



**Government of the
District of Columbia**

**Schedules of Expenditures of Federal
Awards and Reports Required by
OMB Circular A-133
Year Ended September 30, 2015**

**Government of the
District of Columbia**

**Schedules of Expenditures of Federal
Awards and Reports Required by
OMB Circular A-133
Year Ended September 30, 2015**

Government of the District of Columbia

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Independent Auditor's Report

To the Mayor and the Council of the Government of the District of Columbia

Report on Schedules of Expenditures of Federal Awards

We have audited the accompanying schedules of expenditures of federal awards of the Government of the District of Columbia for the year ended September 30, 2015, and the related notes (the financial statements).

Management's Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above presents fairly, in all material respects, the expenditures of federal awards of the Government of the District of Columbia for the year ended September 30, 2015 in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

June 29, 2016



**Independent Auditor's Report
on Compliance For Each Major Federal Program and
Report on Internal Control Over Compliance
Required by OMB Circular A-133**

To the Mayor and the Council of the Government of the District of Columbia

Report on Compliance for Each Major Federal Program

We have audited the Government of the District of Columbia's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended September 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The accompanying Schedules of Expenditures of Federal Awards and our audit described below do not include the federal expenditures of the District of Columbia Housing Finance Agency (HFA). Our audit, described below, did not include the operations of HFA because the component unit engages other auditors, if required, to have an audit performed in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.



Basis for Adverse Opinions on the Five Major Federal Programs Identified in Table I

As described in the accompanying schedule of findings and questioned costs, and as identified in Table I below, the District did not comply with requirements regarding the following:

Table I - Material Noncompliance Resulting In Adverse Opinions				
Federal Awarding Agency	CDFA Number (s)	Major Program	Compliance Requirement	Finding Number
Housing and Urban Development	14.218	Community Development Block Grants/Entitlement Grants	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-005 2015-006
Housing and Urban Development	14.218	Community Development Block Grants/Entitlement Grants	Reporting	2015-007
Housing and Urban Development	14.239	HOME Investment Partnerships Program	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-008 2015-009
Housing and Urban Development	14.239	HOME Investment Partnerships Program	Matching, Level of Effort, Earmarking	2015-010
Health and Human Services	93.558	Temporary Assistance for Needy Families Cluster	Reporting	2015-016
Health and Human Services	93.558	Temporary Assistance for Needy Families Cluster	Special Tests and Provisions - Child Support Non-Cooperation	2015-017
Health and Human Services	93.558	Temporary Assistance for Needy Families Cluster	Special Tests and Provisions - Penalty for Refusal to Work	2015-019
Health and Human Services	93.658	Foster Care - Title IV-E	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-021
Health and Human Services	93.658	Foster Care - Title IV-E	Cash Management	2015-022
Health and Human Services	93.658	Foster Care - Title IV-E	Eligibility	2015-023
Health and Human Services	93.658	Foster Care - Title IV-E	Matching, Level of Effort, Earmarking	2015-024



Table I - Material Noncompliance Resulting In Adverse Opinions				
Federal Awarding Agency	CDFA Number (s)	Major Program	Compliance Requirement	Finding Number
Health and Human Services	93.659	Adoption Assistance - Title IV-E	Cash Management	2015-028
Health and Human Services	93.659	Adoption Assistance - Title IV-E	Eligibility	2015-029

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

Adverse Opinions on the Five Major Federal Programs Identified in Table I

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinions paragraph, the District did not comply in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal programs identified in Table I for the year ended September 30, 2015.

Basis for Qualified Opinions on the Seven Major Federal Programs Identified in Table II

As described in the accompanying schedule of findings and questioned costs, and as identified in Table II below, the District did not comply with requirements regarding the following:

Table II - Material Noncompliance Resulting In Qualified Opinions				
Federal Awarding Agency	CDFA Number (s)	Major Program	Compliance Requirement	Finding Number
Agriculture	10.553, 10.555, 10.556, 10.559	Child Nutrition Cluster	Eligibility	2015-003
Education	84.007, 84.033, 84.063, 84.268, 93.925	Student Financial Assistance Cluster	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-012
Education	84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Eligibility	2015-014
Education	84.374	Teacher Incentive Fund Program	Matching, Level of Effort, Earmarking	2015-015



Table II - Material Noncompliance Resulting In Qualified Opinions				
Federal Awarding Agency	CDFA Number (s)	Major Program	Compliance Requirement	Finding Number
Health and Human Services	93.600	Head Start	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-020
Health and Human Services	93.775, 93.777, 93.778	Medicaid Cluster	Eligibility	2015-031
Health and Human Services	93.914	HIV Emergency Relief Project Grants	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-032

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

Qualified Opinions on the Seven Major Federal Programs Identified in Table II

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions paragraph above, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal programs identified in Table II for the year ended September 30, 2015.

Unmodified Opinions on Each of the Other Major Federal Programs

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2015.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs, and as identified in the Tables III and IV below. Our opinion on each major federal program is not modified with respect to these matters.

Table III - Other Instances of Noncompliance Noted in Programs with an Adverse Opinion				
Federal Awarding Agency	CDFA Number (s)	Major Program	Compliance Requirement	Finding Number
Housing and Urban Development	14.239	HOME Investment Partnerships Program	Special Tests and Provisions - Wage Rate Requirements	2015-011



Table III - Other Instances of Noncompliance Noted in Programs with an Adverse Opinion				
Federal Awarding Agency	CDFA Number (s)	Major Program	Compliance Requirement	Finding Number
Health and Human Services	93.558	Temporary Assistance for Needy Families	Special Tests and Provisions - Penalty for Failure to Comply With Work Verification Plan	2015-018
Health and Human Services	93.658	Foster Care - Title IV-E	Special Tests and Provisions - Payment Rate Setting and Application	2015-025 2015-026
Health and Human Services	93.659	Adoption Assistance - Title IV-E	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-027

Table IV - Other Instances of Noncompliance				
Federal Awarding Agency	CDFA Number (s)	Major Program	Compliance Requirement	Finding Number
Agriculture	10.551, 10.561	Supplemental Nutrition Assistance Program Cluster	Special Tests and Provisions - ADP System for SNAP	2015-001
Agriculture	10.551, 10.561	Supplemental Nutrition Assistance Program Cluster	Special Tests and Provisions - EBT Card Security	2015-002
Agriculture	10.557	Special Supplemental Nutrition Program for Women, Infants and Children	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-004
Education	84.027, 84.173	Special Education Cluster	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-013
Health and Human Services	93.775, 93.777, 93.778	Medicaid Cluster	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-030



The District’s responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District’s responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, and as identified in Table V below, to be material weaknesses.

Table V - Material Weaknesses in Internal Control Over Compliance				
Federal Awarding Agency	C DFA Number (s)	Major Program	Compliance Requirement	Finding Number
Agriculture	10.551, 10.561	Supplemental Nutrition Assistance Program Cluster	Special Tests and Provisions - ADP System for SNAP	2015-001 2015-033
Agriculture	10.553, 10.555, 10.556, 10.559	Child Nutrition Cluster	Eligibility	2015-003
Housing and Urban Development	14.218	Community Development Block Grants/Entitlement Grants	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-005 2015-006



Table V - Material Weaknesses in Internal Control Over Compliance

Federal Awarding Agency	CDFA Number (s)	Major Program	Compliance Requirement	Finding Number
Housing and Urban Development	14.218	Community Development Block Grants/Entitlement Grants	Reporting	2015-007
Housing and Urban Development	14.239	HOME Investment Partnerships Program	Activities Allowed or Unallowed and Allowable Costs/ Cost Principles	2015-008 2015-009
Housing and Urban Development	14.239	HOME Investment Partnerships Program	Matching, Level of Effort, Earmarking	2015-010
Education	84.007, 84.033, 84.063, 84.268, 93.925	Student Financial Assistance Cluster	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-012
Education	84.027, 84.173	Special Education Cluster	Activities Allowed or Unallowed and Allowable Costs/ Cost Principles	2015-013
Education	84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Eligibility	2015-014
Education	84.374	Teacher Incentive Fund Program	Matching, Level of Effort, Earmarking	2015-015
Health and Human Services	93.558	Temporary Assistance for Needy Families Cluster	Eligibility	2015-033
Health and Human Services	93.558	Temporary Assistance for Needy Families Cluster	Reporting	2015-016
Health and Human Services	93.558	Temporary Assistance for Needy Families Cluster	Special Tests and Provisions - Child Support Non-Cooperation	2015-017
Health and Human Services	93.558	Temporary Assistance for Needy Families Cluster	Special Tests and Provisions - Penalty for Refusal to Work	2015-019



Table V - Material Weaknesses in Internal Control Over Compliance

Federal Awarding Agency	CDFA Number (s)	Major Program	Compliance Requirement	Finding Number
Health and Human Services	93.600	Head Start	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-020
Health and Human Services	93.658	Foster Care - Title IV-E	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-021
Health and Human Services	93.658	Foster Care - Title IV-E	Cash Management	2015-022
Health and Human Services	93.658	Foster Care - Title IV-E	Eligibility	2015-023
Health and Human Services	93.658	Foster Care - Title IV-E	Matching, Level of Effort, Earmarking	2015-024
Health and Human Services	93.659	Adoption Assistance - Title IV-E	Cash Management	2015-028
Health and Human Services	93.659	Adoption Assistance - Title IV-E	Eligibility	2015-029
Health and Human Services	93.767	Children's Health Insurance Program	Eligibility	2015-033
Health and Human Services	93.775, 93.777, 93.778	Medicaid Cluster	Eligibility	2015-031 2015-033
Health and Human Services	93.914	HIV Emergency Relief Project Grants	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-032



A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, and as identified in Table VI below, to be significant deficiencies.

Table VI - Significant Deficiencies in Internal Control Over Compliance				
Federal Awarding Agency	CDFA Number (s)	Major Program	Compliance Requirement	Finding Number
Agriculture	10.551, 10.561	Supplemental Nutrition Assistance Program Cluster	Special Tests and Provisions - EBT Card Security	2015-002
Agriculture	10.557	Special Supplemental Nutrition Program for Women, Infants and Children	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-004
Housing and Urban Development	14.239	HOME Investment Partnerships Program	Special Tests and Provisions - Wage Rate Requirements	2015-011
Health and Human Services	93.558	Temporary Assistance for Needy Families Cluster	Special Tests and Provisions - Penalty for Failure to Comply With Work Verification Plan	2015-018
Health and Human Services	93.658	Foster Care - Title IV-E	Special Tests and Provisions - Payment Rate Setting and Application	2015-025 2015-026
Health and Human Services	93.659	Adoption Assistance - Title IV-E	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-027
Health and Human Services	93.775, 93.777, 93.778	Medicaid Cluster	Activities Allowed or Unallowed and Allowable Costs/Cost Principles	2015-030

The District's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.



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

BDO USA, LLP

June 29, 2016

**Schedule I - Schedule of Expenditures
of Federal Awards by Federal Grantor**

Government of the District of Columbia

Schedule of Expenditures of Federal Awards by Federal Grantor

Year Ended September 30, 2015

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Agriculture		
FEDERAL-STATE MARKETING IMPROVEMENT PROGRAM	10.156	\$ 6,600
FARMERS' MARKET PROMOTION PROGRAM	10.168	5,858
SPECIALTY CROP BLOCK GRANT PROGRAM - FARM BILL	10.170	210,862
PAYMENTS TO AGRICULTURAL EXPERIMENT STATIONS UNDER THE HATCH ACT	10.203	1,013,115
COOPERATIVE EXTENSION SERVICE	10.500	1,474,999
SUPPLEMENTARY NUTRITION ASSISTANCE PROGRAM (SNAP)	10.551	223,986,606
STATE ADMINISTRATIVE MATCHING GRANTS - FOR THE SUPPLEMENTAL NUTRITION	10.561	20,878,674
SUBTOTAL - SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) CLUSTEF		244,865,280
SCHOOL BREAKFAST PROGRAM	10.553	10,747,232
NATIONAL SCHOOL LUNCH PROGRAM	10.555	26,944,938
SPECIAL MILK PROGRAM FOR CHILDREN	10.556	13,550
SUMMER FOOD SERVICE PROGRAM FOR CHILDREN	10.559	2,443,258
SUBTOTAL - CHILD NUTRITION CLUSTER		40,148,978
SPECIAL SUPPLEMENTAL NUTRITION PROG FOR WOMEN, INFANTS & CHILDREN (WIC)	10.557	13,582,327
CHILD AND ADULT CARE FOOD PRGRAM	10.558	8,059,733
STATE ADMINISTRATIVE EXPENSES FOR CHILD NUTRITION	10.560	764,913
COMMODITY SUPPLEMENTAL FOOD PROGRAM	10.565	434,691
EMERGENCY FOOD ASSISTANCE PROGRAM (ADMINISTRATIVE COST)	10.568	199,933
SUBTOTAL - FOOD DISTRIBUTION CLUSTER		634,624
WIC FARMERS' MARKET NUTRITION PROGRAM (FMNP)	10.572	131,361
FARM TO SCHOOL GRANT PROGRAM	10.575	78,740
SENIOR FARMERS MARKET NUTRITION PROGRAM	10.576	93,188
CHILD NUTRITION DISCRETIONARY GRANTS LIMITED AVAILABILITY	10.579	100,388
FRESH FRUIT AND VEGETABLE PROGRAM	10.582	1,689,703
COOPERATIVE FORESTRY ASSISTANCE	10.664	92,577
FOREST STEWARDSHIP PROGRAM	10.678	36,000
Total U.S. Department of Agriculture		312,989,246
U.S. Department of Commerce		
INVESTMENTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT FACILITIES	11.300	1,188,400
ATLANTIC COASTAL FISHERIES COOPERATIVE MANAGEMENT ACT	11.474	28,828
STATE AND LOCAL IMPLEMENTATION GRANT PROGRAM	11.549	146,146
ARRA - STATE BROADBAND DATA AND DEVELOPMENT GRANT PROGRAM	11.558	61,083
SCIENCE, TECHNOLOGY, BUSINESS AND/OR EDUCATION OUTREACH	11.620	22,984
Total U.S. Department of Commerce		1,447,441
U.S. Department of Defense		
PROCUREMENT TECHNICAL ASSITANCE FOR BUSINESS FIRMS	12.002	324,403
STATE MEMORANDUM OF AGREEMENT PROGRAM FOR THE REIMBURSEMENT OF		
TECHNICAL SERVICES	12.113	562,859
NATIONAL GUARD MILITARY OPERATIONS AND MAINTENANCE (O&M) PROJECTS	12.401	3,826,603
NATIONAL GUARD CHALLENGE PROGRAM	12.404	2,434,481
MILITARY MEDICAL RESEARCH AND DEVELOPMENT	12.420	182,083
COMMUNITY ECONOMIC ADJUSTMENT ASSISTANCE FOR ESTABLISHMENT, EXPANSION, REALIGNMENT,		
OR CLOSURE OF A MILITARY INSTALLATION	12.607	449,848
BASIC, APPLIED, AND ADVANCED RESEARCH IN SCIENCE AND ENGINEERING	12.630	18,320
Total U.S. Department of Defense		7,798,597
U.S. Department of Housing and Urban Development		
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218	22,712,868
EMERGENCY SOLUTIONS GRANT PROGRAM	14.231	1,714,427
SUPPORTIVE HOUSING PROGRAM	14.235	142,490
SHELTER PLUS CARE	14.238	4,368,236
HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)	14.239	5,697,309
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	14.241	12,751,772
FAIR HOUSING ASSISTANCE PROGRAM - STATE AND LOCAL	14.401	174,895
LEAD HAZARD REDUCTION DEMONSTRATION GRANT PROGRAM	14.905	637,659
Total U.S. Depart. of Housing and Urban Development		48,199,656

The accompanying notes are an integral part of the schedule.

Government of the District of Columbia

Schedule of Expenditures of Federal Awards by Federal Grantor

Year Ended September 30, 2015

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Federal Expenditures
U.S. Department of the Interior		
SPORT FISH RESTORATION PROGRAM	15.605	1,412,318
CLEAN VESSEL ACT	15.616	37,409
STATE WILDLIFE GRANTS	15.634	84,882
ASSISTANCE TO WATER RESOURCES RESEARCH INSTITUTES	15.805	97,384
HISTORIC PRESERVATION FUND GRANTS-IN-AID	15.904	517,691
OUTDOOR RECREATION - ACQUISITION, DEVELOPMENT AND PLANNING	15.916	71,412
Total U.S. Department of the Interior		2,221,096
U.S. Department of Justice		
SEXUAL ASSAULT SERVICES FORMULA PROGRAM	16.017	200,974
JUVENILE ACCOUNTABILITY INCENTIVE BLOCK GRANT PROGRAM	16.523	92,351
JUVENILE JUSTICE AND DELINQUENCY PREVENTION - ALLOCATION TO STATES	16.540	598,082
STATE JUSTICE STATISTICS PROGRAM FOR STATISTICAL ANALYSIS CENTERS	16.550	59,588
CRIME VICTIM ASSISTANCE PROGRAM	16.575	1,649,984
CRIME VICTIM ASSISTANCE/DISCRETIONARY GRANTS	16.582	318,003
VIOLENCE AGAINST WOMEN FORMULA GRANTS	16.588	1,228,875
GRANTS TO ENCOURAGE ARREST POLICIES & ENFORCEMENT OF PROTECT ORDERS	16.590	152,582
RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS	16.593	50,876
STATE CRIMINAL ALIEN ASSISTANCE PROGRAM	16.606	347,784
PROJECT SAFE NEIGHBORHOODS	16.609	84,268
PUBLIC SAFETY PARTNERSHIP & COMMUNITY POLICING GRANTS	16.710	275,770
ARRA - PUBLIC SAFETY PARTNERSHIP & COMMUNITY POLICING GRANTS	16.710	82,014
SUBTOTAL - PUBLIC SAFETY PARTNERSHIP & COMMUNITY POLICING GRANT		357,784
PREA PROGRAM: DEMONSTRATION PROJECTS TO ESTABLISH 'ZERO TOLERANCE' CULTURES FOR SEXUAL ASSAULT IN CORRECTIONAL FACILITIES	16.735	197,912
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	1,571,879
FORENSIC DNA BACKLOG REDUCTION PROGRAM	16.741	372,549
PAUL COVERDELL FORENSIC SCIENCES IMPROVEMENT GRANT PROGRAM	16.742	82,147
SUPPORT FOR ADAM WALSH IMPLEMENTATION GRANT PROGRAM	16.750	366,556
EDWARD BYRNE MEMORIAL COMPETITIVE GRANT PROGRAM	16.751	34,442
SECOND CHANCE ACT PRISONER REENTRY INITIATIVE	16.812	259,110
VISION 21	16.826	189,239
Total U.S. Department of Justice		8,214,985
U.S. Department of Labor		
LABOR FORCE STATISTICS	17.002	620,546
COMPENSATION AND WORKING CONDITIONS	17.005	82,175
EMPLOYMENT SERVICE/WAGNER-PEYSER FUNDED ACTIVITIES	17.207	1,273,100
DISABLED VETERANS OUTREACH PROGRAM	17.801	507,628
LOCAL VETERANS EMPLOYMENT REPRESENTATIVE	17.804	208,039
SUBTOTAL - EMPLOYMENT SERVICE CLUSTER		1,988,767
UNEMPLOYMENT INSURANCE	17.225	134,349,424
ARRA - UNEMPLOYMENT INSURANCE	17.225	8,654,235
SUBTOTAL - UNEMPLOYMENT INSURANCE		143,003,659
WIA ADULT PROGRAM	17.258	1,715,282
WIA YOUTH ACTIVITIES	17.259	1,911,322
WIA DISLOCATED WORKER FORMULA GRANTS	17.278	2,216,584
SUBTOTAL - WIA CLUSTER		5,843,188
SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM	17.235	496,293
TRADE ADJUSTMENT ASSISTANCE	17.245	39,549
WIA PILOTS, DEMONSTRATIONS, AND RESEARCH PROJECTS	17.261	80,694
WORK OPPORTUNITY TAX CREDIT PROGRAM (WOTC)	17.271	66,000
TEMPORARY LABOR CERTIFICATION FOR FOREIGN WORKERS	17.273	47,547
TRADE ADJUSTMENT ASSISTANCE COMMUNITY COLLEGE AND CAREER		
TRAINING (TAACCT) GRANTS	17.282	1,465,288
CONSULTATION AGREEMENTS	17.504	492,364
Total U.S. Department of Labor		154,226,070

The accompanying notes are an integral part of the schedule.

Government of the District of Columbia

Schedule of Expenditures of Federal Awards by Federal Grantor

Year Ended September 30, 2015

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	<i>Federal CFDA Number</i>		<i>Federal Expenditures</i>
U.S. Department of Transportation			
HIGHWAY PLANNING AND CONSTRUCTION	20.205	196,461,899	
ARRA - HIGHWAY PLANNING AND CONSTRUCTION	20.205	<u>(48,627)</u>	
SUBTOTAL - HIGHWAY PLANNING AND CONSTRUCTION			196,413,272
NATIONAL MOTOR CARRIER SAFETY	20.218		759,393
SAFETY DATA IMPROVEMENT PROGRAM	20.234		3,881
ARRA - HIGH-SPEED RAIL CORRIDORS AND INTERCITY PASSENGER RAIL SERVICE - CAPITAL	20.319		707,369
METROPOLITAN TRANSPORTATION PLANNING	20.505		149,274
FEDERAL TRANSIT - FORMULA GRANTS	20.507		919
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513		272,769
STATE AND COMMUNITY HIGHWAY SAFETY	20.600		4,414,244
STATE DAMAGE PREVENTION PROGRAM GRANTS	20.720		367,832
PHMSA PIPELINE SAFETY PROGRAM ONE CALL GRANT	20.721		74,738
Total U.S. Department of Transportation			<u><u>203,163,691</u></u>
U.S. Department of the Treasury			
LOW-INCOME TAXPAYER CLINICS	21.008		74,806
Total U.S. Department of the Treasury			<u><u>74,806</u></u>
Equal Employment Opportunity Commission			
EMPLOYMENT DISCRIMINATION - TITLE VII OF THE CIVIL RIGHTS ACT OF 1964	30.001		111,240
Total Equal Employment Opportunity Commission			<u><u>111,240</u></u>
National Endowment for the Humanities			
PROMOTION OF THE ARTS - PARTNERSHIP AGREEMENTS	45.025		684,400
GRANTS TO STATES	45.310		918,531
NATIONAL LEADERSHIP GRANTS	45.312		15,801
Total National Endowment for the Humanities			<u><u>1,618,732</u></u>
National Science Foundation			
EDUCATION AND HUMAN RESOURCES	47.076		715,233
Total National Science Foundation			<u><u>715,233</u></u>
U.S. Small Business Administration			
FEDERAL AND STATE TECHNOLOGY PARTNERSHIP PROGRAM	59.058		74,022
STATE TRADE AND EXPORT PROMOTION PILOT GRANT PROGRAM (SBA)	59.061		83,978
Total U.S. Small Business Administration			<u><u>158,000</u></u>
U.S. Department of Veterans Affairs			
VETERANS AFFAIRS MEDICAL CENTER	64.009		1,162,871
Total U.S. Department of Veterans Affairs			<u><u>1,162,871</u></u>
Environmental Protection Agency			
AIR POLLUTION CONTROL PROGRAM SUPPORT	66.001		1,006,288
STATE INDOOR RADON GRANTS	66.032		87,754
SURVEYS, STUDIES, INVESTIGATIONS ACTIVITIES RELATING TO THE CLEAN AIR ACT	66.034		174,606
STATE CLEAN DIESEL GRANT PROGRAM	66.040		168,082
CONSTRUCTION GRANTS FOR WASTEWATER TREATMENT WORKS	66.418		379,948
WATER POLLUTION CONTROL STATE, INTERSTATE, TRIBAL PROGRAM SUPPORT	66.419		1,156,351
WATER QUALITY MANAGEMENT PLANNING	66.454		100,000
NONPOINT SOURCE IMPLEMENTATION GRANTS	66.460		421,182
CHESAPEAKE BAY PROGRAM	66.466	1,045,973	
CHESAPEAKE BAY PROGRAM - CHESAPEAKE BAY TRUST	66.466	95,000	
CHESAPEAKE BAY PROGRAM - NATIONAL FISH & WILDLIFE FOUNDATION	66.466	<u>(73,096)</u>	
SUBTOTAL - CHESAPEAKE BAY PROGRAM			1,067,877
CAPITALIZATION GRANTS FOR DRINKING WATER STATE REVOLVING FUNDS	66.468		8,708
PERFORMANCE PARTNERSHIP GRANTS	66.605		150,738

The accompanying notes are an integral part of the schedule.

