

**STATE OF SOUTH CAROLINA
STATEWIDE SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2017**

CONTENTS

	<u>Page</u>
Independent Auditors' Report on Compliance for each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedules of Expenditures of Federal Awards Required by Uniform Grant Guidance	1
Schedule 1 - Schedule of Expenditures of Federal Awards by Federal Grantor and CFDA Number	9
Notes to the Schedules of Expenditures of Federal Awards	37
Schedule 2 - Schedule of Findings and Questioned Costs	41
Summary Schedule of Prior Audit Findings	81
Appendices:	
A - Listing of Agencies Included in Schedule of Expenditures of Federal Awards	122
B - Agency Corrective Action Plans to Findings and Recommendations - Federal Award Programs Audit	124
C - Index of Findings by Federal Grantor and Program Name	159



Independent Auditors' Report on Compliance for
Each Major Federal Program; Report on Internal
Control over Compliance; and Report on Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance

March 22, 2018

The Honorable Henry D. McMaster, Governor
and
Members of the General Assembly
Columbia, South Carolina

Report on Compliance for Each Major Federal Program

We have jointly audited the State of South Carolina's (the State) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended June 30, 2017. The State's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The State's basic financial statements included the operations of certain agencies and component units that have been excluded from the schedule of expenditures of federal awards because each of the entities engaged other auditors to perform an audit in accordance with the Single Audit Act Amendments of 1996. As described in Note 1, these agencies and component units expended \$2,787,364,697 in federal awards during the year ended June 30, 2017.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the State's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 State'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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the State's compliance.

Page Intentionally Left Blank

The Honorable Henry D. McMaster, Governor
and
Members of the General Assembly
March 22, 2018

Basis for Qualified Opinion on the 5 Major Federal Programs Identified in the Following Table

As identified in the following table and as described in the accompanying schedule of findings and questioned costs, the State did not comply with requirements regarding the following:

State Administering Agency	Finding Number	CFDA Number	Federal Program/Cluster	Compliance Requirement
South Carolina Department of Health and Human Services	2017-007	93.775 93.777 93.778	Medicaid Cluster	Eligibility
South Carolina Adjutant General	2017-009	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Allowable Cost/Cost Principles
South Carolina Department of Natural Resources and Sea Grants Consortium	2017-020	Various	Research and Development Cluster	Subrecipient Monitoring
South Carolina Department of Social Services	2017-025 2017-032	93.563	Child Support Enforcement	Reporting
South Carolina Department of Social Services	2017-032	10.558	Child and Adult Care Food Program	Reporting

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

Qualified Opinion on the 5 Major Federal Programs Identified Above

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the identified major federal programs for the year ended June 30, 2017.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the State 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 auditors’ results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-004 through 2017-006, 2017-008, 2017-010, 2017-011, 2017-015, 2017-017, 2017-018, 2017-022, 2017-023, 2017-026 through 2017-031, 2017-033 and 2017-034. Our opinion on each major federal program is not modified with respect to these matters.

Page Intentionally Left Blank

The Honorable Henry D. McMaster, Governor
and
Members of the General Assembly
March 22, 2018

The State's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Appendix B – Agency Corrective Action Plans to Findings and Recommendations. The State'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 State 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 State'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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State'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 have not been 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 a combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2017-007, 2017-009, 2017-019 through 2017-021, 2017-025 and 2017-032 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questions costs as items 2017-004 through 2017-006, 2017-008, 2017-010 through 2017-018, 2017-022 through 2017-024, 2017-026 through 2017-031, and 2017-033 through 2017-034 to be significant deficiencies.

The State's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Appendix B – Agency Corrective Action Plans to Findings and Recommendations. The State's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Page Intentionally Left Blank

The Honorable Henry D. McMaster, Governor
and
Members of the General Assembly
March 22, 2018

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have jointly audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of South Carolina as of and for the year ended June 30, 2017, and have issued our report thereon dated November 17, 2017 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Columbia, South Carolina
March 22, 2018



Baltimore, Maryland
March 22, 2018

Page Intentionally Left Blank

**Schedule of Expenditures of Federal Awards by Federal
Grantor and CFDA Number**

Grantor/CFDA/CFDA Title Clusters	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
Department of Agriculture			
SNAP Cluster			
10.551 Supplemental Nutrition Assistance Program			
Direct		\$ 1,086,926,406	-
	10.551 Supplemental Nutrition Assistance Program Total	1,086,926,406	-
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			
Direct		31,631,003	2,978,388
	10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Total	31,631,003	2,978,388
SNAP Cluster Total		1,118,557,409	2,978,388
Child Nutrition Cluster			
10.555 National School Lunch Program			
Direct		300,981,911	300,631,096
	10.555 National School Lunch Program Total	300,981,911	300,631,096
Child Nutrition Cluster Total		300,981,911	300,631,096
Food Distribution Cluster			
10.565 Commodity Supplemental Food Program			
Direct		361,203	-
	10.565 Commodity Supplemental Food Program Total	361,203	-
10.568 Emergency Food Assistance Program (Administrative Costs)			
Direct		1,067,722	996,000
	10.568 Emergency Food Assistance Program (Administrative Costs) Total	1,067,722	996,000
10.569 Emergency Food Assistance Program (Food Commodities)			
Direct		9,189,090	-
	10.569 Emergency Food Assistance Program (Food Commodities) Total	9,189,090	-
Food Distribution Cluster Total		10,618,015	996,000
Department of Agriculture Total		1,430,157,335	304,605,484
Department of the Interior			
Fish and Wildlife Cluster			
15.605 Sport Fish Restoration			
Direct		729,793	-
	15.605 Sport Fish Restoration Total	729,793	-
15.611 Wildlife Restoration and Basic Hunter Education			
Direct		2,160,792	12,431
	15.611 Wildlife Restoration and Basic Hunter Education Total	2,160,792	12,431
Fish and Wildlife Cluster Total		2,890,585	12,431
Department of the Interior Total		2,890,585	12,431
Department of Labor			
WIOA Cluster			
17.278 WIA/WIOA Dislocated Worker Formula Grants			
Department of Employment and Workforce			
	16RRDOC	68,236	-
Department of Employment and Workforce Total		68,236	-
17.278 WIA/WIOA Dislocated Worker Formula Grants Total		68,236	-
17.258 WIA/WIOA Adult Program			
SC Department of Employment & Workforce			
	16TPG01	103,308	103,308
SC Department of Employment & Workforce Total		103,308	103,308
17.258 WIA/WIOA Adult Program Total		103,308	103,308
WIOA Cluster Total		171,544	103,308
Department of Labor Total		171,544	103,308
Environmental Protection Agency			
Clean Water State Revolving Fund Cluster			

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
Clusters			
66.458 Capitalization Grants for Clean Water State Revolving Funds			
Direct		45,694,627	45,139,067
	66.458 Capitalization Grants for Clean Water State Revolving Funds Total	45,694,627	45,139,067
	Clean Water State Revolving Fund Cluster Total	45,694,627	45,139,067
Drinking Water State Revolving Fund Cluster			
66.468 Capitalization Grants for Drinking Water State Revolving Funds			
Direct		29,356,716	27,438,922
	66.468 Capitalization Grants for Drinking Water State Revolving Funds Total	29,356,716	27,438,922
	Drinking Water State Revolving Fund Cluster Total	29,356,716	27,438,922
	Environmental Protection Agency Total	75,051,343	72,577,989
Department of Education			
Special Education Cluster (IDEA)			
84.027 Special Education Grants to States			
Direct		195,033,673	187,297,024
	84.027 Special Education Grants to States Total	195,033,673	187,297,024
84.173 Special Education Preschool Grants			
Direct		7,486,366	7,486,366
	84.173 Special Education Preschool Grants Total	7,486,366	7,486,366
	Special Education Cluster (IDEA) Total	202,520,039	194,783,390
	Department of Education Total	202,520,039	194,783,390
Department of Health and Human Services			
Aging Cluster			
93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers			
Direct		8,170,124	7,654,932
	93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers Total	8,170,124	7,654,932
93.045 Special Programs for the Aging_Title III, Part C_Nutrition Services			
Direct		7,718,121	7,262,166
	93.045 Special Programs for the Aging_Title III, Part C_Nutrition Services Total	7,718,121	7,262,166
93.053 Nutrition Services Incentive Program			
Direct		1,760,157	1,760,157
	93.053 Nutrition Services Incentive Program Total	1,760,157	1,760,157
	Aging Cluster Total	17,648,402	16,677,255
CCDF Cluster			
93.575 Child Care and Development Block Grant			
Direct		60,143,786	-
	93.575 Child Care and Development Block Grant Total	60,143,786	-
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund			
Direct		24,651,217	13,350
	93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund Total	24,651,217	13,350
	CCDF Cluster Total	84,795,003	13,350
Medicaid Cluster			
93.775 State Medicaid Fraud Control Units			
Direct		1,194,993	-
	93.775 State Medicaid Fraud Control Units Total	1,194,993	-
93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			
Direct		5,006,838	-
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare Total	5,006,838	-
93.778 Medical Assistance Program			
Direct		4,811,059,086	-
	93.778 Medical Assistance Program Total	4,811,059,086	-
	Medicaid Cluster Total	4,817,260,917	-

Grantor/CFDA/CFDA Title Clusters	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
TANF Cluster			
93.558 Temporary Assistance for Needy Families			
Direct		140,961,243	3,776,747
	93.558 Temporary Assistance for Needy Families Total	140,961,243	3,776,747
TANF Cluster Total		140,961,243	3,776,747
Maternal, Infant, and Early Childhood Home Visiting Cluster			
93.505 Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program			
The Children's Trust of South Carolina			
	X02MC27415; S-MIEC-F-2014-5-1	18,204	-
	X02MC28246; S-MIEC-F-2015-5-1	52,476	-
	The Children's Trust of South Carolina Total	70,680	-
	93.505 Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program Total	70,680	-
Maternal, Infant, and Early Childhood Home Visiting Cluster Total		70,680	-
Department of Health and Human Services Total		5,060,736,245	20,467,352
Department of Housing and Urban Development			
CDBG - Entitlement Grants Cluster			
14.218 Community Development Block Grants/Entitlement Grants			
Direct		14,472,778	-
County of Horry			
	B-16-UC-45-0006	40,000	-
	County of Horry Total	40,000	-
	14.218 Community Development Block Grants/Entitlement Grants Total	14,512,778	-
CDBG - Entitlement Grants Cluster Total		14,512,778	-
Department of Housing and Urban Development Total		14,512,778	-
Social Security Administration			
Disability Insurance/SSI Cluster			
96.001 Social Security_Disability Insurance			
Direct		45,741,161	-
	96.001 Social Security_Disability Insurance Total	45,741,161	-
Disability Insurance/SSI Cluster Total		45,741,161	-
Social Security Administration Total		45,741,161	-
Department of Transportation			
Highway Planning and Construction Cluster			
20.205 Highway Planning and Construction			
SC Department of Transportation			
	41083_RD01	19,306	-
	SC Department of Transportation Total	19,306	-
	20.205 Highway Planning and Construction Total	19,306	-
20.219 Recreational Trails Program			
Direct		595,303	512,501
	20.219 Recreational Trails Program Total	595,303	512,501
Highway Planning and Construction Cluster Total		614,609	512,501
Highway Safety Cluster			
20.600 State and Community Highway Safety			
Direct		4,203,565	2,705,595
	20.600 State and Community Highway Safety Total	4,203,565	2,705,595
20.616 National Priority Safety Programs			
Direct		4,932,128	1,156,447
	20.616 National Priority Safety Programs Total	4,932,128	1,156,447
Highway Safety Cluster Total		9,135,693	3,862,042

Grantor/CFDA/CFDA Title Clusters	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
Transit Services Programs Cluster			
20.513 Enhanced Mobility of Seniors and Individuals with Disabilities			
SC Department of Transportation			
	PT-71110-78	49,892	-
SC Department of Transportation Total		49,892	-
20.513 Enhanced Mobility of Seniors and Individuals with Disabilities Total		49,892	-
Transit Services Programs Cluster Total		49,892	-
Department of Transportation Total		9,800,194	4,374,543
Research and Development Cluster			
Department of Agriculture			
10.028 Wildlife Services			
Direct		9,773	-
10.028 Wildlife Services Total		9,773	-
10.054 Emergency Conservation Program			
Clemson University			
	1810-207-2020791	96,020	-
Clemson University Total		96,020	-
10.054 Emergency Conservation Program Total		96,020	-
10.999 Long Term Standing Agreements For Storage, Transportation And Lease			
Direct		1,982	-
10.999 Long Term Standing Agreements For Storage, Transportation And Lease Total		1,982	-
Department of Agriculture Total		107,775	-
Department of Commerce			
11.407 Interjurisdictional Fisheries Act of 1986			
Direct		10,980	-
11.407 Interjurisdictional Fisheries Act of 1986 Total		10,980	-
11.417 Sea Grant Support			
Direct		1,472,205	496,411
University of Florida			
	NA10OAR4170079	453	-
University of Florida Total		453	-
University of South Carolina			
	16-3103-21600-FC54	19,657	-
University of South Carolina Total		19,657	-
11.417 Sea Grant Support Total		1,492,315	496,411
11.419 Coastal Zone Management Administration Awards			
University of Georgia			
	RR534110/S001265	13,015	-
University of Georgia Total		13,015	-
The Regents of the University of Michigan			
	3003762773	176,513	23,685
The Regents of the University of Michigan Total		176,513	23,685
11.419 Coastal Zone Management Administration Awards Total		189,528	23,685
11.420 Coastal Zone Management Estuarine Research Reserves			
Direct		576,954	-
11.420 Coastal Zone Management Estuarine Research Reserves Total		576,954	-
11.427 Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program			
Direct		4,691	4,440
Gulf and South Atlantic Fisheries Foundation			
	134-01-10792/0	9,546	-

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
Clusters			
Gulf and South Atlantic Fisheries Foundation Total		9,546	-
11.427 Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program Total		14,237	4,440
11.431 Climate and Atmospheric Research			
Direct		81,638	62,502
Social and Environmental Research Institute			
	NA09OAR4310151	3,460	-
Social and Environmental Research Institute Total		3,460	-
University of South Carolina			
	NA11OAR4310148	29,229	-
	17-3252	-	-
	NA16OAR4310163	37,091	-
University of South Carolina Total		66,320	-
11.431 Climate and Atmospheric Research Total		151,418	62,502
11.433 Marine Fisheries Initiative			
Direct		75,540	-
11.433 Marine Fisheries Initiative Total		75,540	-
11.434 Cooperative Fishery Statistics			
Direct		192,615	-
11.434 Cooperative Fishery Statistics Total		192,615	-
11.435 Southeast Area Monitoring and Assessment Program			
Direct		1,584,343	-
11.435 Southeast Area Monitoring and Assessment Program Total		1,584,343	-
11.454 Unallied Management Projects			
Direct		1,267,873	41,850
11.454 Unallied Management Projects Total		1,267,873	41,850
11.463 Habitat Conservation			
National Fish and Wildlife Foundation			
	0304.13.041037	-	-
	0304.15.049338	7,710	-
National Fish and Wildlife Foundation Total		7,710	-
11.463 Habitat Conservation Total		7,710	-
11.472 Unallied Science Program			
Direct		670,316	22,578
11.472 Unallied Science Program Total		670,316	22,578
11.473 Office for Coastal Management			
Direct		57,764	54,805
11.473 Office for Coastal Management Total		57,764	54,805
11.474 Atlantic Coastal Fisheries Cooperative Management Act			
Direct		365,502	-
11.474 Atlantic Coastal Fisheries Cooperative Management Act Total		365,502	-
11.012 Integrated Ocean Observing System (IOOS)			
Southeast Coastal Ocean Observing Regional Association			
	IOOS.16(028)SCDNR.DS.OBS	328	-
Southeast Coastal Ocean Observing Regional Association Total		328	-
11.012 Integrated Ocean Observing System (IOOS) Total		328	-
Department of Commerce Total		6,657,423	706,271
Department of Defense			
12.107 Navigation Projects			

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
Clusters			
Direct		542,603	-
12.107 Navigation Projects Total		542,603	-
Department of Defense Total		542,603	-
Department of Energy			
81.214 Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis			
Direct		126,577	-
81.214 Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis Total		126,577	-
Department of Energy Total		126,577	-
Department of Health and Human Services			
93.103 Food and Drug Administration_Research			
Direct		286,649	-
93.103 Food and Drug Administration_Research Total		286,649	-
93.315 Rare Disorders: Research, Surveillance, Health Promotion, and Education			
Direct		631,700	292,882
93.315 Rare Disorders: Research, Surveillance, Health Promotion, and Education Total		631,700	292,882
93.564 Child Support Enforcement Research			
Direct		178,120	-
93.564 Child Support Enforcement Research Total		178,120	-
93.946 Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			
Direct		137,716	-
93.946 Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs Total		137,716	-
93.184 Disabilities Prevention			
University of South Carolina	6 NU27DD000011-01-02	17,886	-
University of South Carolina Total		17,886	-
93.184 Disabilities Prevention Total		17,886	-
93.876 Antimicrobial Resistance Surveillance in Retail Food Specimens			
Direct		21,747	-
93.876 Antimicrobial Resistance Surveillance in Retail Food Specimens Total		21,747	-
Department of Health and Human Services Total		1,273,818	292,882
Department of the Interior			
15.408 Bureau of Ocean Energy Management Renewable Energy			
Direct		188,544	188,544
15.408 Bureau of Ocean Energy Management Renewable Energy Total		188,544	188,544
15.605 Sport Fish Restoration			
Direct		4,605,134	-
Southeast Aquatic Resources Partnership	090114-01	9,484	-
Southeast Aquatic Resources Partnership Total		9,484	-
15.605 Sport Fish Restoration Total		4,614,618	-
15.608 Fish and Wildlife Management Assistance			
Direct		96,779	9,100
Southeast Aquatic Resources Partnership	NFWF_2016_ACF-SAVANNAH_001	10,178	-
Southeast Aquatic Resources Partnership Total		10,178	-

Grantor/CFDA/CFDA Title Clusters	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
15.608 Fish and Wildlife Management Assistance Total		106,957	9,100
15.611 Wildlife Restoration and Basic Hunter Education			
Direct		6,240,036	-
15.611 Wildlife Restoration and Basic Hunter Education Total		6,240,036	-
15.615 Cooperative Endangered Species Conservation Fund			
Direct		140,519	-
15.615 Cooperative Endangered Species Conservation Fund Total		140,519	-
15.630 Coastal			
Direct		16,943	-
15.630 Coastal Total		16,943	-
15.634 State Wildlife Grants			
Direct		896,317	171,253
15.634 State Wildlife Grants Total		896,317	171,253
15.657 Endangered Species Conservation Recovery Implementation Funds			
Direct		50,131	-
Virginia Polytechnic Institute and State University			
	432964-19B35	29,488	-
Virginia Polytechnic Institute and State University Total		29,488	-
15.657 Endangered Species Conservation Recovery Implementation Funds Total		79,619	-
15.660 Endangered Species - Candidate Conservation Action Funds			
Direct		4,633	4,633
15.660 Endangered Species - Candidate Conservation Action Funds Total		4,633	4,633
15.810 National Cooperative Geologic Mapping			
Direct		135,865	-
15.810 National Cooperative Geologic Mapping Total		135,865	-
15.812 Cooperative Research Units			
Direct		19,003	19,003
15.812 Cooperative Research Units Total		19,003	19,003
15.817 National Geospatial Program: Building The National Map			
Direct		204,452	-
15.817 National Geospatial Program: Building The National Map Total		204,452	-
15.980 National Ground-Water Monitoring Network			
Direct		31,226	-
15.980 National Ground-Water Monitoring Network Total		31,226	-
15.669 Cooperative Landscape Conservation			
Direct		5,523	-
15.669 Cooperative Landscape Conservation Total		5,523	-
15.677 Hurricane Sandy Disaster Relief Activities-FWS			
Virginia Polytechnic Institute and State University			
	432940-19835	34,823	-
Virginia Polytechnic Institute and State University Total		34,823	-
15.677 Hurricane Sandy Disaster Relief Activities-FWS Total		34,823	-
15.808 U.S. Geological Survey_ Research and Data Collection			
Direct		46,968	46,968
15.808 U.S. Geological Survey_ Research and Data Collection Total		46,968	46,968
15.424 Marine Minerals Activities			
Direct		53,674	-

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
Clusters			
15.424 Marine Minerals Activities Total		53,674	-
Department of the Interior Total		12,819,720	439,501
Environmental Protection Agency			
66.461 Regional Wetland Program Development Grants			
Direct		89,232	37,482
66.461 Regional Wetland Program Development Grants Total		89,232	37,482
66.951 Environmental Education Grants			
Direct		14,607	7,053
66.951 Environmental Education Grants Total		14,607	7,053
Environmental Protection Agency Total		103,839	44,535
Total Research and Development Cluster		21,631,755	1,483,189
Total Clusters		6,863,212,979	598,407,686
NonCluster Programs			
Department of Agriculture			
10.069 Conservation Reserve Program			
Direct		68,407	-
10.069 Conservation Reserve Program Total		68,407	-
10.156 Federal-State Marketing Improvement Program			
Direct		15,008	-
10.156 Federal-State Marketing Improvement Program Total		15,008	-
10.162 Inspection Grading and Standardization			
Direct		2,275,342	-
10.162 Inspection Grading and Standardization Total		2,275,342	-
10.170 Specialty Crop Block Grant Program - Farm Bill			
Direct		407,111	337,619
10.170 Specialty Crop Block Grant Program - Farm Bill Total		407,111	337,619
10.171 Organic Certification Cost Share Programs			
Direct		17,136	-
10.171 Organic Certification Cost Share Programs Total		17,136	-
10.557 Special Supplemental Nutrition Program for Women, Infants, and Children			
Direct		83,205,257	1,094,246
10.557 Special Supplemental Nutrition Program for Women, Infants, and Children Total		83,205,257	1,094,246
10.558 Child and Adult Care Food Program			
Direct		38,055,725	37,605,105
10.558 Child and Adult Care Food Program Total		38,055,725	37,605,105
10.560 State Administrative Expenses for Child Nutrition			
Direct		5,071,978	-
10.560 State Administrative Expenses for Child Nutrition Total		5,071,978	-
10.572 WIC Farmers' Market Nutrition Program (FMNP)			
Direct		150,275	-
10.572 WIC Farmers' Market Nutrition Program (FMNP) Total		150,275	-
10.574 Team Nutrition Grants			
Direct		372,265	-
10.574 Team Nutrition Grants Total		372,265	-

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
10.575 Farm to School Grant Program			
Direct		17,815	-
10.575 Farm to School Grant Program Total		17,815	-
10.576 Senior Farmers Market Nutrition Program			
Direct		582,576	-
10.576 Senior Farmers Market Nutrition Program Total		582,576	-
10.578 WIC Grants To States (WGS)			
Direct		329,832	-
10.578 WIC Grants To States (WGS) Total		329,832	-
10.579 Child Nutrition Discretionary Grants Limited Availability			
Direct		381,290	381,290
10.579 Child Nutrition Discretionary Grants Limited Availability Total		381,290	381,290
10.582 Fresh Fruit and Vegetable Program			
Direct		3,181,189	3,181,189
10.582 Fresh Fruit and Vegetable Program Total		3,181,189	3,181,189
10.599 South Carolina SNAP Recipient Trafficking Prosecution Pilot			
Direct		84,826	-
10.599 South Carolina SNAP Recipient Trafficking Prosecution Pilot Total		84,826	-
10.652 Forestry Research			
Direct		337,220	-
10.652 Forestry Research Total		337,220	-
10.664 Cooperative Forestry Assistance			
Direct		2,776,574	564,961
10.664 Cooperative Forestry Assistance Total		2,776,574	564,961
10.676 Forest Legacy Program			
Direct		2,946,631	-
10.676 Forest Legacy Program Total		2,946,631	-
10.678 Forest Stewardship Program			
Direct		155,157	-
10.678 Forest Stewardship Program Total		155,157	-
10.680 Forest Health Protection			
Direct		330,373	253,382
10.680 Forest Health Protection Total		330,373	253,382
10.769 Rural Business Enterprise Grants			
Direct		16,688	-
10.769 Rural Business Enterprise Grants Total		16,688	-
10.855 Distance Learning and Telemedicine Loans and Grants			
Direct		-	-
10.855 Distance Learning and Telemedicine Loans and Grants Total		-	-
10.890 Rural Development Cooperative Agreement Program			
Direct		31,479	27,642
10.890 Rural Development Cooperative Agreement Program Total		31,479	27,642
10.902 Soil and Water Conservation			
Direct		175,891	-
10.902 Soil and Water Conservation Total		175,891	-
10.912 Environmental Quality Incentives Program			

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
Direct		37,399	-
10.912 Environmental Quality Incentives Program Total		37,399	-
10.931 Agricultural Conservation Easement Program			
Direct		53,744	-
10.931 Agricultural Conservation Easement Program Total		53,744	-
Department of Agriculture Total		141,077,188	43,445,434
Department of Commerce			
11.419 Coastal Zone Management Administration Awards			
Direct		2,396,435	-
11.419 Coastal Zone Management Administration Awards Total		2,396,435	-
11.429 Marine Sanctuary Program			
National Marine Sanctuary Foundation			
National Marine Sanctuary Foundation Total	NA14NOS4290112; 15-08-B-00034	3,432	-
National Marine Sanctuary Foundation Total		3,432	-
11.429 Marine Sanctuary Program Total		3,432	-
11.469 Congressionally Identified Awards and Projects			
Atlantic States Marine Fisheries Commission			
Atlantic States Marine Fisheries Commission Total	15-0902	26,548	-
Atlantic States Marine Fisheries Commission Total		26,548	-
11.469 Congressionally Identified Awards and Projects Total		26,548	-
11.473 Office for Coastal Management			
Direct		14,035	14,035
11.473 Office for Coastal Management Total		14,035	14,035
11.549 State and Local Implementation Grant Program			
Direct		4,844	-
11.549 State and Local Implementation Grant Program Total		4,844	-
11.999 Marine Debris Program			
Direct		334,650	-
11.999 Marine Debris Program Total		334,650	-
Department of Commerce Total		2,779,944	14,035
Department of Defense			
12.113 State Memorandum of Agreement Program for the Reimbursement of Technical Services			
Direct		888,693	-
12.113 State Memorandum of Agreement Program for the Reimbursement of Technical Services Total		888,693	-
12.401 National Guard Military Operations and Maintenance (O&M) Projects			
Direct		24,301,028	-
12.401 National Guard Military Operations and Maintenance (O&M) Projects Total		24,301,028	-
12.404 National Guard ChalleNGe Program			
Direct		3,032,531	-
12.404 National Guard ChalleNGe Program Total		3,032,531	-
12.400 Military Construction, National Guard			
Direct		8,663,011	-
12.400 Military Construction, National Guard Total		8,663,011	-
Department of Defense Total		36,885,263	-
Department of Housing and Urban Development			
14.228 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii			

