

State of Mississippi

Single Audit Report

for the Fiscal Year Ended June 30, 2008

MISSISSIPPI



Stacey E. Pickering

State Auditor

Office of the State Auditor



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

March 30, 2009

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

I am pleased to submit the *Single Audit Report* of the State of Mississippi for the fiscal year ended June 30, 2008. Our audit was conducted in accordance with the requirements of the Single Audit Act Amendments of 1996, the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Mississippi's audit requirements.

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

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

- for the twenty-first consecutive year the Government Finance Officers Association of the United States and Canada has awarded its Certificate of Achievement for Excellence in Financial Reporting to the Mississippi Department of Finance and Administration for the state's 2007 Comprehensive Annual Financial Report (CAFR) and
- an unqualified opinion has been rendered on the state's financial statements in 2008.

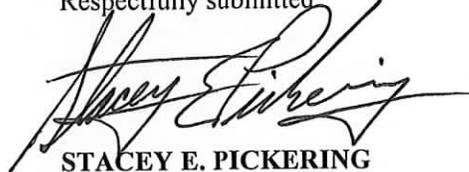
Mississippi's *Comprehensive Annual Financial Report* for fiscal year 2008 has been issued and is available electronically at <http://www.dfa.state.ms.us/> or by writing to the address below:

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

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

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

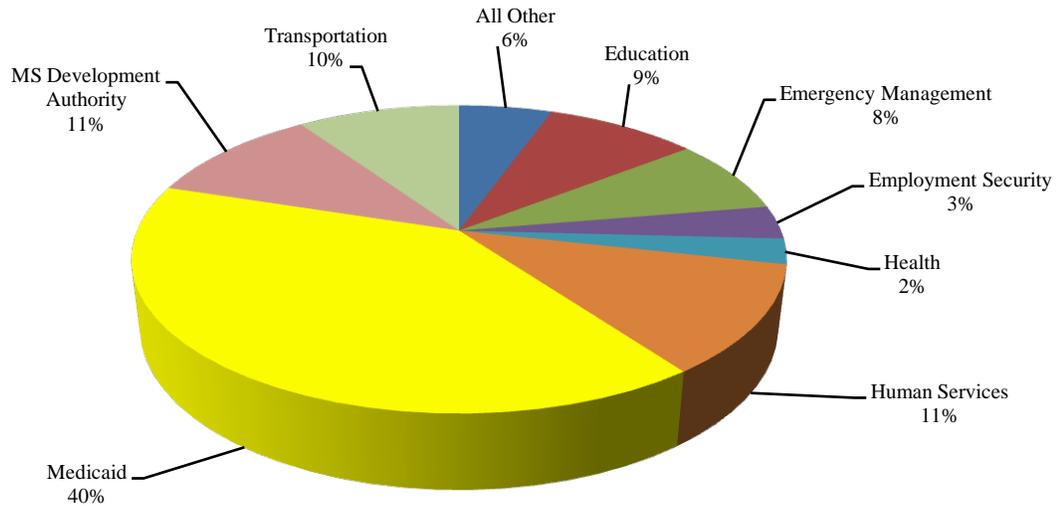
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stacey E. Pickering", written in a cursive style.

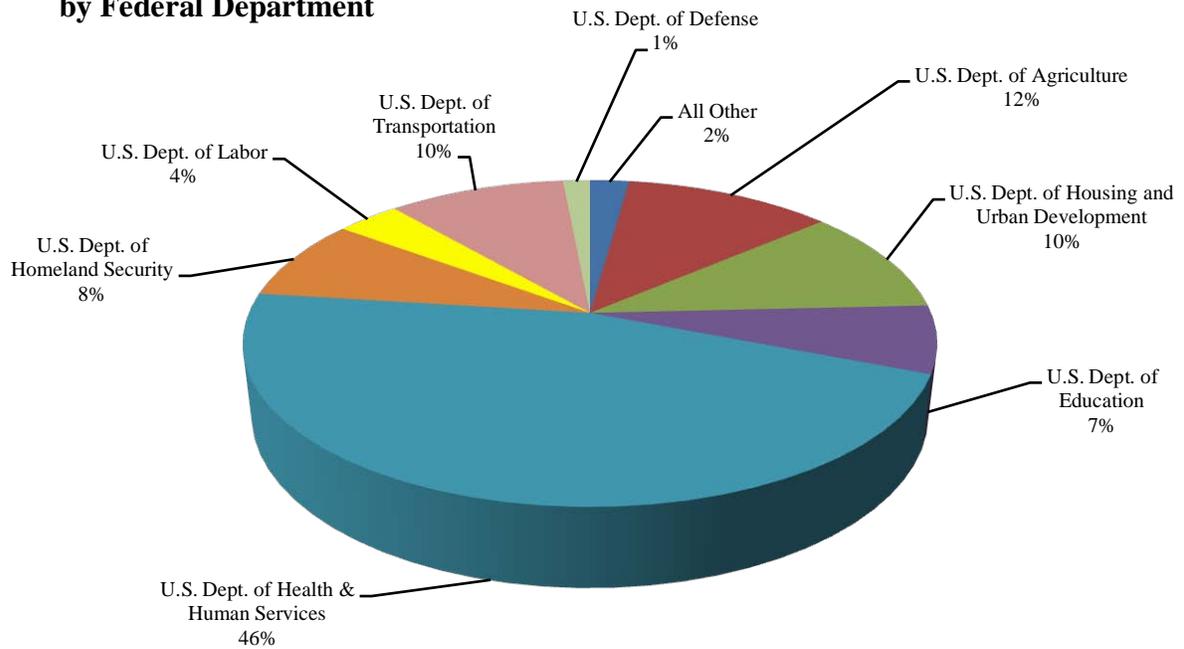
STACEY E. PICKERING
State Auditor

STATE OF MISSISSIPPI Fiscal Year 2008

Expenditures of Federal Awards by State Grantee Agency

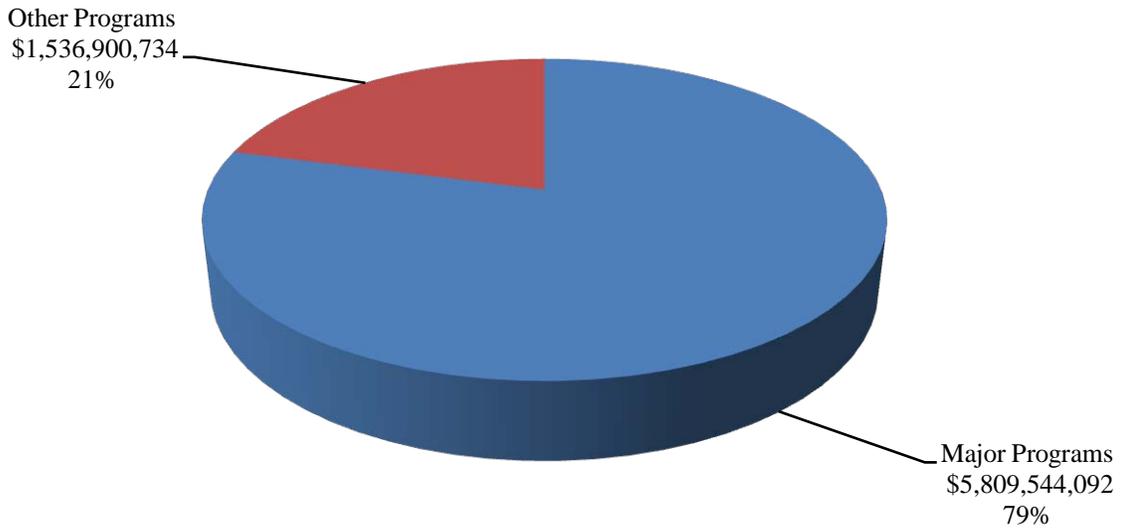


Expenditures of Federal Awards by Federal Department

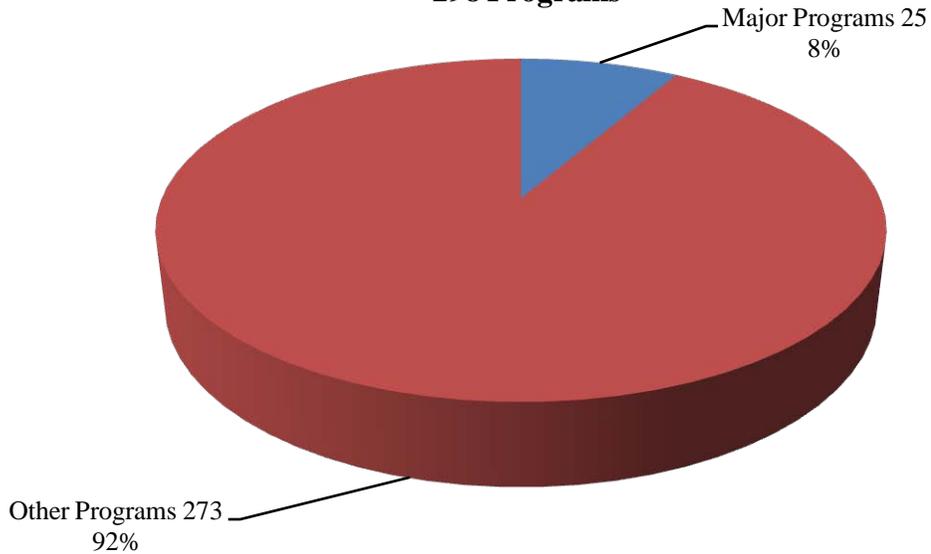


STATE OF MISSISSIPPI Fiscal Year 2008

Percentage of Major Program Assistance Total Expenditures of Federal Awards \$7,346,444,826

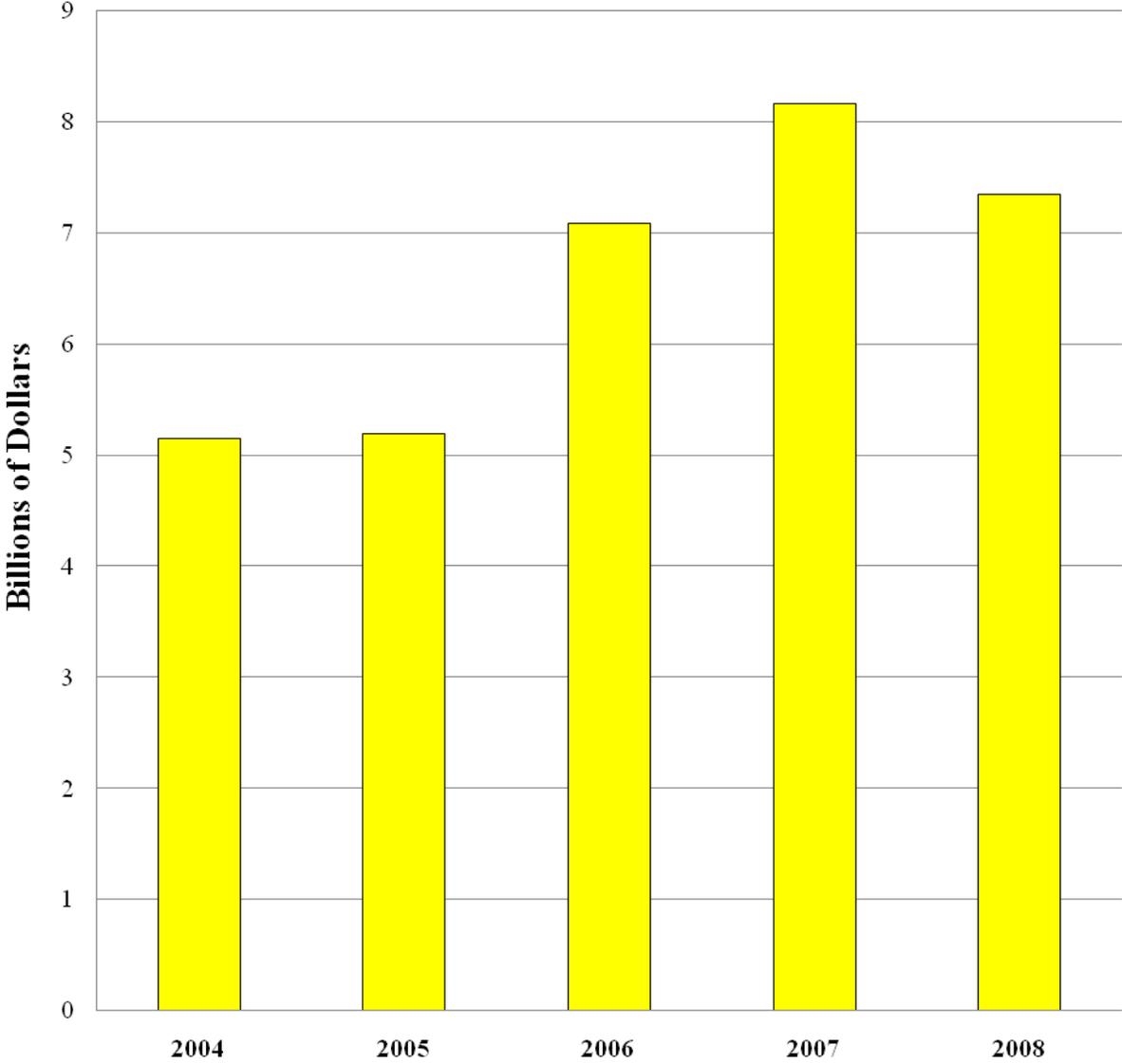


Percentage of Major Program Assistance 298 Programs



STATE OF MISSISSIPPI Total Federal Financial Assistance

Last Five Fiscal Years



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STATE OF MISSISSIPPI

SINGLE AUDIT REPORT

For the Year Ended June 30, 2008

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I. AUDIT REPORTING





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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the State of Mississippi, as of and for the year ended June 30, 2008, which collectively comprise the state's basic financial statements, and have issued our report thereon dated December 19, 2008. Our report was modified to include a reference to other auditors. Other auditors audited the financial statements of the following, as described in our report on the State of Mississippi's financial statements:

■ Government-wide Financial Statements

● Governmental Activities

- the Health Care Trust Fund, the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, the State Agencies Self-Insured Workers' Compensation Trust Fund, and selected funds at the Department of Corrections, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Emergency Management Agency, and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 10% and 32%, respectively, of the assets and revenues of the Governmental Activities;

● Business-type Activities

- the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program, the Veterans' Home Purchase Board, and AbilityWorks, Inc. within the Department of Rehabilitation Services which, in the aggregate, represent 43% and 23%, respectively, of the assets and revenues of the Business-type Activities;

● Component Units

- the Universities and the nonmajor component units.

■ Fund Financial Statements

● Governmental Funds

- the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, and selected funds at the Office of the Governor - Division of Medicaid and the Department of Corrections which represent 24% and 32%, respectively, of the assets and revenues of the General Fund;
- the Health Care Trust Fund which represents 97% and 99%, respectively, of the assets and revenues of the Health Care major governmental fund;

● Proprietary Funds

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

● Aggregate Remaining Funds

- selected nonmajor governmental funds at the Department of Corrections, the Military Department, the Mississippi Emergency Management Agency, and the Department of Wildlife, Fisheries and Parks;
- the State Agencies Self-Insured Workers' Compensation Trust Fund within the Internal Service Fund;
- nonmajor enterprise funds for the Veterans' Home Purchase Board and AbilityWorks, Inc. within the Department of Rehabilitation Services;
- the Pension Trust Funds;
- the Private-Purpose Trust Funds of the Mississippi Affordable College Savings Program;

all of which represent 95% and 74%, respectively, of the assets and revenues of the Aggregate Remaining Funds.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the University of Mississippi Foundation, the Mississippi State University Foundation, Inc., the University of Southern Mississippi Foundation, the University of Mississippi Medical Center Tort Claims Fund, the State Institutions of Higher Learning Tort Liability Fund, the State Institutions of Higher Learning Self-Insured Workers' Compensation Fund, the University of Mississippi Medical Center Educational Building Corporation, the University of Mississippi Educational Building Corporation and the University Hospitals and Clinics, a division of the University of Mississippi Medical Center, which were audited by other auditors upon whose reports we are relying, were audited in accordance with auditing standards generally accepted in the United States of America, but not in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we and other auditors considered the State of Mississippi's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Mississippi's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State of Mississippi's internal control over financial reporting.

Our and the other auditors' consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we and other auditors identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying "Schedule of Findings and Questioned Costs: Part 2 - Financial Statement Findings" as items 2008-12, 2008-13, 2008-14, 2008-15, 2008-16 and 2008-21 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our and the other auditor's consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we and other auditors consider items 2008-15 and 2008-16 to be material weaknesses.

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

Compliance and Other Matters

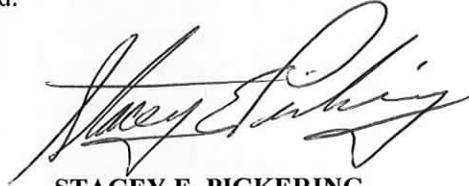
As part of obtaining reasonable assurance about whether the State of Mississippi's basic financial statements are free of material misstatement, we and other auditors performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests and the reports of other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we and the other auditors noted certain matters, which we have reported to management of the State of Mississippi in separate communications.

Management's responses to the findings identified in our audit are described in the accompanying Management Responses and Corrective Action Plans section. We did not audit management's responses and, accordingly, we express no opinion on them.

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*
Page 5

This report is intended solely for the information and use of management, the Governor, Members of the Legislature, federal awarding agencies, pass-through entities, and those charged with governance and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



STACEY E. PICKERING
State Auditor



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

Jackson, Mississippi
December 19, 2008

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

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We and other auditors have audited the compliance of the State of Mississippi with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. We did not audit the National Guard Military Operations and Maintenance Projects program, the National Guard Special Military Operations and Projects program, the Edward Byrne Memorial Formula Grant program, the Edward Byrne Memorial Justice Assistance Grant Program, the State and Community Highway Safety program, the Capitalization Grants for Clean Water State Revolving Funds program, the Capitalization Grants for Drinking Water State Revolving Funds program, the State Children's Insurance Program, the Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations program, the Medicaid Cluster program, the Homeland Security Cluster program, the Disaster Grants - Public Assistance program, and the Alternative Housing Pilot Program. Those programs were audited by other auditors whose reports have been furnished to us. The State of Mississippi's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the State of Mississippi's management. Our responsibility is to express an opinion on the State of Mississippi's compliance based on our audit and the audits of other auditors.

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

The scope of this audit did not include testing transactions and records from the major federal programs of the public universities of Mississippi, the Mississippi Authority for Educational Television or the Port Authority at Gulfport. The audits of these federal programs were conducted in accordance with the provisions of OMB Circular A-133, and separate reports were issued. We did not audit the allowable costs/cost principles and eligibility compliance requirements of the Homeowner's Assistance Grant Program within the Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii. Auditors from the Office of the Inspector General of the U.S. Department of Housing and Urban Development conducted the audit of these compliance requirements for the program for fiscal year 2008 and will issue a separate report.

As described in item 08-13 in the accompanying schedule of findings and questioned costs, the State of Mississippi did not comply with requirements regarding the Davis-Bacon Act that are applicable to the Social Services Block Grant program. Compliance with the requirement is necessary, in our opinion, for the State of Mississippi to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, and the scope limitation related to the Homeowner's Assistance Grant Program within the Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii described in the second preceding paragraph, the State of Mississippi complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. We did not test the transactions and records of the major federal programs administered by the state's public universities, the Mississippi Authority for Educational Television or the Port Authority at Gulfport for compliance with any requirements referred to above to determine the effects of such noncompliance, if any.

The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs" as items 08-04, 08-10 and 08-15.

In addition, we and the other auditors noted certain other immaterial instances of noncompliance, which we have reported to management of the State of Mississippi in separate communications.

Internal Control over Compliance

The management of the State of Mississippi is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing the audit, we and other auditors considered the State of Mississippi's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the State of Mississippi's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Mississippi's internal control over compliance. We excluded the federal programs of the state's public universities, the Mississippi Authority for Educational Television, the Port Authority at Gulfport, and the allowable costs/cost principles and eligibility requirements of the Homeowner's Assistance Grant Program within the Community Development Block Grants/State's and Non-Entitlement Grants in Hawaii Program as discussed in the third paragraph of this report.

Our and the other auditors' consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the State of Mississippi's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we and the other auditors identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We and the other auditors consider the deficiencies in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs" as items 08-01, 08-02, 08-06, 08-07, 08-08, 08-09, 08-10, 08-11, 08-12, 08-13, 08-14, 08-15, 08-16, 08-17, 08-18, 08-19, 08-20, and 08-21.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying "Schedule of Findings and Questioned Costs: Part 3 - Federal Award Findings and Questioned Costs," we consider item 08-13 to be a material weakness.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Mississippi as of and for the year ended June 30, 2008, and have issued our report thereon dated December 19, 2008. We did not audit the financial statements of:

- Government-wide Financial Statements

- Governmental Activities

- the Health Care Trust Fund, the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, the State Agencies Self-Insured Workers' Compensation Trust Fund, and selected funds at the Department of Corrections, the Office of the Governor - Division of Medicaid, the Military Department, the Mississippi Emergency Management Agency, and the Department of Wildlife, Fisheries and Parks which, in the aggregate, represent 10% and 32%, respectively, of the assets and revenues of the Governmental Activities;

- Business-type Activities
 - the Port Authority at Gulfport, the Mississippi Prepaid Affordable College Tuition Program, the Veterans' Home Purchase Board, and AbilityWorks, Inc. within the Department of Rehabilitation Services, which, in the aggregate, represent 43% and 23%, respectively, of the assets and revenues of the Business-type Activities;

 - Component Units
 - the Universities and the nonmajor component units.

 - Fund Financial Statements
 - Governmental Funds
 - the Department of Environmental Quality Clean Water State Revolving Loan Fund, the Department of Health Local Governments and Rural Water Systems Improvements Revolving Loan Fund, and selected funds at the Office of the Governor - Division of Medicaid and the Department of Corrections which represent 24% and 32%, respectively, of the assets and revenues of the General Fund;
 - the Health Care Trust Fund which represents 97% and 99%, respectively, of the assets and revenues of the Health Care major governmental fund;

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

 - Aggregate Remaining Funds
 - selected nonmajor governmental funds at the Department of Corrections, the Military Department, the Mississippi Emergency Management Agency, and the Department of Wildlife, Fisheries and Parks;
 - The State Agencies Self-Insured Workers' Compensation Trust Fund within the Internal Service Fund;
 - nonmajor enterprise funds for the Veterans' Home Purchase Board and AbilityWorks, Inc. within the Department of Rehabilitation Services;
 - the Pension Trust Funds;
 - the Private-Purpose Trust Funds of the Mississippi Affordable College Savings Program;
- all of which represent 95% and 74%, respectively, of the assets and revenues of the Aggregate Remaining Funds.

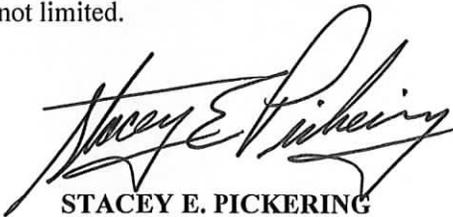
Those financial statements were audited by other auditors whose reports thereon have been furnished to us. Our opinion, insofar as it relates to the amounts included for the above named entities, is based on the reports of the other auditors.

The State of Mississippi has excluded federal programs administered by public universities, the Mississippi Authority for Educational Television and the Port Authority at Gulfport from the accompanying schedules of expenditures of federal awards, as more fully described in Note 2 to the schedules. The state's public universities, the Mississippi Authority for Educational Television and the Port Authority at Gulfport were audited in accordance with statutory requirements and the provisions of OMB Circular A-133, and separate reports were issued.

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

Management's responses to the findings identified in our audit are described in the accompanying Management Responses and Corrective Action Plans section. We did not audit management's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, individuals charged with governance, the Governor, Members of the Legislature, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is matter of public record and its distribution is not limited.