Government of the District of Columbia

Schedule of Expenditures of Federal Awards by Federal Grantor

Year Ended September 30, 2015

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Federal Expenditures
Environmental Protection Agency (continued)		
POLLUTION PREVENTION GRANTS PROGRAM	66.708	686,852
HAZARDOUS WASTE MANAGEMENT STATE PROGRAM SUPPORT	66.801	203,052
SUPERFUND STATE, POLITICAL SUBDIVISION, AND INDIAN TRIBE SITE SPECIFIC COOPERATIVE AGREEMENTS	66.802	108,209
UNDERGROUND STORAGE TANK PREVENTION, DETECTION & COMPLIANCE PROGRAM	66.804	648,431
SUPERFUND STATE AND TRIBE CORE PROGRAM COOP AGREEMENTS	66.809	61,852
STATE AND TRIBAL RESPONSE PROGRAM	66.817	224,143
Total Environmental Protection Agency		6,654,073
 U.S. Department of Energy		
STATE ENERGY PROGRAM	81.041	211,266
WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS	81.042	490,694
STATE HEATING OIL AND PROPANE PROGRAM	81.138	5,854
Total U.S. Department of Energy		707,814
 U.S. Department of Education		
ADULT EDUCATION - BASIC GRANTS TO STATES	84.002	1,278,106
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES (LEA)	84.010	41,480,707
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS (SEOG)	84.007	599,584
FEDERAL WORK-STUDY PROGRAM	84.033	202,072
FEDERAL PELL GRANT PROGRAM	84.063	8,224,166
FEDERAL DIRECT STUDENT LOANS	84.268	24,632,540
SUBTOTAL - STUDENT FINANCIAL ASSISTANCE CLUSTER		33,658,362
TITLE I STATE AGENCY PROGRAM FOR NEGLECTED & DELINQUENT CHILDREN	84.013	377,305
SPECIAL EDUCATION - GRANT TO STATES	84.027	18,715,638
SPECIAL EDUCATION - PRESCHOOL GRANTS	84.173	249,284
SUBTOTAL - SPECIAL EDUCATION CLUSTER		18,964,922
HIGHER EDUCATION - INSTITUTIONAL AID	84.031	3,912,998
TRIO - TALENT SEARCH	84.044	388,503
TRIO - UPWARD BOUND	84.047	244,086
SUBTOTAL - TRIO CLUSTER		632,589
CAREER & TECHNICAL EDUCATION - BASIC GRANTS TO STATES	84.048	3,931,237
MINORITY SCIENCE AND ENGINEERING IMPROVEMENT	84.120	213,529
REHABILITATION SERVICES - VOCATIONAL REHABILITATION GRANTS TO STATES	84.126	17,474,853
INDEPENDENT LIVING - STATE GRANTS	84.169	418,702
REHABILITATION SERVICES - INDEPENDENT LIVING SERVICES - OLDER INDIVIDUALS WHO ARE BLIND	84.177	344,556
SPECIAL EDUCATION - GRANTS FOR INFANTS - FAMILIES	84.181	2,013,015
SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH THE MOST SIGNIFICANT DISABILITIES	84.187	421,610
EDUCATION FOR HOMELESS CHILDREN AND YOUTH	84.196	129,308
FUND FOR THE IMPROVEMENT OF EDUCATION	84.215	445,719
CHARTER SCHOOLS	84.282	7,825,712
21ST CENTURY COMMUNITY LEARNING CENTERS-AFTER SCHOOL	84.287	5,959,060
CAPACITY BUILDING FOR TRADITIONALLY UNDERSERVED POPULATIONS	84.315	186,867
SPECIAL EDUCATION-PERSONNEL DEVELOPMENT TO IMPROVE SERVICES & RESULTS FOR CHILDREN WITH DISABILITIES	84.325	39,316
ADVANCED PLACEMENT PROGRAM	84.330	116,809
GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS	84.334	(24,722)
ENGLISH LANGUAGE ACQUISITION	84.365	837,178
MATHEMATICS & SCIENCE PARTNERSHIP	84.366	497,902
IMPROVING TEACHER QUALITY STATE GRANTS	84.367	10,684,698
GRANTS FOR STATE ASSESSMENTS & RELATED ACTIVITIES	84.369	2,619,979
DC SCHOOL CHOICE INCENTIVE PROGRAM	84.370	28,676,903
STATEWIDE LONGTITUDINAL DATA SYSTEMS	84.372	891,044
TEACHER INCENTIVE FUND PROGRAM	84.374	21,996,475
SCHOOL IMPROVEMENT GRANTS	84.377	1,099,241
COLLEGE ACCESS CHALLENGE GRANT PROGRAM	84.378	997,744
ARRA - STATES FISCAL STABILIZATION FUND RACE TO THE TOP INCENTIVE GRANT	84.395	6,680,616
Total U.S. Department of Education		214,782,340

The accompanying notes are an integral part of the schedule.

Government of the District of Columbia

Schedule of Expenditures of Federal Awards by Federal Grantor

Year Ended September 30, 2015

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Federal Expenditures
U.S. Election Assistance Commission		
HELP AMERICA VOTE ACT REQUIREMENTS PAYMENTS	90.401	205,729
Total U.S. Election Assistance Commission		<u>205,729</u>
U.S. Department of Health and Human Services		
STATE & TERRITORIAL & TECHNICAL ASSISTANCE CAPACITY DEVELOPMENT MINORITY HIV/AIDS DEMONSTRATION PROGRAM	93.006	195,884
SPECIAL PROGRAMS FOR THE AGING - TITLE VII, CHAPTER 3 - PROGRAMS FOR PREVENTION OF ELDER ABUSE, NEGLECT, AND EXPLOITATION	93.041	23,660
SPECIAL PROGRAMS FOR THE AGING - TITLE VII, CHAPTER 2 - LONG TERM CARE OMBUDSMAN SERVICES FOR OLDER INDIVIDUALS	93.042	174,864
SPECIAL PROGRAMS FOR THE AGING - TITLE III, PART B - GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS	93.044	1,689,070
SPECIAL PROGRAMS FOR THE AGING - TITLE III, PART C - NUTRITION SERVICES	93.045	3,191,690
NUTRITION SERVICES INCENTIVE PROGRAM	93.053	<u>651,516</u>
SUBTOTAL - TITLE III AGING CLUSTER		5,532,276
SPECIAL PROGRAMS FOR THE AGING - TITLE IV & TITLE II DISCRETIONARY PROJECTS	93.048	506,910
NATIONAL FAMILY CAREGIVERS SUPPORT TITLE III PART E	93.052	720,651
TOBACCO REGULATION AWARENESS, COMMUNICATION, AND EDUCATION PROGRAM	93.058	(51,288)
DC LIFESPAN RESPITE PROGRAM	93.072	122,186
HOSPITAL PREPAREDNESS PROGRAM (HPP) AND PUBLIC HEALTH EMERGENCY PREPAREDNESS (PHEP) ALIGNED COOPERATIVE AGREEMENTS	93.074	8,181,780
COOPERATIVE AGREEMENTS TO PROMOTE ADOLESCENT HEALTH THROUGH SCHOOL-BASED HIV/STD PREVENTION AND SCHOOL-BASED SURVEILLANCE	93.079	461,125
GUARDIANSHIP ASSISTANCE	93.090	3,101,901
AFFORDABLE CARE ACT PERSONAL RESPONSIBILITY EDUCATION PROGRAM	93.092	236,650
MATERNAL & CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS	93.110	199,435
PROJECT GRANTS & COOP AGREEMENTS FOR TUBERCULOSIS CONTROL PROGRAMS	93.116	204,513
MENTAL HEALTH PLANNING AND DEMONSTRATION PROJECTS	93.125	619,293
COOP AGREEMENTS TO STATES/TERRITORIES FOR THE COORDINATION AND DEVELOPMENT OF PRIMARY CARE OFFICES	93.130	137,359
INJURY PREVENTION & CONTROL RESEARCH & STATE COMMUNITY BASED PROGRAM	93.136	178,300
PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH)	93.150	240,899
GRANTS TO STATES FOR LOAN REPAYMENT PROGRAM	93.165	384,171
TELEHEALTH PROGRAMS	93.211	6,000
SUBSTANCE ABUSE MENTAL HEALTH SERVICES (SAMHS) - PROJECTS OF REGIONAL AND NATIONAL UNIVERSAL NEWBORN HEARING SCREENING	93.243	7,429,734
IMMUNIZATION COOPERATIVE AGREEMENTS	93.251	325,950
ADULT VIRAL HEPATITIS PREVENTION AND CONTROL	93.268	1,873,414
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES-ACCESS TO RECOVERY	93.270	81,547
CENTERS FOR DISEASE CONTROL & PREVENTION - INVESTIGATIONS & TECHNICAL ASSISTANCE	93.275	2,296,434
NATIONAL PUBLIC HEALTH IMPROVEMENT INITIATIVE	93.283	1,634,035
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.292	23,013
BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM	93.323	115,467
ACL ASSISTIVE TECHNOLOGY	93.336	106,006
AFFORDABLE CARE ACT (ACA) MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING PROGRAM	93.464	363,997
ACA NATIONWIDE PROGRAM FOR NATIONAL AND STATE BACKGROUND CHECKS FOR DIRECT PATIENT ACCESS EMPLOYEES OF LONG TERM FACILITIES AND PROVIDERS	93.505	1,876,932
AFFORDABLE CARE ACT (ACA) GRANTS TO STATES FOR HEALTH INSURANCE PREMIUM REVIEW	93.506	497,196
AFFORDABLE CARE ACT - AGING AND DISABILITY RESOURCE CENTER	93.511	792,439
AFFORDABLE CARE ACT - MEDICARE IMPROVEMENTS FOR PATIENTS AND PROVIDERS	93.517	32,429
AFFORDABLE CARE ACTS (ACA) - CONSUMER ASSISTANCE PROGRAM GRANTS	93.518	20,385
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 PROGRAMS (EIP) COOPERATIVE AGREEMENTS; PPHF	93.519	242,568
BUILDING CAPACITY OF THE PUBLIC HEALTH SYSTEM TO IMPROVE POPULATION HEALTH THROUGH NATIONAL, NON-PROFIT ORGANIZATIONS - FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS (PPHF) - ASSOCIATION OF STATE AND TERRITORIAL HEALTH OFFICIALS (ASTHO)	93.521	133,709
	93.524	87,711

The accompanying notes are an integral part of the schedule.

Government of the District of Columbia

Schedule of Expenditures of Federal Awards by Federal Grantor

Year Ended September 30, 2015

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Health and Human Services (continued)		
STATE PLANNING AND ESTABLISHMENT GRANTS FOR THE AFFORDABLE CARE ACT (ACA) EXCHANGES	93.525	52,225,177
PPHF CAPACITY BUILDING ASSISTANCE TO STRENGTHEN PUBLIC HEALTH IMMUNIZATION INFRASTRUCTURE AND PERFORMANCE FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS	93.539	127,248
PROMOTING SAFE AND STABLE FAMILIES	93.556	446,222
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558	89,553,537
CHILD SUPPORT ENFORCEMENT PROGRAM	93.563	17,801,454
CHILD SUPPORT ENFORCEMENT RESEARCH	93.564	23,209
REFUGEE & ENTRANT ASSISTANCE - STATE ADMINISTERED	93.566	1,846,630
LOW INCOME HOME ENERGY ASSISTANCE	93.568	10,501,538
COMMUNITY SERVICE BLOCK GRANT	93.569	11,339,918
CHILD CARE & DEVELOPMENT BLOCK GRANT	93.575	3,513,216
CHILD CARE MANDATORY AND MATCHING FUNDS OF THE CHILD CARE AND DEVELOPMENT FUND	93.596	8,062,554
SUBTOTAL - CHILD CARE AND DEVELOPMENT FUND (CCDF) CLUSTER		11,575,770
COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS	93.590	232,288
GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAM	93.597	99,953
CHAFEE EDUCATION AND TRAINING VOUCHERS PROGRAM (ETV)	93.599	50,609
HEAD START	93.600	13,827,240
ACA-STATE INNOVATION MODELS: FUNDING FOR MODEL DESIGN AND MODEL TESTING ASSISTANCE	93.624	128
DEVELOPMENTAL DISABILITIES BASIC SUPPORT AND ADVOCACY GRANTS	93.630	487,434
CHILDREN'S JUSTICE GRANTS TO STATES	93.643	69,958
CHILD WELFARE - SERVICES - STATE GRANTS	93.645	401,285
ADOPTION OPPORTUNITIES	93.652	397,047
FOSTER CARE - TITLE IV-E	93.658	44,474,888
ADOPTION ASSISTANCE - TITLE IV-E	93.659	11,744,554
SOCIAL SERVICES BLOCK GRANT	93.667	7,097,979
CHILD ABUSE & NEGLECT STATE GRANTS	93.669	93,148
FAMILY VIOLENCE PREVENTION & SERVICES/GRANT FOR BATTERED WOMEN'S SHELTERS - GRANTS TO STATES & INDIAN TRIBES	93.671	722,909
CHAFEE FOSTER CARE INDEPENDENCE PROGRAM	93.674	1,391,074
STATE PUBLIC HEALTH APPROACHES FOR ENSURING OUTLINE CAPACITY - FUNDED IN PART BY 2012 PREVENTION & PUBLIC HEALTH FUNDS (PPHF-2012)	93.735	50,000
PPHF 2012: HEALTH CARE SURVEILLANCE/HEALTH STATISTICS - SURVEILLANCE PROGRAM ANNOUNCEMENT: BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM FINANCED IN PART BY 2012 PREVENTION & PUBLIC FUNDS (PPHF-2012)	93.745	220,354
CHILD LEAD POISONING PREVENTION SURVEILLANCE FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH (PPHF) PROGRAM	93.753	248,195
ALZHEIMER'S DISEASE INITIATIVE: SPECIALIZED SUPPORTIVE SERVICE PROJECT (ADISS) THRU PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	93.763	151,196
CHILDREN'S HEALTH INSURANCE PROGRAM	93.767	18,771,455
MEDICARE - HOSPITAL INSURANCE	93.773	3,985,122
STATE MEDICAID FRAUD CONTROL UNITS	93.775	2,094,461
STATE SURVEY AND CERTIFICATION OF HEALTH CARE PROVIDERS & SUPPLIERS TITLE (XIX) MEDICAID MEDICAL ASSISTANCE PROGRAM	93.777	1,168,834
	93.778	1,873,138,265
SUBTOTAL - MEDICAID CLUSTER		1,876,401,560
CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS) RESEARCH, DEMONSTRATIONS AND MONEY FOLLOWS THE PERSON REBALANCING DEMONSTRATION	93.779	152,790
STATE SURVEY AND CERTIFICATION OF HEALTH CARE PROVIDERS & SUPPLIERS TITLE (XIX) MEDICAID	93.791	2,429,668
	93.796	1,831,145
DOMESTIC EBOLA SUPPLEMENT TO THE EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.815	160,139
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	369,394

The accompanying notes are an integral part of the schedule.

Government of the District of Columbia

Schedule of Expenditures of Federal Awards by Federal Grantor

Year Ended September 30, 2015

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Health and Human Services (continued)		
HIV EMERGENCY RELIEF PROJECT GRANTS	93.914	30,435,407
HIV CARE FORMULA GRANTS	93.917	9,811,573
SCHOLARSHIPS FOR HEALTH PROFESSIONS STUDENTS FROM DISADVANTAGED BACKGROUNDS	93.925	603,319
HEALTHY START INITIATIVE	93.926	2,787,552
COOP AGREEMENTS TO SUPPORT COMPREHENSIVE SCHOOL HEALTH PROGRAM TO PREVENT THE SPREAD OF HIV AND OTHER IMPORTANT HEALTH PROBLEMS	93.938	377,889
HIV PREVENTION ACTIVITIES - HEALTH DEPARTMENT BASEC	93.940	6,056,993
HUMAN IMMUNODEFICIENCY VIRUS (HIV)/ACQUIRED IMMUNODEFICIENCY SYNDROME (AIDS) SURVEILLANCE	93.944	1,675,501
ASSISTANCE PROGRAMS FOR CHRONIC DISEASE PREVENTION & CONTROL	93.945	1,235,323
BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES	93.958	931,889
BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	93.959	7,185,102
PREVENTIVE HEALTH SERVICES - SEXUALLY TRANSMITTED DISEASES CONTROL GRANTS	93.977	896,756
COOPERATIVE AGREEMENTS FOR STATE-BASED DIABETES CONTROL PROGRAMS AND EVALUATION OF SURVEILLANCE SYSTEMS	93.988	15,172
PREVENTIVE HEALTH & HEALTH SERVICES BLOCK GRANT	93.991	1,084,880
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994	6,795,979
Total U.S. Department of Health and Human Services		2,290,305,085
Corporation for National and Community Service		
RETIRED AND SENIOR VOLUNTER PROGRAM	94.002	149,052
STATE COMMISSIONS	94.003	185,079
AMERICORPS	94.006	2,980,061
SENIOR COMPANION PROGRAM	94.016	273,187
Total Corporation for National and Community Service		3,587,379
Social Security Administration		
SOCIAL SECURITY DISABILITY INSURANCE	96.001	9,217,150
Total Social Security Administration		9,217,150
U.S. Department of Homeland Security		
NON-PROFIT SECURITY PROGRAM	97.008	740,009
BOATING SAFETY FINANCIAL ASSISTANCE	97.012	396,721
COMMUNITY ASSISTANCE PROGRAM STATE SUPPORT SERVICES ELEMENT (CAP-SSE)	97.023	3,356
HAZARD MITIGATION GRANT	97.039	478,632
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042	3,313,339
ASSISTANCE TO FIREFIGHTERS GRANT	97.044	2,044,912
COOPERATING TECHNICAL PARTNERS	97.045	(777)
HOMELAND SECURITY GRANT PROGRAM	97.067	66,181,885
DRIVER LICENSE SECURITY GRANT PROGRAM	97.089	413,146
HOMELAND SECURITY-RELATED SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS (HS STEM)		
CAREER DEVELOPMENT PROGRAM	97.104	144,499
SECURING THE CITIES PROGRAM	97.106	54,888
REGIONAL CATASTROPHIC PREPAREDNESS GRANT PROGRAM	97.111	477,350
Total U.S. Department of Homeland Security		74,247,960
Total Expenditures of Federal Awards		\$ 3,341,809,194

The accompanying notes are an integral part of the schedule.

Schedule II - Schedule of Expenditures
of Federal Awards by District Agency

Government of the District of Columbia

Schedule of Expenditures of Federal Awards by District Agency

Year ended September 30, 2015

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures</i>
<u>HUMAN SUPPORT SERVICES CLUSTER:</u>		
Department of Parks and Recreation		
OUTDOOR RECREATION - ACQUISITION, DEVELOPMENT AND PLANNING	15.916	\$ 71,412
Total Department of Parks and Recreation		71,412
Department of Health		
SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)	10.557	13,582,327
STATE ADMINISTRATIVE MATCHING GRANTS FOR THE SUPPLEMENTAL NUTRITION	10.561	1,726,646
WIC FARMERS' MARKET NUTRITION PROGRAM (FMNP)	10.572	131,361
SHELTER PLUS CARE	14.238	533,935
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	14.241	12,751,772
COMPENSATION AND WORKING CONDITIONS	17.005	82,175
STATE & TERRITORIAL & TECHNICAL ASSISTANCE CAPACITY DEVELOPMENT MINORITY		
HIV/AIDS DEMONSTRATION PROGRAM	93.006	195,884
HOSPITAL PREPAREDNESS PROGRAM (HPP) AND PUBLIC HEALTH EMERGENCY PREPAREDNESS (PHEP)		
ALIGNED COOPERATIVE AGREEMENTS	93.074	8,181,780
MATERNAL & CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS	93.110	95,374
PROJECT GRANTS & COOP AGREEMENTS FOR TUBERCULOSIS CONTROL PROGRAMS	93.116	204,513
COOPERATIVE AGREEMENTS TO STATES/TERRITORIES FOR THE COORDINATION AND DEVELOPMENT OF		
PRIMARY CARE OFFICES	93.130	137,359
INJURY PREVENTION & CONTROL RESEARCH & STATE COMMUNITY BASED PROGRAM	93.136	178,300
GRANTS TO STATES FOR LOAN REPAYMENT PROGRAM	93.165	384,171
TELEHEALTH PROGRAMS	93.211	6,000
UNIVERSAL NEWBORN HEARING SCREENING	93.251	325,950
IMMUNIZATION COOPERATIVE AGREEMENTS	93.268	1,873,414
ADULT VIRAL HEPATITIS PREVENTION AND CONTROL	93.270	81,547
CENTERS FOR DISEASE CONTROL & PREVENTION - INVESTIGATIONS & TECHNICAL ASSISTANCE	93.283	1,634,035
NATIONAL PUBLIC HEALTH IMPROVEMENT INITIATIVE	93.292	23,013
EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES (ELC)	93.323	115,467
BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM	93.336	106,006
AFFORDABLE CARE ACT (ACA) MATERNAL, INFANT, AND EARLY CHILDHOOD HOME VISITING PROGRAM	93.505	1,876,932
ACA NATIONWIDE PROGRAM FOR NATIONAL AND STATE BACKGROUND CHECKS FOR DIRECT PATIENT ACCESS		
EMPLOYEES OF LONG TERM FACILITIES AND PROVIDERS	93.506	497,196
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 PROGRAMS (EIP) COOPERATIVE AGREEMENTS; PPHF	93.521	133,709
BUILDING CAPACITY OF THE PUBLIC HEALTH SYSTEM TO IMPROVE POPULATION HEALTH THROUGH NATIONAL, NON-		
PROFIT ORGANIZATIONS - FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS (PPHF) - ASSOCIATION OF		
STATE AND TERRITORIAL HEALTH OFFICIALS (ASTHO)	93.524	87,711
PPHF CAPACITY BUILDING ASSISTANCE TO STRENGTHEN PUBLIC HEALTH IMMUNIZATION INFRASTRUCTURE AND		
PERFORMANCE FINANCED IN PART BY PREVENTION AND PUBLIC HEALTH FUNDS	93.539	127,248
STATE PUBLIC HEALTH APPROACHES FOR ENSURING OUTLINE CAPACITY - FUNDED IN PART BY 2012 PREVENTION &		
PUBLIC HEALTH FUNDS (PPHF-2012)	93.735	50,000
PPHF 2012: HEALTH CARE SURVEILLANCE/HEALTH STATISTICS - SURVEILLANCE PROGRAM ANNOUNCEMENT:		
BEHAVIORAL RISK FACTOR SURVEILLANCE SYSTEM FINANCED IN PART BY 2012		
PREVENTION & PUBLIC HEALTH FUNDS (PPHF-2012)	93.745	220,354
STATE SURVEY AND CERTIFICATION OF HEALTH CARE PROVIDERS & SUPPLIERS TITLE (XVIII) MEDICARE	93.777	1,168,834
STATE SURVEY AND CERTIFICATION OF HEALTH CARE PROVIDERS & SUPPLIERS TITLE (XIX) MEDICAID	93.796	1,831,145
DOMESTIC EBOLA SUPPLEMENT TO THE EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES		
(ELC)	93.815	160,139
HIV EMERGENCY RELIEF PROJECT GRANTS	93.914	30,435,407
HIV CARE FORMULA GRANTS	93.917	9,811,573
HEALTHY START INITIATIVE	93.926	2,787,552
HIV PREVENTION ACTIVITIES - HEALTH DEPARTMENT BASED	93.940	6,056,993
HUMAN IMMUNODEFICIENCY VIRUS (HIV)/ACQUIRED IMMUNODEFICIENCY SYNDROME (AIDS) SURVEILLANCE	93.944	1,675,501
ASSISTANCE PROGRAMS FOR CHRONIC DISEASE PREVENTION & CONTROL	93.945	1,235,323
PREVENTIVE HEALTH SERVICES - SEXUALLY TRANSMITTED DISEASES CONTROL GRANTS	93.977	896,756

The accompanying notes are an integral part of the schedule .