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
Direct		18,501,691	17,853,300
	14.228 Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii Total	18,501,691	17,853,300
14.231 Emergency Solutions Grant Program			
Direct		2,451,907	2,293,723
	14.231 Emergency Solutions Grant Program Total	2,451,907	2,293,723
14.241 Housing Opportunities for Persons with AIDS			
Direct		1,331,026	1,281,034
	14.241 Housing Opportunities for Persons with AIDS Total	1,331,026	1,281,034
14.267 Continuum of Care Program			
Direct		1,030,260	1,030,260
	14.267 Continuum of Care Program Total	1,030,260	1,030,260
14.401 Fair Housing Assistance Program_State and Local			
Direct		301,601	-
	14.401 Fair Housing Assistance Program_State and Local Total	301,601	-
Department of Housing and Urban Development Total		23,616,485	22,458,317
Department of the Interior			
15.608 Fish and Wildlife Management Assistance			
Direct		33,185	-
	15.608 Fish and Wildlife Management Assistance Total	33,185	-
15.616 Clean Vessel Act			
Direct		640,824	500,734
	15.616 Clean Vessel Act Total	640,824	500,734
15.622 Sportfishing and Boating Safety Act			
Direct		361,454	349,985
	15.622 Sportfishing and Boating Safety Act Total	361,454	349,985
15.626 Enhanced Hunter Education and Safety			
Direct		226,602	-
	15.626 Enhanced Hunter Education and Safety Total	226,602	-
15.630 Coastal			
Direct		5,100	-
	15.630 Coastal Total	5,100	-
15.634 State Wildlife Grants			
Direct		34,037	-
	15.634 State Wildlife Grants Total	34,037	-
15.644 Federal Junior Duck Stamp Conservation and Design			
Direct		681	-
	15.644 Federal Junior Duck Stamp Conservation and Design Total	681	-
15.657 Endangered Species Conservation Recovery Implementation Funds			
Direct		10,541	-
	15.657 Endangered Species Conservation Recovery Implementation Funds Total	10,541	-
15.904 Historic Preservation Fund Grants-In-Aid			
Direct		756,782	171,566
	15.904 Historic Preservation Fund Grants-In-Aid Total	756,782	171,566
15.916 Outdoor Recreation_Acquisition, Development and Planning			

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
Direct		570,602	570,602
	15.916 Outdoor Recreation_Acquisition, Development and Planning Total	570,602	570,602
15.954 National Park Service Conservation, Protection, Outreach, and Education			
Direct		8,371	-
	15.954 National Park Service Conservation, Protection, Outreach, and Education Total	8,371	-
15.614 Coastal Wetlands Planning, Protection and Restoration			
Direct		3,980	-
	15.614 Coastal Wetlands Planning, Protection and Restoration Total	3,980	-
Department of the Interior Total		2,652,159	1,592,887
Department of Justice			
16.017 Sexual Assault Services Formula Program			
Direct		392,375	377,938
	16.017 Sexual Assault Services Formula Program Total	392,375	377,938
16.523 Juvenile Accountability Block Grants			
Direct		294,127	280,438
	16.523 Juvenile Accountability Block Grants Total	294,127	280,438
16.543 Missing Children's Assistance			
Direct		322,944	-
	16.543 Missing Children's Assistance Total	322,944	-
16.550 State Justice Statistics Program for Statistical Analysis Centers			
Direct		40,412	-
	16.550 State Justice Statistics Program for Statistical Analysis Centers Total	40,412	-
16.554 National Criminal History Improvement Program (NCHIP)			
Direct		277,560	-
	16.554 National Criminal History Improvement Program (NCHIP) Total	277,560	-
16.575 Crime Victim Assistance			
Direct		17,435,424	17,037,838
	16.575 Crime Victim Assistance Total	17,435,424	17,037,838
16.576 Crime Victim Compensation			
Direct		1,542,366	-
	16.576 Crime Victim Compensation Total	1,542,366	-
16.582 Crime Victim Assistance/Discretionary Grants			
Direct		50,716	45,716
	16.582 Crime Victim Assistance/Discretionary Grants Total	50,716	45,716
16.588 Violence Against Women Formula Grants			
Direct		1,811,391	1,563,265
	16.588 Violence Against Women Formula Grants Total	1,811,391	1,563,265
16.593 Residential Substance Abuse Treatment for State Prisoners			
Direct		133,940	125,138
	16.593 Residential Substance Abuse Treatment for State Prisoners Total	133,940	125,138
16.606 State Criminal Alien Assistance Program			
Direct		191,001	-
	16.606 State Criminal Alien Assistance Program Total	191,001	-
16.735 PREA Program: Demonstration Projects to Establish "Zero Tolerance" Cultures for Sexual Assault in Correctional Facilities			

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
Direct		258,410	-
16.735 PREA Program: Demonstration Projects to Establish "Zero Tolerance" Cultures for Sexual Assault in Correctional Facilities Total		258,410	-
16.738 Edward Byrne Memorial Justice Assistance Grant Program			
Direct		5,227,942	3,848,784
National Juvenile Defender Center	2015MUBXK002	60,173	-
National Juvenile Defender Center Total		60,173	-
16.738 Edward Byrne Memorial Justice Assistance Grant Program Total		5,288,115	3,848,784
16.741 DNA Backlog Reduction Program			
Direct		1,032,577	-
16.741 DNA Backlog Reduction Program Total		1,032,577	-
16.742 Paul Coverdell Forensic Sciences Improvement Grant Program			
Direct		77,134	66,171
16.742 Paul Coverdell Forensic Sciences Improvement Grant Program Total		77,134	66,171
16.750 Support for Adam Walsh Act Implementation Grant Program			
Direct		403,320	-
16.750 Support for Adam Walsh Act Implementation Grant Program Total		403,320	-
16.751 Edward Byrne Memorial Competitive Grant Program			
Direct		92,816	92,816
16.751 Edward Byrne Memorial Competitive Grant Program Total		92,816	92,816
16.758 Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers			
Direct		9,000	-
16.758 Improving the Investigation and Prosecution of Child Abuse and the Regional and Local Children's Advocacy Centers Total		9,000	-
16.812 Second Chance Act Reentry Initiative			
Direct		92,630	-
16.812 Second Chance Act Reentry Initiative Total		92,630	-
16.813 NICS Act Record Improvement Program			
Direct		384,144	-
16.813 NICS Act Record Improvement Program Total		384,144	-
16.922 Equitable Sharing Program			
Direct		1,562,760	-
16.922 Equitable Sharing Program Total		1,562,760	-
16.999 DEA Marijuana Eradication Program-2016			
Direct		108,396	-
16.999 DEA Marijuana Eradication Program-2016 Total		108,396	-
16.560 National Institute of Justice Research, Evaluation, and Development Project Grants			
Direct		203,821	203,821
University of South Carolina	2015-CK-BX-0018	174,188	-
University of South Carolina Total		174,188	-
16.560 National Institute of Justice Research, Evaluation, and Development Project Grants Total		378,009	203,821
16.321 Antiterrorism Emergency Reserve			
Medical University of South Carolina	2016-RF-GX-0001	255,507	-
Medical University of South Carolina Total		255,507	-

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
16.321 Antiterrorism Emergency Reserve Total		255,507	-
16.835 Body Worn Camera Policy and Implementation			
Direct		3,436	-
16.835 Body Worn Camera Policy and Implementation Total		3,436	-
16.540 Juvenile Justice and Delinquency Prevention			
Direct		414,931	299,917
16.540 Juvenile Justice and Delinquency Prevention Total		414,931	299,917
Department of Justice Total		32,853,441	23,941,842
Department of Labor			
17.005 Compensation and Working Conditions			
Direct		82,573	-
17.005 Compensation and Working Conditions Total		82,573	-
17.235 Senior Community Service Employment Program			
Direct		1,001,979	909,241
17.235 Senior Community Service Employment Program Total		1,001,979	909,241
17.261 WIA/WIOA Pilots, Demonstrations, and Research Projects			
Direct		1,165,066	-
17.261 WIA/WIOA Pilots, Demonstrations, and Research Projects Total		1,165,066	-
17.267 Incentive Grants - WIA Section 503			
Direct		83,503	83,503
SC Department of Employment & Workforce			
	13L2E001	960	-
SC Department of Employment & Workforce Total		960	-
17.267 Incentive Grants - WIA Section 503 Total		84,463	83,503
17.268 H-1B Job Training Grants			
Direct		842,448	538,868
17.268 H-1B Job Training Grants Total		842,448	538,868
17.503 Occupational Safety and Health_State Program			
Direct		2,371,969	-
17.503 Occupational Safety and Health_State Program Total		2,371,969	-
17.504 Consultation Agreements			
Direct		795,040	-
17.504 Consultation Agreements Total		795,040	-
17.600 Mine Health and Safety Grants			
Direct		45,661	-
17.600 Mine Health and Safety Grants Total		45,661	-
17.285 Apprenticeship USA Grants			
Direct		30,167	5,560
17.285 Apprenticeship USA Grants Total		30,167	5,560
Department of Labor Total		6,419,366	1,537,172
Appalachian Regional Commission			
23.002 Appalachian Area Development			
Direct		669,040	669,040
23.002 Appalachian Area Development Total		669,040	669,040

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
23.011 Appalachian Research, Technical Assistance, and Demonstration Projects			
Direct		64,371	-
23.011 Appalachian Research, Technical Assistance, and Demonstration Projects Total		64,371	-
Appalachian Regional Commission Total		733,411	669,040
General Services Administration			
39.003 Donation of Federal Surplus Personal Property			
Direct		7,408,078	-
39.003 Donation of Federal Surplus Personal Property Total		7,408,078	-
General Services Administration Total		7,408,078	-
National Foundation on the Arts and Humanities			
45.025 Promotion of the Arts_Partnership Agreements			
Direct		888,254	252,420
45.025 Promotion of the Arts_Partnership Agreements Total		888,254	252,420
45.310 Grants to States			
Direct		2,956,706	285,165
45.310 Grants to States Total		2,956,706	285,165
National Foundation on the Arts and Humanities Total		3,844,960	537,585
Small Business Administration			
59.061 State Trade Expansion			
Direct		347,071	243,199
59.061 State Trade Expansion Total		347,071	243,199
Small Business Administration Total		347,071	243,199
Department of Veterans' Affairs			
64.005 Grants to States for Construction of State Home Facilities			
Direct		25,056	-
64.005 Grants to States for Construction of State Home Facilities Total		25,056	-
64.124 All-Volunteer Force Educational Assistance			
Direct		311,834	-
64.124 All-Volunteer Force Educational Assistance Total		311,834	-
Department of Veterans' Affairs Total		336,890	-
Environmental Protection Agency			
66.034 Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			
Direct		510,054	-
66.034 Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act Total		510,054	-
66.040 State Clean Diesel Grant Program			
Direct		120,504	77,792
66.040 State Clean Diesel Grant Program Total		120,504	77,792
66.419 Water Pollution Control State, Interstate, and Tribal Program Support			
Direct		184,382	-
66.419 Water Pollution Control State, Interstate, and Tribal Program Support Total		184,382	-
66.454 Water Quality Management Planning			
Direct		150,795	85,104
66.454 Water Quality Management Planning Total		150,795	85,104
66.460 Nonpoint Source Implementation Grants			
Direct		2,238,156	1,237,708

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
66.460 Nonpoint Source Implementation Grants Total		2,238,156	1,237,708
66.461 Regional Wetland Program Development Grants			
Direct		157,646	21,870
66.461 Regional Wetland Program Development Grants Total		157,646	21,870
66.472 Beach Monitoring and Notification Program Implementation Grants			
Direct		216,192	-
66.472 Beach Monitoring and Notification Program Implementation Grants Total		216,192	-
66.605 Performance Partnership Grants			
Direct		7,965,323	-
66.605 Performance Partnership Grants Total		7,965,323	-
66.608 Environmental Information Exchange Network Grant Program and Related Assistance			
Direct		108,668	-
66.608 Environmental Information Exchange Network Grant Program and Related Assistance Total		108,668	-
66.802 Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements			
Direct		513,820	-
66.802 Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements Total		513,820	-
66.804 Underground Storage Tank Prevention, Detection and Compliance Program			
Direct		436,348	-
66.804 Underground Storage Tank Prevention, Detection and Compliance Program Total		436,348	-
66.805 Leaking Underground Storage Tank Trust Fund Corrective Action Program			
Direct		893,894	-
66.805 Leaking Underground Storage Tank Trust Fund Corrective Action Program Total		893,894	-
66.809 Superfund State and Indian Tribe Core Program Cooperative Agreements			
Direct		147,556	-
66.809 Superfund State and Indian Tribe Core Program Cooperative Agreements Total		147,556	-
66.817 State and Tribal Response Program Grants			
Direct		679,893	-
66.817 State and Tribal Response Program Grants Total		679,893	-
66.818 Brownfields Assessment and Cleanup Cooperative Agreements			
Direct		474,363	450,000
66.818 Brownfields Assessment and Cleanup Cooperative Agreements Total		474,363	450,000
66.039 National Clean Diesel Emissions Reduction Program			
Direct		20,484	-
66.039 National Clean Diesel Emissions Reduction Program Total		20,484	-
66.204 Multipurpose Grants to States and Tribes			
Direct		1,978	-
66.204 Multipurpose Grants to States and Tribes Total		1,978	-
Environmental Protection Agency Total		14,820,056	1,872,474
Department of Energy			
81.041 State Energy Program			
Direct		1,662,176	1,041,419
81.041 State Energy Program Total		1,662,176	1,041,419
81.042 Weatherization Assistance for Low-Income Persons			
Direct		1,724,628	1,442,441
81.042 Weatherization Assistance for Low-Income Persons Total		1,724,628	1,442,441

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
81.106 Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions			
Direct		59,020	-
Southern States Energy Board			
	SSEB-WIPP-SC-SCEMD	45,372	-
	DE-EM-0003189; SSEB-930WIPP-SC-DHEC-2015-009amd	74,535	-
Southern States Energy Board Total		119,907	-
81.106 Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions Total		178,927	-
81.119 State Energy Program Special Projects			
Direct		185,872	177,150
81.119 State Energy Program Special Projects Total		185,872	177,150
81.214 Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis			
Direct		2,953,434	130,409
81.214 Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis Total		2,953,434	130,409
81.502 Stripper Well Funds			
Direct		727,424	595,195
81.502 Stripper Well Funds Total		727,424	595,195
81.086 Conservation Research and Development			
Direct		57,907	-
81.086 Conservation Research and Development Total		57,907	-
Department of Energy Total		7,490,368	3,386,614
Department of Education			
84.002 Adult Education - Basic Grants to States			
Direct		8,904,553	8,008,979
84.002 Adult Education - Basic Grants to States Total		8,904,553	8,008,979
84.010 Title I Grants to Local Educational Agencies			
Direct		232,556,463	230,124,181
84.010 Title I Grants to Local Educational Agencies Total		232,556,463	230,124,181
84.011 Migrant Education_State Grant Program			
Direct		352,769	265,570
84.011 Migrant Education_State Grant Program Total		352,769	265,570
84.013 Title I State Agency Program for Neglected and Delinquent Children and Youth			
Direct		2,491,316	2,491,316
84.013 Title I State Agency Program for Neglected and Delinquent Children and Youth Total		2,491,316	2,491,316
84.048 Career and Technical Education -- Basic Grants to States			
Direct		19,887,682	17,868,791
84.048 Career and Technical Education -- Basic Grants to States Total		19,887,682	17,868,791
84.144 Migrant Education_Coordination Program			
Direct		167,696	-
84.144 Migrant Education_Coordination Program Total		167,696	-
84.161 Rehabilitation Services_Client Assistance Program			
Direct		150,193	-
84.161 Rehabilitation Services_Client Assistance Program Total		150,193	-
84.177 Rehabilitation Services_Independent Living Services for Older Individuals Who are Blind			
Direct		585,571	-

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
84.177 Rehabilitation Services_Independent Living Services for Older Individuals Who are Blind Total		585,571	-
84.181 Special Education-Grants for Infants and Families			
Direct		6,425,915	4,183,707
84.181 Special Education-Grants for Infants and Families Total		6,425,915	4,183,707
84.184 Safe and Drug-Free Schools and Communities_National Programs			
Direct		232,037	-
84.184 Safe and Drug-Free Schools and Communities_National Programs Total		232,037	-
84.187 Supported Employment Services for Individuals with the Most Significant Disabilities			
Direct		325,228	-
84.187 Supported Employment Services for Individuals with the Most Significant Disabilities Total		325,228	-
84.196 Education for Homeless Children and Youth			
Direct		952,780	810,806
84.196 Education for Homeless Children and Youth Total		952,780	810,806
84.282 Charter Schools			
Direct		2,295,194	2,096,692
84.282 Charter Schools Total		2,295,194	2,096,692
84.287 Twenty-First Century Community Learning Centers			
Direct		15,825,126	15,093,566
84.287 Twenty-First Century Community Learning Centers Total		15,825,126	15,093,566
84.305 Education Research, Development and Dissemination			
Direct		97,204	-
84.305 Education Research, Development and Dissemination Total		97,204	-
84.323 Special Education - State Personnel Development			
Direct		268,463	135,090
84.323 Special Education - State Personnel Development Total		268,463	135,090
84.326 Special Education_Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			
Direct		115,998	-
84.326 Special Education_Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities Total		115,998	-
84.334 Gaining Early Awareness and Readiness for Undergraduate Programs			
Direct		2,568,540	1,877,705
84.334 Gaining Early Awareness and Readiness for Undergraduate Programs Total		2,568,540	1,877,705
84.358 Rural Education			
Direct		2,633,064	2,608,396
84.358 Rural Education Total		2,633,064	2,608,396
84.365 English Language Acquisition State Grants			
Direct		3,378,367	3,218,134
84.365 English Language Acquisition State Grants Total		3,378,367	3,218,134
84.366 Mathematics and Science Partnerships			
Direct		3,721,921	3,689,916
84.366 Mathematics and Science Partnerships Total		3,721,921	3,689,916
84.369 Grants for State Assessments and Related Activities			
Direct		6,610,333	-
84.369 Grants for State Assessments and Related Activities Total		6,610,333	-

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
84.374 Teacher Incentive Fund			
Direct		6,992,019	6,976,869
84.374 Teacher Incentive Fund Total		6,992,019	6,976,869
84.377 School Improvement Grants			
Direct		2,227,071	2,198,485
84.377 School Improvement Grants Total		2,227,071	2,198,485
84.126 Rehabilitation Services Vocational Rehabilitation Grants to States			
Direct		75,161,863	-
84.126 Rehabilitation Services Vocational Rehabilitation Grants to States Total		75,161,863	-
84.367 Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			
Direct		27,521,444	27,386,444
84.367 Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) Total		27,521,444	27,386,444
Department of Education Total		422,448,810	329,034,647
Department of Health and Human Services			
93.008 Medical Reserve Corps Small Grant Program			
National Association of County and City Health Officials			
	1 MRCSG061001-02; MRC 08 1142	-	-
	1 MRCSG061001-03; MRC 090558	-	-
	1 MRCSG061001-03; MRC 091142	140	-
	5 MRCSG101005-04-00; MRC 14-1151	-	-
	5 MRCSG101005-04-00; MRC14-0558	-	-
	5MRCSG101005-02; MRC 12 1142	519	-
	5MRCSG101005-02; MRC 12 1151	1,195	-
	5MRCSG101005-02; MRC 12 1191	781	-
	5MRCSG101005-02; MRC 12 558	59	-
	5MRCSG101005-03; MRC 13-0558	411	-
	5MRCSG101005-03; MRC 13-1137	4	-
	5MRCSG101005-03; MRC 13-1142	1,251	-
	5MRCSG101005-03; MRC 13-1151	-	-
	5MRCSG101005-03; MRC 13-1191	1	-
	6 MRCSG061001-03; MRC 10 0149	-	-
	6 MRCSG061001-03; MRC 10 0558	-	-
	6 MRCSG061001-03; MRC 10 1125	529	-
	6 MRCSG061001-03; MRC 10 1142	293	-
	IMRCSG101005-01; MRC 11 1142	48	-
	IMRCSG101005-01; MRC 11 1151	1	-
	IMRCSG101005-01; MRC 11 149	2	-
	IMRCSG101005-01; MRC 11 558	30	-
	5 MRCSG101005-04-00; MRC 14-1137	990	-
	IMRCSG101005-01; MRC 11 1174	227	-
National Association of County and City Health Officials Total		6,481	-
93.008 Medical Reserve Corps Small Grant Program Total		6,481	-
93.041 Special Programs for the Aging_ Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation			
Direct		59,733	59,733
93.041 Special Programs for the Aging_ Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation Total		59,733	59,733
93.042 Special Programs for the Aging_ Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals			
Direct		236,007	236,007
93.042 Special Programs for the Aging_ Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals Total		236,007	236,007
93.043 Special Programs for the Aging_ Title III, Part D_Disease Prevention and Health Promotion Services			
Direct		257,926	242,423
93.043 Special Programs for the Aging_ Title III, Part D_Disease Prevention and Health Promotion Services Total		257,926	242,423

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
93.048 Special Programs for the Aging_Title IV_and Title II_Discretionary Projects			
Direct		197,883	123,229
	93.048 Special Programs for the Aging_Title IV_and Title II_Discretionary Projects Total	197,883	123,229
93.052 National Family Caregiver Support, Title III, Part E			
Direct		2,355,852	2,255,239
	93.052 National Family Caregiver Support, Title III, Part E Total	2,355,852	2,255,239
93.070 Environmental Public Health and Emergency Response			
Direct		789,392	-
	93.070 Environmental Public Health and Emergency Response Total	789,392	-
93.071 Medicare Enrollment Assistance Program			
Direct		523,968	523,968
	93.071 Medicare Enrollment Assistance Program Total	523,968	523,968
93.072 Lifespan Respite Care Program			
Direct		89,809	68,575
	93.072 Lifespan Respite Care Program Total	89,809	68,575
93.074 Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements			
Direct		14,246,767	984,265
	93.074 Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Total	14,246,767	984,265
93.079 Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance			
Direct		80,073	16,100
	93.079 Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance Total	80,073	16,100
93.092 Affordable Care Act (ACA) Personal Responsibility Education Program			
Direct		688,778	545,306
	93.092 Affordable Care Act (ACA) Personal Responsibility Education Program Total	688,778	545,306
93.093 Affordable Care Act (ACA) Health Profession Opportunity Grants			
Direct		2,765,058	-
	93.093 Affordable Care Act (ACA) Health Profession Opportunity Grants Total	2,765,058	-
93.094 Well-Integrated Screening and Evaluation for Women Across the Nation			
Direct		863,320	302,380
	93.094 Well-Integrated Screening and Evaluation for Women Across the Nation Total	863,320	302,380
93.103 Food and Drug Administration_Research			
Direct		603,348	-
Association of Food and Drug Officials			
	G-ST-1701-00582	2,617	-
	G-1612-00207	5,556	-
	G-T-1612-0205	5,298	-
	Association of Food and Drug Officials Total	13,471	-
	93.103 Food and Drug Administration_Research Total	616,819	-
93.104 Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)			
Direct		855,502	-
	93.104 Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED) Total	855,502	-
93.110 Maternal and Child Health Federal Consolidated Programs			
Direct		303,715	6,044

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
93.110 Maternal and Child Health Federal Consolidated Programs Total		303,715	6,044
93.116 Project Grants and Cooperative Agreements for Tuberculosis Control Programs			
Direct		895,025	-
93.116 Project Grants and Cooperative Agreements for Tuberculosis Control Programs Total		895,025	-
93.127 Emergency Medical Services for Children			
Direct		138,933	-
93.127 Emergency Medical Services for Children Total		138,933	-
93.130 Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices			
Direct		259,092	-
93.130 Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices Total		259,092	-
93.136 Injury Prevention and Control Research and State and Community Based Programs			
Direct		1,118,539	754,547
93.136 Injury Prevention and Control Research and State and Community Based Programs Total		1,118,539	754,547
93.150 Projects for Assistance in Transition from Homelessness (PATH)			
Direct		678,994	-
93.150 Projects for Assistance in Transition from Homelessness (PATH) Total		678,994	-
93.217 Family Planning_Services			
Direct		5,739,204	25,476
93.217 Family Planning_Services Total		5,739,204	25,476
93.235 Affordable Care Act (ACA) Abstinence Education Program			
Direct		1,384,389	1,167,275
93.235 Affordable Care Act (ACA) Abstinence Education Program Total		1,384,389	1,167,275
93.251 Universal Newborn Hearing Screening			
Direct		216,474	-
93.251 Universal Newborn Hearing Screening Total		216,474	-
93.268 Immunization Cooperative Agreements			
Direct		67,333,009	-
93.268 Immunization Cooperative Agreements Total		67,333,009	-
93.270 Adult Viral Hepatitis Prevention and Control			
Direct		46,700	-
93.270 Adult Viral Hepatitis Prevention and Control Total		46,700	-
93.283 Centers for Disease Control and Prevention_Investigations and Technical Assistance			
Direct		479,144	-
93.283 Centers for Disease Control and Prevention_Investigations and Technical Assistance Total		479,144	-
93.297 Teenage Pregnancy Prevention Program			
Mary Black Foundation			
	TP1AH000119-01-00;UP-6-460	-	-
	TP1AH000119-01-00; UP-7-305	64,036	-
Mary Black Foundation Total		64,036	-
SC Campaign to Prevent Teen Pregnancy			
	1 TP1AH000126-01-00: ML-6-528	24,746	-
	1 TP1AH000126-01-00: UP-6-529	71,241	-
	1 TP1AH000126-01-00; LC-6-527	7,444	-
SC Campaign to Prevent Teen Pregnancy Total		103,431	-
Campaign to Prevent Teen Pregnancy			
	1 TP1AH000133-01-00	56,011	-
Campaign to Prevent Teen Pregnancy Total		56,011	-

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
93.297 Teenage Pregnancy Prevention Program Total		223,478	-
93.314 Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program			
Direct		94,675	-
93.314 Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program Total		94,675	-
93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			
Direct		1,920,224	8,236
93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) Total		1,920,224	8,236
93.324 State Health Insurance Assistance Program			
Direct		671,274	524,696
93.324 State Health Insurance Assistance Program Total		671,274	524,696
93.369 ACL Independent Living State Grants			
Direct		443,826	132,670
93.369 ACL Independent Living State Grants Total		443,826	132,670
93.521 The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF			
Direct		645,083	151,967
93.521 The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF		645,083	151,967
93.539 PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds			
Direct		2,624,132	51,146
93.539 PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds Total		2,624,132	51,146
93.556 Promoting Safe and Stable Families			
Direct		4,573,636	8,495
93.556 Promoting Safe and Stable Families Total		4,573,636	8,495
93.563 Child Support Enforcement			
Direct		40,899,379	12,734,066
93.563 Child Support Enforcement Total		40,899,379	12,734,066
93.566 Refugee and Entrant Assistance_State Administered Programs			
Direct		680,953	-
93.566 Refugee and Entrant Assistance_State Administered Programs Total		680,953	-
93.568 Low-Income Home Energy Assistance			
Direct		36,665,878	35,545,317
93.568 Low-Income Home Energy Assistance Total		36,665,878	35,545,317
93.569 Community Services Block Grant			
Direct		10,880,755	10,481,126
93.569 Community Services Block Grant Total		10,880,755	10,481,126
93.586 State Court Improvement Program			
Direct		559,291	-
93.586 State Court Improvement Program Total		559,291	-
93.597 Grants to States for Access and Visitation Programs			
Direct		109,407	-
93.597 Grants to States for Access and Visitation Programs Total		109,407	-

