial Statements and final financial statements amounts are reconciled to applicable financial reports.

Finding Control Number: FS-440-10-01

ACCOUNTING CONTROLS (OVERALL)

Inadequate Supporting Documentation for Adjusting Journal Entries

The Department has implemented procedures to improve the level of documentation that is readily available to support adjusting journal entries made by the Department. This documentation has been included as a part of the Department's Accounting and Procedures Manual.

Finding Control Number: FS-440-10-04

GENERAL LEDGER
REVENUES AND RECEIVABLES
Inadequate Procedures over Cash Draws of Federal Grants

The Department has implemented additional procedures to improve the timing of cash drawn from the Federal Government with payment of the actual expenditures. These additional procedures include the scheduling of Drawdowns on a more

AUDITEE'S COMMENTS

frequent basis and creation of a new consolidated management report that groups Federal expenditures by funding source.

Finding Control Number: FS-440-10-05

BUDGET

Program Budget Deficiencies

The Department of Labor maintains its accounting records on the FARS (Federal Accounting and Reporting) accounting system, which is used by many other State Labor Departments across the Nation. As noted by the auditor, this system does not facilitate maintaining accounting records on a program by program basis as the system is designed to provide information to the U.S. Department of Labor in a uniform reporting format from the various States.

Progress has been made in operating and modifying the system to produce the required Budgetary Reports, but full capability to do so will not occur until FY 2012.

BEHAVIORAL HEALTH AND DEVELOPMENTAL DISABILITIES,

Finding Control Number: FA-441-10-02

MATCHING, LEVEL OF EFFORT, EARMARKING

Internal Control Deficiency

A process has been developed and provided to DBHDD Grants Accounting personnel requiring the inclusion of the specified backup documentation for SF-269 Federal Financial Reports when submitted for review by management. First Federal Financial Reports to be submitted subsequent to the development of the procedure are due by September and remainder by December, 2011. Response cannot be considered completed to Agency satisfaction until reports have begun to be prepared and submitted under the new process.

Finding Control Number: FA-441-10-03

REPORTING

Internal Control Deficiency

A process has been developed and provided to DBHDD Grants Accounting personnel requiring the inclusion of the specified backup documentation for SF-269 Federal Financial Reports when submitted for review by management. First SAPT Federal Financial Reports to be submitted and posted using the new procedure are not yet due; therefore, reconciliation items (if any) have not been determined, prepared or posted to PeopleSoft. Response will be considered completed by Agency when first reports have begun to be prepared and submitted under the new process following federal fiscal year ending on 9/30/11.

Finding Control Number: FS-441-10-01

CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY

Inadequate Bank Reconciliation Procedures

The operating bank account reconciliation issue is completely resolved, and the decentralized cash accounts process issue is partially resolved. We have provided instructions to the hospitals on how the bank reconciliation should be completed. We are currently in the process of redesigning our reconciliation form which will be more user-friendly to hospital staff. We sent out a template of an account ledger to be used for all 117.XXX SCOAs. The new template should only be used when there is no other system in place to track account activity. We are currently processing 4th quarter's reconciliations, so we will soon be able to determine the effectiveness and results of our training and new template after that process is complete. Further needed adjustments and training will follow, with a target completion date of December, 2011.

AUDITEE'S COMMENTS

NATURAL RESOURCES, DEPARTMENT OF

Finding Control Number: FS-462-09-02

EXPENSES/EXPENDITURES AND LIABILITIES

Unallowed Severance Packages for DNR Executives

The Department placed the former CFO on authorized leave with pay for a period of time before termination from the agency. In our opinion this is not classified as a severance package.

Finding Control Number: FS-462-10-01

ACCOUNTING CONTROLS (OVERALL)
CAPITAL ASSETS
Capital Asset Records - Machinery and Equipment

A new subsidiary ledger was developed for FY 2011. While this did not entirely resolve all issues, efforts are still ongoing to ensure the accuracy of the new subsidiary ledger.

Finding Control Number: FS-462-10-02

CAPITAL ASSETS

Inadequate Capital Asset Records - Construction in Progress

A new subsidiary ledger was developed for FY 2011. While this did not entirely resolve all issues, efforts are still ongoing to ensure the accuracy of the new subsidiary ledger.

Finding Control Number: FS-462-10-03

CAPITAL ASSETS

Inadequate Capital Asset Records - Subsidiary Ledgers

A new subsidiary ledger was developed for FY 2011. While this did not entirely resolve all issues, efforts are still ongoing to ensure the accuracy of the new subsidiary ledger.

REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA, BOARD OF

Finding Control Number: FS-472-10-01

ACCOUNTING CONTROLS (OVERALL)

Inadequate Internal Controls over Payroll Consolidation and Outsourcing Project

Fiscal Affairs Division of the Board of Regents initiated a remediation plan to specifically address payroll accounting and reconciliation. The plan comprised is comprised of 4 phases that focus on completing the payroll accounting model and delivering tools to rapidly reconcile payroll. The first three phases of the plan have been deployed. Eight hands-on and four web based workshops have also been provided to institution personnel.

REVENUE, DEPARTMENT OF

Finding Control Number: FS-474-08-05

REVENUES AND RECEIVABLES

Deficiencies in the Income Tax Division Subsidiary Records

AUDITEE'S COMMENTS

The Department is currently in the process of implementing systematic upgrades through an integrated tax platform that will enable the Department to track and analyze taxpayer tax returns. This implementation is scheduled for November 2011.

Finding Control Number: FS-474-10-01

CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY

Inadequate Bank Reconciliation Procedures

The department has developed and implemented procedures that will ensure: 1) all reconciliations are performed in a timely manner, 2) approved by management in a timely manner, 3) reconciling items are resolved in a timely manner and 4) appropriate source documentation is available to provide a sufficient audit trail. The department is on track and continues to make significant progress concerning the applicable reconciliations.

TRANSPORTATION, DEPARTMENT OF

Finding Control Number: FA-484-10-05

REPORTING

Internal Control Deficiency/Noncompliance with Federal Program Regulations

During the FY 2011 Audit it was determined that the previously reported corrective action was implemented, but was insufficient to alleviate the problems associated with this finding. Therefore the finding has been repeated in FY 2011 as FA-484-11-02.

The Intermodal Division has experienced a change in management since the original corrective action plan related to this finding was submitted. Please see the updated corrective action plan that was submitted by the new Intermodal Division Director with the FY 2011 finding referenced above.

Finding Control Number: FA-484-10-06

SPECIAL TESTS AND PROVISIONS

Internal Control Deficiency/Noncompliance with Federal Program Regulations

GDOT performs a materials audit as part of the Quality Assurance (QA) program, and we receive final quarterly Materials Certificate (MC) Checklists for this; so we are meeting the FHWA requirements.

While having and following a QA program is a FHWA minimum requirement, the Quarterly MC Checklist noted in the finding is not specifically a requirement, but is part of GDOT's overall program. The Quarterly MC Checklist is like doing small audits throughout the project life; it is not required but it is a best practice. FHWA has even recognized our MC Checklist as a best practice in a recent QA review and in the ARRA National review.

GDOT is scheduled to roll out training and testing for the pilot phase of the computerized construction and material management software, "Site Manager" in July of 2012, which will replace the MC Checklist process. We also recently held one-on-one training with GDOT District 7 Construction on materials audits and the MC checklist. We also have plans to fill a field audit position, which will audit Quarterly checklists. We will continue to look for opportunities to improve the existing process.

Finding Control Number: FS-484-10-01

ACCOUNTING CONTROLS (OVERALL)

Sub-ledgers Not Properly Maintained

The Department manages cash and other balance sheet accounts at a departmental level (rather than a fund source level). To comply with Federal reimbursement requirements, the Department currently maintains 1,710 fund sources. Until such time as the State Accounting Office adapts PeopleSoft (the States enterprise reporting system) to provide an automated and more efficient methodology for redistribution of transactions between fund sources, it would not be effective or efficient for the Department to attempt the management of balance sheet accounts at this detailed fund source level.

AUDITEE'S COMMENTS

In order for the Department to integrate its required business management practices with the delivered functionality of PeopleSoft, the Department chose to implement the PeopleSoft Project Costing Module as the Departments primary management tool. This module provides functionality similar to a Job Costing Ledger, which allows the Department to track cost by project within a funding category. We agree that fund source trial balances are an integral part of the delivered functionality of PeopleSoft; however, the Department does not utilize the fund source trial balances as its management tool to track expenditures, but as a means required for passing data to the Project Costing Module.
The fund source, as utilized by the Department represents a category of funding within a multi-year Federal Appropriation bill (grant), rather than an actual grant, as specified in Section 2, Page 2-6-1 of the Accounting Procedures Manual for the State of Georgia. The Department s receives the majority of its funding from the Federal Highway Administration (FHWA). To comply with FHWA funding requirements, a separate set of fund sources is required for each Federal Transportation Appropriation Bill. Each FHWA category within a Federal Transportation Appropriation Bill requires an individual fund source and a related Motor Fuel fund source (to demonstrate that matching requirements have been met). Similar requirements are in place for other grants the Department receives.
The Department is often required to begin construction (before Federal funding has been established), utilizing Motor Fuel funds. Once Federal funding is established, these expenditures must be redistributed from the Motor Fuel fund source to the proper Federal/Federal Match fund source. This redistribution procedure is required, to submit request to FHWA for reimbursement of allowable expenditures.
Section 3, Page 3-4-1 of the State Accounting Office s Accounting Procedures Manual addresses the accumulation of transaction which are later distributed to the appropriate accounts directing that care should be taken to ensure that clearing accounts do not have balances at the end of each reporting period since such accounts should not be listed on either budgetary or GAAP financial statements . The State Accounting Office s Accounting Directive AD 201103 Control/Clearing Accounts provide specific guidance for the redistribution of transactions between fund sources and states in part: "General Procedures for Clearing Accounts - Balance sheet clearing accounts have been provided in the State Chart of Accounts (SCOA) in the 196xxx and 296xxx account range to facilitate the accumulation of transactions which are later distributed to appropriate accounts. Care should be taken to ensure that each clearing account does not have a balance at the fund type level at the end of each fiscal year since such accounts should not be listed on either budgetary or GAAP financial statements." The PeopleSoft functionality (as provided to the Department through the State Accounting Office) requires the use of clearing accounts for redistribution of expenditures between fund sources (moving the related cash disbursement side of the transaction is not permitted). Although these fund source redistribution entries zero-out on a fund type level (and have no effect on the Department s budgetary or GAAP financial statements), this process of moving expenditures between fund source trial balances, precludes the possibility of zeroing-out clearing accounts on an annual basis (on the fund source level) and also results in negative fund balances at the fund source level.

Finding Control Number: FS-484-10-02

ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
Deficiencies in Other Funds Ledgers

We concur with the finding. The Department is writing new policies and procedures for the recording of Other Funds (including Local Participation Revenue) and Fund Source Redistribution (clean-up of fund source balances for Other Funds/Reserves). In addition the Department has hired two consultants to review existing fund source balances for Other Funds/Reserves and make corrections to record Other Funds in accordance with the Accounting Procedures Manual for the State of Georgia.

Finding Control Number: FS-484-10-05

EXPENSES/EXPENDITURES AND LIABILITIES

Inadequate Monitoring Procedures

We concur with the finding. We are aware that there are instances where the allotments in the PeopleSoft Project Costing Module and the T-Pro systems do not agree with the Federal Management Information System and other available sources of funding. This is due to the constant change in the availability of sources of funding, and the process of selecting the most prudent funding source, to leverage the available Motor Fuel funds, in order to maximize the amount Federal funds utilized by the Department.

The Department also created a Cleanup Unit under the Division of Finance in July 2010 that is responsible for reviewing project funding and expenditures on a global level. The Unit periodically generates the 0PC011 query in PeopleSoft which provides information on allotments, unearned and earned expenditures, billed amounts on Federal projects, and available balances by fund source to identify and correct projects with overrun issues. The Federal Billing Unit of the Office of Financial Management is also using the 0PC011 query to identify and correct Federal projects with agreement issues that prevent them

AUDITEE'S COMMENTS

from billing to FHWA for reimbursement.

In addition, the Department is in the process of procuring services of a consultant to design and provide a reconciliation, audit and transaction monitoring solution that will examine Federal Funds Projects, identify projects where data points between the Federal Management Information System, PeopleSoft and the T-Pro Systems are not in agreement, and identify transactions leading to an out-of-balance condition.

Finding Control Number: FS-484-10-08

CAPITAL ASSETS

Inadequate Capital Asset Records - Land

GDOT currently maintains detailed actual cost for land, in an Access database. The source of this cost data is the accounts payable lines recorded in PeopleSoft, the state's financial accounting system. PeopleSoft (Georgia's statewide accounting system) currently does not provide the fields necessary to capture and record the description, location, parcel and acreage, for the purchase of land at the time of payment. This information is available in paper form and is tracked in separate databases.

The Department is actively engaged in resolving this finding. The State Accounting Office has agreed to provide additional functionality in the PeopleSoft fixed asset module, to allow GDOT utilize the statewide system for its capital asset inventory records. In order to utilize this functionality, it is necessary for the State Accounting Office to make significant programming changes to PeopleSoft and provide a data field to record the parcel number. This field is necessary to link the Department's systems with PeopleSoft financial data; our IT staff is currently working closely with the State Accounting Office to make this and other necessary changes. In addition, interfaces to data maintained in the Department's systems, will need to be designed and implemented, prior to migration of data from the Department's existing capital asset system to PeopleSoft. Development has begun on this project and we anticipate that the State Accounting Office will make the necessary changes in FY 2012, which will allow the Department to utilize PeopleSoft to account for its Capital Assets and resolve these reporting issues. However, until the State Accounting Office completes its modification of PeopleSoft no further action can be taken by the Department on this issue.

GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION

Finding Control Number: FA-5092-10-02

MATCHING, LEVEL OF EFFORT, EARMARKING

Failure to meet Required Earmarking Threshold

The corrective action plan states that a new database application called Student Access will be implemented during spring 2011, but the date was pushed back to August 2011. The TRIO office will begin using this new database for tracking participant data at the start of their next annual reporting period on September 1, 2011.

Finding Control Number: FA-5092-10-03

REPORTING

Required Reports Not Filed or Not Submitted on Time

The corrective action plan stated that an enhanced tracking feature would be implemented in the Grants module of PeopleSoft v8.9 to allow for better monitoring of required due dates for sponsoring agency financial reports. However, there have been a number of delays in implementing the Grants module and this tracking feature has not yet been designed. It is anticipated that this enhanced tracking feature will be implemented during FY 2012.

Auditee's Response
Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

AUDITEE'S COMMENTS

ALBANY STATE UNIVERSITY

Finding Control Number: FA-521-10-01

SPECIAL TESTS AND PROVISIONS

Deficiencies in Student Financial Aid Refund Process

Although corrective actions had been implemented by the University during FY 2011 to address the diagnosed internal control deficiency, some of the University's FY 2011 data and processes were not corrected prior to the University's FY 2011 audit which caused this reportable item to be deemed unresolved at that time.

FORT VALLEY STATE UNIVERSITY

Finding Control Number: FA-533-10-01

ELIGIBILITY

Overpayment of Student Financial Aid

We will ask the readers of the financial statements to refer to the respective current year findings.

Finding Control Number: FS-533-10-02

EMPLOYEE COMPENSATION

Inadequate Internal Controls

We will ask the readers of the financial statements to refer to the respective current year findings.

SAVANNAH STATE UNIVERSITY

Finding Control Number: FA-548-10-01

SPECIAL TESTS & PROVISIONS

Deficiencies in Student Financial Aid Refund Process, Student Financial Aid Cluster Program

The Bursar will be more diligent at performing the refund calculation to ensure all charges are included in the return of aid calculation. Additionally, the Bursar will utilize the amount computed by Banner to compute the return of aid amount for the USDOE. Lastly, the Bursar continues to work with Academic Affairs to obtain information in order to meet the 45 day return of aid for students that withdraw from the University.

Finding Control Number: FS-548-08-03

CAPITAL ASSETS

Inadequate Capital Asset Records

Savannah State University is working with the Board of Regents Information Technology Services to resolve this matter.

The Asset Module correction has not been accomplished. The University will work with the Dept. of Audits and Accounts and University System IT Staff to complete this last phase to fully resolve this finding.

Auditee's Response
Summary Schedule of Prior Year Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

AUDITEE'S COMMENTS

GEORGIA PERIMETER COLLEGE

Finding Control Number: FS-571-10-01

ACCOUNTING CONTROLS (OVERALL)

Inadequate Accounting Procedures

Georgia Perimeter College continues to improve accounting procedures and internal controls through an organizational redesign of Accounting Services to review, determine, and implement: (1) the clear requirements for Accounting Services; (2) improved procedures and strengthened controls, and (3) processes of accountability. The first phase of the reorganization is underway with several steps completed. A completely new Accounting organization, overall enhanced controls, and policies and procedures will be implemented by December 31, 2011. Once fully implemented, Financial Affairs will schedule an engagement with Georgia Perimeter College Internal Audit to assess the effectiveness.

WEST GEORGIA TECHNICAL COLLEGE

Finding Control Number: FS-826-10-02

REVENUES/RECEIVABLES/RECEIPTS

Inadequate internal controls over bookstore sales

The College acknowledges that proper review was not done in tracking and monitoring bookstore sales in relation to mark-up percentages. It will be established that the bookstore manager for the college can recommend mark ups for the bookstore and then must have final approval from the VPA to implement those changes. Documentation will be maintained if percentages change within the fiscal year. Also, we recognize that inventory balancing was not performed on a regular basis which can lead to potential errors in financial statement reporting. These inventories will be done on a monthly basis by each bookstore assistant on the respective campuses; the subsequent adjustment to inventory will be entered by the textbook manager of the college. All adjustments will be reviewed by the bookstore manager to make sure to account for any discrepancies. A report of those discrepancies will be reported to the VPA on a monthly basis for review. The bookstore manager of the college will review sales, percentages and inventory on a scheduled basis. Any monthly reconciliation showing sales not reflecting established markups shall be reported to the VPA and documented to reflect all adjustments that caused the discrepancy. This will allow the bookstore to better monitor activity of this department and ensure more accurate reporting.

Finding Control Number: FS-826-10-03

REVENUES/RECEIVABLES/RECEIPTS
EXPENDITURES/LIABILITIES/DISBURSEMENTS
EMPLOYEE COMPENSATION
GENERAL LEDGER
Inadequate Segregation of Duties

The department is evaluating all job duties in relation to cash disbursements. Steps will be taken with security of PeopleSoft Financials to ensure that an employee creating an accounts payable voucher will not be allowed to initiate check runs.

SEED DEVELOPMENT COMMISSION, GEORGIA

Finding Control Number: FS-919-10-01

ACCOUNTING CONTROLS (OVERALL)

Excessive Year-End Unreserved, Undesignated Fund Balance

The Seed Commission has developed and is currently in our second year of utilizing a Reasonable Reserve Policy. We are currently in discussions with the State Accounting Office regarding their review and acceptance of our current Reasonable Reserve Policy.

Corrective Action Responses to Current Year Findings and Questioned Costs

STATE OF GEORGIA
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1776

State of Georgia

Corrective Action Responses to Current Year Findings and Questioned Costs

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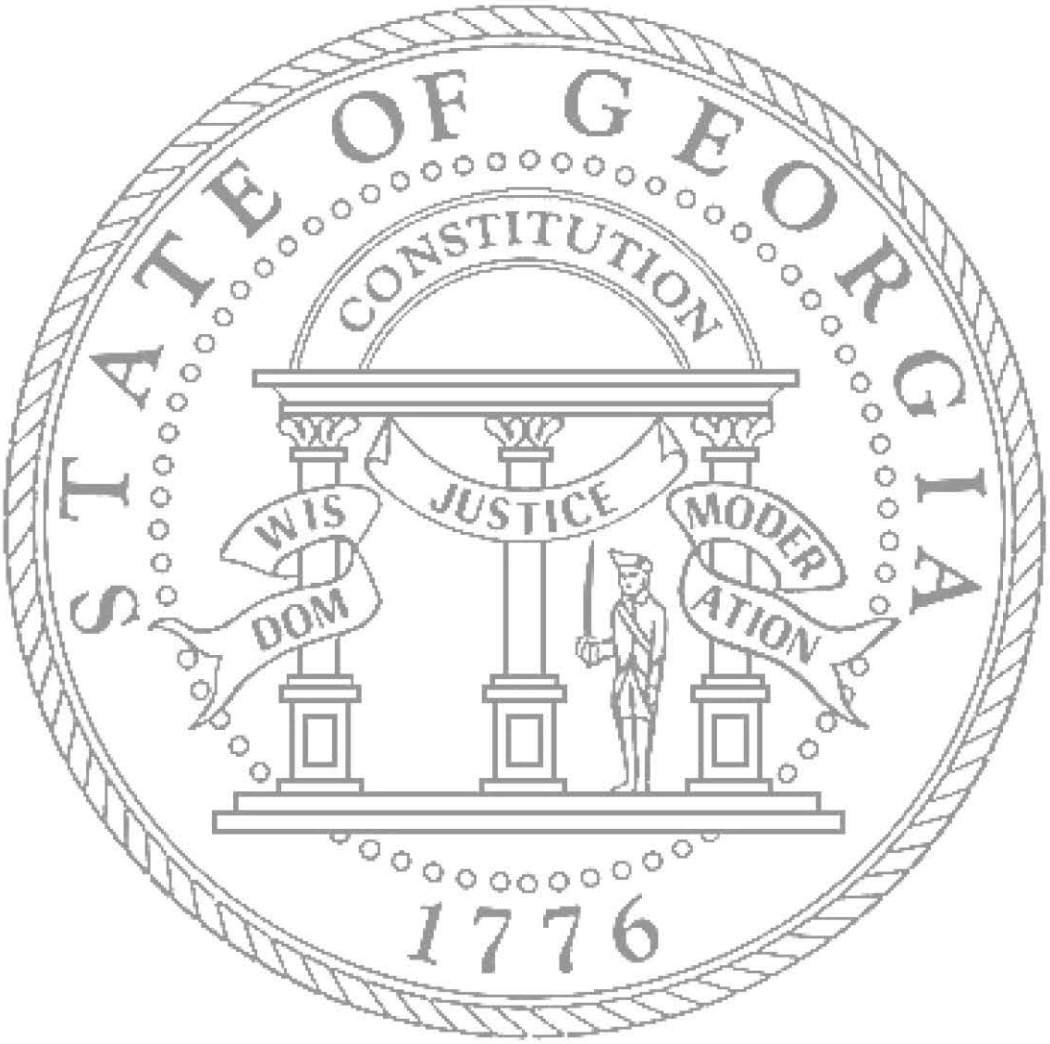
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AGRICULTURE, DEPARTMENT OF

Finding Control Number: FS-402-11-01

ACCOUNTING CONTROLS (OVERALL)

Excessive Use of Manual Journal Entries

The Department is aware of the high volume of manual journal entries and began on July 1, 2011 implementing a change in business processes and procedures that we anticipate will reduce the number of manual journal entries significantly, especially at Year End.

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Finding Control Number: FS-402-11-02

ACCOUNTING CONTROLS (OVERALL)

Failure to Submit an Accurate Schedule of Expenditures of Federal Awards

CFDA number has been corrected. We are in the process of performing additional research regarding the GAAP reporting issue.

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Finding Control Number: FS-402-11-03

GENERAL LEDGER

Inadequate Bank Reconciliation Procedures

The Department has reviewed our internal control procedures regarding bank reconciliations. We have implemented additional policies and procedures for proper review and approvals and to ensure reconciling items are researched to correct in a timely manner and to ensure compliance with the Disposition of Unclaimed Property Act.