Government of the District of Columbia

Schedule of Expenditures of Federal Awards by District Agency

Year ended September 30, 2015

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures</i>
HUMAN SUPPORT SERVICES CLUSTER:		
Department of Health (continued)		
COOPERATIVE AGREEMENTS FOR STATE-BASED DIABETES CONTROL PROGRAMS AND EVALUATION OF SURVEILLANCE SYSTEMS	93.988	15,172
PREVENTIVE HEALTH & HEALTH SERVICES BLOCK GRANT	93.991	1,084,880
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT TO THE STATES	93.994	6,795,979
Total Department of Health		109,299,433
District of Columbia Health Benefit Exchange Authority		
STATE PLANNING AND ESTABLISHMENT GRANTS FOR THE AFFORDABLE CARE ACT (ACA) EXCHANGES	93.525	32,370,640
Total District of Columbia Health Benefit Exchange Authority		32,370,640
Office of Human Rights		
FAIR HOUSING ASSISTANCE PROGRAM - STATE AND LOCAL	14.401	174,895
EMPLOYMENT DISCRIMINATION - TITLE VII OF THE CIVIL RIGHTS ACT OF 1964	30.001	111,240
Total Office of Human Rights		286,135
Department of Health Care Finance		
AFFORDABLE CARE ACT (ACA) - CONSUMER ASSISTANCE PROGRAM GRANTS	93.519	242,568
STATE PLANNING AND ESTABLISHMENT GRANTS FOR THE AFFORDABLE CARE ACT (ACA)'S EXCHANGES	93.525	19,854,537
ACA-STATE INNOVATION MODELS: FUNDING FOR MODEL DESIGN AND MODEL TESTING ASSISTANCE	93.624	128
CHILDREN'S HEALTH INSURANCE PROGRAM	93.767	18,771,455
MEDICAL ASSISTANCE PROGRAM	93.778	1,821,990,080
MONEY FOLLOWS THE PERSON REBALANCING DEMONSTRATION	93.791	2,429,668
Total Department of Health Care Finance		1,863,288,436
Department of Human Services		
SUPPLEMENTARY NUTRITION ASSISTANCE PROGRAM (SNAP) - FOOD STAMPS	10.551	223,986,606
STATE ADMINISTRATIVE MATCHING GRANTS - FOR THE SUPPLEMENTAL NUTRITION	10.561	18,731,105
EMERGENCY SOLUTIONS GRANT PROGRAM	14.231	1,714,427
SHELTER PLUS CARE	14.238	3,834,301
VETERANS AFFAIRS MEDICAL CENTER	64.009	1,162,871
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	93.558	89,553,537
REFUGEE & ENTRANT ASSISTANCE - STATE ADMINISTERED	93.566	1,846,630
COMMUNITY SERVICE BLOCK GRANT	93.569	11,339,918
SOCIAL SERVICES BLOCK GRANT	93.667	7,097,979
FAMILY VIOLENCE PREVENTION & SERVICES/GRANT FOR BATTERED WOMEN'S SHELTERS - GRANTS TO STATES & INDIAN TRIBES	93.671	722,909
MEDICAL ASSISTANCE PROGRAM	93.778	39,767,340
Total Department of Human Services		399,757,623
Department on Disability Services		
REHABILITATION SERVICES - VOCATIONAL REHABILITATION GRANTS TO STATES	84.126	17,474,853
INDEPENDENT - LIVING - STATE GRANTS	84.169	418,702
REHABILITATION SERVICES - INDEPENDENT LIVING SERVICES FOR OLDER INDIVIDUALS WHO ARE BLIND	84.177	344,556
SUPPORTED EMPLOYMENT SERVICES FOR INDIVIDUALS WITH THE MOST SIGNIFICANT DISABILITIES	84.187	421,610
SPECIAL PROGRAMS FOR THE AGING - TITLE IV - AND TITLE III - DISCRETIONARY PROJECTS	93.048	166,159
ACL ASSISTIVE TECHNOLOGY	93.464	363,997
MEDICAL ASSISTANCE PROGRAM	93.778	8,964,392
SOCIAL SECURITY - DISABILITY INSURANCE	96.001	9,217,150
Total Department on Disability Services		37,371,419
Office of Disability Rights		
DEVELOPMENTAL DISABILITIES BASIC SUPPORT AND ADVOCACY GRANTS	93.630	487,434
Total Office of Disability Rights		487,434

The accompanying notes are an integral part of the schedule .

Government of the District of Columbia

Schedule of Expenditures of Federal Awards by District Agency

Year ended September 30, 2015

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures</i>
<u>HUMAN SUPPORT SERVICES CLUSTER:</u>		
Child and Family Services		
JUVENILE JUSTICE AND DELINQUENCY PREVENTION - ALLOCATION TO STATES	16.540	261,303
GUARDIANSHIP ASSISTANCE	93.090	3,101,901
PROMOTING SAFE AND STABLE FAMILIES	93.556	446,222
COMMUNITY-BASED CHILD ABUSE PREVENTION GRANTS	93.590	232,288
CHAFEE EDUCATION AND TRAINING VOUCHERS PROGRAM (ETV)	93.599	50,609
CHILDREN'S JUSTICE GRANTS TO STATES	93.643	69,958
CHILD WELFARE - SERVICES - STATE GRANTS	93.645	401,285
ADOPTION OPPORTUNITIES	93.652	397,047
FOSTER CARE - TITLE IV-E	93.658	44,474,888
ADOPTION ASSISTANCE - TITLE IV-E	93.659	11,744,554
CHILD ABUSE AND NEGLECT STATE GRANTS	93.669	93,148
CHAFEE FOSTER CARE INDEPENDENCE PROGRAM	93.674	1,391,074
Total Child and Family Services		62,664,277
Department of Behavioral Health		
SUPPORTIVE HOUSING PROGRAM	14.235	142,490
TOBACCO REGULATION AWARENESS, COMMUNICATION, AND EDUCATION PROGRAM	93.058	(51,288)
MENTAL HEALTH PLANNING AND DEMONSTRATION PROJECTS	93.125	619,293
PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH)	93.150	240,899
SUBSTANCE ABUSE MENTAL HEALTH SERVICES (SAMHS) - PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243	7,049,590
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES-ACCESS TO RECOVERY	93.275	2,296,434
MEDICARE - HOSPITAL INSURANCE	93.773	3,985,122
MEDICAL ASSISTANCE PROGRAM	93.778	2,316,453
BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES	93.958	931,889
BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	93.959	7,185,102
Total Department of Behavioral Health		24,715,984
<u>PRIMARY & SECONDARY EDUCATION CLUSTER:</u>		
District of Columbia Public Schools		
FUND FOR THE IMPROVEMENT OF EDUCATION	84.215	445,719
DC SCHOOL CHOICE INCENTIVE PROGRAM	84.370	16,070,233
TEACHER INCENTIVE FUND PROGRAM	84.374	21,996,475
HEAD START	93.600	13,699,925
COOP AGREEMENTS TO SUPPORT COMPREHENSIVE SCHOOL HEALTH PROGRAM TO PREVENT THE SPREAD OF HIV AND OTHER IMPORTANT HEALTH PROBLEMS	93.938	377,889
Total District of Columbia Public Schools		52,590,241
Office of the State Superintendent of Education		
SCHOOL BREAKFAST PROGRAM	10.553	10,747,232
NATIONAL SCHOOL LUNCH PROGRAM	10.555	26,944,938
SPECIAL MILK PROGRAM FOR CHILDREN	10.556	13,550
CHILD AND ADULT CARE FOOD PRGRAM	10.558	8,059,733
SUMMER FOOD SERVICE PROGRAM FOR CHILDREN	10.559	2,443,258
STATE ADMINISTRATIVE EXPENSES FOR CHILD NUTRITION	10.560	764,913
EMERGENCY FOOD ASSISTANCE PROGRAM (ADMINISTRATIVE COST)	10.568	199,933
FARM TO SCHOOL GRANT PROGRAM	10.575	78,740
CHILD NUTRITION DISCRETIONARY GRANTS LIMITED AVAILABILITY	10.579	100,388
FRESH FRUIT AND VEGETABLE PROGRAM	10.582	1,689,703
ADULT EDUCATION - BASIC GRANTS TO STATES	84.002	1,278,106
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES (LEA)	84.010	41,480,707
TITLE I STATE AGENCY PROGRAM FOR NEGLECTED & DELINQUENT CHILDREN	84.013	377,305
SPECIAL EDUCATION - GRANT TO STATES	84.027	18,715,638
CAREER & TECHNICAL EDUCATION - BASIC GRANTS TO STATES	84.048	3,931,237
SPECIAL EDUCATION - PRESCHOOL INCENTIVE	84.173	249,284
SPECIAL EDUCATION - GRANTS FOR INFANTS - FAMILIES	84.181	2,013,015

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Government of the District of Columbia

Schedule of Expenditures of Federal Awards by District Agency

Year ended September 30, 2015

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures</i>
PRIMARY & SECONDARY EDUCATION CLUSTER:		
Office of the State Superintendent of Education (continued)		
EDUCATION FOR HOMELESS CHILDREN AND YOUTH	84.196	129,308
CHARTER SCHOOLS	84.282	7,825,712
TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS	84.287	5,959,060
ADVANCED PLACEMENT PROGRAM	84.330	116,809
GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS	84.334	(24,722)
ENGLISH LANGUAGE ACQUISITION	84.365	837,178
MATHEMATICS & SCIENCE PARTNERSHIP	84.366	497,902
IMPROVING TEACHER QUALITY STATE GRANTS	84.367	10,684,698
GRANTS FOR STATE ASSESSMENTS & RELATED ACTIVITIES	84.369	2,619,979
DC SCHOOL CHOICE INCENTIVE PROGRAM	84.370	12,606,670
STATEWIDE LONGITUDINAL DATA SYSTEMS	84.372	891,044
SCHOOL IMPROVEMENT GRANTS	84.377	1,099,241
COLLEGE ACCESS CHALLENGE GRANT PROGRAM	84.378	997,744
ARRA - STATES FISCAL STABILIZATION FUND RACE TO THE TOP INCENTIVE GRANT	84.395	6,680,616
COOPERATIVE AGREEMENTS TO PROMOTE ADOLESCENT HEALTH THROUGH SCHOOL-BASED HIV/STD PREVENTION AND SCHOOL-BASED SURVEILLANCE	93.079	461,125
AFFORDABLE CARE ACT PERSONAL RESPONSIBILITY EDUCATION PROGRAM	93.092	236,650
MATERNAL & CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS	93.110	104,061
CHILD CARE & DEVELOPMENT BLOCK GRANT - DISCRETIONARY	93.575	3,513,216
CHILD CARE MANDATORY AND MATCHING FUNDS OF THE CHILD CARE AND DEVELOPMENT FUNDS	93.596	8,062,554
HEAD START	93.600	127,315
Total Office of the State Superintendent of Education		182,513,840
University of the District of Columbia		
FEDERAL-STATE MARKETING IMPROVEMENT PROGRAM	10.156	6,600
FARMERS' MARKET PROMOTION PROGRAM	10.168	5,858
SPECIALTY CROP BLOCK GRANT PROGRAM - FARM BILL	10.170	210,862
PAYMENTS TO AGRICULTURAL EXPERIMENT STATIONS UNDER THE HATCH ACT	10.203	1,013,115
COOPERATIVE EXTENSION SERVICE	10.500	1,474,999
INVESTMENTS FOR PUBLIC WORKS AND ECONOMIC DEVELOPMENT FACILITIES	11.300	1,188,400
SCIENCE, TECHNOLOGY, BUSINESS AND/OR EDUCATION OUTREACH	11.620	22,984
MILITARY MEDICAL RESEARCH AND DEVELOPMENT	12.420	182,083
BASIC, APPLIED, AND ADVANCED RESEARCH IN SCIENCE AND ENGINEERING	12.630	18,320
ASSISTANCE TO WATER RESOURCES RESEARCH INSTITUTES	15.805	97,384
TRADE ADJUSTMENT ASSISTANCE COMMUNITY COLLEGE AND CAREER TRAINING (TAACCCT) GRANTS	17.282	1,465,288
LOW-INCOME TAXPAYER CLINICS	21.008	74,806
EDUCATION AND HUMAN RESOURCES	47.076	715,233
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS (SEOG)	84.007	599,584
HIGHER EDUCATION - INSTITUTIONAL AID	84.031	3,912,998
FEDERAL WORK-STUDY PROGRAM	84.033	202,072
TRIO - TALENT SEARCH	84.044	388,503
TRIO - UPWARD BOUND	84.047	244,086
FEDERAL PELL GRANT PROGRAM	84.063	8,224,166
MINORITY SCIENCE AND ENGINEERING IMPROVEMENT	84.120	213,529
FEDERAL DIRECT STUDENT LOANS	84.268	24,632,540
CAPACITY BUILDING FOR TRADITIONALLY UNDERSERVED POPULATIONS	84.315	186,867
SPECIAL EDUCATION-PERSONNEL DEVELOPMENT TO IMPROVE SVCS & RESULTS FOR CHILDREN WITH DISABILITIES	84.325	39,316
SUBSTANCE ABUSE MENTAL HEALTH SERVICES (SAMHS) - PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243	380,144
BIOMEDICAL RESEARCH AND RESEARCH TRAINING	93.859	369,394
SCHOLARSHIPS FOR HEALTH PROFESSIONS STUDENTS FROM DISADVANTAGED BACKGROUNDS	93.925	603,319
SENIOR COMPANION PROGRAM	94.016	273,187
HOMELAND SECURITY-RELATED SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS (HS STEM) CAREER DEVELOPMENT PROGRAM	97.104	144,499
Total University of the District of Columbia		46,890,136

The accompanying notes are an integral part of the schedule .

Government of the District of Columbia

Schedule of Expenditures of Federal Awards by District Agency

Year ended September 30, 2015

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures</i>
GOVERNMENT SERVICES CLUSTER:		
Department of Transportation		
COOPERATIVE FORESTRY ASSISTANCE	10.664	92,577
FOREST STEWARDSHIP PROGRAM	10.678	36,000
HIGHWAY PLANNING AND CONSTRUCTION	20.205	196,461,899
ARRA - HIGHWAY PLANNING AND CONSTRUCTION	20.205	(48,627)
ARRA - HIGH-SPEED RAIL CORRIDORS AND INTERCITY PASSENGER RAIL		
SERVICE - CAPITAL ASSISTANCE GRANTS	20.319	707,369
METROPOLITAN TRANSPORTATION PLANNING	20.505	149,274
FEDERAL TRANSIT - FORMULA GRANTS	20.507	919
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	20.513	272,769
STATE AND COMMUNITY HIGHWAY SAFETY	20.600	4,414,244
Total Department of Transportation		202,086,424
District Department of the Environment		
ATLANTIC COASTAL FISHERIES COOPERATIVE MANAGEMENT ACT	11.474	28,828
STATE MEMORANDUM OF AGREEMENT PROGRAM FOR THE REIMBURSEMENT OF TECHNICAL SERVICES	12.113	562,859
SPORT FISH RESTORATION PROGRAM	15.605	1,412,318
CLEAN VESSEL ACT	15.616	37,409
STATE WILDLIFE GRANTS	15.634	84,882
AIR POLLUTION CONTROL PROGRAM SUPPORT	66.001	1,006,288
ARRA - AIR POLLUTION CONTROL PROGRAM SUPPORT	66.001	-
STATE INDOOR RADON GRANTS	66.032	87,754
SURVEYS, STUDIES, INVESTIGATIONS ACTIVITIES RELATING TO THE CLEAN AIR ACT	66.034	174,606
STATE CLEAN DIESEL GRANT PROGRAM	66.040	168,082
CONSTRUCTION GRANTS FOR WASTEWATER TREATMENT WORKS	66.418	379,948
WATER POLLUTION CONTROL STATE, INTERSTATE, TRIBAL PROGRAM SUPPORT	66.419	1,156,351
WATER QUALITY MANAGEMENT PLANNING PROGRAM	66.454	100,000
NONPOINT SOURCE IMPLEMENTATION GRANTS	66.460	421,182
CHESAPEAKE BAY PROGRAM	66.466	1,045,973
CHESAPEAKE BAY PROGRAM - CHESAPEAKE BAY TRUST	66.466	95,000
CAPITALIZATION GRANTS FOR DRINKING WATER STATE REVOLVING FUNDS	66.468	8,708
PERFORMANCE PARTNERSHIP GRANTS	66.605	150,738
POLLUTION PREVENTION GRANTS PROGRAM	66.708	686,852
HAZARDOUS WASTE MANAGEMENT STATE PROGRAM SUPPORT	66.801	203,052
SUPERFUND STATE, POLITICAL SUBDIVISION, AND INDIAN TRIBE SITE SPECIFIC COOPERATIVE AGREEMENTS	66.802	108,209
UNDERGROUND STORAGE TANK PREVENTION, DETECTION & COMPLIANCE PROGRAM	66.804	648,431
SUPERFUND STATE AND TRIBE CORE PROGRAM COOP AGREEMENTS	66.809	61,852
STATE AND TRIBAL RESPONSE PROGRAM GRANTS	66.817	224,143
STATE ENERGY PROGRAM	81.041	211,266
WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS	81.042	490,694
STATE HEATING OIL AND PROPANE PROGRAM	81.138	5,854
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM	93.568	10,501,538
CHILD LEAD POISONING PREVENETION SURVEILLANCE FINANCED IN PART BY PREVENTION AND		
PUBLIC HEALTH (PPHF) PROGRAM	93.753	248,195
COMMUNITY ASSISTANCE PROGRAM STATE SUPPORT SERVICES ELEMENT (CAP-SSSE)	97.023	3,356
COOPERATING TECHNICAL PARTNERS	97.045	(777)
Total District Department of the Environment		20,313,591
Department of Motor Vehicles		
NATIONAL MOTOR CARRIER SAFETY	20.218	74,171
DRIVER LICENSE SECURITY GRANT PROGRAM	97.089	413,146
Total Department of Motor Vehicles		487,317

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Government of the District of Columbia

Schedule of Expenditures of Federal Awards by District Agency

Year ended September 30, 2015

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures</i>
GOVERNMENT OPERATIONS CLUSTER:		
Office of the Mayor		
RETIREMENT AND SENIOR VOLUNTEER PROGRAM	94.002	149,052
STATE COMMISSIONS	94.003	185,079
AMERICORPS	94.006	2,980,061
Total Office of the Mayor		3,314,192
Office of the Inspector General		
STATE MEDICAID FRAUD CONTROL UNITS	93.775	2,094,461
Total Office of the Inspector General		2,094,461
Office on Aging		
COMMODITY SUPPLEMENTAL FOOD PROGRAM	10.565	434,691
SENIOR FARMER MARKET NUTRITION PROGRAM	10.576	93,188
SPECIAL PROGRAMS FOR THE AGING - TITLE VII, CHAPTER 3 - PROGRAMS FOR PREVENTION OF ELDER ABUSE, NEGLECT, AND EXPLOITATION	93.041	23,660
SPECIAL PROGRAMS FOR THE AGING - TITLE VII, CHAPTER 2 - LONG TERM CARE OMBUDSMAN SERVICES FOR OLDER INDIVIDUALS	93.042	174,864
SPECIAL PROGRAMS FOR THE AGING - TITLE III, PART B - GRANTS FOR SUPPORTIVE SERVICES AND SENIOR CENTERS	93.044	1,689,070
SPECIAL PROGRAMS FOR THE AGING - TITLE III, PART C - NUTRITION SERVICES	93.045	3,191,690
SPECIAL PROGRAMS FOR THE AGING - TITLE IV & TITLE II DISCRETIONARY PROJECTS	93.048	340,751
NATIONAL FAMILY CAREGIVERS SUPPORT TITLE III PART E	93.052	720,651
NUTRITION SERVICES INCENTIVE PROGRAM	93.053	651,516
DC LIFESPAN RESPITE PROGRAM	93.072	122,186
AFFORDABLE CARE ACT - AGING AND DISABILITY RESOURCE CENTER	93.517	32,429
AFFORDABLE CARE ACT - MEDICARE IMPROVEMENTS FOR PATIENTS AND PROVIDERS	93.518	20,385
ALZHEIMER'S DISEASE INITIATIVE: SPECIALIZED SUPPORTIVE SERVICE PROJECT (ADISS) THRU PREVENTION AND PUBLIC HEALTH FUNDS (PPHF)	93.763	151,196
CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS) RESEARCH, DEMONSTRATIONS AND EVALUATIONS	93.779	152,790
Total Office on Aging		7,799,067
Office of the Attorney General		
CHILD SUPPORT ENFORCEMENT PROGRAM	93.563	17,801,454
CHILD SUPPORT ENFORCEMENT RESEARCH	93.564	23,209
GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAM	93.597	99,953
Total Office of the Attorney General		17,924,616
DC Public Library		
GRANTS TO STATES	45.310	918,531
NATIONAL LEADERSHIP GRANTS	45.312	15,801
Total DC Public Library		934,332
Department of Employment Services		
LABOR FORCE STATISTICS	17.002	620,546
EMPLOYMENT SERVICE/WAGNER-PEYSER FUNDED ACTIVITIES	17.207	1,273,100
UNEMPLOYMENT INSURANCE	17.225	134,349,424
ARRA - UNEMPLOYMENT INSURANCE	17.225	8,654,235
SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM	17.235	496,293
TRADE ADJUSTMENT ASSISTANCE	17.245	39,549
WIA ADULT PROGRAM	17.258	1,715,282
WIA YOUTH ACTIVITIES	17.259	1,911,322
WIA PILOTS, DEMONSTRATIONS, AND RESEARCH PROJECTS	17.261	80,694
WORK OPPORTUNITY TAX CREDIT PROGRAM (WOTC)	17.271	66,000
TEMPORARY LABOR CERTIFICATION FOR FOREIGN WORKERS	17.273	47,547
WIA DISLOCATED WORKER FORMULA GRANTS	17.278	2,216,584
CONSULTATION AGREEMENT	17.504	492,364
DISABLED VETERANS OUTREACH PROGRAM	17.801	507,628
LOCAL VETERANS EMPLOYMENT REPRESENTATIVE	17.804	208,039
Total Department of Employment Services		152,678,607

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GOVERNMENT OPERATIONS CLUSTER:		
Board of Election and Ethics		
HELP AMERICA VOTE ACT REQUIREMENTS PAYMENTS	90.401	205,729
Total Board of Election and Ethics		205,729
Office of the Chief Technology Officer		
STATE AND LOCAL IMPLEMENTATION GRANT PROGRAM	11.549	146,146
STATE BROADBAND DATA AND DEVELOPMENT GRANT PROGRAM	11.558	61,083
Total Office of the Chief Technology Officer		207,229
PUBLIC SAFETY & JUSTICE CLUSTER:		
Homeland Security / Emergency Management		
NON-PROFIT SECURITY PROGRAM	97.008	740,009
HAZARD MITIGATION GRANT	97.039	478,632
EMERGENCY MANAGEMENT PERFORMANCE GRANTS	97.042	3,313,339
HOMELAND SECURITY GRANT PROGRAM	97.067	66,181,885
SECURING THE CITIES PROGRAM	97.106	54,888
REGIONAL CATASTROPHIC PREPAREDNESS GRANT PROGRAM	97.111	477,350
Total Homeland Security / Emergency Management		71,246,103
Metropolitan Police Department		
PUBLIC SAFETY PARTNERSHIP & COMMUNITY POLICING GRANTS	16.710	275,770
ARRA - PUBLIC SAFETY PARTNERSHIP & COMMUNITY POLICING GRANTS	16.710	82,014
SUPPORT FOR ADAM WALSH IMPLEMENTATION GRANT PROGRAM	16.750	128,203
NATIONAL MOTOR CARRIER SAFETY	20.218	685,222
SAFETY DATA IMPROVEMENT PROGRAM	20.234	3,881
BOATING SAFETY FINANCIAL ASSISTANCE	97.012	396,721
Total Metropolitan Police Department		1,571,811
Fire and Emergency Medical Services		
CHESAPEAKE BAY PROGRAM - NATIONAL FISH AND WILDLIFE FOUNDATION	66.466	(73,096)
ASSISTANCE TO FIREFIGHTERS GRANT	97.044	2,044,912
Total Fire and Emergency Medical Services		1,971,816
Criminal Justice Coordinating Council		
EDWARD BYRNE MEMORIAL COMPETITIVE GRANT PROGRAM	16.751	34,442
STATE JUSTICE STATISTICS PROGRAM FOR STATISTICAL ANALYSIS CENTERS	16.550	59,588
Total Criminal Justice Coordinating Council		94,030
DC National Guard		
NATIONAL GUARD MILITARY OPERATIONS AND MAINTENANCE (O&M) PROJECTS	12.401	3,826,603
NATIONAL GUARD CHALLENGE PROGRAM	12.404	2,434,481
Total DC National Guard		6,261,084
Department of Corrections		
STATE CRIMINAL ALIEN ASSISTANCE PROGRAM	16.606	347,784
Total Department of Corrections		347,784
Deputy Mayor for Public Safety and Justice/Office of Justice Grants Administration/Office of Victim Services		
SEXUAL ASSAULT SERVICES FORMULA PROGRAM	16.017	200,974
JUVENILE ACCOUNTABILITY INCENTIVE BLOCK GRANT PROGRAM	16.523	92,351
JUVENILE JUSTICE AND DELINQUENCY PREVENTION - ALLOCATION TO STATES	16.540	336,779
CRIME VICTIM ASSISTANCE PROGRAM	16.575	1,649,984
CRIME VICTIM ASSISTANCE/DISCRETIONARY GRANTS	16.582	318,003
VIOLENCE AGAINST WOMEN FORMULA GRANTS	16.588	1,228,875
GRANTS TO ENCOURAGE ARREST POLICIES & ENFORCEMENT OF PROTECT ORDERS	16.590	152,582
RESIDENTIAL SUBSTANCE ABUSE TREATMENT FOR STATE PRISONERS	16.593	50,876

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<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures</i>
<u>PUBLIC SAFETY & JUSTICE CLUSTER:</u>		
Deputy Mayor for Public Safety and Justice/Office of Justice Grants		
Administration/Office of Victim Services (continued)		
PROJECT SAFE NEIGHBORHOODS	16.609	84,268
PREA PROGRAM: DEMONSTRATION PROJECTS TO ESTABLISH "ZERO TOLERANCE" CULTURES FOR SEXUAL ASSAULT IN CORRECTIONAL FACILITIES	16.735	197,912
EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM	16.738	1,571,879
PAUL COVERDELL FORENSIC SCIENCES IMPROVEMENT GRANT PROGRAM	16.742	82,147
SUPPORT FOR ADAM WALSH IMPLEMENTATION GRANT PROGRAM	16.750	238,353
SECOND CHANCE ACT PRISONER REENTRY INITIATIVE	16.812	259,110
VISION 21	16.826	189,239
Total Deputy Mayor for Public Safety and Justice		6,653,332
Department of Forensics Sciences		
FORENSIC DNA BACKLOG REDUCTION PROGRAM	16.741	372,549
Total Department of Forensics Sciences		372,549
Office of Administrative Hearing		
MEDICAL ASSISTANCE PROGRAM	93.778	100,000
Total Office of Administrative Hearing		100,000
<u>ECONOMIC DEVELOPMENT AND REGULATION CLUSTER:</u>		
Office of Municipal Planning		
HISTORIC PRESERVATION FUND GRANTS-IN-AID	15.904	517,691
Total Office of Municipal Planning		517,691
Commission on Arts & Humanities		
PROMOTION OF THE ARTS - PARTNERSHIP AGREEMENTS	45.025	684,400
Total Commission on Arts & Humanities		684,400
Department of Housing and Community Development		
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS (CDBG)	14.218	22,712,868
HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)	14.239	5,697,309
LEAD HAZARD REDUCTION DEMONSTRATION GRANT PROGRAM	14.905	637,659
Total Department of Housing and Community Development		29,047,836
Public Service Commission		
STATE DAMAGE PREVENTION PROGRAM GRANTS	20.720	367,832
PHMSA PIPELINE SAFETY PROGRAM ONE CALL GRANT	20.721	74,738
Total Public Service Commission		442,570
Deputy Mayor for Economic Development		
COMMUNITY ECONOMIC ADJUSTMENT ASSISTANCE FOR ESTABLISHMENT, EXPANSION, REALIGNMENT, OR CLOSURE OF A MILITARY INSTALLATION	12.607	449,848
Total Deputy Mayor for Economic Development		449,848
Department of Small & Local Business Development		
FEDERAL AND STATE TECHNOLOGY PARTNERSHIP PROGRAM	59.058	74,022
STATE TRADE AND EXPORT PROMOTION PILOT GRANT PROGRAM (SBA)	59.061	83,978
PROCUREMENT TECHNICAL ASSISTANCE FOR BUSINESS FIRMS	12.002	324,403
Total Department of Small & Local Business Development		482,403
Department of Insurance, Securities and Banking		
AFFORDABLE CARE ACT (ACA) GRANTS TO STATES FOR HEALTH INSURANCE PREMIUM REVIEW	93.511	792,439
Total Department of Insurance, Securities and Banking		792,439

The accompanying notes are an integral part of the schedule .