STACEY E. PICKERING
State Auditor



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

Jackson, Mississippi
March 30, 2009 except for the Schedule of Expenditures of Federal Awards, as to which the date is
December 19, 2008

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



STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
OFFICE OF NATIONAL DRUG CONTROL POLICY			
07.UN	High Intensity Drug Trafficking Area	Narcotics / Public Safety	792,764
TOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY			792,764
U.S. DEPARTMENT OF AGRICULTURE			
10.025	Plant and Animal Disease, Pest Control, and Animal Care	Agriculture and Commerce / Animal Health / Wildlife, Fisheries and Parks	1,010,800
10.029	Avian Influenza Indemnity Program	Wildlife, Fisheries and Parks	33,059
10.163	Market Protection and Promotion	Agriculture and Commerce	85,626
10.169	Specialty Crop Block Grant Program	Agriculture and Commerce	89,968
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	Agriculture and Commerce	1,660,808
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Health	76,322,428
10.558	Child and Adult Care Food Program	Education	31,110,949
10.560	State Administrative Expenses for Child Nutrition	Education	2,807,910
10.565	Commodity Supplemental Food Program	Health	433,340
10.574	Team Nutrition Grants	Education	55,929
10.580	Food Stamp Program Outreach/Participation Program	Human Services	750
10.582	Fresh Fruit and Vegetable Program	Education	1,082,299
10.664	Cooperative Forestry Assistance	Agriculture and Commerce / Forestry Commission	8,023,765
10.677	Forest Land Enhancement Program	Forestry Commission	7,295-
10.680	Forest Health Protection	Agriculture and Commerce	150,000
10.773	Rural Business Opportunity Grants	MS Development Authority	56,081
10.902	Soil and Water Conservation	Soil & Water Conservation Commission	508,506
10.950	Agricultural Statistics Reports	Agriculture and Commerce	156,236

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	Federal Department/Program Name		Federal Expenditures Distributions/ Issuances
10.UN	Assistance to Eligible Catfish Producers	Agriculture and Commerce	9,745,646
	SUBTOTAL		133,326,805
	Food Stamp Cluster		
10.551	Food Stamps	Human Services	482,700,601
10.561	State Administrative Matching Grants for Food Stamp Program	Human Services	29,533,072
	Total Food Stamp Cluster		512,233,673
	Child Nutrition Cluster		
10.553	School Breakfast Program	Education	46,287,142
10.555 @	National School Lunch Program	Education	142,924,594
10.556	Special Milk Program for Children	Education	3,520
10.559	Summer Food Service Program for Children	Education	3,451,185
	Total Child Nutrition Cluster		192,666,441
	Emergency Food Assistance Cluster		
10.568	Emergency Food Assistance Program (Administrative Costs)	Human Services	708,739
10.569 @	Emergency Food Assistance Program (Food Commodities)	Human Services	2,930,576
	Total Emergency Food Assistance Cluster		3,639,315
	Schools and Roads Cluster		
10.665	Schools and Roads Grants to States	Treasury	9,796,442
	Total Schools and Roads Cluster		9,796,442
	TOTAL U.S. DEPARTMENT OF AGRICULTURE		851,662,676
	U.S. DEPARTMENT OF COMMERCE		
11.302	Economic Development Support for Planning Organizations	MS Development Authority	210,263
11.407	Interjurisdictional Fisheries Act of 1986	Marine Resources	134,511
11.419	Coastal Zone Management Administration Awards	Environmental Quality / Marine Resources	2,323,606
11.420	Coastal Zone Management Estuarine Research Reserves	Marine Resources	2,101,936

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
11.429	Marine Sanctuary Program	Secretary of State	1,228,955
11.434	Cooperative Fishery Statistics	Marine Resources	102,359
11.463	Habitat Conservation	Marine Resources	1,763,936
11.472	Unallied Science Program	Marine Resources	82,058
TOTAL U.S. DEPARTMENT OF COMMERCE			7,947,624
U.S. DEPARTMENT OF DEFENSE			
12.002	Procurement Technical Assistance For Business Firms	MS Development Authority	446,014
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	Environmental Quality	202,251
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Military Department	94,467,391
12.402	National Guard Special Military Operations and Projects	Military Department	9,193,172
12.404	National Guard Civilian Youth Opportunities	Military Department	3,398,676
12.405	National Guard Drug Interdiction and Counter Drug Activities	Military Department	275,545
12.UN1	Teacher and Teacher's Aide Placement Assistance Program	Education	2,135-
12.UN2	Wildlife Mitigation Projects (Passed-through from the U.S. Army Corps of Engineers. Identifying number assigned by the pass-through entity-DACW01-3-91-543, DACW01-3-91-500, DACW01-3-92-411, DACW01-3-92-410, DACW-38-91-H-010 and DACW-38-91-H-007	Wildlife, Fisheries and Parks	2,190,659
TOTAL U.S. DEPARTMENT OF DEFENSE			110,171,573
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	MS Development Authority	755,969,446
14.231	Emergency Shelter Grants Program	MS Development Authority	1,321,219
14.239	HOME Investment Partnerships Program	MS Development Authority	11,680,851
14.241	Housing Opportunities for Persons with AIDS	Health	592,079
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			769,563,595

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	Federal Department/Program Name	Federal Expenditures Distributions/ Issuances
U.S. DEPARTMENT OF THE INTERIOR		
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	81,322
15.252	Abandoned Mine Land Reclamation (AMLR) Program	39,291
15.612	Rare and Endangered Species Conservation	288,034
15.616	Clean Vessel Act	82,721
15.622	Sportfishing and Boating Safety Act	6,489
15.808	U.S. Geological Survey Research and Data Collection	49,935
15.810	National Cooperative Geologic Mapping Program	99,728
15.904	Historic Preservation Fund Grants-In-Aid	7,178,609
15.916	Outdoor Recreation Acquisition, Development and Planning	1,084,588
15.929	Save America's Treasures	216,000
	SUBTOTAL	9,126,717
	Fish and Wildlife Cluster	
15.605	Sport Fish Restoration Program	10,068,551
15.611	Wildlife Restoration	971,258
	Total Fish and Wildlife Cluster	11,039,809
	TOTAL U.S. DEPARTMENT OF THE INTERIOR	20,166,526
U.S. DEPARTMENT OF JUSTICE		
16.203	Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)	12,332
16.523	Juvenile Accountability Block Grants	603,872
16.540	Juvenile Justice and Delinquency Prevention Allocation to States	430,577
16.543	Missing Children's Assistance	86,516
16.548	Title V Delinquency Prevention Program	205,560

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See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA</u> <u>Number</u>	<u>Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
16.554	National Criminal History Improvement Program (NCHIP) Public Safety	237,481
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants Public Safety	986,944
16.575	Crime Victim Assistance Public Safety	3,993,399
16.576	Crime Victim Compensation Attorney General	775,000
16.579	Edward Byrne Memorial Formula Grant Program Public Safety	912,862
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program Public Safety	101,902
16.588	Violence Against Women Formula Grants Public Safety	1,784,562
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program Public Safety	357,870
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Attorney General	626,418
16.593	Residential Substance Abuse Treatment for State Prisoners Public Safety	589,895
16.606	State Criminal Alien Assistance Program Corrections	31,582
16.607	Bulletproof Vest Partnership Program Public Safety	22,239
16.609	Community Prosecution and Project Safe Neighborhoods Public Safety	509,165
16.727	Enforcing Underage Drinking Laws Program Public Safety	437,417
16.738	Edward Byrne Memorial Justice Assistance Grant Program Public Safety	40,126,923
16.740	Statewide Automated Victim Information Notification (SAVIN) Program Corrections	587,103
16.744	Anti-Gang Initiative Public Safety	104,717
16.UN	Domestic Cannabis Eradication/Suppression Program Narcotics	613,266
16.UN1	COPS Methamphetamine Grant Narcotics	580,404
16.UN2	Justice Federal Gaming Commission	11,000
16.UN3	Developing and Enhancing Prescription Drug Monitoring Programs Pharmacy Board	103,913
16.UN4	Federal Asset Forfeitures Public Safety	332,166

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
	Total WIA Cluster		64,663,262
	TOTAL U.S. DEPARTMENT OF LABOR		259,440,058
	U.S. DEPARTMENT OF TRANSPORTATION		
20.106	Airport Improvement Program	Transportation	49,875
20.200	Highway Research and Development Program	Transportation	4,695
20.217	Motor Carrier Safety	Public Safety	3,221,499
20.219	Recreational Trails Program	Wildlife, Fisheries and Parks	2,055,566
20.232	Commercial Driver License State Programs	Public Safety	908,929
20.2NA	Fatal Analysis Reporting System	Public Safety	62,716
20.313	Railroad Research and Development	Transportation	502,859
20.505	Federal Transit Metropolitan Planning Grants	Transportation	277,907
20.509	Formula Grants for Other Than Urbanized Areas	Transportation	7,644,375
20.514	Public Transportation Research	Transportation	9,935
20.700	Pipeline Safety Program Base Grants	Public Service Commission	213,865
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	Emergency Management	152,868
	SUBTOTAL		15,105,089
	Highway Planning and Construction Cluster		
20.205	Highway Planning and Construction	Transportation	695,476,333
	Total Highway Planning and Construction Cluster		695,476,333
	Federal Transit Cluster		
20.500	Federal Transit Capital Investment Grants	Transportation	11,546
	Total Federal Transit Cluster		11,546
	Transit Services Programs Cluster		
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	Transportation	842,855
	Total Transit Services Programs Cluster		842,855

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	Federal Department/Program Name		Federal Expenditures Distributions/ Issuances
	Highway Safety Cluster		
20.600	State and Community Highway Safety	Public Safety	14,628,696
	Total Highway Safety Cluster		<u>14,628,696</u>
	TOTAL U.S. DEPARTMENT OF TRANSPORTATION		<u>726,064,519</u>
	U.S. DEPARTMENT OF THE TREASURY		
21.UN	Treasury Federal Equitable Sharing	Gaming Commission	10,501
	TOTAL U.S. DEPARTMENT OF THE TREASURY		<u>10,501</u>
	APPALACHIAN REGIONAL COMMISSION		
23.002	Appalachian Area Development	MS Development Authority / Transportation	638,005
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	MS Development Authority	213,059
	TOTAL APPALACHIAN REGIONAL COMMISSION		<u>851,064</u>
	GENERAL SERVICES ADMINISTRATION		
39.003	@ Donation of Federal Surplus Personal Property	Finance and Administration	1,554,007
39.011	Election Reform Payments	Secretary of State	507,882
	TOTAL GENERAL SERVICES ADMINISTRATION		<u>2,061,889</u>
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		
45.024	Promotion of the Arts Grants to Organizations and Individuals	Archives and History / Arts Commission	72,349
45.025	Promotion of the Arts Partnership Agreements	Arts Commission	497,795
45.130	Promotion of the Humanities Challenge Grants	Archives and History	14,038
45.303	Conservation Project Support	Archives and History	126,566
45.310	Grants to States	Library Commission	1,485,605
	TOTAL NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		<u>2,196,353</u>
	U.S. DEPARTMENT OF VETERANS AFFAIRS		

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA</u> <u>Number</u>	<u>Federal Department/Program Name</u>		<u>Federal</u> <u>Expenditures</u> <u>Distributions/</u> <u>Issuances</u>
64.124	All-Volunteer Force Educational Assistance	Veterans Affairs Board	139,792
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS			139,792
ENVIRONMENTAL PROTECTION AGENCY			
66.032	State Indoor Radon Grants	Health	44,766
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	Environmental Quality	769,278
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	Environmental Quality	234,679
66.432	State Public Water System Supervision	Health	1,197,498
66.433	State Underground Water Source Protection	Oil and Gas Board	101,850
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	Environmental Quality	2,536
66.454	Water Quality Management Planning	Environmental Quality	105,513
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Quality	10,384,344
66.460	Nonpoint Source Implementation Grants	Agriculture and Commerce / Environmental Quality	4,642,899
66.463	Water Quality Cooperative Agreements	Environmental Quality	246,596
66.467	Wastewater Operator Training Grant Program (Technical Assistance)	Environmental Quality	18,196
66.468	Capitalization Grants for Drinking Water State Revolving Funds	Health	9,388,235
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	Health	259,621
66.472	Beach Monitoring and Notification Program Implementation Grants	Environmental Quality	214,169
66.474	Water Protection Grants to the States	Health	75,215
66.475	Gulf of Mexico Program	Environmental Quality	200,869
66.511	Office of Research and Development Consolidated Research/Training/Fellowships	Environmental Quality	105,146

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See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA</u> <u>Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
66.600	Environmental Protection Consolidated Grants for the Insular Areas - Program Support	Environmental Quality	154,521
66.605	Performance Partnership Grants	Agricultural Aviation Board / Environmental Quality	7,279,546
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	Environmental Quality	38,235
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	Agriculture and Commerce	801,342
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	Environmental Quality	102,892
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	Environmental Quality	246,971
66.708	Pollution Prevention Grants Program	Environmental Quality	73,766
66.709	Multi-Media Capacity Building Grants for States and Tribes	Environmental Quality	20,807
66.802	Superfund State, Political Subdivision, and Indian Tribe Site Specific Cooperative Agreements	Environmental Quality	239,957
66.804	State and Tribal Underground Storage Tanks Program	Environmental Quality	502,656
66.805	Leaking Underground Storage Tank Trust Fund Program	Environmental Quality	1,408,367
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	Environmental Quality	141,836
66.815	Brownfield Job Training Cooperative Agreements	Environmental Quality	1,727
66.817	State and Tribal Response Program Grants	Environmental Quality	358,405
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	Environmental Quality	48,203
TOTAL ENVIRONMENTAL PROTECTION AGENCY			39,410,641
U.S. DEPARTMENT OF ENERGY			
81.041	State Energy Program	MS Development Authority	435,566
81.042	Weatherization Assistance for Low-Income Persons	Human Services	1,615,744
81.106	Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	Emergency Management	191,133

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	<u>Federal Department/Program Name</u>		Federal Expenditures Distributions/ Issuances
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	MS Development Authority	71,855
81.119	State Energy Program Special Projects	MS Development Authority	78,809
81.UN1	Petroleum Violation Escrow	Environmental Quality / Treasury	161,326
TOTAL U.S. DEPARTMENT OF ENERGY			2,554,433
U.S. DEPARTMENT OF EDUCATION			
84.002	Adult Education - Basic Grants to States	Bd for Community and Junior Colleges	6,302,798
84.010	Title I Grants to Local Educational Agencies	Education	174,255,531
84.011	Migrant Education State Grant Program	Education	1,096,092
84.013	Title I Program for Neglected and Delinquent Children	Education	546,082
84.048	Career and Technical Education - Basic Grants to States	Education	13,775,018
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	Rehabilitation Services	44,789,545
84.169	Independent Living State Grants	Rehabilitation Services	226,138
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	Rehabilitation Services	333,739
84.181	Special Education-Grants for Infants and Families	Health	4,401,895
84.184	Safe and Drug-Free Schools and Communities National Programs	Education	165,242
84.185	Byrd Honors Scholarships	Education	392,250
84.186	Safe and Drug-Free Schools and Communities State Grants	Education / Public Safety	3,932,371
84.187	Supported Employment Services for Individuals with Significant Disabilities	Rehabilitation Services	362,408
84.196	Education for Homeless Children and Youth	Education	943,864
84.213	Even Start State Educational Agencies	Education	898,574
84.215	Fund for the Improvement of Education	Education	169,151
84.224	Assistive Technology	Rehabilitation Services	533,877

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	Federal Department/Program Name		Federal Expenditures/ Distributions/ Issuances
84.243	Tech-Prep Education	Education	1,268,696
84.265	Rehabilitation Training State Vocational Rehabilitation Unit In-Service Training	Rehabilitation Services	128,781
84.287	Twenty-First Century Community Learning Centers	Education	13,831,929
84.293	Foreign Language Assistance	Education	278,617
84.298	State Grants for Innovative Programs	Education	1,028,916
84.305	Education Research, Development and Dissemination	Education	82,587
84.318	Education Technology State Grants	Education	3,357,372
84.323	Special Education - State Personnel Development	Education	900,504
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	Education	109,993
84.331	Grants to States for Incarcerated Youth Offenders	Education	392,741
84.332	Comprehensive School Reform Demonstration	Education	328,565
84.336	Teacher Quality Enhancement Grants	Education	380,480
84.350	Transition to Teaching	Education	950
84.357	Reading First State Grants	Education	14,252,357
84.358	Rural Education	Education	6,458,304
84.365	English Language Acquisition Grants	Education	916,638
84.366	Mathematics and Science Partnerships	Education	2,634,558
84.367	Improving Teacher Quality State Grants	Education	38,649,880
84.369	Grants for State Assessments and Related Activities	Education	2,671,163
84.377	School Improvement Grants	Education	40
84.938	Hurricane Education Recovery	Education	31,335,297
	SUBTOTAL		372,132,943
	Special Education Cluster (IDEA)		
84.027	Special Education - Grants to States	Education	112,941,048

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	<u>Federal Department/Program Name</u>		Federal Expenditures Distributions/ Issuances
84.173	Special Education Preschool Grants	Education	4,646,722
	Total Special Education Cluster (IDEA)		117,587,770
	TRIO Cluster		
84.044	TRIO Talent Search	Education	349,425
	Total TRIO Cluster		349,425
	TOTAL U.S. DEPARTMENT OF EDUCATION		490,070,138
	NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		
89.003	National Historical Publications and Records Grants	Archives and History	9,110
	TOTAL NATIONAL ARCHIVES AND RECORDS ADMINISTRATION		9,110
	ELECTIONS ASSISTANCE COMMISSION		
90.401	Help America Vote Act Requirements Payments	Secretary of State	1,664,035
	TOTAL ELECTIONS ASSISTANCE COMMISSION		1,664,035
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	Health	229,179
93.010	Community-Based Abstinence Education (CBAE)	Human Services	217,602
93.041	Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	Human Services	49,397
93.042	Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	Human Services	64,696
93.043	Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	Human Services	168,190
93.048	Special Programs for the Aging Title IV and Title II Discretionary Projects	Human Services	319,460
93.052	National Family Caregiver Support, Title III, Part E	Human Services	1,604,504
93.069	Public Health Emergency Preparedness	Health	5,994,026
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	Mental Health	1,191,654

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
93.110	Maternal and Child Health Federal Consolidated Programs	Health	102,675
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	Health	1,097,712
93.127	Emergency Medical Services for Children	Health	111,533
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	Health	135,795
93.136	Injury Prevention and Control Research and State and Community Based Programs	Health	595,112
93.150	Projects for Assistance in Transition from Homelessness (PATH)	Mental Health	305,426
93.197	Childhood Lead Poisoning Prevention Projects State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	Health	349,353
93.217	Family Planning Services	Health	6,179,836
93.230	Consolidated Knowledge Development and Application (KD&A) Program	Mental Health	42,147
93.235	Abstinence Education Program	Health / Human Services	491,896
93.236	Grants for Dental Public Health Residency Training	Health	13,438
93.241	State Rural Hospital Flexibility Program	Health	268,755
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	Mental Health	688,332
93.251	Universal Newborn Hearing Screening	Health	95,401
93.259	Rural Access to Emergency Devices Grant	Health	117,768
93.268	@ Immunization Grants	Health	35,888,784
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	Health	11,961,748
93.301	Small Rural Hospital Improvement Grant Program	Health	333,255
93.556	Promoting Safe and Stable Families	Human Services	8,048,921
93.558	Temporary Assistance for Needy Families	Human Services	108,039,776
93.563	Child Support Enforcement	Human Services	16,374,481

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See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA</u> <u>Number</u>	<u>Federal Department/Program Name</u>		<u>Federal</u> <u>Expenditures</u> <u>Distributions/</u> <u>Issuances</u>
93.566	Refugee and Entrant Assistance State Administered Programs	Human Services	552,305
93.568	Low-Income Home Energy Assistance	Human Services	21,074,992
93.569	Community Services Block Grant	Human Services	9,981,892
93.576	Refugee and Entrant Assistance Discretionary Grants	Human Services	11,783
93.585	Empowerment Zones Program	MS Development Authority	613,682
93.586	State Court Improvement Program	Supreme Court / Wildlife, Fisheries and Parks	305,034
93.597	Grants to States for Access and Visitation Programs	Human Services	135,509
93.599	Chafee Education and Training Vouchers Program (ETV)	Human Services	227,475
93.600	Head Start	Governor's Office	149,244
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Mental Health	1,116,506
93.643	Children's Justice Grants to States	Human Services	157,665
93.645	Child Welfare Services State Grants	Human Services	3,613,200
93.647	Social Services Research and Demonstration	Human Services	38,034
93.658	Foster Care Title IV-E	Human Services	9,301,605
93.659	Adoption Assistance	Human Services	5,049,684
93.667	Social Services Block Grant	Human Services	67,156,994
93.669	Child Abuse and Neglect State Grants	Human Services	388,989
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters Grants to States and Indian Tribes	Health	1,024,454
93.674	Chafee Foster Care Independence Program	Human Services	965,143
93.767	State Children's Insurance Program	Medicaid	132,962,385
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Human Services / Medicaid / Mental Health	24,007,428
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children	Medicaid	77,947

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See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA</u> <u>Number</u>	<u>Federal Department/Program Name</u>		<u>Federal</u> <u>Expenditures</u> <u>Distributions/</u> <u>Issuances</u>
93.793	Medicaid Transformation Grants	Medicaid	306,836
93.889	National Bioterrorism Hospital Preparedness Program	Health	5,979,016
93.913	Grants to States for Operation of Offices of Rural Health	Health	119,899
93.917	HIV Care Formula Grants	Health	12,824,697
93.926	Healthy Start Initiative	Health	273,643
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	Education	209,292
93.943	Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	Health	2,186,663
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	Health	522,373
93.945	Assistance Programs for Chronic Disease Prevention and Control	Health	418,625
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	Health	131,257
93.958	Block Grants for Community Mental Health Services	Mental Health	4,462,328
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Mental Health	13,621,505
93.977	Preventive Health Services Sexually Transmitted Diseases Control Grants	Health	1,428,257
93.982	Mental Health Disaster Assistance and Emergency Mental Health	Mental Health	518-
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	Health	286,154
93.991	Preventive Health and Health Services Block Grant	Health	1,650,138
93.994	Maternal and Child Health Services Block Grant to the States	Health	10,381,762
SUBTOTAL			534,794,729
Aging Cluster			
93.044	Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	Human Services	2,907,118

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See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	Federal Department/Program Name		Federal Expenditures Distributions/ Issuances
93.045	Special Programs for the Aging Title III, Part C Nutrition Services	Human Services	5,692,491
93.053	Nutrition Services Incentive Program	Human Services	1,671,768
	Total Aging Cluster		10,271,377
	CCDF Cluster		
93.575	Child Care and Development Block Grant	Human Services	29,645,759
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Human Services	24,721,606
	Total CCDF Cluster		54,367,365
	Medicaid Cluster		
93.775	State Medicaid Fraud Control Units	Attorney General	1,828,058
93.777	State Survey and Certification of Health Care Providers and Suppliers	Health / Medicaid	3,346,556
93.778	Medical Assistance Program	Medicaid	2,780,031,231
	Total Medicaid Cluster		2,785,205,845
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		3,384,639,316
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		
94.004	Learn and Serve America School and Community Based Programs	Education	276,681
94.007	Planning and Program Development Grants	Education	245,523
94.013	Volunteers in Service to America	Human Services	34,575
	SUBTOTAL		556,779
	Foster Grandparent/Senior Companion Cluster		
94.016	Senior Companion Program	Human Services	151,657
	Total Foster Grandparent/Senior Companion Cluster		151,657
	TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		708,436
	SOCIAL SECURITY ADMINISTRATION		
96.008	Social Security - Work Incentives Planning and Assistance Program	Rehabilitation Services	944,290

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY FEDERAL DEPARTMENT FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA Number</u>	<u>Federal Department/Program Name</u>		<u>Federal Expenditures Distributions/ Issuances</u>
97.004	State Domestic Preparedness Equipment Support Program	Emergency Management / Public Safety	3,214,209
97.067	Homeland Security Grant Program	Public Safety	11,811,086
	Total Homeland Security Cluster		15,025,295
	TOTAL DEPARTMENT OF HOMELAND SECURITY		594,733,898
	TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 7,346,444,826

EXPLANATION OF FOOTNOTE REFERENCE:

Program Number with UN denotes unknown CFDA numbers.

The total expenditures for CFDA No. 17.225 include state expenditures of \$149,670,190 and federal expenditures of \$24,974,386.

@ Denotes federal programs with noncash benefits.