Contact Person: Sherry S. Forester
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Finding Control Number: FS-402-11-07

REVENUES AND RECEIVABLES

Improper Retention of Fees

The Department disagrees that the referenced item is a finding due to the following:
The Department has been advised by the Governor's Office of Planning and Budget (OPB) that retention and use of these fees for the operation of Department Programs is acceptable and expected. The Director and Staff of OPB met with the Commissioner and Staff of Agriculture regarding the submission of AFY 2011 Fiscal Affairs request in May, 2011. During that meeting the OPB Director informed Agency staff of the expected retention and use of said fees. As a result of that meeting and with the approval/blessing of OPB, Agency rescinded our AFY 2011 Fiscal Affairs request with the understanding of both parties that fees would be retained and budgeted in order to ensure continuation of Department Operations and budgetary compliance. During the special mid-year review requested by Commissioner-Elect Gary W. Black, Department of Audits and Accounts questioned this practice. After discussion between Department of Audits and Department of Agriculture staff the following was included in the Special Report: "The Department of Agriculture retained such fees per the instructions of the budget authorities of the state. A review of the FY 2011 General Appropriations Act (HB 948) and its corresponding 'Tracking Sheet' indicated that the foregoing fees were included as separate funding sources in the Consumer Protection Program." In order to ensure clear understanding between OPB and Agriculture, we requested OPB provide in writing authorization for fees to be retained by the Department. In an email dated May 6, 2011 the following was provided:

45-12-92.1. Fees which are not revenue measures; utilization of proceeds

(a) The General Assembly finds and determines that certain fees imposed or authorized by law are not "revenue measures" within the meaning of Article VII, Section III, Paragraph II of the Constitution but only incidentally create revenue pursuant to the facilitation of another primary purpose.

(b) When any other provision of law imposes or authorizes the imposition of a fee and recites that such fee is subject to this Code section:

(1) The agency or other entity imposing and collecting the fee shall not pay the proceeds of the fee into the general fund of the state treasury but shall rather retain and expend the proceeds for purposes of defraying the costs of administering the program or activity with which the fee is associated; and

(2) If the amount of the fee is fixed by the agency or other entity pursuant to the law authorizing the fee, the fee shall be fixed in a reasonable amount such that the proceeds of the fee do not exceed the total direct and indirect costs of administering the program or activity with which the fee is associated.

The Department's opinion is we have received clear direction regarding the retention and use of these fees.

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Finding Control Number: FS-402-11-08

CAPITAL ASSETS

Inadequate Capital Asset Records

The Department is and has been aware of challenges regarding Capital Assets and continues to provide training and guidance to Department staff regarding policies and procedures.

Contact Person: Sherry S. Forester
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Finding Control Number: FS-402-11-09

EXPENSES/EXPENDITURES AND LIABILITIES

Failure to Obtain Verification Documentation for New Employees

Personnel Director has been in contact with the EVerify Office regarding issues encountered while trying to register to use the EVerify website. During the FY 2011 Year End Audit, the State Auditor questioned the Personnel Director about this process. They were provided the following information: 1) an e-mail was sent on May 9, 2011 to the E-Verify address informing them of problems experienced while trying to register for the program; 2) did not receive a reply until July 29, 2011 informing that they would get back in touch with Director but have not heard from them as of December 6, 2011; 3) also received an e-mail from them dated June 20, 2011 advising that over the next 5 months they would be calling customers to confirm our information and again the Director has not heard from them. While problems continue with the EVerify program, the Personnel Director has used the I-9 Form as a substitute and related this information to the State Auditor during the audit. The Department has resolved the issues with the EVerify website and is now registered.

Contact Person: Sherry S. Forester
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Finding Control Number: FS-402-11-10

EXPENSES/EXPENDITURES AND LIABILITIES

Invalid and Questionable Encumbrances

The Department will be implementing new procedures to ensure timely and appropriate recording of encumbrances.

Contact Person: Sherry S. Forester
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Finding Control Number: FS-402-11-100

ACCOUNTING CONTROLS (OVERALL)

Budgetary Compliance Deficiency

The Department has established internal controls to monitor budget activity to ensure proper expenditures within limits at the legal level.

Contact Person: Sherry S. Forester
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Finding Control Number: FS-402-11-11

EXPENSES/EXPENDITURES AND LIABILITIES

Internal Control Deficiencies over Contractual Obligations

This was first brought to our attention during the mid-year review. The Department implemented new procedures beginning 7/1/2011 to encumber the full contract amount at time contract is executed.

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ADMINISTRATIVE SERVICES, DEPARTMENT OF

Finding Control Number: FS-403-11-01

ACCOUNTING CONTROLS (OVERALL)

Risk Management Data Discrepancies

We concur with the finding. Several processes have been implemented to immediately address the issues discovered, some of which are outlined below:

> Reports are generated and reviewed on a monthly basis to validate the reserve and also to identify any inconsistency with the process.
> The system has been modified so that checks that are in-flight are considered as paid when zeroing reserves.
> Refunds are now taken into consideration when reserves are reduced so that the incurred amount equals the paid amount less the refund amount. All incorrect reserves on closed claims are being corrected in the production data.
> A fix to the application system is being created that will cause the reduce reserve procedure to run against a claim if a transaction is updated or added after the claim has closed. Until the fix is completed, we will manually perform the task mentioned above on a daily basis.
> DOAS is also in the process of procuring a new system with updated technology which will eliminate the deficiencies outlined in the finding.

The Department recognized the importance of maintaining accurate Risk data. Therefore, we will continue to monitor daily tasks associated with the process.

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Finding Control Number: FS-403-11-02

ACCOUNTING CONTROL (OVERALL)

Invalid Year End Encumbrances

We concur with this finding. DOAS has implemented a process to review all open encumbrances on a monthly basis to determine their continued validity. If there are any questionable encumbrances, DOAS will contact the program area to determine if additional documentation is necessary for the open encumbrance to remain open or if the purchase order needs to be closed. All invalid purchase orders will be immediately closed once they are identified.

Contact Person: Paulette Petty, Director of Budget and Finance
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INSURANCE, OFFICE OF THE COMMISSIONER OF

Finding Control Number: FS-408-11-01

REVENUES AND RECEIVABLES

Reimbursement Requests not supported by Financial Records

We concur with this finding. The department has implemented procedures to process reimbursement request and allocation of funds. We have also established quarterly reconcilement procedures between the Fire Safety Division and the Fiscal Division to ensure compliance with invoice submitted to Department of Community Health.

Contact Person: Natalie Brooks
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EDUCATION, DEPARTMENT OF

Finding Control Number: FA-414-11-01

ELIGIBILITY

Noncompliance with Federal Program Regulations

The GaDOE concurs with the finding. The GaDOE did apply the correct formula according to Sections 131(a)(1) and (2) of the Perkins legislation, but failed to ensure Census data used in preliminary calculations were updated accurately. To prevent this issue from reoccurring, the GaDOE will conduct a reconciliation of data recorded for each system from Census data from the first draft in April to the final Census data in June to assure that the final posted data is what is used in all calculations for funding.

Contact Person: Randy Trowell
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Finding Control Number: FA-414-11-02

EQUIPMENT AND REAL PROPERTY MANAGEMENT

Inadequate Equipment and Real Property Management

The GaDOE concurs with the finding. All of the issues noted by the auditors have been addressed. To help prevent the issues noted by the auditors from reoccurring the internal audit staff will: (1. conduct a physical inspection of the capital assets located in our server room in the Twin Towers and at the data center in Suwanee; and (2. create policies and procedures governing the management of capital assets.

Contact Person: Randy Trowell
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Finding Control Number: FS-414-11-01

ACCOUNTING CONTROLS (OVERALL)

Internal Control Deficiencies Regarding Contract Procedures

The GaDOE concurs with the finding. On August 30, 2011, we began using Team Georgia Marketplace for all of our contracts. Team Georgia Marketplace provides increased internal controls over the initiation, processing, recording, and monitoring of contract activity. The GaDOE has over 1,000 contracts to manage. We expect that the newly implemented Team Georgia Marketplace will aid in our management of these contracts. In addition, we are updating our contract manual and training to ensure proper internal controls and procedures are adhered to over contracts.

Contact Person: Randy Trowell
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Finding Control Number: FS-414-11-02

CAPITAL ASSETS

Inadequate Capital Asset Records

The GaDOE concurs with the finding. All of the issues noted by the auditors have been addressed. To help prevent the issues noted by the auditors from reoccurring the internal audit staff will: (1. conduct a physical inspection of the capital assets located in our server room in the Twin Towers and at the data center in Suwanee; and (2. create policies and procedures governing the management of capital assets.

Contact Person: Randy Trowell
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PROSECUTING ATTORNEYS' COUNCIL

Finding Control Number: FS-418-11-02

GENERAL LEDGER REVENUES AND RECEIVABLES

Failure to Reconcile Subsidiary Accounts Receivable Ledgers to the General Ledger

We concur with this finding. The Prosecuting Attorneys Council of Georgia will reconcile the subsidiary accounts receivable ledger to the general ledger on a monthly basis. Variances will be noted by the accounting staff and resolved in a timely manner.

Contact Person: Geneva Turner
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Finding Control Number: FS-418-11-03

GENERAL LEDGER

Balance Within Program Not Identified

We concur with this finding. The Prosecuting Attorneys Council of Georgia will work with the State Accounting Office to resolve this issue. Going forward, we will ensure that all budgetary activity within the general ledger is associated with a legitimate program.

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Finding Control Number: FS-418-11-04

GENERAL LEDGER

Year End Balance in Clearing Account

We concur with this finding. The Prosecuting Attorneys Council of Georgia will review the clearing account monthly to ensure that balances have been distributed to the appropriate accounts at the end of each accounting period and that no balances remain in the clearing account at fiscal year end.

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Finding Control Number: FS-418-11-05

GENERAL LEDGER CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY

Inadequate Bank Reconciliation Procedures

We concur with this finding. The Prosecuting Attorneys Council of Georgia will ensure that bank reconciliations are completed on a timely basis in order to manage and monitor our bank accounts.

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Finding Control Number: FS-418-11-06

EXPENSES/EXPENDITURES AND LIABILITIES
FINANCIAL REPORTING AND DISCLOSURE
Deficiencies in Reporting of Operating Leases

We concur with this finding. The Prosecuting Attorneys Council of Georgia will obtain all relevant lease contracts and ensure that the amounts for current and future lease obligations are verified to accounting records before submission to the State Accounting Office.

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Finding Control Number: FS-418-11-07

EXPENSES/EXPENDITURES AND LIABILITIES

Failure to Provide Documentation Supporting Agency Head Compensation

We concur with this finding. Going forward, the Prosecuting Attorneys' Council of Georgia will properly document and maintain sufficient records that support our Executive Director's compensation.

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Finding Control Number: FS-418-11-100

ACCOUNTING CONTROLS (OVERALL) BUDGET

Failure to Certify the Accuracy of the Budgetary Compliance Report

The Prosecuting Attorneys Council of Georgia will ensure that all receivables are recorded into PeopleSoft and that budgetary reports are routinely monitored.

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COMMUNITY HEALTH, DEPARTMENT OF

Finding Control Number: FA-419-11-01

REVENUES AND RECEIVABLES, EXPENSES/EXPENDITURES AND LIABILITIES, FINANCIAL REPORTING AND DISCLOSURE
Controls Over Upper Payment Limit Calculations

The Department of Community Health concurs with this finding. The UPL Team (the 'Team') will be identified by the Chief Financial Officer (CFO) at the appropriate time. The Team will be responsible for reviewing the source data of the UPL calculations. The Team will review the UPL calculation spreadsheet before submission to CMS. Upon CMS approval, the Reimbursement Section and the CFO designee will calculate the UPL in parallel. After both parties have completed the UPL calculations, the Team will review the calculations of both parties for accuracy. The CFO designee will be responsible for the reconciliation process of the UPL calculations and payments.

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Finding Control Number: FA-419-11-02

ALLOWABLE COSTS/COST PRINCIPLES

Hospice and Nursing Home Patient Liability

The Department of Community Health concurs with this finding. During FY 2011, the claim processing vendor revised its estimates of the number of hours needed to implement solutions. When management realized that the implementation of solutions through the Medicaid Management Information System would not be complete in time for annual financial reporting, the Department of Community Health hired a third party consultant to provide them with an estimate of these amounts.

The Department of Community Health identified the fact that the patient liability issue impacted providers other than hospice providers. The Department of Community Health shared that fact with auditors and captured the larger issue in its estimate. The Department of Community Health's fiscal agent will provide the claim history file for the period April 1, 2003 - June 30, 2006 to the third party consultant in December 2011. This will allow the Department of Community Health to quantify the amount of overpayments made to hospice and nursing home providers for FY 2003 through FY 2011. It is the intent of the Department of Community Health to initiate the collection process under the direction of the Department of Community Health's Inspector General.

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Finding Control Number: FA-419-11-03

REPORTING

Accounts Payable and Other Accruals

The Department of Community Health concurs with this finding. The Department of Community Health acknowledges the deficiencies identified in the year end process and will focus on the following agenda items in an effort to alleviate this from recurring:

1) Review and update the current accounts payable (AP) and contracts payable (CP) procedures.

2) Develop and implement a procedure for year end close to identify and properly record all relevant payment obligations, subsequent payments and all liabilities that need to be included in accounts payable and other accruals.

3) Provide training to all levels of AP and CP personnel involved in the year end close/accrual period to ensure all staff has an understanding of the financial statement preparation process as it relates to their respective areas, as well as, the financial impact of recording all transactions in accordance with generally accepted accounting principles (GAAP).

4) Review monthly all open encumbrances and communicate with the related program areas to ensure accurate and timely recording of obligations.

5) Notify program areas of the importance of their role in ensuring that all obligations are accurately recorded and encumbered. Also emphasize the importance of timely and accurate reporting of related liabilities.

6) Provide updated procedures in a centrally and easily accessible location for everyone to access for reference and instruction.

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Finding Control Number: FA-419-11-04

ELIGIBILITY

Verification and Documentation of Eligibility

The Department of Community Health concurs with this finding and acknowledges the importance of ensuring all CMS guidelines for documenting member eligibility are followed properly. We have taken the following steps to improve our monitoring of the eligibility process: Department of Community Health placed the DFCS in the Department of Human Services (DHS) under a Program Improvement Plan (PIP) effective March 12, 2010. The PIP requires DFCS to remedy areas of deficiencies such as proof of recertification of eligibility, missing records and documentation. DFCS has responded to the PIP and outlined how they will implement and monitor improvements to correct the deficiencies. Department of Community Health and DFCS management staff meet quarterly to discuss and review progress towards improving the deficiencies. In addition, Department of Community Health implemented an external quality assurance project in 2006 through an Administrative Services Organization (ASO). The ASO project completes desk reviews of requested case records, and report findings to Department of Community Health on a monthly basis, with a quarterly detailed summary. The ASO finished their work in June 2010. The Department of Community Health Medicaid Eligibility Quality Control (MEQC) team took over the ASO functions Effective July 2010, reading randomly selected cases at a volume of 400 per month. In addition, the MEQC staff review 150 low income Medicaid (LIM) cases that are closed each review month. The findings from these reviews are shared with DFCS for inclusion in their PIP planning and field trainings. DHS/DFCS routinely covers error findings with their regional management staff who, in turn, discuss with county staff. Department of Community Health feels that there is positive progress in reducing the incidents of these findings.

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Finding Control Number: FA-419-11-05

MATCHING LEVEL OF EFFORT, EARMARKING

Matching of Allowable Expenditures

The Department of Community Health concurs with this finding and will implement the following procedures to address the matching rate of CHIP expenditures.

1. At the end of September, the Federal Reporting unit will run a Cognos query which is created using the CHIP fund source and/or project code identifying all applicable purchase orders.

2. The report will be submitted to AP and CP for review.

3. Identified purchase orders will be submitted to Budget for project code changes and then sent to Purchasing for updating which will provide current matching rates when paid.

4. Purchasing will send a copy of the updated purchase order requisition document to Budget, AP and CP.

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Finding Control Number: FA-419-11-06

SUBRECIPIENT MONITORING

Subrecipient Monitoring for Public Health Programs

Department of Community Health concurs with this finding. The new Department of Public Health is presently establishing the financial infrastructure to assist the programs in their responsibility to monitor expenditures on a monthly basis. The more

comprehensive combined reviews being conducted by the Office of Audits will also assist in this endeavor to catch error and fraud from contracted subrecipients. In addition, the source documents from one UAS Management Income and Expenditure Report (MIER) will be drawn each month from one of the eighteen districts to ensure documentation supports expenditures. This will be included in the contract that Public Health has with each of the lead counties to ensure that they are following the federal Uniform Administrative Requirements for Grants and Cooperative Agreements to States and Local Governments.

The monitoring of the PHEP program was delayed because of the requirement to obtain approval from the Center of Disease Control (CDC) for the reimbursement of non-PHEP audit staff to assist our PHEP staff in monitoring our subrecipients. Once approved, schedules were established for the last of FY 2011 and for FY 2012.

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Finding Control Number: FA-419-11-07

ACTIVITIES ALLOWED OR UNALLOWED, ALLOWABLE COSTS/COST PRINCIPLES

Controls Over Emergency Preparedness Admin Expenses

The Department of Community Health concurs with this finding. The two (2) expenditures noted in your sample of sixty (60) were used to provide "indirect funds" for administrative support. The Department of Community Health Cost Allocation Plan which was approved by the HHS and the grant allows a small percentage of funds from the program to be used for administrative support. Controls are being strengthened to ensure funds used for this purpose follow the established Team Georgia Market Place guidelines.

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Finding Control Number: FA-419-11-08

SPECIAL TESTS AND PROVISIONS

Controls Over and Compliance with Control, Accountability, and Safeguarding of Vaccine

The Department of Community Health concurs with this finding. The Centers for Disease Control and Prevention (CDC) requires that 50 percent of all VFC providers receive a VFC site visit on an annual basis. This means that all VFC providers should receive at least one site visit within a two year period. These site visits are used to ensure vaccinating providers are compliant with all of the above quality assurance measures. The Georgia Immunization Office requires that field staff visit 50 percent of all private provider offices and 100 percent of all public health clinics on an annual basis. Providers found to be non-compliant with any of the above measures receive educational or other corrective action development guidance according to the CDC Non-Compliance Algorithm. Providers whose noncompliance results in the loss of vaccine or other fraud and/or abuse activities are placed on temporary leave pending implementation of corrective action steps, completion of required educational sessions, and/or disposition of fraud and abuse investigation(s). Effective December 2010, field staff began reporting all non-compliant providers to the VFC Coordinator and Vaccine Manager to help ensure proper follow up actions are taken and documented for each case.

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Finding Control Number: FA-419-11-09

SPECIAL TESTS AND PROVISIONS

Controls Over and Compliance with Record of Immunization

The Department of Community Health concurs with this finding. CDC requires that 50 percent of all VFC providers receive a VFC site visit on an annual basis. This means that all VFC providers should be seen a minimum of one time within a two year period. These site visits are used to ensure vaccinating providers are compliant with all of the above quality assurance measures. The Georgia Immunization Office requires that field staff visit 50 percent of all private provider offices and 100 percent of all public health clinics on an annual basis. Providers found to be non-compliant with any of the above measures receive educational or other corrective action development guidance according to the CDC Non-Compliance Algorithm. Providers whose non-compliance results in the loss of vaccine or other fraud and/or abuse activities are placed on temporary leave pending implementation of corrective action steps, completion of required educational sessions, and/or disposition of fraud and abuse investigation(s). Effective December 2010, field staff began reporting all non-compliant providers to the VFC Coordinator and Vaccine Manager to help ensure proper follow up actions are taken and documented for each case.

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Finding Control Number: FA-419-11-10

ACTIVITIES ALLOWED OR UNALLOWED; ALLOWABLE COSTS/COST PRINCIPLES

Unallowable Charges to and Controls Over Ryan White Part B Expenses

The Department of Community Health concurs with this finding. Ryan White Part B funding has brought on an Operations Manager whose responsibilities will be to closely monitor all expenses against the Ryan White Part B funding and to stay current on all aspects of these funds.

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Finding Control Number: FA-419-11-11

ACTIVITIES ALLOWED OR UNALLOWED; ALLOWABLE COSTS/COST PRINCIPLES

Unallowable Charges to and Controls Over Babies Can't Wait Expenses

The Department of Community Health concurs with this finding. This was a travel reimbursement for $22.00 for a Family Planning site visit. It was clearly marked as such, yet the coding used was for Babies Can't Wait. Budget staff failed to note the error and erroneously approved the coding. Additional training will be provided to staff in Budget regarding the importance of proper coding and how to perform an accurate review.

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Finding Control Number: FA-419-11-12

ACTIVITIES ALLOWED OR UNALLOWED; ALLOWABLE COSTS/COST PRINCIPLES

Controls Over Women, Infants, and Children (WIC) Benefit Expenses

The Department of Community Health concurs with this finding that one (1) expenditure in a sample of sixty (60) did not contain evidence of departmental approval in accordance with the procedures put in place by the Department of Community Health.

Corrective action:

1) The Maternal and Child Health/Women, Infants and Children (Georgia WIC) program has developed and implemented a written invoice process controlling the approval of all basic expenditure requests. This process requires unit and/or office director approval and Maternal and Child Health Program Deputy Director approval. Maternal and Child Health will continue to require these signed approvals (completed).

2) Staff is required to adhere to this process. To improve adherence to this process, Georgia WIC will review this process with staff.

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Finding Control Number: FS-419-11-01

REVENUES AND RECEIVABLES, EXPENSES/EXPENDITURES AND LIABILITIES, FINANCIAL REPORTING AND DISCLOSURE
Controls Over Upper Payment Limit Calculation

The Department of Community Health concurs with this finding. The UPL Team (the 'Team') will be identified by the Chief Financial Officer (CFO) at the appropriate time. The Team will be responsible for reviewing the source data of the UPL calculations. The Team will review the UPL calculation spreadsheet before submission to CMS. Upon CMS approval, the Reimbursement Section and the CFO designee will calculate the UPL in parallel. After both parties have completed the UPL calculations, the Team will review the calculations of both parties for accuracy. The CFO designee will be responsible for the reconciliation process of the UPL calculations and payments.

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Finding Control Number: FS-419-11-02

EXPENSES/EXPENDITURES AND LIABILITIES; FINANCIAL REPORTING AND DISCLOSURE

Hospice and Nursing Home Patient Liability

The Department of Community Health concurs with this finding. During FY 2011, the claim processing vendor revised its estimates of the number of hours needed to implement solutions. When management realized that the implementation of solutions through the Medicaid Management Information System would not be complete in time for annual financial reporting, the Department of Community Health hired a third party consultant to provide them with an estimate of these amounts. The Department of Community Health identified the fact that the patient liability issue impacted providers other than hospice providers. The Department of Community Health shared that fact with auditors and captured the larger issue in its estimate.

The Department of Community Health's fiscal agent will provide the claim history file for the period April 1, 2003 - June 30, 2006 to the third party consultant in December 2011. This will allow the Department of Community Health to quantify the amount of overpayments made to hospice and nursing home providers for FY 2003 through FY 2011. It is the intent of the Department of Community Health to initiate the collection process under the direction of the Department of Community Health's Inspector General.

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Finding Control Number: FS-419-11-03

EXPENSES/EXPENDITURES AND LIABILITIES; FINANCIAL REPORTING AND DISCLOSURE

Accounts Payable and Other Accruals

The Department of Community Health concurs with this finding. The Department of Community Health acknowledges the deficiencies identified in the year end process and will focus on the following agenda items in an effort to alleviate this from recurring:

1) Review and update the current accounts payable (AP) and contracts payable (CP) procedures.

2) Develop and implement a procedure for year end close to identify and properly record all relevant payment obligations, subsequent payments and all liabilities that need to be included in accounts payable and other accruals.

3) Provide training to all levels of AP and CP personnel involved in the year end close/accrual period to ensure all staff has an understanding of the financial statement preparation process as it relates to their respective areas, as well as, the financial impact of recording all transactions in accordance with generally accepted accounting principles (GAAP).

4) Review monthly all open encumbrances and communicate with the related program areas to ensure accurate and timely recording of obligations.

5) Notify program areas of the importance of their role in ensuring that all obligations are accurately recorded and encumbered. Also emphasize the importance of timely and accurate reporting of related liabilities.

6) Provide updated procedures in a centrally and easily accessible location for everyone to access for reference and instruction.

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Finding Control Number: FS-419-11-04

EXPENSES/EXPENDITURES AND LIABILITIES; FINANCIAL REPORTING AND DISCLOSURE

Benefits Payable at State Health Benefit Plan (SHBP) and Fiduciary Funds of the Department of Community Health

The Department of Community Health concurs with this finding. The Department of Community Health has implemented a UHC paid claims action plan which includes the following:

I. Purpose

The purpose is to provide guidance on how claims are paid, how claims are recorded, and how the claims payable account is reconciled.