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
93.599 Chafee Education and Training Vouchers Program (ETV)			
Direct		240,472	-
93.599 Chafee Education and Training Vouchers Program (ETV) Total		240,472	-
93.603 Adoption and Legal Guardianship Incentive Payments			
Direct		755,248	-
93.603 Adoption and Legal Guardianship Incentive Payments Total		755,248	-
93.628 Affordable Care Act Implementation Support for State Demonstrations to Integrate Care for Medicare-Medicaid Enrollees			
Direct		1,120,186	-
93.628 Affordable Care Act Implementation Support for State Demonstrations to Integrate Care for Medicare-Medicaid Enrollees Total		1,120,186	-
93.634 ACA Support for Demonstration Ombudsman Programs Serving Beneficiaries of State Demonstrations to Integrate Care for Medicare-Medicaid			
Direct		190,682	21,562
93.634 ACA Support for Demonstration Ombudsman Programs Serving Beneficiaries of State Demonstrations to Integrate Care for Medicare-Medicaid Total		190,682	21,562
93.643 Children's Justice Grants to States			
Direct		133,596	-
93.643 Children's Justice Grants to States Total		133,596	-
93.645 Stephanie Tubbs Jones Child Welfare Services Program			
Direct		8,601,413	-
93.645 Stephanie Tubbs Jones Child Welfare Services Program Total		8,601,413	-
93.658 Foster Care_Title IV-E			
Direct		46,351,196	373,797
93.658 Foster Care_Title IV-E Total		46,351,196	373,797
93.659 Adoption Assistance			
Direct		19,935,963	-
93.659 Adoption Assistance Total		19,935,963	-
93.667 Social Services Block Grant			
Direct		20,439,310	232,612
93.667 Social Services Block Grant Total		20,439,310	232,612
93.669 Child Abuse and Neglect State Grants			
Direct		101,389	-
93.669 Child Abuse and Neglect State Grants Total		101,389	-
93.671 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			
Direct		1,260,426	973,708
93.671 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services Total		1,260,426	973,708
93.674 Chafee Foster Care Independence Program			
Direct		785,677	-
93.674 Chafee Foster Care Independence Program Total		785,677	-
93.745 PPHF: Health Care Surveillance/Health Statistics Surveillance Program Announcement: Behavioral Risk Factor Surveillance System Financed in Part by Prevention and Public Health Fund			
Direct		17,575	-
93.745 PPHF: Health Care Surveillance/Health Statistics Surveillance Program Announcement: Behavioral Risk Factor Surveillance System Financed in Part by Prevention and Public Health Fund Total		17,575	-

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
93.752 Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds			
Direct		5,683,222	1,015,706
93.752 Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds Total		5,683,222	1,015,706
93.757 State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)			
Direct		4,338,888	2,134,773
93.757 State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF) Total		4,338,888	2,134,773
93.758 Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)			
Direct		1,828,418	351,562
93.758 Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF) Total		1,828,418	351,562
93.767 Children's Health Insurance Program			
Direct		144,133,345	-
93.767 Children's Health Insurance Program Total		144,133,345	-
93.791 Money Follows the Person Rebalancing Demonstration			
Direct		472,359	-
93.791 Money Follows the Person Rebalancing Demonstration Total		472,359	-
93.815 Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC).			
Direct		484,097	-
93.815 Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC). Total		484,097	-
93.817 Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities			
Direct		264,122	248,026
93.817 Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities Total		264,122	248,026
93.917 HIV Care Formula Grants			
Direct		15,883,052	10,568,379
93.917 HIV Care Formula Grants Total		15,883,052	10,568,379
93.944 Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance			
Direct		1,023,904	-
93.944 Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance Total		1,023,904	-
93.945 Assistance Programs for Chronic Disease Prevention and Control			
Direct		1,225,074	70,505
93.945 Assistance Programs for Chronic Disease Prevention and Control Total		1,225,074	70,505
93.946 Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			
Direct		17,635	-
93.946 Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs Total		17,635	-
93.958 Block Grants for Community Mental Health Services			
Direct		7,441,139	-
93.958 Block Grants for Community Mental Health Services Total		7,441,139	-
93.959 Block Grants for Prevention and Treatment of Substance Abuse			
Direct		23,688,428	21,602,354

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
93.959 Block Grants for Prevention and Treatment of Substance Abuse Total		23,688,428	21,602,354
93.977 Preventive Health Services_Sexually Transmitted Diseases Control Grants			
Direct		1,600,320	52,365
93.977 Preventive Health Services_Sexually Transmitted Diseases Control Grants Total		1,600,320	52,365
93.982 Mental Health Disaster Assistance and Emergency Mental Health			
Direct		2,324,473	-
93.982 Mental Health Disaster Assistance and Emergency Mental Health Total		2,324,473	-
93.994 Maternal and Child Health Services Block Grant to the States			
Direct		11,060,713	131,527
93.994 Maternal and Child Health Services Block Grant to the States Total		11,060,713	131,527
93.999 State Tobacco Compliance Check Inspection Program			
Direct		1,141,240	127,732
93.999 State Tobacco Compliance Check Inspection Program Total		1,141,240	127,732
93.600 Head Start			
Direct		7,629,956	132,075
93.600 Head Start Total		7,629,956	132,075
93.630 Developmental Disabilities Basic Support and Advocacy Grants			
Direct		1,477,024	1,058,369
93.630 Developmental Disabilities Basic Support and Advocacy Grants Total		1,477,024	1,058,369
93.940 HIV Prevention Activities_Health Department Based			
Direct		5,079,331	1,518,483
93.940 HIV Prevention Activities_Health Department Based Total		5,079,331	1,518,483
93.069 Public Health Emergency Preparedness			
Direct		204,240	-
93.069 Public Health Emergency Preparedness Total		204,240	-
93.073 Birth Defects and Developmental Disabilities - Prevention and Surveillance			
Direct		206,498	155,651
93.073 Birth Defects and Developmental Disabilities - Prevention and Surveillance Total		206,498	155,651
93.336 Behavioral Risk Factor Surveillance System			
Direct		258,433	-
93.336 Behavioral Risk Factor Surveillance System Total		258,433	-
93.788 Opioid STR			
Direct		27,975	13,837
93.788 Opioid STR Total		27,975	13,837
93.243 Substance Abuse and Mental Health Services Projects of Regional and National Significance			
Direct		5,921,577	2,545,943
93.243 Substance Abuse and Mental Health Services Projects of Regional and National Significance Total		5,921,577	2,545,943
93.305 PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health funds (PPHF)			
Direct		903,909	269,214
93.305 PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health funds (PPHF) Total		903,909	269,214
Department of Health and Human Services Total		548,471,082	110,546,466

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
Executive Office of the President			
95.001 High Intensity Drug Trafficking Areas Program			
Direct		226,735	-
95.001 High Intensity Drug Trafficking Areas Program Total		226,735	-
Executive Office of the President Total		226,735	-
Department of Homeland Security			
97.012 Boating Safety Financial Assistance			
Direct		2,517,349	-
97.012 Boating Safety Financial Assistance Total		2,517,349	-
97.023 Community Assistance Program State Support Services Element (CAP-SSSE)			
Direct		185,582	-
97.023 Community Assistance Program State Support Services Element (CAP-SSSE) Total		185,582	-
97.029 Flood Mitigation Assistance			
Direct		13,215	8,078
97.029 Flood Mitigation Assistance Total		13,215	8,078
97.032 Crisis Counseling			
Direct		2,998,130	2,998,130
97.032 Crisis Counseling Total		2,998,130	2,998,130
97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)			
Direct		49,871,980	35,928,072
97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters) Total		49,871,980	35,928,072
97.039 Hazard Mitigation Grant			
Direct		2,484,501	1,821,919
97.039 Hazard Mitigation Grant Total		2,484,501	1,821,919
97.041 National Dam Safety Program			
Direct		209,306	-
97.041 National Dam Safety Program Total		209,306	-
97.042 Emergency Management Performance Grants			
Direct		6,105,987	6,105,987
97.042 Emergency Management Performance Grants Total		6,105,987	6,105,987
97.043 State Fire Training Systems Grants			
Direct		7,969	-
97.043 State Fire Training Systems Grants Total		7,969	-
97.045 Cooperating Technical Partners			
Direct		1,449,196	-
97.045 Cooperating Technical Partners Total		1,449,196	-
97.046 Fire Management Assistance Grant			
Direct		98,693	-
97.046 Fire Management Assistance Grant Total		98,693	-
97.047 Pre-Disaster Mitigation			
Direct		3,249,243	3,151,082
97.047 Pre-Disaster Mitigation Total		3,249,243	3,151,082
97.067 Homeland Security Grant Program			
Direct		3,893,135	2,748,528
97.067 Homeland Security Grant Program Total		3,893,135	2,748,528

Grantor/CFDA/CFDA Title	Pass-Through Grant Number	Federal Expenditures	Subrecipient Expenditures
NonCluster Programs			
97.088 Disaster Assistance Projects			
Direct		3,056,036	-
97.088 Disaster Assistance Projects Total		3,056,036	-
Department of Homeland Security Total		76,140,322	52,761,796
Department of Transportation			
20.106 Airport Improvement Program			
Direct		1,156,508	145,940
20.106 Airport Improvement Program Total		1,156,508	145,940
20.232 Commercial Driver's License Program Improvement Grant			
Direct		80,026	-
20.232 Commercial Driver's License Program Improvement Grant Total		80,026	-
20.703 Interagency Hazardous Materials Public Sector Training and Planning Grants			
Direct		235,996	235,996
20.703 Interagency Hazardous Materials Public Sector Training and Planning Grants Total		235,996	235,996
20.218 Motor Carrier Safety Assistance			
Direct		2,965,151	-
20.218 Motor Carrier Safety Assistance Total		2,965,151	-
20.237 Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements			
Direct		22,500	-
20.237 Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements Total		22,500	-
20.614 National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements			
Direct		117,521	-
20.614 National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements Total		117,521	-
Department of Transportation Total		4,577,702	381,936
Total NonCluster Programs		1,333,129,331	592,423,444
TOTAL FEDERAL EXPENDITURES		8,196,342,310	1,190,831,130

Notes to the Schedules of Expenditures of Federal Awards

STATE OF SOUTH CAROLINA
Notes to the Schedules of Expenditures of Federal Awards
For the Year Ended June 30, 2017

NOTE 1 - BASIS OF PRESENTATION

Entity

For purposes of complying with the Single Audit Act Amendments of 1996 and Uniform Guidance, the State of South Carolina (the State) is defined in a manner consistent with the entity defined in the basic financial statements as of and for the year ended June 30, 2017, except that certain agencies and component units included in the basic financial statements are excluded in the accompanying schedules of expenditures of federal awards because these agencies and component units engaged other auditors to perform an audit in accordance with the Single Audit Act and Uniform Guidance, as applicable. The excluded agencies and component units and their federal expenditures for the year ended June 30, 2017 are as follows:

<u>Agency</u>	<u>Federal Expenditures</u>
Department of Employment and Workforce	99,339,723 (Unaudited)
Department of Transportation	906,983,572
South Carolina State Education Assistance Authority	4,072,223
State Housing Finance and Development Authority	156,132,409
The Citadel	30,623,986
Clemson University	214,102,061
Coastal Carolina University	98,677,053
College of Charleston	89,766,341
Francis Marion University	40,175,216
Lander University	23,002,213
Medical University of South Carolina	243,590,288
University of South Carolina	489,749,912
Winthrop University	55,289,265
Aiken Technical College	9,689,451
Central Carolina Technical College	16,949,201
Denmark Technical College	6,500,458
Florence-Darlington Technical College	25,959,373
Greenville Technical College	50,327,350
Horry-Georgetown Technical College	35,897,695
Midlands Technical College	44,026,813
Northeastern Technical College	3,393,700
Orangeburg-Calhoun Technical College	10,278,057
Piedmont Technical College	27,786,169
Spartanburg Community College	11,836,040
Technical College of the Lowcountry	8,092,582
Tri-County Technical College	16,937,819
Trident Technical College	50,831,146
Williamsburg Technical College	1,793,650
York Technical College	<u>15,560,931</u>
Total Federal Expenditures for Excluded Agencies	<u>\$2,787,364,697</u>

Note: South Carolina State University also receives their own Single Audit for which no expenditure amount for June 30, 2017 is readily available as of our report issuance date. The Department of Employment and Workforce Single Audit report was also not readily available as of our report issuance date.

STATE OF SOUTH CAROLINA
Notes to the Schedules of Expenditures of Federal Awards
For the Year Ended June 30, 2017

NOTE 1 - BASIS OF PRESENTATION (CONTINUED)

Entity (Continued)

Accordingly, the accompanying schedules of expenditures of federal awards present the federal financial assistance programs administered by the State, as defined on the previous page, for the year ended June 30, 2017.

Non-Cash Federal Programs

The State is the recipient of federal financial assistance programs that do not result in cash receipts or disbursements, termed "non-cash programs". The distributions under these programs are included in the accompanying schedules of expenditures of federal awards.

Loan Programs

Loan and loan guarantees states that since the Federal Government is at risk for loans until the debt is repaid it must be used to calculate the value of Federal award expended under loan programs. There were no outstanding federal loan balances and loan guarantees at the end of the year to include in the footnotes of the Schedule.

Other Federal Assistance

The "Other Federal Assistance" presented in the accompanying schedules of expenditures of federal awards consists of federal financial assistance programs that have not been assigned CFDA numbers.

NOTE 2 - BASIS OF ACCOUNTING

The expenditures presented in the accompanying schedules of expenditures of federal awards were developed from the South Carolina Enterprise Information System (SCEIS). SCEIS is the State's accounting system which serves as the primary source of information in the preparation of the State's financial statements. Generally accepted accounting principles for governments require the use of the accrual and modified accrual basis of accounting. The expenditures reported in Schedule 1 and the related note disclosures are reported in accordance with 2 CFR 200.502.

Federal revenues and expenditures are included primarily in the governmental funds in the State's financial statements.

NOTE 3 - MATCHING COST

Matching costs, i.e. the non-federal share of certain program costs, are included in the accompanying schedules of expenditures of federal awards when the federal and state portions of costs are combined and the state portion cannot be separately identified.

NOTE 4 - PETROLEUM OVERCHARGE RECOVERIES

In the current and prior years the State received monies relating to recoveries from petroleum companies which had overcharged customers when price controls were in effect. These monies are expended under specific federal programs in accordance with the federal laws and regulations pertaining to such programs. Accordingly, these amounts are included in the accompanying schedules of expenditures of federal awards under the specific federal program to which they relate.

STATE OF SOUTH CAROLINA
Notes to the Schedules of Expenditures of Federal Awards
For the Year Ended June 30, 2017

NOTE 5 - 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 of expenditures of federal awards which are prepared on the basis explained in Notes 1 and 2. The federal financial reports have been reconciled to amounts included in the schedules of expenditures for all major programs.

NOTE 6 - WIC REBATES

During the fiscal year ended June 30, 2017 the South Carolina Department of Health and Environmental Control received cash rebates from infant formula manufacturers in the amount of \$25,703,148 on sales of formula to participants in the WIC program (CFDA 10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16a as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. Applying the rebates received to such costs enabled the South Carolina Department of Health and Environmental Control to serve 396,490 people.

NOTE 7 – DE MINIMIS INDIRECT COST RATE

There were no major program agencies in the State of South Carolina that elected to use the de minimis indirect cost rate per 2 CFR 200.414 of the Uniform Guidance for the fiscal year ended June 30, 2017.

NOTE 8 – PASSTHROUGH OF EXPENDITURES WITHIN REPORTING ENTITIES

Federal Transactions Between State Entities – Some state entities transfer (expend) federal assistance to other state entities (i.e. a pass-through of funds by the primary recipient state entity to a subrecipient state entity). In this case, the federal expenditures are only reported once on the Schedule of Expenditures of Federal Awards. This method avoids duplication and the overstatement of the aggregate level of federal financial assistance expended by the State.

Schedule of Findings and Questioned Costs

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SECTION I – SUMMARY OF AUDITORS’ RESULTS**Financial Statements**

Type of auditors’ report issued:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

_yes _noSignificant deficiencies identified that
are not considered to be material
weaknesses?_yes _none reportedNoncompliance material to financial
statements noted?_yes _no**Federal Awards**

Internal control over major programs:

Material weaknesses identified?

_yes _noSignificant deficiencies identified that
are not considered to be material
weaknesses?_yes _none reportedType of auditors’ report issued on compliance
for major programs:***Unmodified*** for all major
programs except for the following
programs which were ***qualified***:10.558, 93.563, 97.036,
Medicaid Cluster, and
Research and
Development Cluster

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SECTION I – SUMMARY OF AUDITOR’S RESULTS (CONTINUED)

Any audit findings disclosed that are required
 to be reported in accordance with 2 CFR 200.516(a)
 of the Uniform Guidance?

Xyes ___no

Identification of major programs:

CFDA

<u>Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.558	Child and Adult Care Food Program
12.401	National Guard Military Operations and Maintenance (O&M) Projects
84.010	Title I Grants to Local Educational Agencies
84.048	Career and Technical Education – Basic Grants to States
84.287	Twenty-First Century Community Learning Centers
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)
93.563	Child Support Enforcement
93.658	Foster Care Title IV-E
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Various ¹	Medicaid Cluster
Various ¹	SNAP Cluster
Various ¹	TANF Cluster
Various ¹	Research and Development Cluster
Various ¹	Special Education Cluster (IDEA)

¹ – See Schedule of Expenditures of Federal Awards for CFDA Numbers

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

\$ 24,564,907

Auditee qualified as low-risk auditee?

___yes Xno

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA COMPTROLLER GENERAL'S OFFICE (E12)

2017 – 001. Financial Reporting - Preparation of Statewide Accounting Records and Comprehensive Annual Financial Report (CAFR) Comptroller General's Office

Criteria: Section 1.6, An Overview of the Year-End Reporting Process, of the Comptroller General's Reporting Policies and Procedures Manual, states, "The Comptroller General's Office will use SCEIS functionality to compile the statewide financial statements. Specifically, they will evaluate the completeness of SCEIS and identify and post entries necessary for GAAP compliance in SCEIS." This policy acts as a control over financial reporting for the State's financial statements.

Condition: Internal controls over financial reporting were inadequate to prevent or detect material misstatements during the preparation of the State's Comprehensive Annual Financial Report (CAFR) and in the supporting accounting records, requiring the Comptroller General's Office (CGO) to post adjustments to the State's CAFR.

Context: The CGO is responsible for compilation of the CAFR from reporting packages and audited financial statements submitted from State agencies. There were two misstatements in the compilation of the CAFR which were not detected or corrected by the CGO supervisory staff during the review process and as a result, audit adjustments were recorded.

Cause: These errors were not detected during CGO supervisory staff review.

Effect: Amounts included in the financial statements were inaccurate, as a result, material audit adjustments were required.

Recommendation: We recommend the CGO review its procedures over recording adjustments related to other audited financial statements for inclusion in the statewide CAFR and make changes to strengthen its review procedures.

Views of Responsible Officials and Corrective Action Plan: See page 9 of Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for fiscal year end June 30, 2017 dated November 17, 2017 which can be found on the Office of the State Auditor's website.

SOUTH CAROLINA STATE TREASURER'S OFFICE (E16)

2017 – 002. Financial Reporting – South Carolina Enterprise Information System (SCEIS) Implementation of Cash, Cash Equivalents, and Investments - State Treasurer's Office

Criteria: The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA STATE TREASURER'S OFFICE (E16) (CONTINUED)

2017 – 002. Financial Reporting – South Carolina Enterprise Information System (SCEIS) Implementation of Cash, Cash Equivalents, and Investments - State Treasurer's Office (Continued)

Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the State's ability to ensure financial transactions are authorized and accurate. The preparation of reconciliations between ledgers and sub-ledgers is a key component of an entity's internal control framework.

Condition: As of June 30, 2017 the reconciliation of internal activity related to cash and investments included in the South Carolina Enterprise Information System (SCEIS) had not been completed.

Context: During fiscal year 2016 the State Treasurer's Office (STO) converted legacy systems used to account for cash, cash equivalents and investments to SCEIS. The STO had reconciled and agreed total cash and investment balances to external financial institutions at year end. However, internal transactions recorded as part of the conversion process had not been completely reconciled and amounts reclassified as necessary. As a result, journal entries were required to be posted in order to compile the State's CAFR and to validate that cash and investments were correctly reported. These journal entries did not change total cash balances as originally reported by the STO.

Cause: Conversion entries related to cash and investments within SCEIS have not been fully completed.

Effect: Inadequate reconciliation may prevent management from identifying material misstatements, due to error or fraud. For fiscal year 2017, journal entries were required to be posted to compile the State's CAFR.

Recommendation: We recommend the STO complete its conversion entries related to cash and investments in order to verify that all activity be reconciled and appropriately adjusted.

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See page 11 of Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for fiscal year end June 30, 2017 dated November 17, 2017.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2017

SOUTH CAROLINA ADJUTANT GENERAL'S OFFICE (E24)/DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)/DEPARTMENT OF SOCIAL SERVICES (L04)/DEPARTMENT OF PUBLIC SAFETY (K05)/DEPARTMENT OF EMPLOYMENT AND WORKFORCE (R60)

2017 – 003. Financial Reporting – Reporting of Grant Receivables and Unearned Grant Revenue – Adjutant General's Office/Department of Health and Human Services Department of Social Services/Department of Public Safety/Department of Employment and Workforce

Criteria: Grant receivables and unearned revenue should be calculated at the individual grant award level, as determined by the original award document from the grantor, in order to accurately capture the grant receivable and unearned grant revenue balances as of the fiscal year end. In order to properly report receivable and unearned revenue balances cash receipts must be posted against the correct account.

Internal control procedures affect an agency's ability to process financial transactions that are authorized and accurate. Section 1.7 of the Comptroller General's Reporting Policies and Procedures Manual states, "Each agency's executive director and finance director are responsible for submitting to the Comptroller General's Office reporting packages that are accurate and prepared in accordance with instructions, complete, and timely." This requirement acts as a control over financial reporting for the State's financial statements.

Condition: We noted grants that had both receivable and unearned revenue amounts reported in the general ledger.

Context: Cash receipts or expenditure activity for several grants were not properly recorded, these errors created a receivable balance in one subledger and unearned revenue in another subledger account, which caused overstated asset and liability balances by the amounts reported below:

Agency	Total
Adjutant General's Office	\$4,886,714
Department of Health and Human Services	2,303,990
Department of Social Services	12,138,667
Department of Public Safety	1,033,800
Department of Employment and Workforce	1,190,290

Cause: There was a lack of adequate review by supervisory personnel that failed to detect the overstatements. The agencies record revenue and receivables by Catalog of Federal Domestic Assistance (CFDA) number and grant year in a subledger account when expenditures are incurred. When cash is received by the State Treasurer's Office the agencies research these cash receipts and then either posted against a receivable balance or record unearned revenue.

Effect: Agencies overstated the amount of grant receivables and unearned revenue balances by not properly recording grant transactions in the accounting system, resulting in a reclassification entry.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2017

SOUTH CAROLINA ADJUTANT GENERAL'S OFFICE (E24)/DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)/DEPARTMENT OF SOCIAL SERVICES (L04)/DEPARTMENT OF PUBLIC SAFETY (K05)/DEPARTMENT OF EMPLOYMENT AND WORKFORCE (R60) (CONTINUED)

2017 – 003. Financial Reporting – Reporting of Grant Receivables and Unearned Grant Revenue – Adjutant General's Office/Department of Health and Human Services Department of Social Services/Department of Public Safety/Department of Employment and Workforce (Continued)

Recommendation: We recommend that additional procedures and controls be developed and implemented to ensure that the grant managers are accurately reporting grant activity to the correct subledger within the general ledger and that grant activity is accurately reported in the reporting package in accordance with Section 1.7 of the manual referenced above.

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See pages 12 – 19 of Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards for fiscal year end June 30, 2017 dated November 17, 2017.

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)

2017 – 004. Matching, Level of Effort, Earmarking

Federal Agency: Department of Health and Human Services

Federal Program Title: Medicaid Cluster

CFDA No.: 93.775, 93.777, 93.778

Federal Grant ID Number: 05-1605SC5MAP, 05-1705SC5MAP

Pass-Through Entity: Not applicable

Award Period: October 1, 2015 through September 30, 2017

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: 42 CFR 433.10 (c) (1) states, "Under Section 1905 (a) (5) of the Act, the Federal share of State expenditures for family planning services is 90 percent." In addition, the Centers for Medicare & Medicaid Services (CMS) State Medicaid Director Letter 14-003 states in part, "...family planning related services are matched at the states' regular Federal medical assistance percentage."

Condition: The Department was not in compliance with the Federal matching requirement for family planning services or family planning related services.

Questioned Costs: None

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)
(CONTINUED)

2017 – 004. Matching, Level of Effort, Earmarking (Continued)

Context: We tested sixty individual claims to ensure the Department was in compliance with matching requirements. We determined the Department did not use the proper Federal financial participation rate for four of the six contraceptive services selected for testing as well as one of the three STI diagnosis services selected for testing.

This is a repeat finding from the FY16 Single Audit. The Department stated on its Summary Schedule of Prior Year Audit Findings that this issue was “Fully Corrected with previously Reported Corrective Action Implemented”. Due to this issue repeating for FY17, this issue has not been fully corrected.

Cause: Department personnel stated that errors within the Medicaid Management Information System (MMIS) as well as the utilization of the improper modifier caused contraceptive services and STI diagnosis services to map to the incorrect internal fund code and Federal financial participation rate

Effect: The Department’s control procedures did not detect the errors identified in our testing which could lead to further improper payments.

Recommendation: We recommend the Department correct the errors in MMIS to ensure compliance with the Federal matching requirement for family planning services and family planning related services.

Prior Year Single Audit Finding Number: 2016-014

Views of Responsible Offices and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 125.

2017 – 005. Documentation of Eligibility

Federal Agency: Department of Health and Human Services

Federal Program Title: Medicaid Cluster

CFDA No.: 93.775, 93.777, 93.778

Federal Grant ID Number: 05-1605SC5MAP, 05-1705SC5MAP

Pass-Through Entity: Not applicable

Award Period: October 1, 2015 through September 30, 2017

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)
(CONTINUED)

2017 – 005. Documentation of Eligibility (Continued)

Criteria: 42 CFR 435.914 (a) states, “The agency must include in each applicant’s case record facts to support the agency’s decision on his application.” In addition, Section 4.7 of the Department’s State Plan (Maintenance of Records) affirms that it meets the requirements outlined in 42 CFR 431.17 (b), which states, “A State plan must provide that the Medicaid agency will maintain or supervise the maintenance of records necessary for the proper and efficient operation of the plan.”

Condition: Eligibility files did not contain adequate documentation to support the Medicaid recipients’ eligibility statuses.

Questioned Costs: Unknown

Context: We tested sixty individual recipients to ensure the Department was in compliance with applicable eligibility requirements. We determined the Department did not maintain adequate documentation of eligibility for five Medicaid recipients.

Cause: The Department transitioned to an online eligibility system, the Medicaid Eligibility Determination System (MEDS), in July 2013. According to Department personnel, documentation in some of the paper files may not have been scanned into the system during the transition.

Effect: The Department could not support eligibility determinations in accordance with its State plan.

Recommendation: We recommend the Department maintain documentation to support its eligibility determinations in accordance with its State plan and Federal regulations.

Prior Year Single Audit Finding Number: 2016-015

Views of Responsible Offices and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 126.

2017 – 006. Discontinuation of Medicaid Benefits

Federal Agency: Department of Health and Human Services
 Federal Program Title: Medicaid Cluster
 CFDA No.: 93.775, 93.777, 93.778
 Federal Grant ID Number: 05-1605SC5MAP, 05-1705SC5MAP
 Pass-Through Entity: Not applicable
 Award Period: October 1, 2015 through September 30, 2017

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)
(CONTINUED)

2017 – 006. Discontinuation of Medicaid Benefits (Continued)

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: Section 4.32 of the Department's State Plan (Income and Eligibility Verification System) affirms that it meets the requirements outlined in 42 CFR 435.930 (b), which states in part, "The agency must...continue to furnish Medicaid regularly to all eligible individuals until they are found to be ineligible."