(concluded)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

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Schedule of Expenditures of Federal Awards by State Grantee Agency



STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	<u>State Agency/Federal Department/Program Name</u>	Federal Expenditures Distributions/ Issuances
<u>Agricultural Aviation Board</u>		
ENVIRONMENTAL PROTECTION AGENCY		
66.605	Performance Partnership Grants	58,290
TOTAL Agricultural Aviation Board		58,290
<u>Agriculture and Commerce</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	213,750
10.163	Market Protection and Promotion	85,626
10.169	Specialty Crop Block Grant Program	89,968
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	1,660,808
10.664	Cooperative Forestry Assistance	100,000
10.680	Forest Health Protection	150,000
10.950	Agricultural Statistics Reports	156,236
10.UN	Assistance to Eligible Catfish Producers	9,745,646
Total U.S. DEPARTMENT OF AGRICULTURE		12,202,034
ENVIRONMENTAL PROTECTION AGENCY		
66.460	Nonpoint Source Implementation Grants	36,387
66.700	Consolidated Pesticide Enforcement Cooperative Agreements	801,342
Total ENVIRONMENTAL PROTECTION AGENCY		837,729
TOTAL Agriculture and Commerce		13,039,763
<u>Animal Health</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.025	Plant and Animal Disease, Pest Control, and Animal Care	730,907
TOTAL Animal Health		730,907
<u>Archives and History</u>		
U.S. DEPARTMENT OF THE INTERIOR		
15.904	Historic Preservation Fund Grants-In-Aid	7,178,609
15.929	Save America's Treasures	216,000

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	Total U.S. DEPARTMENT OF THE INTERIOR	7,394,609
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES	
45.024	Promotion of the Arts Grants to Organizations and Individuals	55,366
45.130	Promotion of the Humanities Challenge Grants	14,038
45.303	Conservation Project Support	126,566
	Total NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES	195,970
	NATIONAL ARCHIVES AND RECORDS ADMINISTRATION	
89.003	National Historical Publications and Records Grants	9,110
	TOTAL Archives and History	7,599,689
	<u>Arts Commission</u>	
	U.S. DEPARTMENT OF LABOR	
17.260	WIA Dislocated Workers	259,983
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES	
45.024	Promotion of the Arts Grants to Organizations and Individuals	16,983
45.025	Promotion of the Arts Partnership Agreements	497,795
	Total NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES	514,778
	TOTAL Arts Commission	774,761
	<u>Attorney General</u>	
	U.S. DEPARTMENT OF JUSTICE	
16.543	Missing Children's Assistance	86,516
16.576	Crime Victim Compensation	775,000
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders	626,418
	Total U.S. DEPARTMENT OF JUSTICE	1,487,934
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.775	State Medicaid Fraud Control Units	1,828,058
	TOTAL Attorney General	3,315,992

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	<u>State Agency/Federal Department/Program Name</u>	Federal Expenditures Distributions/ Issuances
<u>Bd for Community and Junior Colleges</u>		
U.S. DEPARTMENT OF LABOR		
17.261	WIA Pilots, Demonstrations, and Research Projects	1,400,245
U.S. DEPARTMENT OF EDUCATION		
84.002	Adult Education - Basic Grants to States	6,302,798
TOTAL Bd for Community and Junior Colleges		7,703,043
<u>Corrections</u>		
U.S. DEPARTMENT OF JUSTICE		
16.606	State Criminal Alien Assistance Program	31,582
16.740	Statewide Automated Victim Information Notification (SAVIN) Program	587,103
Total U.S. DEPARTMENT OF JUSTICE		618,685
TOTAL Corrections		618,685
<u>Education</u>		
U.S. DEPARTMENT OF AGRICULTURE		
10.553	School Breakfast Program	46,287,142
10.555 @	National School Lunch Program	142,924,594
10.556	Special Milk Program for Children	3,520
10.558	Child and Adult Care Food Program	31,110,949
10.559	Summer Food Service Program for Children	3,451,185
10.560	State Administrative Expenses for Child Nutrition	2,807,910
10.574	Team Nutrition Grants	55,929
10.582	Fresh Fruit and Vegetable Program	1,082,299
Total U.S. DEPARTMENT OF AGRICULTURE		227,723,528
U.S. DEPARTMENT OF DEFENSE		
12.UN1	Teacher and Teacher's Aide Placement Assistance Program	2,135-
U.S. DEPARTMENT OF LABOR		
17.249	Employment Services and Job Training Pilots - Demonstrations and Research	13,279

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
U.S. DEPARTMENT OF EDUCATION		
84.010	Title I Grants to Local Educational Agencies	174,255,531
84.011	Migrant Education State Grant Program	1,096,092
84.013	Title I Program for Neglected and Delinquent Children	546,082
84.027	Special Education Grants to States	112,941,048
84.044	TRIO Talent Search	349,425
84.048	Career and Technical Education - Basic Grants to States	13,775,018
84.173	Special Education Preschool Grants	4,646,722
84.184	Safe and Drug-Free Schools and Communities National Programs	165,242
84.185	Byrd Honors Scholarships	392,250
84.186	Safe and Drug-Free Schools and Communities State Grants	3,132,883
84.196	Education for Homeless Children and Youth	943,864
84.213	Even Start State Educational Agencies	898,574
84.215	Fund for the Improvement of Education	169,151
84.243	Tech-Prep Education	1,268,696
84.287	Twenty-First Century Community Learning Centers	13,831,929
84.293	Foreign Language Assistance	278,617
84.298	State Grants for Innovative Programs	1,028,916
84.305	Education Research, Development and Dissemination	82,587
84.318	Education Technology State Grants	3,357,372
84.323	Special Education - State Personnel Development	900,504
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	109,993
84.331	Grants to States for Incarcerated Youth Offenders	392,741
84.332	Comprehensive School Reform Demonstration	328,565
84.336	Teacher Quality Enhancement Grants	380,480
84.350	Transition to Teaching	950
84.357	Reading First State Grants	14,252,357
84.358	Rural Education	6,458,304
84.365	English Language Acquisition Grants	916,638
84.366	Mathematics and Science Partnerships	2,634,558
84.367	Improving Teacher Quality State Grants	38,649,880
84.369	Grants for State Assessments and Related Activities	2,671,163

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
84.377	School Improvement Grants	40
84.938	Hurricane Education Recovery	31,335,297
	Total U.S. DEPARTMENT OF EDUCATION	432,191,469
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	209,292
	CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	
94.004	Learn and Serve America School and Community Based Programs	276,681
94.007	Planning and Program Development Grants	245,523
	Total CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	522,204
	TOTAL Education	660,657,637
	<u>Emergency Management</u>	
	U.S. DEPARTMENT OF TRANSPORTATION	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	152,868
	U.S. DEPARTMENT OF ENERGY	
81.106	Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	191,133
	DEPARTMENT OF HOMELAND SECURITY	
97.004	State Domestic Preparedness Equipment Support Program	2,391,495
97.017	Pre-Disaster Mitigation (PDM) Competitive Grants	401,763
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	189,845
97.029	Flood Mitigation Assistance	625,768
97.030	Community Disaster Loans	65,005
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	326,421,388
97.039	Hazard Mitigation Grant	15,950,544
97.087	Alternative Housing Pilot Program	231,158,971
97.092	Repetitive Flood Claims	134,425
	Total DEPARTMENT OF HOMELAND SECURITY	577,339,204

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	<u>State Agency/Federal Department/Program Name</u>	Federal Expenditures Distributions/ Issuances
	TOTAL Emergency Management	577,683,205
	<u>Employment Security</u>	
	U.S. DEPARTMENT OF LABOR	
17.002	Labor Force Statistics	724,045
17.207	Employment Service/Wagner-Peyser Funded Activities	7,585,161
17.225 #	Unemployment Insurance	174,644,576
17.245	Trade Adjustment Assistance	3,762,461
17.258	WIA Adult Program	40,426,052
17.259	WIA Youth Activities	12,641,751
17.260	WIA Dislocated Workers	11,238,727
17.261	WIA Pilots, Demonstrations, and Research Projects	3,151,407
17.266	Work Incentive Grants	506,052
17.268	H-1B Job Training Grants	97,094
17.272	Permanent Labor Certification for Foreign Workers	86,192
17.801	Disabled Veterans' Outreach Program (DVOP)	595,723
17.804	Local Veterans' Employment Representative Program	993,086
	Total U.S. DEPARTMENT OF LABOR	256,452,327
	DEPARTMENT OF HOMELAND SECURITY	
97.034	Disaster Unemployment Assistance	397,582-
	TOTAL Employment Security	256,054,745
	<u>Environmental Quality</u>	
	U.S. DEPARTMENT OF COMMERCE	
11.419	Coastal Zone Management Administration Awards	2,254,779
	U.S. DEPARTMENT OF DEFENSE	
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	202,251
	U.S. DEPARTMENT OF THE INTERIOR	
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	81,322
15.252	Abandoned Mine Land Reclamation (AMLR) Program	39,291

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
15.808	U.S. Geological Survey Research and Data Collection	48,666
15.810	National Cooperative Geologic Mapping Program	99,728
	Total U.S. DEPARTMENT OF THE INTERIOR	269,007
	U.S. DEPARTMENT OF LABOR	
17.600	Mine Health and Safety Grants	47,172
	ENVIRONMENTAL PROTECTION AGENCY	
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	769,278
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	234,679
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements - Section 104(b)(3) of the Clean Water Act	2,536
66.454	Water Quality Management Planning	105,513
66.458	Capitalization Grants for Clean Water State Revolving Funds	10,384,344
66.460	Nonpoint Source Implementation Grants	4,606,512
66.463	Water Quality Cooperative Agreements	246,596
66.467	Wastewater Operator Training Grant Program (Technical Assistance)	18,196
66.472	Beach Monitoring and Notification Program Implementation Grants	214,169
66.475	Gulf of Mexico Program	200,869
66.511	Office of Research and Development Consolidated Research/Training/Fellowships	105,146
66.600	Environmental Protection Consolidated Grants for the Insular Areas - Program Support	154,521
66.605	Performance Partnership Grants	7,221,256
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	38,235
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	102,892
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	246,971
66.708	Pollution Prevention Grants Program	73,766
66.709	Multi-Media Capacity Building Grants for States and Tribes	20,807
66.802	Superfund State, Political Subdivision, and Indian Tribe Site Specific Cooperative Agreements	239,957
66.804	State and Tribal Underground Storage Tanks Program	502,656
66.805	Leaking Underground Storage Tank Trust Fund Program	1,408,367
66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	141,836
66.815	Brownfield Job Training Cooperative Agreements	1,727
66.817	State and Tribal Response Program Grants	358,405
66.818	Brownfields Assessment and Cleanup Cooperative Agreements	48,203

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	<u>State Agency/Federal Department/Program Name</u>	Federal Expenditures Distributions/ Issuances
	Total ENVIRONMENTAL PROTECTION AGENCY	27,447,437
	U.S. DEPARTMENT OF ENERGY	
81.UN1	Petroleum Violation Escrow	1,851-
	DEPARTMENT OF HOMELAND SECURITY	
97.041	National Dam Safety Program	141,509
97.045	Cooperating Technical Partners	2,092,753
97.070	Map Modernization Management Support	119,557
	Total DEPARTMENT OF HOMELAND SECURITY	2,353,819
	TOTAL Environmental Quality	32,572,614
	<u>Finance and Administration</u>	
	GENERAL SERVICES ADMINISTRATION	
39.003 @	Donation of Federal Surplus Personal Property	1,554,007
	TOTAL Finance and Administration	1,554,007
	<u>Forestry Commission</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.664	Cooperative Forestry Assistance	7,923,765
10.677	Forest Land Enhancement Program	7,295-
	Total U.S. DEPARTMENT OF AGRICULTURE	7,916,470
	TOTAL Forestry Commission	7,916,470
	<u>Gaming Commission</u>	
	U.S. DEPARTMENT OF JUSTICE	
16.UN2	Justice Federal	11,000
	U.S. DEPARTMENT OF THE TREASURY	
21.UN	Treasury Federal Equitable Sharing	10,501

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	<u>State Agency/Federal Department/Program Name</u>	Federal Expenditures Distributions/ Issuances
	TOTAL Gaming Commission	21,501
	<u>Governor's Office</u>	
	U.S. DEPARTMENT OF LABOR	
17.260	WIA Dislocated Workers	96,749
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.600	Head Start	149,244
	TOTAL Governor's Office	245,993
	<u>Health</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	76,322,428
10.565	Commodity Supplemental Food Program	433,340
	Total U.S. DEPARTMENT OF AGRICULTURE	76,755,768
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	
14.241	Housing Opportunities for Persons with AIDS	592,079
	U.S. DEPARTMENT OF LABOR	
17.005	Compensation and Working Conditions	19,537
17.504	Consultation Agreements	23,330
	Total U.S. DEPARTMENT OF LABOR	42,867
	ENVIRONMENTAL PROTECTION AGENCY	
66.032	State Indoor Radon Grants	44,766
66.432	State Public Water System Supervision	1,197,498
66.468	Capitalization Grants for Drinking Water State Revolving Funds	9,388,235
66.471	State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs	259,621
66.474	Water Protection Grants to the States	75,215
	Total ENVIRONMENTAL PROTECTION AGENCY	10,965,335
	U.S. DEPARTMENT OF EDUCATION	
84.181	Special Education-Grants for Infants and Families	4,401,895

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	229,179
93.069	Public Health Emergency Preparedness	5,994,026
93.110	Maternal and Child Health Federal Consolidated Programs	102,675
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	1,097,712
93.127	Emergency Medical Services for Children	111,533
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	135,795
93.136	Injury Prevention and Control Research and State and Community Based Programs	595,112
93.197	Childhood Lead Poisoning Prevention Projects State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	349,353
93.217	Family Planning Services	6,179,836
93.235	Abstinence Education Program	176,648
93.236	Grants for Dental Public Health Residency Training	13,438
93.241	State Rural Hospital Flexibility Program	268,755
93.251	Universal Newborn Hearing Screening	95,401
93.259	Rural Access to Emergency Devices Grant	117,768
93.268 @	Immunization Grants	35,888,784
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	11,961,748
93.301	Small Rural Hospital Improvement Grant Program	333,255
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters Grants to States and Indian Tribes	1,024,454
93.777	State Survey and Certification of Health Care Providers and Suppliers	2,016,441
93.889	National Bioterrorism Hospital Preparedness Program	5,979,016
93.913	Grants to States for Operation of Offices of Rural Health	119,899
93.917	HIV Care Formula Grants	12,824,697
93.926	Healthy Start Initiative	273,643
93.943	Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	2,186,663
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	522,373
93.945	Assistance Programs for Chronic Disease Prevention and Control	418,625
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	131,257
93.977	Preventive Health Services Sexually Transmitted Diseases Control Grants	1,428,257

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	<u>State Agency/Federal Department/Program Name</u>	Federal Expenditures Distributions/ Issuances
93.988	Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	286,154
93.991	Preventive Health and Health Services Block Grant	1,650,138
93.994	Maternal and Child Health Services Block Grant to the States	10,381,762
	Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	102,894,397
	TOTAL Health	195,652,341
	<u>Human Services</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.551	Food Stamps	482,700,601
10.561	State Administrative Matching Grants for Food Stamp Program	29,533,072
10.568	Emergency Food Assistance Program (Administrative Costs)	708,739
10.569 @	Emergency Food Assistance Program (Food Commodities)	2,930,576
10.580	Food Stamp Program Outreach/Participation Program	750
	Total U.S. DEPARTMENT OF AGRICULTURE	515,873,738
	U.S. DEPARTMENT OF LABOR	
17.235	Senior Community Service Employment Program	1,127,436
	U.S. DEPARTMENT OF ENERGY	
81.042	Weatherization Assistance for Low-Income Persons	1,615,744
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.010	Community-Based Abstinence Education (CBAE)	217,602
93.041	Special Programs for the Aging Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglect, and Exploitation	49,397
93.042	Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	64,696
93.043	Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	168,190
93.044	Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	2,907,118
93.045	Special Programs for the Aging Title III, Part C Nutrition Services	5,692,491
93.048	Special Programs for the Aging Title IV and Title II Discretionary Projects	319,460
93.052	National Family Caregiver Support, Title III, Part E	1,604,504
93.053	Nutrition Services Incentive Program	1,671,768

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
93.235	Abstinence Education Program	315,248
93.556	Promoting Safe and Stable Families	8,048,921
93.558	Temporary Assistance for Needy Families	108,039,776
93.563	Child Support Enforcement	16,374,481
93.566	Refugee and Entrant Assistance State Administered Programs	552,305
93.568	Low-Income Home Energy Assistance	21,074,992
93.569	Community Services Block Grant	9,981,892
93.575	Child Care and Development Block Grant	29,645,759
93.576	Refugee and Entrant Assistance Discretionary Grants	11,783
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	24,721,606
93.597	Grants to States for Access and Visitation Programs	135,509
93.599	Chafee Education and Training Vouchers Program (ETV)	227,475
93.643	Children's Justice Grants to States	157,665
93.645	Child Welfare Services State Grants	3,613,200
93.647	Social Services Research and Demonstration	38,034
93.658	Foster Care Title IV-E	9,301,605
93.659	Adoption Assistance	5,049,684
93.667	Social Services Block Grant	67,156,994
93.669	Child Abuse and Neglect State Grants	388,989
93.674	Chafee Foster Care Independence Program	965,143
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	603,404
Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		319,099,691
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		
94.013	Volunteers in Service to America	34,575
94.016	Senior Companion Program	151,657
Total CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		186,232
TOTAL Human Services		837,902,841
<u>Library Commission</u>		
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		
45.310	Grants to States	1,485,605

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	<u>State Agency/Federal Department/Program Name</u>	Federal Expenditures Distributions/ Issuances
	TOTAL Library Commission	1,485,605
	<u>Marine Resources</u>	
	U.S. DEPARTMENT OF COMMERCE	
11.407	Interjurisdictional Fisheries Act of 1986	134,511
11.419	Coastal Zone Management Administration Awards	68,827
11.420	Coastal Zone Management Estuarine Research Reserves	2,101,936
11.434	Cooperative Fishery Statistics	102,359
11.463	Habitat Conservation	1,763,936
11.472	Unallied Science Program	82,058
	Total U.S. DEPARTMENT OF COMMERCE	4,253,627
	U.S. DEPARTMENT OF THE INTERIOR	
15.605	Sport Fish Restoration Program	653,852
15.616	Clean Vessel Act	82,721
15.622	Sportfishing and Boating Safety Act	6,489
15.808	U.S. Geological Survey Research and Data Collection	1,269
	Total U.S. DEPARTMENT OF THE INTERIOR	744,331
	TOTAL Marine Resources	4,997,958
	<u>Medicaid</u>	
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.767	State Children's Insurance Program	132,962,385
93.777	State Survey and Certification of Health Care Providers and Suppliers	1,330,115
93.778	Medical Assistance Program	2,780,031,231
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	23,275,309
93.789	Alternatives to Psychiatric Residential Treatment Facilities for Children	77,947
93.793	Medicaid Transformation Grants	306,836
	Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	2,937,983,823
	TOTAL Medicaid	2,937,983,823
	<u>Mental Health</u>	
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	1,191,654

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	<u>State Agency/Federal Department/Program Name</u>	Federal Expenditures Distributions/ Issuances
93.150	Projects for Assistance in Transition from Homelessness (PATH)	305,426
93.230	Consolidated Knowledge Development and Application (KD&A) Program	42,147
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	688,332
93.630	Developmental Disabilities Basic Support and Advocacy Grants	1,116,506
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	128,715
93.958	Block Grants for Community Mental Health Services	4,462,328
93.959	Block Grants for Prevention and Treatment of Substance Abuse	13,621,505
93.982	Mental Health Disaster Assistance and Emergency Mental Health	518-
	Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	21,556,095
	TOTAL Mental Health	21,556,095
	<u>Military Department</u>	
	U.S. DEPARTMENT OF DEFENSE	
12.401	National Guard Military Operations and Maintenance (O&M) Projects	94,467,391
12.402	National Guard Special Military Operations and Projects	9,193,172
12.404	National Guard Civilian Youth Opportunities	3,398,676
12.405	National Guard Drug Interdiction and Counter Drug Activities	275,545
	Total U.S. DEPARTMENT OF DEFENSE	107,334,784
	TOTAL Military Department	107,334,784
	<u>MS Development Authority</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.773	Rural Business Opportunity Grants	56,081
	U.S. DEPARTMENT OF COMMERCE	
11.302	Economic Development Support for Planning Organizations	210,263
	U.S. DEPARTMENT OF DEFENSE	
12.002	Procurement Technical Assistance For Business Firms	446,014
	U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	755,969,446
14.231	Emergency Shelter Grants Program	1,321,219
14.239	HOME Investment Partnerships Program	11,680,851
	Total U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	768,971,516
	APPALACHIAN REGIONAL COMMISSION	
23.002	Appalachian Area Development	538,005
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects	213,059
	Total APPALACHIAN REGIONAL COMMISSION	751,064
	U.S. DEPARTMENT OF ENERGY	
81.041	State Energy Program	435,566
81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	71,855
81.119	State Energy Program Special Projects	78,809
	Total U.S. DEPARTMENT OF ENERGY	586,230
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.585	Empowerment Zones Program	613,682
	TOTAL MS Development Authority	771,634,850
	<u>Narcotics</u>	
	OFFICE OF NATIONAL DRUG CONTROL POLICY	
07.UN	High Intensity Drug Trafficking Area	596,886
	U.S. DEPARTMENT OF JUSTICE	
16.UN	Domestic Cannabis Eradication/Suppression Program	613,266
16.UN1	COPS Methamphetamine Grant	580,404
	Total U.S. DEPARTMENT OF JUSTICE	1,193,670
	TOTAL Narcotics	1,790,556
	<u>Oil and Gas Board</u>	
	ENVIRONMENTAL PROTECTION AGENCY	
66.433	State Underground Water Source Protection	101,850

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	TOTAL Oil and Gas Board	101,850
	<u>Pharmacy Board</u>	
	U.S. DEPARTMENT OF JUSTICE	
16.UN3	Developing and Enhancing Prescription Drug Monitoring Programs	103,913
	TOTAL Pharmacy Board	103,913
	<u>Public Safety</u>	
	OFFICE OF NATIONAL DRUG CONTROL POLICY	
07.UN	High Intensity Drug Trafficking Area	195,878
	U.S. DEPARTMENT OF JUSTICE	
16.203	Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)	12,332
16.523	Juvenile Accountability Block Grants	603,872
16.540	Juvenile Justice and Delinquency Prevention Allocation to States	430,577
16.548	Title V Delinquency Prevention Program	205,560
16.554	National Criminal History Improvement Program (NCHIP)	237,481
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	986,944
16.575	Crime Victim Assistance	3,993,399
16.579	Edward Byrne Memorial Formula Grant Program	912,862
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	101,902
16.588	Violence Against Women Formula Grants	1,784,562
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	357,870
16.593	Residential Substance Abuse Treatment for State Prisoners	589,895
16.607	Bulletproof Vest Partnership Program	22,239
16.609	Community Prosecution and Project Safe Neighborhoods	509,165
16.727	Enforcing Underage Drinking Laws Program	437,417
16.738	Edward Byrne Memorial Justice Assistance Grant Program	40,126,923
16.744	Anti-Gang Initiative	104,717
16.UN4	Federal Asset Forfeitures	332,166

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	<u>State Agency/Federal Department/Program Name</u>	Federal Expenditures Distributions/ Issuances
	Total U.S. DEPARTMENT OF JUSTICE	51,749,883
	U.S. DEPARTMENT OF TRANSPORTATION	
20.217	Motor Carrier Safety	3,221,499
20.232	Commercial Driver License State Programs	908,929
20.2NA	Fatal Analysis Reporting System	62,716
20.600	State and Community Highway Safety	14,628,696
	Total U.S. DEPARTMENT OF TRANSPORTATION	18,821,840
	U.S. DEPARTMENT OF EDUCATION	
84.186	Safe and Drug-Free Schools and Communities State Grants	799,488
	DEPARTMENT OF HOMELAND SECURITY	
97.004	State Domestic Preparedness Equipment Support Program	822,714
97.042	Emergency Management Performance Grants	1,607,074
97.067	Homeland Security Grant Program	11,811,086
97.074	Law Enforcement Terrorism Prevention Program (LETPP)	247,956-
	Total DEPARTMENT OF HOMELAND SECURITY	13,992,918
	TOTAL Public Safety	85,560,007
	<u>Public Service Commission</u>	
	U.S. DEPARTMENT OF TRANSPORTATION	
20.700	Pipeline Safety Program Base Grants	213,865
	TOTAL Public Service Commission	213,865
	<u>Rehabilitation Services</u>	
	U.S. DEPARTMENT OF EDUCATION	
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	44,789,545
84.169	Independent Living State Grants	226,138
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	333,739
84.187	Supported Employment Services for Individuals with Significant Disabilities	362,408
84.224	Assistive Technology	533,877
84.265	Rehabilitation Training State Vocational Rehabilitation Unit In-Service Training	128,781

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	Total U.S. DEPARTMENT OF EDUCATION	46,374,488
	SOCIAL SECURITY ADMINISTRATION	
96.001	Social Security Disability Insurance	25,476,510
96.008	Social Security - Work Incentives Planning and Assistance Program	944,290
	Total SOCIAL SECURITY ADMINISTRATION	26,420,800
	TOTAL Rehabilitation Services	72,795,288
	<u>Secretary of State</u>	
	U.S. DEPARTMENT OF COMMERCE	
11.429	Marine Sanctuary Program	1,228,955
	GENERAL SERVICES ADMINISTRATION	
39.011	Election Reform Payments	507,882
	ELECTIONS ASSISTANCE COMMISSION	
90.401	Help America Vote Act Requirements Payments	1,664,035
	TOTAL Secretary of State	3,400,872
	<u>Soil & Water Conservation Commission</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.902	Soil and Water Conservation	508,506
	TOTAL Soil & Water Conservation Commission	508,506
	<u>State Fire Academy</u>	
	DEPARTMENT OF HOMELAND SECURITY	
97.043	State Fire Training Systems Grants	24,794
	TOTAL State Fire Academy	24,794
	<u>Supreme Court</u>	
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

CFDA Number	<u>State Agency/Federal Department/Program Name</u>	Federal Expenditures Distributions/ Issuances
93.586	State Court Improvement Program	126,989
	TOTAL Supreme Court	126,989
	<u>Transportation</u>	
	U.S. DEPARTMENT OF TRANSPORTATION	
20.106	Airport Improvement Program	49,875
20.200	Highway Research and Development Program	4,695
20.205	Highway Planning and Construction	695,476,333
20.313	Railroad Research and Development	502,859
20.500	Federal Transit Capital Investment Grants	11,546
20.505	Federal Transit Metropolitan Planning Grants	277,907
20.509	Formula Grants for Other Than Urbanized Areas	7,644,375
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	842,855
20.514	Public Transportation Research	9,935
	Total U.S. DEPARTMENT OF TRANSPORTATION	704,820,380
	APPALACHIAN REGIONAL COMMISSION	
23.002	Appalachian Area Development	100,000
	TOTAL Transportation	704,920,380
	<u>Treasury</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.665	Schools and Roads Grants to States	9,796,442
	U.S. DEPARTMENT OF ENERGY	
81.UN1	Petroleum Violation Escrow	163,177
	TOTAL Treasury	9,959,619
	<u>Veterans Affairs Board</u>	
	U.S. DEPARTMENT OF VETERANS AFFAIRS	
64.124	All-Volunteer Force Educational Assistance	139,792

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal Expenditures Distributions/ Issuances</u>
	TOTAL Veterans Affairs Board	139,792
	<u>Wildlife, Fisheries and Parks</u>	
	U.S. DEPARTMENT OF AGRICULTURE	
10.025	Plant and Animal Disease, Pest Control, and Animal Care	66,143
10.029	Avian Influenza Indemnity Program	33,059
	Total U.S. DEPARTMENT OF AGRICULTURE	99,202
	U.S. DEPARTMENT OF DEFENSE	
12.UN2	Wildlife Mitigation Projects (Passed-through from the U.S.Army Corps of Engineers. Identifying number assigned by the pass-through entity-DACW01-3-91-543, DACW01-3-91-500, DACW01-3-92-411, DACW01-3-92-410, DACW-38-91-H-010 and DACW-38-91-H-007	2,190,659
	U.S. DEPARTMENT OF THE INTERIOR	
15.605	Sport Fish Restoration Program	9,414,699
15.611	Wildlife Restoration	971,258
15.612	Rare and Endangered Species Conservation	288,034
15.916	Outdoor Recreation Acquisition, Development and Planning	1,084,588
	Total U.S. DEPARTMENT OF THE INTERIOR	11,758,579
	U.S. DEPARTMENT OF TRANSPORTATION	
20.219	Recreational Trails Program	2,055,566
	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
93.586	State Court Improvement Program	178,045
	DEPARTMENT OF HOMELAND SECURITY	
97.012	Boating Safety Financial Assistance	1,420,745
	TOTAL Wildlife, Fisheries and Parks	17,702,796

(continued)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

STATE OF MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY STATE GRANTEE AGENCY FOR THE YEAR ENDED JUNE 30, 2008

<u>CFDA</u> <u>Number</u>	<u>State Agency/Federal Department/Program Name</u>	<u>Federal</u> <u>Expenditures</u> <u>Distributions/</u> <u>Issuances</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS:		\$ 7,346,444,826

EXPLANATION OF FOOTNOTE REFERENCE:

Program Number with UN denotes unknown CFDA numbers.