II. Procedures

A. United Healthcare (UHC) submits an electronic (email) daily request for claims that are paid to members and providers of the State Health Benefit Plan (SHBP).

B. SHBP processes a daily wire, via online banking, to fully fund the claims requested amount.

C. The daily request from UHC contains a claim breakdown by their customer plan code, these plan codes correspond to SHBP fund source codes.

D. The SHBP accountant enters the daily amounts of each UHC plan code into a spreadsheet. This spreadsheet contains the corresponding SHBP fund source codes.

E. The SHBP accountant does a monthly reconciliation against the monthly UHC claims paid report and verifies against the monthly SHBP cashbook total.

F. Any discrepancies are reported to UHC for resolution. Any reconciling items are noted on the UHC claims paid spreadsheet.

G. Once the SHBP cashbook and the UHC spreadsheet are reconciled, a monthly journal voucher is prepared to debit accounts payable and credit the cash account per fund sources.

H. When claims are issued, a separate journal voucher is prepared to debit expense and credit accounts payable.

III. Scope of Issue

A. A few of the fund sources for the UHC payable account have a debit balance.

B. In fiscal year 2008, a fiduciary fund was created for other postemployment benefits (OPEB). This was the primary reason for the debit UHC payable account balance (reference: IV A below).

C. Also in 2008, there was a reporting issue from the United Healthcare (UHC) Health Reimbursement Account (HRA) claims system that did not match every customer plan code to a specific SHBP fund source code (reference: IV B and C below).

IV. Corrective Action

A. An adjustment was done to credit the payable account in the fiduciary fund for claims that were issued in the enterprise fund. An allocation of claims issued in fiscal year 2008 was used to determine the adjustment amounts.

B. HRA claims that are paid are now allocated to a fund source using the amounts of the HRA claims that are issued for each month.

C. SHBP and UHC are currently working on a process to match HRA claims that are paid to the HRA claims that issued on a one to one basis.

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Finding Control Number: FS-419-11-05

FINANCIAL REPORTING AND DISCLOSURE

Controls Over Processes Performed at Service Organizations

The Department of Community Health concurs with this finding. The Department of Community Health's senior management is evaluating possible options for corrective actions. During FY 2012, the Department of Community Health is considering assigning the following responsibility to the "business owner" of each contract for which an Statement on Standards for Attestation Engagements (SSAE) 16 is applicable to document the Department of Community Health control activity relevant to each "user control" subject listed in the SSAE 16 report.

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Finding Control Number: FS-419-11-100

THE BUDGET

Inaccurate Statutory (Budgetary) Basis Financial Statements

The finding is the result of an error within PeopleSoft during 2010 year-end closing.

A journal voucher to credit expenses for Emergency Preparedness was included in the batch that was in error. As a result, financial services thought the journal did not post within PS, and recorded the adjustment to expense as a financial statement adjustment. Later it was noted that the original voucher did post to the general ledger, resulting in expenses being credited twice in 2010. Due to the double booking of an expense credit, the funds were surplus back to the state in 2010. Both journals were recorded as reversing journal vouchers. The reversal of both journal vouchers in FY 2011 caused a budget shortfall for Emergency Preparedness.

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GOVERNOR, OFFICE OF THE

Finding Control Number: FS-422-11-01

EXPENSES/EXPENDITURES AND LIABILITIES

Questionable Payments of Employees' Monthly Parking Fees

One of the federal grants involved provided specific approval for payment of parking fees. Other federal grants did not go into as much detail and subsequently approval remains undetermined for these costs. The Office for Children and Families will contact the cognizant federal programs and seek clarification on the payment of parking for their agency. Within a reasonable time frame, OCF will re-submit the proper documentation to audits to resolve the outstanding question on the use of federal funds for parking.

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HUMAN SERVICES, DEPARTMENT OF

Finding Control Number: FA-427-11-01

ALLOWABLE COST / COST PRINCIPLES

Questionable computer purchases with TANF ARRA funds

DHS Response and Corrective Action:

DHS does not concur with the Finding

DHS contracted with United Way to administer the Fresh Start project in Georgia. During contract development, United Way requested additional computer equipment to be used by temporary staff assigned to processing the expected large number of applications received at locations across the state. DHS agreed to include in the administrative funding portion of the contract, funds to be used to acquire these computers. DHS is required by state purchasing policy to lease or purchase computers for state use through the GETS contract administered by the Georgia Technology Authority (GTA). DHS reviewed GTA guidelines as well as guidance published by the State Accounting Office (SAO) and the Department of Administrative Services (DOAS) and did not identify any policies which prevent the practice of reimbursing sub-recipient contractors for the cost of computers purchased for use in administering contractual activities. Indeed, DOAS policy provides guidance on just how agencies must account for computer equipment purchased under contract and reimbursed by the state. The guidance related to leasing equipment under the GETS contract pertains to State agencies, not private not-for-profit agencies contracting with the state. Small-value computer equipment not subject to the federal or state capitalization requirements (over $5,000) are expensed as acquired. The average cost of each of the computers purchased was approximately $900.00.

DHS has begun the process of recovering the purchased computers from United Way. Once recovered, each computer will be added to the state property management system and evaluated for continued use. If the cost of refreshing the computers, wiping the hard drives and reloading the state-approved operating systems and applications does not exceed the remaining useful-life value of the computers, they will be reassigned to DHS use in TANF or other federally funded programs, with the refreshment and other ongoing maintenance costs charged to the appropriate benefitting funding source as required.

The Questioned Costs of $13,534.26 identified in the Audit Finding were validly charged as federally reimbursable costs.

AUDITOR CONCLUDING REMARKS:

Auditors requested and expected complete documentation of all aspects on the program including any monitoring. Audit work performed and conclusions reached were based on documentation provided by the Department of Human Services.

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Finding Control Number: FA-427-11-02

SUBRECIPIENT MONITORING-ALLOWABLE COST/COST PRINCIPLES

Questionable benefit payments in excess of program limits

DHS Response and Corrective Action:

DHS partially concurs with the Finding

DHS contracted with United Way to implement the Fresh Start project due to the agency's long history of effective administration of social benefits programs. We believe that United Way acted in a reasonable and diligent manner in administering the Fresh Start Program which ultimately served approximately 17,000 Georgia households in emergency utility and housing benefits.

DHS acknowledges that the IT system controls in place at United Way were not completely effective at identifying possible duplicate payments when either clients or temporary staff entered inconsistent or duplicated information into the application and eligibility system. Manual controls such as training, supervisory approval and adequate documentation also failed in some cases to prevent duplicate or excessive payments due to the overwhelming number of needy families who applied for benefits during the closing two months of the program. Of the forty-nine cases identified by the auditors as having been granted benefits in excess of the $3,000 established limits, twenty-one (21) had benefits excesses ranging from $2.00 to $300.00. The remaining twenty-eight cases with benefits excesses ranging from $300.01 to $4,656.81 have been referred to the Department's Office of Inspector General for investigation. Any funding recovered as a result of these investigations will be forwarded to the federal TANF awarding agency.

Prior to and throughout the entire administration of the Fresh Start project, DHS conducted extensive sub-recipient monitoring. DHS ARRA and DFCS staff assisted in the development of and reviewed the training provided to United Way staff. DHS ARRA staff including the ARRA Program Manager participated in weekly meeting with United Way staff to review outcomes and identify risks. DHS staff participated in many of the local Fresh Start application workshops. During those workshops, DHS provided training, monitoring and IT support to United Way staff and emphasized the importance of diligence in administering the program. In addition, DHS monitoring staff conducted field visits to United Way locations and sampled completed applications and case files for compliance with program requirements.

The Fresh Start project has been completed and there are no current plans to implement any similar projects. This Audit Finding will be retained for risk identification and mitigation reference should any similar benefits program be implemented in the future.

The Questioned Costs of $43,111.87 identified in the Audit Finding were validly charged as federally reimbursable costs.

AUDITOR CONCLUDING REMARKS:

Based on the short-term intended use (two months) of the computers by the United Way, DHS should have leased the computers through the GETS program through the Georgia Technology Authority at a substantial savings to the program. As is evidenced by the fact that DHS is currently in the process of recovering the computers for future use, it is our contention that the computers were/are the property of the State of Georgia and subject to the GETS program.

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Finding Control Number: FA-427-11-03

MATCHING LEVEL OF EFFORT, EARMARKING

Internal Control Deficiency

DHS Response and Corrective Action:

DHS concurs with the Finding

This Finding identifies required audit testing that the auditors were unable to accomplish due to a necessary reliance on Federal reports cited as deficient in Finding # FA-427-11-10. Corrective actions implemented in response to that Finding should also serve to address this one.

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Finding Control Number: FA-427-11-04

MATCHING LEVEL OF EFFORT, EARMARKING

Internal Control Deficiency

DHS Response and Corrective Action:

DHS concurs with the Finding

This Finding identifies required audit testing that the auditors were unable to accomplish due to a necessary reliance on Federal reports cited as deficient in Finding # FA-427-11-13. Corrective actions implemented in response to that Finding should also serve to address this one.

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Finding Control Number: FA-427-11-05

MATCHING LEVEL OF EFFORT, EARMARKING

Internal Control Deficiency

DHS Response and Corrective Action:

DHS concurs with the Finding

This Finding identifies required audit testing that the auditors were unable to accomplish due to a necessary reliance on Federal reports cited as deficient in Finding # FA-427-11-12. Corrective actions implemented in response to that Finding should also serve to address this one.

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Finding Control Number: FA-427-11-06

MATCHING LEVEL OF EFFORT, EARMARKING

Internal Control Deficiency

DHS Response and Corrective Action:

DHS concurs with the Finding

This Finding identifies required audit testing that the auditors were unable to accomplish due to a necessary reliance on Federal reports cited as deficient in Finding # FA-427-11-11. Corrective actions implemented in response to that Finding should also serve to address this one.

Contact Person: Luz Hunter
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Finding Control Number: FA-427-11-07

MATCHING LEVEL OF EFFORT, EARMARKING

Internal Control Deficiency

DHS Response and Corrective Action:

DHS concurs with the Finding

This Finding identifies required audit testing that the auditors were unable to accomplish due to a necessary reliance on Federal reports cited as deficient in Finding # FA-427-11-15. Corrective actions implemented in response to that Finding should also serve to address this one.

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Finding Control Number: FA-427-11-08

MATCHING LEVEL OF EFFORT, EARMARKING

Internal Control Deficiency

DHS Response and Corrective Action:

DHS concurs with the Finding

This Finding identifies required audit testing that the auditors were unable to accomplish due to a necessary reliance on Federal reports cited as deficient in Finding # FA-427-11-14. Corrective actions implemented in response to that Finding should also serve to address this one.

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Finding Control Number: FA-427-11-09

PROGRAM INCOME

Internal Control Deficiency

DHS Response and Corrective Action:

DHS concurs with the Finding.

This Finding identifies required audit testing that the auditors were unable to accomplish due to a necessary reliance on Federal reports cited as deficient in Finding # FA-427-11-10. Corrective actions implemented in response to that Finding should also serve to address this one.

Contact Person: Luz Hunter
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Finding Control Number: FA-427-11-10

REPORTING

Internal Control Deficiency

DHS concurs with the Finding.

DHS has taken the following steps to improve the controls over federal reporting compliance:
1. Journal preparations were standardized across DHS division.
2. An electronic Journal Entry Request process has been initiated with agency-wide implementation to be completed by March 31, 2012.
3. Standardization of the journal entry process also requires JEs be supported with documentation that clearly shows evidence leading to the decision to request the correcting journal.
4. The GL427X44N Trial Balance by Funding Source Detail will be included for all reports submitted to the feds.
5. DHS Divisions personnel were trained on the above JE Process.
6. Accountants now provide the Grants Manager weekly. The Grants Manager,and CFO tracks weekly updates. The status is also reviewed with the CFO. The status reports the identifies the number and percentage of federal financial status reports that were:
a. Completed on time and supported by the accounting records,
b. Completed on time but not supported by the accounting records,
c. Submitted with work-paper adjustments and tracks the percentage of these adjustments as they are posted in the general ledger,
d. Comments are included on the scoreboard when necessary.
7. Grant Accountants will prepare journals and post work-paper adjustment to the general ledger upon receipt of the divisions' review and approval of the financial status report.
8. Clear concise explanations will be if identify and/or justify reconciling item were accurately calculated and supported by the accounting records.
9. Reconciling items are numbered and include the JE number used to post items in the general ledger.
10. The number and status of reconciling items identified on the reconciliation is provided weekly to the Grant Manager.
11. The two-page GMS Routing form was re-designed.
12. A signature line was added for the Director of OFS as final approval on financial status report being submitted.
13. All signature lines are in clear view thereby eliminating a missing signature.
14. A detailed schedule of financial awards was established to document award specific information.

Our expectation is that these control improvements, unless otherwise noted above, will be effective in eliminating or substantially mitigating the audit deficiencies noted, beginning with the December 31, 2011 quarterly reporting period. The DHS OIG Internal Audit Unit will begin monitoring these processes at that time and will report quarterly to management on effectiveness.

Contact Person: Luz Hunter
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Finding Control Number: FA-427-11-11

REPORTING

Internal Control Deficiency

DHS concurs with the Finding.

DHS has taken the following steps to improve the controls over federal reporting compliance:
1. Journal preparations were standardized across DHS division.
2. An electronic Journal Entry Request process has been initiated with agency-wide implementation to be completed by March 31, 2012.
3. Standardization of the journal entry process also requires JEs be supported with documentation that clearly shows evidence leading to the decision to request the correcting journal.
4. The GL427X44N Trial Balance by Funding Source Detail will be included for all reports submitted to the feds.
5. DHS Divisions personnel were trained on the above JE Process.
6. Accountants now provide the Grants Manager weekly. The Grants Manager,and CFO tracks weekly updates. The status is also reviewed with the CFO. The status reports the identifies the number and percentage of federal financial status reports that were:
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9. Reconciling items are numbered and include the JE number used to post items in the general ledger.
10. The number and status of reconciling items identified on the reconciliation is provided weekly to the Grant Manager.
11. The two-page GMS Routing form was re-designed.
12. A signature line was added for the Director of OFS as final approval on financial status report being submitted.
13. All signature lines are in clear view thereby eliminating a missing signature.
14. A detailed schedule of financial awards was established to document award specific information.

Our expectation is that these control improvements, unless otherwise noted above, will be effective in eliminating or substantially mitigating the audit deficiencies noted, beginning with the December 31, 2011 quarterly reporting period. The DHS OIG Internal Audit Unit will begin monitoring these processes at that time and will report quarterly to management on effectiveness.

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Finding Control Number: FA-427-11-12

REPORTING

Internal Control Deficiency

DHS concurs with the Finding.

DHS has taken the following steps to improve the controls over federal reporting compliance:
1. Journal preparations were standardized across DHS division.
2. An electronic Journal Entry Request process has been initiated with agency-wide implementation to be completed by March 31, 2012.
3. Standardization of the journal entry process also requires JEs be supported with documentation that clearly shows evidence leading to the decision to request the correcting journal.
4. The GL427X44N Trial Balance by Funding Source Detail will be included for all reports submitted to the feds.
5. DHS Divisions personnel were trained on the above JE Process.
6. Accountants now provide the Grants Manager weekly. The Grants Manager,and CFO tracks weekly updates. The status

is also reviewed with the CFO. The status reports the identifies the number and percentage of federal financial status reports that were:
a. Completed on time and supported by the accounting records,
b. Completed on time but not supported by the accounting records,
c. Submitted with work-paper adjustments and tracks the percentage of these adjustments as they are posted in the general ledger,
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7. Grant Accountants will prepare journals and post work-paper adjustment to the general ledger upon receipt of the divisions' review and approval of the financial status report.
8. Clear concise explanations will be if identify and/or justify reconciling item were accurately calculated and supported by the accounting records.
9. Reconciling items are numbered and include the JE number used to post items in the general ledger.
10. The number and status of reconciling items identified on the reconciliation is provided weekly to the Grant Manager.
11. The two-page GMS Routing form was re-designed.
12. A signature line was added for the Director of OFS as final approval on financial status report being submitted.
13. All signature lines are in clear view thereby eliminating a missing signature.
14. A detailed schedule of financial awards was established to document award specific information.

Our expectation is that these control improvements, unless otherwise noted above, will be effective in eliminating or substantially mitigating the audit deficiencies noted, beginning with the December 31, 2011 quarterly reporting period. The DHS OIG Internal Audit Unit will begin monitoring these processes at that time and will report quarterly to management on effectiveness.

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Finding Control Number: FA-427-11-13

REPORTING

Internal Control Deficiency

DHS concurs with the Finding.

DHS has taken the following steps to improve the controls over federal reporting compliance:
1. Journal preparations were standardized across DHS division.
2. An electronic Journal Entry Request process has been initiated with agency-wide implementation to be completed by March 31, 2012.
3. Standardization of the journal entry process also requires JEs be supported with documentation that clearly shows evidence leading to the decision to request the correcting journal.
4. The GL427X44N Trial Balance by Funding Source Detail will be included for all reports submitted to the feds.
5. DHS Divisions personnel were trained on the above JE Process.
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a. Completed on time and supported by the accounting records,
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10. The number and status of reconciling items identified on the reconciliation is provided weekly to the Grant Manager.
11. The two-page GMS Routing form was re-designed.
12. A signature line was added for the Director of OFS as final approval on financial status report being submitted.
13. All signature lines are in clear view thereby eliminating a missing signature.
14. A detailed schedule of financial awards was established to document award specific information.

Our expectation is that these control improvements, unless otherwise noted above, will be effective in eliminating or substantially mitigating the audit deficiencies noted, beginning with the December 31, 2011 quarterly reporting period. The DHS OIG Internal Audit Unit will begin monitoring these processes at that time and will report quarterly to management on effectiveness.

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Finding Control Number: FA-427-11-14

REPORTING

Internal Control Deficiencies

DHS concurs with the Finding.

DHS has taken the following steps to improve the controls over federal reporting compliance:
1. Journal preparations were standardized across DHS division.
2. An electronic Journal Entry Request process has been initiated with agency-wide implementation to be completed by March 31, 2012.
3. Standardization of the journal entry process also requires JEs be supported with documentation that clearly shows evidence leading to the decision to request the correcting journal.
4. The GL427X44N Trial Balance by Funding Source Detail will be included for all reports submitted to the feds.
5. DHS Divisions personnel were trained on the above JE Process.
6. Accountants now provide the Grants Manager weekly. The Grants Manager,and CFO tracks weekly updates. The status is also reviewed with the CFO. The status reports the identifies the number and percentage of federal financial status reports that were:
a. Completed on time and supported by the accounting records,
b. Completed on time but not supported by the accounting records,
c. Submitted with work-paper adjustments and tracks the percentage of these adjustments as they are posted in the general ledger,
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9. Reconciling items are numbered and include the JE number used to post items in the general ledger.
10. The number and status of reconciling items identified on the reconciliation is provided weekly to the Grant Manager.
11. The two-page GMS Routing form was re-designed.
12. A signature line was added for the Director of OFS as final approval on financial status report being submitted.
13. All signature lines are in clear view thereby eliminating a missing signature.
14. A detailed schedule of financial awards was established to document award specific information.

Our expectation is that these control improvements, unless otherwise noted above, will be effective in eliminating or substantially mitigating the audit deficiencies noted, beginning with the December 31, 2011 quarterly reporting period. The DHS OIG Internal Audit Unit will begin monitoring these processes at that time and will report quarterly to management on effectiveness.

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Finding Control Number: FA-427-11-15

REPORTING

Internal Control Deficiencies

DHS concurs with the Finding.

DHS has taken the following steps to improve the controls over federal reporting compliance:
1. Journal preparations were standardized across DHS division.
2. An electronic Journal Entry Request process has been initiated with agency-wide implementation to be completed by March 31, 2012.
3. Standardization of the journal entry process also requires JEs be supported with documentation that clearly shows evidence leading to the decision to request the correcting journal.
4. The GL427X44N Trial Balance by Funding Source Detail will be included for all reports submitted to the feds.
5. DHS Divisions personnel were trained on the above JE Process.
6. Accountants now provide the Grants Manager weekly. The Grants Manager,and CFO tracks weekly updates. The status is also reviewed with the CFO. The status reports the identifies the number and percentage of federal financial status reports that were:
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b. Completed on time but not supported by the accounting records,

c. Submitted with work-paper adjustments and tracks the percentage of these adjustments as they are posted in the general ledger,
d. Comments are included on the scoreboard when necessary.
7. Grant Accountants will prepare journals and post work-paper adjustment to the general ledger upon receipt of the divisions' review and approval of the financial status report.
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11. The two-page GMS Routing form was re-designed.
12. A signature line was added for the Director of OFS as final approval on financial status report being submitted.
13. All signature lines are in clear view thereby eliminating a missing signature.
14. A detailed schedule of financial awards was established to document award specific information.

Our expectation is that these control improvements, unless otherwise noted above, will be effective in eliminating or substantially mitigating the audit deficiencies noted, beginning with the December 31, 2011 quarterly reporting period. The DHS OIG Internal Audit Unit will begin monitoring these processes at that time and will report quarterly to management on effectiveness.

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Finding Control Number: FA-427-11-16

REPORTING

Internal Control Deficiency/Noncompliance with Federal Program Regulation

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS is reviewing the federal requirements for the submission of Form SF-425 and will develop procedures to ensure that the report is completed timely and accurately as required.

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Finding Control Number: FA-427-11-17

REPORTING

Internal Control Deficiency

DHS Response and Corrective Action:

DHS concurs with the Finding

This Finding identifies required audit testing that the auditors were unable to accomplish due to a necessary reliance on Federal reports cited as deficient in Finding # FA-427-11-11. Corrective actions implemented in response to that Finding should also serve to address this one.

Contact Person: Luz Hunter
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Finding Control Number: FA-427-11-18

REPORTING

Internal Control Deficiency/Noncompliance with Federal Program Regulations

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS will take the following actions to ensure that the estimated amount reported on the Carryover and Re-allotment report is calculated accurately, supported by accounting records, and is reviewed and approved before submission to the federal grantor agency:

The LIHEAP Program Analyst will obtain the Estimated Federal Funds Availability Report numbers from the DFCS Budget Office, which will be used to complete the carryover and Re-allotment Report. The Estimated Federal Funds Availability Report numbers supplied by the Budget Office will be reviewed and approved by the Budget Manager prior to being accepted by the LIHEAP Program Analyst for use in compiling the report. Additionally, the numbers in the Estimated Federal Funds Availability Report will be traceable to sources such as the Agency's Accounting System (PeopleSoft), Funding Source Management-Expense w/o Encumbrance General Ledger Report, Balance Sheet entries and Grant Award documents. This process will be implemented immediately for the FFY 2012 reporting period.

Contact Person: Luz Hunter
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Finding Control Number: FA-427-11-19

REPORTING

Required Transparency Act Reports Not Filed

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS will review existing contracts and complete the reporting requirements for existing contracts within 60 days. DHS will develop internal processes to improve the internal controls to complete reporting as required by the Federal Funding Accountability and Transparency Act (FFATA). Some of the steps will include a designation of FFATA on the information sheet for all contracts, maintaining an inventory of contracts requiring FFATA reporting, establishing reporting responsibilities in the contract management process and performance metrics to track completion of the reporting requirements within the reporting time frames. We will also establish processes for determining the reporting requirements for each sub award contract and means of gathering the necessary reporting data.

Contact Person: Luz Hunter
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Finding Control Number: FA-427-11-20

REPORTING

Required Transparency Act Report Not Filed

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS will review existing contracts and complete the reporting requirements for existing contracts within 60 days. DHS will develop internal processes to improve the internal controls to complete reporting as required by the Federal Funding Accountability and Transparency Act (FFATA). Some of the steps will include a designation of FFATA on the information sheet for all contracts, maintaining an inventory of contracts requiring FFATA reporting, establishing reporting responsibilities in the contract management process and performance metrics to track completion of the reporting requirements within the reporting time frames. We will also establish processes for determining the reporting requirements for each sub award contract and means of gathering the necessary reporting data.