Condition: The Department did not discontinue the Medicaid benefits of ineligible recipients.

Questioned Costs: Undetermined

Context: We tested sixty individual recipients to ensure the Department was in compliance with applicable eligibility requirements. We determined the Department did not discontinue the Medicaid benefits of seven recipients on the dates they became ineligible.

Cause: The Department identified and input the dates the recipients were no longer eligible into the Medicaid Eligibility Determination System (MEDS) for six of the recipients; however, due to backlog in case processing and the continued prioritization of applications, an eligibility worker has not completed the closure process for these recipients. In addition, Department personnel incorrectly identified one recipient's eligibility start date for transitional Medicaid which caused benefits to continue past the maximum eligibility period of two years.

Effect: The Department is not in compliance with applicable eligibility requirements. In addition, Medicaid payments were made on behalf of ineligible recipients.

Recommendation: We recommend the Department discontinue the Medicaid benefits of ineligible recipients in accordance with its State plan and Federal regulations.

Prior Year Single Audit Finding Number: 2016-016

Views of Responsible Offices and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 127.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)
(CONTINUED)

2017 – 007. Annual Eligibility Reviews

Federal Agency: Department of Health and Human Services

Federal Program Title: Medicaid Cluster

CFDA No.: 93.775, 93.777, 93.778

Federal Grant ID Number: 05-1605SC5MAP, 05-1705SC5MAP

Pass-Through Entity: Not applicable

Award Period: October 1, 2015 through September 30, 2017

Type of Finding: Material weakness in internal control over compliance, material noncompliance

Criteria: Section 2.1 of the Department's State Plan (Application, Determination of Eligibility and Furnishing Medicaid) affirms that it meets the requirements outlined in 42 CFR Part 435.916, which states in part, "the agency must promptly determine eligibility between regular renewals of eligibility." In addition, Section 101.10 of the South Carolina Medicaid Policies and Procedures Manual states that the Department must complete an annual review for payment categories 15, 32, 40, and 57. The Manual also states the annual review requirement for payment category 54 is to: "Annually, pull SDX and file in case record to confirm continued SSI eligibility".

Condition: The Department did not perform annual eligibility reviews for Medicaid recipients in accordance with Section 101.10 of the South Carolina Medicaid Policies and Procedures Manual.

Questioned Costs: Unknown

Context: We tested sixty individual recipients to ensure the Department was in compliance with applicable eligibility requirements. We determined the Department did not comply with the annual review requirement for fourteen Medicaid recipients (payment categories 15, 32, 40, 54, and 57).

Cause: Department personnel stated they did not comply with the annual review requirement for these recipients due to backlog in case processing and the continued prioritization of applications.

Effect: In the absence of an annual review, Medicaid recipients may continue to receive benefits without meeting eligibility requirements.

Recommendation: We recommend the Department ensure that eligibility reviews are performed annually in accordance with the South Carolina Medicaid Policies and Procedures Manual.

Prior Year Single Audit Finding Number: 2016-017

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)
(CONTINUED)

2017 – 007. Annual Eligibility Reviews (Continued)

Views of Responsible Offices and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 127.

2017 – 008. Reporting

Federal Agency: Department of Health and Human Services

Federal Program Title: Medicaid Cluster

CFDA No.: 93.775, 93.777, 93.778

Federal Grant ID Number: Various

Pass-Through Entity: Not applicable

Award Period: July 1, 2016 through June 30, 2017

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: Section 4.6 of the Department's State Plan (Reports) affirms that it meets the requirements outlined in 42 CFR 431.16, which states in part, "the Medicaid agency will...comply with any provision that the Secretary finds necessary to verify and assure the correctness of the reports."

Condition: The Department could not provide documentation to support various amounts reported for federal fiscal years 2013 and 2014 on the 'Allocation of Disproportionate Share Hospital Payment Adjustments of Applicable FFYs' form (Form CMS 64.9D) of the quarterly CMS-64 report.

Questioned Costs: Unknown

Context: We tested one quarterly CMS-64 submission from fiscal year 2017 to ensure the reasonableness and accuracy of the report and were unable to verify the amounts reported on Form 64.9D.

Cause: Department personnel stated various adjustments were made during fiscal year 2017 in an attempt to correct errors identified in prior periods; however, adequate records of those adjustments were not maintained.

Effect: Reporting amounts on the CMS-64 that are not supported by adequate documentation may result in the improper calculation and issuance of quarterly grant awards.

Recommendation: We recommend the Department strengthen its policies and procedures to ensure the amounts reported on quarterly reports are accurate and supported by documentation and that such support is properly maintained.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)
(CONTINUED)

2017 – 008. Reporting (Continued)

Prior Year Single Audit Finding Number: Not applicable

Views of Responsible Offices and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 128.

SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E24)

2017 – 009. Allowable Costs/Cost Principles

Federal Agency: Department of Homeland Security

Federal Program Title: Disaster Grants – Public Assistance (Presidentially Declared Disasters)

CFDA No.: 97.036

Federal Grant ID Number: FEMA-4286-DR-SC

Pass-Through Entity: Not applicable

Type of Finding: Material weakness in internal control over compliance, material noncompliance

Criteria: 2 CFR 200.510 (b) (3) requires the auditee to prepare a schedule of expenditures of Federal awards for the period covered which provides total awards expended for each individual Federal program.

Condition: Program expenditures reported by the Office for the schedule of expenditures of Federal awards was overstated and required an audit adjustment.

Questioned Costs: None.

Context: State agencies prepare a schedule of Federal financial assistance as the basis for the State's schedule of expenditures of Federal awards. In agreeing the Office's schedule to the accounting records, several discrepancies were noted, including an overstatement of approximately \$4.2 million.

Cause: The report generated from the accounting system and used by the Office to report program expenditures included the recognition of expenditures for an amount transferred from one division of the Office to another division of the Office and spent by the receiving division.

Effect: The total expenditures reported by the office required an audit adjustment of approximately \$4.2 million to the schedule of expenditures of Federal awards.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E24) (CONTINUED)

2017 – 009. Allowable Costs/Cost Principles (Continued)

Recommendation: We recommend that Office policies and procedures are put into place to ensure that expenditures reported on its schedule of Federal financial assistance accurately report the total awards expended by the Office for each individual Federal program.

Prior Year Single Audit Finding Number: 2016-020.

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 129.

2017 – 010. Subrecipient Monitoring

Federal Agency: Department of Homeland Security

Federal Program Title: Disaster Grants – Public Assistance (Presidentially Declared Disasters)

CFDA No.: 97.036

Federal Grant ID Number: FEMA-4241-DR-SC

Pass-Through Entity: Not applicable

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: Per 2 CFR 200.331 (f), all pass-through entities must verify that every subrecipient is audited as required by Subpart F – Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the fiscal year equaled or exceeded the threshold set forth in 200.501 Audit requirements.

2 CFR 200.331 (d) (1) (2) requires the pass-through entity to review the audit reports required of the subrecipient and follow-up as necessary.

Condition: Documentation was not adequate to demonstrate that the pass-through entity verified every applicable subrecipient was audited as required.

Questioned Costs: Unknown.

Context: For two the of thirty subrecipients randomly selected for testing, a Single Audit was completed but no documentation was provided to show that the Single Audit had been verified and reviewed by the Office.

Cause: Office documentation requirements lack adequate evidence that Single Audits of all subrecipients were verified and reviewed as required.

Effect: Full compliance with subrecipient monitoring requirements could not be demonstrated.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E24) (CONTINUED)

2017 – 010. Subrecipient Monitoring (Continued)

Recommendation: We recommend that the Office ensure policies and procedures are in place to ensure documentation clearly supports the collection and review of all required Single Audit reports of its subrecipients.

Prior Year Single Audit Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 129.

2017 – 011. Period of Performance

Federal Agency: Department of Defense

Federal Program Title: National Guard Military Operations and Maintenance (O&M) Projects

CFDA No.: 12.401

Federal Grant ID Number: W912QG-16-2-1001 and W912QG-16-2-1025

Pass-Through Entity: Not applicable

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: 2 CFR 200.309 states, in part, a non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance.

NGR 5-1 requires the recipient to provide a detailed listing of unliquidated claims and undisbursed obligations which will remain 90 days after the close of the Federal fiscal year. Costs incurred which are not disclosed, except those costs associated with unliquidated claims and undisbursed obligations which the recipient has reported, shall not be eligible for reimbursement.

Condition: Expenditures which were not included on the detailed listing of unliquidated claims and undisbursed obligations were being recorded to the grant beyond 90 days after the close of the Federal fiscal year.

Questioned Costs: Undetermined.

Context: Forty transactions recorded to grants more than 90 days after the close of the Federal fiscal year were randomly selected for testing. Sixteen of those forty transactions were for payments not included on the detailed listing of unliquidated claims and undisbursed obligations submitted by the Office.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E24) (CONTINUED)

2017 – 011. Period of Performance (Continued)

Cause: Policies and procedures were not in place to prevent recording certain transactions to the grants more than 90 days after the close of the Federal fiscal year.

Effect: Failure to prevent the recording of these transactions to a grant, more than 90 days after the close of the Federal fiscal year, increases the risk of charging the grant for cost which is not eligible for reimbursement.

Recommendation: We recommend that the Office prepare adjusting journal entries as necessary, to ensure that grants have only reported/approved charges recorded. We also recommend that policies and procedures are put into place to ensure that recording charges to grants more than 90 days after the close of the Federal fiscal year only include charges which were reported on the detailed listing of unliquidated claims and undisbursed obligations.

Prior Year Single Audit Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 129.

2017 – 012. Procurement, Suspension and Debarment

Federal Agency: Department of Defense

Federal Program Title: National Guard Military Operations and Maintenance (O&M) Projects

CFDA No.: 12.401

Federal Grant ID Number: Various

Pass-Through Entity: Not applicable

Type of Finding: Significant deficiency in internal control over compliance

Criteria: Per 2 CFR 200.317, when procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds.

Per 2 CFR 300.318 (h), the non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement.

Condition: Of twenty-four procurement contracts randomly selected for testing, one lacked adequate documentation necessary to comply with state procurement policy, and six lacked evidence of a verification process ensuring that the party was not suspended or debarred.

Questioned Costs: None.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA OFFICE OF THE ADJUTANT GENERAL (E24) (CONTINUED)

2017 – 012. Procurement, Suspension and Debarment (Continued)

Context: Adequate written justification was not completed in accordance with state procurement policy for one unique noncompetitive contract. Additionally, a variety of contracting methods are utilized by the Office, based on circumstance, and some of the methods include a process to verify that vendors awarded contracts from federal funds are not suspended or debarred, but some methods do not.

Cause: Office policies failed to ensure that all contracting was completed in accordance with state policy as well as to ensure that a process is in place to verify that parties awarded contracts from federal funds are not suspended or debarred for all methods of contracting.

Effect: Full compliance with all procurement, suspension and debarment requirements could not be demonstrated.

Recommendation: We recommend that the Office ensure that effective operating policies and procedures are in place to ensure compliance with state procurement policy for all contracts and that each method include a process to verify that parties awarded contracts are not suspended or debarred prior to entering into a covered transaction.

Repeat Finding: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 130.

SOUTH CAROLINA DEPARTMENT OF EDUCATION (H63)

2017 – 013. Subrecipient Monitoring

Federal Agency: Department of Education

Federal Program Title: Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)

CFDA No.: 84.367

Federal Grant ID Number: S367A140038, S367A150038, S367A160038

Pass-Through Entity: Not applicable

Award Period: July 1, 2014 through September 30, 2017

Type of Finding: Significant deficiency in internal control over compliance

Criteria: Per 2 CFR § 200.331 (d) all pass-through entities must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, subaward; and that subaward performance goals are achieved.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF EDUCATION (H63) (CONTINUED)

2017 – 013. Subrecipient Monitoring (Continued)

Condition: Subrecipients were not monitored within the timeframe established by the Department's rotation schedule in the program's policies and procedures.

Questioned Costs: Unknown

Context: For 9 of the 13 subrecipients selected for testing, monitoring was performed outside of the time period required in accordance with the Department's rotation plan and risk assessment. The monitoring was required to be completed by June 30, 2017, and the monitoring for the 9 selections was completed subsequent to that period, through January 31, 2018.

Cause: The Department did not perform subrecipient monitoring in a time period in accordance with their policies and procedures.

Effect: Noncompliance could exist but not be detected in a timely manner.

Recommendation: We recommend that the Department strengthen internal controls to ensure that all subrecipient monitoring procedures are being performed within the Department's established rotation plan.

Prior Year Single Audit Report Finding Number: 2016-005

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 132.

2017 – 014. Cash Management

Federal Agency: Department of Education

Federal Program Title: Special Education Cluster (IDEA); Career and Technical Education (Perkins IV)

CFDA No.: 84.027 and 84.173; 84.048

Federal Grant ID Number: H027A140081, H027A150081, H027A160081, H173A140085, H173A150085, H173A160085; V048A140040, V048A150040, V048A160040

Pass-Through Entity: Not applicable

Award Period: Various

Type of Finding: Significant deficiency in internal control over compliance

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF EDUCATION (H63) (CONTINUED)

2017 – 014. Cash Management (Continued)

Criteria: Per 2 CFR § 200.333 Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or passthrough entity in the case of a subrecipient.

Condition: The Department did not retain documentation from their financial management system to support the level of expenses prompting a drawdown of funds.

Questioned Costs: None

Context: For 3 of the 82 drawdowns selected for testing, it was noted that there was no documentation maintained to support the level of expenditures prompting the drawdown of funds. The exceptions noted occurred prior to the implementation of the corrective action plan to respond to the prior year finding. Samples tested subsequent to the implementation of the corrective action plan were noted to have proper documentation maintained to support the level of expenditures prompting the drawdown of funds. We were able to verify the compliance of drawdowns in total, separate from our individual selections.

Cause: The Department did not follow their policies and procedures regarding the maintenance of documentation for each Federal reimbursement draw request.

Effect: The Department may draw funds that are not supported by the actual level of expenses.

Recommendation: We recommend that the Department continue with their policies/procedures to ensure that proper documentation is maintained to support the level of expenses prompting a drawdown of funds.

Prior Year Single Audit Report Finding Number: 2016-012

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 133.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF EDUCATION (H63) (CONTINUED)

2017 – 015. Subrecipient Monitoring

Federal Agency: Department of Education

Federal Program Title: Title I Grants to Local Educational Agencies

CFDA No.: 84.010

Federal Grant ID Number: S010A140040, S010A150040, S010A160040

Pass-Through Entity: Not applicable

Award Period: July 1, 2014 through September 30, 2017

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: Per 2 CFR § 200.331 (d) all pass-through entities must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

Condition: The Department did not perform monitoring during the audit period in accordance with their rotation schedule.

Questioned Costs: Unknown

Context: For 1 of the 13 subrecipients selected for testing, monitoring was not conducted in accordance with the Department's rotation schedule for the program as indicated in their risk assessment plan.

Cause: The Department did not perform subrecipient monitoring in accordance with their policies and procedures.

Effect: The Department is not in compliance with its federal subrecipient monitoring requirements.

Recommendation: We recommend that the Department follow its established rotation plan to ensure periodic monitoring is performed for all subrecipients.

Prior Year Single Audit Report Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 134.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF EDUCATION (H63) (CONTINUED)

2017 – 016. Earmarking

Federal Agency: Department of Education

Federal Program Title: Twenty-First Century Community Learning Centers

CFDA No.: 84.287

Federal Grant ID Number: S287C160041

Pass-Through Entity: Not applicable

Award Period: July 1, 2016 through September 30, 2017

Type of Finding: Significant deficiency in internal control over compliance

Criteria: Per 2 CFR § 200.303 Internal controls, the non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition: The Department failed to identify the incorrect budgetary journal entry causing the award allocation to be budgeted in excess of the federal allocation.

Questioned Costs: None

Context: For 1 of the 3 program award allocations active during fiscal year 2017, it was noted that the total amount budgeted was in excess of the total federal allocation. The Department relies on this budgetary process within their financial management system to monitor program spending and compliance with the various earmarking requirements.

Cause: The Department's internal control processes for monitoring budgetary journal entries to grant awards within their financial management system did not identify the journal entry error.

Effect: The Department may expend program funds in excess of their federal allocation which would require additional state resources to cover these costs.

Recommendation: We recommend that the Department review its internal control procedures related to the processing of budgetary journal entries and consider implementing additional procedures to ensure that all journal entries posted to the financial management system are accurate.

Prior Year Single Audit Report Finding Number. Not applicable

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF EDUCATION (H63) (CONTINUED)

2017 – 016. Earmarking (Continued)

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 135.

2017 – 017. Subrecipient Monitoring

Federal Agency: Department of Education

Federal Program Title: Career and Technical Education (Perkins IV)

CFDA No.: 84.048

Federal Grant ID Number: V048A140040, V048A150040, V048A160040

Pass-Through Entity: Not applicable

Award Period: July 1, 2014 through September 30, 2017

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: Per 2 CFR § 200.331 (d) all pass-through entities must monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

Condition: The Department did not perform monitoring during the audit period in accordance with their program policies and procedures.

Questioned Costs: Unknown

Context: For 1 of the 19 subrecipients selected for testing, monitoring was not conducted in accordance with the Department's policies and procedures for the program.

Cause: The Department did not perform subrecipient monitoring in accordance with their policies and procedures.

Effect: The Department is not in compliance with its federal subrecipient monitoring requirements.

Recommendation: We recommend that the Department follow its established policies and procedures for the program to ensure periodic monitoring is performed for all subrecipients.

Prior Year Single Audit Report Finding Number. 2016-007

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF EDUCATION (H63) (CONTINUED)

2017 – 017. Subrecipient Monitoring (Continued)

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 136.

2017 – 018. Reporting

Federal Agency: Department of Education

Federal Program Title: Career and Technical Education (Perkins IV)

CFDA No.: 84.048

Federal Grant ID Number: V048A140040, V048A150040, V048A160040

Pass-Through Entity: Not applicable

Award Period: July 1, 2014 through September 30, 2017

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award requires compliance with the provisions of monitoring and reporting program performance. The Department should have internal controls designed to ensure compliance with those provisions.

Condition: The Financial Status Report (Part C) for the Consolidated Annual Report for Carl D. Perkins Career and Technical Education Act of 2006 (CAR) that was submitted to the US Department of Education contained errors in the financial information reported.

Questioned Costs: None

Context: The Department reported incorrect data on the Interim and Final Reports for the Net Outlays to Date and Non-Federal Share of Outlays. The Department's internal controls did not detect the error.

Cause: The Department's internal controls failed to detect the error prior to submission.

Effect: The Department is not in compliance with its federal reporting requirements.

Recommendation: We recommend that the Department implement a process to ensure that the required reports are accurate and complete in accordance with the provisions for the award.

Prior Year Single Audit Report Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 137.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2017

DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL (J04); SOUTH CAROLINA DEPARTMENT OF NATURAL RESOURCES (P24); SOUTH CAROLINA SEA GRANTS CONSORTIUM (P26)

2017 – 019. Procurement, Suspension and Debarment

Federal Agency: Various

Federal Program Title: Research and Development Cluster

CFDA No.: Various

Federal Grant ID Number: Various

Pass-Through Entity: Various

Award Period: Various

Type of Finding: Material weakness in internal control over compliance

Criteria: Per 2 CFR § 200.318 (h) the non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement.

Condition: The State does not have a process to verify that all outside entities are not suspended or debarred prior to entering into a covered transaction.

Questioned Costs: None

Context: The State was deemed to be in compliance with these provisions for the audit period; however, no internal control process was noted to be in place to ensure such compliance for all vendors. For 12 of the 14 procurements selected for testing, there were no procedures performed to verify outside entities were not suspended or debarred.

Cause: The State has not implemented a process to verify that vendors awarded contracts from federal funds were not suspended or debarred.

Effect: The State may enter into a covered transaction with a contractor that is suspended or debarred.

Recommendation: We recommend that the State implement a process to verify that all vendors awarded contracts from federal funds are not suspended or debarred prior to entering into a covered transaction.

Prior Year Single Audit Report Finding Number: 2016-030

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plans at pages 144, 146 and 151.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF NATURAL RESOURCES (P24); SOUTH CAROLINA SEA GRANTS CONSORTIUM (P26)

2017 – 020. Subrecipient Monitoring

Federal Agency: Various

Federal Program Title: Research and Development Cluster

CFDA No.: Various

Federal Grant ID Number: Various

Pass-Through Entity: Various

Award Period: Various

Type of Finding: Material weakness in internal control over compliance, material noncompliance

Criteria: Per 2 CFR § 200.330 a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor.

Additionally, per 2 CFR § 200.331 all pass-through entities must: (a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes all of the required information at the time of the subaward (b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraph (e) of this section, (c) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in § 200.207 Specific conditions. (d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. (f) Verify that every subrecipient is audited as required by Subpart F— Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501 Audit requirements. (g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records. (h) Consider taking enforcement action against noncompliant subrecipients as described in § 200.338 Remedies for noncompliance of this part and in program regulations.

Condition: The Department and Consortium do not have the necessary policies and procedures in place regarding subrecipient monitoring to facilitate compliance with federal requirements.

Questioned Costs: Unknown

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF NATURAL RESOURCES (P24); SOUTH CAROLINA SEA GRANTS CONSORTIUM (P26) (CONTINUED)

2017 – 020. Subrecipient Monitoring (Continued)

Context: For 10 of the 10 subrecipients selected for testing, monitoring procedures were not completed to satisfy the federal requirements.

Cause: The Department and Consortium have not established subrecipient monitoring policies and procedures to facilitate compliance with federal requirements.

Effect: The Department and Consortium are not in compliance with the Federal subrecipient monitoring requirements.

Recommendation: We recommend that the Department and Consortium implement policies and procedures to facilitate compliance with federal subrecipient monitoring requirements.

Prior Year Single Audit Report Finding Number: 2016-024

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plans at pages 147 and 151.

SOUTH CAROLINA SEA GRANTS CONSORTIUM (P26)

2017 – 021. Cash management

Federal Agency: Various

Federal Program Title: Research and Development Cluster

CFDA No.: Various

Federal Grant ID Number: Various

Pass-Through Entity: Various

Award Period: Various

Type of Finding: Material weakness in internal control over compliance

Criteria: Per 2 CFR § 200.303 (a) the non-Federal entity must Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition: The Consortium does not have adequate internal controls in place regarding the reimbursement request process.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA SEA GRANTS CONSORTIUM (P26) (CONTINUED)

2017 – 021. Cash management (Continued)

Questioned Costs: None

Context: The State was deemed to be in compliance with these provisions for the audit period; however, no internal control process was noted to be in place to ensure such compliance. For 60 of the 60 reimbursement requests selected for testing, it was noted that there was no review process in place to ensure the appropriate amount was requested based on allowable expenses.

Cause: The Consortium has not implemented policies and procedures to ensure that reimbursement requests are proper and for allowable costs.

Effect: The Consortium may request funds that are not supported by the actual level of allowable expenses.

Recommendation: We recommend that the Consortium implement internal controls regarding the reimbursement request process.

Prior Year Single Audit Report Finding Number: 2016-025

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 147.

2017 – 022. Activities allowed or unallowable and allowable costs/cost principles

Federal Agency: Various

Federal Program Title: Research and Development Cluster

CFDA No.: Various

Federal Grant ID Number: Various

Pass-Through Entity: Various

Award Period: Various

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: Per 2 CFR § 200.430 (a) Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees: (1) Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities; (2) Follows an appointment made in accordance with a non-Federal entity's laws and/or rules or written policies and meets the requirements of Federal statute, where applicable; and (3) Is determined and supported as provided in paragraph (i) of this section, Standards for Documentation of Personnel Expenses, when applicable.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA SEA GRANTS CONSORTIUM (P26) (CONTINUED)

2017 – 022. Activities allowed or unallowable and allowable costs/cost (Continued)

Condition: The Consortium does not have adequate review and approval processes in place regarding the payroll and human resource functions. Additionally, there is no process in place to document time and effort devoted to grants for salaried employees.

Questioned Costs: \$95,446

Context: The Consortium does not have policies and procedures in place related to the review of employee payroll and pay rates. For 45 of the 60 expenses selected for testing, it was noted that there was inadequate documentation maintained to support the work performed to the designated grant.

Cause: The Consortium does not have adequate processes/procedures or internal control structure in place to ensure compliance with requirements.

Effect: The Consortium may charge a grant for unrelated payroll expenses.

Recommendation: We recommend that the Consortium implement policies/procedures to ensure that adequate documentation is maintained to support payroll charges to grants.

Prior Year Single Audit Report Finding Number: 2016-026

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 148.

SOUTH CAROLINA SEA GRANTS CONSORTIUM (P26) (CONTINUED)

2017 – 023. Matching

Federal Agency: Various

Federal Program Title: Research and Development Cluster

CFDA No.: Various

Federal Grant ID Number: Various

Pass-Through Entity: Various

Award Period: Various

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: Per 2 CFR § 200.306 (b) For all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria: (1) Are verifiable from the non-Federal

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA SEA GRANTS CONSORTIUM (P26) (CONTINUED)

2017 – 023. Matching (Continued)

entity's records; (2) Are not included as contributions for any other Federal award; (3) Are necessary and reasonable for accomplishment of project or program objectives; (4) Are allowable under Subpart E— Cost Principles of this part; (5) Are not paid by the Federal government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs; (6) Are provided for in the approved budget when required by the Federal awarding agency; and (7) Conform to other provisions of this part, as applicable.

Condition: The Consortium did not maintain proper documentation to support the dollar value of donated supplies actually received from third parties.

Questioned Costs: \$77,535

Context: For 1 of 2 grants selected for testing that had matching requirements, it was noted that volunteer services and donated supplies used to fulfill the matching requirements were not verifiable from the Consortium's records.

Cause: The Consortium does not have policies and procedures to ensure that verifiable records are maintained to support volunteer services and donated supplies used to fulfill matching requirements.

Effect: The Consortium may not meet designated matching requirements.

Recommendation: We recommend the Consortium implement policies and procedures to ensure verifiable records are maintained for all volunteer services and donated supplies used to fulfill matching requirements.

Prior Year Single Audit Report Finding Number: 2016-027

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 149.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF NATURAL RESOURCES (P24)

2017 – 024. Cash Management

Federal Agency: Various

Federal Program Title: Research and Development Cluster

CFDA No.: Various

Federal Grant ID Number: Various

Pass-Through Entity: Various

Award Period: Various

Type of Finding: Significant deficiency in internal control over compliance

Criteria: Per 2 CFR § 200.333 Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or passthrough entity in the case of a subrecipient.

Condition: Documentation from the Department's financial management system to support the level of expenses prompting a drawdown of funds was not readily available due to their lack of standardized policies/procedures in the area.

Questioned Costs: None

Context: The State was deemed to be in compliance with these provisions for the audit period; however, standardized internal control processes did not exist to ensure that the relevant documentation was readily available to support compliance.

Cause: The Department has not implemented a process to maintain documentation supporting each reimbursement request.

Effect: The Department may draw funds in excess of the allowable expenses.

Recommendation: We recommend that the Department implement a process to ensure that proper and consistent documentation is maintained to support the level of expenses prompting a drawdown of funds. This documentation must be readily available upon request.