Government of the District of Columbia

Schedule of Expenditures of Federal Awards by District Agency

Year ended September 30, 2015

<i>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures</i>
<u>OFFICE OF THE CHIEF FINANCIAL OFFICE CLUSTER:</u>		
Office of the Chief Financial Officer		
STATE ADMINISTRATIVE MATCHING GRANTS - FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM	10.561	420,923
Total Office of the Chief Financial Officer		<u>420,923</u>
<hr/>		
Total Expenditures of Federal Awards		\$ 3,341,809,194

The accompanying notes are an integral part of the schedule .

Government of the District of Columbia

Notes to Schedules of Expenditures of Federal Awards Year Ended September 30, 2015

1. Summary of Significant Accounting Policies

Reporting Entity

The Schedules of Expenditures of Federal Awards (the “Schedules” or the “SEFA”) include the activity of all federal award programs administered by the Government of the District of Columbia (the “District”), except for the District of Columbia Housing Finance Agency (HFA), for the fiscal year ended September 30, 2015. This component unit engaged other auditors to perform an audit in accordance with Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and, as such the federal awards for this entity are excluded from the Schedules.

Federal award programs include direct expenditures, monies passed through to nonstate agencies (i.e., payments to subrecipients), nonmonetary assistance, and loan programs.

Basis of Presentation

The Schedules present total federal awards expended for each individual federal program in accordance with OMB Circular A-133 and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal award program titles are reported as presented in the Catalog of Federal Domestic Assistance (Catalog). Federal award program titles not presented in the Catalog are identified by Federal awarding agency’s two digit prefix (or 99) followed by (contract number or UNKNOWN).

Basis of Accounting

The expenditures for each of the federal award programs are presented in the Schedules on a modified accrual basis. The modified accrual basis of accounting incorporates an estimation approach to determine the amount of expenditures incurred if not yet billed by a vendor. Thus, those Federal programs presenting negative amounts on the Schedules are the result of prior year estimates being overstated and/or reimbursements due back to the grantor.

Matching Costs

Matching costs, the nonfederal share of certain programs costs, are not included in the Schedules.

2. Relationship to Federal Financial Reports

The regulations and guidelines governing the preparation of Federal financial reports vary by Federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the Federal financial reports do not necessarily agree with the amounts reported in the accompanying Schedules, which are prepared on the basis explained in Note 1.

Government of the District of Columbia

Notes to Schedules of Expenditures of Federal Awards Year Ended September 30, 2015

3. Federally Funded Loan Programs

Community Development Block Grants (CFDA #14.218)

The amount of total program expenditures in the accompanying schedules is \$22,712,868, which includes current year loan disbursements. The outstanding loans cumulative balance as of September 30, 2015, is \$279,668,603.

Home Investment Partnerships Program (CFDA #14.239)

The amount of total program expenditures in the accompanying schedules is \$5,697,309, which includes current year loan disbursements. The outstanding loans cumulative balance as of September 30, 2015, is \$105,889,860.

Federal Direct Student Loan Program (CFDA #84.268)

The District, through the University of the District of Columbia (UDC), participates in the Federal Direct Student Education Loan Program. Beginning July 1, 2010, UDC began participating in the Federal Direct Loans Program. In fiscal year 2015, new loans made to students enrolled at UDC under the Federal Loan Program, CFDA #84.268 totals \$24,632,540. This amount is included in the Schedules.

Beginning Balance	\$	105,697,982
Add: New Loans		24,632,540
		130,330,522
Less: Principal payments		-
Ending Balance	\$	130,330,522

Federal Student Financial Assistance

The composition of the UDC Federal Student Financial Assistance in fiscal year 2015 is as follows:

Program Title	CFDA #	Amount
Federal Direct Student Loans	84.268	\$ 24,632,540
Federal Pell Grant	84.063	8,224,166
Federal Work-Study Program	84.033	202,072
Federal Supplemental Educational Opportunity Grants (SEOG)	84.007	599,584
Subtotal - U.S. Department of Education		33,658,362
Scholarships for Health Professions Students from Disadvantaged Students	93.925	603,319
Subtotal - U.S. Department of Health and Human Services		603,319
Total - Federal Student Financial Assistance		\$ 34,261,681

Government of the District of Columbia

Notes to Schedules of Expenditures of Federal Awards Year Ended September 30, 2015

4. Rebates from the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

During fiscal year 2015, the District received cash rebates from infant formula manufacturers totaling \$3,945,840 on sales of formula to participants in the WIC program (CFDA #10.557), which are netted against total expenditures included in the Schedules.

Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(m) as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs.

5. Non-Cash Awards

Most federal awards are in the form of cash awards; however, a number of federal programs involve non-cash transactions. These programs may include food stamps, food commodities, and donated property and also loans and loans guarantees. OMB Circular A-133 states that the value of federal awards expended in the form of non-cash assistance should be reported either on the face of the schedule or disclosed in the notes to the schedule.

Food Stamps Program - EBT Redemption

The Food Stamp program recorded the gross up of the amount of food stamps totaling \$223,986,606 that were used by the District citizens for fiscal year 2015. The Food Stamp Program is a program that is funded by the Federal Government, and these expenditures are not charged against the District's budget but included in the SEFA as CFDA #10.551.

Commodities - Food Nutrition Service

The total non-cash award value for food commodities (e.g. milk, cheese, etc.) provided to the District of Columbia Office of the State Superintendent of Education during fiscal year 2015 is \$2,759,778, with \$1,818,480 distributed to the District of Columbia Public Schools and the remaining non-cash award to other local educational agencies (LEAs) in the District. This non-cash award is a program that is funded by the U.S. Department of Agriculture (USDA) under CFDA #10.555, and these amounts are not included in the SEFA.

6. Unemployment Insurance

State unemployment tax revenues and government, tribal, and non-profit reimbursements in lieu of State taxes (State UI funds) must be deposited to the Unemployment Trust Fund in the U.S. Treasury, and are primarily used to pay benefits under the federally-approved State unemployment law. Consequently, State UI funds as well as Federal funds are included in the total expenditures of CFDA #17.225 in the accompanying Schedules.

Government of the District of Columbia

Notes to Schedules of Expenditures of Federal Awards Year Ended September 30, 2015

The composition of CFDA #17.225 in fiscal year 2015 is as follows:

State UI Benefits	\$ 112,172,177
Federal UI and Extended UI Benefits	6,605,553
Federal UI Administrative Expenditures	15,571,694
<hr/>	
Subtotal	134,349,424
<hr/>	
Additional Federal Unemployment Compensation	
ARRA - Federal UI	8,654,235
<hr/>	
Total	\$ 143,003,659

7. Subrecipients

Of the federal expenditures presented in the Schedules, the District provided federal awards to major program subrecipients as follows. It is not practicable to determine amounts passed to subrecipients of nonmajor programs.

Program Title	CFDA #	Amount Provided to Subrecipients
Homeland Security Grant Program	97.067	\$ 54,097,528
Community Services Block Grant	93.569	10,912,746
HIV Emergency Relief Project Grants (DOH)	93.914	26,880,745
Housing Opportunities for Person with AIDS	14.241	11,380,700
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) (DOH)	10.557	2,902,228
Community Development Block Grants (CDBG)	14.218	18,644,066
School Breakfast Program	10.533	10,747,232
National School Lunch Program	10.555	26,944,938
Special Milk Program for Children	10.556	13,550
Summer Food Service Program for Children	10.559	2,327,592
Title I Grants to Local Education Agencies	84.010	41,249,757
Special Education Grants to States	84.027	15,804,328
Special Education - Preschool Grants	84.173	249,284
DC School Choice Incentive Program	84.370	12,230,276
State Planning and Establishment Grants for the Affordable Care Act Exchanges	93.525	1,545,291
<hr/>		
Total		\$ 235,930,261

Schedule of Findings and
Questioned Costs

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Section I - Summary of Auditor's Results

Basic Financial Statements

1. The basic financial statements of the District as of and for the year ended September 30, 2015, were audited by other auditors whose report dated January 27, 2016, expressed unmodified opinions on the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District.
2. The audit by other auditors identified no material weaknesses and no significant deficiencies in internal control over financial reporting in connection with the basic financial statements of the District as of and for the year ended September 30, 2015.
3. The audit by other auditors identified no instances of noncompliance that is material to the basic financial statements of the District as of and for the year ended September 30, 2015.

Schedules of Expenditures of Federal Awards (SEFA)

Type of auditor's report issued on the SEFA: Unmodified

Internal control over financial reporting on the SEFA:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X yes _____ no
- Significant deficiency(ies) identified? X yes _____ none reported

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

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

#	Major Program/Cluster	CFDA Number(s)	Type of Report Issued
1	Supplemental Nutrition Assistance Program Cluster	10.551, 10.561	Unmodified
2	Child Nutrition Cluster	10.553, 10.555, 10.556, 10.559	Qualified
3	Special Supplemental Nutrition Program for Women, Infants and Children	10.557	Unmodified
4	Community Development Block Grants/Entitlement Grants	14.218	Adverse
5	HOME Investment Partnerships Program	14.239	Adverse
6	Housing Opportunities for Persons with AIDS	14.241	Unmodified
7	Unemployment Insurance	17.225	Unmodified
8	Highway Planning and Construction	20.205	Unmodified
9	Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268, 93.925	Qualified
10	Title I Grants to Local Educational Agencies	84.010	Unmodified
11	Special Education Cluster	84.027, 84.173	Unmodified
12	Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	Qualified
13	D.C. School Choice Incentive Program	84.370	Unmodified
14	Teacher Incentive Fund Program	84.374	Qualified
15	State Planning and Establishment Grants for the Affordable Care Act Exchanges	93.525	Unmodified
16	Temporary Assistance for Needy Families Cluster	93.558	Adverse
17	Child Support Enforcement Program	93.563	Unmodified
18	Community Service Block Grant	93.569	Unmodified
19	Child Care and Development Fund Cluster	93.575, 93.596	Unmodified
20	Head Start	93.600	Qualified
21	Foster Care - Title IV-E	93.658	Adverse
22	Adoption Assistance - Title IV-E	93.659	Adverse
23	Children's Health Insurance Program	93.767	Unmodified
24	Medicaid Cluster	93.775, 93.777, 93.778	Qualified
25	HIV Emergency Relief Project Grants	93.914	Qualified
26	Homeland Security Grant Program	97.067	Unmodified

There were audit findings that are required to be reported under Section 510(a) of OMB Circular A-133 for the year ended September 30, 2015.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

The major Federal programs of the District for the year ended September 30, 2015 were as follows:

#	Major Program/Cluster	CFDA Number(s)
1	Supplemental Nutrition Assistance Program Cluster	10.551, 10.561
2	Child Nutrition Cluster	10.553, 10.555, 10.556, 10.559
3	Special Supplemental Nutrition Program for Women, Infants and Children	10.557
4	Community Development Block Grants/Entitlement Grants	14.218
5	HOME Investment Partnerships Program	14.239
6	Housing Opportunities for Persons with AIDS	14.241
7	Unemployment Insurance	17.225
8	Highway Planning and Construction	20.205
9	Student Financial Assistance Cluster	84.007, 84.033, 84.063, 84.268, 93.925
10	Title I Grants to Local Educational Agencies	84.010
11	Special Education Cluster	84.027, 84.173
12	Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126
13	D.C. School Choice Incentive Program	84.370
14	Teacher Incentive Fund Program	84.374
15	State Planning and Establishment Grants for the Affordable Care Act Exchanges	93.525
16	Temporary Assistance for Needy Families Cluster	93.558
17	Child Support Enforcement Program	93.563
18	Community Service Block Grant	93.569
19	Child Care and Development Fund Cluster	93.575, 93.596
20	Head Start	93.600
21	Foster Care - Title IV-E	93.658
22	Adoption Assistance - Title IV-E	93.659
23	Children's Health Insurance Program	93.767
24	Medicaid Cluster	93.775, 93.777, 93.778
25	HIV Emergency Relief Project Grants	93.914
26	Homeland Security Grant Program	97.067

The dollar threshold used to distinguish between Type A and Type B programs was \$11,240,551 for Federal awards for the year ended September 30, 2015.

Auditee qualified as low risk auditee? _____ Yes X No

Section II - Financial Statement Findings

There were no findings related to the basic financial statements and the schedules of expenditures of federal awards which are required to be reported in accordance with generally accepted government auditing standards (GAGAS).

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Section III - Federal Award Findings and Questioned Costs

Finding Number: 2015-001
Prior Year Finding Number: 2014-009
Compliance Requirement: Special Tests and Provisions - ADP System for SNAP

Program:
U.S. Department of Agriculture

Government Department/Agency:
Department of Human Services (DHS)

Supplemental Nutrition Assistance Program Cluster
(SNAP)
CFDA #: 10.551, 10.561
Award #: Various
Award Year: 10/01/2014 - 09/30/2015

Criteria - OMB Circular A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

Per Yellow Book, Appendix I, section A 1.08d., states that management at a State and Local government entity is responsible for *"establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported..."*

Per 7 CFR 277.18 (k), Access to the system and records states *"Access to the system in all aspects, including but not limited to design, development, and operation, including work performed by any source, and including cost records of contractors and subcontractors, shall be made available by the State agency to FNS or its authorized representatives at intervals as deemed necessary by FNS, in order to determine whether the conditions for approval are being met and to determine the efficiency, economy and effectiveness of the system."*

Condition - During our testing over beneficiary eligibility for the Supplemental Nutrition Assistance Program (SNAP), we noted that the Department of Human Services was unable to provide sufficient documentation to support the eligibility determination for 2 out of 60 samples. We determined that DHS paid \$445 in federal awards during the sampled months related to these 2 SNAP beneficiaries. This amount represents 2% of the total amounts paid by DHS in claims related to the 60 beneficiary payments sampled of \$21,190. DHS paid a total of \$223,986,606 in beneficiary payments to all SNAP beneficiaries in fiscal year 2015.

Questioned Costs - Known amount is \$445.

Context - This is a condition identified per review of DHS' compliance with specified requirements.

Effect - Without properly maintaining documentation to support eligibility determinations, ineligible beneficiaries may receive benefits under the SNAP grant and DHS may make payments on behalf of those beneficiaries resulting in noncompliance with the eligibility requirements.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Cause - DHS did not consistently adhere to its established policies and procedures requiring it to maintain documentation supporting participant eligibility.

Recommendation - We recommend that DHS strengthen its existing policies and procedures over the review and maintenance of appropriate documentation to ensure compliance with eligibility requirements.

Related Noncompliance - Noncompliance.

Views of Responsible Officials and Planned Corrective Actions - DHS concurs with the recommendation. The agency currently has established processes for participant documents and documentation to be recorded and scanned into the Document Imaging Management System (DIMS) and entered into the customer's electronic record. These processes were augmented by replacing and increasing existing scanning equipment and placing Case Records Management Unit (CRMU) staff in all the Service Centers, to manage the DIMS process.

DHS management continues to identify areas of improvement with regard to properly maintaining customer documents and has already taken steps to enhance the process by providing eligibility determination staff with individual scanners, which allows the staff to scan and tag customer documents at the point of interview for entry into DIMS. Further, DHS has retained the services of Change Innovations Associates (CIA), nationally recognized consultants, who have reengineered business processes in 17 jurisdictions. CIA has already been working with DHS for six months, and is assisting DHS with plans to implement recommendations such as the "first contact resolution/One and Done" process which, among other processes, includes upfront scanning of customer documents upon customer entry into the Service Centers.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-002
Prior Year Finding Number: N/A
Compliance Requirement: Special Tests and Provisions - EBT Card Security

Program:

U.S. Department of Agriculture

Government Department/Agency:

Department of Human Services (DHS)

Supplemental Nutrition Assistance Program Cluster
(SNAP)

CFDA #: 10.551, 10.561

Award #: Various

Award Year: 10/01/2014 - 09/30/2015

Criteria - OMB Circular A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

Per Yellow Book, Appendix I, section A 1.08d., states that management at a State and Local government entity is responsible for *"establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported..."*

Condition - DHS is required to maintain adequate security over, and documentation/records for EBT cards, to prevent their theft, embezzlement, loss damage, destruction, unauthorized transfer, negotiation, or use. DHS has contracted with Fidelity National Information Service (FIS) for the issuance and security of the EBT cards; however, it is DHS' ultimate responsibility to ensure the contractor has controls in place to maintain adequate security over, and documentation/records of EBT cards. During our tests of the design and implementation of internal controls, we noted the following issues:

- 1 of 28 reconciliation packages was not provided for review; and
- 2 of 28 reconciliation packages were not signed by and appropriately approved by authorized personnel.

Questioned Costs - None.

Context - This is a condition identified per review of DHS' compliance with specified requirements.

Effect - Without adequate internal controls to ensure compliance with EBT Card Security requirements, there is an increased risk that the inventory of EBT cards will not be properly maintained and accounted for.

Cause - DHS does not have adequate policies and procedures in place to ensure adequate safeguarding/documentation of EBT cards.

Recommendation - We recommend that DHS implement formal policies and procedures to maintain adequate security over, and documentation/records for EBT Cards.

Related Noncompliance - Noncompliance.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Views of Responsible Officials and Planned Corrective Actions - DHS and OFT concur with the finding. OFT will revise the existing policy and procedures to address the finding related to EBT card reconciliation. The revised policy and procedures will ensure that all EBT reconciliation are reviewed and approved by authorized personnel and ensure adequate safeguarding and documentation of EBT cards.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-003
Prior Year Finding Number: 2014-011
Compliance Requirement: Eligibility

Program:

U.S. Department of Agriculture

Government Department/Agency:

District of Columbia Public Schools
(DCPS)

Child Nutrition Cluster

CFDA #: 10.553, 10.555, 10.556, 10.559

Award #: 1DC300302

Award Year: 10/01/2014 - 09/30/2015

Criteria - The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e., audited management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

7 CFR 210.2 states:

“Child means—(a) a student of high school grade or under as determined by the State educational agency, who is enrolled in an educational unit of high school grade or under as described in paragraphs (a) and (b) of the definition of “School,” including students who are mentally or physically disabled as defined by the State and who are participating in a school program established for the mentally or physically disabled; or (b) a person under 21 chronological years of age who is enrolled in an institution or center as described in paragraph (c) of the definition of “School;” or (c) For purposes of reimbursement for meal supplements served in afterschool care programs, an individual enrolled in an afterschool care program operated by an eligible school who is 12 years of age or under, or in the case of children of migrant workers and children with disabilities, not more than 15 years of age.”

7 CFR 210.8 states:

“Claims for reimbursement: The school food authority shall establish internal controls which ensure the accuracy of lunch counts prior to the submission of the monthly Claim for Reimbursement. At a minimum, these internal controls shall include: an on-site review of the lunch counting and claiming system employed by each school within the jurisdiction of the school food authority; comparisons of daily free, reduced price and paid lunch counts against data which will assist in the identification of lunch counts in excess of the number of free, reduced price and paid lunches served each day to children eligible for such lunches; and a system for following up on those lunch counts which suggest the likelihood of lunch counting problems.”

Condition - We selected a sample of 65 students in fiscal year 2015 to test DCPS' compliance with eligibility requirements. The sample of 65 consisted of 40 students who were determined to be eligible through the application process, and 25 students who were directly certified through participation in other federal assistance programs. During our testwork over the eligibility requirement for the Child Nutrition Cluster, we noted deficiencies in DCPS' eligibility determination process. These deficiencies also affected DCPS' ability to report complete and accurate meal count claims for reimbursement to the Office of the State Superintendent of Education (OSSE). Specifically, we noted the following:

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

- For 3 students, per the student account history in WebSMARTT, the student was served a meal on a day that the students' attendance record documented them absent.
- For 2 students, the individual did not meet the definition of a 'child' as defined by 7 CFR 210.2. However, the students received a free meal.
- For 1 student, the student's application indicated that they did not wish to receive free or reduced meal benefits on their application. However, the student was approved and received a free meal status in WebSMARTT.
- For 2 students, the individual received a free meal status in WebSMARTT through Direct Certification, but did not qualify for free meals for the school year 2014-2015 upon review of the D.C. Statewide Longitudinal Education Data (SLED) database provided by DCPS and OSSE.

Questioned Costs - Known amount is \$279.

Context - This is a condition identified per review of DCPS' compliance with specified requirements.

Effect - DCPS did not comply with the eligibility and reporting requirements of the Child Nutrition Cluster.

Cause - DCPS does not have fully effective internal controls over the eligibility determination process to ensure participants are accurately being assessed for free and reduced price lunch, and that meal count claims submitted for reimbursement include only claims for students who are eligible. Additionally, DCPS does not have adequate controls to ensure meals are not included in the meal counts for absent children.

