

State of Georgia

Single Audit Report

Part II

For the Year Ended June 30, 2020



Georgia Department of Audits and Accounts



DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 4-101
Atlanta, Georgia 30334-8400

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

August 31, 2021

The Honorable Brian P. Kemp
Governor of Georgia
and
Members of the General Assembly
Citizens of the State of Georgia

We are pleased to present the State of Georgia's (State) Single Audit Report – Part II for the year ended June 30, 2020. Historically, we have presented the results of our audit of the Comprehensive Annual Financial Report (Annual Report) and elements required by the Uniform Guidance within the Single Audit Report as a single report. For Fiscal Year 2020, we are providing this information in two separate reports, as noted below.

Our opinions on the State's financial statements are presented in the State's Annual Report, which was issued under separate cover on March 19, 2021. We were not able to obtain sufficient, appropriate audit evidence for balances to provide opinions on the unemployment insurance fund and business-type activities.

The Single Audit Report – Part I contains financial reporting information based on our audit of the State's Annual Report for the year ended June 30, 2020. That report includes our Independent Auditor's *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* accompanied by our financial findings, conclusions, and recommendations, and the responses of the respective state organizations. Additionally, the report contains our report on the Schedule of Expenditures of Federal Awards (SEFA) and related notes required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Single Audit Report – Part I was issued under separate cover on May 18, 2021.

The Single Audit Report – Part II presents the remaining elements required by the Uniform Guidance, our Independent Auditor's *Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance*. This report also includes additional findings and questioned costs related to federal awards that came to our attention through the Statewide Single Audit. Additionally, this report includes the Corrective Action Plan for Current Year Findings and the Summary Schedule of Prior Audit Findings.

We would like to express our appreciation to all those involved in the preparation and completion of this report. We believe the results of this statewide audit provide valuable information to the State's decision makers and others interested in the activities of the State of Georgia.

Respectfully submitted,

A handwritten signature in black ink that reads "Greg S. Griffin".

Greg S. Griffin
State Auditor



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DEPARTMENT OF AUDITS AND ACCOUNTS

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GREG S. GRIFFIN
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Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

The Honorable Brian P. Kemp, Governor of Georgia
and
Members of the General Assembly of the State of Georgia

Report on Compliance for Each Major Federal Program

We have audited the State of Georgia's (State's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended June 30, 2020. The State's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the State's major federal programs based on our audit of the types of compliance requirements referred to above.

As stated in our report on the basic financial statements, we did not audit the financial statements of the State entities listed below nor did we audit compliance for the major federal programs or percentages of these federal programs at the State entities identified in the table on the following page.

AU Health System, Inc.
Augusta University Foundation, Inc. and Subsidiaries
Augusta University Research Institute, Inc.
Employees' Retirement System of Georgia
Georgia Advanced Technology Ventures, Inc.
and Subsidiaries
Georgia College & State University Foundation,
Inc. and Subsidiaries
Georgia Environmental Finance Authority
Georgia Gwinnett College Foundation, Inc.

Georgia Tech Athletic Association
Georgia Tech Facilities, Inc.
Georgia Tech Foundation, Inc.
Georgia Tech Research Corporation
Kennesaw State University Foundation, Inc.
Medical College of Georgia Foundation, Inc.
Middle Georgia State University Real Estate
Foundation, Inc. and Subsidiaries
Teachers Retirement System of Georgia
University of Georgia Foundation

Georgia Health Sciences Foundation, Inc.
 Georgia Housing and Finance Authority
 Georgia Lottery Corporation
 Georgia Ports Authority
 Georgia Southern University Housing Foundation, Inc. and Subsidiaries
 Georgia State Financing and Investment Commission
 Georgia State University Athletic Association, Inc.
 Georgia State University Foundation, Inc.
 Georgia State University Research Foundation, Inc.

University of Georgia Athletic Association, Inc.
 University of Georgia Research Foundation, Inc. and Subsidiaries
 University of North Georgia Real Estate Foundation, Inc. and Subsidiaries
 UWG Real Estate Foundation, Inc.
 University System of Georgia Foundation, Inc. and Affiliates
 VSU Auxiliary Services Real Estate Foundation, Inc.

The financial statements of the above mentioned State entities and the compliance for the federal programs/clusters identified in the table below were audited by other auditors whose reports, including reports on compliance and internal control over compliance, have been furnished to us. This report includes our consideration of the results of the other auditors' testing of compliance and internal control over compliance that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

State Entity	CFDA Number(s)	Program or Cluster Title	% of Program or Cluster Audited by Other Auditors
Georgia Institute of Technology	84.425	Education Stabilization Fund	11%
University of Georgia			
The federal award expenditures audited by Other Auditors comprise .1 percent of the State's total expenditures of federal awards.			

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the State's compliance.

Basis for Adverse Opinion on Unemployment Insurance Program

As described in the accompanying *Schedule of Findings and Questioned Costs*, the State did not comply with requirements for Eligibility, Reporting, and Special Tests and Provisions regarding the Unemployment Insurance Program in findings 2020-036 and 2020-038. Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to that program.

Adverse Opinion on Unemployment Insurance Program

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the State did not comply, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Unemployment Insurance Program for the year ended June 30, 2020.

Basis for Qualified Opinion on Medicaid Cluster

As described in the accompanying *Schedule of Findings and Questioned Costs*, the State did not comply with requirements for Eligibility regarding the Medicaid Cluster in finding 2020-034. Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to that program.

Qualified Opinion on Medicaid Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Medicaid Cluster for the year ended June 30, 2020.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, based on our audit and the reports of other auditors, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs* for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying *Schedule of Findings and Questioned Costs* in findings 2020-013, 2020-014, 2020-015, 2020-016, 2020-017, 2020-018, 2020-019, 2020-020, 2020-021, 2020-022, 2020-023, 2020-024, 2020-025, 2020-026, 2020-027, 2020-033, 2020-034, 2020-035, 2020-036, 2020-040, and 2020-041. Our opinion on each major federal program is not modified with respect to these matters.

The State's responses to the noncompliance findings identified in our audit consist of views of responsible officials and corrective action plans. The views of responsible officials are described in the accompanying *Schedule of Findings and Questioned Costs*, and the corrective action plans are described in the accompanying *Corrective Action Plan for Current Year Findings*. The State's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the State is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the State's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in

accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* in findings 2020-034, 2020-036, and 2020-038 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* in findings 2020-024, 2020-025, 2020-026, 2020-027, 2020-028, 2020-029, 2020-030, 2020-031, 2020-032, 2020-033, 2020-037, 2020-039, and 2020-040 to be significant deficiencies.

The State's responses to the internal control over compliance findings identified in our audit consist of views of responsible officials and corrective action plans. The views of responsible officials are described in the accompanying *Schedule of Findings and Questioned Costs*, and the corrective action plans are described in the accompanying *Corrective Action Plan for Current Year Findings*. The State's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Respectfully submitted,



Greg S. Griffin
State Auditor

August 31, 2021

Schedule of Findings and Questioned Costs

The *Schedule of Findings and Questioned Costs* (Schedule) was prepared in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule contains the following sections:

Section I - Summary of Auditor's Results

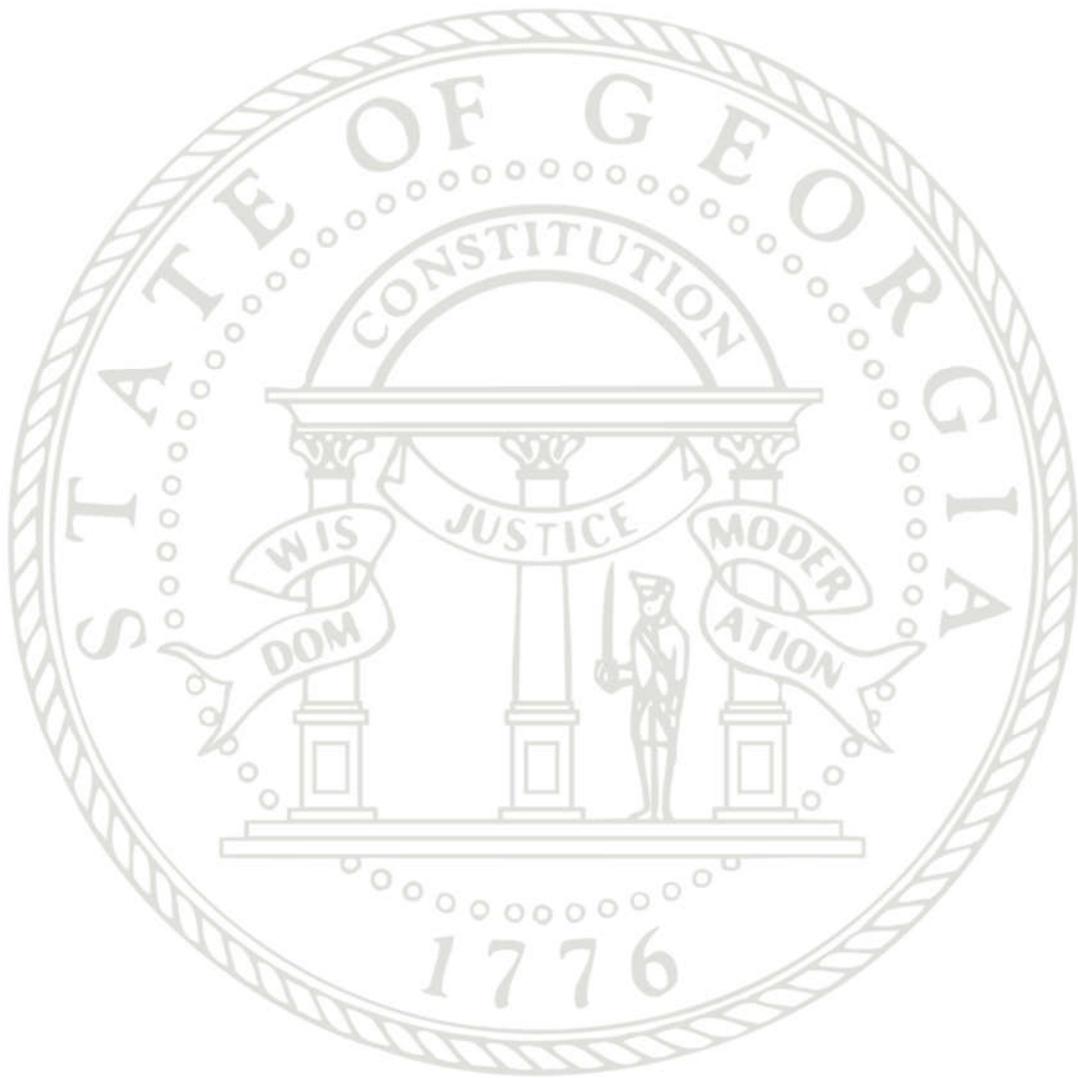
A summary of the results of our audit and a list of the State's major federal programs are presented in this section of the Schedule.