The total expenditures for CFDA No. 17.225 include state expenditures of \$149,670,190 and federal expenditures of \$24,974,386.

@ Denotes federal programs with noncash benefits.

(concluded)

See accompanying Notes to the Schedules of Expenditures of Federal Awards

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Notes to the Schedules of Expenditures of Federal Awards



STATE OF MISSISSIPPI

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

NOTE 1: PURPOSE OF THE SCHEDULES

Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires a schedule of expenditures of federal awards showing total federal awards expended for each individual federal program as identified in the *Catalog of Federal Domestic Assistance* (CFDA). To comply with this requirement, the Department of Finance and Administration required each state agency to prepare and submit a schedule of expenditures of federal awards. Information contained in these schedules was combined by the Department of Finance and Administration to form the accompanying schedules of expenditures of federal awards. Federal programs which have not been assigned a CFDA number have been identified.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

- A. Basis of Presentation - The information in the accompanying schedules of expenditures of federal awards is presented in accordance with OMB Circular A-133. The Schedule of Expenditures of Federal Awards by Federal Department presents a summary of federal awards expended by federal department and CFDA number. The Schedule of Expenditures of Federal Awards by State Grantee Agency presents federal awards expended by recipient agencies of the State of Mississippi.
- Federal Financial Assistance - Pursuant to the Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, cooperative agreements, loans, loan guarantees, property (including donated surplus property), interest subsidies, insurance, direct appropriations or other assistance. Accordingly, nonmonetary federal assistance, including food commodities and surplus property, is included in federal financial assistance and, therefore, is reported on the schedules of expenditures of federal awards. Federal financial assistance does not include direct federal cash assistance to individuals or procurement contracts used to buy goods or services from vendors.
 - Major Programs - The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish a risk-based approach to determine which federal programs are major based on certain expenditure thresholds and risk criteria. According to the state's Single Audit Report for the fiscal year ended June 30, 2008, federal expenditures, distributions or issuances totaled \$7,346,444,826. This established the threshold for Type A programs as those whose federal expenditures, distributions or issuances exceed \$22,039,334. For the fiscal year 2008 audit, seven Type A programs were identified as low risk. Risk assessments of Type B programs were performed until seven high risk Type B programs were identified. Twenty-five federal award programs, comprising 18 high risk Type A programs and seven high risk Type B programs, were audited as major programs for the State of Mississippi.

STATE OF MISSISSIPPI

Notes to Schedules of Expenditures of Federal Awards (continued)

- *Catalog of Federal Domestic Assistance* - The *Catalog of Federal Domestic Assistance* (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA number) which is reflected in the accompanying schedules.

- B. Reporting Entity - The accompanying schedules include all federal programs administered by the State of Mississippi, except for the programs of the Mississippi Authority for Educational Television, the programs of the Port Authority at Gulfport and for those programs accounted for by the major component unit, Universities, within the component units section of the financial statements, for the year ended June 30, 2008. The Mississippi Authority for Educational Television and the Port Authority at Gulfport engaged other auditors to perform audits in accordance with OMB Circular A-133, and separate reports were issued. Expenditures of federal awards provided to the state's public universities and related entities were audited by other auditors in accordance with statutory requirements and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and a separate report is scheduled to be issued by March 31, 2009.
- C. Basis of Accounting - Federal programs included in the accompanying schedules are accounted for in the state's governmental and proprietary funds. Governmental funds are accounted for by using the current financial resources measurement focus and the modified accrual basis of accounting and proprietary funds by using the economic resources measurement focus and the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

Amounts reflected as distributions in the accompanying schedules for donated federal surplus property are based on an estimated average fair market value of 23.3 percent of the original acquisition cost as assigned by the federal government. The amounts reflected in the financial statements of the State of Mississippi for the fiscal year ended June 30, 2008, for distributed surplus property are valued at the handling and shipping costs, which more closely approximate fair market value at the date of the transfer of the surplus property to the State of Mississippi.

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

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

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

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

NOTE 3: OTHER

- A. All federal expenditures/distributions/issuances included in the accompanying schedules represent assistance received directly from the federal government, unless otherwise noted. Federal financial assistance received indirectly from the federal government (i.e., passed-through from entities outside of the State of Mississippi) is noted parenthetically.
- B. The accompanying schedules of expenditures of federal awards include distributions of donated surplus personal property (CFDA 39.003) of \$1,554,007. These distributions were valued based on an estimated average fair market value of 23.3 percent of the original acquisition cost assigned by the federal government. These distributions were reported in the financial statements of the State of Mississippi for the year ended June 30, 2008, as charges for sales and services of \$826,000. The amount was based upon handling and shipping costs at the date of transfer to the state.
- C. Expenditures reflected in the CFDA 14.228 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii include disbursements made for grants and new loans totaling \$4,513. Program income generated by the program in previous years was used to make these grants and new loan payments. In subsequent years, the program income generated from the repayment of loans will be deposited into a revolving loan fund to be redistributed to the local governments under CFDA 14.228 for program activities. At June 30, 2008, the outstanding loan balance for the program totaled \$7,387,847.
- D. The Unemployment Insurance program (CFDA 17.225) is administered through a unique federal-state partnership that was founded upon federal law, but implemented through state law. For the purposes of presenting the expenditures of this program in the accompanying schedules of expenditures of federal awards, both state and federal funds have been considered federal awards expended as denoted with an # to the right of the CFDA number. The breakdown of the state and federal portions of the total program expenditures is as follows:

State Portion	\$ 149,670,190
Federal Portion	<u>24,974,386</u>
Total	\$ <u>174,644,576</u>

STATE OF MISSISSIPPI

Notes to Schedules of Expenditures of Federal Awards (continued)

- E. Expenditures reflected in CFDA 66.458 - Capitalization Grants for Clean Water State Revolving Funds - include loans to local governments for developing or constructing water treatment facilities. The funding source for these loans includes federal grant funds and state funds. In subsequent years, local governments will be required to repay these funds to the Mississippi Department of Environmental Quality. When received, these funds will be redistributed to local governments through new loans for additional water treatment facility projects. The outstanding loan balance for the year ended June 30, 2008, was \$342,392,538. Total disbursements for new loans for the year ended June 30, 2008, totaled \$33,541,548. Administrative costs associated with the program for the year ended June 30, 2008, totaled \$1,305,037.

- F. Expenditures reflected in CFDA 66.468 - Capitalization Grants for Drinking Water State Revolving Funds - include loans to counties, municipalities and other tax exempt water systems organizations for construction of new water systems, the expansion or repair of existing water systems, and/or the consolidation of new or existing water systems. The funding source for these loans includes federal grant funds and state funds. In subsequent years, the entities will be required to repay these funds to the Mississippi Department of Health. When received, these funds will be used to make new loans for the program activities. The outstanding loan balance for the year ended June 30, 2008, was \$89,319,738. Total disbursements for new loans made during fiscal year 2008 totaled \$10,065,981. Administrative costs associated with the program for the year ended June 30, 2008, totaled \$1,107,330.

- G. State Aid Road Construction is a division of the Mississippi Department of Transportation (MDOT). Federal financial assistance in the amount of \$44,811,771 related to State Aid Road Construction is included on the schedules of expenditures of federal awards under Transportation Department program 20.205 - Highway Planning and Construction.

- H. Noncash Assistance.

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

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

STATE OF MISSISSIPPI

Notes to Schedules of Expenditures of Federal Awards (continued)

- *CFDA 10.555 — National School Lunch Program received \$142,924,594 including cash assistance and noncash assistance. Cash assistance totaled \$129,045,745 and noncash assistance totaled \$13,878,849.*
- *CFDA 93.268 — Immunization Grants received \$35,888,784 including cash assistance and noncash assistance. Cash assistance totaled \$2,722,012 and noncash assistance totaled \$33,166,772.*

I. The State of Mississippi's major federal programs for the year ended June 30, 2008, were based on federal expenditures/distributions/issuances and risk assessments as defined in Note 2:A. Those programs are as follows:

<u>CFDA Number</u>	<u>Program Name</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
12.401	National Guard Military Operations and Maintenance (O&M) Projects
12.402	National Guard Special Military Operations and Projects
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
16.579	Edward Byrne Memorial Formula Grant Program
16.738	Edward Byrne Memorial Justice Assistance Grant Program
	WIA Cluster:
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.260	WIA Dislocated Workers
	Highway Planning Cluster:
20.205	Highway Planning and Construction
	Highway Safety Cluster:
20.600	State and Community Highway Safety
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds
84.010	Title I Grants to Local Educational Agencies
84.938	Hurricane Education Recovery
93.268	Immunization Grants
93.558	Temporary Assistance for Needy Families
93.568	Low-Income Home Energy Assistance

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

CCDF Cluster:

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

93.667 Social Services Block Grant
93.767 State Children's Insurance Program
93.779 Centers for Medicare and Medicaid Services (CMS) Research,
Demonstrations and Evaluations

Medicaid Cluster:

93.775 State Medicaid Fraud Control Units
93.777 State Survey and Certification of Health Care Providers and Suppliers
93.778 Medical Assistance Program

Homeland Security Cluster:

97.004 State Domestic Preparedness Equipment Support Program
97.067 Homeland Security Grant Program

97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
97.087 Alternative Housing Pilot Program

Schedule of Findings and Questioned Costs
Part 1 – Summary of Auditor’s Results



STATE OF MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

PART 1 - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weaknesses identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

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

Unqualified for all major programs except for: the state's public universities, the Mississippi Authority for Educational Television, and the Port Authority at Gulfport, for which separate reports were issued; and, the following programs, for which a qualified opinion was issued - the allowable costs/cost principles and eligibility compliance requirements of the Homeowner's Assistance Grant Program within the Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii, which were audited by the Office of the Inspector General of the U. S. Department of Housing and Urban Development, for which a separate report will be issued; and, the Social Services Block Grant.

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

yes no

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

Identification of major programs:

CFDA Number	Program Name
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
12.401	National Guard Military Operations and Maintenance (O&M) Projects
12.402	National Guard Special Military Operations and Projects
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
16.579	Edward Byrne Memorial Formula Grant Program
16.738	Edward Byrne Memorial Justice Assistance Grant Program
	WIA Cluster:
17.258	WIA Adult Program
17.259	WIA Youth Activities
17.260	WIA Dislocated Workers
	Highway Planning Cluster:
20.205	Highway Planning and Construction
	Highway Safety Cluster:
20.600	State and Community Highway Safety
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds
84.010	Title I Grants to Local Educational Agencies
84.938	Hurricane Education Recovery
93.268	Immunization Grants
93.558	Temporary Assistance for Needy Families
93.568	Low-Income Home Energy Assistance
	CCDF Cluster:
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant
93.767	State Children's Insurance Program
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations

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

Medicaid Cluster:

- 93.775 State Medicaid Fraud Control Units
- 93.777 State Survey and Certification of Health Care Providers and Suppliers
- 93.778 Medical Assistance Program

Homeland Security Cluster:

- 97.004 State Domestic Preparedness Equipment Support Program
- 97.067 Homeland Security Grant Program

- 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
- 97.087 Alternative Housing Pilot Program

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

\$22,039,334

Auditee qualified as low-risk auditee?

yes no

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Schedule of Findings and Questioned Costs

Part 2 – Financial Statement Findings



STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

PART 2 - FINANCIAL STATEMENT FINDINGS

Introduction

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

Findings are arranged in order by state agency with material weaknesses listed first. Each finding has one of the following designations:

- **Significant Deficiency** - Matters coming to the auditor's attention relating to a control deficiency, or a combination of control deficiencies, in the design or operation of the internal control over financial reporting that, in the auditor's judgement, could adversely affect the state's ability to initiate, authorize, record, process, or report financial data in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the state's general purpose financial statements that is more than inconsequential will not be prevented or detected by the state's internal control.
- **Material Weakness** - A significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the general purpose financial statements will not be prevented or detected by the state's internal control.

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STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

PART 2 – FINANCIAL STATEMENT FINDINGS

**Finding
Number**

Finding and Recommendation

EMPLOYMENT SECURITY

Material Weakness

2008-15

Financial Statements Should Be Prepared in Accordance with Generally Accepted Accounting Principles

Finding:

The Mississippi Department of Employment Security (MDES) is responsible for the collection of unemployment contribution assessment taxes from each liable employer. Sections 600.01 and 600.02 of the *Unemployment Insurance Regulations* require employers to report wages to MDES for each calendar quarter in which wages were paid and contribution assessment taxes would be payable. Contribution taxes are due and payable on or before the last day of the month immediately following the calendar quarter ended. If an employer fails to make and file a report, Section 71-5-365, Miss. Code Ann. (1972), authorizes MDES to determine an amount of contribution taxes due from the employer based on information available. The formula developed and used by MDES to calculate the contribution taxes due for employers who failed to file and have not filed in previous quarters is an estimate since the employer has not properly reported wages paid for employment. The estimates are calculated using categories of business types and average characteristics of those types and are computer generated.

The tax liens receivable account and the corresponding revenue account were recorded on the financial statements using estimated contribution taxes. A comparison of prior accounting estimates for contribution assessment taxes with subsequent collections was made to assess the reasonableness of these estimates. Based on testwork performed, it appeared that a significant amount of tax liens receivable recorded using estimated taxes would not be received. The agency's method/formula of calculating the estimate using the average number of workers and wages in the same industry code would tend to skew the estimate to be overstated for small employers with the same industry code as a larger employer (i.e., small business with same industry code as Wal-Mart).

A prior year audit finding recommended that MDES develop a new formula that would yield a more accurate estimate of tax liens receivable for financial statement purposes. During the 2008 fiscal year, MDES developed a new formula in which a computer edit automatically caps all estimated taxes in the computer system at \$1,000 per calendar quarter. The agency subsequently identified all estimated taxes in the tax lien receivable system for employers who had not filed in previous quarters and applied the new formula. The estimated taxes for these employers in the system were capped at \$1,000 per calendar quarter. This resulted in a significant reduction in the tax liens receivable. The agency made an adjustment to tax liens receivable and the corresponding Unemployment Insurance Premiums revenue account to correct this error on its current year's financial statements (2008 GAAP reporting package).

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation

However, a significant portion of the error had occurred in prior years. Because such amounts were a product of errors from a prior period, they are not properly included as part of the results of operations of the current period. Instead, such adjustments should be reported as a direct adjustment of the beginning of the year net assets to restate that amount to what it would have been had the error not occurred.

Therefore, an audit adjustment of approximately \$35,478,000 was proposed and made by management to properly state the current year financial statements and reflect as a restatement of the beginning net assets of the Unemployment Compensation Fund for the prior year.

Generally accepted accounting principles (GAAP) require that agencies provide accounting and reporting information which makes it possible to present fairly the financial position and the results of operation of the agency. In addition, good internal controls dictate policies and procedures be developed and followed to ensure net receivables (receivable account net of the recorded allowance for uncollectible account) recorded on the financial statements are valid transactions and are estimated to be collectible. MDES had established internal control procedures to review estimated taxes for reasonableness and make adjustments to reduce obviously excessive estimates. However, agency personnel had not been performing the review. The discontinuation of this procedure by the agency caused the tax liens receivable amount per agency records to be significantly misstated for financial statement purposes.

Recommendation:

We recommend the Mississippi Department of Employment Security (MDES) strengthen controls to ensure the financial statements are properly presented in accordance with generally accepted accounting principles (GAAP). The GAAP reporting package should be carefully reviewed by supervisory personnel to ensure that the financial statements are properly presented. We further recommend MDES develop procedures to ensure internal controls established by the agency over the tax liens receivable system to detect and prevent errors are operating effectively. MDES personnel should ensure the computer system is properly computing and capping the estimates for contribution taxes in accordance with written policies and procedures. Evidence that this procedure has been performed should be documented and reviewed by supervisory personnel to ensure estimated taxes appear reasonable.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation

EMPLOYMENT SECURITY

Material Weakness

2008-16

Controls over Receivables Should Be Strengthened

Finding:

The Mississippi Department of Employment Security (MDES) is responsible for the collection of unemployment contribution assessment taxes from each liable employer. Contribution taxes are due and payable on or before the last day of the month immediately following the calendar quarter ended. The agency's tax liens receivable system accounts for contribution taxes due and payable from employers. If an employer fails to make and file a report (UI-2 report), MDES estimates the contribution taxes due from the employer based on information available.

Testwork was performed to determine the propriety of amounts recorded as due from employers per the receivable system. Twenty five employer accounts covering a total of 42 quarters were selected from the agency's "List of Receivables" for testing. Testwork on these accounts revealed the following problems.

- The taxes due in the system for nine employers (representing 12 quarters) that had not filed a report timely were based on calculated estimates. Subsequently the employers, although late, filed a UI-2 report and made a full or partial payment. The receivable was reduced by the payment received; however, the receivable was not adjusted to account for any difference between the actual amount due and the estimated amount due in the system. The agency does not have a mechanism in place to ensure estimates are reversed and actual amounts are recorded. This resulted in the receivables being overstated by \$1,505,406.
- Four employers with taxes due as a result of calculated estimates were determined not to be liable. The employer did not have employees in the state or was no longer in operation per in house memos from MDES field representatives and staff, therefore, would not be liable for any taxes. This resulted in the receivables being overstated by \$796,919.
- Twenty three of the employers (representing 40 quarters) had a "P" flag on the delinquent quarter. The Employer Accounts and Status Units in the Tax Department have the ability to go into the DCI (Delinquent Contribution Inquiry) file and "P" flag an employer's account to prevent a first notice of delinquency from being mailed to the employer. This flag usually occurs when the staff has questions about the validity of an employer's liability, the existence of the business, etc... A log is not maintained to document why the file was flagged so further investigation into the account to determine if the flag should be removed is not completed.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation

In light of the agency's new methodology for estimating the taxes due for delinquent accounts, a review of the list of receivables was made to ensure the agency had subsequently identified and applied the new formula for estimating taxes to all applicable receivable accounts. It was determined the new formula had not been applied to all of the appropriate accounts resulting in receivables being overstated by \$2,733,573.

The list of receivables also included amounts related to the agency's collection of workforce enhancement contribution assessment taxes of the Workforce Enhancement Training Fund. The agency erroneously included receivable amounts for workforce enhancement taxes on the financial statements for the Unemployment Compensation Fund. This resulted in the receivable for tax liens and the corresponding revenue account for the Unemployment Compensation Fund being overstated by approximately \$1,401,000.

As a result of the problems noted, audit adjustments totaling approximately \$6,437,000 were proposed and made by management.

Good internal controls require adequate supervisory review procedures be in place to ensure receivables are proper. Inadequate controls over receivables hinders the agency's ability to properly maintain a reliable and reasonable list of receivables for daily operation and for reporting purposes. In addition, the absence of a log to document the accounts that have been "P" flagged and their resolution could make it possible for non-existent or non-liable employer accounts to be repeatedly assessed each quarter for several years and result in receivables being overstated for reporting purposes.

Recommendation:

We recommend the Mississippi Department of Employment Security establish adequate supervisory review procedures to ensure a proper and reasonable receivable system is maintained in accordance with the policies and procedures established by the agency. We further recommend the agency develop a mechanism to ensure if an actual receivable amount is subsequently determined that the estimated receivable amount in the system be reversed and the actual amount recorded. A log should be maintained to document the employer accounts that are flagged to prevent notices of delinquency to the employers. The log should receive a supervisory review to ensure a resolution of each account's propriety is determined. The agency should also ensure that receivables for workforce enhancement contribution assessment taxes are reported on the financial statements of the Workforce Enhancement Training Fund and not on the Unemployment Compensation Fund.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation

PORT OF GULFPORT

Significant Deficiency

2008-21

Controls Should Be Strengthened over the Payroll Bank Account

Finding:

During testwork performed at the Mississippi State Port Authority at Gulfport, we noted the payroll bank account reconciliation was being performed by an employee who was also an authorized signer on payroll checks and performs interbank transfers. We also noted the reconciliation was not reviewed and approved. Proper internal controls over cash processes required segregation of duties with regard to bank reconciliations. Lack of segregation of duties could result in misappropriation of assets.

Recommendation:

We recommend that, due to the sensitivity of payroll information, the payroll bank account be reconciled by the Human Resources Officer, and that the Deputy Director of Finance and Administration review and approved the reconciliations.

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STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation

TAX COMMISSION

Significant Deficiency

2008-12

Legacy Application Systems Maintenance Procedures Should Be Improved

Finding:

Proper controls on program changes are important to maintain assurances that only program changes authorized by management are placed into production. This principle is supported by COBIT A16 Manage Changes which states, "All changes, including emergency maintenance and patches, relating to infrastructure and applications within the production environment are formally managed in a controlled manner."

One of the key systems reviewed at the Mississippi State Tax Commission (MSTC) was the Legacy sales tax application. This application is considered a significant revenue processing application of the State of Mississippi.

Our review of the program maintenance procedures of the Legacy sales tax application indicated that application program changes are to be authorized through a manually documented change request process, where the request is filed with the Help Desk or Delivery Systems Manager and passed to the Legacy Lead Programmer who may in turn assign it to a Legacy Systems Programmer/Analyst. This is accomplished via the completion of a "Programming Service Request" form.

Our examination of a sample of these forms indicated that there were weaknesses in the approval documentation for program changes. We noted in many cases that authorization signatures were not present to indicate approval of initiation of all changes, to evidence completion of quality assurance work, and final approvals by management were not present to authorize the move of the completed change into production.

Additionally, we found significant weaknesses in physical and logical system controls to protect the application system from unauthorized changes, and enforce segregation of duties for application programmers.

At MSTC, the Legacy Sales Tax program source code is stored in a Partitioned Data Set (PDS) dataset in the IBM mainframe. Although this PDS was protected from modification except by the Legacy analysts, it is an open directory structure which maintains no history of source code version, and provides no significant controls of version number or history of check-out.

The most significant logical control for a sound program change control environment is the protection of the production object code libraries from unauthorized modification. Modified code should only be moved into production libraries via a documented procedure with approval. Programmers should not be allowed to directly place a program into production. Programmers should not be allowed to also

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation

Through the Resource Access Control Facility (RACF), Legacy application programmers had been granted full access authority to all Legacy program libraries including source and production code, and application data files. Additionally, a number of Legacy programmers also have the RACF “special” attribute which allows them to grant access to other individuals. No methods were implemented to control access for after hours changes.

Recommendation:

We recommend the Mississippi State Tax Commission review and evaluate the adequacy of the program change process surrounding the Legacy application systems, especially including the Legacy sales tax application. In the evaluation of controls surrounding the Legacy sales tax application, MSTC should implement best practice program change controls that would include the following practices:

- Achieve a higher segregation of duties in the programming process of Legacy applications.
- Provide for sign-off where appropriate for assignment and completion of program change steps.
- Provide for separate quality assurance from the person which made the changes.
- Limit moves of completed code changes into production by a separate group.
- Limit the ability to grant privileges in RACF only to a RACF administrator.
- Limit RACF authority of Legacy programmers to just what is needed to accomplish day to day duties.
- Restricting programmer’s access to production data or production code.
- Eliminate RACF grant authority from Legacy programmers.
- Create RACF tracked emergency fix-ID’s separate from normal task ID’s.
- Reinstate PANVALET (or a better) change control system for Legacy Source Libraries.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation

TAX COMMISSION

Significant Deficiency

2008-13

Audit Trails Should Exist for All STARS System Events

Finding:

The Agency Audit Section of the Office of the State Auditor (OSA) requested that we review the “work-list” from the “submissions” process of the STARS application. STARS is an application system of the Mississippi State Tax Commission (MSTC) which processes tax withholding information from employers. STARS has application segments in several places beginning with the workstation that captures the work. During the input or submissions process to STARS, certain error events may cause the system to suspend the submission of the transaction until it is repaired by MSTC. Until the actual transaction posts to the STARS application account, the record of the submission is held in the work-list queue. Once resolved, the submission posts into the STARS taxpayer account and since work-list is a real-time process, the work-list record disappears.

Since this process is real-time, the work-list is ever changing, with new items being added and old items being resolved during the course of the business day. Therefore only the current contents of the work-list may be captured via running a real-time snapshot report. This creates a problem with auditing the work-list activities, and reviewing of the effectiveness of system edits, in that a record of audit evidence is not maintained if the action takes place before the activity is posted to the taxpayer account.

To follow best practices for application systems, STARS should have been designed to journal any actions taken to correct submission deficiencies and correct work-list actions. An audit trail of any adjustments to any system’s data including input corrections should always be created and maintained. Best practices in accounting as exemplified in Section 404 of Sarbanes-Oxley suggest that organizations adhere to the principle that all changes to financial data is recorded and monitored.

Recommendation:

We recommend that the Mississippi State Tax Commission, in reviewing for any renovations or replacement system for STARS, to include system specification criteria to require the application to maintain full audit trails of any changes/corrections to financial system data.