Contact Person: Luz Hunter
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Finding Control Number: FA-427-11-21

REPORTING

Required Transparency Act Reports Not Filed

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS will review existing contracts and complete the reporting requirements for existing contracts within 60 days. DHS will develop internal processes to improve the internal controls to complete reporting as required by the Federal Funding Accountability and Transparency Act (FFATA). Some of the steps will include a designation of FFATA on the information sheet for all contracts, maintaining an inventory of contracts requiring FFATA reporting, establishing reporting responsibilities in the contract management process and performance metrics to track completion of the reporting requirements within the reporting time frames. We will also establish processes for determining the reporting requirements for each sub award contract and

means of gathering the necessary reporting data.

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Finding Control Number: FA-427-11-22

SUBRECIPIENT MONITORING

Internal Control Deficiency/Noncompliance with Federal Program Regulations

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS is currently reviewing the requirements cited in this Finding. Controls will be established to ensure that the deficiencies noted in the Finding are adequately addressed.

Contact Person: Luz Hunter
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Finding Control Number: FA-427-11-23

SUBRECIPIENT MONITORING

Failure to Monitor TANF ARRA Subrecipients

DHS Response and Corrective Action:

DHS does not concur with this Finding

Prior to and throughout the entire administration of the Fresh Start project, DHS conducted extensive sub-recipient monitoring. DHS ARRA and DFCS staff assisted in the development of and reviewed the training provided to United Way staff. DHS ARRA staff including the ARRA Program Manager participated in weekly meeting with United Way staff to review outcomes and identify risks. DHS staff participated in many of the local Fresh Start application workshops. During those workshops, DHS provided training, monitoring and IT support to United Way staff and emphasized the importance of diligence in administering the program. In addition, DHS monitoring staff conducted field visits to United Way locations and sampled completed applications and case files for compliance with program requirements. The Teen Work program was managed primarily in-house, with the Georgia Department of Labor managing a portion of the program under contract. Monitoring of the Department of Labor activities primarily consisted of meeting between staff of the two agencies and DHS review of invoices.

This is one of several Findings which we believe to be the result of poor communications between the auditors and DHS staff. We will be providing additional training for staff who are contacted by the auditors to ensure that they recognize when the auditors should be referred to DHS management for purposes of clarity. We will also be working with the auditors to develop improved communications regarding potential deficiencies noted during fieldwork.

AUDITOR CONCLUDING REMARKS:

At the beginning of fieldwork, the auditor asked the Audit Contact for the contact information of the TANF ARRA Program Director. The auditor met with The Program Director to outline the testing requirements. The Program Director then set up a meeting with the Auditor and all of the Program Managers of the Teen Work, Fresh Start, and Education 2010 TANF ARRA Programs. The email appointment for the meeting was sent to the Managers and the Audit Contact. When the meeting was held, none of the individuals who were in attendance could provide any information on Subrecipient Monitoring Activities that were performed by DHS for any of the TANF ARRA Programs.

Additionally the auditor contacted the Assistant Director of DHS Office of Financial Services as well as the Manager responsible for the Federal Reporting requirement for the TANF ARRA programs. Neither of them could provide any information on any Subrecipient Monitoring Activities that were performed by DHS for any of the TANF ARRA Programs. The Office of Financial Services personnel stated that the only other person they could think of, who might know about the monitoring activities, was the DFCS Audit Compliance Manager.

The auditor then contacted the DFCS Audit Compliance Manager who informed the auditor that Subrecipient Monitoring had only been performed for the Education 2010 program. He stated that he was unaware of any subrecipient monitoring activities that were performed for the Fresh Start or Teen Work Programs.

Based upon the multiple inquires of DHS s personnel, the Auditor determined that no subrecipient monitoring activities were performed by DHS for the TANF ARRA Teen Work and Fresh Start Programs.

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Finding Control Number: FA-427-11-24

SPECIAL TESTS AND PROVISIONS, SUBRECIPIENT MONITORING

Failure to Accurately Report Amounts on the Schedule of Expenditures of Federal Awards

DHS Response and Corrective Action:

DHS concurs with this Finding

DHS has developed an improved procedure for recording required information for the Schedule of Expenditures of Federal Awards. Those procedures are in place and operational. DHS is evaluating the specific discrepancies noted in the Finding and will adjust our procedures accordingly.

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Finding Control Number: FA-427-11-25

SPECIAL TESTS AND PROVISIONS

Internal Control Deficiency

DHS Response and Corrective Action:

DHS concurs with the Finding

This Finding identifies required audit testing that the auditors were unable to accomplish due to a necessary reliance on Federal reports cited as deficient in Finding # FA-427-11-11. Corrective actions implemented in response to that Finding should also serve to address this one.

Contact Person: Luz Hunter
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Finding Control Number: FA-427-11-26

SPECIAL TESTS AND PROVISIONS

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

DHS Response and Corrective Action:

DHS partially concurs with the Finding

Our internal evaluation of the Finding reveals that except in one of the instances of case file documentation not agreeing with $TARS, the case deficiencies noted in the Finding resulted from an incomplete understanding of program procedures by the auditors, and the failure of DHS staff to recognize that gap in understanding.

This is one of several Findings which we believe to be the result of poor communications between the auditors and DHS staff. We will be providing additional training for staff who are contacted by the auditors to ensure that they recognize when the auditors should be referred to DHS management for purposes of clarity. We will also be working with the auditors to develop improved communications regarding potential deficiencies noted during fieldwork. This issue has become more problematic as the audit timeline has been truncated, with DHS management only having access to potential Findings after the opportunity for clarification has passed.

AUDITOR CONCLUDING REMARKS:

During fieldwork, DHS was given the opportunity to review all of the errors noted which caused the finding and to provide any additional documentation which might resolve those errors. At that time, documentation was received from DHS personnel, and the finding was adjusted accordingly. It was not until after fieldwork was completed, that DHS informed the auditor that additional documentation was available for the remaining errors. Because of the deadlines in place related to our audit of the State s Comprehensive Annual Financial Report and Single Audit Report which DHS was aware of, the additional documentation could not be reviewed.

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Finding Control Number: FA-427-11-27

SPECIAL TESTS AND PROVISIONS

Failure to Monitor Health and Safety Requirements

DHS Response and Corrective Action:

DHS partially concurs with the Finding

The CCDF Program does monitor providers managed by DECAL to ensure health and safety requirements are met. The monitoring efforts were performed by the CCDF Program Unit and can be substantiated through the review of the following documents which are on file within the CCDF Unit: Quarterly Provider File Audit 2011, DECAL Monitoring Annual plan Sample 2011 and Project 9 Provider Listing.

During the audit, supporting documentation and evidence of monitoring activity was provided to the auditors, but was not accepted. Auditors indicated that the information had not been provided timely.

This is one of several Findings which we believe to be the result of poor communications between the auditors and DHS staff. We will be providing additional training for staff who are contacted by the auditors to ensure that they recognize when the auditors should be referred to DHS management for purposes of clarity. We will also be working with the auditors to develop improved communications regarding potential deficiencies noted during fieldwork. This issue has become more problematic as the audit timeline has been truncated, with DHS management only having access to potential Findings after the opportunity for clarification has passed.

AUDITOR CONCLUDING REMARKS:

DHS was given a deadline to submit documentation to support the monitoring function. At that time, DHS told the auditors that they could not provide anything. It was not until after fieldwork had been completed, that DHS informed the auditor that they did have documentation available for review. Because of the deadlines in place related to our audit of the State s Comprehensive Annual Financial Report and Single Audit Report which DHS was aware of, the documentation could not be reviewed.

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Finding Control Number: FS-427-11-01

GENERAL LEDGER, EXPENSE/EXPENDITURES AND LIABILITIES, ACCOUNTING CONTROLS- OVERALL

Failure to Reconcile TANF Subsidiary Systems to PeopleSoft

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS is now performing this reconciliation regularly. This reconciliation is a part of the Quarterly Accounts payable Close Checklist. Reconciliations will include SMILE, UAS and PeopleSoft reports. This reconciliation will compare all three systems and note any differences that need to be addressed, along with noting timing differences. At state fiscal year-end, a Year in Total reconciliation will be completed comparing the same reports.

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Finding Control Number: FS-427-11-02

GENERAL LEDGER, EXPENSE/EXPENDITURES AND LIABILITIES, ACCOUNTING CONTROLS - OVERALL

Failure to Adequately Reconcile Child Care Subsidiary Systems to PeopleSoft

DHS Response and Corrective Action:

DHS partially concurs with the Finding

DHS OFS completed monthly reconciliations from reports run from the Maximus system by a Maximus Representative, as

instructed during the FY 2010 audit. During the FY 2011 audit, DHS OFS was informed that Maximus reports should be obtained directly from the Maximus system and not from a Maximus representative.

DHS does not currently have the ability to run a report that can be used to reconcile the Maximus system to the PeopleSoft general ledger. DHS OFS and the Childcare program are working with Maximus to get a report available for DHS by April 2012. Upon completion of the report, DHS OFS Accounts Payable will reconcile the Maximus system to the PeopleSoft general ledger based upon reports accessible in both systems. The Maximus Reconciliation is a part of the Monthly Accounts Payable Close Checklist. At state fiscal year end, a Year in Total reconciliation will be completed.

AUDITOR CONCLUDING REMARKS:

The Auditor was provided with raw data from the Maximus system for eligibility testing in the Childcare program, by the DHS IT department. The auditor compared that total to the amount recorded in the general ledger. The Auditor noted a significant variance, and asked for the reconciliations performed by DHS. It was noted that the report from Maximus being used by DHS for the reconciliation did not agree to the data from the Maximus system that provided by the IT Department. DHS could not provide an explanation for this discrepancy. It was, therefore, determined that the Maximus reconciliation performed by DHS was not adequate.

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Finding Control Number: FS-427-11-03

EQUITY AND FINANCIAL STATEMENT RECONCILIATION, GENERAL LEDGER, ACCOUNTING CONTROLS-OVERALL

Unsubstantiated Other Reserves Balance

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS has contracted with an accounting firm to manage a process for identifying, documenting and adjusting prior year fund balances, including Other Reserve Balances. This work is expected to be completed prior to June 30, 2012.

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Finding Control Number: FS-427-11-04

BUDGET, EXPENSES/EXPENDITURES AND LIABILITIES, ACCOUNTING CONTROLS-OVERALL

Inadequate Journal Entry Documentation

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS continues to work with the auditors to understand what forms of documentation meet audit standards. DHS is currently reviewing all journal entries for proper documentation and is re-working those that may be initially inadequately documented. In addition, process improvement projects designed to reduce the number of routine journal entries need to manage operations, are being explored and implemented.

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Finding Control Number: FS-427-11-05

GENERAL LEDGER

Ending Balances in Balance Sheet Clearing Accounts

DHS Response and Corrective Action: 5

DHS concurs with the Finding

DHS has contracted with an accounting firm to manage a process for identifying, documenting and adjusting prior year fund balances, including Clearing Account Balances. This work is expected to be completed prior to June 30, 2012.

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Finding Control Number: FS-427-11-06

GENERAL LEDGER

Federal Program Fund Balances

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS has contracted with an accounting firm to manage a process for identifying, documenting and adjusting prior year fund balances, including fund balances by fund source. Improvements are underway in ensuring the appropriate documentation and approval of journal entries, as described in the response to Finding # FS-427-11-04. Business processes are being evaluated against the recommendations made by the auditors. Where appropriate, those recommendations will be included in the current process improvement efforts underway.

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Finding Control Number: FS-427-11-07

REVENUES AND RECEIVABLES, GENERAL LEDGER

Failure to Record Federal Grant Awards in a Timely Manner

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS has implemented procedures for timely recording of Grant Awards once they are received by the Office of Financial Services. Programs have been instructed to contact federal grant awarding agencies to request that Grant Awards be sent to a central address. Currently, many Grant awards are being sent to various different locations and contacts, resulting in delays in recording the awards.

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Finding Control Number: FS-427-11-08

REVENUES AND RECEIVABLES, GENERAL LEDGER

Failure to Reconcile A/R to the General Ledger

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS is currently reviewing the specific deficiencies noted by the auditors. Additional control procedures will be designed and implemented to address this issue.

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Finding Control Number: FS-427-11-09

EXPENSES/EXPENDITURES AND LIABILITIES, GENERAL LEDGER

A/P Reconciliation Inaccurate/incomplete

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS OFS Accounts Payable section receives monthly reconciliations from the DHS OFS General Ledger section. The Accounts Payable Manager will be responsible for ensuring that the AP Sub ledger balances to the general ledger. This is included on the Monthly Accounts payable Close Checklist. All accounts payable outstanding over 60 days are being

researched. Resolution of aged items is to be completed by April 30, 2012. Beginning in May 2012, the Accounts payable Aging report will be reviewed monthly by the A/P Supervisor to resolve any outstanding Accounts Payable > 60 days. This is also included on the Monthly Accounts Payable Close Checklist.

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Finding Control Number: FS-427-11-10

BUDGET, GENERAL LEDGER

Surplus not Calculated at the Legal Level of Budgetary Control

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS has contracted with an accounting firm to manage a process for identifying, documenting and adjusting prior year fund balances, including the accurate use of fund sources. Improvements are underway in ensuring the appropriate documentation and approval of journal entries, as described in the response to Finding # FS-427-11-04. Business processes are being evaluated against the recommendations made by the auditors. Where appropriate, those recommendations will be included in the current process improvement efforts underway.

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Finding Control Number: FS-427-11-100

FINANCIAL REPORTING AND DISCLOSURE, BUDGET, ACCOUNTING CONTROLS-OVERALL

Failure to Certify the Accuracy of the Budgetary Compliance Report

DHS Response and Corrective Action:

DHS concurs with the Finding

The majority of the variances noted by the auditors resulted from immaterial differences generated during the final close-out process. These are being reviewed to determine what steps could have been taken to ensure that no unexpected last minute changes remained unresolved. The $82,349,869.93 cited in the preliminary report as expenditures in excess of authorized budget represented allowable federal expenditures for which the final year-end budget amendment had not been processed in PeopleSoft, but had been submitted to the Office of Planning and Budget, and was subsequently approved. The Federal funds amended in are authorized for continuous appropriation and were available. No state funds were involved.

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Finding Control Number: FS-427-11-11

CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY

Inadequate Bank Reconciliation Procedures

DHS Response and Corrective Action:

DHS concurs with the Finding

During FY 2011, DHS implemented procedures to ensure that all bank reconciliations are completed timely. The issue of old reconciling items remaining to be researched and adjusted remains partially resolved. During FY 2012, DHS has hired additional contracted accounting assistance to address prior year account balances. If contracted resources remain after the prior year balances are adjusted, old bank reconciling items will be prioritized. If contracted resources are fully expended, DHS will continue to work down the old bank reconciling items as current resources allow.

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Finding Control Number: FS-427-11-12

REVENUES AND RECEIVABLES

Inadequate Procedures Over Cash Draws of Federal Grants

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS continues to evaluate improvements in the Cash Draw process. With the assistance of the state auditors and the contracted auditors who perform the CMIA review each year, we are identifying process changes which will improve the performance of the cash management function within DHS. In addition, upstream process deficiencies causing numerous adjusting entries which complicate the draw process are being identified and addressed. We expect to see continued improvement in this process.

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Finding Control Number: FS-427-11-13

EXPENSES/EXPENDITURES AND LIABILITIES

Invalid and Questionable Encumbrances

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS will continue to monitor outstanding encumbrances and take the appropriate actions to close or cancel any that are no longer needed.

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Finding Control Number: FS-427-11-14

EQUITY AND FINANCIAL STATEMENT RECONCILIATIONS

Failure to properly Expense Prior Year Reserves

DHS Response and Corrective Action:

DHS concurs with the Finding

DHS will take steps to revise the procedure for tracking Reserves recorded for pending EEOC claims to ensure that expenses are charged properly to Prior Year Reserves and that any balances which are no longer appropriately retained, are lapsed accordingly.

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Finding Control Number: FS-427-11-15

FINANCIAL REPORTING AND DISCLOSURE

SAS 70 Audit Not Performed on the SMILE System

DHS Response and Corrective Action:

DHS concurs with the Finding

For the Systems and Methods, Inc. 2013 contract year, DHS will require that a SAS 16 Service Organization Audit be performed on the SMILE system and provided to DHS. SAS 16 requirements supersede the SAS 70 requirements that were in effect during FY 2011.

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COURT OF APPEALS

Finding Control Number: FS-432-11-01

ACCOUNTING CONTROLS

Failure to Verify Employment Findings and Questioned Costs

The Court of Appeals failed to e-verify employment eligibility for newly hired employees in FY 2011 through the Federal E-Verify System. We did, however, perform background checks on new hires which included a national identification check (social security number) through the state vendor, Database Systems International. We were unaware of this requirement to e-verify and it had not been brought to our attention the previous year by our auditor. Once we were made notified by our auditor of this requirement, we immediately signed up as a E-Verify Participant. The Court of Appeals has now incorporated e-verification as part of its new hire process. We have been e-verifying new employees since September, 2011.

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LABOR, DEPARTMENT OF

Finding Control Number: FA-440-11-01

ACCOUNTING CONTROLS (OVERALL)

Inadequate Supporting Documentation for Adjusting Journal Entries

We concur with this finding with the following explanation.

This finding is a repeat of Finding FS-440-11-01, except that it is from the perspective of how the Federal Programs listed above may have been affected.

Although the auditors did not formally acknowledge that improvement was made in the area documentation of journal entries, they did verbally communicate such to the Department in meetings. Improvement is evident because only one program was cited in FY 2011 vs. the 3 programs that were cited in FY 2010. The Department acknowledges that there is room for additional improvement in this area and will implement additional procedures to improve this condition in subsequent periods. As was the case in the prior year, the finding addresses only certain fiscal year end closing entries and the full complement of routine journal entries made throughout the fiscal year by the Department. Additionally, the vast majority of funding received by the Department is Federal in nature and audits conducted by various Federal grantors have not have indicated problems with the manner journal entries are documented by the Department.

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Finding Control Number: FA-440-11-02

ACCOUNTING CONTROLS (OVERALL)

Status of Prior Year Finding Materially Misrepresented in the Summary of Prior Year Findings and Questioned Costs

We do not concur with this finding.

The Department disagrees with the Auditor's position on both points cited.

1.) There continues to be a difference of opinion with the State Auditor regarding the status of FA-440-10-02 in which they assert a necessity to replace the current Host system used to process Unemployment Compensation Insurance by the Department as discussed by the State Auditors. See Finding FS-440-11-03 for details regarding the Department's position on this matter.

The U.S. Department of Labor has notified the Department they consider this situation corrected and will seek no further action by the Department concerning this matter based on 29 CFR97.41(b) (2), which does not require grantees to convert their accounting systems to an accrual basis, but must develop such accrual information through an analysis of the documents on hand.

2.) There is a difference of opinion with the State Auditors regarding the Status of FS440-10-03 in which they assert a necessity to change the accounting methodology used by the Department in accounting for Workforce Investment Act (WIA) revenues and expenditures. For control purposes, the Department records revenues and expenditures in its general ledger for contracts in which the Department itself is performing as a sub-recipient. This practice results in isolated cases where certain amounts of revenues and expenditures are overstated in the accounting records. The Department is aware of these overstatements and makes appropriate adjustments when reporting to Federal Agencies. The General Ledger is neither a

financial statement nor a Federal Financial Report and as such the Department disagrees on the appropriateness to change procedures. The Department will continue to ensure amounts reported to external sources and on Federal Reports are formally reconciled to the accounting records.

AUDITOR CONCLUDING REMARKS:

The Department of Labor reported the status of FS-440-10-02 as Significantly Different Corrective Action Implemented, however, our review did not disclose any corrective action implemented. The Department reported the status of FS-440-10-03 as Previously Reported Corrective Action Implemented, however, our review disclosed only partial corrective actions implemented.

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Finding Control Number: FA-440-11-03

ALLOWABLE COST PRINCIPLES
ACTIVITIES ALLOWED OR UNALLOWED
Internal Control Deficiencies /Noncompliance with Federal Regulations

We concur, in part, with the finding with the following explanation:

The auditor cited 13 instances where charges for non-personal services and 17 instances where charges for personal services "did not contain evidence of supervisory approval, in turn failing the test of control for compliance requirement."

In response to the charges for non-personal services, the Department believes that the auditor's use of the term "supervisory approval" is vague in that it indicates the program charges where made with no approval. There was in fact authorization for the purchases and/or expenditures in question. In conversations with the auditor, after being provided with a draft of this finding, the Department learned the auditor's use of "supervisory approval" refers to the back end of the expenditure process in that in the cases indicated, the invoice had no written authorization on its face to pay the item. The 13 instances noted by the auditor are discussed below:

1.) Eight of the items cited were utility bills (sum of $2,249.09) which are routinely paid by the Department. These type expenditures require no formal purchase authorization. However, in processing utility bills received for payment, the Department reviews all bills against a master file of authorized utility account numbers and addresses to ensure the amounts being billed are associated with valid accounts before they are paid. In doing their audit work, the auditors posed no questions to the Department concerning this process. The Department has reviewed the details associated with all 8 items and have determined all items cited were properly paid.

2.) Four of the items cited were invoices (sum of $668.03) paid to Professional Linguistics, Inc. This company routinely provides linguistics services to the Department of Labor to assist in multi-lingual communication requirements of both clients and staff. In each of the four instances noted, the auditors selected one invoice from a batch of multiple invoices for Professional Linguistics, Inc. covered by one approval to pay the entire batch. Because the auditor did not request the entire payment voucher package, he did not see the approval that covered the entire batch of Professional Linguistics Inc. invoices. The auditor posed no questions to the Department concerning this process. The Department has reviewed the details associated with all 4 items and have determined all items cited were properly paid.

3.) One instance was associated with a payment of $25.00 to Oconee Clerk of Superior Court to record a fifa lien. The Department acknowledges this invoice should have been marked "approved for payment" on its face before payment was made. The Department has reviewed the details associated with this item and has determined the payment was, in fact, proper.

In response to the charges for personal services, the Department acknowledges that the original timesheets could not be located for 17 of the 240 personal service charges tested. The Department did replace these timesheets with system generated copies. The Department vows to do a better job in the future maintaining and storing time sheets for audit purposes.

AUDITOR CONCLUDING REMARKS:

Auditors requested and expected complete documentation for all transactions included in the testing of the programs. Audit work performed and conclusions reached were based on documentation provided by the Georgia Department of Labor.

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Finding Control Number: FA-440-11-04

CASH MANAGEMENT

Inadequate Procedures over Cash Draws of Federal Grants

The Vocational Rehabilitation Program has a two year program matching requirement that requires the Department to expend the State's share of required program match on this program in the first year of the two year grant. Because State appropriations cannot be drawn in timely and sufficient amounts to fund this matching requirement, the Department has no alternative than to draw the Federal Vocational Rehabilitation funds in advance of being earned. These funds are then reimbursed when State Funds do become available to pay for the State's share of costs incurred on the program.

Because of these stringent Federal matching requirements, the Department has no means to correct the necessity to drawdown Federal Funds in advance. The Department welcomes input relative to solutions to solve this problem.

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Finding Control Number: FA-440-11-05

ELIGIBILTY

Ineligible Participants Received Benefits under the Adult and Dislocated Worker Program

We concur, in part, with this portion with the following explanation.
Adult Participant
After reviewing the file, GDOL agrees that the adult participant was not eligible for WIA as she was employed at the time of application and her income exceeded the amount allowed per the GMWIB Self-Sufficiency Policy.

GDOL staff reviewed this matter with GMWIB staff in October 2011 to determine how this error was made. It was found that the former director of GMWIB (who is no longer serving in that capacity and was removed as of August 4, 2011) failed to train GMWIB staff on the correct process to determine WIA eligibility for adult participants who are employed at the time of application. Thus, GMWIB staff did not account for income when determining the eligibility of employed adult participants.

To correct this error, GDOL staff provided immediate training to GMWIB staff to correctly determine eligibility for employed adults seeking WIA assistance. Additionally, GDOL ran a report from the Georgia Workforce System and identified two other adult participants who were working at the time of their application with income in excess of the amount allowed per the GMWIB Self-Sufficiency Policy. No additional WIA funding has been provided to these two participants, as well as the participant identified by the State Auditor.