Prior Year Single Audit Report Finding Number: 2016-028

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 152.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04)

2017 – 025. Reporting

Federal Agency: Department of Health and Human Services

Federal Program Title: Child Support Enforcement

CFDA No.: 93.563

Federal Grant ID Number: G-1504SCCSES, G-1604SCCSES, G-1704SCCSES

Pass-Through Entity: Not applicable

Award Period: October 1, 2014 through September 30, 2017

Type of Finding: Material weakness in internal control over compliance, material noncompliance

Criteria: Section 454 (24) (B) of the Social Security Act (the Act), as amended, by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), requires states to have an operational automated data processing and information retrieval system for child and spousal support. The system must be in place by October 1, 1997, and meet all the requirements of paragraph (16) of the Act. The secretary of the U.S. Department of Health and Human Services (USDHHS) must approve the system.

Condition: The automated data processing and information retrieval system has not been implemented.

Questioned Costs: Unknown

Context: The Department did not implement the automated data processing and information retrieval system as required by Section 454 (24) (B). As a result, the Department received a letter from the USDHHS Division of Administration for Children and Families (ACF), dated January 27, 1998, providing formal notice that ACF intends to “disapprove South Carolina’s State IV-D Plan.” The letter states that the basis for this decision is “South Carolina’s failure to submit a State plan amendment by December 31, 1997, certifying that it is operating an automated child support enforcement system that meets all the requirements enacted on or before the date of enactment of the Family Support Act in accordance with Section 454 (24) (A) of the Act, as amended by the PRWORA.” The Department and USDHHS have reached an agreement in which the Department pays penalties to USDHHS for their noncompliance. Because the automated information and retrieval system has not yet been implemented, certain data necessary for proper completion of the OCSE 34A financial report is not available. The Department used the best available data and estimates in completing the report but we could not attest to the accuracy of that data.

Cause: The Department has contracted with an outside vendor to implement an automated data processing and information retrieval system, but implementation did not occur during 2017.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04) (CONTINUED)

2017 – 025. Reporting (Continued)

Effect: Certain data necessary for proper completion of the OCSE 34A financial report is not available and as a result the Department is not in compliance with its Federal requirements.

Recommendation: We recommend that the Department continue its progress in implementing a data processing and retrieval system that complies with Section 454 (24) (B) of the Act.

Prior Year Single Audit Report Finding Number: 2016-018.

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 153.

2017 – 026. Subrecipient Monitoring

Federal Agency: U.S. Department of Agriculture

Federal Program Title: Child and Adult Care Food Program

CFDA No.: 10.558

Federal Grant ID Number: 5SC300329

Pass-Through Entity: Not applicable

Award Period: October 1, 2013 through September 30, 2017

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: Per 7 CFR § 226.6(m)(6) the State agency must annually review at least 33.3 percent of all institutions.

Condition: The Department did not review the minimum quantity of institutions and facilities receiving program assistance to meet the 33.3 percent during the year.

Questioned Costs: Unknown

Context: The Department provided assistance to 350 institutions and facilities subject to this requirement during 2017. In order to meet the 33.3% requirement, the Department should have reviewed 117 institutions and facilities. During 2017, the Department reviewed 109 institutions and facilities, which is 8 below the requirement.

Cause: The Department's internal controls were not effective in detecting an incorrect quantity of institutions and facilities used by the Department in monitoring the minimum review requirement.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04) (CONTINUED)

2017 – 026. Subrecipient Monitoring (Continued)

Effect: The Department is not in compliance with federal requirements related to subrecipient monitoring.

Recommendation: We recommend that the Department strengthen its internal controls and processes to ensure that the proper amount of institutions and facilities are being monitored each year.

Prior Year Single Audit Report Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 154.

2017 – 027. Reporting

Federal Agency: Department of Health and Human Services

Federal Program Title: Temporary Assistance for Needy Families

CFDA No.: 93.558

Federal Grant ID Number: G-1502SCTANF, G-1602SCTANF, G-1702SCTANF

Pass-Through Entity: Not applicable

Award Period: October 1, 2014 through September 30, 2017

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: Per 2 CFR § 200.510(b), the auditee must prepare a schedule of expenditures of federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended.

Condition: The schedule of expenditures of federal awards initially prepared by management did not include the correct amount of federal expenditures for the Temporary Assistance for Needy Families program.

Questioned Costs: None

Context: The Department receives awards which are federal in source and subject to 2 CFR Part 200 requirements. The Department did not report all 2017 expenditures for the Temporary Assistance for Needy Families program in the original schedule of expenditures of federal awards. The Department adjusted the expenditure total to correct the error.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04) (CONTINUED)

2017 – 027. Reporting (Continued)

Cause: The business warehouse for the statewide accounting system did not pull all of the data posted to the general ledger. The Department's internal controls did not detect an error in the business warehouse report used to compile the total expenditures for the program in their schedule of expenditures of federal awards.

Effect: The schedule of expenditures of federal awards was incomplete and required revisions to include federal expenditures for the program.

Recommendation: We recommend that the Department implement internal controls to monitor and reconcile the amount of expenditures it is reporting in the schedule of expenditures of federal awards to what is recorded in the general ledger.

Prior Year Single Audit Report Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 154.

2017 – 028. Activities Allowed or Unallowed & Allowable Costs/Cost Principles

Federal Agency: Department of Health & Human Services, U.S. Department of Agriculture
 Federal Program Title: Temporary Assistance for Needy Families, State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
 CFDA No.: 93.558, 10.561
 Federal Grant ID Number: G-1702SCTANF, 5SC400407
 Pass-Through Entity: Not applicable
 Award Period: October 1, 2016 through September 30, 2017
 Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: Per 45 CFR § 95.519, if costs under a Public Assistance program are not claimed in accordance with the approved cost allocation plan (except as otherwise provided in §95.517), or if the State failed to submit an amended cost allocation plan as required by §95.509, the costs improperly claimed will be disallowed.

Condition: The Department incorrectly calculated the composite base percentages for use in determining the amount of indirect costs to claim for each program.

Questioned Costs: Undetermined.

Context: For 2 of the 2 quarterly composite base calculations selected for testing, it was noted that certain bases were incorrectly calculated. For 1 quarter tested, it was noted

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04) (CONTINUED)

2017 – 028. Activities Allowed or Unallowed & Allowable Costs/Cost Principles (Continued)

that 3 of the 22 bases were incorrectly calculated. For the other quarter tested, it was noted that 2 of the 22 bases were incorrectly calculated.

Cause: The Department correctly calculated all original bases; however, when the original bases were carried forward to the composite bases, there was a miscalculation in some formulas causing incorrect percentages for use in determining the amount of indirect costs to claim.

Effect: Indirect costs were not claimed in accordance with their approved cost allocation plan.

Recommendation: We recommend that the Department review its internal control procedures related to the calculations of the quarterly composite base percentages to ensure that they are being performed accurately and in accordance with the approved cost allocation plan.

Prior Year Single Audit Report Finding Number. Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 155.

2017 – 029. Reporting

Federal Agency: Department of Health & Human Services

Federal Program Title: Temporary Assistance for Needy Families

CFDA No.: 93.558

Federal Grant ID Number: G-1502SCTANF, G-1602SCTANF, G-1702SCTANF

Pass-Through Entity: Not applicable

Award Period: October 1, 2014 through September 30, 2017

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: Per 45 CFR § 265.3(c) each State must file quarterly expenditure data on the State's use of Federal TANF funds.

Condition: The Department submitted an incorrect quarterly financial report.

Questioned Costs: None

Context: For 1 out of the 2 quarterly reports tested it was noted that expenditures were misstated.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04) (CONTINUED)

2017 – 029. Reporting (Continued)

Cause: The Department's internal controls did not detect an error in the system report used to compile the total expenditures for the program's quarterly financial report.

Effect: A submitted quarterly report contained incorrect program expenditures.

Recommendation: We recommend that the Department implement internal controls to monitor and reconcile the amount of expenditures that it is reporting on its quarterly reports to those posted within their financial management system.

Prior Year Single Audit Report Finding Number. Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 155.

2017 – 030. Reporting

Federal Agency: Department of Health and Human Services

Federal Program Title: Child Support Enforcement

CFDA No.: 93.563

Federal Grant ID Number: G-1504SCCSES, G-1604SCCSES, G-1704SCCSES

Pass-Through Entity: Not applicable

Award Period: October 1, 2014 through September 30, 2017

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: Per 45 CFR § 304.25(b) the due date for the submission of the quarterly statement of expenditures under §301.15 is 30 days after the end of the quarter.

Condition: The Department did not sign off and submit the required report within the 30 day timeframe.

Questioned Costs: None

Context: For 1 out of 2 quarterly reports tested, the report was submitted after the required 30 day timeframe.

Cause: The Department's internal controls failed to identify that the reporting deadline was approaching with no extension filed.

Effect: The Department did not submit quarterly expenditure reports timely in accordance with federal regulations.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04) (CONTINUED)

2017 – 030. Reporting (Continued)

Recommendation: We recommend that the Department strengthen its internal controls to monitor federal reporting deadlines to ensure that all reports are submitted timely.

Prior Year Single Audit Report Finding Number. Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 156.

2017 – 031. Period of Performance

Federal Agency: Department of Health & Human Services, U.S. Department of Agriculture
 Federal Program Title: Temporary Assistance for Needy Families, Child Support Enforcement, Supplemental Nutrition Assistance Program, Foster Care Title IV-E
 CFDA No.: 93.558, 93.658, 10.551, 10.561, 93.563
 Federal Grant ID Number: 5SC400407, G-1704SCCSES, G-1702SCTANF, G-1701SCFOST
 Pass-Through Entity: Not applicable
 Award Period: Various
 Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: Per 2 CFR § 200.309 a non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance and any costs incurred before the Federal awarding agency or passthrough entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity.

Condition: The Department incorrectly posted program expenses from a prior period to the new award allocations prior to the beginning of their periods of performance.

Questioned Costs: Unknown

Context: For one pay period that occurred prior to the start of the award period, the expenditures were charged to the program.

Cause: The Department's internal controls failed to identify that the transactions related to a period prior to the period of performance for the awards that they were charged.

Effect: The Department charged expenses to awards prior to their period of performance.

Recommendation: We recommend that the Department strengthen its internal control process for reviewing program expenses charged to federal awards to ensure they were incurred during the grant period of performance.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04) (CONTINUED)

2017 – 031. Period of Performance (Continued)

Prior Year Single Audit Report Finding Number. Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 156.

2017 – 032. Reporting

Federal Agency: Department of Health & Human Services, U.S. Department of Agriculture
 Federal Program Title: Child Support Enforcement, Child and Adult Care Food Program
 CFDA No.: 93.563, 10.558

Federal Grant ID Number: G-1504SCCSES, G-1604SCCSES, G-1704SCCSES, 5SC300329

Pass-Through Entity: Not applicable

Award Period: October 1, 2013 through September 30, 2017

Type of Finding: Material weakness in internal control over compliance, material noncompliance

Criteria: Per 2 CFR § 200.510(b), the auditee must prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502 basis for determining Federal awards expended. Per this section, the schedule must include the total amount provided to subrecipients from each Federal program.

Condition: The schedule of expenditures of federal awards initially prepared by management did not include the amount of program funds passed through to subrecipients.

Questioned Costs: None

Context: The Department receives awards which are federal in source and subject to 2 CFR Part 200 requirements. The Department did not report the program funds passed through to subrecipients during the year.

Cause: The Department did not report subrecipient expenditures for the year on their schedule of expenditures of federal awards.

Effect: The schedule of expenditures of federal awards did not include the amount of subrecipient expenditures for each program.

Recommendation: We recommend that the Department implement a process to collect and report the amount of program funds passed through to subrecipients during the year on their schedule of expenditures of federal awards.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04) (CONTINUED)

2017 – 032. Reporting (Continued)

Prior Year Single Audit Report Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 157.

2017 – 033. Reporting

Federal Agency: U.S. Department of Agriculture

Federal Program Title: Supplemental Nutrition Assistance Program

CFDA No.: 10.551

Federal Grant ID Number: None

Pass-Through Entity: Not applicable

Award Period: October 1, 2015 through September 30, 2017

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: Per 7 CFR § 274.4 the State agency shall review and submit Form FNS-46, Issuance Reconciliation Report, on a monthly basis. The State agency shall identify and report the number and value of all issuances which do not reconcile with the master issuance file.

Condition: The Department submitted a monthly Form FNS-46, Issuance Reconciliation Report to the granting agency that contained erroneous information.

Questioned Costs: None

Context: For 1 of the 4 monthly FNS-46 reports tested, it was noted that the report submitted to USDA contained incorrect issuance and return information.

Cause: The Department's internal controls failed to identify that the report contained incorrect information.

Effect: A submitted monthly report contained incorrect issuance and return information.

Recommendation: We recommend that the Department implement internal controls to monitor and reconcile the issuance and return information that it is reporting on its monthly reports to those posted within their master issuance file.

Prior Year Single Audit Report Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 157.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04) (CONTINUED)

2017 – 034. Special Tests and Provisions (Continued)

Federal Agency: U.S. Department of Agriculture

Federal Program Title: Supplemental Nutrition Assistance Program

CFDA No.: 10.551

Federal Grant ID Number: None

Pass-Through Entity: Not applicable

Award Period: October 1, 2015 through September 30, 2017

Type of Finding: Significant deficiency in internal control over compliance, nonmaterial noncompliance

Criteria: Per 7 CFR § 274.4 State agencies shall account for all issuance through a reconciliation process.

Condition: The Department's reconciliation process did not detect and investigate all variances that existed between the Department vendor's system and the granting agency's Automated Standard Application for Payments (ASAP) system.

Questioned Costs: None

Context: For 42 of 60 days' reconciliations selected for testing, there were discrepancies identified that were not properly followed up on and resolved.

Cause: The discrepancies in the daily reconciliations were a result of a formula error within the reconciliation spreadsheet. The Department's internal controls failed to identify all discrepancies that existed and perform follow up procedures for investigating and resolving the discrepancies.

Effect: Discrepancies identified through the reconciliation process are not being properly addressed in compliance with 7 CFR § 274.4.

Recommendation: We recommend that the Department implement internal controls to monitor that discrepancies identified during the reconciliation process are properly addressed in a timely manner and that the resolution be documented.

Prior Year Single Audit Report Finding Number: Not applicable

Views of Responsible Officials and Corrective Action Plan: Management agrees with the finding. See Corrective Action Plan at page 158.

Auditee Section

Summary Schedule of Prior Audit Findings

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017

Uniform Grant Guidance (2CFR Part 200) requires the auditee to prepare a Summary Schedule of Prior Audit Findings (Schedule). This Schedule identifies the status of all findings included in the prior audit's Schedule of Findings and Questioned Costs and the findings reported in the prior audit's Summary Schedule of Prior Audit Findings that were identified as unresolved or partially resolved.

For the findings associated with your agency, please select the appropriate response from the following list of current status options. Not all current status selections require comments, so please read each choice carefully before responding.

- **Fully Corrected with Previously Reported Corrective Action Implemented** - Select status if the finding is fully corrected by implementing the corrective action as previously reported. Additional comments are not required for findings with this status.
- **Fully Corrected with Significantly Differing Corrective Action Implemented** - Select status if the finding is fully corrected but, the corrective action that was implemented was significantly different than the corrective action originally reported. Comments should be provided below the status to explain the corrective action taken.
- **Partially Resolved** - Select status if the finding is only partially corrected. The planned corrective action that was implemented only partially corrected the deficiency and certain aspects of the problem remain; or only partial corrective action was taken during the fiscal year to correct the stated deficiency. Comments should be provided to describe the planned corrective action as well as the partial corrective action that was implemented during the fiscal year.
- **Unresolved** - Select status if the finding is not corrected. The planned corrective action was implemented but did not correct the deficiency and the stated condition remains; or no corrective action was taken to correct the problem. Comments should be provided to describe the planned corrective action.
- **Further Action Not Warranted** - The finding is no longer valid or does not warrant further action. Comments should be provided to explain the reason for this position. A federal award finding does not warrant further action when each of the following three situations has occurred:
 1. Two years have passed since the audit report containing the finding was submitted to the Federal Audit Clearinghouse;
 2. The federal agency or pass-through agency is not currently following up on the finding; and
 3. A management decision by the federal agency was not issued within six months of receipt of the report.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Agency Response	Auditor's Comment
<u>FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</u>							
<u>COMPREHENSIVE ANNUAL FINANCIAL REPORT</u>							
2016	43	2016-001	Financial Reporting	N/A	E12	Fully Corrected with Previously Reported Corrective Action Implemented	Per Auditor testing, this finding was not corrected, see Finding Number 2017-001
2016	44	2016-002	Financial Reporting	N/A	E16	Fully Corrected with Previously Reported Corrective Action Implemented	Per Auditor testing, this finding was not corrected, see Finding Number 2017-002
2016	45	2016-003	Financial Reporting	N/A	L04	Unresolved	See Finding Number 2017-003
2016	45	2016-003	Financial Reporting	N/A	K05	Unresolved	See Finding Number 2017-003
2016	45	2016-003	Financial Reporting	N/A	J02	Partially Resolved	See Finding Number 2017-003
<u>US DEPARTMENT OF EDUCATION</u>							
2015	117	2015-004	Special Tests and Provisions	84.126	H73	Fully Corrected with Previously Reported Corrective Action Implemented	Corrective Action is Ongoing
2016	46	2016-004	Subrecipient Monitoring	84.027 and 84.173	H63	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2016	48	2016-005	Subrecipient Monitoring	84.367	H63	Fully Corrected with Previously Reported Corrective Action Implemented	See Finding Number 2017-013
2016	49	2016-006	Subrecipient Monitoring	84.287	H63	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2016	50	2016-007	Subrecipient Monitoring	84.048	H63	Fully Corrected with Previously Reported Corrective Action Implemented	See Finding Number 2017-017

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Agency Response	Auditor's Comment
<u>FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</u>							
<u>US DEPARTMENT OF EDUCATION</u>							
2016	51	2016-008	Matching, Level of Effort, Earmarking	84.048	H63	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2016	52	2016-009	Activities Allowed or Unallowed & Allowable Costs/Cost Principles	84.027 and 84.173	H63	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2016	53	2016-010	Procurement and Suspension and Debarment	84.027, 84.173, and 84.048	H63	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2016	54	2016-011	Period of Performance	84.048	H63	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2016	55	2016-012	Cash Management	84.027, 84.173, 84.048, 84.367, and 84.287	H63	Fully Corrected with Previously Reported Corrective Action Implemented	See Finding Number 2017-014
2016	56	2016-013	Matching, Level of Effort, Earmarking	84.027 and 84.173	H63	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2016	68	2016-023	Reporting	84.126	L24	Partially Resolved	Corrective Action is Ongoing
<u>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>							
2016	58	2016-014	Matching, Level of Effort, Earmarking	93.775, 93.777, and 93.778	J02	Fully Corrected with Previously Reported Corrective Action Implemented	See Finding Number 2017-004
2016	59	2016-015	Documentation of Eligibility (Eligibility)	93.775, 93.777, and 93.778	J02	Fully Corrected with Previously Reported Corrective Action Implemented	See Finding Number 2017-005
2016	60	2016-016	Discontinuation of Medicaid Benefits (Eligibility)	93.775, 93.777, and 93.778	J02	Partially Resolved	See Finding Number 2017-006

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Agency Response	Auditor's Comment
<u>FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</u>							
<u>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>							
2016	61	2016-017	Annual Eligibility Reviews (Eligibility)	93.775, 93.777, and 93.778	J02	Unresolved	See Finding Number 2017-007
2016	62	2016-018	Child Support Automated System and OCSE 34A Report (Reporting)	93.563	L04	Unresolved	See Finding Number 2017-025
2016	63	2016-019	Late Payment of Invoices (Allowable Cost/Cost Principles)	93.074	J04	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
<u>US DEPARTMENT OF HOMELAND SECURITY</u>							
2016	65	2016-020	Allowable Costs/Cost Principles	97.036	E24	Fully Corrected with Significantly Differing Corrective Action Implemented	See Finding Number 2017-009
2016	66	2016-021	Allowable Costs/Cost Principles	97.036	E24	Unresolved	Corrective Action is Ongoing
<u>US DEPARTMENT OF DEFENSE</u>							
2016	67	2016-022	Allowable Costs/Cost Principles	12.401	E24	Fully Corrected with Significantly Differing Corrective Action Implemented	Resolved
<u>VARIOUS</u>							
2016	69	2016-024	Subrecipient Monitoring	Various	P24	Partially Resolved	See Finding Number 2017-020
2016	69	2016-024	Subrecipient Monitoring	Various	P26	Fully Corrected with Previously Reported Corrective Action Implemented	Per Auditor testing, this finding was not corrected, see Finding Number 2017-020
2016	70	2016-025	Cash Management	Various	P26	Fully Corrected with Previously Reported Corrective Action Implemented	Per Auditor testing, this finding was not corrected, see Finding Number 2017-021
2016	71	2016-026	Activities Allowed or Unallowed & Allowable Costs/Cost Principles	Various	P26	Fully Corrected with Previously Reported Corrective Action Implemented	Per Auditor testing, this finding was not corrected, see Finding Number 2017-022

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	State Agency	Agency Response	Auditor's Comment
<u>FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</u>							
<u>VARIOUS</u>							
2016	73	2016-027	Matching, Level of Effort, Earmarking	Various	P26	Fully Corrected with Previously Reported Corrective Action Implemented	Per Auditor testing, this finding was not corrected, see Finding Number 2017-023
2016	74	2016-028	Cash Management	Various	P24	Partially Resolved	Per Auditor testing, this finding was not corrected, see Finding Number 2017-024
2016	75	2016-029	Allowable Costs/Cost Principles	Various	P24	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved
2016	76	2016-030	Procurement and Suspension and Debarment	Various	P24	Fully Corrected with Previously Reported Corrective Action Implemented	Per Auditor testing, this finding was not corrected, see Finding Number 2017-019
2016	76	2016-031	Period of Performance	Various	P24	Fully Corrected with Previously Reported Corrective Action Implemented	Resolved



RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL

State of South Carolina
Office of Comptroller General

1200 Senate Street
305 Wade Hampton Office Building
Columbia, South Carolina 29201

Telephone: (803) 734-2121
Fax: (803) 734-1765
E-Mail: cgoffice@cg.sc.gov

WILLIAM E. GUNN
CHIEF OF STAFF

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number	2016-001
Federal Agency	N/A-CAFR
State Agency	South Carolina Comptroller General's Office
CFDA Number	N/A-CAFR
Federal Program Name	N/A-CAFR
Compliance Requirement	N/A-CAFR
Type of Finding	N/A-CAFR

Condition

Internal controls over financial reporting were inadequate to prevent or detect multiple misstatements during the preparation of the State's CAFR and in the supporting accounting records, requiring the Comptroller General's Office to post material adjustments to the State's CAFR.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

The control issues mentioned in 2016-001 have been corrected. The CG also has reviewed the findings caused by either our workpapers or other agencies and has corrected the workpapers and/or corrected the issues with the agencies.



THE HONORABLE CURTIS M. LOFTIS, JR.

State Treasurer

**State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017**

Reference Number	2016-002
Federal Agency	N/A-CAFR
State Agency	South Carolina State Treasurer's Office
CFDA Number	N/A-CAFR
Federal Program Name	N/A-CAFR
Compliance Requirement	N/A-CAFR
Type of Finding	N/A-CAFR

Condition

Internal controls over financial reporting were inadequate to prevent or detect misstatements of cash, cash equivalents, and investment balances while reconciling the amounts included in the South Carolina Enterprise Information System (SCEIS) to the support provided by the State Treasurer's Office (STO).

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number	2016-003
Federal Agency	N/A-CAFR
State Agency	South Carolina Department of Health and Human Services
CFDA Number	N/A-CAFR
Federal Program Name	N/A-CAFR
Compliance Requirement	N/A-CAFR
Type of Finding	N/A-CAFR

Condition

Grant receivables and unearned revenue should be calculated at the individual grant award level, as determined by the original award document from the grantor, in order to accurately capture the grant receivable and unearned grant revenue balances as of the fiscal year end. In order to properly report receivable and unearned revenue balances cash receipts must be posted against the correct account. During our review of the grant receivable and unearned revenue reporting packages we became aware of grants that had both receivable and unearned revenue amounts reported in the general ledger.

Current Status

Partially Resolved - Comment Below

Comment

Balances were reviewed prior to reporting package completion. The balances are related to Accounts Receivable, not cash. We will perform a detailed reconciliation of the accounts and balances, prior to Fiscal Year end closing.

DSS SOUTH CAROLINA
DEPARTMENT of SOCIAL SERVICES

HENRY McMASTER, GOVERNOR
V. SUSAN ALFORD, STATE DIRECTOR



November 28, 2017

Mr. George L. Kennedy, III, CPA
State Auditor
South Carolina Office of the State Auditor
1401 Main Street, Suite 1200
Columbia, South Carolina 29201

Dear Mr. Kennedy,

In connection with your Single Audit work for FY2017, we received a request from your office to provide an update of the status of action taken to correct the conditions documented in your findings 2016-003 and 2016-018. Details about those findings and the corrective actions taken, underway or planned, are provided below.

Reference Number	2016-003
Federal Agency	N/A-CAFR
State Agency	South Carolina Department of Social Services
CFDA Number	N/A-CAFR
Federal Program Name	N/A-CAFR
Compliance Requirement	N/A-CAFR
Type of Finding	N/A-CAFR

Condition

Grant receivables and unearned revenue should be calculated at the individual grant award level, as determined by the original award document from the grantor, in order to accurately capture the grant receivable and unearned grant revenue balances as of the fiscal year end. In order to properly report receivable and unearned revenue balances cash receipts must be posted against the correct account. During our review of the grant receivable and unearned revenue reporting packages we became aware of grants that had both receivable and unearned revenue amounts reported in the general ledger.

Current Status

Unresolved – See comment below.

Comment

As documented in my attached letter to you dated November 22, 2017, the issues that led to this finding have not yet been corrected, and with some modification this finding was re-asserted in FY 2017. In our response to finding 2017-003, the attached letter provides a detailed description of the processes and conditions that contributed to this finding, and our plan of corrective action.

I am also attaching a letter from Latonya Rish (formerly with DSS) to Sue Moss, dated February 8, 2017, which responded to this finding. My November 22, 2017, letter provides a more detailed and complete description of the issues and the corrective actions we will take to eliminate this issue, but it is not materially inconsistent with Ms. Rish’s earlier letter.

We are committed to implementing the corrective actions described in my November 22nd letter during FY 2018.

Reference Number	2016-018
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department Of Social Services
CFDA Number	93.563
Federal Program Name	Child Support Enforcement
Compliance Requirement	L. Reporting
Type of Finding	Compliance & Control

Condition

The automated data processing and information retrieval system has not been implemented.

Current Status

Unresolved – See comment below.

George L. Kennedy, III, CPA
Page Three

Current Status

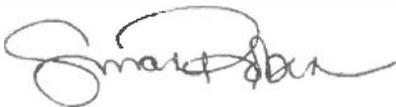
The federal Office of Child Support Enforcement (OCSE) approved our current project contract in August 2015.

The project timeline for system development, testing and implementation is four years, consisting of the following:

- Three-year design, development and testing phase
- Completed system implementation at DSS and four pilot counties on October 1, 2018 (with a four-month pilot)
- System implementation across the remaining 43 counties over an eight-month period
- Target date to complete statewide implementation is September 30, 2019.

Please contact me if you have any questions about the information provided above.