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STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (continued)

**Finding
Number**

Finding and Recommendation

TAX COMMISSION

Significant Deficiency

2008-14

MSTC Should Implement RACF Security for Legacy Application Systems CICS

Finding:

The Mississippi State Tax Commission (MSTC) has a group of core applications which process on the IBM mainframe named the "Legacy Systems," including the state Sales Tax application system. Although quite old in design, this application processes a significant portion of the revenue for the State of Mississippi. The on-line services of these applications use IBM's customer information control system (CICS), which is a proven transaction processing method. However, CICS does not provide for security policy enforcement, or even user validation. Often in these early applications, the terminal was often hardwired to the mainframe computer and generally few terminals with CICS capability even existed. Therefore, initially control risks were limited. As the number of users and networks became more widespread, security became more demanding. To help control security requirements, IBM created the resource access control facility (RACF) system in 1976 to secure mainframe systems. This became the security standard for all CICS applications beginning in the early 1980's.

Our review of the Legacy Sales Tax application indicated that MSTC through the Mississippi Department of Information Technology Services (ITS) is operating the Legacy CICS on-line transaction application without a RACF security interface. Application program defined security levels are controlled from the application program by the logical terminal-ID name. The list of application update capable terminal-ID is hard coded into the application. To effect a change in security, the application system programs must be modified and re-compiled by an application programmer. The application does not monitor activities, or track security violations, and an application user sign-in is not required. Additionally, within MSTC, the terminal-ID logical names are mapped by Novell local area network (LAN) to the physical IP addresses. The MSTC Novell LAN is also not able to track security violations, such as invalid password attempts. Risks exist in the coordination and management of the LAN terminal-ID translation that intended ID's may not be the same as actual, or circumvented.

We were unable to locate any documentation of authorities granted and mapping of terminal ID's to actual users. MSTC has no self audit process of periodic review of access granted. Access is only added or removed upon request or notification of employment changes.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 2 – Financial Statement Findings (concluded)

**Finding
Number**

Finding and Recommendation

CICS should never be allowed to operate without the oversight of the RACF security system. CICS itself, without RACF protection, is extremely vulnerable, and can be subject to random or intentional attacks via CICS system management commands that may be entered if RACF is not there to intervene. Criteria for the requirement of CICS security via RACF can be located in various IBM publications including the IBM Redbook series. Additionally, this control objective is supported by COBIT DS5.3, Identity Management, which states that “all users and their activity on IT systems should be uniquely identifiable. User access rights to systems and data should be in line with defined and documented business needs and job requirements.”

Recommendation:

We recommend the Mississippi State Tax Commission thoroughly investigate the risks associated with non-RACF secured CICS applications. MSTC should begin by documenting its current process and reviewing and maintaining documentation of what authorities are granted to which user terminals and examine this documentation in relation the needs of access of each user.

We also recommend that MSTC reevaluate and adjust its methods for providing screen-level access to the Legacy Sales Tax and any similar Legacy applications to be governed by RACF security. RACF security should be maintained by someone other than the application’s programming group. The agency’s solution should ensure that users are given access that is unique to their needs. It should also allow for routine security maintenance without modifying MSTC Legacy programs. Key CICS management commands should be protected from general usage.

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



STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

PART 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Introduction

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

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

Each finding has one of the following designations:

- **Significant Deficiency** – Matters coming to the auditor’s attention relating to a control deficiency, or a combination of control deficiencies, in the design or operation of the internal control over compliance that, in the auditor’s judgement, could adversely affect the state’s ability to administer a major federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the state’s internal control.
- **Material Weakness** – A significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the state’s internal control.
- **Material Noncompliance** – Conditions representing noncompliance with the provisions of laws, regulations, contracts or grant agreements, that in the auditor’s judgement have a direct and material effect on a major federal program.
- **Immaterial Noncompliance** – Conditions representing noncompliance with the provisions of laws, regulations, contracts, or grant agreements, that do not have a direct and material effect on a major federal program.

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STATE OF MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2008

PART 3 - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U. S. DEPARTMENT OF AGRICULTURE

CFDA/Finding
Number

Finding and Recommendation

HEALTH

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

10.557

Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: Various

08-08

Controls over Time Study Procedures Should Be Strengthened

Finding:

The *Code of Federal Regulations* (45 CFR 92.22) requires that allowable costs be determined in accordance with the Office of Management and Budget (OMB) Circular A-87 for grant programs administered by the U.S. Department of Health and Human Services. OMB Circular A-87 requires that amounts charged to grant programs for personnel services, regardless of whether treated as direct or indirect costs, be based on documented payrolls. Payrolls are required to be supported by time and attendance or equivalent records for individual employees. Salaries and wages of employees chargeable to more than one grant program or other cost objective are required to be supported by appropriate time distribution records. The method used should produce adequate and equitable distribution of time and effort.

The Mississippi State Department of Health has implemented a time study system for allocating salaries and fringe benefits to the various programs administered by the agency. The time study is based on time and effort reporting forms completed by agency employees for one week of each month. In addition, the time spent by nurses, nurse practitioners and physicians in the various health clinics for health services performed is recorded on patient encounter forms one week in the year to compute relative values. The agency uses the relative values to estimate the cost of services for the various program areas. The agency budgets personnel costs to the respective programs for the forthcoming year based on the majority of time a person spent on a single program in the prior year. Reconciliations are performed between current actual time and effort reports and the actual amounts charged per payroll records for each program in order to determine if the salaries charged to the federal program were reasonable and the program was not overcharged. An adjustment to decrease/increase the amounts charged for payroll to the amount supported by the time study data is made yearly

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF AGRICULTURE (continued)

CFDA/Finding
Number

Finding and Recommendation

During our review of the time study system, we selected 60 employees from the Special Supplemental Nutrition Program for Women, Infants and Children and from the Immunization Program. We tested four weeks of time reports for each employee, for a total of 240 time reports for fiscal year 2008. The following problems were noted.

- Three instances occurred on the weekly time and effort reports in which total hours calculated were incorrect; therefore, data entered into the time report computer file was incorrect.
- Four instances were noted in which the information from the time and effort reports was entered incorrectly into the time report computer file.

Audit testwork also revealed that while the agency collected the patient encounter forms and data necessary to compute the relative values for services performed, all the data was not entered for fiscal year 2008. The relative value data for fiscal year 2008 will be used when completing the time study for fiscal year 2009. Services and time charged from the patient encounter forms were only entered for July and August 2007, partially entered for September 2007, and none were input for October 2007 through June 2008. Upon notification by the auditor, the agency entered the patient encounter forms into the system to compute the correct relative values. We tested 60 patient encounter forms to determine the effect on costs charged to federal programs, and we noted the following problems:

- Six instances in which the data on the patient encounter forms were not completely entered into the relative value computer file; and,
- Four instances in which time was incorrectly input into the relative value computer file from the patient encounter form.

Good internal controls would dictate that adequate controls be in place to ensure the amounts entered into the time study system are accurate and reliable. Inadequate controls over the time study system could hinder the agency's ability to manage federal funds effectively and to comply with federal regulations.

Recommendation:

We recommend the Mississippi State Department of Health strengthen internal controls over the time study system to ensure all information is reliable and accurate. Information included on the time and effort reports and patient encounter forms should be accurately and promptly entered to the time study system to ensure that personnel costs are properly calculated.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF AGRICULTURE (continued)

CFDA/Finding
Number

Finding and Recommendation

HEALTH

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: Various

08-20 MWITS Application System Reliability Should Be Improved

Finding:

During the State Fiscal Year 2008 scope of our review, the Mississippi WIC Inventory Tracking System (MWITS) at the Mississippi State Department of Health (MSDH) did not provide reliable services due to significant intermittent failures in data replication from December 2007 to September 2008; therefore, central MSDH MWITS reports could not be reliably utilized.

Recently, improvements made by MSDH Informatics Department in both procedures and infrastructure appear to have improved the MWITS replication reliability issue. Also, as a compensating factor, the MSDH Accounting Department has developed manual methods and spreadsheets which we believe somewhat compensates for the lack of system integrity, but is highly inefficient.

We also noted some unexplained random errors occur in WIC warehouse data processing which adds to the confusion created by this application system. This and other issues continue to surface, which are often irresolvable with the current software package because the application is in object code only form and therefore, is not reasonably changeable by the MSDH Informatics Department staff.

Management has indicated that MSDH is in the process of attempting to acquire a replacement system.

Recommendation:

We recommend that MSDH continue with implementation of a replacement or improvement of the MWITS application. Otherwise, MSDH continues with the possible risks of system failure and loss of control of information, improper disclosure of information, and risks of HIPAA and/or U.S. Department of Agriculture regulation non-compliance.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF AGRICULTURE (continued)

CFDA/Finding
Number

Finding and Recommendation

HEALTH

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: Various

08-21 Time Study Data Control Processes Should Be Improved

Finding:

For fiscal year 2008, testwork was performed by auditors of the EDP Audit Section of the Office of the State Auditor on data related to the Time Study process at the Mississippi State Department of Health for the period ended June, 2008. Agency personnel had previously stated the Time Study data was complete. During our February 2009 testwork, it was noted that the data input into the Time Study process was incomplete. Specifically, the "time spent on encounters data" which is used in building relative value tables for the next budget period had not been fully input. At the time of our fieldwork, agency personnel were unaware of this exception, or had not acted timely to resolve this exception.

Failure to maintain control over data could cause the Time Study process to yield invalid information to support the next fiscal year budget process. Lack of a systematic data input and error repair process could lead to poor quality results as any corrections to errors located would have to be made months later when information is difficult to obtain.

Standards for data control are outlined in COBIT DS11.1, which states, "Establish arrangements that source documents expected from the business are received, and all data received from the business are processed."

Recommendation:

We recommend that the Mississippi State Department of Health Informatics Department develop more detailed process standards for Time Study which includes data control procedures that require a documented process for logging the status of each step of Time Study from the beginning data to the completion of the cycle.

STATE OF MISSISSIPPI
 Schedule of Findings and Questioned Costs
 Part 3 - Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF AGRICULTURE (continued)

CFDA/Finding
 Number

Finding and Recommendation

HEALTH

PERIOD OF AVAILABILITY

Significant Deficiency
Immaterial Noncompliance

10.557

Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704 / 2007(10/01/2006-
 9/30/2007) 5MS700704 / 2008
 (10/1/2007-9/30/2008)

Questioned Costs: \$18,868

08-10

Controls Should Be Strengthened to Ensure Compliance with Period of Availability
 Requirements

Finding:

The *Code of Federal Regulations* (CFR 3016.23(a)) states where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period. The *Code of Federal Regulations* (CFR 3016.23(b)) also states all obligations incurred under the award must be liquidated no later than 90 days after the end of the funding period. During our review of 40 payment vouchers and 25 journal vouchers, for a total of 65 transactions, for compliance with period of availability requirements for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) at the Mississippi State Department of Health, we noted the following problems.

- Ten instances in which transactions were incurred after the period of availability. In all ten instances, costs were incurred after the end of the grant period of September 30, 2007, and were not obligated by the end of the grant period. These expenses should have been paid with federal fiscal year 2008 funds instead of federal fiscal year 2007 funds.
- Three instances in which transactions were not paid within the 90 day period after the end of the federal fiscal year.

Good internal controls require adequate controls be in place to ensure only obligations occurring during the period of availability are charged to the program during the grant period. Without adequate controls in place, the agency may charge costs in violation of federal regulations which could result in questioned costs. It should be noted that costs incurred after the obligation period ended and costs paid after the 90 day time limitation were valid costs for the WIC Program. These problems appear to be caused by human error in coding the expenditures with the wrong reporting categories.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF AGRICULTURE (concluded)

CFDA/Finding
Number

Finding and Recommendation

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls to ensure compliance with period of availability requirements for expenditures for Special Supplemental Nutrition Program for Women, Infants, and Children grant funds. As part of the review process for expenditures, the reporting categories should be verified to ensure the expenditure is paid from the proper grant award and paid within the period allowed after the end of the federal fiscal year.

STATE OF MISSISSIPPI
 Schedule of Findings and Questioned Costs
 Part 3 - Federal Award Findings and Questioned Costs (continued)

U. S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

**CFDA/Finding
 Number**

Finding and Recommendation

MISSISSIPPI DEVELOPMENT AUTHORITY

SUBRECIPIENT MONITORING

Significant Deficiency

14.228

Community Development Block Grants/State's program and Non-Entitlement Grants to Hawaii

Federal Award Number and Year: Various

08-06

Controls over Subrecipient Monitoring Should Be Strengthened

Finding:

The *Code of Federal Regulations* (24 CFR Part 570.492) requires the Mississippi Development Authority (MDA) to conduct reviews and audits, including on-site reviews, of units of general local government as may be necessary or appropriate to determine program compliance for the Community Development Block Grants/State's program and Non-Entitlement Grants for Hawaii (CDBG). The MDA has developed monitoring procedures which require an on-site visit to take place at least twice during the life of the project to ensure compliance with all applicable federal regulations. MDA has a tracking mechanism in place to ensure all projects are properly identified and monitored. Checklists are used during the on-site monitoring review to provide guidance and to document a review was performed.

Subrecipient on-site monitoring testwork performed on 25 projects which closed during fiscal year 2008 revealed the following weaknesses.

- One instance, or 4 percent, in which the "Compliance Review" form, which documents supervisory review and approval of the monitoring visit and forms prepared by MDA monitors, for the second monitoring visit was not in the contract file. However, a monitoring letter had been sent to the subrecipient including the monitoring report.
- Seven instances, or 28 percent, in which several pertinent questions on the monitoring checklist were not answered. Even though these questions were not answered on the checklist, the supervisor responsible for reviewing the checklist signed off on the "Compliance Review" form indicating review and approval.
- One instance, or 4 percent, in which the "Compliance Review" form" was not signed/initialed by appropriate personnel. However, a monitoring letter had been sent to the subrecipient including the monitoring report.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U. S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (concluded)

CFDA/Finding
Number

Finding and Recommendation

- The *Code of Federal Regulations* (24 CFR 570.603) requires the CDBG program to comply with labor standards in accordance with the Davis Bacon Act. For two instances, it was noted the "Labor Standards Monitoring" checklist, was not completed.

Also, audit procedures performed on monitoring workpapers to ensure the tracking mechanism was functioning correctly revealed that eight out of 85 new projects for fiscal year 2008 were not included on the "Monthly Grants Management Report". In addition, three out of 60 subrecipients selected for allowable cost testwork were not included on the report. The "Monthly Grantee Management Report" is the tracking document used by MDA to ensure all recipients receive an on-site monitoring review and to document the date the review was completed.

Good internal controls dictate a supervisory review be performed on monitoring workpapers to ensure completeness and propriety. Good internal controls also dictate supervisory personnel ensure the monitoring tracking document is properly prepared to ensure the required inspections are performed by agency personnel. Failure to ensure the propriety of the monitoring inspection tracking document could result in nonperformance of the required inspections. Without effective supervisory review procedures, potential subrecipient noncompliance could occur and not be detected.

Recommendation:

We recommend the Mississippi Development Authority strengthen existing internal controls for subrecipient on-site monitoring. Greater care should be taken during the supervisory review process to ensure the completeness of monitoring files. We further recommend the agency ensure the on-site monitoring tracking document is properly prepared to ensure all subrecipients are identified and monitored for compliance with federal regulations.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF TRANSPORTATION

CFDA/Finding
Number

Finding and Recommendation

STATE AID ROAD

SUBRECIPIENT MONITORING

Significant Deficiency

20.205

Highway Planning and Construction

Federal Award Number and Year: Various

08-07

Controls over Subrecipient Monitoring Should Be Strengthened

Finding:

The Office of Management and Budget (OMB) Circular A-133 requires the pass-through entity (primary recipient of federal funds) to determine whether subrecipients have met the appropriate audit requirements. This includes ensuring receipt of an audit report from each recipient expending \$500,000 or more in federal awards during the subrecipient's fiscal year. The audits are due to the primary recipient within nine months after the end of the subrecipient's fiscal year. In addition, OMB Circular A-133 requires the primary recipient to issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and to ensure the subrecipient took appropriate and timely corrective action.

The Mississippi Department of Transportation – Office of State Aid Road Construction provided \$500,000 or more of federal financial assistance to ten subrecipients during fiscal year 2006. The audit reports for these subrecipients were not obtained and reviewed by agency personnel. After we brought this to management's attention, agency personnel obtained the audit reports and we noted three of the audit reports had findings related to the Highway Planning and Construction program.

Recommendation:

We recommend the Mississippi Department of Transportation – Office of State Aid Road Construction strengthen controls to ensure subrecipient audit reports are obtained and reviewed in a timely manner. In addition, we recommend the agency follow up on audit findings within a timely manner to ensure the subrecipient took appropriate corrective action.

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STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF EDUCATION

CFDA/Finding
Number

Finding and Recommendation

EDUCATION

MATCHING, LEVEL OF EFFORT, EARMARKING

Significant Deficiency

84.010

Title I Grants to Local Educational Agencies

Federal Award Number and Year: S010A040027A, 2007

08-01

Controls over Maintenance of Effort Requirements Should Be Strengthened

Finding:

Local educational agencies (LEAs) participating in the Title I Grants to Local Educational Agencies program are required to comply with a 90 percent maintenance of effort requirement related to per pupil expenditures provided by non-federal funds. The Mississippi Department of Education (SDE) utilizes a spreadsheet to capture appropriate information for use in ensuring compliance by the LEAs with the maintenance of effort compliance requirement. Policies and procedures put in place by the SDE state that the spreadsheet should be prepared by the School Finance Office and the Office of Federal Financial Management should then review the spreadsheet and determine whether LEAs have met the maintenance of effort requirements.

While performing testwork related to the maintenance of effort requirements for the Title I Grants to Local Education Agencies program, we noted the agency had incorrectly calculated the percentage of change relating to per pupil expenditures by school district between the 2005 school year and the 2006 school year. It appears a cell formula was incorrectly set up to calculate the change between years. We also noted the spreadsheet used for calculating the change in per pupil expenditures was not reviewed by supervisory personnel.

Failure to adequately review the spreadsheet and accurately determine the change in per pupil expenditures between the two school years could result in failure on the part of the agency to correctly identify school districts which fail to meet the maintenance of effort requirement. However, it should be noted that after the error was noted by auditors, the spreadsheet was recalculated. The only school districts which failed to meet the maintenance of effort requirement had properly obtained a waiver from the United States Department of Education therefore it appears the LEAs are in compliance with the maintenance of effort requirement.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF EDUCATION (continued)

**CFDA/Finding
Number**

Finding and Recommendation

Recommendation:

We recommend the Mississippi Department of Education strengthen controls over the review of maintenance of effort requirement for the Title I Grants to Local Educational Agencies program and ensure formulas utilized on the calculated spreadsheet are correct. We further recommend the spreadsheet receive a documented supervisory review.

EDUCATION

MATCHING, LEVEL OF EFFORT, EARMARKING

Significant Deficiency

84.010

Title I Grants to Local Educational Agencies

Federal Award Number and Year: S010A070024A, 2007

08-02

Controls over the Earmarking Requirement Should Be Strengthened

Finding:

Under provisions of the Title I Grants to Local Educational Agencies, the local educational agencies (LEAs) identified for school improvement activities must provide choice-related transportation under section 1116(b)(1)(E) and/or supplemental educational services under section 1116(e) of the Elementary and Secondary Education Act [20 USC 6316(b) and (e)]. The LEA must spend an amount equal to 20 percent of its allocation under subpart 2 of Part A to provide such transportation and supplemental services, unless a lesser amount is needed to satisfy all requests. Of this amount, the LEA must spend a minimum of an amount equal to five percent of its subpart 2 allocation on choice-related transportation and a minimum of an amount equal to five percent of its subpart 2 allocation for supplemental educational services. It may spend the remaining ten percent for either or both activities. The state educational agency (SEA) is responsible for ensuring the LEAs remain in compliance with earmarking requirements. As a means of ensuring that LEAs comply with the earmarking requirement, the Mississippi Department of Education – Office of Innovative Support requires each LEA identified for school improvement activities to complete a Consolidated Federal Program Application each year documenting the program allocations and budgets.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF EDUCATION (concluded)

**CFDA/Finding
Number**

Finding and Recommendation

During our testwork of the earmarking requirement, we noted three instances in which the amount of funds allocated by an LEA identified for school improvement was below the 20 percent required allocation for Choice-Related Transportation and Supplemental Education Services. However, there was no documentation to support an allocation of less than 20 percent.

Good internal controls require the agency to have adequate control procedures in place to ensure compliance with federal regulations. Failure to properly monitor each LEA for compliance with the earmarking requirement could result in noncompliance with federal regulations and jeopardize continued funding under the Title I Grants to Local Educational Agencies program.

Recommendation:

We recommend the Mississippi Department of Education – Office of Innovative Support (MDE-OIS) strengthen control procedures to ensure the local educational agencies identified for school improvement activities are in compliance with earmarking requirements. For instances in which a LEA fails to allocate at least 20 percent of funds for Choice-Related Transportation and Supplemental Education Services, documentation should be obtained that a lesser amount was sufficient to satisfy all requests for transportation services.

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STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

CFDA/Finding
Number

Finding and Recommendation

FINANCE AND ADMINISTRATION

ALLOWABLE COSTS/COST PRINCIPLES

Immaterial Noncompliance

93.UN

Various

Federal Award Number and Year: Various
Questioned Costs: To be determined

08-04

Transfers from Self-Insurance Funds Should Not Include Federal Funds

Finding:

Senate Bill 2777 General Laws of Mississippi 2007 Regular Legislative Session, directed the State Treasurer to transfer to the Budget Contingency Fund, monies from various funds. Included in this list was the following self-insurance fund and the respective amount that was transferred:

Fund 3080 Tort Claims Fund (\$1,500,000).

As directed in the approved legislation, the Department of Finance and Administration processed this transfer during the month of November 2007. Section 25d(5) of Office of Management and Budget (OMB) Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments states, "Whenever funds are transferred from a self-insurance reserve to other accounts (e.g., general fund), refunds shall be made to the Federal Government for its share of funds transferred, including earned or imputed interest from the date of transfer."

Contributions from some of the agencies which participate in this self-insurance reserve fund are partially funded with monies drawn from various federal government grant sources. As such, the federal percentage of contributions related to this transfer from this self-insurance reserve fund should be repaid to the federal government as required under Section 25d(5) of OMB Circular A-87.

Recommendation:

The Department of Finance and Administration should review the activity of this self-insurance fund and make a determination as to what amount should be refunded to the federal government, as required by OMB Circular A-87.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

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

CFDA/Finding
Number

Finding and Recommendation

HEALTH

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

93.268

Immunization Grants

Federal Award Number and Year: Various

08-08

Controls over Time Study Procedures Should Be Strengthened

Finding:

The *Code of Federal Regulations* (45 CFR 92.22) requires that allowable costs be determined in accordance with the Office of Management and Budget (OMB) Circular A-87 for grant programs administered by the U.S. Department of Health and Human Services. OMB Circular A-87 requires that amounts charged to grant programs for personnel services, regardless of whether treated as direct or indirect costs, be based on documented payrolls. Payrolls are required to be supported by time and attendance or equivalent records for individual employees. Salaries and wages of employees chargeable to more than one grant program or other cost objective are required to be supported by appropriate time distribution records. The method used should produce adequate and equitable distribution of time and effort.

The Mississippi State Department of Health has implemented a time study system for allocating salaries and fringe benefits to the various programs administered by the agency. The time study is based on time and effort reporting forms completed by agency employees for one week of each month. In addition, the time spent by nurses, nurse practitioners and physicians in the various health clinics for health services performed is recorded on patient encounter forms one week in the year to compute relative values. The agency uses the relative values to estimate the cost of services for the various program areas. The agency budgets personnel costs to the respective programs for the forthcoming year based on the majority of time a person spent on a single program in the prior year. Reconciliations are performed between current actual time and effort reports and the actual amounts charged per payroll records for each program in order to determine if the salaries charged to the federal program were reasonable and the program was not overcharged. An adjustment to decrease/increase the amounts charged for payroll to the amount supported by the time study data is made yearly.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

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

CFDA/Finding
Number

Finding and Recommendation

During our review of the time study system, we selected 60 employees from the Special Supplemental Nutrition Program for Women, Infants and Children and from the Immunization Program. We tested four weeks of time reports for each employee, for a total of 240 time reports for fiscal year 2008. The following problems were noted.

- Three instances occurred on the weekly time and effort reports in which total hours calculated were incorrect; therefore, data entered into the time report computer file was incorrect.
- Four instances were noted in which the information from the time and effort reports was entered incorrectly into the time report computer file.

Audit testwork also revealed that while the agency collected the patient encounter forms and data necessary to compute the relative values for services performed, all the data was not entered for fiscal year 2008. The relative value data for fiscal year 2008 will be used when completing the time study for fiscal year 2009. Services and time charged from the patient encounter forms were only entered for July and August 2007, partially entered for September 2007, and none were input for October 2007 through June 2008. Upon notification by the auditor, the agency entered the patient encounter forms into the system to compute the correct relative values. We tested 60 patient encounter forms to determine the effect on costs charged to federal programs, and we noted the following problems:

- Six instances in which the data on the patient encounter forms were not completely entered into the relative value computer file; and,
- Four instances in which time was incorrectly input into the relative value computer file from the patient encounter form.

Good internal controls would dictate that adequate controls be in place to ensure the amounts entered into the time study system are accurate and reliable. Inadequate controls over the time study system could hinder the agency's ability to manage federal funds effectively and to comply with federal regulations.

Recommendation:

We recommend the Mississippi State Department of Health strengthen internal controls over the time study system to ensure all information is reliable and accurate. Information included on the time and effort reports and patient encounter forms should be accurately and promptly entered to the time study system to ensure that personnel costs are properly calculated.