Section II - Financial Statement Findings

This section presents findings related to the financial statements, including any material weaknesses or significant deficiencies in internal control over financial reporting and noncompliance and other matters that are required to be reported in accordance with *Government Auditing Standards*. Financial statement findings are organized by State entity (entity number).

Section III - Federal Award Findings and Questioned Costs

This section presents federal award findings and questioned costs. Findings are reported for material weaknesses or significant deficiencies in internal control over compliance and material noncompliance with the compliance requirements that have a direct and material effect on each of the State's major federal programs and other findings and questioned costs that are required to be reported pursuant to Title 2 CFR 200.516(a). Federal award findings are organized by federal agency, State entity (entity number), federal program, and compliance requirement.



SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:

Governmental Activities; Aggregate Discretely Presented Component Units; Governmental – General Fund; Governmental – General Obligation Bond Projects Fund; Enterprise – Higher Education Fund; Enterprise – State Employees’ Health Benefit Fund; and Aggregate Remaining Fund Information	Unmodified
Business-Type Activities and Enterprise – Unemployment Compensation Fund	Disclaimer

Internal control over financial reporting:

Significant Deficiencies identified?	Yes
Significant Deficiencies evaluated as Material Weaknesses?	Yes

Noncompliance material to financial statements noted? Yes

Federal Awards

Internal control over major programs:

Significant Deficiencies identified?	Yes
Significant Deficiencies evaluated as Material Weaknesses?	Yes

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

Unemployment Insurance Program	Adverse
Medicaid Cluster	Qualified
All other major programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR 200.516(a)? Yes

Dollar threshold used to distinguish between Type A and Type B programs: \$48,548,827

Auditee Qualified as low-risk auditee? No

Identification of Major Programs:

The table on the following page lists the major programs in order by CFDA number. For each cluster, the first CFDA number in the cluster designates its placement within the table.

Schedule of Findings and Questioned Costs
Section I – Summary of Auditor’s Results
For the Fiscal Year Ended June 30, 2020

State of Georgia

Major Programs

Federal Agency	Program or Cluster Title	CFDA No.
U.S. Department of Agriculture	Child Nutrition Cluster	10.553, 10.555, 10.556, 10.559
	Food Distribution Cluster	10.565, 10.568, 10.569
U.S. Department of Defense	National Guard Military Operations and Maintenance (O&M) Projects	12.401
U.S. Department of Justice	Crime Victim Assistance	16.575
U.S. Department of Labor	Unemployment Insurance	17.225
U.S. Department of Transportation	Highway Planning and Construction Cluster	20.205, 20.219, 23.003
	Federal Transit Cluster	20.500, 20.507, 20.525, 20.526
U.S. Department of the Treasury	Coronavirus Relief Fund	21.019
U.S. Department of Education	Title I Grants to Local Educational Agencies	84.027, 84.173
	Comprehensive Literacy Development	84.126
	Education Stabilization Fund	84.425
U.S. Department of Health and Human Services	Aging Cluster	93.044, 93.045, 93.053
	Child Support Enforcement	93.563
	Low-Income Home Energy Assistance	93.568
	Foster Care Title IV-E	93.658
	Medicaid Cluster	93.775, 93.777, 93.778
	Block Grants for Prevention and Treatment of Substance Abuse	93.959
	Maternal and Child Health Services Block Grant to the States	93.994

**FINANCIAL STATEMENT FINDINGS REPORTED UNDER
*GOVERNMENT AUDITING STANDARDS***

See the State of Georgia Single Audit Report Part I for Financial Statement findings 2020-001 through 2020-012.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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FEDERAL AGENCY	STATE ¹ ENTITY	FINDING NUMBER AND TITLE	PAGE NUMBER
U.S. DEPARTMENT OF EDUCATION			
548	Savannah State University	2020-013 Improve Controls over the Awarding Process	B-8
		2020-014 Strengthen Controls over Cost of Attendance Budgets	
		2020-015 Improve Controls over Special Reporting	
		2020-016 Strengthen Controls over the Verification Process	
		2020-017 Improve Controls over the Return of Title IV Funds Process	
		2020-018 Strengthen Controls over Enrollment Reporting	
551	Valdosta State University	2020-019 Improve Controls over the Awarding Process	B-20
561	Atlanta Metropolitan College	2020-020 Improve Controls over the Awarding Process	B-22
		2020-021 Strengthen Controls over the Return of Title IV Funds Process	
		2020-022 Improve Controls over Enrollment Report	
		2020-023 Strengthen Controls over the Federal Direct Student Loans Reconciliation Process	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
419	Department of Community Health	2020-024 Improve Controls over Medicaid Capitation Payments for Managed Care	B-31
		2020-025 Improve Controls over Medicaid Payments after Date of Death	
		2020-026 Improve Controls over Medicaid Capitation Payments for Medicare Members	
		2020-027 Improve Controls over Payments for Home and Community Based Services	
		2020-028 Continue to Strengthen Application Risk Management Program	
		2020-029 Improve Controls over Inpatient Medicaid Payments	
		2020-030 Improve Controls over Medicaid Provider Eligibility	
427	Department of Human Services	2020-031 Strengthen Logical Access Controls	B-48
		2020-032 Strengthen Information Technology General Controls	

¹The entity number represents the control number that was assigned to each State entity.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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FEDERAL AGENCY	STATE ¹ ENTITY	FINDING NUMBER AND TITLE	PAGE NUMBER
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)			
419 & 427	Department of Community Health & Department of Human Services	2020-033 Improve Controls over Medicaid Eligibility Determinations for Ex Parte Members	B-50
		2020-034 Improve Controls over Medicaid Eligibility Redeterminations	
503 & 5036	Georgia Institute of Technology & Georgia Institute of Technology Research Corporation	2020-035 National Institute of Health Salary Cap Limitations	B-55
U.S. DEPARTMENT OF LABOR			
440	Department of Labor	2020-036 Improve Controls over Eligibility Determinations	B-63
		2020-037 Strengthen Logical Access Controls	
		2020-038 Improve Controls over the Identification and Recording of Overpayments	
		2020-039 Follow Established Controls over the Benefits Accuracy Measurement Program	
U.S. DEPARTMENT OF THE TREASURY			
422	Office of the Governor	2020-040 Improve Internal Controls Activities over the Coronavirus Relief Fund	B-76
VARIOUS FEDERAL AGENCIES			
503 & 5036	Georgia Institute of Technology & Georgia Institute of Technology Research Corporation	2020-041 Subrecipient Monitoring	B-81

¹The entity number represents the control number that was assigned to each State entity.

FEDERAL AGENCY: U.S. DEPARTMENT OF EDUCATION

STATE ENTITY: SAVANNAH STATE UNIVERSITY

2020-013 Improve Controls over the Awarding Process

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Number:	P007A191039 (Year: 2020), P033A191039 (Year: 2020), P038A181039 (Year: 2019), P063P190091 (Year: 2020), P268K200091 (Year: 2020)
Questioned Costs:	\$9,634.00

The Institution’s Student Financial Aid Office improperly determined the Student Financial Assistance (SFA) award amounts for eligible students.

Criteria:

Provisions included in 34 CFR 668 provide general provisions for administering SFA programs and 34 CFR 674, 675, 676, 685, and 690 provide eligibility and other related program requirements that are specific to the Federal Perkins Loan Program, Federal Work-Study Program, Federal Supplemental Educational Opportunity Grant (FSEOG) Program, Federal Direct Student Loans Program, and Federal Pell Grant Program, respectively.

Condition:

A sample of 40 students from a population of 3,324 students who received student financial assistance funds was randomly selected for testing using a non-statistical sampling method. Student financial assistance files were reviewed to ensure that financial assistance was properly calculated and disbursed to eligible students. The following deficiencies were identified:

- One student received Subsidized Federal Direct Student Loans in excess of their calculated financial need. This resulted in an over disbursement of \$237.00.
- One student received Federal Direct Student Loans in excess of the aggregate loan limit. This resulted in an over disbursement of \$496.00.
- One student received additional funds from outside sources that were not included in the other resources available to the student in the calculation of need.
- One student was awarded more financial aid than their cost of attendance budget.
- Two students were eligible to receive \$1,543.00 more in Federal Pell Grant Program funds than they actually received based upon their enrollment status and Expected Family Contribution.

- One student received \$607.00 more in Federal Pell Grant Program funds than they were eligible to receive based upon their enrollment status and Expected Family Contribution. This resulted in an over disbursement of \$607.00.
- Two students were not in compliance with the Institution’s published Satisfactory Academic Progress (SAP) policies. The students did not meet the quantitative requirement of SAP, which resulted in over disbursements totaling \$8,294.00.
- Transfer monitoring was not completed properly for three students.
- Information from the U.S. Department of Education’s Common Origination and Disbursement website was not provided for review for two students and did not agree to the information reflected in the student information system for one student.
- Appropriate notifications of disbursements, rights to cancel loans, and/or procedures for canceling loans were not made appropriately to any students tested.