Sincerely,



Susan Roben
Controller

Enclosures



HENRY McMASTER, GOVERNOR
V. SUSAN ALFORD, STATE DIRECTOR

February 8, 2017

Sue F. Moss, CPA
Director of State Audits
South Carolina Office of the State Auditor
1401 Main Street, Suite 1200
Columbia, SC 29201

Dear Ms. Moss:

The South Carolina Department of Social Services respectfully submits the following corrective action plan for the finding identified in the SC Comprehensive Annual Financial Report audit for the year ended June 30, 2016.

2016-003 Financial Reporting – Reporting of Grant Receivables and Unearned Grant Revenue Recommendation

We recommend that additional procedures and controls be developed and implemented to ensure that the grant managers are accurately reporting grant activity to the correct subledger within the general ledger and that grant activity is accurately reported in the reporting package in accordance with Section 1.7 of the manual referenced above.

Views of Responsible Official and Corrective Action Plan

The Department administers several federal grants which have multiple grant years whose activity may cross state fiscal year, which causes more than one program grant year to be active. This lends itself to the event of having a receivable for one grant at state fiscal year end and a deferred revenue for the same grant, but for a different grant year. The occurrence for this finding was due to necessary adjusting transactions not being posted prior to state fiscal year end, which would have alleviated the balances highlighted in the review.

Grant balances are currently reconciled and reviewed on a quarterly basis. The Department will take the necessary action(s) to ensure grant receivable and unearned revenue balances are accurately stated.

Thank you,

LaTonya Rish, Assnt. Director
Cost Allocation & Reporting

George L. Kennedy, III, CPA
Page Two

The Agency's policy is to record these journal entries quarterly. We were not able to complete the necessary analysis and accomplish this as of June 30, 2017, primarily due to turnover of grants accounting management and staff at or near yearend.

We have since filled key accounting positions with highly-qualified personnel, and we fully expect to complete these entries timely and correctly going forward.

We are dedicated to submitting timely, complete and accurate reporting packages. We will ensure that our processes for yearend closing and for preparation and submission of reporting packages are well-designed and thoroughly supervised to accomplish this important objective. This will provide strong assurance that the Agency accurately reports its grant activity in the correct subledger within the general ledger and in the reporting package, in accordance with Section 1.7 of the Comptroller General's Reporting Policies and Procedures Manual.

Please contact me if you have any questions or continuing concerns about this matter.

Sincerely,


Susan Roben
Controller



November 22, 2017

Mr. George L. Kennedy, III, CPA
State Auditor
South Carolina Office of the State Auditor
1401 Main Street, Suite 1200
Columbia, South Carolina 29201

Dear Mr. Kennedy,

We have reviewed audit comment 2017-003, Financial Reporting – Reporting of Grant Receivables and Unearned Grant Revenue, and we agree that corrective action is needed.

The Agency receives various grants that are awarded annually with two or three-year performance periods, and the Agency generally draws the funds awarded quarterly based on actual expenditures. The cash receipts are posted as revenue to the earliest grant year for which funds remain available. For the grant in question, all the funds received were properly posted to the 2016 grant year. The overstatements arose because we posted a large portion of the related expenditures to the 2017 grant year. This caused the Comptroller General's staff to characterize a portion of the 2016 grant year revenue as unexpended thus unearned, and to characterize an equal amount of the expenditures posted to the 2017 grant year as unfunded, thus receivable. The Agency should have netted these balances in its general ledger.

The Agency charges costs to grants using PCA codes that are updated annually to reflect our latest federally-approved cost allocation plan. Generally, we charge costs using the PCA codes in effect when we incur the expenditures because doing so produces a more accurate allocation of costs. This normally results in posting expenditures to the latest open grant year. For the grant in question, this meant that a substantial amount of expenditures eligible for funding with 2016 grant proceeds were initially posted to the 2017 grant.

The correct, routinely applied remedy in this case is to record a journal entry to move the expenditures from the 2017 grant year back to the 2016 grant year to fully consume the recorded 2016 grant revenue. Had the agency done this prior to the close of fiscal 2017, we would have correctly reflected a receivable for undrawn funds expended of approximately \$1,446,000, and we would have reported no unearned revenue.



South Carolina Department of Public Safety

State of South Carolina Summary Schedule of Prior Audit Findings 6/30/2017

Reference Number	2016-003
Federal Agency	N/A-CAFR
State Agency	South Carolina Department of Public Safety
CFDA Number	N/A-CAFR
Federal Program Name	N/A-CAFR
Compliance Requirement	N/A-CAFR
Type of Finding	N/A-CAFR

Condition

Grant receivables and unearned revenue should be calculated at the individual grant award level, as determined by the original award document from the grantor, in order to accurately capture the grant receivable and unearned grant revenue balances as of the fiscal year end. In order to properly report receivable and unearned revenue balances cash receipts must be posted against the correct account. During our review of the grant receivable and unearned revenue reporting packages we became aware of grants that had both receivable and unearned revenue amounts reported in the general ledger.

Current Status

Unresolved - Comment Below

Comment

The South Carolina Department of Public Safety has previously reported all revenue requests as income reimbursements at the master grant level and all expenditures as subrecipient level expenditures since these grants are pass-through grants. As of July 1, 2017, SCDPS has transferred several grants encompassing numerous subrecipients to the South Carolina State Office of the Attorney General. Given this substantial decrease in the volume of grants managed by our agency, SCDPS is now in a position to effectively review the receipt of federal funds on an individual grant award level. SCDPS will develop and implement new policies and procedures to ensure appropriate reporting of receivables and unearned revenue balances which will post revenue down to the subrecipient level for grant reimbursements processed during the fiscal year ending June 30, 2018.



State of South Carolina
Summary Schedule of Prior Audit Findings
06/30/2017

Reference Number: 2015-004
Federal Agency: Department of Education
State Agency: South Carolina Vocational Rehabilitation Department
CFDA Number: 84.126
Federal Program Name: Rehabilitation Services - Vocational Rehabilitation Grants to States
Compliance Requirement: N. Special Tests and Provisions
Type of Finding: Compliance & Control

Condition

The Department did not complete its Individualized Plan for Employment (IPEs) timely in accordance with federal regulations and Department written procedures.

Current Status: Fully Corrected with Previously Reported Corrective Action Implemented

Comment:

In June 2016, changes were made to the Client Management System (CMS) to automate extension letters and track timeframes with email notifications to Area Supervisors (AS) and Area Client Services Managers (ACSM) if cases are extended over 120 days from eligibility. Additional email notifications were developed and implemented on 9/12/16 which provide a weekly notification of cases coming due or overdue for IPE development. A follow-up query completed on 10/25/16 for the time period 7/1/16 - 9/30/16 revealed that cases were still exceeding the allowable timeframe of 90 days without a timely extension letter. This query was discussed in the Area Supervisors' meeting on 11/3/16 with the Area Development Directors conducting follow up with each AS. A meeting was held on 11/14/16 with the Director of Field Operations, Area Development Directors, Director of Planning and Program Evaluation and the Assistant Commissioner of Client Services to review the findings from the follow up meetings. An updated query will be run through 10/31/16 to assess individual caseload performance with the Director of Field Operations determining appropriate actions needed.

Rick Ziegler with the State Auditor's Office requested a meeting in November 2016 to review the email notifications system and did not have any additional questions or concerns after review of the process. In addition, this query will be run monthly and reviewed in the Commissioner's Executive Staff meeting for additional actions.

Felicia W. Johnson, Interim Commissioner

The South Carolina Vocational Rehabilitation Department prepares and assists
eligible South Carolinians with disabilities to achieve and maintain competitive employment

State Office • 1410 Boston Avenue • P.O. Box 15 • West Columbia, South Carolina 29170-0015 • scvrd.net
803-896-6500 (Office) • 803-896-6553 (TTY) • 800-832-7526 (Toll free) • 803-896-6558 (Fax) • info@scvrd.net



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number	2016-004
Federal Agency	Department of Education
State Agency	South Carolina Department of Education
CFDA Number	84.027 & 84.173
Federal Program Name	Special Education Cluster (IDEA)
Compliance Requirement	M. Subrecipient Monitoring
Type of Finding	Compliance & Control

Condition

The Department did not perform and/or retain documentation of monitoring performed during the audit period for program subrecipients. Additionally, the Department did not have a formal rotation plan/risk assessment process in place for Tier II or Tier III monitoring as part of the Department's monitoring policies and procedures.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number	2016-005
Federal Agency	Department of Education
State Agency	South Carolina Department of Education
CFDA Number	84.367
Federal Program Name	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)
Compliance Requirement	M. Subrecipient Monitoring
Type of Finding	Compliance & Control

Condition

The Department did not perform monitoring during the audit period in accordance with their rotation schedule.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number	2016-006
Federal Agency	Department of Education
State Agency	South Carolina Department of Education
CFDA Number	84.287
Federal Program Name	Twenty-First Century Community Learning Centers
Compliance Requirement	M. Subrecipient Monitoring
Type of Finding	Compliance & Control

Condition

The Department did not perform monitoring during the audit period in accordance with their program policies and procedures.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number	2016-007
Federal Agency	Department of Education
State Agency	South Carolina Department of Education
CFDA Number	84.048
Federal Program Name	Career and Technical Education (Perkins IV)
Compliance Requirement	M. Subrecipient Monitoring
Type of Finding	Compliance & Control

Condition

The Department did not perform monitoring during the audit period in accordance with their program policies and procedures. Additionally, the Department did not incorporate the formal risk assessment process for its postsecondary award allocations to determine the appropriate subrecipient monitoring to perform.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number	2016-008
Federal Agency	Department of Education
State Agency	South Carolina Department of Education
CFDA Number	84.048
Federal Program Name	Career and Technical Education (Perkins IV)
Compliance Requirement	G. Matching, Level of Effort, Earmarking
Type of Finding	Control

Condition

The Department does not have a process to ensure that they are meeting the Level of Effort - Maintenance of Effort provisions for the award. These provisions require a State to maintain its fiscal effort in the preceding year from State sources for career and technical education on either an aggregate or a per-student basis when compared with such effort in the second preceding year.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number 2016-009
Federal Agency Department of Education
State Agency South Carolina Department of Education
CFDA Number 84.027 & 84.173
Federal Program Name Special Education Cluster (IDEA)
Compliance Requirement A. Activities Allowed or Unallowed
B. Allowable Costs/Cost Principles
Type of Finding Control

Condition

The Department incorrectly posted program expenses to improper accounts within their financial management system.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number 2016-010
Federal Agency Department of Education
State Agency South Carolina Department of Education
CFDA Number 84.027, 84.173, & 84.048
Federal Program Name Special Education Cluster (IDEA); Career and Technical Education (Perkins IV)
Compliance Requirement I. Procurement and Suspension and Debarment
Type of Finding Control

Condition

The Department does not have a process to verify that outside entities are not suspended or debarred prior to entering into a covered transaction.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number 2016-011
Federal Agency Department of Education
State Agency South Carolina Department of Education
CFDA Number 84.048
Federal Program Name Career and Technical Education (Perkins IV)
Compliance Requirement H. Period of Performance
Type of Finding Compliance & Control

Condition

The Department incorrectly posted program expenses from a prior period to the new award allocation prior to the beginning of its period of performance.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number 2016-012
Federal Agency Department of Education
State Agency South Carolina Department of Education
CFDA Number 84.027, 84.173, 84.048, 84.367, & 84.287
Federal Program Name Special Education Cluster (IDEA); Career and Technical Education (Perkins IV); Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants); Twenty-First Century Community Learning Centers
Compliance Requirement C. Cash Management
Type of Finding Control

Condition

The Department did not retain documentation from their financial management system to support the level of expenses prompting a drawdown of funds.

Current Status

Fully corrected with Previously Reported Corrective Action Implemented

Comment



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number 2016-013
Federal Agency Department of Education
State Agency South Carolina Department of Education
CFDA Number 84.027 & 84.173
Federal Program Name Special Education Cluster (IDEA)
Compliance Requirement G. Matching, Level of Effort, Earmarking
Type of Finding Compliance & Control

Condition

The Department budgeted and expended funds for Administration in excess of the maximum allowed per the program's earmarking requirements. Additionally, the Department budgeted for State-level activities in excess of the maximum amount allowed per the program's earmarking requirements.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number	2016-014
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department Of Health And Human Services
CFDA Number	93.775, 93.777, & 93.778
Federal Program Name	Medicaid Cluster
Compliance Requirement	G. Matching, Level of Effort, Earmarking
Type of Finding	Compliance & Control

Condition

The Department was not in compliance with the Federal matching requirement for family planning services.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number	2016-015
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department Of Health And Human Services
CFDA Number	93.775, 93.777, & 93.778
Federal Program Name	Medicaid Cluster
Compliance Requirement	E. Eligibility
Type of Finding	Compliance & Control

Condition

Eligibility files did not contain adequate documentation to support the Medicaid recipients' eligibility statuses.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number	2016-016
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department Of Health And Human Services
CFDA Number	93.775, 93.777, & 93.778
Federal Program Name	Medicaid Cluster
Compliance Requirement	E. Eligibility
Type of Finding	Compliance & Control

Condition

The Department did not discontinue the Medicaid benefits of ineligible recipients.

Current Status

Partially Resolved - Comment Below

Comment

Processing Centers are in place statewide, with planned hiring for MAGI and Non-MAGI workers completed and hiring for additional Long Term Care workers still in progress. Eleven (11) workers have been hired and trained for a Long Term Care Processing Center, with an additional nine(9) positions in process. Alternatives to system changes to the legacy eligibility system are still in discussion. However, one solution currently in development is transition of individuals receiving Transitional Medicaid (TMA) from the legacy to the new eligibility system via manual eligibility processing to allow for this rules based system to facilitate needed closures. This is expected to be implemented Q1 2018.

State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017

Reference Number	2016-017
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department Of Health And Human Services
CFDA Number	93.775, 93.777, & 93.778
Federal Program Name	Medicaid Cluster
Compliance Requirement	E. Eligibility
Type of Finding	Compliance & Control

Condition

The Department did not perform annual eligibility reviews for Medicaid recipients in accordance with Section 101.10 of the South Carolina Medicaid Policies and Procedures Manual.

Current Status

Unresolved - Comment Below

Comment

The agency is currently able to process incoming MAGI reviews on a timely basis. Implementation of the Periodic Auto-Renewal functionality, which will allow a more accurate process for processing older reviews on hand, has been delayed to Spring 2018 due to a change in schedule due to other system enhancements being delayed. Also a strategy for using Fast Track for Targeted Enrollment has been developed, including a cross walk for use of SNAP eligibility data for Medicaid eligibility determinations. Policies and Procedures, as well as system development in the new eligibility system are in progress. Updates to the current data sharing agreement with the SNAP agency are in progress. The functionality for Targeted Enrollment is currently anticipated for release in July 2018.



**State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017**

Reference Number	2016-019
Federal Agency	Department of Health and Human Services
State Agency	South Carolina Department Of Health And Environmental Control
CFDA Number	93.074
Federal Program Name	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements
Compliance Requirement	B. Allowable Costs/Cost Principles
Type of Finding	Compliance & Control

Condition

The Department did not pay invoices within the time limits set by South Carolina Code of Laws. The aggregate total of the invoices in question was \$652.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

Comment

A handwritten signature in black ink that reads "RP Belleggia".

**Ronnie P Belleggia, Director
Bureau of Financial Management
SC Department of Health and Environmental Control**

**The State of South Carolina
Military Department**



OFFICE OF THE ADJUTANT GENERAL
1 NATIONAL GUARD ROAD
COLUMBIA, S. C. 29201-4752

**State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017**

Reference Number	2016-020
Federal Agency	Department of Homeland Security
State Agency	Office Of The Adjutant General
CFDA Number	97.036
Federal Program Name	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Compliance Requirement	B. Allowable Costs/Cost Principles
Type of Finding	Control

Condition

Program expenditures reported by the Office for the schedule of expenditures of Federal awards were overstated and required an audit adjustment.

Current Status

Fully Corrected with Significantly Differing Corrective Action Implemented - Comment Below

Comment

Expenditure to the Office of the Adjutant General as a subrecipient of EMD was reported as well as the expenditure by EMD to the Office of the Adjutant General. In the future, the Expenditure by the Office of the Adjutant General as a subrecipient will not be reported.

A handwritten signature in blue ink, appearing to read 'Frank L. Garrick'. The signature is fluid and cursive.

Frank L. Garrick, CPA, CFO
Office of the Adjutant General

**The State of South Carolina
Military Department**



**OFFICE OF THE ADJUTANT GENERAL
1 NATIONAL GUARD ROAD
COLUMBIA, S. C. 29201-4752**

**State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017**

Reference Number	2016-021
Federal Agency	Department of Homeland Security
State Agency	Office Of The Adjutant General
CFDA Number	97.036
Federal Program Name	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
Compliance Requirement	B. Allowable Costs/Cost Principles
Type of Finding	Compliance & Control

Condition

Payment, which was not due, was made to a special contract employee of the grant and was subsequently written off as uncollectable.

Current Status

Unresolved - Comment Below

Comment

Policy has been passed that in the event of an overpayment, the payment will be journaled and expensed to the state, and not the disaster. However, in this instance, I have not yet found the JE to correct the error.

Frank L. Garrick, CPA, CFO
Office of the Adjutant General

**The State of South Carolina
Military Department**



OFFICE OF THE ADJUTANT GENERAL
1 NATIONAL GUARD ROAD
COLUMBIA, S. C. 29201-4752

**State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017**

Reference Number	2016-022
Federal Agency	Department of Defense
State Agency	Office Of The Adjutant General
CFDA Number	12.401
Federal Program Name	National Guard Military Operations and Maintenance (O&M) Projects
Compliance Requirement Type of Finding	B. Allowable Costs/Cost Principles Compliance & Control

Condition

Certain employees were paid for overtime at a rate exceeding their approved overtime pay rate.

Current Status

Fully Corrected with Significantly Differing Corrective Action Implemented - Comment Below

Comment

The State has made a determination that even though the overtime payment is not calculated as it should be, the State will use the calculation that is made by SCEIS software as the official overtime payment to be paid by the State. No further action is to be taken. No corrections to be made.

A handwritten signature in blue ink, appearing to read "Frank L. Garrick".

Frank L. Garrick, CPA, CFO
Office of the Adjutant General



South Carolina Commission for the Blind

1430 CONFEDERATE AVENUE • P.O. BOX 2467 COLUMBIA, SC
29202 PHONE: (803) 898-8822 • FAX: (803) 898-8845

Commissioner
James M. Kirby

State of South Carolina Summary Schedule of Prior Audit Findings 6/30/2017

Reference Number	2016-023
Federal Agency	Department of Education
State Agency	South Carolina Commission For The Blind
CFDA Number	84.126
Federal Program Name	Rehabilitation Services – Vocational Rehabilitation Grants to States
Compliance Requirement	L. Reporting
Type of Finding	Compliance & Control

Condition

Follow-up testing of the RSA-911 federal report filed by the Commission revealed several discrepancies which were consistent with the finding in the prior year.

Current Status

· Partially Resolved

Comment

In the process of integrating
SCEIS and AWARE systems so that
data can be retrieved more accurately.



287 meeting street
charleston, sc 29401

p. 843.953.2078
f. 843.953.2080
www.scseagrant.org

Member Institutions

Clemson University

Coastal Carolina
University

College of Charleston

Medical University
of South Carolina

S.C. Department of
Natural Resources

S.C. State University

The Citadel

University of South Carolina

Chairman

Dr. Harris Pastides
President,
University of
South Carolina

Executive Director

M. Richard DeVoe



*Enhancing practical
use and conservation of
South Carolina's coastal
and marine resources
that foster a sustainable
economy and environment.*

**State of South Carolina
Summary Schedule of Prior Audit Findings
06/30/2017**

Reference Number: 2016-024
Federal Agency: Various
State Agency: South Carolina Sea Grant Consortium
CFDA Number: Various
Federal Program Name: Research and Development Cluster
Compliance Requirement: M. Subrecipient Monitoring
Type of Finding: Compliance & Control

Condition: The Department and Consortium do not have the necessary policies and procedures in place regarding subrecipient monitoring to facilitate compliance with federal requirements.

Current Status: Fully Corrected with Previously Reported Corrective Action Implemented

Comment: See attached internal policy regarding the Consortium's subrecipient monitoring procedures

Reference Number: 2016-025
Federal Agency: Various
State Agency: South Carolina Sea Grant Consortium
CFDA Number: Various
Federal Program Name: Research and Development Cluster
Compliance Requirement: C. Cash Management
Type of Finding: Control

Condition: The Consortium does not have adequate internal controls in place regarding the reimbursement request process.

Current Status: Fully Corrected with Previously Reported Corrective Action Implemented

Comment: See attached internal policy regarding the Consortium's cash management procedures

Reference Number: 2016-026
Federal Agency: Various
State Agency: South Carolina Sea Grant Consortium
CFDA Number: Various
Federal Program Name: Research and Development Cluster

Compliance Requirement: A. Activities Allowed or Unallowed
B. Allowable Costs/Cost Principles

Type of Finding: Compliance & Control

Condition: The Consortium does not have adequate review and approval processes in place regarding the payroll and human resource functions. Additionally, there is no process in place to document time and effort devoted to grants for salaried employees.

Current Status: Fully Corrected with Previously Reported Corrective Action Implemented

Comment: See attached internal policy regarding the Consortium's employee level of effort monitoring procedures

Reference Number: 2016-027

Federal Agency: Various

State Agency: South Carolina Sea Grant Consortium

CFDA Number: Various

Federal Program Name: Research and Development Cluster

Compliance Requirement: G. Matching, Level of Effort, Earmarking

Type of Finding: Compliance & Control

Condition: The Consortium did not maintain proper documentation to support the dollar value of donated supplies actually received from third parties.

Current Status: Fully Corrected with Previously Reported Corrective Action Implemented

Comment: See attached internal policy regarding the Consortium's matching support documentation procedures



Ryan C. Bradley
Assistant to the Director for Administration

South Carolina Department of

Natural Resources



March 14, 2018

Alvin A. Taylor
Director

Office of the State Auditor

Angie Cassella
Audit Services

In response to your request, SCDNR respectfully submits the following status:

**State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017**

Reference Number	2016/024
Federal Agency	Various
State Agency	South Carolina Department of Natural Resources
CFDA Number	Various
Federal Program Name	Research and Development Cluster
Compliance Requirement	M. Subrecipient Monitoring
Type of Finding	Compliance & Control

Condition

The Department and Consortium do not have the necessary policies and procedures in place regarding subrecipient monitoring to facilitate compliance with federal requirements.

Current Status

Partially Resolved

Comment

The Annual Recertification Form for existing multi-year grants has been created and implemented. The Pre-Award Risk Assessment Form for new grants and the corresponding written procedures for staff are in the final design stages. We were delayed in meeting our original completion date of July 1, 2017 because of turnover in our Grants Manager position. The new Grants Manager hopes to have all forms and written procedures fully implemented by June 30, 2018.

**State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017**

Reference Number	2016/028
Federal Agency	Various
State Agency	South Carolina Department of Natural Resources
CFDA Number	Various
Federal Program Name	Research and Development Cluster
Compliance Requirement	C. Cash Management
Type of Finding	Control

Condition

Documentation from the Department's financial management system to support the level of expenses prompting a drawdown of funds was not readily available due to their lack of standardized policies/procedures in the area.

Current Status

Partially Resolved

Comment

Our new Grants Manager started on July 17, 2017 and has been working diligently towards standardizing all policies and procedures in the area. These procedures include contents and organization of Grant folders, supporting documentation for expenses and drawdowns, quarterly reports, and other pertinent documents. The new Grants Manager hopes to have all standardized policies and procedures in place by June 30, 2018.

**State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017**

Reference Number	2016/029
Federal Agency	Various
State Agency	South Carolina Department of Natural Resources
CFDA Number	Various
Federal Program Name	Research and Development Cluster
Compliance Requirement	B. Allowable Costs/Cost Principles
Type of Finding	Compliance & Control

Condition

The Department was unable to provide documentation to adequately support various grant expenses.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

**State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017**

Reference Number	2016/030
Federal Agency	Various South Carolina Department of Natural Resources
State Agency	Resources
CFDA Number	Various
Federal Program Name	Research and Development Cluster
Compliance Requirement	I. Procurement and Suspension and Debarment
Type of Finding	Control

Condition

The Department does not have a process to verify that outside entities are not suspended or debarred prior to entering into a covered transaction.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

**State of South Carolina
Summary Schedule of Prior Audit Findings
6/30/2017**

Reference Number	2016/031
Federal Agency	Various South Carolina Department of Natural Resources
State Agency	Resources
CFDA Number	Various
Federal Program Name	Research and Development Cluster
Compliance Requirement	H. Period of Performance
Type of Finding	Compliance & Control

Condition

The Department charged expenditures to a federal grant that were incurred outside of the grant's period of performance.

Current Status

Fully Corrected with Previously Reported Corrective Action Implemented

If you have questions or need additional information, please do not hesitate to contact me at (803) 734-3948 or cassellaa@dnr.sc.gov.

Sincerely,



Amoje Cassella
Audits Manager

Appendix A

Listing of Agencies Included in Schedule of Expenditures Of Federal Awards

STATE OF SOUTH CAROLINA
 Index of State Agencies Included in Schedule 1
For the Year Ended June 30, 2017

<u>Agency Code</u>	<u>Agency Name</u>
B04	Judicial Department
D10	State Law Enforcement Division (SLED)
D50	Department of Administration
E04	Lieutenant Governor's Office
E20	Attorney General's Office
E21	Commission on Prosecution Coordination
E23	Commission on Indigent Defense
E24	Adjutant General's Office
H03	State Commission on Higher Education
H59	State Board for Technical and Comprehensive Education
H63	Department of Education
H67	Educational Television Commission
H71	Wil Lou Gray Opportunity School
H73	Vocational Rehabilitation Department
H75	School for the Deaf and the Blind
H79	Department of Archives and History
H87	State Library
H91	Arts Commission
J02	Department of Health and Human Services
J04	Department of Health and Environmental Control State
J12	Department of Mental Health
J16	Department of Disabilities and Special Needs
J20	Department of Alcohol and Other Drug Abuse Services
K05	Department of Public Safety
L04	Department of Social Services
L12	John de la Howe School
L24	Commission for the Blind
L36	State Human Affairs Commission
L46	Commission for Minority Affairs
N04	Department of Corrections
N08	Department of Probation, Parole and Pardon Services
N12	Department of Juvenile Justice
N20	Criminal Justice Academy
P12	State Forestry Commission
P16	Department of Agriculture
P24	Department of Natural Resources
P26	Sea Grant Consortium
P28	Department of Parks, Recreation, and Tourism
P32	Department of Commerce
P45	Rural Infrastructure Authority
R06	Office of Regulatory Staff
R20	Department of Insurance
R36	Department of Labor, Licensing, and Regulation
R40	Department of Motor Vehicles
U30	Division of Aeronautics

Appendix B

Agency Corrective Action Plans to Findings and Recommendations – Federal Award Programs Audit

**SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2017**

Department of Health & Human Services
Centers for Medicare & Medicaid Services
31 Forsyth Street, SW, Room 4T20
Atlanta, Georgia 30303-8909

South Carolina Department of Health and Human Services respectfully submits the following corrective action plan for the year ended June 30, 2017.