STATE OF MISSISSIPPI
 Schedule of Findings and Questioned Costs
 Part 3 - Federal Award Findings and Questioned Costs (continued)

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

<u>CFDA/Finding Number</u>	<u>Finding and Recommendation</u>
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HEALTH

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

93.268

Immunization Grants

Federal Award Number and Year: Various

08-21

Time Study Data Control Processes Should Be Improved

Finding:

For fiscal year 2008, testwork was performed by auditors of the EDP Audit Section of the Office of the State Auditor on data related to the Time Study process at the Mississippi State Department of Health for the period ended June, 2008. Agency personnel had previously stated the Time Study data was complete. During our February 2009 testwork, it was noted that the data input into the Time Study process was incomplete. Specifically, the "time spent on encounters data" which is used in building relative value tables for the next budget period had not been fully input. At the time of our fieldwork, agency personnel were unaware of this exception, or had not acted timely to resolve this exception.

Failure to maintain control over data could cause the Time Study process to yield invalid information to support the next fiscal year budget process. Lack of a systematic data input and error repair process could lead to poor quality results as any corrections to errors located would have to be made months later when information is difficult to obtain.

Standards for data control are outlined in COBIT DS11.1, which states, "Establish arrangements that source documents expected from the business are received, and all data received from the business are processed."

Recommendation:

We recommend that the Mississippi State Department of Health Informatics Department develop more detailed process standards for Time Study which includes data control procedures that require a documented process for logging the status of each step of Time Study from the beginning data to the completion of the cycle.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

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

<u>CFDA/Finding Number</u>	<u>Finding and Recommendation</u>
	<u>HEALTH</u>
	DAVIS-BACON ACT
	<i>Significant Deficiency</i>
93.667	Social Services Block Grant Federal Award Number and Year: G-0601 MSSOSR, 2006
08-09	<u>Controls Should Be Strengthened over Davis-Bacon Act Requirements</u> <i>Finding:</i> The Mississippi State Department of Health received pass-through funding from the Social Services Block Grant (SSBG) program administered by the Mississippi Department of Human Services. The Mississippi State Department of Health (MSDH) has contracted with lower tier subrecipients to award the SSBG funds for restoration of health care functions and construction and repair work on facilities related to damage from Hurricane Katrina. Each lower tier subrecipient executed a sub-grant agreement with the MSDH. The sub-grant agreement requires the subrecipient to comply with all applicable federal, state, and local laws, rules, and regulations. However, we noted compliance with the Davis-Bacon Act was not included in this list of standard assurances. Non-federal entities are required to include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the U. S. Department of Labor regulations (29 CFR Part 5), "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction". These regulations include a requirement for the contractor or subcontractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls). The Davis-Bacon Act requires all laborers and mechanics employed by contractors or subcontractors who work on construction contracts in excess of \$2,000 financed by federal assistance funds be paid wages not less than those established for the locality of the project (prevailing wage rates) by the U. S. Department of Labor (40 USC 3141-3144, 3146, and 3147).

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

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

CFDA/Finding
Number

Finding and Recommendation

There were a total of 26 sub-grant agreements under the SSBG Katrina restoration grant awards. We reviewed all 26 sub-grant agreements and found 17 which included construction or repairs for which the Davis-Bacon Act would apply. In addition to the omission of a statement of compliance with the Davis-Bacon Act being noted in the 17 sub-grant agreements, there was no other evidence found to indicate any other communication of applicability of the Davis-Bacon Act to the subrecipients. Good internal controls require that all subrecipients be made aware of Davis-Bacon Act requirements. Without required assurances regarding compliance with Davis-Bacon Act requirements in the sub-grant agreements, non-compliance with the requirements of the Davis-Bacon Act could occur and not be promptly detected.

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls over compliance with the Davis-Bacon Act by modifying its standard sub-grant agreements to include assurances regarding compliance with Davis-Bacon Act requirements. We further recommend the agency add addendums to existing agreements to notify subrecipients of the applicability of the Davis-Bacon Act requirements.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

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

CFDA/Finding
Number

Finding and Recommendation

HEALTH

SUBRECIPIENT MONITORING

Significant Deficiency

93.667

Social Services Block Grant

Federal Award Number and Year: G-0601 MSSOSR, 2006

08-11

Controls over Monitoring Subrecipient Audit Requirements Should Be Strengthened

Finding:

Testwork performed at the Mississippi State Department of Health over the Social Services Block Grant federal program revealed the agency did not have procedures in place to monitor subrecipient audit requirements. The Office of Management and Budget (OMB) Circular A-133 requires the pass-through entity to determine whether subrecipients have met the appropriate audit requirements. This includes ensuring receipt of an audit report from each subrecipient expending \$500,000 or more in federal awards during the subrecipient's fiscal year. The audit reports are due to the primary recipient within nine months after the end of the subrecipient's fiscal year. In addition, OMB Circular A-133 requires the primary recipient to issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and to ensure the subrecipient took appropriate and timely corrective action. Without adequate controls over subrecipient audit requirements, the agency could fail to detect and follow-up on internal control deficiencies and noncompliance by subrecipients in a timely manner.

Recommendation:

We recommend the Mississippi State Department of Health strengthen controls over subrecipient audits by identifying which Social Services Block Grant subrecipients expended \$500,000 or more in federal awards during the subrecipient's fiscal year. In addition, the agency should ensure subrecipients have the required audits completed and sent to the agency within nine months after the end of the subrecipient's fiscal year. The agency also should issue a management decision on audit findings within six months after receipt of the subrecipient's audit report to ensure the subrecipient takes appropriate and timely corrective action on all audit findings.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

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

<u>CFDA/Finding Number</u>	<u>Finding and Recommendation</u>
	<u>HUMAN SERVICES</u>
	CASH MANAGEMENT
	<i>Significant Deficiency</i>
93.558	Temporary Assistance for Needy Families
93.568	Low-Income Home Energy Assistance
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant
	Federal Award Number and Year: Various
08-12	<u>Controls over Cash Management Should Be Strengthened</u>
	<i>Finding:</i>
	<p><i>The Code of Federal Regulations (45 CFR Section 92.20) requires that effective controls and accountability must be maintained for all grant and subgrant cash, real and personal property and other assets. While performing testwork on 40 federal cash draws at the Mississippi Department of Human Services, we noted two instances in which there was no supervisory review performed on the draws to ensure they were properly calculated and supported by program costs recorded in the agency accounting records. Agency policies and procedures do not require a supervisory review of federal cash draws be performed when funds are drawn by the Director of Grants Management.</i></p>
	<p>Good internal controls require duties to be properly segregated to prevent both the initiation and authorization of a transaction by a single individual. Adequate controls should be in place to ensure federal funds are not drawn in excess of program costs recorded in the agency records. The failure to properly segregate duties and have a documented independent supervisory review and approval of the federal cash draws could result in errors or fraud occurring and not being detected in a timely manner.</p>
	<i>Recommendation:</i>
	<p>We recommend the Mississippi Department of Human Services strengthen controls over the preparation of federal cash draws by implementing new policies and procedures to ensure that no individuals have the capability to both initiate and approve an entire transaction.</p>

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

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

CFDA/Finding
Number

Finding and Recommendation

HUMAN SERVICES

DAVIS-BACON ACT

Material Weakness

Material Noncompliance

93.667

Social Services Block Grant

Federal Award Number and Year: G-0601MSSORS, 2006

Questioned Costs: \$21,000,000

08-13

Agency Should Ensure Compliance with the Davis-Bacon Act

Finding:

During fiscal year 2006, the Mississippi Department of Human Services-Division of Social Services Block Grant received federal emergency disaster funds (Katrina Funds). Per review of the 2006 annual report for the Social Services Block Grant on the Department of Health and Human Services - Administration for Children and Families website, Mississippi has spent approximately \$21 million in Katrina funds on construction. These funds were used for construction in those areas of the state which were severely damaged by hurricane Katrina.

The Davis-Bacon Act requires all laborers and mechanics employed by contractors or subcontractors who work on construction contracts in excess of \$2,000 financed by federal assistance funds be paid wages not less than those established for the locality of the project (prevailing wage rates) by the U. S. Department of Labor (40 USC 276a to 276a-7). Non-federal entities are required to include in their construction contracts which are subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the U.S Department of Labor regulations (29 CFR Part 5), "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction." This includes a requirement for the contractor and/or lower-tier contractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls).

The Division of Program Integrity within the Mississippi Department of Human Services was assigned the responsibility and received Katrina Funds to conduct on-site monitoring reviews of the Katrina contracts including the lower-tier contracts for compliance with federal regulations. However, testwork performed on eight (8) contracts that contained construction projects in excess of \$2,000 financed by federal assistance funds during fiscal year 2008 revealed eight instances in which there was no evidence of compliance with the Davis-Bacon Act on file at the agency. There were no monitoring files, copies of the payrolls or statements of certifications available for review at the time of testwork.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

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

CFDA/Finding
Number

Finding and Recommendation

Conversations with and documentation obtained from the Division of Program Integrity staff revealed that no monitoring procedures specific to compliance with the Davis-Bacon Act had been completed on the Katrina contracts as of the date of fieldwork. Thus we were unable to verify compliance with the Davis-Bacon Act.

The failure to verify and document compliance with the Davis-Bacon Act could result in questioned costs and could result in funds due back to the federal granting agency.

Recommendation:

We recommend the Mississippi Department of Human Services implement control procedures to ensure compliance with the Davis-Bacon Act requirements for the Social Services Block Grant (SSBG). We further recommend the agency immediately implement procedures to determine if the subrecipients receiving funding under the SSBG grant complied with Davis-Bacon Act requirements. Documentation of such compliance should be maintained and readily available for audit review.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

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

CFDA/Finding
Number

Finding and Recommendation

HUMAN SERVICES

ELIGIBILITY

Significant Deficiency

93.568

Low-Income Home Energy Assistance

Federal Award Number and Year: G-08B1MSLIEA, 2008

08-14

Controls over Eligibility Determinations Should Be Strengthened

Finding:

The United States Code (42 USC 8624) allows that state grantees of the Low-Income Home Energy Assistance program (LIHEAP) may provide assistance to: (a) households in which one or more individuals are receiving Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Food Stamps, or certain needs-tested veterans benefits; or (b) households with incomes which do not exceed the greater of 150 percent of the State's established poverty level, or 60 percent of the State median income.

The Mississippi Department of Human Services (MDHS)-Division of Community Services (DCS) administers the LIHEAP program. DCS has designated that eligibility determination will be performed by the local administrative agencies that receive subgrant funds. DCS relies upon MDHS's Office of Monitoring to ensure eligibility is properly determined and meets program requirements as part of on-site monitoring visits. The MDHS Subgrantee Manual states on-site reviews for program compliance are required to be conducted at least once during the subgrant period for every MDHS subgrant. Eligibility testwork performed at MDHS revealed that 10 out of the 20 local administrative agencies, or 50 percent, that were granted LIHEAP funds had not received on-site visits from MDHS monitors.

Good internal controls require the agency to have adequate control procedures in place to ensure compliance with federal regulations. Failure to properly monitor each local agency for compliance with eligibility requirements could result in noncompliance with federal regulations. As a result questioned costs could occur and not be detected in a timely manner.

Recommendation:

We recommend the Mississippi Department of Human Services strengthen internal controls over eligibility determinations for the Low - Income Home Energy Assistance program by ensuring eligibility reviews are performed at least once during the subgrant period for each local administrative agency.

STATE OF MISSISSIPPI
 Schedule of Findings and Questioned Costs
 Part 3 - Federal Award Findings and Questioned Costs (continued)

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

CFDA/Finding
 Number

Finding and Recommendation

HUMAN SERVICES

PERIOD OF AVAILABILITY OF FEDERAL FUNDS

*Significant Deficiency
 Immaterial Noncompliance*

93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
	Federal Award Number and Year: G-0501MSCCDF, 2005 and G-0601MSCCDF, 2006
	Questioned Costs: \$2,410,505

08-15 Agency Should Comply with Period of Availability of Federal Funds Requirements

Finding:

The Child Care and Development Block Grant contains three types of funds; Discretionary, Matching and Mandatory. The *Code of Federal Regulations* (45 CFR 98.60) designates that the Discretionary Fund allotments shall be obligated in the fiscal year in which funds are awarded or in the succeeding fiscal year. Unliquidated obligations as of the end of the succeeding fiscal year shall be liquidated within one year. Both the Federal and non-Federal share of the Matching Funds shall be obligated in the fiscal year in which the funds are granted and liquidated no later than the end of the succeeding fiscal year. Mandatory Funds for States requesting Matching Funds shall be obligated in the fiscal year in which the funds are granted and are available until expended. Any funds not liquidated by the end of the applicable liquidation period specified will revert to the Federal government. The *Code of Federal Regulations* (45 CFR 92.3) defines obligations for the grant as the amount of orders placed, contracts and subgrants awarded, goods or services received and similar transactions during a given period that will require payment by the grantee during the same or future period.

During period of availability of federal funds testwork at the Mississippi Department of Human Services, we tested the 2005 Discretionary Funds and the 2006 Matching Funds which have an obligation deadline of September 30, 2006 and a liquidation deadline of September 30, 2007 for compliance. Testwork revealed contracts/subgrants totaling \$1,038,352 were charged to the 2005 Discretionary Fund which were not obligated prior to the deadline of September 30, 2006. The contracts/subgrants had not been awarded as of September 30, 2006. Therefore, these costs charged to the program would not be allowable costs per federal regulations. In addition, it could not be determined if the obligation and liquidation requirements were met on costs totaling \$1,372,153 which were charged to the 2006 Matching Fund.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

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

CFDA/Finding
Number

Finding and Recommendation

These costs were charged to the program through an adjustment to the accounting records. Adequate documentation was not available to identify the specific contracts/subgrants related to the costs charged to the program for this adjustment.

Therefore, it could not be determined if these were allowable costs for the program. Federal funds were drawn and received in the amount \$2,410,505 for the above mentioned costs charged to the program.

Good internal controls require that adequate controls be in place to ensure only obligations occurring during the period of availability are charged to the program and to ensure liquidation of all obligations incurred under the award within the liquidation deadline. Without adequate controls in place, the agency may charge costs in violation of federal regulations that would result in questioned costs. Noncompliance with period of availability requirements could effect future funding.

Recommendation:

We recommend the Mississippi Department of Human Services strengthen control procedures to ensure compliance with the Child Care and Development Block Grant period of availability of federal funds requirements. We further recommend the agency contact the federal grantor to determine the necessary corrective action regarding the \$2,410,505 charged inappropriately to the programs.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

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

<u>CFDA/Finding Number</u>	<u>Finding and Recommendation</u>
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HUMAN SERVICES

REPORTING

Significant Deficiency

93.568	Low-Income Home Energy Assistance
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant

Federal Award Number and Year: Various

08-16	<u>Federal Financial Reports Should Agree with Accounting Records</u>
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Finding:

The Mississippi Department of Human Services (MDHS) has been designated as the state agency to administer several federal block grants awarded by the U.S. Department of Health and Human Services (Department). The *Code of Federal Regulations* (45 CFR Section 96.30) requires that the State's fiscal and accounting procedures must be sufficient to permit preparation of reports required by statute authorizing the block grant and permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of the statutes authorizing the block grant. The State is required to report to the Department the total funds obligated and the total funds expended by the grantee during the appropriate statutory periods.

While performing testwork on the Low-Income Home Energy Assistance program, the Child Care and Development Block Grant, the Child Care Development Funds and the Social Services Block Grant at the agency, we noted that the federal financial reports for the programs did not agree with the accounting records for the same time periods. The differences noted were due to adjustments being made to the federal reports but not being posted to the accounting records promptly. These adjustments ranged in amounts from \$560 to \$2,135,000.

Good internal controls dictate a detailed supervisory review of federal reports and comparison of the reports to the accounting records be performed prior to submission to the grantor agency. Failure to ensure the federal reports properly agree to the financial records could result in inaccurate financial information being reported to the grantor agency.

STATE OF MISSISSIPPI
 Schedule of Findings and Questioned Costs
 Part 3 - Federal Award Findings and Questioned Costs (continued)

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

**CFDA/Finding
 Number**

Finding and Recommendation

Recommendation:

We recommend the Mississippi Department of Human Services strengthen internal controls to ensure a detailed supervisory review of the federal financial report and comparison of these reports to the accounting records is performed before the reports are submitted to the grantor agency. Reports submitted to the federal grantor agency should agree with the agency's accounting records. We further recommend the accounting records reflect adjustments made in the federal program area, as appropriate, in a timely manner.

HUMAN SERVICES

SUBRECIPIENT MONITORING

Significant Deficiency

- | | |
|--------|--|
| 93.558 | Temporary Assistance for Needy Families |
| 93.568 | Low-Income Home Energy Assistance |
| 93.575 | Child Care and Development Block Grant |
| 93.596 | Child Care Mandatory and Matching Funds of the Child Care and Development Fund |
| 93.667 | Social Services Block Grant |

Federal Award Number and Year: Various

08-17 **Controls over Subrecipient Monitoring Should Be Strengthened**

Finding:

The *Code of Federal Regulations* (45 CFR Part 92.40, Part 96 and Part 98) designates the Mississippi Department of Human Services (MDHS) for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable federal requirements, and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity. The MDHS's Division of Program Integrity - Office of Monitoring has developed monitoring procedures that require an on-site visit to take place at least once during the subgrant period to ensure compliance with all applicable federal regulations. MDHS has a tracking mechanism in place to ensure all subgrantees are properly identified and monitored. Monitoring tools/checklists are used during the on-site monitoring review to provide guidance and to document a review was performed. The monitoring workpapers are reviewed and approved by supervisory personnel prior to issuance of a written report to the subgrantees/subrecipients.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

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

CFDA/Finding
Number

Finding and Recommendation

During testwork performed on subrecipient on-site monitoring for 40 subgrantees during fiscal year 2008, we noted the following weaknesses.

- Three instances, or 7.5 percent, in which the monitoring staff failed to properly complete the fiscal monitoring tool. The staff had not documented that costs per the subgrantee's reporting worksheets and the amount of cash requested agreed to the subgrantee's accounting records.
- Two instances, or 5 percent, in which the programmatic monitoring tool was not properly completed.
- Three instances, or 7.5 percent, in which there was no evidence of proper review and approval of the monitoring workpapers.

Also, testwork revealed monitoring visits had not been performed on all of the active subgrants. During fiscal year 2007, approximately 70 of the 460 active subgrants were not monitored and approximately 15 of the 296 subgrants from fiscal year 2006 had not been monitored. In addition, testwork revealed adequate follow-up procedures were not in place to ensure the timely resolution of monitoring findings and questioned costs. Numerous subgrants had unresolved questioned costs for more than one year. Many of these subrecipients continue to receive federal funding.

Good internal controls require monitoring workpapers receive adequate supervisory review to ensure completeness and propriety. The funding divisions rely upon the monitoring procedures to verify compliance with program regulations and to identify potential problem areas that may need to be addressed. The failure to properly monitor the subgrants could allow noncompliance with federal regulations to occur and go undetected resulting in questioned costs.

Recommendation:

We recommend the Mississippi Department of Human Services' Division of Program Integrity - Office of Monitoring strengthen its existing internal controls over subrecipient on-site monitoring. All active subgrants should receive on-site monitoring visits. Any findings or questioned costs noted during the visits/reviews should be followed up on and resolved in a timely manner. Greater care should be taken during the supervisory review process to ensure the completeness of monitoring files.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

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

<u>CFDA/Finding Number</u>	<u>Finding and Recommendation</u>
	<u>MENTAL HEALTH</u>
	DAVIS-BACON ACT
	<i>Significant Deficiency</i>
93.667	Social Services Block Grant Federal Award Number and Year: G0601MSS0SR, 2006
08-18	<u>Controls Should Be Strengthened over Davis-Bacon Act Requirements</u> <i>Finding:</i> The Mississippi Department of Mental Health receives Social Services Block Grant (SSBG) funds from the Mississippi Department of Human Services. The repair, renovation or construction of real property is not an allowable cost /activities allowed under the regular Social Services Block Grant. However, the Department of Defense Act of 2006 (Public Law 109-148), also known as the Emergency Supplemental Appropriation Act provided \$550 million in Social Services Block Grant funding to address the social and health services (including mental health) needs of individuals, and for the repair, renovation and construction of health facilities (including mental health) affected by the 2005 Gulf Coast hurricane. These funds, commonly referred to as SSBG Katrina Funds, were awarded to the Mississippi Department of Human Services (MDHS) for administration. The Mississippi Department of Mental Health (MDMH) received SSBG Katrina Funds from MDHS, some of which were awarded to subrecipients for the repair, renovation and/or construction of mental health facilities. The Davis-Bacon Act requires all laborers and mechanics employed by contractors or subcontractors who work on construction contracts in excess of \$2,000 financed by federal assistance funds be paid wages not less than those established for the locality of the project (prevailing wage rates) by the U. S. Department of Labor (40 USC 276a to 276a-7). Non-federal entities are required to include in their construction contracts which are subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the U. S. Department of Labor regulations (29 CFR Part 5), "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction". This includes a requirement for the contractor or subcontractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls). On September 8, 2005, President Bush signed a proclamation suspending the Davis-Bacon Act in the areas seriously affected by the devastation resulting from Hurricane Katrina. This waiver covered all counties in the State of Mississippi. This waiver was to remain in effect until rescinded by the President. This waiver was subsequently rescinded on November 8, 2005. Therefore, the Davis-Bacon Act would apply to the SSBG Katrina Funds at MDMH.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (continued)

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

CFDA/Finding
Number

Finding and Recommendation

When testing the requirements of the Davis-Bacon Act at the Mississippi Department of Mental Health, we found that the agency failed to include in its contracts with subrecipients a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the Department of Labor regulations (29 CFR Part 5), "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction."

Good internal control procedures require the inclusion of all applicable federal grant requirements in the lower tier subgrant contracts. Without adequate notification of all grant requirements, the lower tier subgrantees may not comply with federal regulations resulting in the suspension or loss of future federal funding.

Recommendation:

We recommend that the Mississippi Department of Mental Health strengthen controls over lower tier subgrant contracts to ensure compliance with the requirements of the Davis Bacon Act.

STATE OF MISSISSIPPI
Schedule of Findings and Questioned Costs
Part 3 - Federal Award Findings and Questioned Costs (concluded)

U. S. DEPARTMENT OF HOMELAND SECURITY

CFDA/Finding
Number

Finding and Recommendation

PUBLIC SAFETY

ALLOWABLE COSTS/COST PRINCIPLES

Significant Deficiency

97.004 State Domestic Preparedness Equipment Support Program
97.067 Homeland Security Grant Program

Federal Award Number and Year: Various

08-19 Reviews of Subrecipient Reimbursement/Advance Requests Should Be Documented

Finding:

While performing testwork at the Department of Public Safety on the Homeland Security cluster for fiscal year 2008, we noted the agency was not documenting the review of subrecipient reimbursement/advance requests. While it appears the agency has a review process in place, all reviews of requests for reimbursement/advances by subrecipients should be documented. Without documentation of review of the subrecipient's request for reimbursement/advance, there is no adequate audit trail established. Requests for reimbursement/advances could bypass the review process and result in unallowable costs being charged to the grant.

Recommendation:

We recommend that Department of Public Safety ensure the review process is documented. The reviewer should initial the request for reimbursement/advance signaling approval, or an internal log should be kept documenting the date, what is being approved, and who is approving.

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II. SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS



STATE OF MISSISSIPPI

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008

Instructions to Management

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

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

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

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STATE OF MISSISSIPPI

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008

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STATE OF MISSISSIPPI
Summary Schedule of Prior Federal Audit Findings
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*a Management indicates the finding was partially corrected. For audits of fiscal years 2007 and 2008, a similar finding was issued in a separate communication.

*b Management indicates this finding was partially corrected. Current year finding 08-02 was written.

*c Management indicates this finding was not corrected and is currently in negotiations with the federal government to determine disposition. Current year finding 08-04 was written for similar problems noted during the current year.

*d Management indicates this finding was partially corrected. Current year finding 08-17 was written for similar problems noted during the current year.

*e Management indicates prior year findings 06-02 and 07-11 were fully corrected; however, current year finding 08-06 was written for problems noted in the current year.

*f Management indicates that prior year finding 06-04 was not corrected; however, testwork performed for fiscal 2007 did not reveal problems and no fiscal year finding was written – the program was not audited for fiscal year 2008.

*g Management indicates these prior year findings were partially corrected. Current year findings were written for recurring problems.

STATE OF MISSISSIPPI

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008

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STATE OF MISSISSIPPI
Summary Schedule of Prior Federal Audit Findings
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**STATE OF MISSISSIPPI
DEPARTMENT OF EDUCATION**

Hank M. Bounds
State Superintendent of Education

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2008**

06-14 Controls over Monitoring Subrecipient Audit Requirements Should Be Strengthened

CFDA 10.558 Child and Adult Care Food Program

FULLY CORRECTED

06-15 Controls over Comparability Requirement Should Be Strengthened

CFDA 84.010 Title I Grants to Local Educational Agencies

FULLY CORRECTED

06-16 Controls over Reporting for Special Test and Provisions Should Be Strengthened

CFDA 84.010 Title I Grants to Local Educational Agencies

PARTIALLY CORRECTED

07-01 Controls over Earmarking Requirement Should Be Established

CFDA 84.010 Title I Grants to Local Educational Agencies

PARTIALLY CORRECTED

07-02 Controls over Monitoring Subrecipient Audit Requirements Should Be Strengthened

CFDA 10.558 Child and Adult Care Food Program

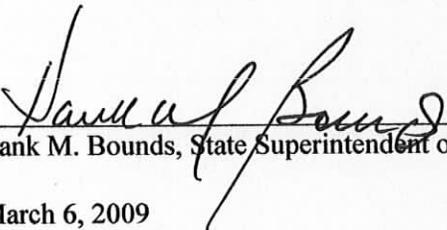
FULLY CORRECTED

07-03 Controls over Comparability Requirement Should Be Strengthened

CFDA 84.010 Title I Grants to Local Educational Agencies

FULLY CORRECTED

Signed:



Hank M. Bounds, State Superintendent of Education

Date: March 6, 2009



STATE OF MISSISSIPPI
HALEY BARBOUR, GOVERNOR

DEPARTMENT OF FINANCE AND ADMINISTRATION
J.K. STRINGER, JR.
EXECUTIVE DIRECTOR

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2008

06-05 Transfers from Self-Insurance Funds Should Not Include Federal Funds

93-UN Various

Not Corrected

Based on discussions with the federal DHHS negotiator assigned to the State of Mississippi, it is our understanding that the determination of refunds required by the federal government will be made in conjunction with the review and approval of the applicable year's Statewide Cost Allocation Plan. When the FY 2008 plan is submitted to the federal government, we will provide information about the FY 2006 transfers and begin the negotiation process to determine appropriate action.