Questioned Costs:

Upon testing a sample of \$435,360.00 in financial aid disbursements, known questioned costs of \$9,634.00 were identified for the students who received student financial assistance in excess of their eligibility. Using the total population amount of \$39,903,047.67, we project the likely questioned costs to be approximately \$883,007.08. The following CFDA numbers were affected by the known and likely questioned costs: 84.063 and 84.268.

Cause:

In discussing these deficiencies with management, they stated that the Institution has had difficulty finding a qualified Financial Aid director since the previous Financial Aid director vacated the position in October 2019. The lack of office leadership and the reduced number staff led to human errors and the review of certain reports to be overlooked.

Effect:

These deficiencies may expose the Institution to unnecessary financial strains and shortages. The funds disbursed to students in excess of their eligibility must be returned to the U.S. Department of Education. Though the Institution may attempt to collect the funds from individual students affected by the errors, these collection efforts could be unsuccessful as the students may no longer attend the Institution and/or fail to repay the funds. Additionally, the Institution was not in compliance with Federal regulations concerning awarding of SFA funds to students.

Recommendation:

The Institution should review its processes and procedures for determining each student’s financial aid eligibility. Where vulnerable, the Institution should develop and/or modify its policies and procedures to ensure that correct amounts will be awarded to students in conformity with Federal requirements. Additionally, the Institution should develop and implement a monitoring process to ensure that controls are functioning properly. Furthermore, the Institution should ensure that an adequate number of financial aid staff with the appropriate level of training and expertise is employed at all times. The Institution should also contact the U.S. Department of Education regarding resolution of this finding.

Views of Responsible Officials:

We concur with this finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF EDUCATION *(continued)*

STATE ENTITY: SAVANNAH STATE UNIVERSITY *(continued)*

2020-014 Strengthen Controls over Cost of Attendance Budgets

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Number:	P007A191039 (Year: 2020), P033A191039 (Year: 2020), P038A181039 (Year: 2019), P063P190091 (Year: 2020), P268K200091 (Year: 2020)
Questioned Costs:	Unknown

The Institution’s Student Financial Aid Office did not appropriately document the procedures used to establish Cost of Attendance (COA) budgets.

Criteria:

Provisions included in 34 CFR 668 provide general provisions for administering Student Financial Assistance (SFA) programs. In addition, Section 472 of the Higher Education Act of 1965 specifies the components that can be included in COA budgets.

Condition:

A review of the Institution’s COA budgets was performed to determine if the budgets were reasonable, included allowable components, and were calculated based upon appropriate supporting documentation. Institution personnel could not provide supporting documentation or explanations for the calculation of the following components included in the COA budgets: Books and Supplies, Personal Expenses, Room, Board, Tuition, Fees, and Transportation.

Questioned Costs:

Though questioned costs may exist, these amounts are unknown. Auditor was able to determine that the amounts reflected for several components of the COA budgets were acceptable based upon a review of the published tuition, fees, room, and board rates approved by the University System of Georgia. However, the reasonableness of the amounts reflected for Books and Supplies, Personal Expenses, and Transportation could not be determined. The following CFDA numbers would be affected if questioned costs did exist: 84.007, 84.033, 84.038, 84.063, 84.268.

Cause:

In discussing these deficiencies with management, they stated that the previous Financial Aid Director who vacated the position in October 2019 established the COA budgets, and the documentation supporting the COA budgets could not be located for review.

Effect:

The Institution was not in compliance with Federal regulations concerning the COA budgets used as the basis for determining SFA eligibility. The COA budget is the cornerstone of establishing a student's financial need and sets a limit on the total aid a student may receive. If the estimated costs used for components within the COA budgets are unreasonable and do not represent average costs for students at the Institution, a majority of the student population may have been over or under awarded.

Recommendation:

The Institution should reevaluate the components used in the COA budgets and document that these costs represent average costs for students enrolled at the Institution. The Institution should modify its procedures to ensure that any future changes to the COA budgets are reasonable and based on documented average costs for students. The Institution should also contact the U.S. Department of Education regarding resolution of this finding.

Views of Responsible Officials:

We concur with this finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF EDUCATION *(continued)*

STATE ENTITY: SAVANNAH STATE UNIVERSITY *(continued)*

2020-015 Improve Controls over Special Reporting

Compliance Requirement:	Reporting
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program
Federal Award Number:	P007A191039 (Year: 2020), P033A191039 (Year: 2020), P038A181039 (Year: 2019)
Questioned Costs:	None Identified

Amounts reported on the Fiscal Operations and Application to Participate (FISAP) report were not properly supported by or reconciled to appropriate documentation.

Criteria:

Provisions included in 34 CFR 675.19(b)(3) state, “Each year an institution shall submit a Fiscal Operations Report plus other information the Secretary requires. The institution shall insure that the information reported is accurate and shall submit it on the form and at the time specified by the Secretary.” Additionally, provisions included in 34 CFR 668.24(e)(1) state in part that “an institution shall keep – (i) The Fiscal Operations Report and Application to Participate in the Federal Perkins Loan, FSEOG, and FWS Programs (FISAP), and any records necessary to support the data contained in the FISAP, including “income grid information,” for three years after the end of the award year in which the FISAP is submitted.”

Condition:

All amounts reflected on the Award Year July 1, 2018 through June 30, 2019 FISAP report were not accurately completed and supported by the accounting records or other appropriate documentation. Amounts reported by the Institution within the following categories could not be supported by institutional records and reports: Information on Enrollment, Tuition and Fees for Undergraduate Students, State Grants and Scholarships, Federal Supplemental Educational Opportunity Grant (FSEOG) Program, Federal Work-Study (FWS) Program, and Distribution of Program Recipients and Expenditures by Type of Student.

Cause:

In discussing these deficiencies with management, they stated that documentation supporting the FISAP could not be located due to staff turnover.

Effect:

If incorrect amounts are reported on the FISAP report for the FSEOG and FWS programs, authorizations in subsequent award years may be reduced and result in less funding received by the Institution. Furthermore, students may not have access to an adequate level of student financial assistance. Additionally, the Institution was not in compliance with Federal regulations concerning special reporting requirements.

Recommendation:

The Institution should implement policies and procedures to ensure that all reports submitted to the U.S. Department of Education are accurately completed and supported by the accounting records. Management should also develop and implement a monitoring process to ensure that controls are operating properly. Additionally, the Institution should also contact the U.S. Department of Education regarding the resolution of this finding.

Views of Responsible Officials:

We concur with this finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF EDUCATION *(continued)*

STATE ENTITY: SAVANNAH STATE UNIVERSITY *(continued)*

2020-016 Strengthen Controls over the Verification Process

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Number:	P007A191039 (Year: 2020), P033A191039 (Year: 2020), P038A181039 (Year: 2019), P063P190091 (Year: 2020), P268K200091 (Year: 2020)
Questioned Costs:	\$21,420.00

The Institution’s Student Financial Aid Office did not meet student verification requirements appropriately.

Criteria:

Provisions included in 34 CFR 668 provide the compliance requirements for the verification process that the Institution should follow for students who receive financial aid and identify what documentation is acceptable.

Condition:

A sample of 40 students from a population of 1,125 students who were selected for verification by the U.S. Department of Education was randomly selected for testing using a non-statistical sampling method. Verification records were reviewed to ensure that the Institution obtained acceptable verification documentation, matched documentation obtained to the student aid application, submitted appropriate corrections when necessary, and reported the correct verification status to the Common Origination and Disbursement (COD) system. The following deficiencies were identified:

- The tax return documentation provided for one student did not agree to their most recent Institutional Student Information Report (ISIR).
- Verification procedures were not completed for one student.
- For one student, documentation from the COD system was not provided for review.

Questioned Costs:

Upon testing a sample of \$500,289.00 in financial aid disbursements to students who were selected for verification, known questioned costs of \$21,240.00 were identified for the student for whom verification procedures were not completed appropriately but received student financial assistance. Using the total population amount of \$13,227,395.00, we project the likely questioned costs to be approximately

\$566,334.26. The following CFDA numbers were affected by the known and likely questioned costs: 84.063 and 84.268.

Cause:

In discussing these deficiencies with management, they stated that staff turnover led to processing errors by the new and remaining staff.

Effect:

These deficiencies may expose the Institution to unnecessary financial strains and shortages. The excess funds disbursed to students for whom verification procedures have not been completed appropriately must be returned to the U.S. Department of Education. Though the Institution may attempt to collect the funds from individual students affected by the errors, these collection efforts could be unsuccessful as the students may no longer attend the Institution and/or fail to repay the funds. Additionally, the Institution was not in compliance with Federal regulations concerning performing verification procedures and awarding of SFA funds to students.

Recommendation:

The Institution should develop and implement procedures to ensure that verification requirements are met and appropriate documentation is maintained on file. Management should also develop and implement a monitoring process to ensure that controls are operating properly. The Institution should also contact the U.S. Department of Education regarding resolution of this finding.

Views of Responsible Officials:

We concur with this finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF EDUCATION *(continued)*

STATE ENTITY: SAVANNAH STATE UNIVERSITY *(continued)*

2020-017 Improve Controls over the Return of Title IV Funds Process

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.038 – Federal Perkins Loan Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Number:	P007A191039 (Year: 2020), P033A191039 (Year: 2020), P038A181039 (Year: 2019), P063P190091 (Year: 2020), P268K200091 (Year: 2020)
Questioned Costs:	\$17,260.07
Repeat of Prior Year Findings:	FA 2016-001, FA 2015-003, FA-548-14-02

The Institution did not properly perform the Return of Title IV funds process to ensure that unearned Title IV funds were returned in a timely manner.

Criteria:

Provisions included in 34 CFR 668.22 provide requirements over the treatment of Title IV funds when a student withdraws. The Institution is required to determine the amount of Title IV funds that the student earned as of the student’s withdrawal date when a recipient of Title IV funds withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance. A refund must be returned to Title IV programs when the total amount of the Title IV grant or loan assistance, or both, that the student earned is less than the amount of the Title IV grant and/or loan assistance that was disbursed to the student as of the withdrawal date.