Recommendation - We recommend DCPS establish adequate controls over eligibility and reporting that ensure compliance with the requirements of the Child Nutrition Cluster. This includes (1) ensuring that the eligibility determination is sufficiently reviewed such that all errors in the determination process are detected; (2) data corrections are properly recorded in WebSMARTT; (3) Additional controls at the point of sale to ensure that free and reduced price meals are only served to students in attendance; and (4) Additional edit checks within the WebSMARTT application to prevent inaccurate system eligibility determinations; (5) Controls to classify students who meet the definition of a "child" and those with adult status based on profile inputs.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - DCPS will review the policies and procedures and annual staff training materials related to WEBSMARTT; and update these as necessary to ensure that appropriate controls are in place related to student eligibility. Additionally accountability reviews will be instituted at every NSLP site to ensure adherence to daily accountability policies and procedures. An update has occurred in WEBSMARTT to prevent any person who does not meet the definition of a 'child' as defined by 7 CFR section 210.2 from applying for Free And Reduced Meals and the system tested to ensure that the when a student elects not to receive free or reduced meals in their application, the point of sale system reflects this option.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-004
Prior Year Finding Number: N/A
Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Program:

U.S. Department of Agriculture

Government Department/Agency:

Department of Health (DOH)

Special Supplemental Nutrition Program for Women,
Infants and Children

CFDA #: 10.557

Award #: 1DC700700

Award Year: 10/01/2014 - 09/30/2015

Criteria - Per 2 CFR part 225 Appendix E:

“C.3.c. Actual conditions must be taken into account in selecting the base to be used in allocating the expenses in each grouping to benefitted functions. When an allocation can be made by assignment of a cost grouping directly to the function benefitted, the allocation shall be made in that manner. When the expenses in a grouping are more general in nature, the allocation should be made through the use of a selected base which produces results that are equitable to both the Federal Government and the governmental unit. In general, any cost element or related factor associated with the governmental unit’s activities is potentially adaptable for use as an allocation base provided that: it can readily be expressed in terms of dollars or other quantitative measures (total direct costs, direct salaries and wages, staff hours applied, square feet used, hours of usage, number of documents processed, population served, and the like), and it is common to the benefitted functions during the base period.”

DOH has an indirect cost rate agreement that states that 50% of direct salaries and wages including all fringe benefits can be charged as indirect costs.

Condition - We noted a variance with indirect costs charged to the major program due to \$41,984 of fiscal year 2014 indirect costs being charged to fiscal year 2015. We noted that while a top-side entry was posted to appropriately present the indirect costs in the SEFA in fiscal year 2014, this was not reflected in the general ledger when preparing the SEFA in fiscal year 2015. This amount has been subsequently corrected in the SEFA.

Questioned Costs - None.

Context - This is a condition identified per review of DOH’s compliance with specified requirements. The major program’s indirect costs were overstated by \$41,894 and were subsequently corrected.

Effect - As a result of the variance, DOH’s indirect costs as well as overall costs were overstated on the SEFA and were subsequently corrected.

Cause - DOH did not have policies and procedures in place to monitor the indirect costs being charged to the major program.

Recommendation - We recommend that DOH implement additional policies and procedures to ensure indirect costs are appropriately computed and monitored on a periodic basis.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Related Noncompliance - Noncompliance

Views of Responsible Officials and Planned Corrective Actions - The Department of Health (DOH) Office of the Chief Financial Officer (OCFO) concurs with this finding. The general ledger reflected an adjustment related to fiscal year 2014 indirect costs and this “memo” amount was not backed-out when completing the SEFA, which was subsequently corrected. The OCFO commits to establishing policies and procedures to monitor allowable indirect costs on a quarterly basis to ensure that such costs are properly reflected in the general ledger.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-005
Prior Year Finding Number: N/A
Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Program:

U.S. Department of Housing and Urban Development
(HUD)

Government Department/Agency:

Department of Housing and
Community Development (DHCD)

Community Development Block Grants/Entitlement
Grants (CDBG)
CFDA #: 14.218
Award #: B14-MC-11-0001
Award Year: 07/01/2014 - 06/30/2019

Criteria - Per 2 CFR part 225 Appendix E:

“C.3.c. Actual conditions must be taken into account in selecting the base to be used in allocating the expenses in each grouping to benefitted functions. When an allocation can be made by assignment of a cost grouping directly to the function benefitted, the allocation shall be made in that manner. When the expenses in a grouping are more general in nature, the allocation should be made through the use of a selected base which produces results that are equitable to both the Federal Government and the governmental unit. In general, any cost element or related factor associated with the governmental unit’s activities is potentially adaptable for use as an allocation base provided that: it can readily be expressed in terms of dollars or other quantitative measures (total direct costs, direct salaries and wages, staff hours applied, square feet used, hours of usage, number of documents processed, population served, and the like), and it is common to the benefitted functions during the base period.”

Condition - DHCD has an approved indirect cost rate agreement with the federal government. However, the indirect costs charged to the grant were not in accordance with the agreement.

Questioned Costs - \$394,133.

Context - This is a condition identified per review of DHCD’s compliance with specified requirements. The total amount of indirect costs charged to the grant was \$844,425.

Effect - The indirect costs charged to the CDBG grant were overstated by \$394,133.

Cause - DHCD did not have policies and procedures in place to monitor the indirect costs being charged to the major program.

Recommendation - We recommend that DHCD implement additional policies and procedures to ensure indirect costs are appropriately computed and monitored on a periodic basis.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - DHCD concurs with this finding. The agency will budget for its administrative expenditures based on approved indirect cost rate agreement.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-006
Prior Year Finding Number: 2014-015
Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Program:

U.S. Department of Housing and Urban Development
(HUD)

Government Department/Agency:

Department of Housing and
Community Development (DHCD)

Community Development Block Grants/Entitlement
Grants (CDBG)
CFDA #: 14.218
Award #: B14-MC-11-0001
Award Year: 07/01/2014 - 06/30/2019

Criteria - Per 2 CFR part 225 Appendix B:

“8.h.(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

- (a) They must reflect an after-the-fact distribution of the actual activity of each employee,
- (b) They must account for the total activity for which each employee is compensated,
- (c) They must be prepared at least monthly and must coincide with one or more pay periods, and
- (d) They must be signed by the employee.
- (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:
 - (i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
 - (ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
 - (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.”

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Condition - At DHCD, employees charge hours worked each pay period on a timesheet to specific cost centers or combo codes as referred by the agency. In our testing of 60 payroll transactions, some of the payroll transactions were not adequately supported by documentation. Specifically,

1. For 15 out of 60 payroll transactions tested, the timesheets hours differed from the paid hours.
2. For 22 out of 60 payroll transactions tested, the timesheets either did not have any combo codes or a CDBG combo code listed.

Questioned Costs - Not determinable.

Context - This is a condition identified per review of DHCD's compliance with specified requirements. The payroll transactions tested totaled \$82,572. Total payroll costs charged to the CDBG grant was \$1,977,336 during the fiscal year.

Effect - Payroll costs charged to the CDBG program were not supported in accordance with 2 CFR Part 225 effort reporting requirements. As such, DHCD was noncompliant with the allowable activities compliance requirement.

Cause - DHCD continued to use the PeopleSoft 485 report to charge payroll expenditures to the program. The PeopleSoft 485 report reflects the allocation of payroll expenditures for employees who worked on multiple federal programs, which is based on predetermined percentages entered into the PeopleSoft at the beginning of the fiscal year. These percentages were based on management's estimate of the hours they expected each employee to work on their respective programs, which was submitted as part of their grant application. However, management did not perform a periodic comparison of the employees' estimated hours per the PeopleSoft 485 report to the actual hours incurred, and make any necessary adjustment as required by 2 CFR part 225 B.8.h.

Additionally, DHCD has been in the process of implementing "combo codes" in PeopleSoft that would allow employees to track their time across multiple federal programs. However, the combo codes had not been fully implemented during fiscal year 2015. Further, DHCD did not develop an interim process that employees could use to track their time across multiple federal programs until the combo codes were fully implemented. As a result, certain employees who worked on multiple federal programs only reported their time in total.

Recommendation - We recommend that the DHCD ensures that employees are effectively and accurately using the combo codes to allocate time to the programs in which they worked.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - DHCD concurs with this finding. The difference between the hours in 485 report and hours charged to the combo code per timesheets relate to non-regular hours/benefits (i.e. Annual Leave, Sick Leave, Holiday, etc.) charged. Prior to June 28, 2015, PeopleSoft charged/allocated specific % of non-regular time (annual leave, sick leave, holiday, etc.) recorded by a particular employee based on how the employee's position was budgeted in PeopleSoft. Also, when no combo codes were used, the system automatically allocated time reported in timesheet based on how position was funded/budgeted in PeopleSoft. Effective Pay Period 15 (Pay Period Beginning Date June 28th 2015), in order to address this issue, based on DHCD's request, the Office of the Chief Technology Officer (OCTO) team implemented a Time Distribution

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Process in PeopleSoft whereby non-regular time (i.e. holidays, annual leave, sick leave, etc.) charged in a particular pay period is equitably allocated to all related activities/funds where regular hours are charged in the same pay period. This process complies with OMB Circular A-87 Section 8.d.(2), which states *"The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: (a) they are provided under established written leave policies; (b) the costs are equitably allocated to all related activities, including Federal awards; and, (c) the accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the governmental unit."* Finding has been mitigated/addressed effective June 28, 2015.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-007
Prior Year Finding Number: 2014-019
Compliance Requirement: Reporting

Program:

U.S. Department of Housing and Urban Development
(HUD)

Government Department/Agency:

Department of Housing and
Community Development (DHCD)

Community Development Block Grants/Entitlement
Grants (CDBG)
CFDA #: 14.218
Award #: B14-MC-11-0001
Award Year: 07/01/2014 - 06/30/2019

Criteria - 24 CFR 85.41 states that “Grantees will use the Federal Financial Report (FFR) to report the status of funds for all non-construction grants, for construction grants or grants which include both construction and non-construction activities as determined by HUD.”

Per the instructions for the FFR (SF-425/SF-425A), “Recipients use the FFR as a standardized format to report expenditures under Federal awards, as well as, when applicable, cash status (Lines 10.a, 10.b, and 10.c). References to this report include its applicability as both an expenditure and a cash status report unless otherwise indicated.”

The A-102 Common Rule requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

Condition - DHCD is required to submit SF-425 and PRO26 financial reports to the federal government for the CDBG grant. Our review of the financial reports identified differences in the program income reported in both reports and the DHCD’s accounting records.

Questioned Costs - Not determinable.

Context - This is a condition per review of DHCD’s compliance with specified requirements.

Effect - DHCD did not accurately reflect its cash status for the reporting periods ended June 30, 2015 and September 30, 2015. As such, DHCD is noncompliant with the Reporting requirements.

Cause - The program income reported in the quarterly SF-425 financial reports is based on the program income shown in HUD’s IDIS system instead of the amount reflected in its accounting system. DHCD did not perform a reconciliation to identify the reason for the differences in the two systems.

The program income shown in the PRO26 financial report does not include an adjustment for program income of \$7,935,156 that was returned to DHCD during the fiscal year from another agency. DHCD had transferred the program income to another District agency over several years to spend for CDBG projects, but the funds were returned because the other agency did not spend any of the program income.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Recommendation - We recommend DHCD report all program income received and returned if transferred to another District agency in its financial reports submitted to the federal government. We also recommend DHCD perform a reconciliation of the program income reported between HUD's Integrated Disbursements and Information System (IDIS) and its accounting system to identify the reasons for the variances. Adjustments should be made accordingly to the financial reports based on the reconciliations.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - DHCD disagrees with this finding. The \$7.9m was recorded in IDIS; it was reflected in the PR26 and PR01 in prior fiscal years (FY13, FY14 and FY15).

In fiscal year 2008, the Department of Housing and Community Development (DHCD) and the Office of The Deputy Mayor for Planning and Economic Development (DMPED) entered into a Memorandum of Agreement to ensure that the District carried out CDBG activities in a timely manner, and to optimize the use of federal dollars to support affordable housing, community development, and economic development activities that benefited low and moderate income residents and revitalized neighborhoods of the District. To fund the CDBG activities, the agreement stipulated that the CDBG related program income (PI) collected would be split 60% (DHCD), 40% (DMPED) between the two agencies.

One hundred percent (100%) of the PI received by the District for the CDBG grant is recorded in IDIS. The agreement didn't impact how the PI was recorded. DMPED determined that the 60% - 40% PI split was no longer required. As a result, \$7.9m of unspent PI at DMPED was transferred back to DHCD. Making an adjustment in IDIS to record transfer of PI back to DHCD would result in double counting of PI recorded in previous years in IDIS.

BDO Response - We have reviewed management's response and our finding remains as indicated.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-008
Prior Year Finding Number: N/A
Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Program:

U.S. Department of Housing and Urban Development
(HUD)

Government Department/Agency:

Department of Housing and
Community Development (DHCD)

HOME Investment Partnerships Program (HOME)

CFDA #: 14.239

Award #: M14-SG-11-0100

Award Year: 07/01/2014 - 06/30/2019

Criteria - Per 2 CFR part 225 Appendix E:

“C.3.c. Actual conditions must be taken into account in selecting the base to be used in allocating the expenses in each grouping to benefitted functions. When an allocation can be made by assignment of a cost grouping directly to the function benefitted, the allocation shall be made in that manner. When the expenses in a grouping are more general in nature, the allocation should be made through the use of a selected base which produces results that are equitable to both the Federal Government and the governmental unit. In general, any cost element or related factor associated with the governmental unit’s activities is potentially adaptable for use as an allocation base provided that: it can readily be expressed in terms of dollars or other quantitative measures (total direct costs, direct salaries and wages, staff hours applied, square feet used, hours of usage, number of documents processed, population served, and the like), and it is common to the benefitted functions during the base period.”

Condition - DHCD has an approved indirect cost rate agreement with the federal government. However, the indirect costs charged to the grant were not in accordance with the agreement.

Questioned Costs - \$68,927.

Context - This is a condition identified per review of DHCD’s compliance with specified requirements. The total amount of indirect costs charged to the grant was \$176,333.

Effect - The indirect costs charged to the HOME grant were overstated by \$68,927.

Cause - DHCD did not have policies and procedures in place to monitor the indirect costs being charged to the major program.

Recommendation - We recommend that DHCD implement additional policies and procedures to ensure indirect costs are appropriately computed and monitored on a periodic basis.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - DHCD concurs with this finding. The agency will budget for its indirect cost expenditures based on approved indirect cost rate agreement.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-009
Prior Year Finding Number: 2014-023
Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Program:

U.S. Department of Housing and Urban Development
(HUD)

Government Department/Agency:

Department of Housing and
Community Development (DHCD)

HOME Investment Partnerships Program (HOME)

CFDA #: 14.239

Award #: M14-SG-11-0100

Award Year: 07/01/2014 - 06/30/2019

Criteria - Per 2 CFR part 225 Appendix B:

“8.h.(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

- (a) They must reflect an after-the-fact distribution of the actual activity of each employee,
- (b) They must account for the total activity for which each employee is compensated,
- (c) They must be prepared at least monthly and must coincide with one or more pay periods, and
- (d) They must be signed by the employee.
- (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:
 - (i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
 - (ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
 - (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.”

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Condition - At DHCD, employees charge hours worked each pay period on a timesheet to specific cost centers or combo codes as referred by the agency. In our testing of 60 payroll transactions, some of the payroll transactions were not adequately supported by documentation. Specifically,

- For 23 out of 60 payroll transactions tested, the time per the timesheet did not agree to the time allocated per the 485 report.
- For 8 out of 60 payroll transactions tested, the timesheets either did not have any combo codes or a HOME combo code listed.

Questioned Costs - Not determinable.

Context - This is a condition identified per review of DHCD's compliance with specified requirements. The payroll transactions tested totaled \$54,105. Total payroll costs charged to the Home grant was \$448,696 during the fiscal year.

Effect - DHCD was unable to demonstrate that the payroll expenditures charged to the Home grant accurately reflected the time incurred on the program and were properly supported in accordance with 2 CFR part 225 effort reporting requirements.

Cause - DHCD continued to use the PeopleSoft 485 report to charge payroll expenditures to the program. The PeopleSoft 485 report reflects the allocation of payroll expenditures for employees who worked on multiple federal programs, which is based on predetermined percentages entered into the PeopleSoft at the beginning of the fiscal year. These percentages were based on management's estimate of the hours they expected each employee to work on their respective programs, which was submitted as part of their grant application. However, management did not perform a periodic comparison of the employees' estimated hours per the PeopleSoft 485 report to the actual hours incurred, and make any necessary adjustment as required by 2 CFR part 225 B.8.h.

Additionally, DHCD has been in the process of implementing "combo codes" in PeopleSoft that would allow employees to track their time across multiple federal programs. However, the combo codes had not been fully implemented during fiscal year 2015. Further, DHCD did not develop an interim process that employees could use to track their time across multiple federal programs until the combo codes were fully implemented. As a result, certain employees who worked on multiple federal programs only reported their time in total.

Recommendation - We recommend that the DHCD ensures that employees are effectively and accurately using the combo codes to allocate time to the programs in which they worked.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - DHCD concurs with this finding. The difference between the hours in 485 report and hours charged to the combo code per timesheets relate to non-regular hours/benefits (i.e. Annual Leave, Sick Leave, Holiday, etc.) charged. Prior to June 28, 2015, PeopleSoft charged/allocated specific % of non-regular time (annual leave, sick leave, holiday, etc.) recorded by a particular employee based on how the employee's position was budgeted in PeopleSoft. Also, when no combo codes were used, the system automatically allocated time reported in timesheet based on how position was funded/budgeted in PeopleSoft. Effective Pay Period 15 (Pay Period Beginning Date June 28th 2015), in order to address this issue, based on DHCD's request, the Office of the Chief Technology Officer (OCTO) team implemented a Time Distribution

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Process in PeopleSoft whereby non-regular time (i.e. holidays, annual leave, sick leave, etc.) charged in a particular pay period is equitably allocated to all related activities/funds where regular hours are charged in the same pay period. This process complies with OMB Circular A-87 Section 8.d.(2), which states *"The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if: (a) they are provided under established written leave policies; (b) the costs are equitably allocated to all related activities, including Federal awards; and, (c) the accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the governmental unit."* Finding has been mitigated/addressed effective June 28, 2015.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-010
Prior Year Finding Number: N/A
Compliance Requirement: Matching, Level of Effort, Earmarking

Program:

U.S. Department of Housing and Urban Development
(HUD)

Government Department/Agency:

Department of Housing and
Community Development (DHCD)

HOME Investment Partnerships Program (HOME)

CFDA #: 14.239

Award #: M14-SG-11-0100

Award Year: 07/01/2014 - 06/30/2019

Criteria - Per OMB Compliance Supplement, Earmarking 3. d. a participating jurisdiction may expend for HOME administrative and planning costs an amount of HOME funds that is not more than ten percent of the fiscal year HOME basic formula allocation plus any funds received in accordance with 24 CFR section 92.102(b) to meet or exceed threshold requirements that fiscal year. A participating jurisdiction may also use up to ten percent of any program income, as defined in 24 CFR Section 92.2, calculated at the time of deposit in its local HOME account, for administrative and planning costs (24 CFR section 92.207).

Condition - During of testwork of planning and administrative expenditures, we noted that expenditures exceeded the 10% limitation by \$328,275. DHCD charged administrative and planning expenditures to the HOME grant that exceeded 10% of the HOME allocated grant funds plus the program income received during the fiscal year.

Questioned Costs - \$328,275.

Context - This is a condition identified per review of DHCD's compliance with specified requirements. The total amount of administrative and planning expenditures charged to the grant in fiscal year 2015 was \$935,728.

Effect - The administrative and planning expenditures charged to the grant were overstated by \$328,275.

Cause - DHCD did not properly monitor the administrative and planning expenditures that were charged to the grant.

Recommendation - We recommend DHCD improve its monitoring of the administrative and planning expenditures charged to grant to ensure that the agency's expenditures are within the HOME grant program requirements.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - DHCD concurs with this finding. The agency will budget for its administrative expenditures based on the calculated administrative and planning cap.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-011
Prior Year Finding Number: 2014-025
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements

Program:

U.S. Department of Housing and Urban Development
(HUD)

Government Department/Agency:

Department of Housing and
Community Development (DHCD)

HOME Investment Partnerships Program (HOME)

CFDA #: 14.239

Award #: M14-SG-11-0100

Award Year: 07/1/2014 - 06/30/2019

Criteria - Per 29 CFR 5.5(a)(3), "...the contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency). The required weekly payroll information may be submitted in any form desired. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors." Additionally, 29 CFR 5.5(a)(3) states, "...The Federal agency providing funding or the contracting agency in a financially-assisted construction contract has the primary, day-to-day responsibility for administering and enforcing the prevailing wage rate requirements in covered contracts. They are responsible for ensuring that the contractor maintains appropriate records by performing activities, such as:

- a) Verifying that covered contracts have incorporated the required Davis-Bacon clauses and the applicable wage determination(s);
- b) Verifying that the Davis-Bacon notice and the applicable wage determination(s) are displayed at the site of the work in a conspicuous location in clear view of everyone;
- c) Reviewing certified payrolls in a timely manner;
- d) Conducting employee interviews;
- e) Conducting investigations;
- f) Forwarding refusal to pay and/or debarment consideration cases to the USDOL Wage and Hour Division for appropriate action; and
- g) Submitting enforcement reports and semi-annual enforcement reports to the USDOL Wage and Hour Division.

When a contractor is continually late with payroll submittals, the contracting agency must send the prime contractor a written notice restating the contract requirements for submitting the weekly payroll statements. If the contractor continues to submit the payroll statements late, the following actions can be taken:

- a) Withhold payments until the payroll submittal requirements are met;
- b) Terminate the contract; or
- c) Refer the violating contractor to the USDOL for possible legal prosecution and/or debarment." The OMB Circular A-102 Common Rule requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Condition - During our testwork of Wage Rate Requirements, we noted DHCD did not receive 2 certified weekly payroll reports from the prime contractor and subcontractors as required under the Wage Rate Requirements.

Questioned Costs - Not determinable.

Context - This is a condition identified per review of DHCD's compliance with specified requirements. The total number of project units was 133. The total number of HOME assisted units was 101.

Effect - DHCD was not in compliance with the Wage Rate Requirements under the HOME grant program.

Cause - DHCD did not properly follow-up with prime contractor and subcontractors to determine the status of the weekly payroll reports.

Recommendation - We recommend DHCD develop and implement policies and procedures:

1. To monitor payroll submissions and to perform the necessary follow-up or corrective action when the certified payrolls or statement of compliance for no work performed are not submitted timely;
2. That requires management to document the date of receipt and review of the certified payrolls or statement of compliance for no work performed, and
3. To monitor the reviews of payroll submissions to ensure they are performed timely.

Related Noncompliance - Noncompliance.

Views of Responsible Officials and Planned Corrective Actions - DHCD has significantly improved its payroll monitoring and continued to implement new procedures to improve follow up and track weekly payroll submissions to DHCD. DHCD has implemented several measures as proposed and stated in the 2014 audit remediation plan (listed below). Additionally, quarterly monitoring and analysis of payrolls has been incorporated in the 2016 performance plans of the staff monitoring Davis-Bacon covered projects.

- At pre-construction and at 50% of construction completion the Office of Program Monitoring (OPM) Compliance Specialists and Contract Compliance Interns (CCI's) meet with recipients and general contractors (GC) to discuss compliance, violations and advise that payments will be withheld if compliance issues are not resolved within 10 days.
- To track Contractor's Compliance, OPM has created a "Compliance Monitoring Excel Workbook" to house data and documentation on certified payroll (CP) submissions and compliance. The Workbook also includes a grading system of Satisfactory, Unsatisfactory, or Unsatisfactory with Comments.
- The Certified Payrolls received will be checked/verified against the accompanying Transmittal that lists all CP's being submitted. This will be performed within 48 hours of receiving the CP submission.
- Management going forward will ensure that all CP's are reviewed and initialed by staff after they are reviewed and that all CP's Transmittals received from contractors will be date stamped or initialed in the Office of Program Monitoring.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

- CCI's will send emails and transmittals notifications that specifically address missing CP's and late submissions. Reminder letters will be sent to GC's when issues are not resolved within 10 days.
- These measures will provide the essential monitoring oversight and capture the required dates and timing data necessary for compliance monitoring. These modifications are effective as of August 2015.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-012
Prior Year Finding Number: N/A
Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Program:

U.S. Department of Education

Government Department/Agency:

University of the District of Columbia
(UDC)

Student Financial Assistance Cluster
CFDA #: 84.007, 84.033, 84.063, 84.268, 93.925
Award #: Various
Award Year: 10/01/2014 - 09/30/2015

Criteria - OMB Circular A-133, section 310(b) indicates:

Schedule of expenditures of Federal awards (SEFA). The auditee shall prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

1. List individual Federal programs by Federal agency. For federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision with the Federal agency.
2. For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
3. Provide total Federal awards expended for each individual Federal program and the Catalog of Federal Domestic Programs (CFDA) number or other identifying number when the CFDA information is not available.
4. Include notes that describe the significant accounting policies used in preparing the schedule.
5. To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
6. Include, in either the schedule or a note to the schedule, the value of Federal awards expended in the form of noncash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year-end. While not required, it is preferable to present this information in the schedule.