Signed: _____

J. K. Stringer, Jr.
J. K. Stringer, Jr.
Executive Director

Date: _____

NOV 12, 2008

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MISSISSIPPI STATE DEPARTMENT OF HEALTH

**SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2008**

06-29 Controls over Time Study Procedures Should Be Strengthened

CFDA # 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

CFDA # 93.991 Preventive Health and Health Services Block Grant

PARTIALLY CORRECTED

Time Study procedures and processes are under new administration review with emphasis toward automation of the process and required information being entered by the individual at the time of activity.

06-30 Time Study Allocation System Edits and Processes Should Be Improved

CFDA # 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

CFDA # 93.991 Preventive Health and Health Services Block Grant

PARTIALLY CORRECTED

Time Study procedures and processes are under new administration review with emphasis toward automation of the process and required information being entered by the individual at the time of activity.

06-31 MWITS Application System's Reliability Should Be Improved

CFDA # 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

PARTIALLY CORRECTED

The Mississippi WIC Project team determined that MSDH will be able to accept and transfer the SPIRIT system solution with only minor modifications to the baseline SPIRIT system, to fully satisfy Mississippi's WIC clinical requirements for an automated solution. In addition to the SPIRIT implementation, MSDH will also integrate an Inventory Management solution to

facilitate the Food Distribution requirements. Implementation of this project is to begin October 2009.

07-19 Controls over Payments to Subrecipients Should Be Strengthened

CFDA # 93.667 Social Services Block Grant

FULLY CORRECTED

07-20 Controls over Time Study Procedures Should Be Strengthened

CFDA # 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

PARTIALLY CORRECTED

Time Study procedures and processes are under new administration review with emphasis toward automation of the process and required information being entered by the individual at the time of activity.

07-21 Controls Should Be Strengthened to Ensure Compliance with Period of Availability Requirements

CFDA # 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

PARTIALLY CORRECTED

Due to the volume of transactions processed by the agency, human errors will always occur. However, we will continue efforts to ensure expenditures are paid from the proper grant award.

07-22 MWITS Application System's Reliability Should Be Improved

CFDA # 10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

PARTIALLY CORRECTED

The Mississippi WIC Project team determined that MSDH will be able to accept and transfer the SPIRIT system solution with only minor modifications to the baseline SPIRIT system, to fully satisfy Mississippi's WIC clinical requirements for an automated solution. In addition to the SPIRIT implementation, MSDH will also integrate an Inventory Management solution to facilitate the Food Distribution requirements. Implementation of this project is to begin October 2009.

Signed: 
F.E. Thompson, Jr., MD, MPH
State Health Officer

Date: 3/26/08



STATE OF MISSISSIPPI
HALEY REEVES BARBOUR, GOVERNOR
DEPARTMENT OF HUMAN SERVICES
DON THOMPSON
EXECUTIVE DIRECTOR

October 17, 2008

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

Dear Mr. Pickering:

The following are our responses and corrective action plans to the prior year audits for the year 2007.

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2008

07-12 Controls over Period of Availability Should be Strengthened

93.667 Social Services Block Grant

FULLY CORRECTED

Stacey Pickering
October 17, 2008
Page 2

07-13 Controls over Sub Recipients Monitoring Should be Strengthened

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

PARTIALLY CORRECTED

The Director of the Office of Monitoring, Division of Program Integrity is reviewing each monitoring instrument as the monitoring reports are submitted for signature to ensure that all pages of each instrument are fully/accurately completed and initialed by the applicable monitoring supervisor.

As of June 30, 2008, the finding was not fully corrected. However, as of the current date, the finding is FULLY CORRECTED.

Signed: 
Donald Thompson, Executive Director

Date: 10-17-08



STATE OF MISSISSIPPI
MILITARY DEPARTMENT

THE ADJUTANT GENERAL'S OFFICE
POST OFFICE BOX 5027
JACKSON, MISSISSIPPI 39296-5027



Summary Schedule of Prior Federal Audit Findings
For the year ended June 30, 2008

07-04: Construction in Progress

CFDA #12.401 National Guard Military Operations and Maintenance (O & M) Projects
CFDA #12.402 National Guard Special Military Operations and Projects

Fully Corrected

07-05: Inventory Valuation and Physical Inventory Count

CFDA #12.401 National Guard Military Operations and Maintenance (O & M) Projects
CFDA #12.402 National Guard Special Military Operations and Projects

Fully Corrected

A handwritten signature in black ink, appearing to read "William L. Freeman Jr.", written in a cursive style.

William L. Freeman Jr.
Major General(MS), Mississippi National Guard
The Adjutant General of Mississippi

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STATE OF MISSISSIPPI
HALEY BARBOUR, GOVERNOR
MISSISSIPPI DEVELOPMENT AUTHORITY
GRAY SWOOPE
EXECUTIVE DIRECTOR

Summary Schedule of Prior Federal Audit Findings

November 14, 2008

Office of the State Auditor
State of Mississippi
Attn: Rob Robertson
P.O. Box 956
Jackson, MS 39205-0956

Dear Mr. Robertson:

This letter is in response to your request concerning the Summary Schedule of Prior Federal Audit Findings for the Mississippi Development Authority (MDA). Our responses are as follows:

06-01

Controls Over Program Income Should Be Strengthened.

CDFA 14.239 - HOME Investment Partnerships Program

Status:

(b) (1) Audit findings were fully corrected.

Corrective Action Plan:

Corrective action was taken.

06-02

Controls Over Sub-recipient Monitoring Should Be Strengthened.

CDFA 14.228 – Community Development Block Grant/State's Program

Status:

(b) (1) Audit findings were fully corrected.

Corrective Action Plan:

Corrective action was taken from 07-11 Testwork Management Response.

06-03

Controls Over Sub-recipient Monitoring Should Be Strengthened.

CDFA 14.239 – Home Investment Partnerships Program

Status:

(b) (1) Audit findings were full corrected.

Corrective Action Plan:

Corrective action was taken.

06-04

Controls Over Period of Affordability Inspections Should be Strengthened.

CDFA 14.239 – HOME Investment Partnerships Program

Status:

(b) (2) Audit findings have not been corrected.

Corrective Action Plan:

MDA is in the process of reviewing and updating the HOME monitoring Electronic system to insure key attributes of data are captured for each project, and validating that the system functions as it should when identifying projects that are up for review. In the interim, to assure compliance with federal regulation, each HOME program monitor will maintain a manual tickler file to ensure inspections are performed on a timely basis.

Corrective action has not been taken due to the current backlog of financial reconciliations and data interface between Accounting and CSD.

07-10

Controls over Monitoring Sub-recipient Audit Requirements Should be Strengthened

CDFA 14.228 Community Development Block Grant/State's Program

Status:

(b) (1) Audit Findings were fully corrected.

Corrective Action Plan:

Corrective action was taken from 07-10 Testwork Management Response

07-11

Controls Over Sub-recipient Monitoring Should be Strengthened

CDFA 14.228 Community Development Block Grant/Stat's Program

Status:

(b) (1) Audit finding was fully corrected.

Correction Action Plan:
Corrective Action was taken from 07-11 Testwork Management Response.

07-14

Information Technology Applications Internal Audit Report Should Be Complete

CDFA 14.228 Community Development Block Grant/Stat's Program

Status:
(b) (1) Audit finding was fully corrected.

Corrective Action Plan:
As the value of receiving a completed Information Technology Audit Report (ITAR) diminished with the progression and approaching closeout of the programs utilizing the audited applications, MDA Disaster Recovery instead required that Reznick MS compensate the program for the costs of the audit.

The total amount sub-contractor CVP billed Reznick MS for the ITAR was \$595,724.45 (excluding a 7.5% contractual administrative fee applied by Reznick). Reznick MS modified the billings from CVP and split the costs among various categories (e.g., project management, etc.) prior to billing MDA. The end result was a total ITAR cost of \$126,611.24 (\$117,777.90 plus \$8,833.34 administrative fee). MDA credited this amount against Reznick MS invoices. In addition to the credit, Reznick MS provided MDA with a signed affidavit from CVP providing assurance that the entire amount should not have been billed as ITAR fees, that the total cost CVP billed for the ITAR was \$117,777.90 and the remaining amounts were for project management, work orders, and other operational activities.

MDA Disaster Recovery also strengthened controls for the review and approval of vendor invoices to include more stringent scrutiny and documentation standards.

Sincerely,


Gray Swoope
Executive Director

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STATE OF MISSISSIPPI
HALEY BARBOUR, GOVERNOR
DEPARTMENT OF PUBLIC SAFETY
STEPHEN B. SIMPSON, COMMISSIONER

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
For the Year Ended June 30, 2008

- 06-23 Agency Should Comply with Subrecipient Audit Requirements

CFDA#20.600 State and Community Highway Safety

FULLY CORRECTED
- 06-24 Agency Should Comply with Subrecipient Audit Requirements

CFDA#97.004 State Domestic Preparedness Equipment Support Program

FULLY CORRECTED
- 07-06 Documentation Supporting Allowable Costs Should Be Maintained

CFDA #16.523 Juvenile Accountability Incentive Block Grants
CFDA #16.738 Edward Byrne Memorial Justice Assistance Grant Program

FULLY CORRECTED
- 07-07 Controls over Federal Reimbursement and Reporting Should Be Strengthened

CFDA#20.600 State and Community Highway Safety

FULLY CORRECTED
- 07-08 Agency Should Comply with Subrecipient Audit Requirements

CFDA#20.600 State and Community Highway Safety

FULLY CORRECTED

Summary Schedule of Prior Federal Audit Findings
For the Year Ended June 30, 2008
March 5, 2009
Page Two

07-09 Agency Should Comply with Subrecipient Audit Requirements
CFDA#97.004 State Domestic Preparedness Equipment Support Program
FULLY CORRECTED

Signed: 
Stephen B. Simpson
Commissioner

Date: 3-11-09

III. MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS



STATE OF MISSISSIPPI

**MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS
FOR THE YEAR ENDED JUNE 30, 2008
Instructions to Management**

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

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

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

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

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

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**STATE OF MISSISSIPPI
DEPARTMENT OF EDUCATION**

Hank M. Bounds
State Superintendent of Education

SINGLE AUDIT FINDINGS

March 16, 2009

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

Dear Mr. Pickering:

In accordance with your correspondence dated March 9, 2009, the Mississippi Department of Education is providing the following responses and corrective action plans for the single audit findings for the fiscal year ended June 30, 2008:

AUDIT FINDINGS:

- 84.010 Title I Grants to Local Educational Agencies
 Matching, Level of Effort, Earmarking
- 08-01 Controls over Maintenance of Effort Requirements Should Be Strengthened

Response:

We concur with the finding and recommendation.

Corrective Action Plan:

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

The Mississippi Department of Education - Office of Federal Financial Management has strengthened controls to ensure that the spreadsheet used to calculate Maintenance of Effort for school districts is independently reviewed to ensure data is properly calculated.

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

Melba Beasley, Director
Office of Federal Financial Management

C. Anticipated completion date for corrective action:

Procedures have been implemented.

84.010 Title I Grants to Local Educational Agencies

Matching, Level of Effort, Earmarking

08-02 Controls over Earmarking Requirement Should Be Strengthened

Response:

We concur with the finding and recommendation.

Corrective Action Plan:

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

The Mississippi Department of Education – Offices of Innovative Support and Federal Financial Management modified the FY08 Consolidated Federal Programs Application to require LEA's to provide specific data on choice related transportation and supplemental service allocations. In addition, LEA's must provide an explanation for allocating amounts less than the 20 percent required set-aside. We will take greater care to ensure that explanations by LEA's, for allocating less than the 20 percent set-aside, are adequate and properly documented.

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

Quentin Ransburg, Director
Office of Innovative Support

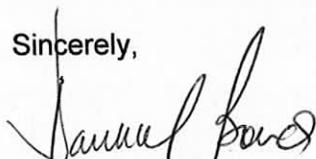
Melba Beasley, Director
Office of Federal Financial Management

C. Anticipated completion date for corrective action:

Procedures have been implemented.

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

Sincerely,



Hank M. Bounds
State Superintendent of Education



MISSISSIPPI DEPARTMENT *of* EMPLOYMENT SECURITY

OFFICE OF THE GOVERNOR

Ms TOMMYE DALE FAVRE

EXECUTIVE DIRECTOR

Financial Audit Findings

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

February 17, 2009

Dear Mr. Pickering:

The Mississippi Department of Employment Security appreciates this opportunity to submit responses to the audit findings for the year ended June 30, 2008 for Enterprise Fund 8191.

Audit Findings:

Finding 2008-15

Response: MDES agrees that an overstatement of receivables resulted from a lapse of procedures that were in place to prevent excessive assessments from occurring. The condition was identified during 2007 and addressed by the MDES quickly. MDES now has a system to cap assessments at \$1,000 in cases where there is no historical basis (employer has never filed a tax report) for establishing a reasonable assessment.

Corrective Action Plan:

- A. The new procedures are electronic and will be randomly reviewed by supervisory staff in the Tax Department (unit supervisor) each quarter after the assessments are made to ensure that the process is functioning properly. The Tax Department manager will also review this process annually to ensure that the assessments are reasonable.
- B. Contacts for this corrective action are Erin Landrum, Department Chief and Dale Smith, Director, Office of Customer Operations Support.
- C. Currently in place.
- D. N/A

Finding 2008-16

Response: MDES accepts this finding. Proper supervisory reviews and necessary reports are being developed to ensure that delinquent accounts information is properly recorded and

maintained. Each account that is flagged to not receive a delinquent action for a quarter has the flag changed back so the appropriate action will be processed in future quarters.

Corrective Action Plan:

- A. New programs are under development that will provide management/supervisory reports to review occurrences of such events. Supervisory and management staff will periodically review and provide training to staff found deficient in this area. Further, suggested logs are maintained for review to ensure that employer accounts are properly flagged. Financial statement preparation has been modified to ensure proper reporting of receivable amounts.
- B. Contacts for this corrective action are Erin Landrum, Department Chief and Dale Smith, Director, Office of Customer Operations Support.
- C. Workforce Enhancement Training Account receivables have been separated from UI Contributions receivables and are accounted for separately. Necessary reports are under development. Expected completion date is June 2009.
- D. N/A

Sincerely,



Ms. Tommye Dale Favre
Executive Director



STATE OF MISSISSIPPI
HALEY BARBOUR, GOVERNOR

DEPARTMENT OF FINANCE AND ADMINISTRATION
KEVIN J. UPCHURCH
EXECUTIVE DIRECTOR

March 19, 2009

SINGLE AUDIT FINDING

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

Dear Mr. Pickering:

The following is our response to the finding and recommendation contained in your Single Audit Management Report dated March 6, 2009.

AUDIT FINDING:

93.UN Various

ALLOWABLE COSTS/COST PRINCIPLES

Immaterial Noncompliance

08-04 Transfers from Self-Insurance Funds Should Not Include Federal Funds

Response: We concur with this finding.

Corrective Action Plan:

- A. Based on discussions with the federal DHHS negotiator assigned to the State of Mississippi, it is our understanding that the determination of refunds required by the federal government will be made in conjunction with the review and approval of the applicable year's Statewide Cost Allocation Plan. When the proposed FY 2010 plan is submitted to the federal government, we will submit information about the FY 2008 transfer and begin the negotiation process to determine appropriate action.

Honorable Stacey E. Pickering

Page 2

March 19, 2009

- B. Mrs. Leila Malatesta, Director of the Office of Fiscal Management, will be responsible for coordinating the corrective action.
- C. Final settlement of this issue will depend on review of the state's SWCAP for FY 2010 by the federal cognizant agency and subsequent negotiations with the federal government.
- D. Not applicable.

If you should need additional information concerning this response, please let me know.

Sincerely,



Kevin J. Upchurch

KJU/SPL/jac



MISSISSIPPI STATE DEPARTMENT OF HEALTH

March 20, 2009

SINGLE AUDIT FINDINGS

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

Dear Mr. Pickering:

Enclosed for your review are the responses and corrective action plans for the Single Audit Findings for the Mississippi State Department of Health for the Fiscal Year ended 2008.

AUDIT FINDINGS:

CFDA #10.557 Special Supplemental Nutrition Program for Woman, Infants, and Children
CFDA #93.268 Immunization

ALLOWABLE COSTS/ COST PRINCIPLES

08-08 Controls Over Time Study Procedures Should Be Strengthened

MSDH acknowledges that the Time Study Process is a paper and resource intensive, antiquated and outdated approach to the Time Study Process that needs to be replaced.

As a result of the audit the IS Department is in the process of reviewing online data entry systems that will allow the required data to be entered by the individual performing the activity. Three courses of action are currently being reviewed: 1- suitable applications that can be transferred from another state agency, 2- current off the shelf (COTS) programs, 3- develop an application in-house. Below is an estimated timeline for implementation of a Time Study Program Application:

04/30/2009	Determination of course of action 1, 2, or 3
07/31/2009	Q/A testing in selected MSDH county facilities
10/30/2009	Statewide implementation complete

CFDA #93.667 Social Services Block Grant

Federal Award Number and Year: G-601 MSSOSR, 2006

DAVIS-BACON ACT

08-09 Controls Should Be Strengthened over Davis-Bacon Act Requirements

MSDH acknowledges that even though a statement is included in all current sub-grant contracts that require all sub-grantees to comply with all applicable Federal Regulations, compliance with the Davis –Bacon Act is not spelled out.

All current sub-grant contracts will be amended to say that all Federal Regulations, including but not limited to the Davis-Bacon Act must be followed. This statement will be used in new contracts as well.

CFDA #10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

PERIOD OF AVAILABILITY

08-10 Controls Should Be Strengthened to Ensure Compliance with Period of Availability Requirements

MSDH concurs that even though the costs in question are allowable costs that they are paid outside of the correct grant year.

We will examine the expenditure review procedures to ensure that every possible step is being taken so that expenditures will be reported in the correct grant period.

CFDA #93.667 Social Services Block Grant

SUBRECIPIENT MONITORING

08-11 Controls Over Monitoring Subrecipient Audit Requirements Should Be Strengthened

MSDH does not concur with this finding. Procedures are in place to monitor subrecipient audit requirements.

The responsibility of ensuring audit reports are received from subrecipients and the review of these reports rests with the Office of Internal Audit. During February 2007 a request for audit information was sent to subrecipients as of June 30, 2006. Reports received by staff in the Office of Internal Audit. The next required audit information requests were due to be mailed in February 2008. However, due to the vacancy of the Internal Audit Division Director position, this was not performed. In February 2009, the Office of Internal Audit mailed audit information

Mr. Pickering
March 20, 2009
Page 3

requests based on subrecipients as of June 30, 2008. These reports are reviewed and any additional follow-up is performed as deemed necessary.

If any other information is needed please contact Willie Thompson, Chief Financial Officer at 601-576-7544.

Sincerely,

A handwritten signature in black ink, appearing to read "F. E. Thompson, Jr., MD, MPH". The signature is written in a cursive style with a large, sweeping flourish at the end.

F. E. Thompson, Jr., MD, MPH
State Health Officer



MISSISSIPPI STATE DEPARTMENT OF HEALTH

March 20, 2009

INFORMATION SYSTEMS MANAGEMENT REPORT

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

Dear Mr. Pickering:

The Mississippi State Department of Health (MSDH) has recently (within the past year) experienced some major changes within the top levels of leadership, the State Health Officer, the Chief Administrative Officer, and the Chief Information Officer. MSDH takes the responsibility to protect the integrity of the information and the information gathering processes in its possession seriously and is taking steps to correct those deficiencies discovered in the recent Office of the State Auditor IS Audit. The Health Informatics section is working with upper level management and ITS to develop a comprehensive plan that will meet or exceed IS audit compliance standards.

MSDH welcomes the opportunity to work with the Office of the State Auditor to improve the efficiency of services we provide for the citizens of Mississippi.

AUDIT FINDINGS:

08-20 **Audit Finding** - MSDH Should Improve the MWITS Application Systems Reliability

MSDH Response:

Mississippi WIC acknowledges that MWITS is an antiquated and outdated system that needs to be replaced. MSDH obtained ITS Board approval on February 19, 2009 to issue a Request for Proposal (RFP) to transfer the WIC Spirit System to Mississippi, and implement a new Inventory Management system. We submitted the RFP and Advanced Planning Document Update (APDU) responses to the United States Department of Agriculture (USDA) for approval on March 4, 2009. USDA acknowledged receipt of these documents on March 5, 2009 and noted that we will receive a response within 60 days (by May 4, 2009).

USDA now requires all states to first look at transferring in a State Agency Model (SAM) solution before requesting replacement systems that require ground up development. As a result, the Mississippi WIC Project Team spent extensive time evaluating the Wisconsin ROSIE WIC system and the WIC SPIRIT System, which is currently in production at the Chickasaw Nation in Oklahoma. After extensive evaluations, the Mississippi WIC Project Team determined that MSDH will be able to accept and transfer the SPIRIT System solution with only minor modifications to the baseline SPIRIT System, to fully satisfy Mississippi's WIC clinical requirements for an automated solution. In addition to the SPIRIT implementation, MSDH will also integrate an Inventory Management solution to facilitate the food distribution requirements.

The SPIRIT System is a web based application with Smart Client technology and .NET-Java capability. The SPIRIT System offers complete automation for providing clinical services to WIC participants. It has a guided script that guides the WIC certifier step-by-step through the complete certification process, including appointment scheduling, enrollment, certification, nutrition education, and food prescription assignments.

The SPIRIT System will provide several benefits that will replace manual processes done by MSDH staff today. The most notable benefits are:

- Provides a centralized web-based solution
- Provides complete automation for the WIC certification process
- Provides automated growth charts
- Automatically assigns risk codes based on objective data, such as anthropometric measurements and biochemical measurements to determine WIC eligibility
- Provides online/offline capability with data synchronization capability for satellite clinics
- Automatically creates all USDA Participant Characteristics, CDC Pregnancy Nutrition Surveillance System (PNSS), and CDC Pediatric Nutrition Surveillance System (PedNSS) extracts
- Provides the federally required FNS 798 Financial reports (Participation/Obligations projections)
- Provides caseload management, participation reporting, enrollment reporting, and dual participation investigation
- Provides a large number of canned reports and an adhoc reporting capability to produce customized reports
- Provides electronic signature capture
- Automatically provides Food Instrument "Issuance" data from the WIC Clinical System to the Food Management System
- Automatically provides Food Instrument "Redemption" data from the Food Management System to the WIC Clinical System
- Scans food items in WIC Food Centers using handheld scanners
- Provides the ability for state office distribution staff to track and approve food product orders electronically.

Upon approval from USDA, Mississippi will move forward with releasing the RFPs to implement SPIRIT. Below is the high level timeline for implementing SPIRIT:

05/30/2009	Approval of APDU and both RFPs by USDA
06/02/2009	Release of Q/A RFP by ITS
06/09/2009	Release of IC RFP by ITS
10/01/2009	SPIRIT Project Starts
02/01/2010	Release of Hardware/Software RFP by ITS
04/15/2010	Begin hardware deliveries & installation throughout the State
08/30/2010	SPIRIT Pilot
12/15/2010	Begin Phased Rollout/Implementation of SPIRIT
02/15/2011	Rollout/Implementation Complete

08-21 **Audit Finding** – Time Study Data Control Process Should Be Improved

MSDH Response:

MSDH acknowledges that the Time Study Process is a paper and resource intensive, antiquated and outdated approach to the Time Study Process that needs to be replaced. As a result of the audit, the IS Department is in the process of reviewing online data entry systems that will allow the required data to be entered by the individual performing the activity. Three courses of action currently being reviewed are: 1) suitable applications that can be transferred from another state agency, 2) current off the shelf (COTS) programs, 3) develop an application in-house. Below is an estimated timeline for implementation of a Time Study Program Application:

04/30/2009	Determination of course of action 1, 2, or 3
07/31/2009	Q/A testing in selected MSDH county facilities
10/30/2009	Statewide implementation complete

Sincerely,



F. E. Thompson, Jr., MD, MPH
State Health Officer

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STATE OF MISSISSIPPI
HALEY REEVES BARBOUR, GOVERNOR
DEPARTMENT OF HUMAN SERVICES
DON THOMPSON
EXECUTIVE DIRECTOR

SINGLE AUDIT FINDINGS

March 20, 2009

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

Dear Mr. Pickering:

The following are our responses and corrective action plans to the Single Audit Management Report as outlined in the Mississippi Department of Human Services' audit performed for Fiscal Year 2008:

AUDIT FINDINGS:

CASH MANAGEMENT

Significant Deficiency

93.558	Temporary Assistance for Needy Families
93.568	Low-Income Home Energy Assistance
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.667	Social Services Block Grant

Federal Award Number and Year: Various

08-12 Controls over Cash Management Should be Strengthened

Response:

MDHS acknowledges that on limited occasions duties were not properly segregated which allowed transactions to be initiated and approved by the same person.