Condition:

A sample of 33 students from a population of 163 students who received student financial assistance (SFA) for the Fall 2019 and Spring 2020 semesters and withdrew from the Institution was randomly selected for testing using a non-statistical sampling method. The students’ Return of Title IV calculations were reviewed to ensure that the refunds were calculated and returned in the correct amount to the proper funding agencies and/or student in a timely manner. The following deficiencies were noted:

- The refund calculations for six students who withdrew during the Fall 2019 semester and two students who withdrew during the Spring 2020 semester could not be provided for review. Therefore, it could not be determined if these calculations were performed or accurate. As a result, refunds in the amount of \$15,704.29 were not supported with adequate documentation at the time of the audit.
- The refund calculations for five students who withdrew during the Fall 2019 semester and one student who withdrew during the Spring 2020 semester were calculated incorrectly due to the use of improper scheduled break days, withdrawal dates, and/or institutional charges. Of the Fall 2019 refunds, four students were requested to return \$1,800.54 less than the required amount to various

SFA programs, and one student was requested to return \$1,673.86 more than the required amount to various SFA programs. Spring 2020 refunds were not required to be returned to the various SFA programs due to a waiver provided by the U.S. Department of Education.

- The proration between the school and student portion of the refund was incorrect for nine students who withdrew during the Fall 2019 semester and three students who withdrew during the Spring 2020 semester.
- The amount returned within the student information system did not agree to the Institution's calculation for one student.
- Funds were not returned to the appropriate grantor programs within the required time frame for 13 of the withdrawn students tested.

In addition, a sample of 27 students from a population of 130 students who received Federal financial assistance for the Fall 2019 and Spring 2020 semesters and withdrew from the Institution but for whom no Return of Title IV calculation was performed was randomly selected for testing using a non-statistical sampling method. Attendance and withdrawal records were reviewed to determine if a refund should have been calculated for these students. Our examination revealed that refund calculations were not performed appropriately for seven students who withdrew during the Spring 2020 semester.

Questioned Costs:

Upon testing a sample of \$201,110.03 in financial aid disbursements to students for whom a Return of Title IV calculation was completed, known questioned costs of \$17,260.07 were identified for refunds not adequately supported or calculated incorrectly. Using the total population amount of \$1,019,228.67, we project the likely questioned costs to be approximately \$87,474.30. The following CFDA numbers were affected by the known and likely questioned costs: 84.063 and 84.268.

Cause:

In discussing these deficiencies with management, they stated that staff turnover and lack of knowledge of the available staff led to a failure in performing Return of Title IV calculations appropriately and timely.

Effect:

These deficiencies may expose the Institution to unnecessary financial strains and shortages. The school's portion of the refunds that were not calculated or were not calculated correctly must be returned to the U.S. Department of Education. Though the Institution may attempt to collect the funds from individual students affected by the errors, these collection efforts could be unsuccessful as the students may no longer attend the Institution and/or fail to repay the funds. Additionally, improperly identifying withdrawn students, not performing Return of Title IV calculations, and/or not returning unearned Title IV funds to the U.S. Department of Education in a timely manner may result in adverse actions and impact the Institution's participation in Title IV programs.

Recommendation:

The Institution should revise and implement procedures to ensure that students who withdrew from the Institution are identified, student financial aid refunds are properly calculated, and that unearned funds are correctly returned to the appropriate accounts in a timely manner in accordance with the Higher Education Amendments 1998, Public Law 105-244. Management should also develop and implement a monitoring process to ensure that controls are operating properly. The Institution should also contact the U.S. Department of Education regarding resolution of the finding.

Views of Responsible Officials:

We concur with this finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF EDUCATION *(continued)*

STATE ENTITY: SAVANNAH STATE UNIVERSITY *(continued)*

2020-018 Strengthen Controls over Enrollment Reporting

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans
Federal Award Number:	P063P190091 (Year: 2020), P268K200091 (Year: 2020)
Questioned Costs:	None Identified

Changes in student enrollment statuses were not reported to required organizations in a timely and accurate manner.

Criteria:

Regarding the enrollment reporting process, provisions included in 34 CFR 685.309(b) state in part “(1) Upon receipt of an enrollment report from the Secretary, a school must update all information included in the report and return the report to the Secretary – (i) In the manner and format prescribed by the Secretary; and (ii) Within the timeframe prescribed by the Secretary. (2) Unless it expects to submit its next updated enrollment report to the Secretary within the next 60 days, a school must notify the Secretary within 30 days after the date the school discovers that – (i) ... the student has ceased to be enrolled on at least a half-time basis for the period.” In addition, per the National Student Loan Data System (NSLDS) Enrollment Reporting Guide issued by the U.S. Department of Education, students who have received Federal Pell Grant funds will be included on the NSLDS roster file received by each institution and are subject to the same enrollment reporting requirements as those students who have received a loan under the William D. Ford Federal Direct Loan Program.

Condition:

A sample of 25 students who received Federal Pell Grant Program and/or Federal Direct Student Loan funds and had a reduction or increase in attendance level, graduated, withdrew, dropped out, or enrolled but never attended during the audit period was randomly selected for testing using a non-statistical sampling method. NSLDS Enrollment Detail information was reviewed for each student to ensure that the Institution accurately reported significant data elements under both the Campus-Level and Program-Level Record. The following deficiencies were identified:

- For one student, the OPEID Number reflected on the Campus-Level and Program-Level Record did not agree to the location that the student was actually attending.
- For 20 students, the Enrollment Effective Date and/or Program Enrollment Effective Date reflected on the Campus-Level Record and/or Program-Level Record, respectively, did not agree to the date on which the current enrollment status reported for the student was first effective.
- For 13 students, the Enrollment Status and/or Program Enrollment Status reflected on the Campus-Level and/or Program Level Record, respectively, was not appropriate based upon the student’s enrollment status as of the reporting date.

- For 7 students, the Certification Date reflected on the Campus-Level Record was not within 60 days of the students' change in enrollment.
- For four students, the Classification of Instructional Programs Code reflected on the Program-Level Record did not agree with the students' field of study reported in the student information system.
- For two students, the Credential Level reflected on the Program-Level Record did not agree to the level of credential that the students would receive for the program the student was attending.
- For two students, the Published Program Length Measurement and/or Published Program Length reflected on the Program-Level Record was not appropriate based upon review of the Institution's catalog.
- For two students, the Program Begin Date reflected on the Program-Level Record did not agree with the information reported in the student information system.

In addition, the Enrollment Reporting Summary Report (SCHER1) was not provided for review. Therefore, it could not be determined if the Institution updated and returned Enrollment Reporting roster files within the appropriate timeframes.

Cause:

In discussing these deficiencies with management, they stated that there was not adequate communication between the Financial Aid Office and the Registrar's Office to ensure that accurate enrollment reporting occurred. Additionally, issues noted with identifying withdrawn students contributed to errors in enrollment reporting.

Effect:

If enrollment statuses are not submitted appropriately to NSLDS by the Institution, loan interest subsidies may be negatively affected, deferments of Federal Direct Student Loans may be continued in error, loan repayment dates could be recorded incorrectly, and the compilation of data associated with other Title IV aid programs could be adversely affected. Additionally, the Institution was not in compliance with Federal regulations concerning enrollment reporting requirements.

Recommendation:

The Institution should implement policies and procedures to ensure that all changes in student enrollment statuses are reported in a timely manner. Additionally, management should develop and implement a monitoring process to ensure that controls are operating properly.

Views of Responsible Officials:

We concur with this finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF EDUCATION *(continued)*

STATE ENTITY: VALDOSTA STATE UNIVERSITY

2020-019 Improve Controls over the Awarding Process

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans 84.379 – Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)
Federal Award Number:	P007A191055 (Year: 2020), P033A191055 (Year: 2020), P063P190093 (Year: 2020), P268K200093 (Year: 2020), P379T200093 (Year: 2020)
Questioned Costs:	\$33,690.00

The Institution’s Student Financial Aid Office improperly determined the Student Financial Assistance (SFA) award amounts for eligible students.

Criteria:

Provisions included in 34 CFR 668 provide general provisions for administering SFA programs and 34 CFR 675, 676, 685, 686, and 690 provide eligibility and other related program requirements that are specific to the Federal Work-Study Program, Federal Supplemental Educational Opportunity Grant (FSEOG) Program, Federal Direct Student Loans Program, Teacher Education Assistance for College and Higher Education (TEACH) Grants, and Federal Pell Grant Program, respectively.

Condition:

A sample of 25 students from a population of 8,446 students who received \$5,860,241.09 in student financial assistance funds was randomly selected for testing using a non-statistical sampling method. Student financial assistance files were reviewed to ensure that financial assistance was properly calculated and disbursed to eligible students. The following deficiencies were identified:

- Two students received Unsubsidized Federal Direct Student Loans before the Subsidized need-based loan limit was reached.
- The appropriate notification of the disbursement of Federal Direct Student Loans did not occur for two students.
- One student was not registered with the Selective Service appropriately and received financial aid funds for which they were not eligible. Over disbursements totaling \$21,988.00 were noted.

Questioned Costs:

Upon testing the population of students who received financial aid during the 2019 – 2020 award year and for whom a Selective Service System match error was reflected on their Institutional Student Information Record, known questioned costs of \$33,690 were identified for the three students who received student financial assistance in excess of their eligibility. The following CFDA numbers were affected by the known and likely questioned costs: 84.063 and 84.268.

Cause:

In discussing these deficiencies with management, they stated the Selective Service System verification requirement was improperly removed within the student information system due to a configuration issue and led to the awarding of aid to ineligible students.

Effect:

These deficiencies may expose the Institution to unnecessary financial strains and shortages. The funds disbursed to students in excess of their eligibility must be returned to the U.S. Department of Education. Though the Institution may attempt to collect the funds from individual students affected by the errors, these collection efforts could be unsuccessful as the students may no longer attend the Institution and/or fail to repay the funds. Additionally, the Institution was not in compliance with Federal regulations concerning awarding of SFA funds to students.