Audit period: State Fiscal Year End June 30, 2017

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

SIGNIFICANT DEFICIENCY

2017-004. Matching, Level of Effort, Earmarking

Recommendation: We recommend the Department correct the errors in MMIS to ensure compliance with the Federal matching requirement for family planning services and family planning related services.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: While some of the issues identified with finding 2017-004 derive from the same root cause as those identified in finding 2016-014, it has now been discovered that the underlying cause is much broader than originally realized. In addition to the inappropriate assignment of the "ES" fund code through the pharmacy benefit, the use of the "FP" modifier on professional claims is also resulting in the inappropriate fund code assignment.

To ensure a complete understanding of underlying source of inappropriate fund code assignment and match rate claiming, SCDHHS has initiated a thorough review, currently being undertaken by the SCDHHS Division of Internal Audits. This review is intended to fully catalogue root causes of this problem and devise a plan for correction. As coverage for family planning benefit crosses multiple systems (e.g. pharmacy benefit administrator,

MMIS) and involves several departments within the agency, SCDHHS anticipates that this review will require several months to complete.

It is likely that, based on the results of the internal audit findings, SCDHHS will need to engage in a number of policy change activities and provider re-education efforts. SCDHHS anticipates the completion of this activity within 90 days of finalization of the internal audit findings.

SCDHHS is also creating a series of additional control reports to identify claims for family planning and family planning-related services with inappropriate fund code assignments. SCDHHS anticipates the production of these reports beginning July 1, 2018. Note that the nature of these analyses may need to be modified based on the findings from the internal audit.

Finally, in the more immediate term, SCDHHS is ensuring the execution of MMIS changes to remove the "ES" fund code and fully resolve the issues first brought to light through finding 2016-014.

SCDHHS has completed the system update to remove Fund Code "ES" in the month of January 2018.

Name(s) of the contact person(s) responsible for corrective action: Bryan Amick

Planned completion date for corrective action plan: January 1, 2019

SIGNIFICANT DEFICIENCY

2017-005. Documentation of Eligibility (Eligibility)

Recommendation: We recommend the Department maintain documentation to support its eligibility determinations in accordance with its State plan and Federal regulations.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding: We understand this is a repeat finding. For any documents identified as missing from cases initiated prior to 2013 and the roll out of the electronic document management system (OnBase) the procedures outlined for previous findings would still be relevant. Missing documents that did not transition from paper files are identified through the annual redetermination process, as well as through supervisory case reviews and re-reviews by a 3rd party. Policy requires that missing documents be requested from the appropriate county office to determine if they can be located from any existing paper files.

The long term solution to ensuring the maintenance of documentation is the implementation of the electronic document management system, OnBase, which took place in 2013. As long as there are current beneficiaries who applied and enrolled in

Medicaid prior to the implementation of OnBase, the agency will continue to review casefiles and pursue any missing documentation.

Name(s) of the contact person(s) responsible for corrective action: Lori Risk

Planned completion date for corrective action plan: Ongoing/Complete

SIGNIFICANT DEFICIENCY

2017-006. Discontinuation of Medicaid Benefits (Eligibility)

Recommendation: We recommend the Department discontinue the Medicaid benefits of ineligible recipients in accordance with its State plan and Federal regulations.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding: The agency continues to assess and hire based on staffing levels required to be current with MAGI, Non-MAGI and Long Term Care workloads for applications, redeterminations and changes. The Long Term Care Processing Center will bring on 9 additional workers (to add to the existing 11 workers) in March 2018. Additional hiring plans for MAGI, Non-MAGI and Long Term Care will be finalized Q2 2018 with all associated hiring completed by the end of 2018

This finding specifically refers to individuals in the legacy eligibility system. As the agency continues development of the new eligibility system, Curam, alternatives to system changes to the legacy eligibility system are still in discussion that would allow for more timely discontinuation of benefits where appropriate. One solution currently in development is transition of individuals receiving Transitional Medicaid (TMA) from the legacy to the new eligibility system via manual eligibility processing to allow for this rules based system to facilitate needed closures.

Name(s) of the contact person(s) responsible for corrective action: Lori Risk

Planned completion date for corrective action plan: End of calendar year 2018

MATERIAL WEAKNESS

2017-007. Annual Eligibility Reviews (Eligibility)

Recommendation: We recommend the Department ensure that eligibility reviews are performed annually in accordance with the South Carolina Medicaid Policies and Procedures Manual.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The agency is currently able to process incoming MAGI reviews on a timely basis. Implementation of the Periodic Auto-Renewal functionality, which will allow a more accurate process for processing older reviews on hand, is anticipated for Spring 2018. A strategy for using Fast Track for Targeted Enrollment has been developed, including a cross walk for use of SNAP eligibility data for Medicaid eligibility determinations. Policies and Procedures, as well as system development in the new eligibility system are in progress. Updates to the current data sharing agreement with the SNAP agency are in progress.

For Non-MAGI and Long Term Care reviews, the agency is assessing staffing level needs in order to be current for both applications and reviews. Hiring will be in response to these identified staffing needs. The agency is also evaluating policies and procedures for these reviews to determine whether the process can be streamlined to not put undue burden on the beneficiary or the eligibility worker, but still capture needed changes that may affect eligibility or patient liability as in the case of long term care.

Name(s) of the contact person(s) responsible for corrective action: Lori Risk

Planned completion date for corrective action plan: Significant progress anticipated during FY 2019 with continuing analysis and remediation as needed.

SIGNIFICANT DEFICIENCY

2017-008. Reporting

Recommendation: We recommend the Department strengthen its policies and procedures to ensure the amounts reported on quarterly reports are accurate and supported by documentation and that such support is properly maintained.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Departmental procedures are currently being reviewed and updated where necessary. Reporting staff have been advised of the importance of maintaining proper supporting documentation. Beginning with the March 30, 2018 quarterly CMS 64 submission, management's review of prior period corrections will verify that the proper documentation is maintained to support any prior period corrections.

Name(s) of the contact person(s) responsible for corrective action: Brian Paeth

Planned completion date for corrective action plan: April 30, 2018

The State of South Carolina

Military Department



OFFICE OF THE ADJUTANT GENERAL
1 NATIONAL GUARD ROAD
COLUMBIA, S. C. 29201-4752

March 9, 2018

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

ADJUTANT GENERAL'S OFFICE

2017-009 Disaster Grants – Public Assistance (Presidentially Declared Disasters) – CFDA No. 97.036
Recommendation: We recommend that Office policies and procedures are put into place to ensure that expenditures reported on its schedule of Federal financial assistance accurately report the total awards expended by the Office for each individual Federal program.
Explanation of disagreement with audit finding: There is no disagreement with the audit finding.
Action taken in response to finding: A comprehensive review of the schedule will be performed to ensure any and all pass through expenditures made to the agency by EMD are adjusted so the expenditures are not reported twice.
Name(s) of the contact person(s) responsible for corrective action: Frank Garrick
Planned completion date for corrective action plan: March 8, 2018

ADJUTANT GENERAL'S OFFICE

2017-010 Disaster Grants – Public Assistance (Presidentially Declared Disasters) – CFDA No. 97.036
Recommendation: We recommend that the Office ensure policies and procedures are in place to ensure documentation clearly supports the collection and review of all required Single Audit reports of its subrecipients.
Explanation of disagreement with audit finding: There is no disagreement with the audit finding.
Action taken in response to finding: The State Auditors targeted two subrecipients that had already been clearly identified within the SCEMD master disaster spreadsheet as needing additional information. One subrecipient received \$4,125 and the other \$50,285.16 in 2015 Flood FEMA 4241 disaster payments. Audits were obtained and reviewed within 24 hours of being identified by the State Auditors and the master spreadsheet updated. No further action is required.
Name(s) of the contact person(s) responsible for corrective action: Morgan Denny
Planned completion date for corrective action plan: March 2018

ADJUTANT GENERAL'S OFFICE

2017-011 National Guard Military Operations and Maintenance (O&M) Projects -
CFDA No. 12.401

Recommendation: We recommend that the Office prepare adjusting journal entries as necessary, to ensure that grants have only reported/approved charges recorded. We also recommend that policies and procedures are put into place to ensure that recording charges to grants more than 90 days after the close of the Federal fiscal year only include

charges which were reported on the detailed listing of unliquidated claims and undisbursed obligations.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding:

The State concurs that some transactions posted to the grants with federal grant ID numbers W912QG-16-2-1001 and W912QG-16-2-1025 after 90 days after the close of the federal fiscal year and were not reported on the detailed listing of unliquidated claims and undisbursed obligations. Journal entries have been prepared and entered in SCEIS to correct the direct pay and travel items that were recorded to the wrong grants and were not included in the detailed listing of unliquidated claims and undisbursed obligations.

It was the standard practice to include only open purchase orders and not direct pay items and other items in the initial detailed listing of unliquidated claims and undisbursed obligations for each appendix. The former Grants Office Representative (GOR) at the USPFO designed the form for the listing of unliquidated claims and undisbursed obligations to include only open purchase orders even though it was understood by all parties that there would be other charges to be reimbursed and it was estimated that sufficient funds were available for these items.

The State will be implementing new procedures this year to correct this deficiency. The State Grants Accountants will require Program Managers to provide them a detailed listing of the unliquidated claims and undisbursed obligations. If there are no items for the listing, the Program Manager will send written verification of this to the State Grants Accountants. The State Grants Accountants will use the SCEIS Business Warehouse (BW) Open Encumbrances Report and other information to verify the information that was provided by the Program Managers. The State Procurement Director and the State Chief Financial Officer will also review the detailed listings for each appendix and will provide written verifications to the State Grants Accountants that the listings are complete and accurate before the listings are complete and submitted to the United State Property and Fiscal Officer (USPFO).

Name(s) of the contact person(s) responsible for corrective action: Alex Counts
Planned completion date for corrective action plan: March 8, 2018

ADJUTANT GENERAL'S OFFICE

2017-012 National Guard Military Operations and Maintenance (O&M) Projects -
CFDA No. 12.401

Recommendation: We recommend that the Office ensure that effective operating policies and procedures are in place to ensure compliance with state procurement policy for all contracts and that each method include a process to verify that vendors awarded contracts are not suspended or debarred prior to entering into a covered transaction.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: This check has been added to our construction procurement standard operating procedure.

Name(s) of the contact person(s) responsible for corrective action: MAJ Jay Sirmon
Planned completion date for corrective action plan: March 12, 2018

The Point Of Contact at The Office of the Adjutant General is Frank Garrick, Chief Financial Officer, at (803) 299-2031 or garrickfl@tag.scmd.state.sc.us.



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

March 27, 2018

Mr. George Kennedy, III, CPA
State Auditor
Office of the State Auditor
1401 Main Street, Suite 1200
Columbia, SC 29201

Dear Mr. Kennedy:

We have revised the response to the findings reported for the Single Audit of the South Carolina Department of Education (SCDE) for the period ending June 30, 2017. We sincerely appreciate the objectivity and professionalism of your audit team, and we thank you for the thorough review of our internal controls. We believe that our operations will be improved as a result of your findings.

US Department of Education

South Carolina Department of Education respectfully submits the following corrective action plan for the year ended June 30, 2017.

Audit period: June 30, 2017

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

SOUTH CAROLINA DEPARTMENT OF EDUCATION

2017-013 Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants) – CFDA No. 84.367

Recommendation: We recommend that the Department strengthen internal controls to ensure that all subrecipient monitoring procedures are being performed within the Department's established rotation plan.

Explanation of disagreement with audit finding: There is no disagreement with the specific audit finding.

Action taken in response to finding: The general practice for monitoring ESEA programs in the Office of Federal and State Accountability (OFSA) has been to conduct onsite monitoring of LEAs on a rotation of every three years. The audit finding was related to not having conducted onsite monitoring of the scheduled LEAs selected within the three-year rotation period. The OFSA has been flexible with onsite monitoring schedules as circumstances warrant. The OFSA conducts monitoring using many different methods as described in the 2017 Compliance Supplement. The OFSA approves ESEA plans, keeps in contact with LEAs, and conducts desk reviews. The current ESEA program monitoring tools include the cross-cutting provisions, as well as program specific provisions. During the school years 2015–16 and 2016–17, the OFSA ESEA program staff conducted over 150 onsite monitoring visits. In addition, 52 districts were monitored in the fall of 2017 in order to comply with the previous year's finding.

The OFSA will change its onsite monitoring process to visit each LEA at least once every five years. At the exit conference, the auditors agreed that if OFSA had had an onsite monitoring rotation of five or six years, there would have been no finding last year or this year.

Name(s) of the contact person(s) responsible for corrective action: Roy Stehle, Office of Federal and State Accountability

Planned completion date for correction action plan: June 2018

SOUTH CAROLINA DEPARTMENT OF EDUCATION

2017-014 Federal Program Title: Special Education Cluster (IDEA); Career and Technical Education (Perkins IV) – CFDA. No. 84.027 and 84.173; 84.048

Recommendation: We recommend that the Department continue with their policies/procedures to ensure that proper documentation is maintained to support the level of expenses prompting a drawdown of funds.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to the finding: This is a repeat finding from FY16, Finding 2016-012. The corrective action plan for this 2016 finding was implemented in January 2017 after the final audit report. The FY17 Finding 2017-014 is for drawdowns that occurred July 2016 and November 2016. This was before we implemented the new procedure for requesting reimbursement on G5 grants in January 2017. As noted in the Finding, “samples tested subsequent to the implementation of the corrective action plan were noted to have proper documentation maintained to support the level of expenditures prompting the drawdown of funds.” The plan put into place in January 2017 is working and the SCDE will continue to follow this procedure for future drawdowns. Attached is a copy of the procedure for requesting reimbursement on G5 grants.

Name(s) of the contact person(s) responsible for corrective action: Diane House, Office of Finance

Planned completion date for correction action plan: completed January 2017

SOUTH CAROLINA DEPARTMENT OF EDUCATION

2017-015 Title I Grants to Local Educational Agencies – CFDA. No. 84.010

Recommendation: We recommend that the Department follow its established rotation plan to ensure periodic monitoring is performed for all subrecipients.

Explanation of disagreement with audit finding: There is no disagreement with the specific audit finding.

Action taken in response to the finding: The general practice for monitoring ESEA programs in the Office of Federal and State Accountability (OFSA) has been to conduct onsite monitoring of LEAs on a rotation of every three years. The audit finding was related to not having conducted onsite monitoring of the scheduled LEAs selected within the three-year rotation period. The OFSA has been flexible with onsite monitoring schedules as circumstances warrant. The OFSA conducts monitoring using many different methods as described in the 2017 Compliance Supplement. The current ESEA program monitoring tools include the cross-cutting provisions, as well as program specific provisions. During the school years 2015–16 and 2016–17, the OFSA ESEA program staff conducted over 150 onsite monitoring visits. In addition, 52 districts were monitored in the fall of 2017 in order to comply with the previous year’s finding. The OFSA approves ESEA plans, keeps in contact with LEAs, and conducts desk reviews.

The OFSA will change its onsite monitoring process to visit each LEA at least once every five years. At the audit exit conference, when asked, the auditors

indicated that if OFSA had had an onsite monitoring rotation of five or six years, there would have been no finding this year.

Name(s) of the contact person(s) responsible for corrective action: Roy Stehle,
Office of Federal and State Accountability

Planned completion date for corrective action plan: June 2018

SOUTH CAROLINA DEPARTMENT OF EDUCATION

2017-016 Twenty-First Century Community Learning Centers – CFDA. No. 84.287

Recommendation: We recommend that the Department review its internal control procedures related to the processing of budgetary journal entries and consider implementing additional procedures to ensure that all journal entries posted to the financial management system are accurate.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to the finding: Auditors checked the total budget on H63010006917 in December and it was fine. The budget was re-checked in January and it was over-budgeted. We budget all the funds that should go out to districts in “unallocated” until the program office issues awards and sends us a template to enter into GAPS. At that time, we move the budget from unallocated to subgrants. On January 8, 2018, a budget of \$560,182 was removed from unallocated and moved to subgrants. Then an additional budget was entered for \$560,182 to subgrants making the total budgeted amount of the grant over by \$560,182. This error was corrected on January 18, 2018.

Our current process regarding total grant budgets in SCEIS would have found this error before we actually over spent the grant. Each accountant checks the total budget in SCEIS against the total G5 amount for each of their grants with every draw request – generally once a week. If that check fails, then it would be found in the monthly total grant reconciliation required on each grant where we reconcile SCEIS, G5, and GAPS.

If this budget error was not found the week after during the draw, then it would have been found at the end of the month during the reconciliation. To avoid future findings, we are going to increase monitoring of total grant budget to once a week verifications, after each drawdown, that are submitted to the Grants Accounting Manager.

Name(s) of the contact person(s) responsible for corrective action: Diane House,
Office of Finance

Planned completion date for correction action plan: March 1, 2018

SOUTH CAROLINA DEPARTMENT OF EDUCATION

2017-017 Career and Technical Education (Perkins IV) – CFDA No. 84.048

Recommendation: We recommend that the Department follow its established policies and procedures for the program to ensure periodic monitoring is performed for all subrecipients.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to the finding: The Office of Career and Technical Education (OCTE) concurs that internal controls related to the periodic monitoring of all subrecipients needs to be strengthened, especially with regards to the postsecondary alignment. During the Fiscal Year 2017 audit period, the SC Technical College Board (SCTCS), the postsecondary programmatic office, strove to be fully compliant with in this audit period. The SCTCS has brought up to date most of the subrecipient monitoring. As of the date of the audit, the one subrecipient not yet monitored was scheduled to be monitored right after the audit period. The SCTCS will continue to ensure completeness and accuracy of the monitoring policies and procedures.

In addition, the OCTE has assessed its internal controls and implemented measures to ensure compliance with reporting requirements through clearly defined expectations and access to the appropriate information.

The OCTE is developing processes to review the preparation of the monitoring schedule and relevant policies and procedures. The OCTE will oversee the function and perform the necessary quality assurance reviews on the SCTCS monitoring. These reviews will be implemented to ensure audits are compliant

Furthermore, the communications between OCTE and the Office of Audit Services will be sufficient to ensure the staff is aware of how the postsecondary institutions are incorporated into the agency risk assessment. The OCTE will also share this risk assessment with the SCTCS to provide continued communication and internal controls.

Name(s) of the contact person(s) responsible for corrective action: Maria Swygert, Office of Career and Technical Education (OCTE); and Dr. Stephanie Frazier, Office of Academic and Student Affairs at the SC Technical College System Office (SCTCS).

Planned completion date for corrective action plan: June 2018

SOUTH CAROLINA DEPARTMENT OF EDUCATION

2017-018 Career and Technical Education (Perkins IV) – CFDA No. 84.048

Recommendation: We recommend that the Department implement a process to ensure that the required reports are accurate and complete in accordance with the provisions for the award.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Office of Career and Technical Education (OCTE) concurs that the internal controls were insufficient related to the Consolidated Annual Report (CAR), especially with regards to the communication and training with the Office of Finance.

In addition, the OCTE has assessed its internal controls and is improving quality assurance measures to ensure compliance with reporting requirements through more clearly defined expectations and access to the appropriate information.

The OCTE is analyzing and improving its processes on review of the preparation of annual reports and budgets that are compliant with relevant policies and procedures. The OCTE will oversee the function and perform the necessary quality assurance reviews on the federal budget. These reviews will be implemented to ensure reporting is compliant with federal policies and procedures for the agency.

Furthermore, the communications between OCTE and the Office of Finance will be sufficient to ensure that staff is trained and included in the federal communications and reporting.

Name(s) of the contact person(s) responsible for corrective action: Maria Swygert, Office of Career and Technical Education (OCTE); and Diane House, Office of Finance.

Planned completion date for corrective action plan: June 2018

Single Audit Findings Correction Action Plan

Page 7

March 27, 2018

If the US Department of Education has questions regarding this plan, please contact Nancy Williams at 803-734-8108.

Sincerely,



Molly M. Spearman
State Superintendent of Education

MMS/nww

Attachments (3)



STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

MOLLY M. SPEARMAN
STATE SUPERINTENDENT OF EDUCATION

State Audit Response for Title I and II

The State Audit cites Title I and Title II on the Uniform Grant Guidance (UGG) CFR §200.331 (d) as an internal control issue for not conducting onsite monitoring of subrecipients during the audit period timeline, based upon the Office of Federal and State Accountability (OFSA) process. As a simple statement, the OFSA did not conduct onsite monitoring of all districts in the given timeframe as set up on our office onsite monitoring schedule.

The OFSA does accept the condition that the office did not conduct onsite monitoring for all of the subrecipients for Title I and Title II that were listed on the onsite monitoring schedule for the audit time periods in question; however, the OFSA's contention is that flexibility is allowable. Beyond what might be considered necessary and reasonable for monitoring the Every Student Succeeds Act (ESSA) subrecipients, the UGG, and the 2017 Compliance Supplement do not set yearly onsite monitoring targeting goals. The OFSA also contends that subrecipient monitoring was conducted in other ways as allowed under CFR §200.331.

The OFSA's general process is to conduct onsite monitoring of subrecipients on a three-year rotation; however, there is no hard and fast requirement for the OFSA to do so. Information regarding Title II onsite monitoring found on our website uses the term "approximately" allowing for some flexibility. CFR §200.331 (d) does not require a three-year rotation, nor is there any time requirement for conducting onsite subrecipient monitoring mentioned in CFR §200.331 (d). There are events in a given year that may prevent onsite monitoring. In recent years there have been extenuating factors which have disrupted the onsite monitoring schedule, including weather related events; the need to address some at-risk subrecipients that were not on the three-year schedule; and the need to prepare for a U.S. Department of Education (USED) Fiscal Audit that with the change in presidential administrations, was never fully completed.

For Title II, the previous State Audit finding included guidance to "catch up" with the schedule itself. The OFSA did work diligently to "catch up," however, combined with factors above, the OFSA was not able to conduct onsite monitoring of all the recipients for the period that the State Audit tested. The OFSA questioned the issue a year ago and is doing so now. Our Title II Coordinator met with the State Auditor regarding the schedule because it appeared as though monitoring would remain an issue every year.

The Title II Coordinator and the State Auditor devised a rotation schedule that would satisfy the auditors, again meaning our office would conduct onsite visits, doubling up on some subrecipients for another year. For Title I, illness played a part in a district not having an onsite visit within the schedule.

While expected that the S.C. Department of Education (SCDE) would conduct monitoring of Subrecipients, the UGG and the Office of Budget and Management (OMB) Compliance Supplement offer other options for monitoring subrecipients. The OFSA monitors all programs through a variety of methods. Subrecipients must submit a plan/application each year for both Title I and Title II. Those plans are reviewed in the OFSA for completeness as outlined in statute and guidance. Each project manager is in communication during the planning process and throughout the school year with their assigned subrecipients. Subrecipients often submit amendments to their plans, and those are reviewed as well. Allowable activities and allowable costs are major topics for review and discussion. In addition, supporting documentation is provided as needed. Some components are reviewed by desk audit. The SCDE Auditing Offices provides information on risk and single audit findings, and those elements are reviewed by each program office. The OFSA houses many of the grant programs found in the ESSA. Those programs also incorporate the crosscutting provisions of Title I and Title II and conduct monitoring (desk and onsite) on a regular basis. The results of any monitoring visits are shared, especially if risk factors are found. The Finance Office reviews budget and financial data as claims are processed. In addition, the State Accountability Team monitors accreditation standards, and results are shared with federal teams and other offices within the SCDE.

During the school years 2015–16 and 2016–17, the OFSA performed over 150 onsite monitoring visits conducted by our ESEA program staff. In addition, fifty-two districts were monitored in the fall of 2017 in order to comply with the previous year’s finding. The OMB Compliance Supplement lists the Department of Education’s Matrix of Compliance Requirements and those requirements are found in almost all of the ESEA programs. Staff in the OFSA share results of monitoring that may warrant a deeper look. Staff have also visited districts not on the list for a given year but have been deemed “at risk” by senior staff. All districts have been monitored over the past two and a half years by one or more of our program offices.

In the exit conference with the State Audit team, they acknowledged that if Title I and Title II had a five-year or a six-year onsite monitoring schedule, Title I and Title II would not have been cited in the Audit Report. Someone unfamiliar with the background of the audit might gain the impression that the OFSA was lax in performing monitoring activities, which is clearly not the case.

If a corrective action is needed, the OFSA will move to a five-year or six-year onsite monitoring schedule.

Roy Stehle, Director
Office of Federal and State Accountability

ATTACHMENT 2

Title I and II supporting examples – State Audit Response

EDGAR

§200.331 Requirements for pass-through entities.

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

(1) Reviewing financial and performance reports required by the pass-through entity.

(2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.

(3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 Management decision.

Compliance Supplement – July 2017

From cross cutting provisions- Subrecipient Monitoring

“During-the-Award Monitoring

Following are examples of factors that may affect the nature, timing, and extent of during-the-award monitoring:

- *Program complexity* – Programs with complex compliance requirements have a higher risk of non-compliance.

- *Percentage passed through* – The larger the percentage of program awards passed through the greater the need for subrecipient monitoring.

- *Amount of awards* – Larger dollar awards are of greater risk.

- *Subrecipient risk* – Subrecipients may be evaluated as higher risk or lower risk to determine the need for closer monitoring. Generally, new subrecipients would require closer monitoring. For existing subrecipients, based on results of during-the-award monitoring and subrecipient audits, a subrecipient may warrant closer monitoring (e.g., if the subrecipient has (1) a history of non-compliance as either a recipient or subrecipient, (2) new personnel, or (3) new or substantially changed systems). Evaluation of subrecipient risk also may take into consideration the extent of Federal monitoring of subrecipient entities that also are recipients of prime Federal awards.

Monitoring activities normally occur throughout the year and may take various forms, such as:

- *Reporting* – Reviewing financial and performance reports submitted by the subrecipient.

- *Site Visits* – Performing site visits at the subrecipient to review financial and programmatic records and observe operations.

- *Regular Contact* – Regular contacts with subrecipients and appropriate inquiries concerning program activities.”

“4. Review the pass-through entity’s documentation of during-the-subaward monitoring to ascertain if the pass-through entity’s monitoring provided reasonable assurance that subrecipients used Federal awards for authorized purposes, complied with laws, regulations, and the provisions of contracts and grant agreements, and achieved performance goals.”

Title II Handbook

“4. On-Site Monitoring (2 CFR §200.331)

The Title II, Part A State Coordinator visits LEAs to review the criteria included in the annual LEA Monitoring Form. LEAs are monitored based both on risk and a monitoring cycle.

Approximately one-third of South Carolina LEAs are monitored on-site, each year. Program staff may conduct independent on-site monitoring as needed.

Title II website – Monitoring

“Title II, Part A Monitoring <https://ed.sc.gov/policy/federal-education-programs/esea-title-ii-part-a1/title-ii-part-a-monitoring/>

Overview

In keeping with the provisions of ESEA/ESSA, the SCDE provides monitoring and technical assistance service to South Carolina’s Local Education Agencies (LEAs) for Title II, Part A. It monitors the Title II, Part A program in local education agencies (LEAs) for implementation of program requirements and expenditure of Federal Title II, Part A funds.

On-Site Monitoring

The Title II, Part A State Coordinator visits LEAs to review the criteria included in the annual LEA Monitoring Form. LEAs are monitored based both on risk and a monitoring cycle.

Approximately one-third of South Carolina LEAs are monitored on-site, each year. Program staff may conduct independent on-site monitoring as needed.”

Procedure for Requesting Reimbursement on G5 Grants

1 – Grant Accountant will run a General Ledger report for each grant to determine the negative Cash amount that needs to be included in the request for reimbursement. See Doc #1 and for this example the negative amount of cash included on the request will be \$25,027.87.