Corrective Action Plan:

Beginning October 1, 2008, the Director of Grants Management's supervisor reviews all of the daily draws done by the Grants Management Director when the other Grants Management employee is absent. The Director of Grants Management's supervisor will also review the daily draws when the Grants Management Director is absent. This new procedure will properly isolate duties and allow for independent supervisory review and approval of federal cash draws when employees are absent.

DAVIS –BACON ACT

Material Weakness

Material Noncompliance

93.667 Social Services Block Grant

Federal Award Number and Year: G0601MSSORS, 2006
Questioned Costs: \$21,000,000

08-13 Agency Should Ensure Compliance with the Davis-Bacon Act

Response:

As of June 30, 2008, the finding was not fully corrected. However, the Division of Program Integrity is implementing actions to resolve the finding.

Corrective Action Plan:

The Division of Program Integrity staff developed a monitoring instrument to document monitoring of each subgrant/contract which included funds for construction costs that exceeded \$2,000.00. The Division of Program Integrity, Office of Monitoring hired a new monitoring team leader to supervise monitors who are monitoring SSBG Katrina subgrants/contracts and the new employee reported to work on Monday, March 16, 2009. The employee is being trained to

monitor subgrants and this training will include monitoring for compliance with the Davis-Bacon Act. The monitors are compiling a list of all subgrants/contracts that included construction cost and as soon as the list is complete, the monitors will return to the office of each subgrantee/subcontractor whose SSBG Katrina award included construction costs to monitor for compliance with the Davis-Bacon Act. Documents will be copied and maintained in the offices of the Division of Program Integrity to support monitoring for compliance with the Davis-Bacon Act, and the result of the monitoring. Reports will be issued and tracked until any findings noted are resolved/cleared.

ELIGIBILITY

Significant Deficiency

93.568 Low-Income Home Energy Assistance

Federal Award Number and Year: G-08B1MSLIEA, 2008

08-14 Controls over Eligibility Determinations Should Be Strengthened

Response:

As of June 30, 2008, the finding was fully corrected.

Corrective Action Plan:

The Division of Program Integrity, Office of Monitoring assigned and trained three (3) monitors to determine eligibility of clients and inspect homes that were weatherized with the Low-Income Home Energy Assistance Program (LIHEAP) funds. All subgrants awarded from the LIHEAP funds have been monitored, monitoring reports have been issued and the status of each report is being tracked until all findings are cleared or resolved.

PERIOD OF AVAILABILITY OF FEDERAL FUNDS

Significant Deficiency

Immaterial Noncompliance

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

Federal Award Number and Year: G-0501MSCCDF, 2005 and
G-0601MSCCDF, 2006

Questioned Costs: \$2,410,505

Response:

The Agency concurs with the finding that the period of availability was not fully considered in its efforts to "maximize" the FY 2005 CCDF Discretionary & 2006 CCDF Matching grants. The agency misinterpreted the common years of obligation and liquidation periods. However, the agency was working in good faith to ensure that federal funds were fully expended during the liquidation period.

Corrective Action Plan:

MDHS has taken measures to make certain that good internal controls are in place to ensure that obligations occurring during the period of availability are charged appropriately to the program. The funding divisions will be reminded before obligation/ liquidation periods end regarding any excess funds and no transfers will be made without their approval. MDHS has contacted our federal grantor and they are working with our agency concerning any questioned cost that resulted from our grant expenditure maximizations.

REPORTING

Significant Deficiency

93.568 Low-Income Home Energy Assistance
93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care Development Fund
93.667 Social Services Block Grant

Federal Award Number and Year: Various

08-16 Federal Financial Reports Should Agree with Accounting Records

Response:

MDHS does concur that when federal reports did not agree with the accounting records of the same time frame, it was due to adjustments not being made timely.

Corrective Action Plan:

Internal controls have been strengthened to ensure a more comprehensive supervisory review of the federal financial reports and comparisons of these reports to the accounting records along with any appropriate adjustments. Reports submitted to the federal grantor will agree with the accounting records unless there are pending adjustments, which will be done timely and reflected on any documentation submitted to the grantor.

SUB RECIPIENT MONITORING

Significant Deficiency

93.558	Temporary Assistance for Needy Families
93.568	Low-Income Home Energy Assistance
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care Development Fund
93.667	Social Services Block Grant

Federal Award Number and Year: Various

08-17 Controls over Sub Recipients Monitoring Should Be Strengthened

Response:

As of June 30, 2008, the finding was not fully corrected. However, the Division of Program Integrity, Office of Monitoring staff has monitored a large portion of the subgrants that were not monitored when the tracking matrix was audited around May 2008.

Corrective Action Plan:

Also, additional training was provided to the monitoring staff on Monday, March 16, 2009 to 1) stress the importance of ensuring all monitoring work papers are fully and correctly completed; and, 2) to provide other training that was needed by the monitors. All of the monitoring staff, with the exception of one (1) monitor who had prior approved leave, was present during the training. Information presented during this training will be provided to the monitor on leave when he returns to work. The importance of fully completing each work paper as well as the requirement for accuracy was stressed to the entire monitoring staff. This training also addressed the requirement to issue initial monitoring reports and responses to subgrantees within the time frames previously established and to track the status of each report until all findings and/or questioned costs are resolved and/or cleared. The supervisors were also reminded that their job duties include reviewing each work paper for accuracy and ensuring that each work paper/checklist is fully complete before approving and filing in the applicable monitoring file. The number of prior year subgrants not monitored as of March 17, 2009 has been reduced to 12 for SFY 2006, 16 for SFY 2007 and 50 for SFY 2008. Monitoring has been started but not completed on 5 of these subgrants. A matrix has been developed to track prior year subgrants which have not been monitored until all have been monitored. The prior year subgrants are being placed in the monitors schedules. For the first time in several months, all of the monitoring positions, except 1, are currently filled and we are in the process of filling the position. When training for three (3) newly hired monitors is complete, the Division of Program Integrity should have sufficient staff to monitor all of the current year subgrants during the active dates of the subgrant period and monitor prior year subgrants that have not been monitored.

We appreciate the courtesy and professionalism demonstrated by Marilyn Purvis and her field staff throughout the audit. Should you have any questions regarding our responses or corrective action plans, please feel free to contact Peter Boulette of the Division of Budgets and Accounting at 601-359-4690.

Respectfully,



Don Thompson,
Executive Director

DT:PBB:dd

pc:Mark Smith
Richard Berry
Richard Harris
Peter Boulette

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DEPARTMENT OF MENTAL HEALTH

State of Mississippi

1101 Robert E. Lee Building
239 North Lamar Street
Jackson, Mississippi 39201



(601) 359-1288
FAX (601) 359-6295
TDD (601) 359-6230

Edwin C. LeGrand, III - Executive Director

SINGLE AUDIT FINDINGS

March 17, 2009

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

Dear Mr. Pickering:

This is in response to your letter of March 10, 2009, entitled "Single Audit Management Report." There is one finding in the nature of a "Significant Deficiency."

Davis Bacon Act

CFDA 93.667; Social Services Block Grant
Federal award no. and year: G-0601MSSOSR, 2006
Finding number 08-18: Controls should be strengthened over Davis Bacon Act requirements.

Briefly stated, the finding is the DMH did not inform lower tier sub-grantees of the requirement to follow provisions of the Davis Bacon Act that require payment of prevailing wages on construction contracts in excess of \$2,000, and we agree with this finding. We did not inform the lower tier sub-grantees compliance was required because we did not know compliance was required, and by the time we did know that compliance was required, all the contracts had been let and many were completed.

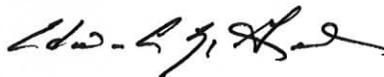
We remain unconvinced that federal law requires compliance with the Davis Bacon Act with respect to this funding, and have requested a review by the cognizant federal agency (Department of Health and Human Services). A copy of that request is enclosed and is incorporated by reference into our response.

Stacey E. Pickering, State Auditor
March 17, 2009
Page 2

Should we award any more sub-grants in excess of \$2000 for construction or repairs to be paid with federal funds before receiving a response to that request, we will make sure that lower tier recipients are informed that Davis Bacon provisions apply. If we receive a response that says Davis Bacon provisions do not apply to this funding source, we will forward that to you. If we receive a response that says Davis Bacon provisions do apply, we will forward that to you as well.

The staff assigned to this audit represented your agency very well. They were very professional in their duties and demeanor, and as unobtrusive as they could be while still doing their jobs. I appreciate very much the role played by you and your staff in ensuring cost effective, efficient use of taxpayer funds.

Sincerely yours,



Edwin C. LeGrand III
Executive Director



STATE OF MISSISSIPPI
HALEY BARBOUR, GOVERNOR
MISSISSIPPI DEVELOPMENT AUTHORITY
GRAY SWOOPE
EXECUTIVE DIRECTOR

Single Audit Findings

March 18, 2009

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

Dear Mr. Pickering:

This letter is in response to your letter of March 4, 2009, concerning the Single Audit Findings for the Mississippi Development Authority (MDA) for the fiscal year 2008. We are pleased to note that no reportable conditions were considered to be material weaknesses. Supervisor Review checklists and other controls were implemented during 2008; therefore corrective actions will be most evident in projects funded after this time period. Our responses to the 2 (two) reportable conditions are as follows:

SUBRECIPIENT MONITORING

<u>CFDA</u>	<u>Program Name</u>
14.228	Community Development Block Grant/State's program and Non-Entitlement Grants to Hawaii

08-06 Controls over Subrecipient Monitoring Should Be Strengthened

One instance, or 4 percent, in which the "Compliance Review" form, which documents supervisory review and approval of the monitoring visit and forms prepared by MDA monitors, for the second monitoring visit was not in the contract file. However, a monitoring letter had been sent to the subrecipient including the monitoring report.

Response: The City of Water Valley project file was reviewed by the assigned MDA staff and was complete at the time the file was transmitted for the State Auditor's review. As noted in the finding, a monitoring letter dated January 18, 2007 indicated the monitoring file had the completed compliance review and no findings or concerns were noted.

Corrective

Action Plan: A new system has been initiated to provide stronger assurance of file content during file transfers.

Seven instances or 28 percent in which several pertinent questions on the monitoring checklist were not answered. Even though these questions were not answered on the checklist, the supervisor responsible for reviewing the checklist signed off on the "Compliance Review" form indicating review and approval.

Response: These instances occurred due to a need to strengthen elements of monitoring procedures.

Corrective

Action Plan: The Close-out Package Checklist has been revised for the MDA staff to indicate the project file has been reviewed for completeness. The Bureau Manager has begun a process in which notes are made directly on the Compliance Review Forms that are incomplete or "in question", and then returned to the assigned MDA staff for completion prior to manager approval.

One instance, or 4 percent, in which the "Compliance Review" form was not signed/initialed by appropriate personnel. However, a monitoring letter had been sent to the subrecipient including the monitoring report.

Response: The first monitoring compliance review form missing the signature of the Bureau Manager was an oversight. However, there is a monitoring letter signed by the Bureau Manager and mailed to the subrecipient that indicates no monitoring findings or concerns. Also, a second monitoring was performed and the Compliance Review Form was completed and has all the required signatures.

Corrective

Action Plan: The Close-out Package Checklist has been revised for the MDA staff to indicate that the project file has been reviewed for completeness.

The *Code of Federal Regulations* (24 CFR 570.603) requires the CDBG program to comply with labor standards in accordance with the Davis Bacon Act. For two instances, it was noted the "Labor Standards Monitoring" checklist, was not completed.

Response: Missing signatures of the responsible MDA staff on the Labor Standards Monitoring Checklist was an oversight by the Compliance Officer and Bureau Manager.

Corrective

Action Plan: The Compliance Review Forms have been revised to include the MDA staff signature as an overall responsibility of the monitoring which has been performed.

Oth-03

Controls Over Cash Management Should Be Strengthened

CDFA
14.228 Community Development Block Grants/State's program and Non-Entitlement Grants to Hawaii

Response: MDA concurs Federal funds were received after the average day of clearance specified in the Treasury-State Agreement.

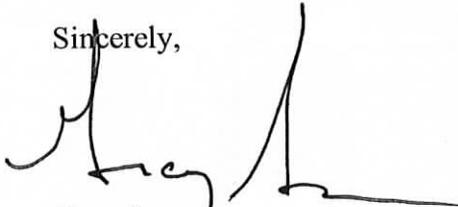
Corrective

Action:

During this time the Grants and Reporting Area was under staffed due to retirement and relocation of staff members. The Grant and Reporting Area are currently fully staffed and measures are in place to prevent delays in the future and to strengthen controls to ensuring federal funds are drawn properly and in compliance with the Treasury-State Agreement.

We appreciate the professional manner in which the audit team conducted this audit. If you have any questions concerning this response, please contact John P. Holman at (601) 359-9276.

Sincerely,



Gray Swoope
Executive Director

GS/pj

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MISSISSIPPI STATE PORT AUTHORITY AT GULFPORT

JOHN K. RESTER
Commissioner
LENWOOD S. SAWYER, JR.
Commissioner
JAMES C. SIMPSON, JR.
Commissioner

FRANCES TURNAGE
Commissioner
FRANK WILEM
Commissioner
DONALD R. ALLEE
Executive Director & CEO
www.shipmspa.com

Corrective Action Plan

Fiscal Year Ending June 30, 2008

Finding 2008-21

Due to the sensitivity of payroll information and the limited size of the finance department, the payroll bank reconciliation was being completed by the Deputy Director of Finance and Administration. The reconciliation of the payroll bank account has been assigned to the Human Resources Officer. The review and approval of the reconciliation has been assigned to the Deputy Director of Finance and Administration.

Mary J. Bourdin, CPA

Mary J. Bourdin, CPA
Deputy Director
Finance & Administration

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STATE OF MISSISSIPPI
DEPARTMENT OF PUBLIC SAFETY
OFFICE OF HOMELAND SECURITY

HALEY R. BARBOUR
GOVERNOR

STEPHEN B. SIMPSON
COMMISSIONER

Mississippi Office of the State Auditor
501 N. West Street
Suite 801, Woolfolk Building
Jackson, MS 39201

Re: 2008 Financial Audit Findings

AUDITEE'S CORRECTIVE ACTION PLAN

<u>Finding</u>	<u>Corrective Action Plan Details</u>
2008-01	<p>a. Name of Contact Person Responsible for Corrective Action: Name: Penny Corn, Grants Director Phone number: 601-346-1499</p> <p>b. Response: The agency has already taken steps to eliminate this finding.</p> <p>c. Corrective Action Plan: The Department of Public Safety, Office of Homeland Security has fully corrected this finding by implementing a system that documents the approval for request for reimbursement/ advances by subrecipients. Grant staff personnel have been instructed to stamp all subrecipients request for reimbursement/advance with an "Approved" stamp and to initial and date below the "Approved" stamp.</p>

Signature: 

Title: Commissioner, Mississippi Department of Public Safety

Date: 2/24/09

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Executive Division
Street Address:
1577 Springridge Road
Raymond, Mississippi 39154

www.mstc.state.ms.us



MISSISSIPPI

STATE TAX COMMISSION

Mailing Address:
Post Office Box 22828
Jackson, Mississippi 39225

Telephone: 601-923-7400
FAX: 601-923-7423

January 12, 2009

Stacey E. Pickering, State Auditor
Office of the State Auditor
501 North West Street
Suite 801
Jackson, MS 39201

RE: Information Systems Management Report

Dear Mr. Pickering:

The Mississippi Tax Commission offers the following comments to your limited assessment of the Information Systems (IS) general controls and selected application controls of the agency, including an assessment of the Office of Alcoholic Beverage Control (ABC) of the Mississippi State Tax Commission, as of your report dated November 10, 2008.

SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROLS:

1. Legacy Application Systems Maintenance Procedures Should Be Improved

Response:

We acknowledge and agree that proper controls on program changes and restricted access to code are important to maintain assurance that only program changes authorized by management are placed into production. Maintenance procedures are currently in place that will continue to be followed and those procedures will be improved where or when possible.

This agency has extremely limited resources to devote to the development, testing and migration of code changes for legacy system maintenance. Further, we have a limited number of technical staff who support our legacy systems prohibiting any segregation of duties.

The Tax Commission has requested funding to replace our dangerously old and outdated legacy systems. If funded, the new product will contain sufficient controls for all updates and maintenance procedures as well as restricting unauthorized access to code.

The Tax Commission will investigate to determine if any RACF changes can be implemented in the interim.

2. Audit Trails Should Exist for All STARS System Events

Response:

We acknowledge and agree that this process is real-time and the work-list is ever changing with new items being added and old items being resolved during the course of the business day. Developing or running a program to create an audit trail of adjustments to data would significantly impact the performance of this system. As a result, only the current contents of the work-list may be captured by running a real-time snapshot report.

As stated above, the Tax Commission has requested funding for a new tax management system to replace all legacy systems, including STARS. This agency will include in the RFP system requirements that the new application should include full audit trails for financial system changes.

3. MSTC Should Implement RACF Security for Legacy Application Systems CICS

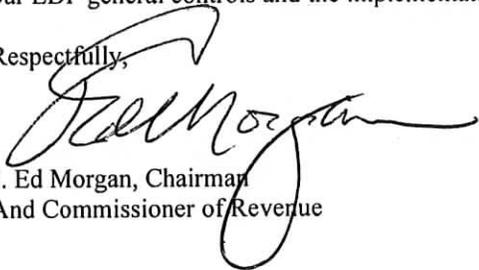
Response:

We acknowledge and agree that MSTC systems should have adequate security; however, with this agency's limited resources, and considering that the MSTC is requesting funding for a new tax management system, a major rewrite of the security for these legacy systems is not feasible.

MSTC will investigate the possibility of changing some of the current RACF procedures, particularly ensuring that agency users have only the access they need.

Our staff is available to furnish any additional information requested or further details concerning this assessment of our EDP general controls and the implementation of suggested changes.

Respectfully,



J. Ed Morgan, Chairman
And Commissioner of Revenue



**OFFICE OF
STATE AID ROAD CONSTRUCTION**

MISSISSIPPI DEPARTMENT OF TRANSPORTATION
P. O. BOX 1850
JACKSON, MISSISSIPPI 39215-1850

*J. Brooks Miller, Sr., P.E.
State Aid Engineer
Tele 601-359-7150
www.msstateaidroad.us*

*412 Woodrow Wilson Ave.
Jackson, Mississippi 39216
Fax 601-359-7141
mail@osarc.state.ms.us*

Single Audit Findings

March 23, 2009

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

Dear Mr. Pickering:

This letter is in response to your letter of March 9, 2009 concerning the Single Audit Finding for the Office of State Aid Road Construction (OSARC) for the fiscal year ended June 30, 2008. Our response to the significant deficiency is as follows:

08-07

CFDA Number and Program Name
20.205 Highway Planning and Construction
Subrecipient Monitoring

Controls over Subrecipient Monitoring Should Be Strengthened

Response:

OSARC concurs controls need to be strengthened to ensure subrecipient audit reports are obtained and reviewed in a timely manner. If audit findings are found, OSARC should follow up to ensure the subrecipient takes appropriate corrective action.

Corrective Action Plan:

As in the past, OSARC plans to request from the counties the audit reports. However, if they are not sent by the counties, we will pull the audit reports from the State Auditor's website and review them for any audit findings. If findings are included in the audit report, OSARC will request from the county the corrective action plan.

We appreciate the professional manner in which the audit team conducted this audit. If you have any questions concerning this response, please contact Daphonie Daniel at (601)359-7133.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Brooks Miller, Sr.", written in black ink.

J. Brooks Miller, Sr.
State Aid Engineer

JBM:dd

IV. INDICES



STATE OF MISSISSIPPI

INDEX OF FINANCIAL STATEMENT FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2008

FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS (by finding number)

<u>FINDING NUMBER</u>	<u>PAGE NUMBER</u>	<u>STATE GRANTEE AGENCY NAME</u>
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2008-13	75	Tax Commission
2008-14	77	Tax Commission
2008-15	67	Employment Security
2008-16	69	Employment Security
2008-21	71	Port of Gulfport

MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS (by State agency)

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Port of Gulfport: Page 167
Tax Commission: Page 171

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STATE OF MISSISSIPPI

INDEX OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
LISTED BY FEDERAL DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2008

1. Office of National Drug Control Policy: None
2. U.S. Department of Agriculture: Pages 81-86
3. U.S. Department of Commerce: None
4. U.S. Department of Defense: None
5. U.S. Department of Housing and Urban Development: Pages 87-88
6. U.S. Department of the Interior: None
7. U.S. Department of Justice: None
8. U.S. Department of Labor: None
9. U.S. Department of Transportation: Page 89
10. U. S. Department of the Treasury: None
11. Appalachian Regional Commission: None
12. General Services Administration: None
13. National Foundation on the Arts and the Humanities: None
14. U.S. Department of Veterans Affairs: None
15. Environmental Protection Agency: None
16. U.S. Department of Energy: None
17. U.S. Department of Education: Pages 91-93
18. National Archives and Records Administration: None
19. Elections Assistance Commission: None
20. U.S. Department of Health and Human Services: Pages 95-112
21. Corporation for National and Community Service: None
22. Social Security Administration: None
23. Department of Homeland Security: Page 113

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STATE OF MISSISSIPPI

INDEX OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
LISTED BY STATE GRANTEE AGENCY
FOR THE YEAR ENDED JUNE 30, 2008

1. Agricultural Aviation Board: None
2. Agriculture and Commerce: None
3. Animal Health: None
4. Archives and History: None
5. Arts Commission: None
6. Attorney General: None
7. Board for Community and Junior Colleges: None
8. Corrections: None
9. Education: Page 91
10. Emergency Management: None
11. Employment Security: None
12. Environmental Quality: None
13. Finance and Administration: Page 95
14. Forestry Commission: None
15. Gaming Commission: None
16. Governor's Office: None
17. Health: Pages 81, 96
18. Human Services: Page 102
19. Library Commission: None
20. Marine Resources: None
21. Medicaid: None
22. Mental Health: Page 111
23. Military Department: None
24. Mississippi Development Authority: Page 87
25. Narcotics: None
26. Oil and Gas Board: None
27. Pharmacy Board: None
28. Public Safety: Page 113
29. Public Service Commission: None
30. Rehabilitation Services: None
31. Secretary of State: None
32. Soil and Water Conservation Commission: None
33. State Fire Academy: None
34. Supreme Court: None
35. Transportation: Page 89
36. Treasury: None
37. Veterans Affairs Board: None
38. Wildlife, Fisheries and Parks: None

Note: If findings and recommendations related to an agency appear on more than one page in a sequence, only the first page is indicated in the above reference.

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STATE OF MISSISSIPPI

INDEX OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
LISTED BY FINDING NUMBER
FOR THE YEAR ENDED JUNE 30, 2008

<u>FINDING NUMBER</u>	<u>PAGE NUMBER</u>	<u>STATE GRANTEE AGENCY NAME</u>
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08-02	92	Education
08-03	-	(not used)
08-04	95	Department of Finance and Administration
08-05	-	(not used)
08-06	87	Mississippi Development Authority
08-07	89	Transportation
08-08	81, 96	Health
08-09	99	Health
08-10	85	Health
08-11	101	Health
08-12	102	Human Services
08-13	103	Human Services
08-14	105	Human Services
08-15	106	Human Services
08-16	108	Human Services
08-17	109	Human Services
08-18	111	Mental Health
08-19	113	Public Safety
08-20	83	Health
08-21	84, 98	Health

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STATE OF MISSISSIPPI

INDEX OF MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS
LISTED BY STATE GRANTEE AGENCY
FOR THE YEAR ENDED JUNE 30, 2008

1. Agricultural Aviation Board: None
2. Agriculture and Commerce: None
3. Animal Health: None
4. Archives and History: None
5. Arts Commission: None
6. Attorney General: None
7. Board for Community and Junior Colleges: None
8. Corrections: None
9. Education: Page 139
10. Emergency Management: None
11. Employment Security: None
12. Environmental Quality: None
13. Finance and Administration: Page 143
14. Forestry Commission: None
15. Gaming Commission: None
16. Governor's Office: None
17. Health: Page 145
18. Human Services: Page 153
19. Library Commission: None
20. Marine Resources: None
21. Medicaid: None
22. Mental Health: Page 161
23. Military Department: None
24. Mississippi Development Authority: Page 163
25. Narcotics: None
26. Oil and Gas Board: None
27. Pharmacy Board: None
28. Public Safety: Page 169
29. Public Service Commission: None
30. Rehabilitation Services: None
31. Secretary of State: None
32. Soil and Water Conservation Commission: None
33. State Fire Academy: None
34. Supreme Court: None
35. Transportation: Page 173
36. Treasury: None
37. Veterans Affairs Board: None
38. Wildlife, Fisheries and Parks: None

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V. ACKNOWLEDGMENTS



ACKNOWLEDGMENTS

REPORT PREPARED BY:

Stacey E. Pickering, State Auditor
John Gilbert, CPA, Director, Department of Audit
William R. Doss, CPA, Director, Financial and Compliance Audit Division
Rob Robertson, Director, Agency Audit Section

Many thanks to the following managers, supervisors and field staff of the Office of the State Auditor for their efforts in gathering information contained in this Single Audit Report:

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LaDonna Johnson	Lisa Worthy
Jeanne Julious	Andy Wright, CPA

Special thanks to Jacqueline Thomas and Janet Wilson for their help in processing this report.

We would also like to thank staff members of the Bureau of Financial Reporting, Department of Finance and Administration, for their assistance with this report through compilation of the Schedule of Expenditures of Federal Awards.

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