We do not concur with this portion of the finding.
Dislocated Worker Participant
GDOL previously responded to questions from the State Auditor regarding the eligibility of a dislocated worker enrolled by Georgia Mountains in May 2011. It was noted in the GDOL response that this participant took the Compass test at the text school in September 2009 which was more than 12 months prior to the date of her application.

However, the previous response from GDOL did not include all of the Intensive Service activities provided to this participant. The record indicates other Intensive Services, as defined under WIA Section 134(D)(3)(C), were provided to the participant before 7/1/11, the date she began to receive WIA funded training assistance. Specifically, she received additional assessments on 3/28/11, identified an employment goal on her application signed on 4/8/11, and the Customer Service Plan, completed on 5/9/11, indicated the combination of services (e.g. funding for training, books, child care and transportation) needed to achieve her employment goal. Therefore, the participant was eligible to receive WIA funded training assistance. Copies of the supporting documentation are available for review by the State Auditor, upon request.

AUDITOR CONCLUDING REMARKS:

The Department of Labor did not provide any evidence of additional Intensive Service provided to the Dislocated Worker participant when they were requested to do so during audit fieldwork. The conclusion reached was based on the documentation provided, which was expected to be the complete information to determine eligibility for participation in the Dislocated Worker program.

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Finding Control Number: FA-440-11-06

REPORTING

Reports not Reconciled to the Accounting Records

We concur, in part, with this finding, with the following explanation.

The Department acknowledges certain amounts of revenues and expenditures were overstated in the accounting records as previously noted in Finding Control Number FS 440-11-4. This general ledger overstatement is the result of the methodology used by the Department that results in the double counting of revenues and expenditures in situations where the Department itself functions as a fiscal agent or administrative entity rather than passing funds through to an actual grantee. However, because of the particular fund ledgers used in reporting to the Federal Government, the Department correctly reported revenues and expenditures on the 1512 and 9130 Federal Reports. The Department assures there was no duplication of revenues and expenditures in those reports.

The Department is no longer acting as fiscal agent or administrative entity so this will not be a concern in the future.

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Finding Control Number: FA-440-11-07

REPORTING

Required Transparency Act Reports not filed

We concur with this finding.

These were new series of reports and were inadvertently not filed as required. Procedures have been implemented to file these reports on time in the future. The first report was filed January 2012.

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Finding Control Number: FA-440-11-08

SUB-RECIPIENT MONITORING

Failure to Monitor Sub-recipent's Activities throughout the Fiscal Year

We do not concur with this finding.

The statement under the header of 'Condition' that "the Department did not conduct any on-site reviews of sub-recipients during the fiscal year," is not an accurate statement. As correctly stated under the header 'Information,' The Department conducted on-site reviews for a different program, which was administered through the Local Workforce Investment Boards (WIA sub-recipients). However, the Department did not conduct any on-site reviews of WIA sub-recipient activities.

Please note the Department conducted on-site reviews with all 20 local sub-recipients regarding the summer program funded by TANF-ARRA under contract with the Department of Human Services. The same staff involved in monitoring WIA sub-recipients was involved with these reviews, using the instrument developed for WIA, which was slightly adapted for the TANF-ARRA contract and included a review of the same systems as reviewed during WIA on-site monitoring. WIA on-site monitoring resumed in 2011.

AUDITOR CONCLUDING REMARKS:

The Department of Labor clearly states in their response that they did not conduct any on-site reviews of WIA subrecipient activities. The Department did not have sufficient internal controls in place to ensure that the required on-site reviews of WIA subrecipient activities were conducted.

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Finding Control Number: FA-440-11-09

SPECIAL TESTS AND PROVISIONS

Failure to Submit an Accurate Schedule of Expenditures of Federal Awards

We concur with this finding with the following explanation.

The Department submitted a Grant Activity Schedule to the State Auditors which included all Department of Labor grants (Federal, State, and Other) provided by various Governments or other entities. This information was submitted to the Auditors shortly after the Department closed its accounting records for Fiscal year 2011. At the time this information was provided by the Department, it was not purported to be a 'Schedule of Expenditures of Federal Awards', compliant with all federal regulations. Adjusting journal entries, necessary to prepare the Department's annual financial statements, had not been prepared at that time this information was provided.

In the future, the Department will make it clear this preliminary Grant Activity Schedule should not be used or taken by third parties as a Schedule of Expenditures of Federal Awards'. Such required information will be reported to the State Auditors in a separate document clearly labeled: 'Schedule of Federal Financial Awards'.

Procedures will be implemented to ensure that all Federal expenditures are reported on the Schedule of Expenditures of Federal Awards as required. Care will be taken to ensure deficiencies are addressed.

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Finding Control Number: FS-440-11-01

ACCOUNTING CONTROLS (OVERALL)

Inadequate Supporting Documentation for Adjusting Journal Entries

We concur with this finding with the following explanation.
Although the auditors did not formally acknowledge that improvement was made in the area documentation of journal entries, they did verbally communicate this information to the Department in meetings. The Department will continue to work with DOAA to ensure that we meet their standard for journal entry documentation. Enhanced procedures will be implemented to improve this condition. It is important to note here that the finding addresses only certain fiscal year end closing entries and not the full complement of routine journal entries made over the course of the fiscal year by the Department. Additionally, the vast majority of funding received by the Department is Federal (90+ percent) and audits conducted by various Federal grantors have not indicated problems with the manner journal entries are documented by the Department.

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Finding Control Number: FS-440-11-02

ACCOUNTING CONTROLS (OVERALL)

Ineffective Change Management Controls

We concur, in part, with this finding with the following explanation:

In concurring in part, with this finding, the Department wishes to make the following points:

a. The Department agrees that the objective of the change management process is to minimize service downtime and mitigate the risk of inappropriate changes by ensuring that requests for changes are recorded, evaluated, authorized, prioritized, planned, tested, implemented, documented and reviewed in a controlled and consistent manner. We also agree that change management is a necessary process within IT governance.

b. Certain weaknesses may exist, however mitigating controls in place resulted in the immediate resolution of the incident sited in #FS-440-11-6.

c. The Department agrees that certain enhancements will further improve our current process.

d. Document retention is a necessity. Federal regulations require retention of much of our documentation much longer than 18 months. RACF user access information is also retained for greater than 18 months. Change documentation is also retained for greater than 18 months.

The Department currently has a formal Change Management process in place. Our current Change Management Process includes monitoring requests for the following: receipt and validation, testing and approval, scheduling and update (if approved), validation of change after update, periodic assessments to determine that no unauthorized changes have been promoted to production and segregation of access between development and production environments. As a part of our continuous process improvement, we are reviewing the current process to implement additional policies and procedures and additional system edits and controls that will provide an even higher level of security to our data. In August, 2011, the Department reviewed the number of authorized staff with access to promote changes to the production environment. As a result, a minimum number of authorized users were retained to support the critical applications in lieu of an automated tool. If

additional users are needed, they will be added and removed as needed. Modifications to Team Track (tool currently used to support change and configuration management) are in progress that will automate the documentation of required test results and business approval. Mitigating controls such as periodic and consistent monitoring of changes are being enhanced to document that only authorized changes are promoted to production. All change related documentation that provides evidence of authorization, testing and approval will be retained for a period of eighteen (18) months.

AUDITOR CONCLUDING REMARKS:

Documentation provided to the auditors supporting changes to DOL applications did not contain evidence of authorization, testing, or approval prior to migration to production. In addition, the auditor noted segregation of access issues between development and production environments and no process for detecting inappropriate activity. Lack of Management and end-user involvement in the change management process along with lack of segregation of access or monitoring of activity could result in inappropriate changes or changes not supporting the business function being migrated into production.

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Finding Control Number: FS-440-11-03

GENERAL LEDGER

Inadequate General Ledger

We do not concur with this finding.

This finding relates solely to the Unemployment Compensation Insurance program. The statement made by the auditor in the condition part of the finding that "the general ledger utilized by the Department is not adequate due to being basically a set of ongoing cash sheets" is not correct. While cash sheets are a part of information posted to the general ledger, the general ledger also includes all required accrual based entries which result in a set of fiscal year end accrual based financial statements. Additionally, a chart of accounts has been established which defines the contents of all general ledger accounts used in the posting process. Details of all account balances are in fact available. The Department is not aware of any accounting requirement that precludes a manual general ledger being utilized - provided postings to the ledger are supported by detailed data.

The Department acknowledges the HOST system currently used to process and account for transactions relating to the Unemployment Compensation Insurance Program of the State of Georgia is not a formal integrated accounting system, per se. However, over the past six fiscal years, a general ledger has been utilized and is posted with data from other systems, a formal chart of accounts has been developed to facilitate preparation of financial statements, and multiple queries have been written and continually revised to produce financial information used to update and prepare the Department of Labor's Financial Statements for the Unemployment Compensation Insurance Program. We also noted that for the sixth consecutive fiscal year (including FY 2011), the auditor's opinion as to the fairness of these statements will be unqualified. These results demonstrate the current system is being both effectively utilized and maintained. Given this scenario, the Department of Labor continues to question the necessity of the prodding by the Auditors purchase a new accounting system.

However, in an effort to respond to the State Auditor's recommendation, the Department has surveyed nine other States across the nation to investigate the type of accounting system used to operate, maintain, and report financial information associated with Unemployment Compensation Insurance. This survey has revealed that no State contacted has an integrated accounting system for Unemployment Compensation Insurance such as what the auditors continue to recommend. In fact, based on the information gathered from other States, it is the Department's position that no State contacted has an accounting system with better capabilities than the current system that is now being used by the Department. The nine States contacted are nationally known for their excellence in governmental accounting and are of similar size to Georgia.

The U.S. Department of Labor has notified the Department they consider this finding corrected and will seek no further action by the Department concerning this finding based on 29 CFR97.41(b) (2), which does not require grantees to convert their accounting systems to an accrual basis, but must develop such accrual information through an analysis of the documents on hand.

AUDITOR CONCLUDING REMARKS:

The Unemployment Compensation Fund general ledger as maintained by the Department of Labor does not meet the definition of a general ledger as it relates to being self-balancing, or including net asset balances. The chart of accounts is not standardized and uses multiple numbers to identify the same type of accounts.

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Finding Control Number: FS-440-11-04

GENERAL LEDGER

Inadequate Accounting Procedures for Federal Funds

We do not concur with this finding.

The methodology for recording and reporting Workforce Investment Act (WIA) revenues and expenditures has been in place for several fiscal years. The auditor's have identified an accounting methodology used by the Department that results in the double counting of revenues and expenditures in situations where the Department itself functioned as a sub-recipient rather than funds being passed down to an actual sub-recipient. This methodology allows the Department to better monitor WIA program sub-recipient expenditures.

Procedures have been implemented that ensure adjustments are made to the formal financial statements to eliminate the double counting of revenues and expenditures on the financial statements. It should be noted the financial statements presented to the auditors were in fact correct and the department is no longer positioned to function as a sub-recipient.

The U.S. Department of Labor has notified the Department, based on their review of procedures implemented; this finding is considered corrected for purposes of financial statement presentation.

AUDITOR CONCLUDING REMARKS:

The general ledger accounting records presented to the auditors, both interim and year end contained overstated revenues and expenditures for the Workforce Investment Act Program. Procedures implemented by the Department of Labor to adjust these overstatements were not presented to the auditors until receipt of the Department s working trial balance on October 18, 2011.

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Finding Control Number: FS-440-11-05

GENERAL LEGER
REVENUES AND RECEIVABLES
Inadequate Procedures over Cash Draws of Federal Grants

We concur, in part, with this finding in part with the following explanation:

Various Programs have been combined by the auditors into this one finding so it is necessary to address any needed corrective action on a program by program basis.

However, it should be noted that for all programs tested, the auditor's testing of cash management was flawed in the following two ways:

a.) The auditors used accounting period dates as the date drawdowns of Federal cash were made instead of post dates (calendar date the transaction actually occurred). The difference in timing between these dates can be as much as 30 days thereby giving an inaccurate conclusion regarding the cash management practices of the Department.

b.) The auditors did not take into consideration the extent Obligation Authority was available based on expenditures charged to the grant. In all cases, the auditors mistakenly assumed all expenditures charged to a Federal Grant were available to be immediately reimbursed by a Federal Grant even though in some cases expenditures exceeded obligation authority. In such cases, temporary program deficits did exist until Obligation Authority was received at a later date (i.e., operating under federal continuous resolution) or expenditures were subsequently moved to another eligible Federal grant.

The Department has performed its own cash management testing using the exact methodology used by the auditors except the Department used post dates for Federal cash receipts instead of accounting dates as used by the auditors. This analysis indicated the Department's cash management performance was not flawed to the extent indicated by the auditors. The Department's position on this finding is as follows:

The Department disagrees with the conclusion that inadequate cash Federal drawdowns were made on the Employment Services Cluster for 11 months. As discussed above, the Department's cash management testing for the Employment Services Cluster, using the same methodology as the Auditors used, (except post dates were used instead of accounting dates and Obligation Authority was used as limiting factor) , indicated insufficient cash drawdowns occurred in just 2 months instead of 11 months as indicated by the auditors. Since the auditors' threshold for a finding is 3 months, the Department believes no finding should have been reported for insufficient drawdowns of Federal cash for the Employment Services Cluster.

Additionally, because of the flawed logic used by the auditors in conducting cash management testing, the Department disagrees that cash drawdowns for the Unemployment Compensation Fund were insufficient for 10 months. As discussed above, the Department's cash management testing for the Unemployment Compensation Insurance Program, using the same methodology as the Auditors used, (except post dates were used instead of accounting dates) , indicated insufficient cash drawdown occurred in just 1 month instead of 10 months as indicated by the auditors. Since the auditors' threshold for a finding is 3 months, the Department believes no finding should have been reported for insufficient drawdowns of Federal cash for the Unemployment Compensation Insurance Program.

In the case the of the programs funded by the American Recovery and Reinvestment Act, The Department concurs that Federal cash should have been drawn in a more timely manner. However, as indicated by the finding, the amounts associated with these programs were relatively small.

The Department will establish further procedures to strengthen controls to ensure federal cash is drawn more timely as expenses are paid.

AUDITOR CONCLUDING REMARKS:

Accounting period dates provide the best measurement of cash drawdown activity. Post dates (calendar dates) include cash drawdown activity in months outside the fiscal year being audited.

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Finding Control Number: FS-440-11-06

REVENUES AND RECEIVABLES

Inaccurate Employer Tax Rate Calculations

We concur, in part, with this finding with the following explanation:

It should be noted that this situation was not detected by the Auditors, but instead was communicated to the Auditors by the Department of Labor. At the time this matter was communicated to the Auditors, the Department had already initiated corrective action measures to correct this situation. It should further be noted this anomaly represented .463% of the total tax revenue collected for the first and second quarters of 2011. At the time of this response, corrective action by the Agency has been completed. The Department has established internal controls that should prevent a re-occurrence of this situation in subsequent years.

AUDITOR CONCLUDING REMARKS:

The situation was detected through discrepancies noted in tests of controls performed by the auditor. The Department of Labor acknowledged the situation in response to questions about the discrepancies and reported the extent and magnitude of the application errors.

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Finding Control Number: FS-440-11-08

BUDGET

Program Budget Deficiencies

We concur with this finding with the following explanation.

The Georgia Department of Labor maintains its accounting records on the FARS (Federal Accounting and Reporting System) accounting system which is used by many other State Labor Departments across the Country.

As noted by the auditors, this system does not facilitate maintaining accounting records on a program basis as the system is designed primarily to provide information to the U.S Department of Labor in a uniform reporting format from the various States.

The Department will continue to pursue a methodology usable by the FARS System to produce the required Budgetary Reports.

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Finding Control Number: FS-440-11-100

BUDGET

Failure to Certify the Accuracy of the Budget Compliance Report

We concur with this finding with the following explanation.

The finding cites 2 cases where expenditures exceeded budget authority by fund source and 7 instances where the auditors claim expenditures exceeded funds available.

The Department concurs with the assessment in that in two cases expenditures did exceed budget authority. However, in these two cases it should be noted:

1.) In the case of the Vocational Rehabilitation Program, expenditures were originally budgeted in the 'Federal Funds, Not Identified' category. The expenditures were later reclassified as 'ARRA Funds-Not Specifically Identified'. Overall expenditures for this program did not exceed funds available.

2.) In the case of the Workforce Development AARA Funds Program, expenditures were originally budgeted in the 'ARRA Funds- Not Specifically Identified' category. These expenditures were later subdivided by the Department as 'ARRA Funds TANF transfers'. Overall, program expenditures did not exceed funds available.

In the seven other situations where the auditors cite expenditures exceeded funds available; more clarification is needed to fully understand this situation. The factors needing clarification are as follow:

1.) Most of the Department's grant funds extend over multiple fiscal years. Because the State records expenditures based on encumbrances (not expenses), encumbrances may be recorded in one fiscal year, canceled and then re-established for another purpose in a subsequent fiscal year. As required by State accounting procedures, cancellation of a prior year encumbrance results in an entry to surplus (usually Federal) and de-obligation of the original encumbrance liability.

Because a new expenditure entry is required for the re-obligation of the funds involved, it may appear expenditures have exceeded funds available in the fiscal year in question when in fact, this is not the case. The amount, required by State accounting procedures to be recorded in surplus (usually Federal) is available to fund the new expenditure.

2.) The Department has multiple cost allocation ledgers which recognize encumbrances as expenditures in the accounting records. These ledgers are included in the various program budgets by the Office of Planning and Budget. Because the expenditures (encumbrances) resident in these costs allocation ledgers have not been allocated and expensed in the Federal programs (still open and active) at the close of the State Fiscal year, the revenue has not yet been recorded for these expenditures. It may appear that program expenditures have exceeded revenues. This condition is particular a problem when total encumbrances experience a net increase from one fiscal year to the next as was the case in FY 2011.

It is important to note that all Departmental Budgeted Programs ended the fiscal year with a positive fund balance.

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BEHAVIORAL HEALTH AND DEVELOPMENTAL DISABILITIES, DEPARTMENT OF

Finding Control Number: FA-441-11-01

MATCHING, LEVEL OF EFFORT, EARMARKING

Internal Control Deficiency

We concur with this finding. DBHDD implemented procedures in the fall of 2011 for insuring that the information in the FFR (SF-269) agrees with the PeopleSoft accounting database. When there are differences between the PeopleSoft and the amount being reported on the SF-269, the differences will be included in comments at the bottom of the report Cover Page. The cover page (routing document) is also used for agency managers to sign that they have reviewed the data and agree with the data contained in the report and will take necessary action to resolve non-compliance issues.

We believe the procedures will prove sufficient to clear this finding based on our understanding that this finding was a result of FA-441-11-02 rather than an actual failure to meet earmarking requirements.

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Finding Control Number: FA-441-11-02

REPORTING

Internal Control Deficiencies

We concur with this finding. This was as an error of agency interpretation based on the State Auditor's Office and State Accounting Office interpretation "statutory period" meaning "Federal Fiscal Year", thus requiring interim SF-269 reports as of the end of each fiscal year for which the grant is open.

In the future an interim SF-269 will be prepared for each fiscal year in which a federal grant is active.

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Finding Control Number: FS-441-11-01

ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
Excessive Manual Journal Entries During the Adjustment Period (Period 998)

We concur with this finding. DBHDD has begun the process of analyzing our manual journal entries processed during the 998 period. Out of the 121 manual journal entries processed, approximately 40% of those created were to process accruals and other entries in which the 998 period is the only time we have to react to the final numbers at the close of Period 12. Our goal is to identify the reasoning for the other 60% of the entries made to determine if they can reasonably be processed through the modules (AP, AR, and LD), and if so, implement the postings via the modules. Also, we will determine if the entries could otherwise be performed throughout the year. Our analysis is scheduled to be completed by March 31, 2012.

In ongoing efforts to reduce reliance on journal entries made throughout the year, but especially during the 998 period, with correcting chart field errors (fund source, project mismatch), we are going to partner with all units of DBHDD to implement internal control policies and procedures to capture these errors throughout the year. This will thereby reduce the amount of manual journal entries created during 998. Our policy implementation will be completed by June 30, 2012.

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Finding Control Number: FS-441-11-02

ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
FINANCIAL REPORTING AND DISCLOSURE
Failure to Submit an Accurate Schedule of Expenditures of Federal Awards

We concur with this finding. We will implement a process that ensures we use the GL4410411 report which shows all expenditures and obligations on the GAAP basis of accounting by FY 2012 year-end.

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Finding Control Number: FS-441-11-03

GENERAL LEDGER
REVENUES AND RECEIVABLES
EXPENSES/EXPENDITURES AND LIABILITIES
A/R Reconciliation Inaccurate/Incomplete

We do not concur with this finding. We adequately reconciled all accounts and we provided sufficient documentation for all variances. In response to the credit balance on account 125051 in the amount of $650,000.00, we processed a manual journal entry to reclassify these funds to a payable account; however, it was reversed in error during the 998 period and was therefore captured as a Post Closing Adjustment.

Ongoing, we are going to:

1. Provide a description for each reference item identified as the variance cause.
2. Change the reconciliation format to show the balance in each module.

AUDITOR CONCLUDING REMARKS:

The Accounts Receivable Reconciliation provided was an Excel document that included multiple tabs with pivot tables and

other information not adequately identified. These spreadsheets did not adequately explain and identify all of the amounts on the reconciliation.

Prior to the end of fieldwork, the auditor addressed the issue concerning the credit balance of $650,000 with agency personnel and was informed only that this balance was currently owed to the Department of Human Services (DHS). The agency did not indicate to us that this amount had been reclassified by a manual journal or that it was reversed in error prior to providing their response to this finding.

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Finding Control Number: FS-441-11-04

GENERAL LEDGER
EXPENSES/EXPENDITURES AND LIABILITIES
A/P Reconciliation Inaccurate/Incomplete

We do not concur with this finding. We adequately reconciled all accounts and we provided sufficient documentation for all variances. In response to the 231001 account balance, we did indeed reconcile this account. We intentionally left the $38,198,583.47 balance out because it is misleading. This account is used for the State portion of Medicaid payments received from the Department of Community Health (DCH). The payments received for Medicaid occur in the AR module, and the payment made to DCH for the state portion is done in the AP module. Since the reconciliation is only looking at the AP and GL modules, you cannot see the credit balance in the AR module and therefore will only show the inflated debit number on the 231001 account. Also, please note that the account balance at the end of the year in this account was zero.

Ongoing, we are going to:

1. Provide a description for each reference item identified as the variance cause.
2. Change the reconciliation format to show in which module each transaction occurred.
3. Show the balance on the 231001 account.

AUDITOR CONCLUDING REMARKS:

The Accounts Payable Reconciliation provided was an Excel document that included multiple tabs with pivot tables and other information not adequately identified. These spreadsheets did not adequately explain and identify all of the amounts on the reconciliation. An adequate reconciliation of Accounts Payable would not only reconcile the amounts included in the Accounts Payable module to the General Ledger (GL), but also any amounts in a payable account on the GL regardless of whether the amount results from Manual Journal Entries, the Accounts Receivable module, or any other module.

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Finding Control Number: FS-441-11-05

CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY

Inadequate Bank Reconciliation Procedures

We concur with the finding. For the DBHDD bank account reconciliation process, the following revised procedures will be implemented by June 30, 2012 to ensure that outstanding checks are canceled timely and that all regional hospitals are submitting appropriate documentation to support their reconciliations:

1) We are currently in the process of creating a letter to distribute to both individuals and vendors with checks over 180 days old. Once contact has been made, the escheatment process will be implemented for all checks 180 days old as per the State Accounting Manual Policy Number CM-100006.

2) For the trust fund account reconciliation process, the Accounting section of Central Office is rolling out a new reconciliation form that is more user-friendly and has calculated formulas for the user's convenience and accuracy. We will continue to conduct training sessions for field and hospital business staff on proper bank reconciliation procedures and sufficient documentation. Central Office Accounting section will ensure timely receipts and review of all trust fund bank reconciliations received from the facility locations. When issues are found in the reviews, the hospital will be contacted immediately for resolution.

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Finding Control Number: FS-441-11-06

REVENUES AND RECEIVABLES

Inadequate Procedures Over Cash Draws of Federal Grants

We do not concur with this finding.