2 – Grant Accountant will include a list of all GAPS (internal system for submitting and approving expenditures) claims approved for payment since the last G5 request for reimbursement. These claims are approved during the week and then every Monday a GAPS Interface is processed to set up payments for these approved claims. We usually set the payment date for the Wednesday of that week. See all listed as Doc #2 and the total amount is \$372,644.13.

3 – Grant Accountant will next complete a Federal Request for Reimbursement form for each grant they are responsible for. See Doc# 3 – where the negative amount of Cash from the General Ledger is entered and the amount of GAPS approved claims scheduled for payment that week is entered. The total amount of these two figures is the amount that we will request from G5 for this particular grant. In this example it's \$397,672.00.

4 – Each Grant Accountant will fill out a Federal Grant Reimbursement Request form that includes all the G5 grants that they are managing – see Doc #4. This form includes the Federal Award Number and our internal grant number (SCEIS grant #) and a total amount we need to request from G5 for each grant.

5 – This package of Doc # 1- 4 is sent to the Grant Accountant responsible for actually signing into G5 and processing the request for reimbursement. After the request is submitted in G5 and then recorded in our accounting system – SCEIS – we then file a hardcopy of the entire request in a central location located in the Grants Accounting section.

6 - Per SCDE Grants Manual revised November 2016, under State Level Closeout Process under item 8, records will be retained for six years. See below for policy:

Records should be inspected for completeness and be maintained in the central grant file for six years after the final report is submitted. The Archive Policy # 301-3 must be followed in order to comply with all laws and regulations governing the archiving of SCDE records and disposal of grant files beyond the six year requirement.



March 9, 2018

**DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL
CORRECTIVE ACTION PLAN
YEAR ENDED 06/30/2017**

Cognizant/Oversight Agency for Audit: Various

The South Carolina Department of Health and Environmental Control respectfully submits the following corrective action plan for the year ended June 30, 2017.

Audit period: July 1, 2016 through June 30, 2017

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

Federal Agency: Various

2017-019 Federal Program Title: Research and Development Cluster CFDA No.: Various

Recommendation: We recommend that the State implement a process to verify that all vendors awarded contracts from federal funds are not suspended or debarred prior to entering into a covered transaction.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding:

The SC Department of Health and Environmental Control has taken the following actions to address this finding:

Existing Procedures for Purchases >= \$10,000

For covered transactions exceeding \$10,000 in total value, the following clause already exists in the Agency's procurement manual in the "CERTIFICATION REGARDING DEBARMENT AND OTHER RESPONSIBILITY MATTERS (JAN 2004)" section:
"By submitting an Offer, Offeror certifies, to the best of its knowledge and belief, that(i) Offeror and/or any of its Principals (A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any state or federal agency . . ."

New procedures for Purchases <= \$10,000

(1) The Agency procurement manual has been updated to include the following text in the Determination of Responsibility section:

"No vendor may be considered a Responsible offeror in a purchase that involves federal funds if that vendor has been debarred by the Federal Government and is classified as "Exclusion" in the System for Award Management."

(2) At our Feb 26, 2018 procurement staff meeting, we demonstrated how to use the SAM exclusion list and that this is now a required step. Procurement officers were instructed to include a print screen from SAM verifying the vendor status in the purchasing file.

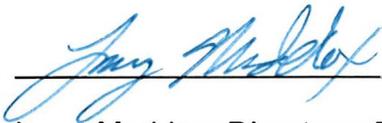
(3) At our March 07, 2018 de-centralized buyers meeting we provided similar training on the above topics. All DHEC buyers are required to attend these quarterly training sessions or review the taped video within 60 days of the event.

Additional Procedures

The State of South Carolina currently uses a vendor master file within SCEIS to identify entities debarred by the State of South Carolina and blocks them so they cannot be used. The Agency plans on meeting with SCEIS, Material Management and Comptroller General staff to discuss a statewide solution consistent with federal requirements.

Planned completion date for corrective action plan: Immediate implementation

If the various federal agencies have questions regarding this plan, please call



Larry Maddox, Director – Bureau of Business Management
(803) 898-3522
MaddoxLH@dhec.sc.gov



287 meeting street
charleston, sc 29401

p. 843.953.2078
f. 843.953.2080

www.scseagrant.org

Member Institutions

Clemson University

Coastal Carolina
University

College of Charleston

Medical University
of South Carolina

S.C. Department of
Natural Resources

S.C. State University

The Citadel

University of South Carolina

Chairman

Dr. Harris Pastides
President,
University of
South Carolina

Executive Director

M. Richard DeVoe



*Enhancing practical
use and conservation of
South Carolina's coastal
and marine resources
that foster a sustainable
economy and environment.*

U.S. Department of Commerce
1401 Constitution Avenue NW
Washington, D.C. 20230

South Carolina Sea Grant Consortium respectfully submits the following corrective action plan for the year ended June 30, 2017.

Audit Period: July 1, 2016 through June 30, 2017

Corrective Action Plans Initiated: July 1, 2017; February 1, 2018

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

Finding Number:	2017-019, Procurement and Suspension and Debarment
Federal Agency:	Various
Federal Program Title:	Research and Development Cluster
CFDA Number:	Various
Federal Grant ID Number:	Various
Pass-Through Entity:	Various
Award Period:	Various
Type of Finding:	Material weakness in internal control over compliance
Recommendation:	We recommend that the State implement a process to verify that all vendors awarded contracts from federal funds are not suspended or debarred prior to entering into a covered transaction.

Explanation of disagreement with audit finding:

There is no disagreement with the audit finding.

Action taken in response to finding:

Per this finding, the Consortium will develop and implement an additional authorization document into our existing external subaward agreement packages. The document will require each subawardee to verify the institution/agency and any collaborating entities (i.e., “vendors”) are not suspended or debarred from receiving federal funds; the document will require approval authorization from an institutional/agency administrator.

The Consortium awards its external subawards on an annual basis; thus, this verification process will be conducted on a yearly basis for as long as the subaward is valid. Any additional follow-up of this process will be incorporated into the Consortium’s internal policies and procedures for all subrecipient monitoring.

Name of the contact person responsible for corrective action:

Ryan C. Bradley, Assistant Director for Administration

Planned completion date for corrective action plan:

Completed and implemented on February 1, 2018

Finding Number: 2017-020, Subrecipient Monitoring (*Prior Year Finding No: 2016-024*)
Federal Agency: Various
Federal Program Title: Research and Development Cluster
CFDA Number: Various
Federal Grant ID Number: Various
Pass-Through Entity: Various
Award Period: Various
Type of Finding: Material weakness in internal control over compliance, material noncompliance.
Recommendation: We recommend that the Consortium implement policies and procedures to facilitate compliance with federal subrecipient monitoring requirements.

Explanation of disagreement with audit finding:

There is no disagreement with the finding as it relates to the fiscal year associated with this single audit. However, at the date of this report, the Consortium has already developed and implemented a Corrective Action Plan associated with this exact finding in the audit of the Schedule of Expenditures of Federal Awards (SEFA) of the S.C. Sea Grant Consortium for the year ended June 30, 2016, performed last year.

These internal policies and procedures were preliminarily initiated on July 1, 2017 and forwarded to the Office on the State Auditor on November 16, 2017 following formal review and endorsement by the S.C. Sea Grant Consortium’s Board of Directors on October 10, 2017.

Action taken in response to finding:

The Consortium’s Corrective Action Plan, which was implemented on July 1, 2017, includes process improvements to our internal controls for external sub-recipients and ensures compliance with federal guidelines as detailed within the OMB 2-CFR-200. The Consortium will be utilizing monitoring strategies such as remote desk audits, risk assessment questionnaires and a rotating schedule for on-site visits to sponsored program offices. All sub-recipients will be required to provide copies of annual audit reports and, where appropriate, corresponding actions resulting from any findings. From these results, we will determine if additional evaluation is necessary.

In addition to our current ten (10%) percent or final reimbursement request policies, the Consortium requires more detailed fiscal information before fulfilling reimbursement requests. Sub-recipient reimbursement requests will require line-item level detail, and include updates on matching support provided to date.

Name of the contact person responsible for corrective action:

Ryan C. Bradley, Assistant Director for Administration

Planned completion date for corrective action plan:

Completed and implemented on July 1, 2017

Finding Number: 2017-021, Cash Management (*Prior Year Finding No: 2016-025*)
Federal Agency: Various
Federal Program Title: Research and Development Cluster
CFDA Number: Various
Federal Grant ID Number: Various

Pass-Through Entity: Various
Award Period: Various
Type of Finding: Material weakness in internal control over compliance.
Recommendation: We recommend that the Consortium implement internal controls regarding the reimbursement request process.

Explanation of disagreement with audit finding:

There is no disagreement with the finding as it relates to the fiscal year associated with this single audit. However, at the date of this report, the Consortium has already developed and implemented a Corrective Action Plan associated with this exact finding in the audit of the Schedule of Expenditures of Federal Awards (SEFA) of the S.C. Sea Grant Consortium for the year ended June 30, 2016, performed last year.

These internal policies and procedures were preliminarily initiated on July 1, 2017 and forwarded to the Office on the State Auditor on November 16, 2017 following formal review and endorsement by the S.C. Sea Grant Consortium's Board of Directors on October 10, 2017.

Action taken in response to finding:

The Consortium's Corrective Action Plan, which was implemented on July 1 2017, incorporates a two-step authorization process for agency reimbursement requests to federal and other fund sources. The process includes quarterly budget meetings with Consortium Administrative staff, and involves the Executive Director. Upon approval from the Administrative staff, the Assistant Director for Administration initiates payment requests and the Program Manager or Principal Investigator provides a secondary authorization prior to the SCEIS entry of the reimbursement.

Name(s) of the contact person(s) responsible for corrective action:

Ryan C. Bradley, Assistant Director for Administration

Planned completion date for corrective action plan:

Completed and implement on July 1, 2017

Finding Number: 2016-022, Activities Allowed or Unallowed and Allowable Costs/Cost Principles
(*Prior Year Finding No: 2016-026*)
Federal Agency: Various
Federal Program Title: Research and Development Cluster
CFDA Number: Various
Federal Grant ID Number: Various
Pass-Through Entity: Various
Award Period: Various
Type of Finding: Significant deficiency in internal control over compliance, other matters.
Recommendation: We recommend that the Consortium implement policies/procedures to ensure that adequate documentation is maintained to support payroll charges to grants.

Explanation of disagreement with audit finding:

There is no disagreement with the finding as it relates to the fiscal year associated with this single audit. However, at the date of this report, the Consortium has already developed and implemented a Corrective Action Plan associated with this exact

finding in the audit of the Schedule of Expenditures of Federal Awards (SEFA) of the S.C. Sea Grant Consortium for the year ended June 30, 2016, performed last year.

These internal policies and procedures were preliminarily initiated on July 1, 2017 and forwarded to the Office on the State Auditor on November 16, 2017 following formal review and endorsement by the S.C. Sea Grant Consortium's Board of Directors on October 10, 2017.

Action taken in response to finding:

The Consortium's Corrective Action Plan, which was implemented on July 1, 2017, includes development and implementation of a time-sheet process to document level-of-effort for all employees. This process allows Consortium staff to validate their time and effort per each funding source utilized to support staff salaries and wages. Supervisors are now required to approve time-sheets of their staff, with the Human Resources Manager providing the second and final approval level.

Name(s) of the contact person(s) responsible for corrective action:

Ryan C. Bradley, Assistant Director for Administration

Planned completion date for corrective action plan:

Completed and implement on July 1, 2017

Finding Number:	2016-023, Matching, Level of Effort, Earmarking (<i>Prior Year Finding No: 2016-027</i>)
Federal Agency:	Various
Federal Program Title:	Research and Development Cluster
CFDA Number:	Various
Federal Grant ID Number:	Various
Pass-Through Entity:	Various
Award Period:	Various
Type of Finding:	Significant deficiency in internal control over compliance, other matters.
Recommendation:	We recommend the Consortium implement policies and procedures to ensure verifiable records are maintained for all volunteer services and donated supplies used to fulfill matching requirements.

Explanation of disagreement with audit finding:

There is no disagreement with the finding as it relates to the fiscal year associated with this single audit. However, at the date of this report, the Consortium has already developed and implemented a Corrective Action Plan associated with this exact finding in the audit of the Schedule of Expenditures of Federal Awards (SEFA) of the S.C. Sea Grant Consortium for the year ended June 30, 2016, performed last year.

These internal policies and procedures were preliminarily initiated on July 1, 2017 and forwarded to the Office on the State Auditor on November 16, 2017 following formal review and endorsement by the S.C. Sea Grant Consortium's Board of Directors on October 10, 2017.

Action taken in response to finding:

The Consortium's Corrective Action Plan, which was implemented on July 1, 2017, outlines the creation of an in-house document to capture the support of volunteer

hours being used to support matching fund requirements. Volunteer hours will be calculated based upon data available from Independent Sector (<http://independentsector.org/>). With regards to supplies or other material items used to support matching funds requirements, the Consortium now requires signed copies of all receipts. All documentation involves a two-step approval process; an initial authorization from the Principal Investigator verifying resources have been provided, and a secondary authorization from the Assistant Director for Administration.

Name(s) of the contact person(s) responsible for corrective action:

Ryan C. Bradley, Assistant Director for Administration

Planned completion date for corrective action plan:

Completed and implement on July 1, 2017

If the Department of Commerce has questions regarding this plan, please call Ryan Bradley at (843) 953-2078.

Sincerely,



M. Richard DeVoe
Executive Director

Cc: Ryan C. Bradley, Assistant Director for Administration

South Carolina Department of Natural Resources



Department of Interior

Alvin A. Taylor
Director

South Carolina Department of Natural Resources respectfully submits the following corrective action plan for the year ended June 30, 2017.

Angie Cassella
Audit Services

Audit period: June 30, 2017

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

South Carolina Department of Natural Resources

2017-019 Research and Development Cluster – CFDA No. Various

Recommendation: The Department implement a process to verify that all vendors awarded contracts from federal funds are not suspended or debarred prior to entering into a covered transaction.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Policies and procedures were implement on October 6, 2017 for the Department's Procurement Office to verify that each vendor is not suspended or debarred prior to entering into a covered transaction that involves federal funds.

Name(s) of the contact person(s) responsible for corrective action: Angie Cassella

Planned completion date for corrective action plan: October 6, 2017

South Carolina Department of Natural Resources

2017-020 Research and Development Cluster – CFDA No. Various

Recommendation: The Department implement policies and procedures to facilitate compliance with federal subrecipient monitoring requirements.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Policies and procedures have been drafted to ensure the Department is in compliance with federal subrecipient monitoring requirements.

Name(s) of the contact person(s) responsible for corrective action: Angie Cassella

Planned completion date for corrective action plan: June 30, 2018

South Carolina Department of Natural Resources

2017-024 Research and Development Cluster – CFDA No. Various

Recommendation: The Department implement a process to ensure that proper and consistent documentation is maintained to support the level of expenses prompting a drawdown of funds.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Policies and procedures have been drafted to ensure proper and consistent documentation in our grants files throughout the agency to include the drawdowns of funds.

Name(s) of the contact person(s) responsible for corrective action: Angie Cassella

Planned completion date for corrective action plan: June 30, 2018

If the Department of Interior has questions regarding this plan, please call Angie Cassella at 803-734-3948.

Respectfully submitted,



**Angie Cassella
Audits Manager**



March 16, 2018

Department of Health and Human Services

The South Carolina Department of Social Services respectfully submits the following corrective action plan for the year ended June 30, 2017.

Audit period: June 30, 2017

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

Department of Health and Human Services

2017-025 Child Support Enforcement – CFDA No. 93.563

Recommendation: We recommend that the Department continue its progress in implementing a data processing and retrieval system that complies with Section 454 (24) (B) of the Act.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The contract for the statewide child support system has been assigned to Conduent, and the federal Office of Child Support Enforcement (OSCE) approved our current project contract in August 2015. The project timeline for system development, testing and implementation is four years, consisting of the following:

- Three-year design, development and testing phase.
- Completed system implementation at DSS and four pilot counties beginning October 1, 2018.
- System implementation across the remaining 42 counties over a seven-month period

Name(s) of the contact person(s) responsible for corrective action: Jimmy Early, Project Director

Planned completion date for corrective action plan: September 30, 2019

U.S. Department of Agriculture

2017-026 Child and Adult Food Care Program – CFDA No. 10.558

Recommendation: We recommend that the Department strengthen its internal controls and processes to ensure that the proper amount of institutions and facilities are being monitored each year.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The South Carolina Department of Social Services (SCDSS) is currently in the development stages of an automated compliance module system that will compute the 33.3% threshold requirement. The module is being completed in stages. The estimated completion of the first stage which will identify the review universe and compute the 33.3% threshold is March 2019. While the system is in development, the unit manager will ensure that the end of year report of reimbursements reflecting the prior fiscal year reimbursements is obtained to accurately compute the 33.3% threshold. A second-party review by the Child and Adult Food Care Program (CACFP) Manager to ensure that institution information is taken from the correct listing will also be conducted.

Name(s) of the contact person(s) responsible for corrective action: Mary Abney Young, Program Manager

Planned completion date for corrective action plan: March 31, 2019

Department of Health and Human Services

2017-027 Temporary Assistance for Needy Families – CFDA No. 93.558

Recommendation: We recommend the Department implement internal controls to monitor and reconcile the amount of expenditures it is reporting in the SEFA comparison to what is in the general ledger.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Management will develop and implement a monthly process to reconcile SCEIS general ledger data to the Business Warehouse reports to ensure accurate reporting of information.

Name(s) of the contact person(s) responsible for corrective action: Susan Roben, Controller

Planned completion date for corrective action plan: June 30, 2018

Department of Health and Human Services; U.S. Department of Agriculture

2017-028 Temporary Assistance for Needy Families; State Administrative Matching Grants for the Supplemental Nutrition Assistance Program – CFDA No. 93.558; 10.561

Recommendation: We recommend that the Department review its internal control procedures related to the calculations of the quarterly composite base percentages to ensure that they are being performed accurately and in accordance with the approved cost allocation plan.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Since this is a manual, excel based calculation, the Agency will implement a process to have the Manager perform the monthly composite base percentage calculations, a staff member review of the calculations and a final review and approval by the Controller to ensure they are performed correctly. The Agency is also exploring the possibility of implementing an automated cost allocation system that would eliminate the potential for manual keying errors.

Name(s) of the contact person(s) responsible for corrective action: Susan Roben, Controller

Planned completion date for corrective action plan: September 30, 2018

Department of Health and Human Services

2017-029 Temporary Assistance for Needy Families – CFDA No. 93.558

Recommendation: We recommend that the Department implement internal controls to monitor and reconcile the amount of expenditures that it is reporting on its quarterly reports to those posted within their financial management system.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Please see response to Corrective Action 2017-027 above.

Name(s) of the contact person(s) responsible for corrective action: Susan Roben, Controller

Planned completion date for corrective action plan: June 30, 2018

Department of Health and Human Services

2017-030 Child Support Enforcement – CFDA No. 93.563

Recommendation: We recommend that the Department strengthen its internal controls to monitor federal reporting deadlines to ensure that all reports are submitted timely.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Staff will be re-trained on the criticality of federal reporting deadlines and will be provided a document outlining each federal program and the related reporting due dates. The Grants Accounting Manager will be responsible for ensuring the reports are completed and filed timely.

Name(s) of the contact person(s) responsible for corrective action: Mary Long, Grants Accounting Manager

Planned completion date for corrective action plan: June 30, 2018

Department of Health and Human Services, U.S. Department of Agriculture

2017-031 Temporary Assistance for Needy Families, Child Support Enforcement, Supplemental Nutrition Assistance Program, Foster Care Title IV-E – CFDA No. 93.563, 93.658, 10.551, 10.561, 93.563

Recommendation: We recommend that the Department strengthen its internal control process for reviewing program expenses charged to federal awards to ensure they were incurred during the grant period of performance.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Procedures will be implemented for proper monitoring of expenditures charged to the program, and staff will be re-trained on the period of performance for each program to ensure the expenditures charged to federal awards are incurred during the proper grant period of performance.

Name(s) of the contact person(s) responsible for corrective action: Mary Long, Grants Accounting Manager

Planned completion date for corrective action plan: September 30, 2018

U.S. Department of Agriculture

2017-032 Child Support Enforcement, Child and Adult Food Care Program – CFDA No. 93.563, 10.558

Recommendation: We recommend that the Department implement a process to collect and report the amount of program funds passed through to subrecipients during the year on their schedule of expenditures of federal awards.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Staff has already begun a process to collect the amount of program funds passed through to subrecipients on the schedule of expenditures of federal awards (SEFA). These pass-through funds will be tracked and readily available for proper preparation of future schedules.

Name(s) of the contact person(s) responsible for corrective action: Susan Roben, Controller

Planned completion date for corrective action plan: June 30, 2018

U.S. Department of Agriculture

2017-033 Supplemental Nutrition Assistance Program – CFDA No. 10.551

Recommendation: We recommend that the Department implement internal controls to monitor and reconcile the issuance and return information that it is reporting on its monthly reports to those posted within their master issuance file.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Responsible staff have already developed a reconciliation process that is effective for preventing incorrect reporting of issuances, expungements and returns going forward. This will be part of a larger reconciliation process that includes all activity, which will be implemented in response to finding 2017-034 below.

In addition, DSS will add a requirement for Finance management review and approval of this report, and the related reconciliation, prior to its filing each month.

Name(s) of the contact person(s) responsible for corrective action: David O’Kelly, General Ledger Manager

Planned completion date for corrective action plan: June 30, 2018

U.S. Department of Agriculture

2017-034 Supplemental Nutrition Assistance Program – CFDA No. 10.551

Recommendation: We recommend that the Department implement internal controls to monitor that discrepancies identified during the reconciliation process are properly addressed in a timely manner and that the resolution be documented.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Staff will be further trained to assure that DSS completes a comprehensive and timely reconciliation between DSS records and the federal reporting system each month. This process will encompass all transactions and will include thorough investigation of all reconciling items, prompt adjustment of any errors noted in DSS records, and prompt communication to FNS of any errors noted in federal transaction postings. Management will review these reconciliations each month in conjunction with its review and approval of the monthly report on issuances addressed in finding 2017-033 above.

Name(s) of the contact person(s) responsible for corrective action: David O’Kelly,
General Ledger Manager

Planned completion date for corrective action plan: June 30, 2018

If the Department of Health and Human Services has questions regarding this plan, please call Susan Roben, Controller at 803-898-7427.

Appendix C

Index of Findings by Federal Grantor and Program Name

STATE OF SOUTH CAROLINA
 Index of Findings by Federal Grantor and Program Name
For the Year Ended June 30, 2017

<u>CFDA Number</u>	<u>Federal Grantor/Program Name</u>	<u>Finding Number</u>	<u>Compliance¹ Requirement</u>	<u>Type of Internal Control Finding</u>		<u>Page</u>
				<u>Significant Deficiency</u>	<u>Material Weakness</u>	
	<u>State of South Carolina</u>	2017-001	(CAFR)		X	44
		2017-002	(CAFR)	X		44
		2017-003	(CAFR)	X		46
	<u>Department of Agriculture</u>					
10.551	Supplemental Nutrition Assistance Program	2017-031	H	X		77
		2017-033	L	X		79
		2017-034	N	X		80
10.558	Child and Adult Care Food Program	2017-026	M	X		72
		2017-032	L		X	78
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	2017-028	AB	X		74
		2017-031	H	X		77
	<u>Department of Defense</u>					
12.401	National Guard Military Operations And Maintenance (O&M) Projects	2017-011	H	X		55
		2017-012	I	X		56
	<u>Department of Education</u>					
84.010	Title I Grant to Local Educational Agencies	2017-015	M	X		60

¹ Compliance Requirement Legend – See page 163

STATE OF SOUTH CAROLINA
 Index of Findings by Federal Grantor and Program Name
For the Year Ended June 30, 2017

<u>CFDA Number</u>	<u>Federal Grantor/Program Name</u>	<u>Finding Number</u>	<u>Compliance¹ Requirement</u>	<u>Type of Internal Control Finding</u>		<u>Page</u>
				<u>Significant Deficiency</u>	<u>Material Weakness</u>	
84.027	Special Education Grants to States	2017-014	C	X		58
84.048	Career & Technical Education (Perkins IV)	2017-014	C	X		58
		2017-017	M	X		62
		2017-018	L	X		63
84.173	Special Education Preschool Grants	2017-014	C	X		58
84.287	Twenty-First Century Community Learning Center	2017-016	G	X		61
84.367	Supporting Effective Instruction State Grant	2017-013	M	X		57
<u>Department of Health and Human Services</u>						
93.558	Temporary Assistance for Needy Families	2017-027	L	X		73
		2017-028	AB	X		74
		2017-029	L	X		75
		2017-031	H	X		77

¹ Compliance Requirement Legend – See page 163

STATE OF SOUTH CAROLINA
 Index of Findings by Federal Grantor and Program Name
For the Year Ended June 30, 2017

<u>CFDA Number</u>	<u>Federal Grantor/Program Name</u>	<u>Finding Number</u>	<u>Compliance¹ Requirement</u>	<u>Type of Internal Control Finding</u>			<u>Page</u>
				<u>Significant Deficiency</u>	<u>Material Weakness</u>		
	<u>Department of Health and Human Services</u>						
93.563	Child Support Enforcement	2017-025	L			X	71
		2017-030	L	X			76
		2017-031	H	X			77
		2017-032	L			X	78
93.658	Foster Care title IV-E	2017-031	H	X			77
93.775	State Medicaid Fraud Control Units	2017-004	G	X			47
		2017-005	E	X			48
		2017-006	E	X			49
		2017-007	E			X	51
		2017-008	L	X			52
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	2017-004	G	X			47
		2017-005	E	X			48
		2017-006	E	X			49
		2017-007	E			X	51
		2017-008	L	X			52
93.778	Medical Assistance Program	2017-004	G	X			47
		2017-005	E	X			48
		2017-006	E	X			49
		2017-007	E			X	51
		2017-008	L	X			52

¹ Compliance Requirement Legend – See page 163

STATE OF SOUTH CAROLINA
 Index of Findings by Federal Grantor and Program Name
For the Year Ended June 30, 2017

<u>CFDA Number</u>	<u>Federal Grantor/Program Name</u>	<u>Finding Number</u>	<u>Compliance¹ Requirement</u>	<u>Type of Internal Control Finding</u>		<u>Page</u>
				<u>Significant Deficiency</u>	<u>Material Weakness</u>	
<u>Department of Homeland Security</u>						
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)	2017-009	B		X	53
		2017-010	M	X		54
<u>Various CFDA Numbers</u>						
Various	Research and Development Cluster	2017-019	I		X	64
		2017-020	M		X	65
		2017-021	C		X	66
		2017-022	AB	X		67
		2017-023	G	X		68
		2017-024	C	X		70

¹ Compliance Requirement Legend

- A – Activities allowed or unallowed**
- B – Allowable costs/cost principles**
- C – Cash management**
- D – Reserved**
- E – Eligibility**
- F – Equipment and real property management**
- G – Matching, level of effort, earmarking**

- H – Period of Performance**
- I – Procurement and suspension and debarment**
- J – Program income**
- K – Reserved**
- L – Reporting**
- M – Subrecipient monitoring**
- N – Special tests and provisions**

10 copies of this document were published at an estimated printing cost of \$37.17 each, and a total printing cost of \$371.70. Section 1-11-425 of the South Carolina Code of Laws, as amended, requires this information on printing costs be added to the document.