Condition - Certain grant expenditures related to the Student Financial Assistance Cluster, amounting to \$11.7 million, for U.S. Department of Education programs had been inaccurately recorded in 2015. In reconciling the student level detail and the general ledger, it was discovered that the expenses for Federal Direct Student Loans, Federal Work-Study Program, Federal Supplemental Educational Opportunity Grants and Federal Pell Grant Program were inaccurately stated in the SEFA. An adjustment was recorded to correct the SEFA.

Questioned Costs - None.

Context - This is a condition identified per review of UDC's compliance with specified requirements.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Effect - The SEFA may not be fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

Cause - UDC does not appear to have adequate policies and procedures in place to ensure adequate preparation and review the SEFA.

Recommendation - We recommend that UDC implement policies and procedures within the finance department to ensure federal funds are reported at the appropriate amounts.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - UDC has implemented a reconciliation process beginning in November 2015 in which monthly student level detail from the Office of Student Enrollment is received and compared to the general ledger detail in order to identify anomalies. In October 2015, a Reconciliation Specialist from the Office of Student Enrollment was also hired to facilitate this process. During fiscal year 2015, this level of detail was not available due to staff shortages. The reconciliation process is performed on a monthly basis between the Office of Student Enrollment and the Finance Office to ensure that discrepancies are handled within a timely manner and that reported figures are accurate throughout the year and at the end of the reporting period.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-013
Prior Year Finding Number: N/A
Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Program:

U.S. Department of Education

Government Department/Agency:

Office of the State Superintendent of
Education (OSSE)

Special Education Cluster

CFDA #: 84.027

Award #: H027A140010

Award Year: 07/01/2014 - 09/30/2015

Criteria - OMB Circular A-87 Attachment B section 16. Fines and penalties: "Fines, penalties, damages, and other settlements resulting from violations (or alleged violations) of, or failure of the governmental unit to comply with, Federal, State, local, or Indian tribal laws and regulations are unallowable except when incurred as a result of compliance with specific provisions of the Federal award or written instructions by the awarding agency authorizing in advance such payments."

Condition - During our review of 25 payroll transactions selected for testing (7 payroll transactions at OSSE and 18 payroll transactions at DCPS), we noted that 1 payroll transaction at OSSE pertained to a payment of restitution and compensatory damages to an employee who was wrongfully terminated. This expenditure is not allowable to be charged to the program unless there is written authorization from the federal grantor. OSSE was not able to provide written instructions by the awarding agency authorizing in advance such payment. Thus, the expenditure is unallowable and should have not been charged to the program.

Questioned Costs - Known amount is \$19,576.

Context - This is a condition identified per review of OSSE's compliance with specified requirements.

Effect - OSSE's failure to properly identify a payroll transaction related to restitution and compensatory damages resulted to unallowable expenditures charged to the Federal program.

Cause - OSSE failed to follow existing policies and procedures in place which require full compliance with the OMB's allowable costs/cost principles requirements.

Recommendation - We recommend that OSSE adhere to its internal policies and procedures to ensure that only costs allowed by the provisions of OMB's cost principles are charged to the Federal program.

Related Noncompliance - Noncompliance.

Views of Responsible Officials and Planned Corrective Actions - OSSE understands the nature of this finding. OSSE will implement a control system to ensure that restitution and compensatory damages' expenditures are charged to non-federal funds and are processed through the standard established PeopleSoft payroll system. This will prevent recurrences. OSSE is committed to strengthen its internal controls to ensure that its expenditures are allowable, allocable and reasonable in compliance with all standards.

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Finding Number: 2015-014
Prior Year Finding Number: 2014-046
Compliance Requirement: Eligibility

Program:

U.S. Department of Education

Government Department/Agency:

Department on Disability Services
(DDS)

Rehabilitation Services - Vocational Rehabilitation Grants
to States

CFDA #: 84.126

Award #: H126A150011

Award Year: 10/01/14 - 09/30/2015

Criteria - The A-102 Common Rule requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulation, and program compliance requirements.

According to 29 USC Section 722 (a) (1), an individual is eligible for Vocational Rehabilitation (VR) services if the individual (a) has a physical or mental impairment that, for the individual, constitutes or results in a substantial impediment to employment; (b) can benefit in terms of an employment outcome from VR services; and (c) requires VR services to prepare for, secure, retain, or regain employment.

34 CFR Section 361.45 states that the designated State unit must ensure that the IPE agreed to and signed by the eligible individual or, as appropriate, the individual's representative; and approved and signed by a qualified vocational rehabilitation counselor employed by the designated State unit. It further states that the IPE must be reviewed at least annually by a qualified vocational rehabilitation counselor and the eligible individual or, as appropriate, the individual's representative to assess the eligible individual's progress in achieving the identified employment outcome. Amendments to the IPE do not take effect until agreed to and signed by the eligible individual or, as appropriate, the individual's representative and by a qualified vocational rehabilitation counselor employed by the designated State unit; and

The 29 USC Section 722 (a) (6) code also states that the VR agency must determine whether an individual is eligible for VR services within a reasonable period of time, not to exceed 60 days, after the individual has submitted an application for the services unless:

- a. Exceptional and unforeseen circumstances beyond the control of the State VR agency preclude making an eligibility determination within 60 days and the State agency and the individual agree to a specific extension of time.
- b. The State VR agency is exploring an individual's abilities, capabilities, and capacity to perform in work situations through trial work experience in order to determine the eligibility of the individual or the existence of clear and convincing evidence that the individual is incapable of benefiting in terms of an employment outcome from VR services.

Condition - We selected a sample of 60 Vocational Rehabilitation (VR) program participants to test DDS compliance with eligibility requirements. Based on our review, we noted that management's controls in place over compliance with the program's eligibility requirements were not operating effectively to prevent or detect non-compliance. Specifically, we noted the following:

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1. For 6 out of 60 items tested, determination of eligibility was not made within 60 days of date of application and no waiver letter was issued. We noted that in all 6 of these instances, the application was received in a prior fiscal year.
2. For 1 out of 60 items tested, assessments of the persons were not conducted prior to determining eligibility.
3. For 2 out of 60 items tested, the vocational rehabilitation counselor did not approve the determination worksheet or certification of eligibility.
4. For 3 out of 60 items, annual reviews were not conducted by both the vocational rehabilitation counselors and persons.
5. For 1 out of 60 items tested, in each case reviewed there was insufficient evidence provided that the person had a disability.
6. For 5 out of 60 items tested, the Individual Plan for Employment (IPE) was not signed/approved by the VR counselor and person.

We noted that for all of the above instances, we were able to determine that the participants were eligible to receive VR program services, and as such, the related costs were allowable.

In addition we noted 1 out of 60 items tested, assessment of the person was not conducted prior to determining eligibility, and these related costs were not allowable.

Questioned Costs - Not determinable.

Context - This is a condition identified per review of DDS' compliance with specified requirements.

Effect - DDS was not in compliance with the eligibility requirements of the VR program.

Cause - DDS did not consistently adhere to established policies and procedures regarding the determination of eligibility, development of IPEs, and maintenance of participant case files.

Recommendation - We recommend that DDS strengthen their controls over the preparation and monitoring of the VR's participant case files to ensure that eligibility determinations and IPEs are completed timely, that IPEs and eligibility determinations receive the required approvals, and that the case files include all relevant documentation and signatures.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - On June 17, 2014, a new protocol was finalized for all staff on the proper steps to take when seeking an extension of the eligibility date, including the need to obtain the applicant's signature to confirm that the person consented to the extension. Staff received training on the new protocol on June 19, 2014, and a refresher on the protocol was provided on June 22, 2015. All 6 items identified above in which eligibility determination was not made within 60 days, with no waiver being issued were for cases in which the application and eligibility determination as well as the two items in which the counselor did not approve the determination worksheet or certificate of eligibility timely were from prior fiscal years. Since development of the protocols and provision of training, timely determination of eligibility has consistently remained at or above DDS's target of 90%.

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DDS concurs with the findings regarding lack of signatures on IPE's, lack of annual reviews, lack of assessments prior to determining eligibility and insufficient evidence of disability. In October 2015, DDS implemented a new case review and quality assurance system in response to findings from the 2014 audit. This case review system was intended to ensure improved compliance and monitoring the quality of services provided. DDS reviewed the results of the implementation of this new system after six months, and was not satisfied with the outcomes, and has therefore made some revisions to increase the number of cases reviewed. This new system is going into effect in June 2016. We expect to see some results from this in fiscal year 2016, but don't expect full effect until fiscal year 2017.

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Finding Number: 2015-015
Prior Year Finding Number: 2014-050
Compliance Requirement: Matching, Level of Effort, Earmarking

Program:

U.S. Department of Education

Government Department/Agency:

District of Columbia Public Schools
(DCPS)

Teacher Incentive Fund Program

CFDA #: 84.374

Award #: S374A120052-14

Award Year: 10/01/14 - 9/30/15

Criteria - The Teacher Incentive Fund (TIF) program Non-Federal and Non-TIF Federal Program Funds Budget Narrative, which is incorporated by reference into the grant agreement, required that the DCPS Office of Human Capital (OHC) provide local funds in the amount of \$17,867,149 toward the TIF program.

Condition - DCPS reports its compliance with the matching requirements in the Annual Performance Report (APR) submitted to U.S. Department of Education (DOE). During our test work over DCPS' compliance with the matching requirements set forth in the Non-Federal and Non-TIF Federal Program Funds Budget Narrative, as reported in its APR, we noted that DCPS used budgeted, rather than actual expenditure amounts to support the matching contributions for salaries, teacher raises, and fringe benefits. Also, DCPS was not able to provide the actual expenditure amounts to support that DCPS complied with the matching contributions.

Questioned Costs - Not determinable.

Context - This is a condition identified per review of DCPS' compliance with specified requirements.

Effect - DCPS was not in compliance with the matching requirements for the TIF program.

Cause - TIF program management does not have appropriate procedures ensuring that the actual match is reported in the APR.

Recommendation - We recommend that DCPS strengthen internal controls to ensure that calculations of matching requirements are based on actual expenditure data and complete documentation is maintained properly. In addition, we recommend that DCPS involve program management possessing the requisite experience and training in federal awards administration to ensure compliance with federal matching requirements.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - We concur that DCPS used budgeted expenditure amounts rather than actual expenditure data to support the matching contributions in what was officially reported. Throughout the remaining duration of the grant, we will use actual expenditure amounts to support the matching requirements and report those actual amounts in future official documentation.

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We will establish quarterly meetings with the Office of the Chief Financial Officer and the Office of Federal Programs and Grants to monitor matching expenditures and ensure that actual amounts are included in all reporting requirements for the remainder of the grant so as to meet federal matching compliance requirements.

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Finding Number: 2015-016
Prior Year Finding Number: N/A
Compliance Requirement: Reporting

Program:
U.S. Department of Health and Human Services

Government Department/Agency:
Department of Human Services (DHS)

Temporary Assistance for Needy Families Cluster (TANF)
CFDA #: 93.558
Award #: Various
Award Year: 10/01/14 - 09/30/15

Criteria - The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e. auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

According to 45 CFR 265.9, 45 CFR 265.10, 45 CFR 263, Subpart A, and TANF-ACF-PI-01-06 dated October 24, 2001, Each State must file an annual report containing information on the TANF program and the State's maintenance-of-effort (MOE) program(s) for that year, including strategies to implement the Family Violence Option, State diversion programs, and other program characteristics. Each State must complete the Annual Report including the Annual Report on State Maintenance-of-Effort Programs (ACF-204) for each program for which the State has claimed basic MOE expenditures for the fiscal year. States may submit this report as a freestanding report or as an addendum to the fourth quarter TANF Data Report. The total MOE expenditures reported in item 5 of the ACF-204 should equal the total MOE expenditures reported in line 24, columns (B) plus (C) of the 4th quarter ACF-196R TANF Financial Report; or line 17, column (B) of the ACF-196-TR, Territorial Financial Report.

Condition - During our test work over the annual ACF-204, we noted the report was not adequately reviewed. Specifically, we noted that the report reflected that DHS had MOE expenditures of \$97,408,870 reported on the TANF Financial Report (ACF-196R). However, based on the supporting documentation provided, the expenditures should have been \$171,808,083, thus understating the report by \$74,399,213.

Questioned Costs - None.

Context - This is a condition identified per review of DHS' compliance with specified requirements.

Effect - Without proper internal controls and policies and procedures in place to ensure that correct MOE balances were reported and are properly reviewed, the TANF program incorrectly reported expenditures on the ACF-204 report which resulted in a variance of \$74,399,213. In addition, inadequate internal controls may lead to incorrect reporting of performance data.

Cause - Management did not have proper internal controls and policies and procedures in place to ensure that the ACF-204 properly reviewed and approved.

Recommendation - We recommend that DHS implement policies, procedures and controls that will enable an accurate reconciliation between the data sources used in the preparation of the report to

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ensure proper reporting of the MOE payments. We also recommend that management establish controls over the preparation of the ACF-199 to ensure that personnel other than the preparer approve the report.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - DHS concurs with the recommendation. Ten days before the ACF-204 is due, the OCFO will meet with the program personnel to review all of the financial information to ensure the financial information reconciles to what was reported on the most recently submitted ACF-199 and the ACF-196R reports.

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Finding Number: 2015-017
Prior Year Finding Number: 2014-058
Compliance Requirement: Special Tests and Provisions - Child Support Non-Cooperation

Program:

U.S. Department of Health and Human Services

Temporary Assistance for Needy Families Cluster (TANF)

CFDA #: 93.558

Award #: Various

Award Year: 10/01/2014 - 09/30/2015

Government Department/Agency:

Department of Human Services (DHS)/
Economic Security Administration

(ESA)

Criteria - OMB Circular A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

Per 45 CFR § 264.30 (a) (1) The State agency must refer all appropriate individuals in the family of a child, for whom paternity has not been established or for whom a child support order needs to be established, modified or enforced, to the child support enforcement agency (i.e., the IV-D agency). (2) Referred individuals must cooperate in establishing paternity and in establishing, modifying, or enforcing a support order with respect to the child.

Per 45 CFR § 264.30 (b) If the IV-D agency determines that an individual is not cooperating, and the individual does not qualify for a good cause or other exception established by the State agency responsible for making good cause determinations in accordance with section 454(29) of the Act or for a good cause domestic violence waiver granted in accordance with § 260.52 of this chapter, then the IV-D agency must notify the IV-A agency promptly.

Per 45 CFR § 264.30 (c) The IV-A agency must then take appropriate action by: (1) Deducting from the assistance that would otherwise be provided to the family of the individual an amount equal to not less than 25 percent of the amount of such assistance; or (2) Denying the family any assistance under the program.

Per 45 CFR § 262.5 (d) The burden of proof rests with the State to fully explain the circumstances and events that constitute reasonable cause for its failure to meet a requirement. The state must provide us with sufficient relevant information and documentation to substantiate its claim of reasonable cause.

Condition - During our compliance test work for the Special Tests and Provisions - Child Support Non-Cooperation compliance requirement, we tested 60 cases referred by Child Support Enforcement (CSE) to the TANF program as having not cooperated with Child Support. Of the 60 cases selected for testing, we noted 16 exceptions in which the benefit amounts were not reduced by at least 25%. The exceptions for these cases occurred as follows:

- 13 cases where no sanction was imposed as DHS/ESA indicated the case was not received from CSE.
- 2 cases where DHS/ESA failed to properly sanction beneficiaries during 2015.

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- 1 case where a sanction was initially implemented but no notice was sent to the customer. As a result, DHS subsequently reinstated the funds for May and June of 2015 because of lack of timely notice to the customer.

In addition, we also noted the following 3 exceptions:

- 1 case where a sanction was taken but no notice was sent to inform the customer.
- 1 case where DHS determined that there were two submissions on 1/27/15 but no previous sanction request was noted. No support provided to explain why client was sanctioned in December 2014.
- 1 case where the recipient's last name is different with no explanation as to why the last name is different.

For the 16 cases, management was unable to provide the applicable documentation to support "good cause" for not sanctioning cases referred to by CSE. We reviewed the TANF policy for Child Support noncooperation sanctions and noted ESA has the authority to not impose sanctions if it finds "good cause" exceptions. However, per interpretation of 45 CFR 262.5 and as of the timing of our audit procedures, we were unable to determine whether there was sufficient evidence to substantiate the "good cause" exception to sanctions.

Questioned Costs - Known amount is \$7,773.

Context - This is a condition identified per review of DHS' compliance with specified requirements.

Effect - Without adequate internal controls to ensure compliance with TANF Child Support Non-Cooperation requirements, there is an increased risk that TANF beneficiaries will receive incorrect TANF benefits.

Cause - Management is not adhering to their policies and procedures to ensure that DHS is in compliance with TANF Child Support Non-Cooperation compliance requirements. Documentation as to the "good cause" for exemptions to this requirement is not maintained and available for review.

Recommendation - We recommend that DHS enforce existing policies and procedures and improve its internal controls to ensure that Child Support Non-Cooperation sanctions are consistently applied and adequate documentation is maintained to support DHS's compliance with the TANF Child Support Non-Cooperation compliance requirements, especially when it comes to substantiating the "good cause" exception to sanctions.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - DHS concurs with the recommendation. DHS has revamped its procedures for sanctioning non-compliant customers and recently established a Sanction Unit to monitor, track and implement both TANF Sanctions and Child Support Sanctions. This Unit will incrementally phase in each program sanction process. TANF Sanctions and implementing its processes and actions are being applied first. Staff will then receive additional training in collaboration with the Child Support Services Division (CSSD) of the Office of the Attorney General, on the Child Support policy and procedures for addressing TANF recipient non-cooperation and begin tracking and processing Child Support Sanctions during the fourth quarter of fiscal year 2016.

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Additionally, CSSD and ESA developed a process outlining the responsibility for implementing a control system. CSSD sends ESA transmitted requests for sanctioning and together both entities collaborate and reconcile this data on a frequent basis.

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Finding Number: 2015-018
Prior Year Finding Number: 2014-057
Compliance Requirement: Special Tests and Provisions - Penalty for Failure to Comply With Work Verification Plan

Program:

U.S. Department of Health and Human Services

Government Department/Agency:

Department of Human Services (DHS)

Temporary Assistance for Needy Families Cluster (TANF)

CFDA #: 93.558

Award #: Various

Award Year: 10/01/2014 - 09/30/2015

Criteria - OMB Circular A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

Per 45 CFR §261.61 (a), a State must support each individual's hours of participation with documentation in the case file. In accordance with §261.62, a State must describe in its Work Verification Plan the documentation it uses to verify hours of participation in each activity. According to the DC State Verification Plan, the D.C. Department of Human Services (DHS), Department of Human Services Monitoring Unit reviews and audits all documentation submitted by vendors reflecting the activities of recipients in TANF Employment program. This documentation includes time sheets, activity logs, school records, pay stubs, and verification of employment, work experience and on-the-job training. The Monitoring Unit completes this audit process to determine if sufficient documentation exists to substantiate reported time and attendance data, to warrant a payment to TANF Employment program vendors, and submission of countable hours for federal reporting purposes.

Per 45 CFR § 265.7 (a)-(c), "each State's quarterly reports (the TANF Data Report, the TANF Financial Report (or Territorial Financial Report), and the SSP-MOE Data Report) must be complete and accurate and filed by the due date.

For disaggregated data report, 'a complete and accurate report' means that:

- (1) The reported data accurately reflect information available to the State in case records, financial records, and automated data systems, and include correction of the quarterly data by the end of the fiscal year reporting period;
- (2) The data are free from computational errors and are internally consistent (e.g., items that should add to totals do so);
- (3) The State reports data for all required elements (i.e., no data are missing);
- (4)(i) The State provides data on all families; or (ii) if the State opts to use sampling, the State reports data on all families selected in a sample that meets the specification and procedures in the TANF Sampling Manual (except for families listed in error); and
- (5) Where estimates are necessary (e.g., some types of assistance may require cost estimates), the State uses reasonable methods to develop these estimates.

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For an aggregated data report, “a complete and accurate report” means that:

- (1) The reported data accurately reflect information available to the State in case records, financial records, and automated data systems;
- (2) The data are free from computational errors and are internally consistent (e.g., items that should add to totals do so);
- (3) The State reports data on all applicable elements; and
- (4) Monthly totals are unduplicated counts for all families (e.g., the number of families and the number of out-of-wedlock births are unduplicated counts).”

45 CFR § 265.7 (f) states that “States must maintain records to adequately support any report, in accordance with section 92.42 of this title.”

Condition - During our test work over the Special Tests and Provisions - Penalty for Failure to Comply with the Work Verification Plan and Reporting, we noted:

- For 1 out of 60 cases, DHS was unable to provide any supporting documentation to substantiate the reported participation hours in the ACF-199, TANF Data Report (OMB No. 0970-0309) as required by the DC Work Verification Plan and the Federal Regulation.
- For 2 out of the 60 cases, DHS was unable to provide adequate supporting documentation to substantiate the reported participation hours in the ACF-199, TANF Data Report (OMB No. 0970-0309) as required by the DC Work Verification Plan and the Federal Regulation.
- For 2 out of the 60 cases, DHS had individuals who did not meet the federal work requirements for participation in TANF but were reported as having met the requirements. In addition, these two (2) individuals received federal TANF funding during the same period.

Questioned Costs - None.

Context - This is a condition identified per review of DHS’ compliance with specified requirements.

Effect - Data within the ACF-199 report may not be complete and accurate. Specifically, if the work participation data is not substantiated, or inconsistencies are noted, it may result in inaccurate data being reported and may lead to an incorrect ACF-199 report, and could result in an incorrect allocation of Federal Funds to the state.

Cause - Controls are not operating effectively over the documentation of work participation data to ensure that adequate evidence of the work participation is maintained.

Recommendation - We recommend that DHS enforce existing policies and procedures and implement additional controls to ensure that adequate documentation is maintained to substantiate the work participation data reported in the ACF-199 report in accordance with the District of Columbia Work Verification Plan.

Related Noncompliance - Noncompliance.

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Views of Responsible Officials and Planned Corrective Actions - DHS partially concurs with the recommendation. In one sample case DHS provided the requested documents, displayed the evidence of participation hours for activities that were federally reportable, and displayed evidence in the CATCH 2 system that indicated participation hours were denied and were NOT federally reported. Therefore, DHS disagrees with the finding of noncompliance for this case.

DHS affirms that policies and procedures and adequate controls are currently in place to ensure that adequate documentation is maintained to substantiate the work participation data reported in the ACF-199 report, in accordance with the District of Columbia Work Verification Plan.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-019
Prior Year Finding Number: 2014-059
Compliance Requirement: Special Tests and Provisions - Penalty for Refusal to Work

Program:

U.S. Department of Health and Human Services

Government Department/Agency:

Department of Human Services (DHS)/
Economic Security Administration
(ESA)

Temporary Assistance for Needy Families Cluster (TANF)

CFDA #: 93.558

Award #: Various

Award Year: 10/01/2014 - 09/30/2015

Criteria - OMB Circular A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

Per Yellow Book, Appendix I, section A 1.08d., states that management at a State and Local government entity is responsible for *"establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported..."*

Per 45 CFR § 261.14 (a) and (b), "If an individual refuses to engage in work required under section 407 of the Act, the State must reduce or terminate the amount of assistance payable to the family, subject to any good cause or other exceptions the State may establish. Such reduction is governed by the provisions of 45CFR § 261.16. The State must, at a minimum, reduce the amount of assistance otherwise payable to the family pro rata with respect to any period during the month in which the individual refuses to work. The State may impose a greater reduction, including terminating assistance."

Condition - During our test work of 60 samples selected to test the Special Tests and Provisions - Penalty for Refusal to Work, we noted 11 instances where beneficiaries continued to receive full TANF funds although there were periods where the beneficiaries did not work and there was no good cause noted to explain why the beneficiaries were not working. Total payments made to these 11 beneficiaries for the months that they did not work subsequent to when they should have been sanctioned were \$15,598.

Questioned Costs - Not determinable.

Context - This is a condition identified per review of DHS' compliance with specified requirements.

Effect - Participants may erroneously receive full federal benefits, when they should have sanctions to reduce their federal benefits under the TANF program.

Cause - Controls are not operating effectively to ensure that the TANF program applies appropriate sanctions on participants who refuse to fulfill the minimum working requirements to receive or maintain benefits.

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Recommendation - We recommend that DHS enforce existing policies and procedures and implement additional policies and procedures to ensure that Penalty for Refusal to Work requirements are complied with.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - DHS concurs with this finding. It should be noted that beginning August 1, 2015, ESA suspended the interim sanction process for a period of 90 days. The suspension was effectuated to allow ESA to implement the permanent progressive sanction process and allow the new process to convert all sanctioned cases with clean data. Because the process to impose a sanction takes between 60 and 90 days, if ESA did not suspend the interim process, when the permanent process was launched, there would have been parallel sanctioning processes, which would not have been supported by the automated system and would have created inaccurate and/or conflicting data.