Recommendation:

The Institution should review its processes and procedures for determining each student's financial aid eligibility. Where vulnerable, the Institution should develop and/or modify its policies and procedures to ensure that correct amounts will be awarded to students in conformity with Federal requirements. Additionally, the Institution should develop and implement a monitoring process to ensure that controls are functioning properly. The Institution should also contact the U.S. Department of Education regarding resolution of this finding.

Views of Responsible Officials:

We concur with this finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF EDUCATION *(continued)*

STATE ENTITY: ATLANTA METROPOLITAN STATE COLLEGE

2020-020 Improve Controls over the Awarding Process

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans Program
Federal Award Number:	P007A190964 (Year: 2020), P033A190964 (Year: 2020), P063P193513 (Year: 2020), P268K203513 (Year: 2020)
Questioned Costs:	\$11,340.00

The Institution’s Student Financial Aid Office improperly determined the Student Financial Assistance (SFA) award amounts for eligible students.

Criteria:

Provisions included in 34 CFR 668 provide general provisions for administering SFA programs and 34 CFR, 675, 676, 685, and 690 provide eligibility and other related program requirements that are specific to the Federal Work-Study Program, Federal Supplemental Educational Opportunity Grant (FSEOG) Program, Federal Direct Student Loans Program, and Federal Pell Grant Program, respectively.

Condition:

A sample of 40 students from a population of 1,564 students who received student financial assistance funds was randomly selected for testing using a non-statistical sampling method. Student financial assistance files were reviewed to ensure that financial assistance was properly calculated and disbursed to eligible students. The following deficiencies were identified:

- Two students were not in compliance with the Institution’s published Satisfactory Academic Progress (SAP) policies. The students did not meet the quantitative and qualitative requirement of SAP, which resulted in over disbursements totaling \$10,840.00.
- One student was awarded more financial aid than their cost of attendance budget.
- Transfer monitoring was not completed properly for 12 students.
- Information from the U.S. Department of Education’s Common Origination and Disbursement website did not agree to the information reflected in the student information system for one student.

Questioned Costs:

Upon testing a sample of \$216,445.80 in financial aid disbursements, known questioned costs of \$11,340.00 were identified for the students who received student financial assistance in excess of their eligibility. Using the total population amount of \$9,214,497.36, we project the likely questioned costs to be approximately \$482,764.74. The following CFDA numbers were affected by the known and likely questioned costs: 84.007, 84.063, and 84.268.

Cause:

In discussing these deficiencies with management, they stated that errors occurred as a result of human error, student information system coding issues, and a change in the SAP policy related to transfer students effective at the beginning of the Spring 2020 semester.

Effect:

These deficiencies may expose the Institution to unnecessary financial strains and shortages. The funds disbursed to students in excess of their eligibility must be returned to the U.S. Department of Education. Though the Institution may attempt to collect the funds from individual students affected by the errors, these collection efforts could be unsuccessful as the students may no longer attend the Institution and/or fail to repay the funds. Additionally, the Institution was not in compliance with Federal regulations concerning awarding of SFA funds to students.

Recommendation:

The Institution should review its processes and procedures for determining each student's financial aid eligibility. Where vulnerable, the Institution should develop and/or modify its policies and procedures to ensure that correct amounts will be awarded to students in conformity with Federal requirements. Additionally, the Institution should develop and implement a monitoring process to ensure that controls are functioning properly. The Institution should also contact the U.S. Department of Education regarding resolution of this finding.

Views of Responsible Officials:

We concur with this finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF EDUCATION *(continued)*

STATE ENTITY: ATLANTA METROPOLITAN STATE COLLEGE *(continued)*

2020-021 Strengthen Controls over the Return of Title IV Funds Process

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.007 – Federal Supplemental Educational Opportunity Grants 84.033 – Federal Work-Study Program 84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans Program
Federal Award Number:	P007A190964 (Year: 2020), P033A190964 (Year: 2020), P063P193513 (Year: 2020), P268K203513 (Year: 2020)
Questioned Costs:	\$16,086.99
Repeat of Prior Year Finding:	FA-2017-004

The Institution did not properly perform the Return of Title IV funds process to ensure that unearned Title IV funds were returned in a timely manner.

Criteria:

Provisions included in 34 CFR 668.22 provide requirements over the treatment of Title IV funds when a student withdraws. The Institution is required to determine the amount of Title IV funds that the student earned as of the student's withdrawal date when a recipient of Title IV funds withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance. A refund must be returned to Title IV programs when the total amount of the Title IV grant or loan assistance, or both, that the student earned is less than the amount of the Title IV grant and/or loan assistance that was disbursed to the student as of the withdrawal date.

Condition:

A sample of 27 students from a population of 133 students who received student financial assistance (SFA) for the Fall 2019 and Spring 2020 semesters and withdrew from the Institution was randomly selected for testing using a non-statistical sampling method. The students' Return of Title IV calculations were reviewed to ensure that the refunds were calculated and returned in the correct amount to the proper funding agency and/or student in a timely manner. The following deficiencies were noted:

- The refund calculations for three students who withdrew during the Fall 2019 semester and one student who withdrew during the Spring 2020 semester could not be provided for review. Therefore, it could not be determined if these calculations were performed or accurate. As a result, refunds in the amount of \$7,095.58 were not supported with adequate documentation at the time of the audit.

- The refund calculations for four students who withdrew during the Fall 2019 semester and three students who withdrew during the Spring 2020 semester were calculated incorrectly due to the use of award information and/or institutional charges. Of the Fall 2019 refunds, four students were requested to return \$1,100.89 more than the required amount to various SFA programs. Spring 2020 refunds were not required to be returned to the various SFA programs due to a waiver provided by the U.S. Department of Education.
- The proration between the school and student portion of the refund was incorrect for four students who withdrew during the Fall 2019 semester and two students who withdrew during the Spring 2020 semester.
- The school portion of the refund calculated by the entity did not agree to the amount actually refunded in Banner for three students who withdrew during the Fall 2019 semester.
- Funds were not returned to the appropriate grantor programs within the required time frame for 15 of the withdrawn students tested.

In addition, a sample of 26 students from a population of 128 students who received Federal financial assistance for the Fall 2019 and Spring 2020 semesters and withdrew from the Institution but for whom no Return of Title IV calculation was performed was randomly selected for testing using a non-statistical sampling method. Attendance and withdrawal records were reviewed to determine if a refund should have been calculated for these students. Our examination revealed that refund calculations were not performed appropriately for eight students who withdrew during the Fall 2019 semester and three students who withdrew during the Spring 2020 semester. As a result, refunds in the amount of \$8,991.41 were not processed appropriately.

Questioned Costs:

Upon testing a sample of \$60,534.00 in financial aid disbursements to students for whom a Return of Title IV calculation was completed and a sample of \$60,890.52 in financial aid disbursements to students who withdrew but for whom no Return of Title IV calculation was performed, known questioned costs of \$16,086.99 were identified for refunds not adequately documented and omitted Return of Title IV calculations. Using the total population amount of \$712,857.52, we project the likely questioned costs to be approximately \$96,163.44. The following CFDA numbers were affected by the known and likely questioned costs: 84.007, 84.063, and 84.268.

Cause:

In discussing these deficiencies with management, they stated that errors occurred because manual calculations were performed for some students, student information system configurations were incorrect, and Return of Title IV calculations were duplicated for some students. In addition, there was turnover within the Student Financial Aid Department.

Effect:

These deficiencies may expose the Institution to unnecessary financial strains and shortages. The school's portion of the refunds that were not calculated or were not calculated correctly must be returned to the U.S. Department of Education. Though the Institution may attempt to collect the funds from individual students affected by the errors, these collection efforts could be unsuccessful as the students may no longer attend the Institution and/or fail to repay the funds. Additionally, improperly identifying withdrawn students, not performing Return of Title IV calculations, and/or not returning unearned Title IV funds to the U.S. Department of Education in a timely manner may result in adverse actions and impact the Institution's participation in Title IV programs.

Recommendation:

The Institution should revise and implement procedures to ensure that students who withdrew from the Institution are identified, student financial aid refunds are properly calculated, and that unearned funds are correctly returned to the appropriate accounts in a timely manner in accordance with the Higher Education Amendments 1998, Public Law 105-244. Management should also develop and implement a monitoring process to ensure that controls are operating properly. The Institution should also contact the U.S. Department of Education regarding resolution of the finding.

Views of Responsible Officials:

We concur with this finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF EDUCATION *(continued)*

STATE ENTITY: ATLANTA METROPOLITAN STATE COLLEGE *(continued)*

2020-022 Improve Controls over Enrollment Reporting

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.063 – Federal Pell Grant Program 84.268 – Federal Direct Student Loans Program
Federal Award Number:	P063P193513 (Year: 2020), P268K203513 (Year: 2020)
Questioned Costs:	None Identified

Changes in student enrollment statuses were not reported to required organizations in a timely and accurate manner.

Criteria:

Regarding the enrollment reporting process, provisions included in 34 CFR 685.309(b) state in part “(1) Upon receipt of an enrollment report from the Secretary, a school must update all information included in the report and return the report to the Secretary – (i) In the manner and format prescribed by the Secretary; and (ii) Within the timeframe prescribed by the Secretary. (2) Unless it expects to submit its next updated enrollment report to the Secretary within the next 60 days, a school must notify the Secretary within 30 days after the date the school discovers that – (i) ... the student has ceased to be enrolled on at least a half-time basis for the period.” In addition, per the National Student Loan Data System (NSLDS) Enrollment Reporting Guide issued by the U.S. Department of Education, students who have received Federal Pell Grant funds will be included on the NSLDS roster file received by each institution and are subject to the same enrollment reporting requirements as those students who have received a loan under the William D. Ford Federal Direct Loan Program.