1. Funds were not made available by the federal government until 6 months or so after the start of the grant. Once funds became available, we made the draws timely. Also, funds were drawn within the same period; however, some payments were not posted until the following month because of timing differences with the bank. Since the reconciliation was performed based off of when funds were posted and not requested, it showed a large discrepancy.

2. Out of 21 draws, there was only 1 draw that was not signed. This document was not signed due to the transition between the Department of Human Services and the DBHDD. We do not believe this warrants a finding.

In the future, we are going to draw funds at least two days before the end of the calendar month to ensure the draws are posted within the same period.

AUDITOR CONCLUDING REMARKS:

The auditor met with agency personnel multiple times to gain an understanding of the process used for cash draws of Federal grants and how best to test it. The agency did inform us as to the issue of grant funds not being made available until after the date of the start of the grant, however they did not address all of the issues we noted. In testing the cash draws, we reviewed multiple years of the grant, all of which had different grant start and end dates and different dates that grant funds became available to be drawn; including taking into account the periods that funds were not available for each of the grants being tested. We will continue our efforts to work with agency personnel during the subsequent year s engagement to ensure our testing of cash draws of Federal grants matches the manner in with the agency handles their cash draws.

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JUVENILE JUSTICE, DEPARTMENT OF

Finding Control Number: FS-461-11-01

EXPENSES/EXPENDITURES AND LIABILITIES, ACCOUNTING CONTROLS (OVERALL)

The Department of Juvenile Justice provided their Commissioner with a supplemental vehicle allowance, effective January 7, 2011. The provision of car allowances to State agency heads was eliminated with Revision 5 to the Office of Planning and Budget (OPB) Policy No. 10 relating to State motor vehicles. No documentation was found in the Commissioner's personnel file granting approval for a vehicle allowance.

The Department of Juvenile Justice's Office of Human Resources will ensure that all documentation related to changes in annual compensation will have all appropriate signatures and supporting documentation if required. Effective immediately, the Human Resource staff have been informed not to process any changes to annual compensation without all required paperwork.

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NATURAL RESOURCES, DEPARTMENT OF

Finding Control Number: FS-462-11-01

ACCOUNTING CONTROLS (OVERALL)
CAPITAL ASSETS
FINANCIAL REPORTING AND DISCLOSURE
Inadequate Capital Asset Records

We concur with this finding. The Asset Management team will conduct a comprehensive verification of equipment inventories through asset coordinators across the agency. This will involve verification of equipment inventory by physical location. All missing or unidentified items will be researched and appropriate action taken to match actual items by location to the equipment listing. Additionally, we will review and remove items that do not meet the capitalization threshold of $5,000.

The agency will also verify and reconcile balances for Construction In Progress, Buildings and Building Improvements and Improvements Other than Buildings to supporting documentation. After updating the account balances, accumulated depreciation and depreciation expense will be restated to reflect the basis of the corrected asset balances. We will also ensure that the sub-ledgers agree with the amounts reported to the State Accounting Office.

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Finding Control Number: FS-462-11-02

ACCOUNTING CONTROLS (OVERALL)
EXPENSES/EXPENDITURES AND LIABILITIES
FINANCIAL REPORTING AND DISCLOSURE
BUDGET
Invalid Encumbrances

We concur with this finding. The Department will review with appropriate divisions' personnel to determine whether certain purchase orders are valid. All purchase orders that are not deemed valid will be cancelled.

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Finding Control Number: FS-462-11-100

ACCOUNTING CONTROLS (OVERALL)
BUDGET
Budgetary Noncompliance on Statutory (Budgetary) Basis Financial Statements

We concur with this finding. The Department will establish procedures to ensure that budgets are entered correctly by program and expenditures are charged against valid programs

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Finding Control Number: FS-462-11-101

ACCOUNTING CONTROLS (OVERALL)
GENERAL LEDGER
BUDGET
Inadequate Journal Entry Documentation and Questionable Journal Entry Process

We concur with this finding. The agency will implement procedures to better document support for manual journal entries. We will also review processes to minimize the number of manual journal entries created during the closeout period.

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CORRECTIONS, DEPARTMENT OF

Finding Control Number: FS-467-11-01

CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY

Inadequate Bank Reconciliation Procedures

We concur with this finding. To improve the Department's timely and effective completion of bank reconciliations, the following changes will be implemented:

1. A personnel change has already been made in the position that is responsible for the bank reconciliations.

2. The approval process will now include both the Accounting Manager II and the Director of Financial Services.

3. To remove the checks over one year old from the outstanding check list, an entry will be made monthly to 'void' the checks and move the funds into an unclaimed property 'Funds held for others' account until such time that they reach the age for submission under the unclaimed property guidelines.

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Finding Control Number: FS-467-11-02

CAPITAL ASSETS

Inadequate Capital Asset Records Personal Property

We concur with this finding. To improve the Department's expense reporting and reconciliation of personal property capital assets, the following changes will be implemented:

1. A personnel change has already been made in the position that is responsible for asset management reconciliations.

2. Each month, the Department will reconcile the General Ledger expenses under the capital asset accounts against the additions made to the General Fixed Asset Account Group Ledger. As timing differences or errors occur, they will be researched and corrected.

3. For year-end reporting, any timing differences or errors that remain will be accounted for in the final reporting to the State Accounting Office so that a detailed list of property can be provided as documentation for the amount reported.

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Finding Control Number: FS-467-11-03

EXPENSES/EXPENDITURES AND LIABILITIES
FINANCIAL REPORTING AND DISCLOSURE
Deficiencies in Reporting of Operating Leases

We concur with this finding. To improve the Department's reporting accuracy for operating leases, the following changes will be made:

1. The Accounting Manager responsible for the submission of the lease information will more closely review the instructions issued by the State Accounting Office so the data provided will be what was requested (Ex.: Monthly gross amount instead of yearly gross amount).

2. Lease data provided will be reconciled against General Ledger expenses to verify that all qualifying leases are included in the reporting.

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PUBLIC SERVICE COMMISSION

Finding Control Number: FS-470-11-01

EXPENSES/EXPENDITURES AND LIABLILTIES

Questionable Encumbrances

Language in existing contracts will be amended and altered for new contracts to assure encumbrances meet criteria set forth in the 'Accounting Procedures Manual' for the State of Georgia.

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INVESTIGATION, GEORGIA BUREAU OF

Finding Control Number: FA-471-11-01

SUBRECIPIENT MONITORING

Deficiencies in Subrecipient Monitoring Procedures and Failure to Accurately Report Pass-Through Amounts Provided to Subrecipients

Do not concur part 1. CJCC has policies/procedures for during-the-award monitoring for adherence with the Federal compliance requirements of the program. According to OMB A-133 Compliance Supplement, CJCC, as the recipient of the grant is responsible for '[m]onitoring the subrecipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.'
During FY11, CJCC monitored subrecipients through the detailed reviews of applications, expense reports, progress reports, regular contact, trainings and site visits. Before a subgrant is approved, CJCC performs a review of proposed programs and budgets to ensure all activities are allowable, in compliance with Federal and State requirements, and support proposed activities. All subrecipients must submit expense reports quarterly that are reviewed by CJCC to ensure that all expenses align with the approved budget. Any deviation from the approved budget is investigated. Subrecipients are required to submit quarterly progress reports which provide details regarding the activities and progress during the reporting period. These reports are reviewed by CJCC before approval and any concerns are discussed with the subrecipient before additional

expenses are reimbursed. Training is provided throughout the subgrant period. During FY11, Byrne JAG subrecipients have received the following training:
>10/2010 Drug Task Force (DTF) Agencies Workshop (outcome performance measures).
>11/2010 Fraud, Waste, & Abuse & Civil Rights Workshop
>Mar and Apr 2011 DTF performance measurements
>6/2011 Monroe Co & Dodge Co (law enforcement training).
Staff began revising its site visit policies and procedures during FY10. In Feb 2011, CJCC hired 2 grant specialists that focus on site visits and compliance. This team randomly selects subrecipients to participate in on-site visits and desk reviews through-out the year. Staff performed on-site reviews of 36 Byrne JAG subgrants during FY11. During the first 6 mo of FY12, staff has performed on-site reviews of 100 Byrne JAG subgrants.

Concur part 2: Effective 5/1/11, CJCC implemented procedures to ensure that all subrecipients expending $500k or more in Federal awards during a fiscal year complete and submit a Single Audit Report to CJCC no later than 9 mo after the end of the subrecipient's fiscal year. As required by OMB Circular A-133, CJCC will review the audit reports and issue a management decision on audit findings within 6 months after receipt of the subrecipient's audit report and ensure that subrecipients take timely and appropriate corrective action on all audit findings. If subrecipients do not submit a Single Audit Report within the stipulated time period or take appropriate action on all findings, reimbursements of expenditures will be held until the subrecipient is compliant. If the subrecipient does not comply, the entire grant award may be rescinded.

Concur part 3: CJCC and GBI have implemented procedures to ensure that amounts provided to subrecipients are reported correctly as pass-through amts for reporting within the Single Audit Report in future years. When this finding was found, the info was provided to the auditors within one business day. Our current grants management system previously recorded this info, but it was unclear that it was required to report in the SEFA system.

AUDITOR CONCLUDING REMARKS:

As of April 2011, the Criminal Justice Coordinating Council (Council) had not performed site visit monitoring for the JAG cluster. However, subsequent to April 2011, the Council had begun site visit monitoring, but had only performed a limited number as of fiscal year end; resulting in site visit monitoring not being performed for the majority of the fiscal year.

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Finding Control Number: FA-471-11-02

REPORTING

Reporting Deficiencies

We concur with this finding. CJCC has made adjustments to subsequent reports to correct any inaccuracies. Furthermore, we have implemented additional internal control policies and procedures that will ensure that financial status reports are accurately completed and reviewed prior to submission. Previously, these reports were completed by the Division Director of the Criminal Justice Services Division based on figures provided by the agency s Budget Analyst. Our revised policy requires the Budget Analyst to complete the reports and forward them to the Division Director for review and approval before they are submitted.

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REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA, BOARD OF

Finding Control Number: FS-472-11-01

EMPLOYEE COMPENSATION

Inadequate Internal Controls

We concur with this finding.

The University System Office modified payroll monitoring procedures during the fiscal year due to changes in personnel, however, the modifications did not provide the auditors with sufficient documentary evidence to verify that payroll monitoring procedures were completed. The documentation of the monitoring procedures has been improved and will be available for audit review in the future.

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REVENUE, DEPARTMENT OF

Finding Control Number: FS-474-11-01

ACCOUNTING CONTROLS (OVERALL) REVENUE AND RECEIVABLES

Failure to Complete Sales Tax Receipts Reconciliations in a Timely Manner

We concur with this finding. The Department is aware of Page 5-6-4 in the Accounting Procedures Manual for the State of Georgia and the requirement to complete monthly Sales Tax Receipt reconciliations, including resolving reconciling items, in a timely manner. Immediate steps have been taken to ensure the written Sales Tax Receipt reconciliation procedures are being followed and applicable personnel have been trained to perform this reconciliation. It should be noted that Sales Tax Receipts are also reconciled through the Daily Revenue Collection process performed by the Department on a daily basis.

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Finding Control Number: FS-474-11-02

CASH, INVESTMENTS AND INVESTMENT RELATED ACTIVITY

Inadequate Bank Reconciliation Procedures

We concur with this finding. The Department has taken immediate steps to ensure 1) all written monthly reconciliation procedures are being followed, 2) all reconciliations are performed in a timely manner, 3) all reconciling items are identified and resolved within 30 business days, and 4) reconciliations are approved by management in a timely manner.

In addition, the Department is currently in the process of obtaining the applicable check information to properly remove outstanding checks that are over one year old, with the applicable adjustments recorded in the general ledger, based upon the guidelines in the State of Georgia Accounting Procedures Manual, Section 4-6-2 and the State of Georgia Unclaimed Property as required by the Disposition of Unclaimed Property Act , O.C.G.A. 44-12-190 through 44-12-235. The target period of completion is January 2012.

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Finding Control Number: FS-474-11-03

REVENUES AND RECEIVABLES

Improper Retention of Fees

The Department understands Audits' position on the retention of funds. However, the Legislature appropriated these funds to the Department, in lieu of State funds, and the Department is following the provisions as outline in the appropriations act.

If the Department is not allowed to retain and utilize these funds for their appropriated purpose, over 9 million motor registrants along with all county tag offices and revenues to the State and counties will be affected. DOR would also be in violation of HB 1055 and SB 454 which charged the Department with licensing and enforcement of Coin Operated Amusement Machines (COAM).

The Department feels Audits should discuss the policy decision on funding with Office of Planning and Budget and the State Legislature to find an amiable solution.

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Finding Control Number: FS-474-11-100

BUDGET

Budgetary Compliance Deficiency

We concur with this finding. The Department is in the process of working with the Office of Planning and Budget to resolve the Federal / Other Funds item. It should be noted on the Department's Final Budget, under the Industry Regulation Program, in the 'variance' column under the heading 'Expenditures Compared to Budget', the negative amount for 'Federal Funds' is offset by the positive amount for 'Other funds'.

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SECRETARY OF STATE

Finding Control Number: FS-478-11-01

ACCOUNTING CONTROLS (OVERALL)

Inaccurate Capital Assets Records

We concur with the finding of our and the attached agencies' capital assets.

The Secretary of State has already implemented policies and procedures to address the concerns as detailed below:

> Determining the location/status of capital assets by reviewing previously submitted surplus forms and currently conducting a physical inventory of items on the capital asset list.
> Using different color labels to easily identify capital assets from inventory items.
> Developing separate in-house inventory items database while cleaning-up capital asset inventory list.
> Educating attached agencies on capital asset policy and strongly encouraging them to follow.

The Agency recognizes the importance of maintaining an accurate capital asset list and will continue to diligently monitor the addition/removal of items from the list.

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AVIATION HALL OF FAME, GEORGIA

Finding Control Number: FS-483-11-02

CAPITAL ASSETS

Inadequate Capital Assets Records

We concur with the finding, however this has never been required in the past. We were unable to prepare for this requirement due to those circumstances.

We have set up a protocol to make an effort to enclose appraisal amounts on the memorabilia that is housed in the Archives. In the future we will ensure that all qualifying items are capitalized in accordance with the Statewide Accounting Policies and Procedures.

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TRANSPORTATION, DEPARTMENT OF

Finding Control Number: FA-484-11-01

PROCUREMENT AND SUSPENSION AND DEBARMENT / SPECIAL TESTS AND PROVISIONS

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

We concur with this finding. GDOT is in the process of implementing a computerized construction and material management software, SiteManager, which will eventually replace the current MC Checklist process. The Department implemented the Construction payment portion of SiteManager in November 2011. The Materials functionality of the new system is in final development and is currently scheduled to be implemented in the summer of 2012. At that time the materials documentation for all future projects will be maintained through the SiteManager system.

Based on our conversations with the field personnel on the projects noted in the audit it appears that the majority of the quarterly checklists are completed in the field, but they are not being transmitted to the Office of Materials and Research in a timely manner. Since we will continue to have older projects that will be using the old MC Checklist method, we have hired a Field Auditor in the Materials Audit Section. The Field Auditor will check the files at the Construction sites in the field and assist with MC quarterly checklist issues in the field. We will continue to ensure that all materials issues are handled before the contracts are released. Additionally the department will not close out a project without the final official quality assurance review of the materials based on the final MC Checklist.

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Auditee's Corrective Action Plans
For the Fiscal Year Ended June 30, 2011

Finding Control Number: FA-484-11-02

REPORTING

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

We concur with the finding. To ensure GDOT submits accurate information in the future, GDOT is currently updating its Section 5311 Rural Area Formula Program procedures manual to address this finding. Additional training in the NTD process and reporting system will also be conducted for all seven Public Transportation Coordinators (PTC) in the district offices. The Department will require all data submitted from the subrecipient to the Department be verified against the source document(s) by the designated PTC. The Department will review monthly NTD data reports submitted by subrecipients for accuracy. After the PTC has reviewed these reports they will be submitted into the Department's reporting database (RMIS) monthly. If subrecipients have inconsistencies in data, the GDOT PTC will address them at that time.

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Finding Control Number: FA-484-11-03

SUBRECIPIENT MONITORING

Internal Control Deficiencies/Noncompliance with Federal Program Regulations

We concur with this finding. While we believe that GDOT currently has some procedures in place over subrecipient monitoring, we agree the absence of formal written policies and procedures has caused instances of noncompliance. GDOT will issue a new policy to establish uniform procedures and criteria for all offices to use when evaluating and monitoring Subrecipient Eligibility, Central Contractor Registration, Award Identification, and Pass-through Entity Impact. Additionally each office will document procedures over subrecipient monitoring to ensure that the A-133 compliance requirements are consistently followed and met. Issuance of the new policy is targeted for completion by the close of FY 2012.

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Finding Control Number: FA-484-11-04

SPECIAL TESTS AND PROVISIONS

Failure to Submit an Accurate Schedule of Expenditures of Federal Awards

We concur with this finding. We will review the reporting requirements and SAO instructions related to the Schedule of Expenditures of Federal Awards (SEFA) and implement procedures to ensure that it is reported accurately in the future.

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Finding Control Number: FS-484-11-01

ACCOUNTING CONTROLS (OVERALL), GENERAL LEDGER

Deficiencies in Other Funds Ledgers

We concur with the finding. The Department is writing new policies and procedures for the recording of Other Funds (including Local Participation Revenue) and Fund Source Redistribution (clean-up of fund source balances for Other Funds/Reserves). In addition, the Department has hired a consultant to review existing fund source balances for Other Funds/Reserves and make corrections to record Other Funds in accordance with the Accounting Procedures Manual of the State of Georgia. However, much of the prior year data has been stripped and archived by the State Accounting Office so clean-up efforts will take considerable time to complete.

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Finding Control Number: FS-484-11-02

ACCOUNTING CONTROLS (OVERALL), GENERAL LEDGER

Sub-ledgers Not Properly Maintained

The Department concurs with this finding. In FY 2010 and FY 2011, the Department reviewed and posted entries to correct discrepancies in account balances. However, this is a monumental task since the issues may date back prior to the implementation of PeopleSoft and portions of the PeopleSoft data was stripped and archived by the State Accounting Office. To assist the Department with this effort, SAO added the Project Number chart field to the 0GL080 GL Trial Balance query.

The Department continues to review and correct discrepancies in account balances.

The Department did not recognize receivables and revenue on reimbursable based programs (such as Federal Highway Administration Planning and Construction) when purchase orders or other contractual obligations to procure goods or services were executed because PeopleSoft did not support automated matching of expenditures with revenue for reimbursable grants in FY 2011. Additionally, PeopleSoft does not provide a true adjustment period at month and quarter end. Purchase orders can be entered, changed or closed up to the last day of each month and during the adjustment period at quarter end. Since purchase orders cannot be entered, changed or closed during the 998 period, the Department elected to record receivables and revenue based on encumbrances during the 998 period to ensure the accuracy of the amounts and the entry could be reconciled to the general ledger.

However, the Department implemented additional monitoring procedures that enabled management to verify the accuracy and reliability of data in the accounting records. The Office of General Accounting prepared monthly and quarterly financial statements based on the information contained in PeopleSoft and utilizing manual adjustments to account for receivables and revenue based on encumbrances. The financial statements were also adjusted for any other entries not recorded in PeopleSoft prior to month and quarter end close. The Department and SAO, working in collaboration throughout FY 2011, developed an automated system for recording receivables and revenue on expenditure driven grants which was implemented July 1, 2011.

The Department will post the adjusting entry to correct the fund balance in the State General Funds prior to FY 2012 year end close.

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Finding Control Number: FS-484-11-03

ACCOUNTING CONTROLS (OVERALL), GENERAL LEDGER, FINANCIAL REPORTING AND DISCLOSURE

Failure to Comply with Accounting Policies and Directives

The Department concurs with this finding. The Department was not able to comply with the State Accounting Office's (SAO) policy for Prior Year Carry-Over which requires agencies to reclassify prior year Other Reserves to current year funds available (Account 492001) in the same accounting fund and funding sources as the prior year reserve using the current budget year. A portion of the Department's fund balance is on Fund A1 and Program Not Identified. PeopleSoft Financials will not accept an entry to Account 492001, Fund A1 and Program Not Identified using a current budget year date. The Department discussed this issue with SAO and was informed that SAO would record the entry in Hyperion for financial reporting purposes. The Department continues to work with the Attorney General, the State Auditor, the State Accounting Office, and the Office of Planning and Budget to reach a permanent solution to allocate prior year funds to current programs.

The Department also was not able to reclassify the State Motor Fuel reserves to the prior year funding source (02xxx) that SAO established for unexpended State fund sources. SAO's policy requires agencies to use the fund and budgetary program from the prior year to record the entry. Agencies are required to record an entry to Other Reserves (Account 337001) in the current year using the fund source in which the reserve was reported. A second entry is required to record the newly established prior year State funding source (02xxx) on Account 492001. A portion of the Department's fund balance is on Fund A1 and Program Not Identified. As stated above, PeopleSoft Financials will not accept an entry to Account 492001, Fund A1 and Program Not Identified using a current budget year date.

In addition, the Department currently maintains more than 1,000 fund sources to comply with Federal reimbursement requirements. The fund sources, as utilized by the Department, represent categories of funding within a multi-year Federal Appropriation Bill (grant) rather than an actual grant, as specified in the Accounting Procedures Manual for the State of Georgia. The Department receives the majority of its funding from the Federal Highway Administration (FHWA) and other Federal agencies. To comply with FHWA funding requirements, a separate set of funding sources is required for each Federal Transportation Appropriation Bill. Each FHWA category within a Federal Transportation Appropriation Bill requires an individual fund source and a related Motor Fuel fund source to demonstrate that matching requirements have been met. Similar requirements are in place for other grants the Department receives. In order to comply with Federal reimbursement requirements, the Department would need a separate State funding source for each Federal fund source.

The Department also routinely redistributes expenditures by fund source on current year as well as prior year budget dates. It would be difficult for the Department to ensure that expenditures of the funds carried over are charged to the appropriate funding source when expending prior year State funds. To ensure the Department complies with Federal reimbursement and matching requirements and to minimize the risk of jeopardizing the receipt of Federal funds, the Department elected to utilize the original State fund sources rather than the 02xxx State fund source.

Effective June 30, 2012, the Department intends to reclassify State Motor Fuel Funds from Adjustment to Fund Balance - Establish Reserves (Account 390110) to Other Reserves (Account 337xxx) in accordance with Accounting Directive 201101.

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Finding Control Number: FS-484-11-04

EXPENSES/EXPENDITURES AND LIABILITIES

Deficiencies in Bid Review Procedures

The Department concurs with this finding. The Department is aware of the Federal Highway Administration's (FHWA) Core Curriculum Participant's Manual and Reference Guide and is reviewing the feasibility of implementation of the Decision Support Service (DDS) module in Transport.

The Department has a process in place with two committees reviewing the Bid Letting Comparison report showing the total Engineer's Estimated Cost versus the low bid, the Low Bid Item Analysis report showing the individual cost item analysis by the Engineer's Estimated Cost versus the low bid, and the Tabulation of Bid report showing the individual cost item analysis by the Engineer's Estimated Cost versus the bids submitted. The Georgia Division of FHWA is a member of the committees and is satisfied that the Department meets 23CFR635.113 and 23CFR635.114 regulations. Therefore, the Department is in conformance with the Code of Federal Regulations.

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Finding Control Number: FS-484-11-05

EXPENSES/EXPENDITURES AND LIABILITIES

Deficiencies in Project Closeout Procedures

The Department concurs with this finding. The Department will develop and implement monitoring procedures that enable management to identify and investigate any delays in the completion of project closeout procedures and evaluate the status of inactive projects in a timely manner.

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Finding Control Number: FS-484-11-06

EXPENSES/EXPENDITURES AND LIABILITIES

Inadequate Internal Controls over the Office of Intermodal Contracts Administration

The Department concurs with this finding. In 2010 the Department established procedures manuals for each of the FTAs grant programs administered by the Intermodal Division. Copies of these manuals can be found on the Department's website at: http://www.dot.ga.gov/localgovernment/intermodalprograms/transit/manuals/Documents.