The permanent sanction process is expected to launch summer, 2016, or after DCAS Release 2 goes live. It consists of three levels of sanction (as required by regulation), and is automated and supported by CATCH, the TANF case management system. Although sanctions were not processed over the suspension period, data was collected. The permanent process “captures” those cases which are eligible for sanction, and processes accordingly.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-020
Prior Year Finding Number: 2014-060
Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Program:

U.S. Department of Health and Human Services

Government Department/Agency:

District of Columbia Public Schools
(DCPS)

Head Start

CFDA #: 93.600

Award #: 03CH0233/28, 03CH010214-01-00, 03CH344501,
03CH3445-02-00

Award Year: 07/01/2014 - 08/31/2016

Criteria - The A-102 Common Rule requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

Per OMB Circular A-87, Attachment B, Paragraph H:

“(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

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

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- (i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
- (ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
- (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.”

Condition - In fiscal year 2015, the District of Columbia Public Schools (DCPS) had \$9,190,739 in payroll and benefits expenditures for the Head Start (HS) program. During our testwork over the activities allowed or unallowed and allowable costs/cost principles requirements, we noted that management's process for documenting employee time and effort spent on certain program activities was not in compliance with the standards prescribed by OMB Circular A-87. Specifically, we noted the following:

- On 3 of the 60 samples tested for payroll and benefits expenditures, the time and effort certifications were not available. We noted that a portion of salaries paid to the 3 employees were charged to the program since there were still unspent HS budgeted amounts at the end of the fiscal year.
- On 1 of the 60 samples tested for payroll and benefits expenditures, the timesheet, pay stub and time and effort certification were not available for us to audit. We noted that the employee moved departments and access over the employee files was no longer available to DCPS.

Questioned Costs - Not determinable.

Context - This is a condition identified per review of DCPS' compliance with specified requirements.

Effect - DCPS was not in compliance with the allowable costs/activities compliance requirements for the HS program.

Cause - HS program management have not designed and implemented effective controls to ensure that payroll and benefits program allocations are fully supportable by actual time worked by the employee in accordance with the standards prescribed by OMB Circular OMB A-87. Also, there are no sufficient and effective controls in place for retaining supporting evidence for payroll and benefits program charges for employees which moved departments.

Recommendation - We recommend that DCPS enhance processes and controls to ensure and that the payroll and fringe benefit costs charged are representative of actual time incurred on allowable program activities. This will be accomplished through a quarterly review of the timesheets of the employees identifying the actual time incurred by those “non HS identified employees” to ensure that the allocation remain reasonable and an adjustment should made at the end of the year to reflect actual amounts spent on program activities. Further, we recommend that DCPS enhance processes and controls to ensure support for charges made to program are retained and available for review for cases of inter-departmental or inter-agency transfers.

Related Noncompliance - Material noncompliance.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Views of Responsible Officials and Planned Corrective Actions - The responsible department currently conducts bi-weekly reviews of payroll and fringe benefit charges to the HHS grants. Per the recommendation of the auditors, the responsible department will implement a quarterly review of all charges against payroll and fringe benefit funds that occur outside of the official payroll dates, i.e. through journal entries or special pay circumstances. Documentation will also be retained and available for review for cases of inter-departmental or inter-agency transfers.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-021
Prior Year Finding Number: 2014-061
Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Program:

U.S. Department of Health and Human Services

Government Department/Agency:

Child and Family Services Agency
(CFSA)

Foster Care - Title IV-E

CFDA #: 93.658

Award #: Various

Award Year: 10/01/2014 - 09/30/2015

Criteria - OMB Circular A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

Condition - During our testing over allowability, we noted that CFSA does not have adequate controls in place to ensure compliance with allowable cost requirements. Specifically, we noted that for 10 of the 60 samples selected from the validation population sample, there was no validation or proof that the individual was listed on the Random Moment Time Sample (RMTS).

Further, the program incurred \$15,892,612 in payroll and fringe benefits expenditures in fiscal year 2015. During our test work over the payroll allowability, we tested 60 payroll samples subject to the cost allocation plan, representing disbursed funds totaling \$166,258. For 27 of the 60 payroll samples selected, we noted that although the employee's time sheet was approved, it was not approved by an appropriate supervisor with adequate knowledge of what that employee was working on.

Questioned Costs - Not determinable.

Context - This is a condition identified per review of CFSA's compliance with specified requirements.

Effect - Without adequate controls in place to ensure costs are properly reviewed for allowability, CFSA could be non-compliant with the allowability requirement and could request funds for costs that are unallowed.

Cause - Management is not adhering to their internal policies and procedures to ensure that transactions are adequately reviewed and approved to ensure they are allowable costs.

Recommendation - We recommend that CFSA strengthen their policies and procedures requiring a proper review of the RMTS, as well as employee's timesheets.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - CFSA concurs with the facts of the findings.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

With regard to the first finding pertaining to the RMTS validation of samples, effective July 1, 2015, CFSA implemented a strategy to increase the number of validation requests in an attempt to adhere to the 10% validation requirement in CFSA's Cost Allocation Plan. In September 2015, CFSA implemented quarterly RMTS training for Supervisors and Social Workers. CFSA will revisit its RMTS training and oversight strategy to ensure future compliance with 10% validation requirement for Supervisors.

With regard to the finding pertaining to time and attendance approvals, CFSA adheres to the District's protocols governing time and attendance. Management staff and Time Approvers have been instructed on time approval protocol. Effective September 30, 2015, CFSA implemented a time approval policy that set guidelines around employee time approvals and the timeframe for these approvals. In addition, CFSA established in fiscal year 2016 additional lines of approval within the direct chain of command of the employee, that any gaps in approvals, due to the absence of line supervision, might be resolved directly by alternate levels of management within the department, who are knowledgeable about the specific area of work and the employee's scheduled tour of duty.

As an added measure and consistent with the District time and payroll management procedures, CFSA also has a Quality Assurance Liaison (QAL), which resides in its Human Resources Administration, who is responsible for ensuring all appropriate time and payroll approvals have been done in accordance with established District and CFSA level policies and procedures. To ensure future compliance, CFSA will review its current controls, policies and procedures on a quarterly basis, and will ensure existing and newly hired lines of supervision and management receive time management training.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-022
Prior Year Finding Number: 2014-062
Compliance Requirement: Cash Management

Program:

U.S. Department of Health and Human Services

Government Department/Agency:

Child and Family Services Agency
(CFSA)

Foster Care - Title IV-E

CFDA #: 93.658

Award #: Various

Award Year: 10/01/2014 - 09/30/2015

Criteria - The OMB Circular A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The OMB Compliance Supplement states that “When entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government.” According to 31 CFR 215.22 (a), “payment methods shall minimize the time elapsing between the transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payment by other means by the recipients. Payment methods of State agencies or instrumentalities shall be consistent with Treasury-State CMIA agreements or default procedures codified at 31 CFR part 205”.

Condition - We reviewed 9 out of the 30 drawdowns made during fiscal year 2015 and noted that in 5 of the 9 drawdowns sampled: (1) CFSA requested funding before the actual expenditures were incurred; and (2) Drawdowns did not support the actual expenditures incurred.

Questioned Costs - Not determinable.

Context - This is a condition identified per review of CFSA’s compliance with specified requirements.

Effect - CFSA is not in compliance with the provisions of the CMIA agreement and cash management requirements. Requests for federal funds for the program were not based on the amount of actual disbursements and requests did not support the actual expenditures.

Cause - CFSA did not appear to exercise due diligence in requesting federal funds consistent with the CMIA agreement and its actual cash needs.

Recommendation - We recommend that CFSA comply with the provisions of the CMIA agreement and request funds to meet actual and immediate program needs.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - CFSA concurs with the facts of the finding, with explanation.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

During fiscal year 2015, for each draw, CFSA used the District's financial management system (SOAR) to calculate the difference between biweekly cash expenditures and cash revenue, as reported on a specific date and time in SOAR. The issue raised by the auditors occurred at the end of each quarter when CFSA reconciled the cash expenditures with draw requests (cash revenue) and the submitted Title IV-E claims. Adjusting accounting journal entries were posted in SOAR with different batch and effective dates during each quarter. The result was that cash expenditures were not aligned to the exact draw amounts on the Cash Management Improvement Act (CMIA) reports and made it appear that revenue was drawn before the expenditure occurred.

To address this finding, as of May 2016, CFSA adopted new policies and procedure related to calculating the biweekly draw requested that will result in only a percentage (up to 75%) of the draw will be made against eligible expenditures. The new process requires CFSA accounting staff to provide detailed expenditures for each draw request. Finally, CFSA will explore changes in the current Treasury-State Agreement to ensure consistency with the new techniques.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-023
Prior Year Finding Number: 2014-063
Compliance Requirement: Eligibility

Program:

U.S. Department of Health and Human Services

Government Department/Agency:

Child and Family Services Agency
(CFSA)

Foster Care - Title IV-E

CFDA #: 93.658

Award #: Various

Award Year: 10/01/2014 - 09/30/2015

Criteria - OMB Circular A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

According to 42 CFR § 1356.21 (b)(2)(i), "The Title IV-E agency must obtain a judicial determination that it has made reasonable efforts to finalize the permanency plan that is in effect (whether the plan is reunification, adoption, legal guardianship, placement with a fit and willing relative, or placement in another planned permanent living arrangement) within twelve months of the date the child is considered to have entered foster care in accordance with the definition at § 13 5 5 .20 of this part, and at least once every twelve months thereafter while the child is in foster care."

According to 42 U.S. Code 671(a)(20)(B) and (i), "provides that the State shall - check any child abuse and neglect registry maintained by the State for information on any prospective foster or adoptive parent and on any other adult living in the home of such a prospective parent, and request any other State in which any such prospective parent or other adult has resided in the preceding 5 years, to enable the State to check any child abuse and neglect registry maintained by such other State for such information, before the prospective foster or adoptive parent may be finally approved for placement of a child."

Furthermore, per 42 U.S. Code 675(8)(B)(ii), (iii) and (iv), "who has attained 18 years of age; who has not attained 19, 20, or 21 years of age, as the State may elect; and who is- (I) completing secondary education or a program leading to an equivalent credential; (II) enrolled in an institution which provides postsecondary or vocational education; (IH) participating in a program or activity designed to promote, or remove barriers to, employment; (IV) employed for at least 80 hours per month; (V) or incapable of doing any of the activities described in subclauses (I) through (IV) due to a medical condition, which incapability is supported by regularly updated information in the case plan of the child."

According to 45 CFR Part 92.20(b)(2), Accounting records, "Grantees and sub grantees must maintain records which adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

Furthermore, Per 45 CFR § 1356.21(a), Statutory and regulatory requirements of the Federal foster care program, "To implement the foster care maintenance payments program provisions of the title

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

IV-E plan and to be eligible to receive Federal financial participation (FFP) for foster care maintenance payments under this part, a title IV-E agency must meet the requirements of this section, 45 CFR 1356.22, 45 CFR 1356.30, and sections 472, 475(1), 475(4), 475(5), 475(6)."

45 CFR §1356.30(a) states, "the Title IV-E agency must provide documentation that criminal records checks have been conducted with respect to prospective foster and adoptive parents."

Condition - In fiscal year 2015, the Foster Care program had total disbursements of \$8,028,568 for Maintenance payments. During our testing of controls over the eligibility requirements for the Foster Care program, we noted that CFSA does not perform a periodic review of the eligibility files in order to determine whether the reasonable efforts to achieve permanency at least once every 12 months was conducted. In addition, during our testing of 60 participants representing disbursed federal funds totaling \$50,751, we noted the following:

- For 11 of 60 samples, we noted that CFSA was not able to provide the licensing documentation, criminal records check (including fingerprints), or child abuse and neglect registry check for the selected individuals. This resulted in ineligible payments being made in the amount of \$8,906.
- For 5 of 60 samples, we noted that valid licenses were not provided for entities providing foster care services in the District. We noted that CFSA was unable to provide evidence of valid licenses during periods in which services were provided. This resulted in ineligible payments being made in the amount of \$3,805.
- For 7 of 60 samples, we noted CFSA did not provide evidence that criminal records check (including fingerprint) required every two years and a child abuse and neglect registry check required every year for licenses issued in the District. We noted that CFSA was unable to provide the details of these records in order to determine that the providers were still qualified to be licensed. We also noted that CFSA does not always maintain this information and therefore sought the assistance of the providers to satisfy the audit request. This resulted in ineligible payments being made in the amount of \$7,273.

Questioned Costs - Known amount is \$19,984.

Context - This is a condition identified per review of CFSA's compliance with specified requirements.

Effect - CFSA was not in compliance with the eligibility requirements of the Foster Care program.

Cause - CFSA does not have adequate controls in place to ensure that eligibility files are being properly reviewed and the required documentation is being maintained to evidence compliance with eligibility requirements.

Recommendation - We recommend CFSA strengthen their existing policies and procedures over the review and maintenance of appropriate documentation to ensure compliance with eligibility requirements.

Related Noncompliance - Material noncompliance.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Views of Responsible Officials and Planned Corrective Actions - CFSA concurs with the facts of the findings.

Effective October 1, 2014, CFSA implemented a stronger quality assurance and enhanced review of all new Title IV-E Foster Care cases, including the required licensing-related documentation such as background and registry checks. Effective September 30, 2015, CFSA implemented an improved process for centralizing storage, maintenance and retrieval of all criminal background checks, child abuse and registry checks, and licensing documentation for all Title IV-E eligible Foster Care cases for which CFSA is claiming Title IV-E funds. Many of the cases referenced in the findings had their eligibility determinations completed prior to the implementation of the strengthened quality controls. CFSA will review the documentation for all foster care cases for which CFSA is claiming Title IV-E funds, and ensure that foster care eligibility files contain the required documentation, including licensing documentation, criminal records checks (including fingerprints), or child abuse and neglect registry checks.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-024
Prior Year Finding Number: N/A
Compliance Requirement: Matching, Level of Effort, Earmarking

Program:

U.S. Department of Health and Human Services

Government Department/Agency:

Child and Family Services Agency
(CFSA)

Foster Care - Title IV-E

CFDA #: 93.658

Award #: Various

Award Year: 10/01/2014 - 09/30/2015

Criteria - OMB Circular A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

According to 42 U.S. Code 674(a)(1) and 45 CFR Section 1356 60(a), “provides the percentage of Federal funding in Foster Care maintenance payment, which will be the Federal Medical Assistance program (FMAP) percentage.

Furthermore, per 45 CFR &1356.21(a), Statutory and regulatory requirements of the Federal foster care program, “To implement the foster care maintenance payments program provisions of the title IV-E plan and to be eligible to receive Federal financial participation (FFP) for foster care maintenance payments under this part, a title IV-E agency must meet the requirements of this section, 45 CFR 1356.22, 45 CFR 1356.30, and sections 472, 475(1), 475(4), 475(5), 475(6).”.

2 CFR section 215.23(a)(4) states, “All contributions, including cash and third party in-kind shall be accepted as part of the recipients’ cost sharing or matching when such contribution meet the criteria: Are allowable under the applicable cost principles”.

Condition - During our test work of matching over the total expenditures incurred in the 2nd quarter, we noted that CFSA overstated the total reported expenditures for the Title IV-E waiver provision by \$857,577. This resulted in an overstatement of funds drawn down during this period by \$600,304 and the local amount matched was overstated by \$257,273 over the required match.

Questioned Costs - \$600,304.

Context - This is a condition identified per review of CFSA’s compliance with specified requirements.

Effect - Without adequate internal controls over the matching requirements, CFSA was not able to demonstrate compliance with various program compliance requirements.

Cause - CFSA incorrectly included amounts for the Title IV-E waiver provision expenditures. Funds reported have matching rates applied when allowable expenditures are claimed on the Children’s Bureau (CB) 496 Title IV-E Programs Quarterly Financial Report. CFSA has overstated the reported balances on the 2nd quarter of the CB 496 report over the actual expenditures incurred, which resulted in an overstated matched amount.

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Recommendation - We recommend that CFSA enhance the review process to ensure that reported expenditures match the actual expenditures incurred and enhance its review of compliance with the matching requirements.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - CFSA concurs with the facts of the finding.

The Business Services Administration and Fiscal Office will conduct a secondary review of all submitted Title IV-E claims to ensure accuracy and consistency with financial data supporting the claims and avoid inadvertent mistakes on the CB-496. In addition, for the fiscal year 2017 budget, a new budget activity has been created to capture the prevention activities covered under CFSA's Title IV-E waiver. This new activity is designed to capture all expenditures for these identified Title IV-E programs and ensure accurate reporting through claiming.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-025
Prior Year Finding Number: N/A
Compliance Requirement: Special Tests and Provisions - Payment Rate Setting and Application

Program:

U.S. Department of Health and Human Services

Government Department/Agency:

Child and Family Services Agency
(CFSA)

Foster Care - Title IV-E

CFDA #: 93.658

Award #: Various

Award Year: 10/01/2014 - 09/30/2015

Criteria - The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e. auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

According to 42 USC 671(a)(11); 45 CFR section 1356.21(m)(l); and 45 CFR section 1356.60(a)(1) and (c), agencies establish payment rates for maintenance payments (e.g., payments to foster parents, child care institutions or directly to youth). Payment rates may also be established for Title IV-E administrative expenditures (e.g., payments to child placement agencies or other contractors, which may be either subrecipients or vendors) and for other services. Payment rates must provide for proper allocation of costs between Foster Care maintenance payments, administrative expenditures, and other services in conformance with the cost principles. The Title IV-E agency's plan approved by ACF must provide for periodic review of payment rates for Foster Care maintenance payments at reasonable, specific, time-limited periods established by the Title IV-E agency to assure the rate's continuing appropriateness for the administration of the Title IV-E program.

Condition - During our control test work over the Special Tests and Provisions - Payment Rate Setting and Application, we noted 2 exceptions out of 60 items selected for test work. Specifically, we noted that for 2 payments, the administrative rate did not agree with CFSA's established rate per the contract with provider for case management services.

Questioned Costs - Known amount is \$14,510.

Context - This is a condition identified per review of CFSA's compliance with specified requirements.

Effect - CFSA did not comply with the contracted rate and established rate requirements.

Cause - Adequate supporting documentation was not maintained and a thorough review was not performed to ensure that the administrative and maintenance rates charged were accurate.

Recommendation - We recommend that CFSA implement policies, procedures and controls to ensure that administrative and maintenance rate charges are accurate and supported.

Related Noncompliance - Noncompliance.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Views of Responsible Officials and Planned Corrective Actions - CFSA concurs with the facts of the finding.

CFSA's contract and procurement office is responsible for entering the negotiated contract rates for the private placement providers into CFSA's child welfare information system (FACES). CFSA's procurement office will be directed to enter new negotiated rates for new contracts on a timely basis to ensure proper payments are made, based on accurate and correct rates.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-026
Prior Year Finding Number: N/A
Compliance Requirement: Special Tests and Provisions - Payment Rate Setting and Application

Program:

U.S. Department of Health and Human Services

Government Department/Agency:

Child and Family Services Agency
(CFSA)

Foster Care - Title IV-E

CFDA #: 93.658

Award #: Various

Award Year: 10/01/2014 - 09/30/2015

Criteria - OMB Circular A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e. auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

According to 42 USC 671(a)(11); 45 CFR section 1356.21(m)(l); and 45 CFR section 1356.60(a)(1) and (c), agencies establish payment rates for maintenance payments (e.g., payments to foster parents, child care institutions or directly to youth). Payment rates may also be established for Title IV-E administrative expenditures (e.g., payments to child placement agencies or other contractors, which may be either sub recipients or vendors) and for other services. Payment rates must provide for proper allocation of costs between Foster Care maintenance payments, administrative expenditures, and other services in conformance with the cost principles. The Title IV-E agency's plan approved by ACF must provide for periodic review of payment rates for Foster Care maintenance payments at reasonable, specific, time-limited periods established by the Title IV-E agency to assure the rate's continuing appropriateness for the administration of the Title IV-E program.

Condition - During our compliance test work over the Special Tests and Provisions - Payment Rate Setting and Application, we noted CFSA incorrectly claimed case management services as maintenance costs. This issue was identified during our testing of administrative rates related to administrative costs claimed in the 2nd quarter of fiscal year 2015 covering various periods prior to the beginning of fiscal year 2015.

Questioned Costs - Not determinable.

Context - This is a condition identified per review of CFSA's compliance with specified requirements.

Effect - CFSA did not comply with the established requirements associated with claiming costs for administrative and maintenance services. This resulted in an overstatement of amount reimbursed for administrative costs.

Cause - A comprehensive review was not performed to ensure that the case management rates previously reimbursed was excluded from the claiming of the prior quarter administrative costs.

Recommendation - We recommend that CFSA implement policies, procedures and controls to ensure that costs claimed for administration is reviewed and approved by personnel independent of the claiming process.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Related Noncompliance - Noncompliance.

Views of Responsible Officials and Planned Corrective Actions - CFSA concurs with the facts of the finding.

The Business Services Administration has worked with the CFSA Chief Technology Officer's office to amend the current expenditure reports generated from the CFSA's child welfare information system (FACES) to ensure accuracy and consistency with expenditure data supporting future Federal Title IV-E claims and avoid inadvertent mistakes on the CB-496.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-027
Prior Year Finding Number: 2014-064
Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Program:

U.S. Department of Health and Human Services

Government Department/Agency:

Child and Family Services Agency
(CFSA)

Adoption Assistance - Title IV-E

CFDA #: 93.659

Award #: Various

Award Year: 10/01/2014 - 09/30/2015

Criteria - OMB Circular A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

Condition - For 1 out of 60 items tested, CFSA did not provide adequate documentation to support the costs incurred which were administrative expenses.

Questioned Costs - Known amount is \$34,988.

Context - This is a condition identified per review of CFSA's compliance with specified requirements.

Effect - Without adequate controls in place to ensure costs are properly reviewed for allowability, CFSA may not be in compliance with the allowability requirement and could request funds for costs that are unallowed.

Cause - CFSA is not adhering to their internal policies and procedures to ensure that transactions are adequately reviewed and approved to verify that they are allowable costs.

Recommendation - We recommend CFSA strengthen their existing policies and procedures over the review and maintenance of appropriate documentation to ensure compliance with allowability requirements.

Related Noncompliance - Noncompliance.

Views of Responsible Officials and Planned Corrective Actions - CFSA concurs with the facts of the finding.

CFSA will strengthen its process for reconciling allowable administrative expenditures to the quarterly federal claims. This includes having appropriate and detailed expenditure information supporting reconciling journals once the quarterly claims are submitted.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-028
Prior Year Finding Number: N/A
Compliance Requirement: Cash Management

Program:

U.S. Department of Health and Human Services

Government Department/Agency:

Child and Family Services Agency
(CFSA)

Adoption Assistance - Title IV-E

CFDA #: 93.659

Award #: Various

Award Year: 10/01/2014 - 09/30/2015

Criteria - The OMB Circular A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

The OMB Compliance Supplement states that “When entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government. According to 31 CFR 215.22 (a), ‘payment methods shall minimize the time elapsing between the transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payment by other means by the recipients. Payment methods of State agencies or instrumentalities shall be consistent with Treasury-State CMIA agreements or default procedures codified at 31 CFR part 205”.

Condition - We reviewed 6 out of the 30 drawdowns made during fiscal year 2015 and noted that in 2 of the 6 drawdowns sampled, CFSA requested funding before the expenditures were incurred.

Questioned Costs - None.

Context - This is a condition identified per review of CFSA’s compliance with specified requirements.

Effect - Requests for federal funds for the program were not based on actual disbursements.

Cause - CFSA does not have adequate policies, procedures and controls in place over the cash management process.

Recommendation - We recommend that CFSA implement internal control policies and procedures necessary to allow funds to be drawn down based on expenditures incurred.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - CFSA concurs with the facts of the finding, with explanation.

During fiscal year 2015, for each draw, CFSA used District’s financial management system (SOAR) to calculate the difference between biweekly cash expenditures and cash revenue, as reported on a specific date and time in SOAR. The issue raised by the auditors occurred at the end of each quarter when CFSA reconciled the cash expenditures with draw requests (cash revenue) and the submitted Title

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

IV-E claims. Adjusting accounting journal entries were posted in SOAR with different batch and effective dates during each quarter. The result was that cash expenditures were not aligned to the exact draw amounts on the Cash Management Improvement Act (CMIA) reports and made it appear that revenue was drawn before the expenditure occurred.