Condition:

A sample of 60 students who received Federal Pell Grant Program and Federal Direct Student Loan funds and had a reduction or increase in attendance level, graduated, withdrew, dropped out, or enrolled but never attended during the audit period was randomly selected for testing using a non-statistical sampling method. NSLDS Enrollment Detail information was reviewed for each student to ensure that the Institution accurately reported significant data elements under both the Campus-Level and Program-Level Record. The following deficiencies were identified:

- For 22 students, the Enrollment Effective Date and/or Program Enrollment Effective Date reflected on the Campus-Level Record and/or Program-Level Record, respectively, did not agree to the date on which the current enrollment status reported for the student was first effective.
- For 17 students, the Enrollment Status and/or Program Enrollment Status reflected on the Campus-Level and/or Program Level Record, respectively, was not appropriate based upon the student’s enrollment status as of the reporting date.
- For 20 students, the Certification Date reflected on the Campus-Level Record was not within 60 days of the students’ change in enrollment.

- For three students, the Published Program Length Measurement and Published Program Length reflected on the Program-Level Record was not appropriate based upon review of the Institution's catalog.
- For one student, the Program Begin Date reflected on the Program-Level Record did not agree with the information reported in the student information system.

Cause:

In discussing these deficiencies with management, they stated that errors in the Return of Title IV process caused reporting to the NSLDS to be incorrect and untimely.

Effect:

If enrollment statuses are not submitted appropriately to NSLDS by the Institution, loan interest subsidies may be negatively affected, deferments of Federal Direct Student Loans may be continued in error, loan repayment dates could be recorded incorrectly, and the compilation of data associated with other Title IV aid programs could be adversely affected. Additionally, the Institution was not in compliance with Federal regulations concerning enrollment reporting requirements.

Recommendation:

The Institution should implement policies and procedures to ensure that all changes in student enrollment statuses are reported in a timely manner. Additionally, management should develop and implement a monitoring process to ensure that controls are operating properly.

Views of Responsible Officials:

We concur with this finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF EDUCATION *(continued)*

STATE ENTITY: ATLANTA METROPOLITAN STATE COLLEGE *(continued)*

2020-023 Strengthen Controls over the Federal Direct Student Loans Reconciliation Process

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Education
Pass-Through Entity:	None
CFDA Numbers and Titles:	84.268 – Federal Direct Student Loans Program
Federal Award Number:	P268K203513 (Year: 2020)
Questioned Costs:	None Identified
Repeat of Prior Year Finding:	FA-2017-005

The Institution did not perform the required monthly reconciliations for Federal Direct Student Loans appropriately.

Criteria:

Provisions included in 34 CFR 685.300(b) state in part that upon entering into a written program participation agreement associated with Federal Direct Student Loans “the school much promise to comply with the [Higher Education] Act [of 1965] and applicable regulations and must agree to ... (5) on a monthly basis, reconcile institutional records with Direct Loan funds received from the Secretary and Direct Loan disbursement records submitted to and accepted by the Secretary.”

Condition:

A sample of three monthly Federal Direct Student Loan program reconciliations was randomly selected for testing using a non-statistical sampling method. The monthly reconciliations were reviewed to ensure that the School Account Statement (SAS) data files provided by the U.S. Department of Education’s Common Origination and Disbursement (COD) system were reconciled appropriately to the student information system and institution’s financial records and variances were resolved in a timely manner. Testing revealed that these reconciliations were not performed for two months tested.

Cause:

In discussing these deficiencies with management, they stated that turnover in the Student Financial Aid Department and a lack of manpower caused some tasks to be delayed or go uncompleted.

Effect:

If Federal Direct Student Loans are not reconciled appropriately each month, the Institution is not in compliance with their program participation of agreement or Federal regulations concerning Federal Direct Student Loans. In addition, omissions and errors in information submitted to the COD system or within the student information system may not be identified and corrected in a timely manner. Furthermore, if all SAS data is not reconciled appropriately, the Institution cannot close out the Direct Loan account in the COD system at the end of the award year.

Recommendation:

The Institution should establish procedures and assign responsibility for the monthly and yearly reconciliation of the Federal Direct Student Loan program activity to ensure that the guidelines contained in the Direct Loan School Guide and Federal Student Aid Handbook are followed. The Institution's Financial Aid and Business Offices should maintain their internal records in such a way that they can prepare the monthly reconciliations accurately and timely. Additionally, management should develop and implement a monitoring process to ensure that controls are operating properly.

Views of Responsible Officials:

We concur with this finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

STATE ENTITY: DEPARTMENT OF COMMUNITY HEALTH

2020-024 Improve Controls over Medicaid Capitation Payments for Managed Care Recipients

Compliance Requirement:	Activities Allowed or Unallowed Allowable Costs/Cost Principles
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.778 – Medical Assistance Program (Medicaid: Title XIX) 93.778 – COVID-19 – Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	1905GA5MAP (Year: 2019), 2005GA5MAP (Year: 2020)
Questioned Costs:	\$33,663
Repeat of Prior Year Finding:	2019-021

The Department of Community Health made improper duplicate payments for Medicaid Managed Care recipients.

Background Information:

The Department of Community Health (DCH) administers the State’s Medicaid program that provides payments for medical assistance to low-income individuals. Medicaid is one of Georgia’s largest public assistance program with federal and state funds totaling \$12 billion for fiscal year 2020. The program accounts for approximately twenty-five percent of the State’s total federal award expenditures.

The DCH, the State’s Medicaid agency, administers Georgia’s managed care program. The program is a partnership between DCH and private care management organizations (CMOs). The State pays a monthly fixed rate per person (capitation rate) without regard to the actual medical services utilized to cover the costs of Medicaid claims. Managed care is a prepaid, comprehensive system of medical and health care delivery, including preventive, primary, specialty and ancillary health care services. The program is designed to reduce the cost of providing health benefits, improve the quality of care and deliver health care to clients. Capitation payments for the year totaled \$4 billion (federal and state).

As part of our fiscal year 2020 audit, we followed up on DCH’s efforts to implement corrective action plans in response to the prior year finding in which we reported that DCH made improper duplicate payments for Medicaid Managed Care recipients to Medicaid providers. Due to the effects of the COVID-19 pandemic, DCH was unable to fully implement its corrective action plan prior to fiscal year-end; however, we noted that in the period subsequent to fiscal year-end, DCH made progress in identifying members with multiple Medicaid identification (ID) numbers and training staff to research further when exceptions occur.

Criteria:

As a recipient of federal awards, the DCH is required to establish and maintain effective internal controls over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Section 200.303 – Internal Controls.

Additionally, the Uniform Guidance, Section 200.53 – Improper payments states: *Improper payment* means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. An *improper payment* includes any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.

Condition:

Our audit of the Medicaid program revealed deficiencies in the capitation payments paid to CMOs for Managed Care members. Using data analytics, we found 41 million capitation payments paid to CMOs for Managed Care members totaling \$4 billion, and identified all claims with the same name and date of birth. Based upon this review, we isolated a population of 43 potential Medicaid ID numbers for Managed Care members that appear to have more than one Medicaid ID number or improper duplicate payments. Upon review of payments made to all 43 Managed Care members included in the population of potential duplicate payments, we found that DCH made duplicate payments to CMOs for 21 of the members reviewed.

Questioned Costs:

Known questioned costs of \$33,663 were identified for the duplicate payments made to CMOs for the 21 Managed Care members whose capitation payments to CMOs were duplicate payments. The Federal and State share of known questioned costs is \$22,680 and \$10,983, respectively.

Cause:

We noted that for 20 out of the 21 duplicate payments identified, the Managed Care members had multiple Medicaid ID numbers. The duplicate payments are made when a member has more than one Medicaid ID number in the Georgia Medicaid Management Information System (GAMMIS), which is used to generate payments. Multiple Medicaid ID numbers can be assigned to the same member for various reasons, such as a variation in the information entered into GAMMIS for the member. While significant improvements were made during the current fiscal year, the DCH review and revision to its current policy and process intended to identify and merge members within GAMMIS with multiple ID numbers or identify duplicate payments was not fully implemented during the audit period due to time constraints associated with the COVID-19 pandemic.

Effect:

Without effective controls in place, the DCH increases its risk of providing duplicate payments to CMOs and not detecting improper payments. The duplicate capitation payments resulted in noncompliance with federal regulations and questioned costs. In addition, grant provisions allow the grantor to penalize DCH for noncompliance by suspending or terminating the award or withholding future awards. This may prevent eligible individuals from receiving benefits in the future.

Recommendation:

The DCH management should dedicate the necessary resources and execute their plan to ensure that modifications are implemented appropriately within GAMMIS to ensure duplicate capitation payments are not made to CMOs for Managed Care members. For periods prior to the implementation of policy and process changes, DCH should perform analytical procedures to identify potential duplicate payments made to CMOs. Additionally, DCH should investigate and recover funds for all overpayments.

The DCH should also consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid.

Views of Responsible Officials:

The Department (DCH) concurs with this finding and has implemented corrective actions plans.

FEDERAL AGENCY: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (*continued*)

STATE ENTITY: DEPARTMENT OF COMMUNITY HEALTH (*continued*)

2020-025 Improve Controls over Medicaid Payments after Date of Death

Compliance Requirement:	Activities Allowed or Unallowed Allowable Costs/Cost Principles
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.778 – Medical Assistance Program (Medicaid: Title XIX) 93.778 – COVID-19 – Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	1905GA5MAP (Year 2019), 2005GA5MAP (Year 2020)
Questioned Costs:	\$41,214
Repeat of Prior Year Finding:	2019-022

The Department of Community Health made improper payments to Medicaid providers after beneficiaries' deaths.

Background Information:

The Department of Community Health (DCH) administers the State's Medicaid program that provides payments for medical assistance to low-income individuals. Medicaid is one of Georgia's largest public assistance program with federal and state funds totaling \$12 billion for fiscal year 2020. The program accounts for approximately twenty-five percent of the State's total federal award expenditures.

The Social Security Administration (SSA) maintains the national record of death information called the Death Master File (DMF). The DMF is provided to States via a data exchange agreement. The DMF interfaces with the Georgia Medicaid Management Information System (GAMMIS) to update the beneficiary profiles. Additionally, the State Office of Vital Records submits an electronic file updated with the date of death that also interfaces with GAMMIS. The DCH has a process in place to identify when a beneficiary's profile is updated with the date of death and to reverse payments to managed-care organizations for claims made after the beneficiary's death.