These manuals document procedures to fully address this finding. It should be noted, this audit finding is associated with contracts and FTA grants executed prior to 2010 and the publication and implementation of the Department's Transit Procedures Manual. Intermodal Division personnel in the Transit Programs section have reviewed and are being trained annually on the proper procedures documented in these manuals for administering federal FTA funds. Department contracts and FTA grants executed since 2010 should conform to the Transit Procedures Manuals. Additionally, in response to this finding the Department conducted its own internal audit of discrepancies in the expiration date for one of the twelve contracts reviewed. The internal audit confirmed the Department's official record contract was correct, and that the contract in the project working file was not consistent with the Department's official record contract. Department personnel with oversight and involvement in Transit Program contracts have received additional training and counsel relative to this finding.

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Finding Control Number: FS-484-11-07

EXPENSES/EXPENDITURES AND LIABILITIES

Inadequate Monitoring Procedures

The Department concurs with this finding. The Department is aware that there are instances where the allotments in the PeopleSoft Project Costing Module and the Department's project management system (TPro) do not agree with the Federal Management Information System (FMIS) and other available sources of funding. This is due to the constant change in the availability of sources of funding, and the process of selecting the most prudent funding source, to leverage the available Motor Fuel funds, in order to maximize the amount of Federal funds utilized by the Department.

In March 2010, the Department conducted training for 70-75 Department employees to provide an overview of the resources available through the offices of the Division of Finance. This training was specifically developed for the Project Manager Development Program to provide project managers with tools to ensure projects remain within their allocated budgets. The learning objectives are as follows:

1) Understand the structure, roles and responsibilities of the offices in the Division of Finance.
2) Understand how funds are programmed and funded for projects.
3) Understand the process for authorizations and modifications.
4) Understand the process for allocating funds; executing, encumbering and coding contracts; and how to use the Department's Contracts Authorization Tracking System (CATS) and Consultant Management Information System (CMIS).
5) Understand the process for de-obligating funds and closing contracts.
The Division of Finance will be hosting another session of this training in March 2012.

In July 2010, the Department created a Cleanup Unit under the Division of Finance that is responsible for reviewing project funding and expenditures on a global level. This unit periodically generates the 0PC011 query in PeopleSoft which provides information on allotments, unearned and earned expenditures, agreement and billed amounts on Federal projects, and available balances by fund source to identify and correct projects with overrun issues. The Federal Billing Unit of the Office of Financial Management also implemented procedures in FY 2011 to identify and correct Federal projects with agreement issues that prevent them from billing to the Federal Highway Administration (FHWA) for reimbursement. These procedures include a review of FMIS authorizations, TPro authorizations, PeopleSoft agreements, PeopleSoft allotments and PeopleSoft project expenditures to identify Federal projects with project balance inconsistencies. These are labor intensive, manual processes which do not provide adequate information in real time to effectively monitor project balances.

In July 2011, the Department procured software to provide an automated reconciliation, audit and transaction monitoring solution that examines FHWA funded projects, identifies projects where data points between the FMIS, TPro and PeopleSoft systems are not in agreement, and identifies transactions leading to an out-of-balance condition. In September 2011, the Division of Finance began working with the software provider's design team to customize the software to automate the current manual processes to identify projects that are out-of-balance in real time to facilitate the reconciliation process and improve the Department's ability to bill and collect Federal funds. The Department is scheduled to conduct user testing in January, training in February and implementation in March 2012.

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Finding Control Number: FS-484-11-08

EXPENSES/EXPENDITURES AND LIABILITIES, BUDGET

Deficiencies in Recording Expenditures

The Department concurs with this finding. In FY 2011 the Division of Finance established Procedure 1-33 for changing a purchase order (PO). This procedure contains instructions for changing a purchase order, verifying the accuracy of the change and provides guidelines on the responsibilities for the offices within the Division of Finance.

In FY 2012, the Contracts Payable Unit of the Office of General Accounting implemented additional internal business practices for changing and correcting contract purchase orders to ensure PO changes and corrections are processed in accordance with Procedure 1-33 and with a minimum of errors. This internal business practice requires the Contracts Payable supervisor or manager to review all PO changes and corrections to verify the accuracy of data entered into both the PeopleSoft Financials system and the Contracts Payable Ledger and to document the review and approval process on the PO change or correction documents which are maintained in the PO files.

The Office of Procurement has also implemental additional internal control procedures to ensure the accuracy of PO changes and corrections. These procedures provide instructions for changing a purchase order, verifying the accuracy of the change and documenting management's review.

The additional internal control procedures should minimize the occurrence of errors; however, all errors may not be eliminated due to the volume of PO related transactions processed by the Department each year.

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Finding Control Number: FS-484-11-09

CAPITAL ASSETS

Inadequate Capital Asset Records - Land

We concur with the finding. GDOT currently maintains detailed actual cost for land, in an Access database. The source of this cost data is the accounts payable lines recorded in PeopleSoft, the state's financial accounting system. PeopleSoft (Georgia's statewide accounting system) currently does not provide the fields necessary to capture and record the description, location, parcel and acreage, for the purchase of land at the time of payment. This information is available in paper form and is tracked in separate databases.

The Department is actively engaged in resolving this finding. The State Accounting Office is currently adapting the PeopleSoft fixed asset module, to allow GDOT utilize the statewide system for its capital asset inventory records. In order to utilize this functionality, it is necessary for the State Accounting Office to make significant programming changes to PeopleSoft and provide a data field to record the parcel number. This field is necessary to link the Department's systems with PeopleSoft financial data; our IT staff is currently working closely with the State Accounting Office to make this and other necessary changes.

In addition, interfaces to data maintained in the Department's systems, will need to be designed and implemented, prior to migration of data from the Department's existing capital asset system to PeopleSoft. We anticipate that the State Accounting Office will make the necessary changes in FY 2012, which will allow the Department to utilize PeopleSoft to account for its Capital Assets and resolve these reporting issues. However, until the State Accounting Office completes its modification of PeopleSoft no further action can be taken by the Department on this issue.

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Finding Control Number: FS-484-11-100

ACCOUNTING CONTROLS (OVERALL), BUDGET

Failure to Certify the Accuracy of the Budgetary Compliance Report

The Department concurs with the finding, except as related to amounts provided as instances of noncompliance for expenditures in excess of authorized budget and amounts provided as instances of noncompliance for expenditures in excess of available funds by program and fund source. These amounts are based on the Statement of Funds Available and Expenditures Compared to Budget. The amounts provided as instances of noncompliance for expenditures in excess of authorized budget exclude several entries posted directly to fund balance accounts. The amounts provided as instances of noncompliance for expenditures in excess of available funds by program and fund source exclude entries recorded by the Department in FY 2011 to adjust prior year carry-over on Federal Highway Administration, Federal Highway Administration ARRA, Federal Funds Not Specifically Identified and other funds. The Statement of Changes to Fund Balance includes the adjustments to prior year carry-over recorded by the Department in FY 2011 and more accurately reflect the fund balance by program and fund source as of June 30, 2011.

The Department understands Program-Based Budgeting and manages its budgetary activity at the legal level of control, which is fund source within program. The Department ensures that current activity is not co-mingled with prior year activity using the Budget Date chart field provided in PeopleSoft. The Department utilizes budgetary reports to monitor current year motor fuel and state general funds; however, Federal funds must be spent in accordance with Federal regulations. Therefore, the Department utilizes supplemental reports to monitor Federal funds to ensure they are spent in accordance with Federal regulations and to ensure sufficient Federal funds are available to cover federally eligible expenditures.

However, the Department faces several challenges with budgetary compliance. Currently, there is no mechanism to bring forward prior year carry-over on programs not identified as current year revenue and the Department, as directed by the Attorney General, is not permitted to amend in prior year funds on programs not identified to cover current year expenditures. The Department continues to work with the Attorney General, the State Auditor, the State Accounting Office, and the Office of Planning and Budget to reach a permanent solution.

In addition, PeopleSoft did not support automated matching of expenditures with revenue for reimbursable grants in FY 2011. To assist the Department with this issue, the State Accounting Office (SAO) developed a query on Federal Highway Administration billings to provide detailed expenditure information. The Department utilized the query to prepare manual journal vouchers to record revenue by state budgetary program and budget date in FY 2011. The Department and SAO, working in collaboration throughout FY 2011, developed an automated system for recording receivables and revenue on expenditure driven grants which was implemented July 1, 2011.

The Department is also reviewing all administrative costs to identify costs that may be allocated across programs. For example, the Department is developing a methodology for allocating building rent to the appropriate programs based on the utilization of the office space.

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SUBSEQUENT INJURY TRUST FUND BOARD OF TRUSTEES

Finding Control Number: FS-489-11-01

CAPITAL ASSETS FINANCIAL REPORTING AND DISCLOSURE

Deficiency in Capital Asset Reporting

We concur with the finding. The Fund recognizes that appropriate depreciation and accumulated depreciation expense must be reported correctly to the State Accounting Office on the Capital Asset form. The Fund will ensure that depreciation and accumulated depreciation expense will be reported correctly on the next Capital Asset form.

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PUBLIC DEFENDERS STANDARDS COUNCIL, GEORGIA

Finding Control Number: FS-492-11-01

ACCOUNTING CONTROLS

Inadequate Supporting Documentation

We concur with this finding. While we agree that these two transactions were allowable and believe we have internally maintained adequate documentation to support the transactions, we understand and acknowledge that an additional level of documentation is required to comply with Category 3 of the Accounting Policy Manual. Consequently, we will ensure that each accounts payable transaction is supported by a form of source documentation recommended in the Accounting Policy Manual.

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GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION

Finding Control Number: FA-5092-11-01

MATCHING, LEVEL OF EFFORT, EARMARKING

Failure to meet required earmarking threshold

The Veterans Upward Bound Program is funded to serve 120 veterans. Two-thirds, or 66.7% (80 participants) must be low income and first generation. According to the 2009-10 Annual Performance Report (APR), we reported 65%. Although we served 80 participants (66.7% of 120), at the last minute the staff decided to add three more participants without making sure that two of them were low income/first generation. This gave us a total of 123 participants with only 80 being low income/first generation (65%). The Office of Educational Opportunity and TRIO (OEO/TRIO) is implementing the following corrective action plan so that this does not reoccur. Beginning in January 2012, each program director will prepare quarterly reports on participants and submit for review to the OEO/TRIO department director. In preparing these reports, program directors will check their files against the information in the database as well as the information submitted on the APR for accuracy. The program directors and the OEO/TRIO department director will also conduct periodic random checks of participant data in files vs. database. In addition, the University's financial compliance officer will monitor the participant files to verify eligibility.

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Finding Control Number: FA-5092-11-02

REPORTING

Required reports not filed or not submitted on time

A new award report has been created which lists the award start date and the award end date, which will list reports by Financial Officer, and alert them to the completion of a project and the requirement to submit a financial report to the sponsor. Beginning December 2011, the report will be run each month, listing the awards that expire that month. The Associate Director will review and distribute the report on a monthly basis. The Financial Officers will review the award report each month and begin the process of preparing the final financial reports and submitting them within the required timeframe. The Financial Officers will keep the Associate Director informed of their progress with the reports, and the Associate Director will sign-off on the final report to be submitted to the sponsor.

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ALBANY STATE UNIVERSITY

Finding Control Number: FA-521-11-01

SPECIAL TESTING AND PROVISIONS

Deficiencies in Student Financial Aid Process

We concur with this finding. The errors occurred due to the University excluding the number of "Spring Break" days which should have been included in the Return to Title IV calculation in Banner since these days are part of the Spring 2011 academic calendar. The academic calendar determines the refundable days/percentage which is included in the Return of Title IV calculation. The Financial Aid Office has modified its Return of Title IV processing procedures to include reviewing the Registrar's Banner form which will show the total amount of break days for any particular academic term. The University's Financial Aid staff will continue to conduct manual verification of the Banner SIS software's Return of Title IV calculations. Additionally, the Financial Aid Office will also increase the communication and coordination between all other administrative offices which are vital to the implementation of the Return of Title IV process.

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FORT VALLEY STATE UNIVERSITY

Finding Control Number: FA-533-11-01

ELIGIBILITY

Overpayment of Student Financial Aid

We concur with the finding. The university has experienced significant student enrollment growth in the last few years which has absorbed the time and attention of management and staff involved in processing financial aid. While striving to continue providing good service to our students and accomplishing the risk assessment and policy review recommended in the audit, which we agree is needed, the University will work with the Board of Regents staff to identify consulting resources that can be utilized to assist with the review and the development of a monitoring process to ensure that controls are properly implemented and maintained. Additionally, the Executive Director for Enrollment Management will contact appropriate staff at the U.S. Department of Education to determine if any further action is needed to resolve this issue.

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Finding Control Number: FA-533-11-02

CASH MANAGEMENT

Excessive Cash Balance

We concur with the finding. Procedures within the Comptroller's Office have been changed such that all cash draws on Federal Direct Loans will be based upon disbursement information in the U.S. Department of Education's Common Origination and Disbursement data base. In the year under audit, staff used disbursement information in the Banner student system, which was not always reflective of the actual disbursement date. Additionally, the Assistant Comptroller will contact appropriate staff at the U.S. Department of Education to determine if any further action is needed to resolve this issue.

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Finding Control Number: FA-533-11-03

MATCHING, LEVEL OF EFFORT AND EARMARKING

Failure to Comply with Federal Work-Study Earmarking Requirements

We concur with the finding. Procedures will be updated to monitor more closely for compliance with the requirement that seven percent of Federal Work-Study allocations be used for community service activities. If a problem in meeting the requirement is detected, work activities will be redirected to meet the mandate or a waiver of the requirement will be requested. Management at the university will consult with the appropriate officials at the U.S. Department of Education to determine what, if any, action is needed to address this issue given that the year is closed.

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Finding Control Number: FS-533-11-01

ACCOUNTING CONTROLS (OVERALL)

Inadequate Separation of Duties

We concur with this finding. The University will perform a review of internal controls which will specifically include:

A detailed analysis and review of PeopleSoft financial system security roles and responsibilities will be conducted. Unless compensating controls, such as PeopleSoft Workflow, can adequately correct internal control weaknesses, no single individual will be assigned security access that will permit them to both enter and approve a transaction. Any compensating controls used must be documented. Particular emphasis will be placed on reviewing procedures for the review and approval of journal entries, bank reconciliations and purchase orders.

A detailed analysis and review of Banner student system security roles and responsibilities will be conducted. Unless compensating controls can adequately correct internal control weaknesses noted in the review and the audit, duties will be reassigned accordingly. Any compensating controls used must be documented. Particular emphasis will be placed on reviewing procedures for sensitive cash receipting, cash deposit, and cash reconciliation duties.

A detailed analysis and review will be made of the access granted to those individuals who have assigned responsibilities within both PeopleSoft financial systems and Banner student systems. Unless compensating controls can be identified, duties will be reassigned to reduce internal control risks. Any compensating controls used must be documented. Particular emphasis will be placed on reviewing procedures for sensitive cash receipting, cash deposit, and cash reconciliation duties.

A review will be conducted of access within the human resource and payroll functions to eliminate or mitigate the internal control weakness identified within the audit. Any compensating controls used will be documented in writing.

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Finding Control Number: FS-533-11-02

EMPLOYEE COMPENSATION

Inadequate Internal Controls

We concur with the finding. Management believes that controls in the new ADP payroll system are adequate as it relates to leave maintenance on an on-going basis. However, procedures and reporting will be strengthened to ensure that leave accrual rates are consistent with hire dates and Board of Regents policy. Concurrent with this, employee personnel files will be maintained adequately to document any seeming exceptions to leave accrual procedures. To accomplish these improvements, management and staff within Human Resources will conduct quarterly reviews of ADP leave balances to identify any discrepancies. Additionally, and specifically, those exceptions noted within the audit will be reviewed and appropriate corrections will be made to the leave records or the personnel files will be updated to document the leave accruals in place. Finally, the staff in Human Resources and Payroll are working with the Shared Services staff to ensure that leave accruals reported on fiscal year end reports used for financial reporting are accurately reflected.

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Finding Control Number: FS-533-11-03

BUDGET PREPARATION / EXECUTION

Inadequate Accounting Procedures

We concur with the finding. The university's financial management team will prioritize duties to devote more time and attention to budgetary accounting and reporting. For FY 2012, enhanced routine review of account activity and balances (which supports both the budget and GAAP based reports issued by the university) will be the focus. Due to other duties and priorities, some critical reconciliation activity for FY 2011 occurred late in the fiscal year, a time of heightened activity for closing the books and preparing both the GAAP and budgetary financial reports. The combination of limited time and significant workload created a situation where both posting and reporting errors occurred. With proper focus and continued training, management believes the financial services staff can correct the deficiencies noted by the audit staff in this finding. Finally, we will develop procedures to review encumbrances made during the year and at year-end, to more frequently monitor budget deficit reports, to review and approve journal entries to budget funds

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Finding Control Number: FS-533-11-04

FINANCIAL REPORTING

Inadequate Controls over the Financial Reporting Process

We concur with the finding. As this finding is similar to and related to Finding Control Number FS-533-11-03 above, management believes that higher prioritization of account review and reconciliation during the year will facilitate more accurate and timely reporting at fiscal year end, both on a GAAP and budgetary basis. As noted above, other duties and priorities took time and attention away from some reconciliation activities during the year and focused it at fiscal year end. The combination of limited time and significant workload created a situation where both posting and reporting errors occurred. With proper focus and continued training, management believes the financial services staff can correct the deficiencies noted by the audit staff in this finding. Finally, we will enhance procedures to review all balance sheet items at year-end, to ensure valid and properly documented journal entries, to ensure journal entries are properly posted, to review accounts receivable for validity and accuracy.

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SAVANNAH STATE UNIVERSITY

Finding Control Number: FA-548-11-01

SPECIAL TESTS AND PROVISIONS

Deficiencies in Student Financial Aid Refund Process

We concur with this finding: The University acknowledges that further improvements are required to ensure the refund process and the return of unearned Title IV funds is performed accurately and timely. To ensure the accuracy of the return of Title IV aid calculation the University has adopted the computation provided by the Banner System as the basis for returning Title IV aid.

Additionally, the University will continue to work on the coordination of the departments involved in the withdrawal process to achieve the return of aid within the 45 days required by the Higher Education Amendments of 1998, Public Law 105-244.

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GEORGIA PERIMETER COLLEGE

Finding Control Number: FS-571-11-01

FINANCIAL REPORTING

Errors Noted in Financial Statement Preparation Material Weakness

We concur with this finding. The College acknowledges the procedures in place were insufficient to ensure that various account balances were properly reflected on both the accounting records and the College's financial statements.

The College realizes that additional procedures must be implemented and monitored by management for compliance. To this end, senior financial affairs management will oversee the development and implementation of an internal procedures manual to include specific and detailed procedures for:

> Financial Accounting & Reporting Standards
> Month-End Closing of the Books
> Quarterly Closing of the Books
> Annual Closing of the Books
> Preparation of Annual Financial Statements
> Annual Financial Statements

Additionally, management will periodically review the procedures and the efforts to determine effectiveness.
This manual should be developed and action therein implemented on or before June 30, 2012.

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Finding Control Number: FS-571-11-02

FINANCIAL REPORTING

Inadequate Accounting Procedures over Budget Preparation and Execution Significant Deficiency

We concur with this finding. The College acknowledges that we failed to properly monitor budgetary activity throughout the year.

The College realizes that additional procedures must be implemented and monitored by management for compliance. To this end, senior financial affairs management will oversee the development and implementation of internal procedures to include specific and detailed procedures for:

> Month End
> Surplus/Deficit Report
> Check Commitment Control
> Monthly Open Encumbrance Analysis
> Monthly Review of Budgetary Performance

Additionally, management will periodically review the procedures and the efforts to determine effectiveness.
These procedures should be developed and actions implemented on or before June 30, 2012.

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MACON STATE COLLEGE

Finding Control Number: FS-581-11-01

FINANCIAL REPORTING

Inadequate Controls over Financial Reporting

We concur with this finding. The College acknowledges that their system of internal control could be strengthened in certain areas of financial reporting. The College has addressed each deficiency noted and incorporated new checkpoints in their existing year end annual report checklist, where appropriate, to maintain proper integrity of the financial statements. The College also reviewed each deficiency and identified where monitoring needed to be strengthened in the existing system of internal control to ensure that the financial statements will be accurate and properly supported by underlying accounting records.

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Finding Control Number: FS-581-11-02

ACCOUNTING CONTROLS (OVERALL)

IT General Controls

We concur with this finding. The College recognizes the importance of strong IT controls as well as the formal documentation of those controls. Therefore, the College is in the process of developing a form to be submitted by potential Banner users that will serve to document the creation of user accounts and any modifications to those accounts. These user account forms will then be reviewed each fiscal year to determine the appropriateness of each user's access to Banner. The College has added a column to their existing Banner upgrade log spreadsheet that will document the authorization and testing of changes by way of a sign-off. Additionally, the College plans to implement a web-based helpdesk system, similar to their existing technical support help desk system, to record and document campus Banner issues.

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Finding Control Number: FS-581-11-03

EMPLOYEE COMPENSATION

Inadequate Internal Controls

We concur with this finding. The College recognizes the importance of strong internal controls related to employee compensation. The College is in the process of reviewing EV5 (ADP) human resources users' and payroll users' access, as well as current human resources/payroll processes to determine where changes need to be implemented to ensure proper separation of duties. The College is also implementing a formal reconciliation process to document the work already being

done to reconcile the general ledger to its employee compensation (ADP) subsidiary ledger.

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SOUTH GEORGIA COLLEGE

Finding Control Number: FS-587-11-01

EXPENDITURES/LIABILITIES/DISBURSEMENTS

Inadequate Internal Controls

We concur with this finding. In discussing this item with the auditors, we acknowledge the auditors discovery of two purchases that did not have prior specific approval. The College is working quickly to implement e-Procurement and Georgia First Marketing for its procurement activities. The implementation of these measures should correct the control deficiencies identified.

These new control measures should be fully implemented by the end of February, 2012. In the interim the College will use email approvals by supervisors. The approvals before payment will still be used to insure that the items were received and are in the condition expected.

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Finding Control Number: FS-587-11-02

EMPLOYEE COMPENSATION

Inadequate Internal Controls

We concur with this finding. The following changes have been implemented to correct the deficiencies noted in the area of employee compensation:

1) We consider the situation where to the Human Resources Director had the ability to enter new hires, enter pay changes for employees, and approve pay changes for employees who work within the Human Resources and Payroll Department to have been a temporary authority level modification. The Human Resource Director's roles have been changed subsequent to the audit to remove conflicting responsibilities.

2) To correct incorrect payments to employees, we have changed our procedure to always require the use of the official contract when entering salary information.

3) To address the issue of incorrect overtime pay, our Fiscal Affairs staff, has been instructed to ensure that future requests are granted only in accordance with the College's policies and procedures. Additionally, training on the appropriate use of overtime will be provided to all Division Heads at the next Cabinet meeting (Jan. 4, 2012) and at the Administrative Council meeting in February 2012 (date has not yet be set).

4) To address the Compensated Absences issue, we will ensure that we verify the compensated absences data received from the Shared Services Center via Automatic Data Processing, Inc. (ADP).

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Finding Control Number: FS-587-11-03

CAPITAL ASSETS

Inadequate Capital Asset Records

We concur with this finding. We agree that the original Schedule of Library Collections presented to the auditors did not agree with balances reported on the College's Annual Financial Report. We also agree that several asset items were incorrectly reported on the Capital Assets listing. The following steps have been taken to correct the deficiencies noted:

1) The Schedule of Library Collections was prepared by someone from our office staff that does not normally prepare this type of information. As a result, the wrong schedule was provided. In the future only the person responsible for the particular schedule will be authorized to provide the schedules needed by the auditors. Subsequent to the audit, the College provided a Schedule of Library Collections that tied to the Annual Financial Report.

2) To address the remaining deficiencies related to the several assets that were not added to the Capital Asset listing or the

surplused assets that had not been removed along with the Construction Work in Progress that was not accurately reported, the College has revised its Capital Asset procedures. We have revised our processes and procedures to ensure that Capital Assets are properly recorded in the Assets Management module when purchased and that assets are properly reclassified and/or removed as appropriate. As part of our procedural changes we have established a process that will involve making the entry upon the payment and the voucher to reflect that the process had taken place. A person (staff accountant whose job included capital assets) is assigned this specific duty.