To address this finding, as of May 2016, CFSA adopted new policies and procedure related to calculating the biweekly draw requested that will result in only a percentage (up to 75%) of the draw will be made against eligible expenditures. The new process requires the CFSA accounting staff to provide detailed expenditures for each draw request. Finally, CFSA will explore changes in the current Treasury-State Agreement to ensure consistency with the new techniques.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-029
Prior Year Finding Number: 2014-065
Compliance Requirement: Eligibility

Program:

U.S. Department of Health and Human Services

Government Department/Agency:

Child and Family Services Agency
(CFSA)

Adoption Assistance - Title IV-E

CFDA #: 93.659

Award #: Various

Award Year: 10/01/2014 - 09/30/2015

Criteria - According to 45 CFR Part 92.20(b)(2), Accounting records, "Grantees and sub grantees must maintain records which adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

In order for a State to be eligible for maintenance payments, the State shall, according to 42 U.S. Code 673(a)(2)(A)(i)(I)(aa)(AA), "place in foster care in accordance with a voluntary placement agreement with respect to which Federal payments are provided under section 674 of this title (or section 603 of this title, as such section was in effect on July 16, 1996), or in accordance with a judicial determination to the effect that continuation in the home would be contrary to the welfare of the child."

Per 42 USC 673(a)(4)(A) , "a payment may not be made pursuant to this section to parents or relative guardians with respect to a child-who has not attained 18 years of age, if the State determines that the parents or relative guardians, as the case may be, are no longer legally responsible for the support of the child; or if the State determines that the child is no longer receiving any support from the parents or relative guardians, as the case may be."

In addition, per 42 USC 673(a)(7)(A)(ii), "a payment may not be made to parent for an applicable child who is not a citizen or resident of the United States."

Per 42 USC 673(c)(1)(A), "the child shall not be considered a child with special needs unless--the State has determined that the child cannot or should not be returned to the home of his parents."

Additionally, per 42 USC 673(c)(1)(B), "the child shall not be considered a child with special needs unless-- except where it would be against the best interests of the child because of such factors as the existence of significant emotional ties with prospective adoptive parents while in the care of such parent as a foster child, a reasonable, but unsuccessful, effort has been made to place the child with appropriate adoptive parents without providing adoption assistance."

Per 45 CFR section 13 56.41 (a), "The amount of the payment made for nonrecurring expenses of adoption shall be determined through agreement between the adopting parent(s) and the State agency administering the program. The agreement must indicate the nature and amount of the nonrecurring expenses to be paid."

Government of the District of Columbia

Schedule of Findings and Questioned Costs Year Ended September 30, 2015

The OMB Circular A-87 Basis Guidelines states, "factors affecting allowability of costs - to be allowable under Federal awards, costs must meet the following general criteria: be necessary and reasonable for proper and efficient performance and administration of Federal awards; be allocable to Federal awards under the provisions of this Circular; be authorized or not prohibited under State or local laws or regulations; conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items; conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items; be accorded consistent treatment - a cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost; except as otherwise provided for in this Circular, be determined in accordance with generally accepted accounting principles; not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation; be the net of all applicable credits; be adequately documented."

Condition - In fiscal year 2015, CFSA had total disbursements of \$10,797,329 for Maintenance payments. During our test work over eligibility, we tested 60 participants representing disbursed funds totaling \$94,944, we noted the following:

- For 55 of 60 samples, CFSA was unable to provide evidence that the program eligibility checklist was appropriately approved, and a signed subsidy agreement letter was unable to be provided.
- For 54 of 60 samples, CFSA was unable to provide evidence that the Adoption subsidy agreement was reviewed annually and the reviews were properly documented.
- For 1 of 60 samples, CFSA was unable to provide a final, signed subsidy agreement letter. This resulted in ineligible payments being made in the amount of \$1,415.
- For 4 of 60 samples, CFSA was unable to provide signed subsidy applications and 2 samples which did not have subsidy applications and/or referrals. This resulted in ineligible payments being made in the amount of \$10,066.
- For 13 of 60 samples, CFSA was unable to provide documentation that a criminal history record check and/or child abuse and neglect registry check was done at the time of the adoption. This resulted in ineligible payments being made in the amount of \$19,725.
- For 32 of 60 samples, CFSA was unable provide evidence that criminal history checks and child protection registry checks for one or more residents in the adoptive home were performed at the time of the adoption. This resulted in ineligible payments being made in the amount of \$40,274.

Questioned Costs - Known amount is \$71,480.

Context - This is a condition identified per review of CFSA's compliance with specified requirements.

Effect - Without proper controls in place to ensure case files are properly reviewed and documentation maintained, CFSA was not in compliance with the eligibility requirements of the Adoption Assistance program.

Cause - CFSA does not have adequate controls in place to ensure that eligibility files are being properly reviewed and required documentation is being maintained to ensure compliance with eligibility requirements.

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Recommendation - We recommend CFSA strengthen their existing policies and procedures over the review and maintenance of appropriate documentation to ensure compliance with eligibility requirements.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - CFSA concurs with the facts of the findings.

- CFSA concurs that for 55 of 60 samples, CFSA was unable to provide evidence that the program eligibility checklist was appropriately approved, and a signed subsidy agreement letter. CFSA began using the checklist in mid-2006. Adoptions finalized prior to 2006 would not have included the checklist. CFSA will complete the checklist for all adoption assistance cases at the time of finalization and ensure it is included in each adoption subsidy file.
- CFSA concurs that for the 54 of 60 samples, CFSA was unable to provide evidence that the Adoption subsidy agreement was reviewed annually and the reviews were properly documented. Approximately 78% of the adoption subsidy annual reviews are returned by adoptive parents. Federal rules prohibit state child welfare agencies from requiring the submission of annual reviews. It should also be noted that documentation of annual reviews is not a federal eligibility requirement. CFSA will ensure that documentation of the adoption subsidy annual review is placed in the adoption subsidy file.
- CFSA concurs that for 1 of 60 samples, CFSA was unable to provide a final, signed subsidy agreement letter. This resulted in ineligible payments being made in the amount of \$1,011. CFSA will ensure that all adoption assistance subsidy files contain a final, signed subsidy agreement.
- CFSA concurs that for 4 of 60 samples, CFSA was unable to provide signed subsidy applications and 2 samples which did not have subsidy applications and/or referrals. The adoption subsidy application and referral are not required documents for IV-E eligibility. The absence of these documents in the adoption subsidy file should not render associated payments ineligible by the Feds.
- With regard to the remaining two findings pertaining to criminal history checks and child protection registry checks, effective October 1, 2014, CFSA implemented stronger quality assurance and enhanced review of all Title IV-E Adoption Assistance cases, including the required criminal background and registry checks. Effective September 30, 2015, CFSA implemented an improved process for centralizing storage, maintenance and retrieval of all criminal background checks and child abuse and registry checks for all Title IV-E eligible Adoption Assistance cases for which CFSA is claiming Title IV-E funds. Many of the cases identified in the audit were finalized 5 - 10 years prior to the implementation of the above improvements. CFSA will ensure that all newly finalized adoption assistance cases contain the criminal history checks and child protection registry checks as required.

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Finding Number: 2015-030
Prior Year Finding Number: N/A
Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Program:

U.S. Department of Health and Human Services

Medicaid Cluster

CFDA #: 93.775, 93.777, 93.778

Award #: 05-1505DC5MAP

Award Year: 10/01/2014 - 09/30/2015

Government Department/Agency:

Department of Behavioral Health
(DBH)/Department of Health Care
Finance (DHCF)

Criteria - OMB Circular A-133 - Section___310 (b) sets forth that the auditee shall prepare a Schedule of Expenditures of Federal Awards (the "SEFA") for the period covered by the auditee's financial statements. At a minimum, the SEFA shall list individual Federal programs by federal agency. For federal programs included in a cluster of programs, the SEFA shall list individual Federal programs within a cluster.

OMB Circular A-110 - Section___21, which includes standards for financial management systems, notes recipients' financial management systems shall provide for the following:

- (1) Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.

Condition - During our review of DHCF's SEFA, in particular the Medicaid Cluster, we noted that the preliminary SEFA inappropriately included a project award within the Medicaid Cluster that should have been reported under a different Federal program. Specifically, the preliminary SEFA included an amount of \$4,059,765 under the CFDA #93.778 Medical Assistance Program instead of CFDA #93.773 Medicare - Hospital Insurance. The management subsequently corrected the amount and CFDA number to ensure that they are appropriately disclosed in the final SEFA.

Questioned Costs - None.

Context - This is a condition identified per review of DBH's compliance with specified requirements.

Effect - The incorrect coding of CFDA numbers in the District's accounting system may result in inaccurate information reported on the Data Collection Form. This may cause a delay in the District's A-133 report delivery to the appropriate individuals at their respective agencies. Further, the incorrect coding of CFDA numbers could lead to inaccuracies in the SEFA and misclassification of programs for the purposes of determining programs to be audited in the OMB Circular A-133 audit. The inability to properly classify programs could also result in compliance requirements and special provisions not being accurately applied.

Cause - Internal control policies and procedures for the proper recognition and coding of CFDA number within the SOAR, the District's accounting system, are not consistently followed.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Recommendation - We recommend that DHCF/DBH strengthen and enforce full compliance with its existing policies and procedures to ensure the CFDA numbers and classification of Federal grants are properly entered into SOAR. We also recommend that appropriate personnel perform periodic review of the grant information within SOAR to ensure that Federal grant information is accurate and up to date.

Related Noncompliance - Noncompliance.

Views of Responsible Officials and Planned Corrective Actions - Management concurs with the finding. As noted in the Condition above, the SEFA has been corrected, and the CFDA number has been corrected in SOAR. To prevent an error like this one from occurring in the future, the Grants Management Unit of the Human Support Services Cluster (HSSC) will review all SEFAs for HSSC agencies for accuracy and completeness before any SEFAs are submitted to the Office of Integrity and Oversight. Additionally, the HSSC Grants Management Unit will verify that every grant to an HSSC agency currently in SOAR has the correct CFDA number.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-031
Prior Year Finding Number: 2014-070
Compliance Requirement: Eligibility

Program:

U.S. Department of Health and Human Services

Medicaid Cluster

CFDA #: 93.775, 93.777, 93.778

Award #: 05-1505DC5MAP

Award Year: 10/01/2014 - 09/30/2015

Government Department/Agency:

Department of Health Care Finance
(DHCF)/Department of Human
Services (DHS)/Economic Security
Administration (ESA)

Criteria - The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

Per Yellow Book, Appendix I, section A1.08 d., management at a State and Local government entity is responsible for “*establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported;...*”

The Medicaid State Plan: Citation 42 CFR 431.17AT-79-29. Section 4.7 (Maintenance of Records) states, “*The Medicaid agency maintains or supervises the maintenance of records necessary for the proper and efficient operation of the plan, including records regarding applications, determination of eligibility, the provision of medical assistance, and administrative costs and statistical, fiscal and other records necessary for reporting and accountability, and retains these records in accordance with Federal requirements. All requirements of 42 CFR 431.17 are met.*”

Economic Security Administration (ESA) Policy Manual, Section 1.3, “*All eligibility criteria and clarifying information are documented on the Record of Case Action, form 1052. The case record should speak for itself. An outside reviewer shall be able to follow the chronology of events in the case by reading the narrative. All application documents including verification and correspondence must be date-stamped. For working recipients, the record should include the dates pay is received and how often the recipient is paid. When the recipient’s statement is the best available source, the record should include the application/recipient’s and agency efforts to verify the information. All address changes should be documented.*”

Condition - During testing over beneficiary eligibility for the Medicaid benefits, we noted that the District’s Economic Security Administration (ESA) was unable to provide sufficient documentation to support the beneficiary’s eligibility determination during the fiscal year 2015 audit. Specifically, out of a sample of 132 participant files tested, we noted the following exceptions:

- 13 participant files where ESA was unable to provide a signed application form and signed recertification form covering the audit period.
- 2 participant files where ESA was unable to provide evidence of supervisor review and approval.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Without ESA maintaining the proper documentation in the case files, we were unable to verify whether certain participants were properly enrolled in the Medicaid program.

ESA began using the Document Imaging Management System (DIMS) to maintain participant documentation. The DIMS is a record retention system used to record and scan all incoming documents that support the case record. However, even with the use of automated files, the DHS was still unable to retrieve the required supporting documentation.

Questioned Costs - Not determinable.

Context - This is a condition identified per review of ESA's compliance with specified requirements.

Effect - Lack of supporting documentation for program services and noncompliance with program requirements could result in disallowances of costs and participants could be receiving benefits that they are not entitled to receive under the program.

Cause - ESA does not appear to have adequate internal control procedures to ensure that participant documentation is recorded and scanned in DIMS in order to maintain participant documentation in a centralized location.

Recommendation - We recommend that ESA improve internal control procedures to ensure that documentation is maintained to support eligibility decisions and that files are properly retained.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - Of the 13 participant files in which a signed application or renewal form could not be provided, DHCF and ESA dispute the finding for 1 file, case number # 00415481 with program code assignment 361. Section 1902(a)(10)(A)(ii)(VIII) of the Social Security Act and 42 CFR 435.227 authorize individuals under age 21 who are under a state adoption assistance agreement to receive Medicaid coverage. The beneficiary falls into this eligibility category and is therefore categorically eligible for Medicaid. If a beneficiary is categorically eligible under this group, under Section 1902(r)(2) of the Social Security Act, an income test is not required and a signed application/renewal from the beneficiary is not required. As a result, DHCF does not require signed applications and renewal forms from categorically eligible beneficiaries.

DHS currently has established processes for participant documents and documentation to be recorded and scanned into DIMS and entered into the participant's electronic record. These processes were augmented by replacing and increasing existing scanning equipment and placing Case Records Management Unit (CRMU) staff in all the Service Centers, to manage the DIMS process.

DHS management continues to identify issues with regard to properly maintaining customer documents and has already taken remedial steps to enhance the process by providing eligibility determination staff with individual scanners, which allows the staff to scan customer documents at the point of interview for entry into DIMS. Further, DHS has retained the services of Change Innovations Associates (CIA), nationally recognized consultants, who have reengineered business processes in 17 jurisdictions. CIA has already been working with DHS for six months, and is assisting DHS with plans to implement recommendations such as the "One and Done" process which, among other processes, includes up front scanning of customer documents upon customer entry into the Service Centers.

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

Finding Number: 2015-032
Prior Year Finding Number: 2014-073
Compliance Requirement: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Program:

U.S. Department of Health and Human Services

Government Department/Agency:

Department of Health (DOH)

HIV Emergency Relief Project Grants

CFDA #: 93.914

Award #: 2 H89HA00012-25-00, 2 H89HA00012-24-00

Award Year: 03/01/15 - 02/28/16, 03/01/14 - 02/28/15

Criteria - Per 2 CFR part 225 Appendix B:

“8.h.(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity.

(5) Personnel activity reports or equivalent documentation must meet the following standards:

- (a) They must reflect an after-the-fact distribution of the actual activity of each employee,
- (b) They must account for the total activity for which each employee is compensated,
- (c) They must be prepared at least monthly and must coincide with one or more pay periods, and
- (d) They must be signed by the employee.
- (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:
 - (i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
 - (ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
 - (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.”

Condition - We noted that DOH continued to allocate payroll expenditures to the HIV Emergency Relief Project Grant (HIVER) program during fiscal year 2015 based on budgeted percentages. These percentages were entered into the PeopleSoft Human Resources/Payroll System (PeopleSoft) at the beginning of the fiscal year and were based on management's estimate of the respective employee's

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level of effort for each program. PeopleSoft calculated the payroll costs every payroll cycle for each employee and program based on the predetermined percentage, and reported it through the Labor Distribution Report (485 Report). However, management did not perform a periodic comparison of actual costs to the budgeted costs and make any necessary adjustment as required by OMB Circular A-87 B8 (h) (i.e., 2 CFR part 225). Specifically, 11 out of 18 sampled payroll items tested for the HIVER grant were recorded based on estimated hours and not actual hours.

Questioned Costs - Not determinable.

Context - This is a condition identified per review of DOH's compliance with specified requirements. Payroll costs including fringe benefits, for HIVER program in fiscal year 2015 were \$1,698,372.

Effect - DOH was unable to demonstrate that the payroll expenditures charged to the HIVER grant accurately reflected the time incurred on the program and were properly supported in accordance with OMB Circular A-87 effort reporting requirements.

Cause - DOH did not have policies and procedures in place to review the estimated amounts of payroll expenditures charged to the HIVER program to the actual expenditures incurred. Per discussion with DOH, the implementation of "combo codes" within PeopleSoft, that would allow employees to track their time across multiple programs, had not been completed by the end of fiscal year 2015.

Recommendation - We recommend that DOH implement interim policies and procedures to periodically compare employees' estimates hours per the 485 Report to the actual hours incurred, and make any necessary adjustments as required by OMB Circular A-87 until DOH has fully implemented the combo codes. Additionally, we recommend that DOH continue to implement combo codes within PeopleSoft, which would allow employees to track their time across multiple programs.

Related Noncompliance - Material noncompliance.

Views of Responsible Officials and Planned Corrective Actions - DOH concurs with the finding. Written controls for periodic comparison of budgeted costs compared to actual costs will be implemented by DOH in fiscal year 2016 in compliance with OMB Circular A-87 B8 (h) (i.e., 2 CFR part 225). DOH senior management will put into place an accelerated corrective action to issue a Time and Effort Reporting & Monitoring Standard Operating Procedure (SOP). The SOP is already drafted and under management review to be finalized and distributed to employees and supervisors by July 30, 2016. The implementation will start with the use of manual Personnel Activity Reports (PARs) as a requirement for personnel budgeted to more than one cost objective, then eventually deploy the use of the combo code function of the existing PeopleSoft payroll system for time reporting. DOH will ensure a procedure is in place for periodic management review of budget to actual time reported by personnel.

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Finding Number: 2015-033
Prior Year Finding Number: 2014-069
Compliance Requirement: Eligibility
Special Tests and Provisions - ADP System for SNAP

Program:

U.S. Department of Health and Human Services

Medicaid Cluster (Medicaid), Children's Health Insurance Program (CHIP), Temporary Assistance for Needy Families Cluster (TANF), Supplemental Nutrition Assistance Program Cluster (SNAP)

CFDA #: 93.775, 93.777, 93.778, 93.767, 93.558, 10.551, 10.561

Award #: Various

Award Year: 10/01/2014 - 09/30/2015

Government Department/Agency:

Department of Human Services
(DHS)/Economic Security
Administration (ESA)

Criteria - OMB Circular A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) requires that non-Federal entities receiving Federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements.

Per Yellow Book, Appendix I, section A 1.08d., states that management at a State and Local government entity is responsible for "*establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported...*"

The Medicaid State Plan: Citation 42 CFR 431.17AT-79-29. Section 4.7 (Maintenance of Records) states, "*The Medicaid agency maintains or supervises the maintenance of records necessary for the proper and efficient operation of the plan, including records regarding applications, determination of eligibility, the provision of medical assistance, and administrative costs and statistical, fiscal and other records necessary for reporting and accountability, and retains these records in accordance with Federal requirements. All requirements of 42 CFR 431.17 are met.*"

Economic Security Administration (ESA) Policy Manual, Section 1.3, "*All eligibility criteria and clarifying information are documented on the Record of Case Action, form 1052. The case record should speak for itself. An outside reviewer shall be able to follow the chronology of events in the case by reading the narrative. All application documents including verification and correspondence must be date-stamped. For working recipients, the record should include the dates pay is received and how often the recipient is paid. When the recipient's statement is the best available source, the record should include the application/recipient's and agency efforts to verify the information. All address changes should be documented.*"

Condition - Personnel at ESA are responsible for determining beneficiary eligibility for Medicaid, TANF, and SNAP programs. In order to determine eligibility, the ESA Social Service Representatives (SSRs) record information from potential beneficiaries into the automated Client Eligibility Determination System (ACEDS). Once a beneficiary is determined to be eligible, the SSRs are responsible for recording any further case actions-e.g. updates of personal information, termination of benefits, and renewal of benefits. Case actions including initial determination of eligibility can be recorded in ACEDS by all SSRs;

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Schedule of Findings and Questioned Costs Year Ended September 30, 2015

however, only SSRs with “authority to act” can record actions without supervisory review and approval. Controls over the entry and processing of beneficiary cases in ACEDS are not properly designed and implemented to ensure segregation of duties. Specifically, we noted SSRs with authority to act have the ability to both record and authorize beneficiary case actions in ACEDS.

Questioned Costs - None.

Context - This is a condition identified per review of DHS’s compliance with specified requirements.

Effect - Beneficiary cases recorded and authorized by an SSR with authority to act could be erroneous and/or inappropriate.

Cause - ESA has not implemented adequate segregation of duties due to a lack of sufficient staff/resources.

Recommendation - We recommend that ESA strengthen its current policies and procedures to require the SSR duties of recording and authorizing to be segregated.

Related Noncompliance - None.

Views of Responsible Officials and Planned Corrective Actions - DHS has addressed the issue of “authority to act” in previous Single Audit cycles and continues to disagree with the recommendation that ESA policies and procedures should require SSR duties of recording and authorizing to be segregated.

No federal regulations for SNAP/TANF/CHIP/Medicaid require a separation of duties between interviewers and processors. Both DHHS/CMS and USDA/FNS encourage states to pursue strategies that is based on “first contact resolution” and speeding up determinations to improve access and program administration.

There is, however, specific CFR that requires state/local agencies to have controls that ensure the separation of duties between those “authorizing benefits/making determinations” (SSRs) and those “issuing Electronic Benefit Transfer (EBT) cards” (clerks), wherein the same worker who authorizes benefits cannot issue the EBT card:

7 CFR (h)(ii)(2). State agencies should divide issuance responsibilities between at least two persons to prevent any single individual from having complete control over authorization of issuances and the issuances themselves. Responsibilities to be divided include maintenance of inventory records, the posting of benefits to an EBT account and preparation of EBT cards and PINs for mailing. If issuance functions in an office are handled by one person, a second-party review shall be made to verify card inventory, the reconciliation of the mail log, and the number of mailings prepared.

This is the true safeguard required by the federal government. A worker’s ability to commit fraud is partially mitigated if s/he is unable to obtain the actual EBT card to use the benefits. However, there is no requirement that eligibility workers cannot determine eligibility on a case from beginning (interview) to completion (process).

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ESA caseworkers are assigned by Management to one of two eligibility functions: Intake or Processing. Staff assigned to Intake conduct the interview and record information. The caseworkers assigned to the Processing complete case actions and determine eligibility. However, there are a number of SSRs who have demonstrated proficiency and therefore have been granted "authority to act" by Management. These SSRs can perform both intake and processing, which means they can take an application, renewal, or other case change from data entry to completion.

A requirement of the SSR position includes the expectation that the SSR would exercise appropriate judgment and determine eligibility as necessary for the performance of their duties. The "authority to act" designation is granted based on an employee's performance, in conjunction with established criteria. Consequently, an SSR acquires the "authority to act" upon demonstrating ability to consistently and correctly determine eligibility and process customer benefits. The SSRs ability to follow established guidelines in determining eligibility and processing benefits is monitored and reflected in their annual Performance Evaluations. If a performance cycle and/or quality review indicates that an SSR should not have Authority to Act, that function is removed, and the caseworker is scheduled for re-training. DHS updates the list of SSRs with authority to act on a routine basis.

Further, with respect to that portion of the recommendation stating that ESA strengthen its current policies and procedures, ESA has adjusted its monthly Supervisory Case Reviews (SCR) process, which has been implemented for the primary purpose of ensuring program integrity, by assessing SSRs adherence to policies and procedures and identifying and correcting errors. Supervisors provide additional training to workers when discrepancies are detected, share the appropriate policy and procedures with the staff person responsible for the case action(s), and share the information with all staff during the next scheduled general staff meeting.

ESA administers an ongoing quality control process to ensure the accuracy and quality of eligibility decisions made by SSRs, which entails:

- Monthly Supervisory Case Reviews (currently paper based, to be enhanced with automated functionality in DCAS Release 2.0), which has three levels of review by supervisors, section chiefs, and managers.
- For SNAP cases, the Office of Quality Assurance and Analysis (OQAA) conducts ongoing case reviews for each Service Center. For cases that fail, Management takes action to correct errors and prevent similar issues in the future.

Finally, the recommendation that SSR duties of recording and authorizing be segregated is not feasible at this time. Given the local and federal policies and regulations relative to timeliness in processing actions for customer benefits, the increasing caseloads, and the limited number of supervisory SSRs to authorize actions, DHS is embarking on a Business Process Redesign (BPR) to address timeliness in processing customer benefits. The BPR is being facilitated by Change Innovations Associates (CIA), nationally recognized consultants, who have reengineered business processes in 17 jurisdictions. CIA has already been working with DHS for six months, and is assisting DHS with plans to implement recommendations such as the "one and done"/"first contact resolution" process which, among other processes, employs "authority to act" as a standard and central practice and a crucial strategy for implementing the BPR. Therefore, implementing the audit recommendation of segregating duties would negatively impact our ability to provide timely services and better outcomes for customers.

BDO Response - We have reviewed management's response and our finding remains as indicated.