As part of our fiscal year 2020 audit, we followed up on DCH's efforts to implement corrective action plans in response to the prior year finding in which we reported that DCH made improper payments to Medicaid providers after beneficiaries' deaths. However, DCH was unable to implement their corrective action plan and apply modifications to GAMMIS prior to fiscal year-end.

Criteria:

As a recipient of federal awards, DCH is required to establish and maintain effective internal control over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Section 200.303 – Internal Controls.

Additionally, the Uniform Guidance, Section 200.53 - Improper payments states: *Improper payment* means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. An *improper payment* includes any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.

Pursuant to Title 42 CFR Part 433, *State Fiscal Administration, Subpart F – Refunding of Federal Share of Medicaid Overpayments to Providers* Section 433.304, an overpayment means the amount paid by a Medicaid agency to a provider which is in excess of the amount that is allowable for services furnished. Because medically necessary services cannot be provided after a beneficiaries' death, no medical services are allowable after a beneficiaries' death and any payment to a provider would result in an overpayment.

Condition:

Our audit of the Medicaid program revealed that improper payments were made to Medicaid providers after beneficiaries' deaths. Using data analytics, we compared the DMF to claims made during the fiscal year to identify claims made after the date of death. We identified a total of 4,689 claims that were paid to providers for 1,825 members after the date of death. We used a nonstatistical sampling method to select a random sample of 60 claims from this population and tested the sample along with five individually significant items to determine if the claims were for services provided before the date of death. We found that DCH made payments to providers for 27 Medicaid claims with service dates after the date of death resulting in overpayments in which the funds were not recouped.

Questioned Costs:

Known questioned costs of \$41,214 were identified for benefit payments made to providers for the 27 Medicaid claims with service dates after beneficiaries' deaths. The Federal and State share of known questioned costs is approximately \$27,737 and \$13,477, respectively. Using the total population amount of \$1,321,266, we project the likely questioned costs to be approximately \$1,077,034. The Federal and State share of likely questioned costs is approximately \$724,871 and \$352,163, respectively. The projected likely questioned cost is based on the testing of the sample of 60 Medicaid benefit claims.

Cause:

System modifications that DCH requested to be made by its third-party servicer within GAMMIS, which should have prohibited payments from being made for dates of service after a member's date of death, were not able to be implemented during the audit period due to the complexity and time-consuming nature of the testing and implementation of the enhancements.

Effect:

The improper Medicaid payments resulted in noncompliance with federal regulations and questioned costs. Weaknesses in controls over Medicaid payments also increase the risk of improper payments due to error or fraud that may need further investigation. In addition, grant provisions allow the grantor to penalize DCH for noncompliance by suspending or terminating the award or withholding future awards.

Recommendation:

The DCH management should dedicate the necessary resources and execute their plan to ensure that modifications to the date of death processes within GAMMIS are implemented appropriately and that Medicaid benefit payments to providers are not made after beneficiaries' deaths. For periods prior to the implementation of the GAMMIS system modifications, DCH should perform procedures to compare the DMF to claims made after the date of death and analyze the results to identify improper payments.

Additionally, DCH should investigate and recover funds for all overpayments and if necessary, refer to the Georgia Medicaid Fraud Control Unit for further investigation into any potential provider fraud or abuse.

The DCH should also consult with the grantor to discuss whether questioned costs identified in the audit should be repaid.

Views of Responsible Officials:

The Department (DCH) concurs with this finding and has implemented its Corrective Action Plan.

FEDERAL AGENCY: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (*continued*)

STATE ENTITY: DEPARTMENT OF COMMUNITY HEALTH (*continued*)

2020-026 Improve Controls over Medicaid Capitation Payments for Medicare Members

Compliance Requirement:	Activities Allowed or Unallowed Allowable Costs/Cost Principles
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.778 – Medical Assistance Program (Medicaid: Title XIX) 93.778 – COVID-19 – Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	1905GA5MAP (Year: 2019), 2005GA5MAP (Year: 2020)
Questioned Costs:	\$120,968
Repeat of Prior Year Finding:	2019-023

The Department of Community Health made improper capitation payments for Medicaid Managed Care members with Medicare insurance coverage.

Background Information:

The Department of Community Health (DCH) administers the State’s Medicaid program that provides payments for medical assistance to low-income individuals. Medicaid is one of Georgia’s largest public assistance program with federal and state funds totaling \$12 billion for fiscal year 2020. The program accounts for approximately twenty-five percent of the State’s total federal award expenditures.

The DCH, the State’s Medicaid agency, administers Georgia’s managed-care program. The program is a partnership between DCH and private care management organizations (CMOs). The State pays a monthly fixed rate per person (capitation rate) without regard to the actual medical services utilized to cover the costs of Medicaid claims. Managed care is a prepaid, comprehensive system of medical and health care delivery, including preventive, primary, specialty and ancillary health care services. The program is designed to reduce the cost of providing health benefits, improve the quality of care and deliver health care to clients. Capitation payments for the year totaled \$4 billion (federal and state).

As part of our fiscal year 2020 audit, we followed up on DCH’s efforts to implement corrective action plans in response to the prior year finding in which we reported that DCH made improper capitation payments for Medicaid Managed Care members with Medicare insurance coverage. However, DCH was unable to implement their corrective action plan and apply modifications to the Georgia Medicaid Management Information System (GAMMIS) prior to fiscal year-end.

Criteria:

As a recipient of federal awards, DCH is required to establish and maintain effective internal control over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Section 200.303 – Internal Controls.

Additionally, the Uniform Guidance, Section 200.53 - Improper payments states: *Improper payment* means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and *improper payments* includes any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.

Title 42 CFR Chapter 7, *Social Security, Subchapter XIX – Grants to States for Medical Assistance Program, 1396u-2 – Provisions relating to managed care*, states in part: a state may not require under paragraph (1) the enrollment in a managed care entity of an individual who is a qualified Medicare beneficiary (as defined in section 1396d(p)(1) of this title) or an individual otherwise eligible for benefits under subchapter XVIII. Further, according to DCH’s state plan, Medicare recipients should not be enrolled in managed care, and any monthly premium payments made for Medicare recipients are unallowable.

Condition:

Our audit of the Medicaid program revealed deficiencies in the capitation payments paid to CMOs for Managed Care members with Medicare insurance coverage. We obtained Medicare coverage information from DCH for all Medicaid-eligible members.

Using data analytics, we identified a total of 3,087 potential capitation premium payments made on behalf of 764 members who had Medicare coverage during the same month as their monthly managed care capitation payment. From this population, we tested a random sample of 60 members to determine if DCH made monthly managed care premium payments for the members during the same time period the member’s Medicare coverage was effective.

We found that DCH made improper payments to CMOs for all 60 Managed Care members tested and these funds were not recouped. Additionally, we noted for 48 out of 60 members tested, a retroactive Medicare effective date was issued, which was during the time period that managed care payments were made to CMOs. The DCH did discontinue paying the CMO after it received notification from Medicare of the member’s eligibility; however, they did not recoup the payments made to the CMOs for the retroactive period of Medicare coverage. Furthermore, we noted that for 12 out of 60 members tested, improper payments continued to be made after Medicare notified DCH of the member’s Medicare eligibility.

Questioned Costs:

Known questioned costs of \$120,968 were identified for the capitation payments paid to CMOs for the 60 Managed Care members that were during the same time the Managed Care member was enrolled in Medicare. The Federal and State share of known questioned costs is approximately \$81,553 and \$39,415, respectively. Because all sample amounts tested were deemed to be known questioned costs, the total population amount of \$1,396,335 is projected to be likely questioned costs. The Federal and State share of likely questioned costs is approximately \$941,364 and \$454,971, respectively. The projected likely questioned costs are based on the testing of a sample of 60 Managed Care members that were selected using a nonstatistical sampling method.

Cause:

System modifications that DCH requested to be made by its third-party vendor within GAMMIS were not implemented during the audit period due to the complexity and time-consuming nature of the testing and implementation of the enhancements. These modifications included a process to retroactively recoup capitation payments from CMOs upon receipt of notice that a member is eligible for Medicare.

Effect:

Without effective controls in place, the DCH increases its risk of providing and not detecting improper payments to CMOs. The improper capitation payments resulted in noncompliance with federal regulations and questioned costs. Improper payments could occur for an ineligible recipient that are unallowable and cannot be claimed for federal reimbursement. In addition, grant provisions allow the grantor to penalize DCH for noncompliance by suspending or terminating the award or withholding future awards.

Recommendation:

The DCH management should dedicate the necessary resources and execute their plan to ensure that modifications to retroactively recoup capitation payments from its CMOs upon receipt of notice that a member is eligible for Medicare are implemented appropriately within GAMMIS. For periods prior to the implementation of the GAMMIS system modifications, DCH should perform analytical procedures over Medicare effective dates for Managed Care members to determine whether capitation payments have been recouped. Additionally, DCH should investigate and recover funds for all improper payments.

The DCH should also consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid.

Views of Responsible Officials:

The Department (DCH) concurs with this finding and will continue to work on completing reprogramming the GAMMIS system.

FEDERAL AGENCY: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (*continued*)

STATE ENTITY: DEPARTMENT OF COMMUNITY HEALTH (*continued*)

2020-027 Improve Controls over Payments for Home and Community-Based Services

Compliance Requirement:	Activities Allowed or Unallowed Allowable Costs/Cost Principles
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.778 – Medical Assistance Program (Medicaid: Title XIX) 93.778 – COVID-19 – Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	1905GA5MAP (Year: 2019), 2005GA5MAP (Year: 2020)
Questioned Costs:	\$2,192

The Department of Community Health made improper payments for Medicaid home and community-based services while members were either an inpatient in the hospital or in a long-term care facility.