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Finding Control Number: FS-587-11-04

FINANCIAL REPORTING

Internal Controls over Financial Reporting

We concur with this finding. As has been noted in our responses to other findings, tasks have been assigned to specific individuals to strengthen our internal control processes over financial reporting. We will ensure that controls are strictly adhered to with sufficient monitoring of control activities.

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SKIDAWAY INSTITUTE OF OCEANOGRAPHY

Finding Control Number: FS-593-11-01

INADEQUATE ACCOUNTING PROCEDURES

Purchasing Process/Travel Reimbursement Process

We concur with this finding. Formal requisitions have been put into place; no department can order items without first presenting an approved purchase requisition. Purchase orders are being approved by either the Controller or the Chief Business Officer. Check preparation/printing function has been moved to an individual who does not have fiscal responsibilities.

All travel has a request for authority to travel attached to the final voucher package; an approved request for authority to travel is received in the business office prior to an employee traveling. Employees with conflicting user names as related to the travel and expense module are no longer using the travel and expense module for their travel; they are using a manual expense reimbursement form.

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Finding Control Number: FS-593-11-02

INADEQUATE ACCOUNTING PROCEDURES

Budgetary Financial Activity

We concur with this finding. Skidaway will follow the Board of Regents established procedures to identify source codes and funding sources for all of its budgetary activity and will establish formal policies and procedures to ensure that amounts posted to the budgetary basis statements are both accurate and properly documented.

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Finding Control Number: FS-593-11-03

FINANCIAL REPORTING

Inadequate Controls over Financial Reporting

We concur with this finding. A process has been put into place where the controller and senior accountant will review and tie back to all beginning balances prior to the start of financial statement preparation.

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ALBANY TECHNICAL COLLEGE

Finding Control Number: FA-820-11-01

FEDERAL AWARD FINDING/SPECIAL TESTING & PROVISIONS

Deficiencies in Student Financial Aid Refund Process

We concur with this finding. Albany Technical College has investigated the cause of the date change and implemented more checks to the system. Financial Aid will check all places the term date appears in Banner at the start of term. In this instance the end of term date was correct in STVTERM but not SOATERM and the Return to Title IV refunds were correct until the report was run after grades posted when the second date was picked up by the system. Financial Aid will now verify the dates for start and end of term are correct each time Return to Title IV is processed to insure that these calculations are correct.

Also, the Vice President of Academic Affairs is working with faculty to insure that withdrawals are posted expeditiously. Faculty members are again being reminded that students must be withdrawn and the last date of attendance recorded in a more timely fashion.

The questioned cost of $398.00 will be returned to DOE through G5 on December 16, 2011.

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WEST GEORGIA TECHNICAL COLLEGE

Finding Control Number: FS-826-11-01

REVENUES/RECEIVABLE/RECEIPTS

Inadequate Internal Controls over Accounts Receivables

We concur with this finding. The college will re-class FY 2011 carryover reserves to an A/R Reserve account to adequately reserve for these receivables. In 2012 the college will submit any eligible receivables that have not been already submitted to an outside collection agency William and Fudge. Beginning in October 2011 the college began thoroughly reviewing all new FY 2012 receivables balances by age and category and has engaged in college initiated collection efforts. These collection efforts have included automated phone calls, person to person phone calls, emails and past due collection letters. Once the college has sent a minimum of three past due notices any balances over 90 days will be submitted to William and Fudge for further collection efforts

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Finding Control Number: FS-826-11-02

REVENUES/RECEIVABLES/RECEIPTS

Inadequate Internal Controls over Bookstore Sales

We concur with this finding. Beginning in November 2011 the college began to routinely monitor book store sales and margins. During this review it became apparent that numerous items were being marked down at the time of sale, which explained why the expected mark-up percentages based on the Nebraska inventory system were not being realized. In an effort to improve the accuracy of expected mark-ups based on Nebraska inventory reports in 2012 the college will adjust the expected sales price of items that have been approved to be marked down at the SKU level before the items are sold. By reducing the selling price at the SKU level prior to sale the expected bookstore mark-up percentages will become in line with calculated mark-up percentages using financial data reported in the financial statements. Additional analysis of inventory balances will be performed by bookstore managers to determine slow moving items along with suggestions on items that should be marked down at the retail level. This analysis and suggestions will be presented to the President and VPA and if approved will be marked down at the SKU level.

At the end of November 2011 the college conducted a complete physical inventory of the bookstores and booked a cost of sales entry to the financial statement thereby adjusting the Inventory Trial balance account to equal the Nebraska Sub-Ledger. Going forward on a routine basis, the college will conduct physical inventories; post a cost of sales journal entry to the financial statements, and mark-down items at the SKU level prior to selling to improve the accuracy of the expected mark-up percentages, and the accuracy of financial statement and sub-ledger inventory balances.

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Finding Control Number: FS-826-11-03

EXPENDITURES/LIABILITIES/DISBURSEMENTS

Inadequate Segregation of Duties

We concur with this finding. All approved Expense Payment Vouchers (EPVs) submitted to AP will be reviewed and approved by the AP Supervisor. The EPVs and Purchase Order (PO) vouchers will be divided and entered by the two Full time AP Techs. The part time tech will check the daily entries to verify adequate documentation and data entry for errors. One of the full time techs will print the checks and the part time tech will match the checks to the documentation and mail them. The full time tech that was entering the express payment vouchers and doing the check run has discontinued this process. In addition, many of the vendors that were being processed via EPVs by this tech are now being done by employees on the individual campuses or the other full time tech.

Contact Person: Denise Thompson, AP Supervisor
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Finding Control Number: FS-826-11-04

EXPENDITURES/LIABILITIES/DISBURSEMENTS

Inappropriate Cash Disbursements

We concur with this finding. The College will further analyze FY 2011 expenditures in an effort to determine the entire amount of disbursements for this renovation project and will request additional reimbursement from West Georgia Technical College Foundation if necessary. Going forward the College will insure policies and procedures are in place to ensure that disbursements are in compliance with state law. The college will also require that future Expense Payment Vouchers (EPVs) and Purchase Order (PO) requests related to projects include specific details in the line items descriptions available in PeopleSoft and in the supporting documentation attached to the requests so as to easily categorize the projects for future analysis and auditing purposes. Lastly project expenditures will be coded to specific department numbers in People Soft that correlate to specific campuses, which will assist in analyzing and categorizing project expenditures going forward

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WEST GEORGIA RESA

Finding Control Number: FS-8604-11-01

FAILURE TO VERIFY EMPLOYMENT ELIGIBILITY FOR NEW EMPLOYEES

Inadequate E-Verify controls

West Georgia RESA acknowledges that verification of employment eligibility through the Federal work authorization program known as E-verify was not done on 8 newly hired employees during FY 2011. Our agency has implemented procedures to ensure verification of employment is completed by maintaining a spreadsheet and new hire checklist.

The deficiency in E-Verify usage will be resolved by making E-Verify part of our new hire paper work procedures. E-Verify has been added to the new hire checklist used by our Human Resources Department for all new hire employees. The Director of Finance will keep a spreadsheet with all new hires for the year listed and mark as verified as verification is completed.

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GRIFFIN RESA

Finding Control Number: FS-8624-11-01

ACCOUNTING CONTROLS

Failure to Verify Employment Eligibility for New Employees & Contractors

Reference to Finding Control Number: FS-8624-11-1

We have a full understanding of the finding referenced above. In order to rectify the situation, Griffin RESA has researched the E-Verify guidelines and taken the following steps to insure compliance.

Procedures have been implemented to ensure that employment eligibility is verified for all newly hired employees, and notarized contractor affidavits are obtained prior to entering into a contract pursuant to the physical performance of services.

Verification of employment eligibility has been done on those employees who were not verified and employment authorization has been given. All contractors were contacted, and all notarized contractor affidavits have been received.

The department recognizes that having proper controls in place will ensure employment eligibility is verified for all newly hired employees and public works contractors. Immediate steps have been taken to revise new employee hire packets to include the verification for employment eligibility through the E-Verify program. Furthermore, all solicitation of bids for the physical performance of services will include a contractor affidavit that must be completed and returned with the bid before bid will be considered.

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CHATTAHOOCHEE-FLINT RESA

Finding Control Number: FS-8724-11-02

ACCOUNTING CONTROLS (OVERALL)

Failure to Verify Employment Eligibility for New Employees

We concur with this finding. The Chattahoochee-Flint RESA did not verify new employees for FY11 through E-Verify. All future employees of Chattahoochee-Flint RESA will be verified through E-Verify going forth this day and will become another step that Chattahoochee-Flint RESA will add to the existing new employee process already being implemented.

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SEED DEVELOPMENT COMMISSION, GEORGIA

Finding Control Number: FS-919-11-01

CAPITAL ASSETS

Inadequate Capital Records

We concur with this finding. The Georgia Seed Development Commission (Commission) did not provide the Department of Audits and Accounts the proper capital asset inventory data for this audit. Since the audit the Commission has located inventory records that include historical cost amounts, but these inventory records were not up-to-date. Our inventory system and records are in the process of being updated to resolve the listed deficiencies to include i) a location code feature, ii) a new bar code compliant decal with a serial IP number , and iii) removal of surplus items and addition of missing items to the Commission's inventory records.

A policy is being implemented to maintain on-site records of items that are temporarily not located at their designated location.

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HOUSING AND FINANCE AUTHORITY, GEORGIA

Finding Control Number: FA-923-11-01

FEDERAL AWARD FOR FEDERAL PROGRAM HOMELESSNESS PREVENTION

Subgrantees did not have adequate documentation of income verification

The Authority agrees with the HUD Office of the Inspector General's recommendation to work under the direction of the HUD Director of the Atlanta Office of Community Planning and Development to:

A. Provide supporting documentation for participants' eligibility or reimburse its Program account from non-federal funds for participants lacking adequate documentation.
B. Ensure that the subgrantees follow its policies and procedures for verifying and documenting participant eligibility in accordance with Program requirements.
C. Ensure that the subgrantees review a sample of their files, not included in our review, to verify the participants' eligibility in accordance with Program requirements and reimburse its Program account from non-Federal funds for participants lacking adequate documentation.

The Authority has obtained additional income verification documentation from subgrantees for the 11 client files in question. The Authority will work with the Atlanta HUD office to establish any amount of funding that should be reimbursed to its Program account.

The Authority has also worked with subgrantees to revise policies and procedures regarding the documentation of household income before clients are deemed eligible for HPRP.

The Authority has reviewed a sample of files, not included in this review, with one subgrantee to verify adequate income documentation. The same procedure will be followed with the other subgrantee from the HUD OIG audit and all information will be reported contingent on the approval of the Atlanta HUD office.

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ROAD AND TOLLWAY AUTHORITY, STATE

Finding Control Number: FS-927-11-01

CAPITAL ASSET

Management of Capital Asset Accounts in Enterprise Funds

We concur. It has been the practice of the Authority to record payments for construction in progress on a cash basis and accrue retainage payable on all payments made during the year at year end.

The Authority will strengthen the capital asset accounting procedures by requiring that all retainage payable is recorded at the time an invoice is received. The Senior Accountant in charge of fixed assets will maintain a record of all capital asset transactions, including construction in progress within the applicable enterprise funds and reconcile this list to the general ledger on a monthly basis. The fixed asset listing will be reviewed and approved by the Accounting Manager on a monthly basis to ensure that assets are capitalized appropriately and general ledger capital asset balances are properly supported.

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Appendix "A"
Organizational Units

State of Georgia

Listing of Organizational Units Comprising
The State of Georgia Reporting Entity
For the Fiscal Year Ended June 30, 2011

ORGANIZATIONAL UNIT	CONTROL NUMBERS
Accounting Office, State	407
Administrative Services, Department of	403
Agricultural Exposition Authority, Georgia	926
Agriculture, Department of	402
Audits and Accounts, Department of **(*)**	404
Aviation Authority, Georgia	992
Aviation Hall of Fame, Georgia	483
Banking and Finance, Department of	406
Behavioral Health and Developmental Disabilities, Department of	441
Building Authority, Georgia **(*)**	900
Community Affairs, Department of	428
Community Health, Department of **(*)**	419
Correctional Industries Administration, Georgia	921
Corrections, Department of	467
Court of Appeals	432
Defense, Department of	411
Development Authority, Georgia **(*)**	914
Driver Services, Department of	475
Early Care and Learning, Department of	469
Economic Development, Department of	429
Economic Development Foundation, Inc., Georgia	989
Tourism Foundation, Georgia	990
Education, Department of	414
Foundation for Public Education, Georgia	994
Environmental Finance Authority, Georgia **(*)**	928
Financing and Investment Commission, Georgia State **(*)**	409
Forestry Commission, Georgia	420
Games Commission, State	496
General Assembly, Georgia **(*)**	444
Governor, Office of the	422
Higher Education Assistance Corporation, Georgia **(*)**	918
Higher Education Facilities Authority, Georgia **(*)**	969
Highway Authority, Georgia	924
Housing and Finance Authority, Georgia **(*)**	923
Human Services, Department of	427
Insurance, Office of the Commissioner of	408
International and Maritime Trade Center Authority, Georgia **(*)**	974
Investigation, Georgia Bureau of	471
Jekyll Island State Park Authority	910
Judicial Council	434
Juvenile Court Judges, Council of	431
Juvenile Justice, Department of	461
Labor, Department of	440
Lake Lanier Islands Development Authority	913
Law, Department of	442
Lottery Corporation, Georgia **(*)**	973
Medical Center Authority, Georgia **(*)**	982
Music Hall of Fame Authority, Georgia	929
Natural Resources, Department of	462
Georgia Natural Resources Foundation, Incorporated	4621

State of Georgia
Listing of Organizational Units Comprising
The State of Georgia Reporting Entity
For the Fiscal Year Ended June 30, 2011

ORGANIZATIONAL UNIT	CONTROL NUMBERS
North Georgia Mountains Authority	912
Oconee River Greenway Authority	988
Office of the State Treasurer	486
OneGeorgia Authority	981
Pardons and Paroles, State Board of	465
Pension Funds	
Employees' Retirement System of Georgia **(*)**	
Regular	416
Deferred Compensation Plans	n/a
Defined Contribution Plan, Georgia	n/a
District Attorneys Retirement System	946
Judicial Retirement System, Georgia	n/a
Legislative Retirement System, Georgia	n/a
Military Pension Fund, Georgia	n/a
Public School Employees' Retirement System	468
State Employees' Assurance Department	n/a
Superior Court Judges Retirement System	945
Firefighter's Pension Fund, Georgia	950
Judges of the Probate Court Retirement Fund	949
Magistrates Retirement Fund	991
Peace Officers' Annuity and Benefit Fund of Georgia	947
Sheriffs' Retirement Fund of Georgia	951
Superior Court Clerks' Retirement Fund of Georgia (*)	948
Teachers Retirement System of Georgia **(*)**	482
Personnel Administration, State	460
Ports Authority, Georgia **(*)**	916
Properties Commission, State	410
Prosecuting Attorney's Council	418
Public Defender Standards Council, Georgia	492
Public Safety, Department of	466
Public Service Commission	470
Public Telecommunications Commission, Georgia	977
Rail Passenger Authority, Georgia	960
Regents of the University System of Georgia, Board of	472
Colleges, Universities and Foundations	
Research Universities	
Georgia Institute of Technology **(*)**	503
Georgia Tech Athletic Association **(*)**	5032
Georgia Tech Facilities, Incorporated **(*)**	5034
Georgia Tech Foundation, Incorporated **(*)**	5035
Georgia Tech Research Corporation **(*)**	5036
Georgia Tech Applied Research Corporation **(*)**	5037
Georgia State University	509
Georgia State University Foundation **(*)**	5091
Georgia State University Research Foundation (*)	5092
Georgia Health Sciences University	512
Medical College of Georgia Foundation, Incorporated **(*)**	5122
Medical College of Georgia Health, Incorporated **(*)**	5124
Medical College of Georgia Physicians Practice Group Foundation (*)	5125
Medical College of Georgia Health System, Incorporated (*)	n/a

State of Georgia
Listing of Organizational Units Comprising
The State of Georgia Reporting Entity
For the Fiscal Year Ended June 30, 2011

ORGANIZATIONAL UNIT	CONTROL NUMBERS
University of Georgia **(*)**	518
University of Georgia Athletic Association, Incorporated **(*)**	5181
University of Georgia Foundation **(*)**	5182
University of Georgia Research Foundation, Incorporated **(*)**	5184
Regional Universities	
Georgia Southern University	539
Georgia Southern University Housing Foundation, Incorporated **(*)**	5392
Valdosta State University	551
VSU Auxiliary Services Real Estate Foundation, Inc (*)	5512
State Universities	
Albany State University	521
Armstrong Atlantic State University	524
Armstrong Atlantic State University Educational Properties Foundation, Incorporated (*)	5241
Augusta State University	527
Clayton State University	528
Columbus State University	530
Fort Valley State University	533
Georgia College & State University	536
Georgia College and State University Foundation **(*)**	5362
Georgia Southwestern State University	542
Kennesaw State University	543
Kennesaw State University Foundation, Incorporated **(*)**	5431
North Georgia College and State University	545
Savannah State University	548
Southern Polytechnic State University	550
University of West Georgia	554
State Colleges	
Abraham Baldwin Agricultural College	557
Atlanta Metropolitan College	561
College of Coastal Georgia	563
Darton College	570
Dalton State College	569
East Georgia College	572
Gainesville State College	575
Georgia Gwinnett College	540
Georgia Highlands College	573
Georgia Perimeter College	571
Gordon College	576
Macon State College	581
Middle Georgia College	584
South Georgia College	587
Two-Year Colleges	
Bainbridge College	562
Waycross College	589
University System of Georgia Foundation, Incorporated (*)	4721
Other	
Georgia Military College	968
Skidaway Institute of Oceanography	593
Regional Educational Service Agencies (RESA)	
Central Savannah River Area RESA	8684

State of Georgia
Listing of Organizational Units Comprising
The State of Georgia Reporting Entity
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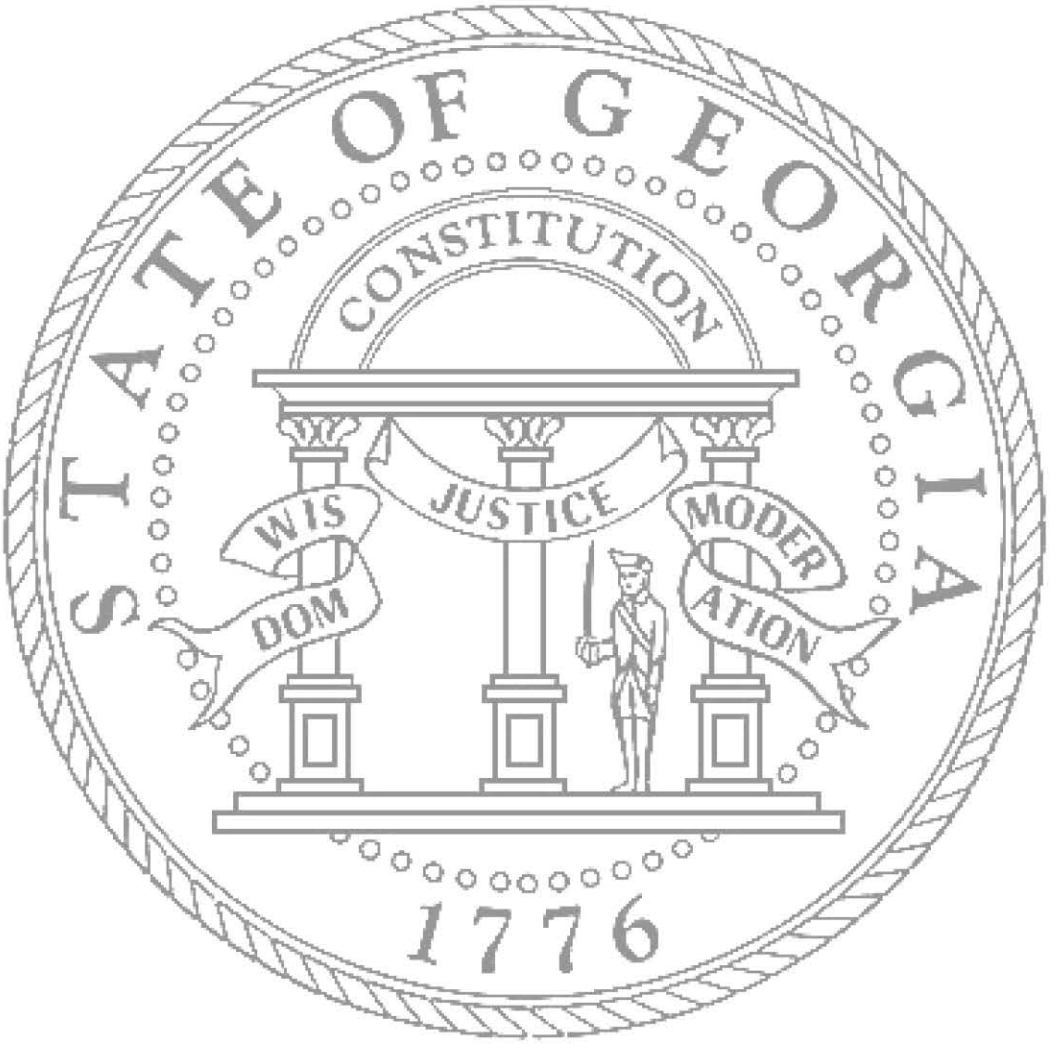
ORGANIZATIONAL UNIT	CONTROL NUMBERS
Chattahoochee-Flint RESA	8724
Coastal Plains RESA	8864
First District RESA	8804
Griffin RESA	8624
Heart of Georgia RESA	8764
Metropolitan RESA	8564
Middle Georgia RESA	8644
North Georgia RESA	8524
Northeast Georgia RESA	8584
Northwest Georgia RESA	8504
Oconee RESA	8664
Okefenokee RESA	8884
Pioneer RESA	8544
Southwest Georgia RESA	8844
West Georgia RESA	8604
Regional Transportation Authority, Georgia	976
Revenue, Department of	474
Road and Tollway Authority, State **(*)**	927
Sapelo Island Heritage Authority	942
Secretary of State	478
Seed Development Commission, Georgia	919
Soil and Water Conservation Commission, State	480
Southwest Georgia Railroad Excursion Authority	984
Sports Hall of Fame Authority, Georgia	944
Stone Mountain Memorial Association **(*)**	911
Student Finance Authority, Georgia **(*)**	917
Student Finance Commission, Georgia	476
Subsequent Injury Trust Fund Board of Trustees	489
Superior Court Clerks Cooperative Authority, Georgia **(*)**	955
Superior Courts	436
Supreme Court	438
Technical College System of Georgia	415
State Technical Colleges	
Albany Technical College	820
Altamaha Technical College	821
Athens Technical College	822
Atlanta Technical College	823
Augusta Technical College	824
Central Georgia Technical College	835
Chattahoochee Technical College	827
Columbus Technical College	828
DeKalb Technical College	830
Georgia Northwestern Technical College	829
Gwinnett Technical College	832
Heart of Georgia Technical College	833
Lanier Technical College	834
Middle Georgia Technical College	836
Moultrie Technical College	837
North Georgia Technical College	838
Ogeechee Technical College	844

State of Georgia

Listing of Organizational Units Comprising
The State of Georgia Reporting Entity
For the Fiscal Year Ended June 30, 2011

ORGANIZATIONAL UNIT	CONTROL NUMBERS
Okefenokee Technical College	818
Sandersville Technical College	817
Savannah Technical College	841
South Georgia Technical College	842
Southeastern Technical College	843
Southern Crescent Technical College	831
Southwest Georgia Technical College	846
Wiregrass Georgia Technical College	848
West Georgia Technical College	826
Technology Authority, Georgia	980
Transportation, Department of	484
Veterans Service, State Department of	488
Workers' Compensation, State Board of	490
World Congress Center Authority, Geo. L. Smith II, Georgia	922

(*) Audits of these organizational units performed in whole or in part by other auditors.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