Background Information:

The Department of Community Health (DCH) administers the State’s Medicaid program that provides payments for medical assistance to low-income individuals. Medicaid is one of Georgia’s largest public assistance program with federal and state funds totaling \$12 billion for fiscal year 2020. The program accounts for approximately twenty-five percent of the State’s total federal award expenditures.

The DCH offers a variety of Medicaid waiver programs that help people who are elderly or have disabilities. Some of these waiver programs are as follows:

- The Community Care Services Program (CCSP) and Service Options Using Resources in Community Environment (SOURCE) program operate under the authority of the Elderly and Disabled Waiver program. The CCSP and SOURCE programs serve frail, elderly and disabled members otherwise eligible under a nursing facility level of care with many long-term health services in a person’s home or community setting to prevent unnecessary emergency room visits and hospital stays and to avoid institutionalization.
- The Independent Care Waiver Program (ICWP) operates under a Home-and-Community-Based Waiver and offers services that help a limited number of adult Medicaid members with physical disabilities or traumatic brain injuries live in their own homes or in the community instead of a hospital or nursing home.

Criteria:

As a recipient of federal awards, DCH is required to establish and maintain effective internal control over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Section 200.303 – Internal Controls.

Additionally, the Uniform Guidance, Section 200.53 - Improper payments states: *Improper payment* means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. An *improper payment* includes any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.

Pursuant to Title 42 CFR Part 433, *State Fiscal Administration, Subpart F – Refunding of Federal Share of Medicaid Overpayments to Providers* Section 433.304, an overpayment means the amount paid by a Medicaid agency to a provider which is in excess of the amount that is allowable for services furnished. Because home and community-based services cannot be provided to a Medicaid member who is also either an inpatient in a hospital or in a long-term care facility, any payment to a home and community-based service provider during a period in which a member is receiving services from an institutional care provider would result in an overpayment.

Condition:

Our audit of the Medicaid program revealed improper, simultaneous payments to Medicaid providers. Using computer-assisted auditing techniques, we identified a population of 49,100 claim payments disbursed to home and community-based service providers and institutional care providers for the same member with the same dates of service. We used a nonstatistical sampling method to select a random sample of 60 potential simultaneous payments from this population and tested the sample to determine if there were any improper payments. We found that DCH made six payments to providers for home and community-based services while members were either an inpatient in a hospital or in a long-term care facility, which resulted in overpayments totaling \$2,192.

Questioned Costs:

Known questioned costs of \$2,192 were identified for improper benefit payments made to providers for home and community-based services while members were either an inpatient in a hospital or in a long-term care facility. The Federal and State share of known questioned costs is approximately \$1,476 and \$716, respectively. Using the total population amount of \$165,447,864, we project the likely questioned costs to be approximately \$4,510,050. The Federal and State share of likely questioned costs is approximately \$3,036,564 and \$1,473,486, respectively. The projected likely questioned cost is based on the testing of the sample of 60 potential simultaneous payments.

Cause:

The Georgia Medicaid Management Information System (GAMMIS) did not have all the necessary controls needed to identify and prevent improper payments made for home and community-based services and institutional care providers for the same Medicaid member with the same dates of service.

Effect:

The simultaneous home and community-based services payments resulted in noncompliance with federal regulations and questioned costs. Weaknesses in controls over Medicaid payments also increase the risk of improper payments due to error or fraud that may need further investigation. In addition, grant provisions allow the grantor to penalize DCH for noncompliance by suspending or terminating the award or withholding future awards. This may prevent eligible individuals from receiving benefits in the future.

Recommendation:

The DCH management should strengthen internal controls over home and community-based services payments to ensure improper payments are not made for Medicaid members. Specifically, the DCH should implement analytical procedures or system modifications to identify improper, simultaneous payments made for home and community-based services while members are in inpatient hospital or long-term care facilities. Additionally, we recommend the DCH consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid.

Views of Responsible Officials:

The Department (DCH) concurs with this finding and will make adjustments to GAMMIS.

FEDERAL AGENCY: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (*continued*)

STATE ENTITY: DEPARTMENT OF COMMUNITY HEALTH (*continued*)

2020-028 Continue to Strengthen Application Risk Management Program

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.778 – Medical Assistance Program (Medicaid: Title XIX) 93.778 – COVID-19 – Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	2005GA5MAP (Year: 2020), 2005GA5ADM (Year: 2020), 1905GA5MAP (Year: 2019), 1905GA5ADM (Year: 2019)
Questioned Costs:	None Identified
Repeat of Prior Year Finding:	2019-024, 2018-026, 2017-037, 2016-044

The Department of Community Health should continue to strengthen controls over its application risk management program.

Background Information:

See Financial Finding at 2020-004.

Criteria:

See Financial Finding at 2020-004.

Condition:

See Financial Finding at 2020-004.

Cause:

See Financial Finding at 2020-004.

Effect:

See Financial Finding at 2020-004.

Recommendation:

See Financial Finding at 2020-004.

Views of Responsible Officials:

The Department (DCH) concurs with this finding and will continue to strengthen controls over its application risk management program.

FEDERAL AGENCY: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (*continued*)

STATE ENTITY: DEPARTMENT OF COMMUNITY HEALTH (*continued*)

2020-029 Improve Controls over Inpatient Medicaid Payments

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.778 – Medical Assistance Program (Medicaid: Title XIX) 93.778 – COVID-19 – Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	1905GA5MAP (Year: 2019), 2005GA5MAP (Year: 2020)
Questioned Costs:	None Identified
Repeat of Prior Year Finding:	2019-025

The Department of Community Health does not have adequate controls in place to ensure the required inpatient hospital field audits and desk reviews are performed in accordance with the State Plan.

Background Information:

The Department of Community Health (DCH) is responsible for administering the Medicaid program under the State Plan approved by the federal Centers for Medicare & Medicaid Services (CMS). The State Plan is a comprehensive written statement describing the nature, scope, and basic requirements for the Medicaid program. At any time, DCH can propose changes to the State Plan by submitting a State Plan Amendment to CMS.

As part of the State Plan, DCH is responsible for establishing standards and methodologies for reimbursing inpatient hospital providers based on payment rates that represent the cost to efficiently and economically operate such facilities and provide services to Medicaid beneficiaries. The DCH requires all inpatient hospital providers to submit an annual cost report summarizing cost and patient day information for the reporting year. These cost reports may be used to establish payment rates. A total of 142 cost reports were submitted by the inpatient hospital providers during the year.

For fiscal year 2020, inpatient Medicaid payments totaled approximately \$1.2 billion of the \$12 billion total Medicaid expenditures.

As part of our fiscal year 2020 audit, we followed up on DCH's efforts to implement corrective action plans in response to the prior year finding in which we reported that DCH did not perform the required inpatient hospital field audits per the State Plan. Although DCH was unable to fully implement their corrective action plan prior to fiscal year-end, we noted that ongoing efforts are being made.

Criteria:

As a recipient of federal awards, the DCH is required to establish and maintain effective internal controls over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Section 200.303 – Internal Controls.

Pursuant to 42 CFR Section 447.253(g), DCH is required to perform periodic audits of financial and statistical records of participating inpatient hospitals in accordance with the audit requirements specified in the State Plan. These audits are crucial to ensuring the established payment rates are proper.

The Georgia Medicaid State Plan, Section 1C, Attachment 4.19A-*Methods and Standards for Establishing Payment Rates Inpatient Services* requires DCH to contract annually for the performance of desk reviews and field audits.

Condition:

The DCH contracts with a third-party vendor to perform desk reviews on the inpatient hospital providers' cost reports submitted. In response to our recommendations regarding the establishment of procedures associated with completion of desk reviews and field audits for inpatient Medicaid providers, DCH ensured that all required desk reviews were completed appropriately and within the necessary timeframe during the fiscal year under review. However, field audits of participating inpatient hospital providers were not performed as required by the current State Plan.

Cause:

The DCH had turnover in management personnel and does not have procedures in place to ensure that field audits are performed in accordance with the State Plan. The DCH is in the process of revising its State Plan and contract with its third-party vendor to remove language requiring field audits of inpatient hospital providers to be conducted and replacing it with language requiring desk or focus reviews. However, the revisions did not make it through the DCH review and approval process prior to the end of the fiscal year. The revisions to the State Plan were made in January 2021, and the final review of the contract revisions is still in progress.

Effect:

Since cost reports may be used as the basis to establish reimbursement rates, the rates used may contain errors which could result in improper payments. In addition, grant provisions allow the grantor to penalize the DCH for noncompliance by suspending or terminating the award or withholding future awards. This may prevent inpatient hospital providers from receiving benefit payments in the future.

Recommendation:

The DCH management should dedicate the necessary resources and execute their plan to revise the State Plan and contract with its third-party vendor and to ensure the required desk reviews, focus reviews, or field audits are performed in accordance with the current and/or revised State Plan.

Views of Responsible Officials:

The Department (DCH) concurs with this finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (*continued*)

STATE ENTITY: DEPARTMENT OF COMMUNITY HEALTH (*continued*)

2020-030 Improve Controls over Medicaid Provider Eligibility

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.778 – Medical Assistance Program (Medicaid: Title XIX) 93.778 – COVID-19 – Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	1905GA5MAP (Year: 2019), 2005GA5MAP (Year: 2020)
Questioned Costs:	Unknown

The Department of Community Health does not have adequate controls in place to ensure the required Medicaid eligibility revalidation procedures are performed and providers are terminated when they are not revalidated appropriately.

Background Information:

The Department of Community Health (DCH) administers the State’s Medicaid program that provides payments for medical assistance to low-income individuals. Medicaid is one of Georgia’s largest public assistance program with federal and state funds totaling \$12 billion for fiscal year 2020. The program accounts for approximately twenty-five percent of the State’s total federal award expenditures.

DCH administers the Medicaid program under the State Plan, which is approved by the federal Centers for Medicare & Medicaid Services (CMS). The State Plan is a comprehensive written statement describing the nature, scope, and basic requirements for the Medicaid program.

To receive Medicaid payments and participate in the Medicaid program, providers must meet specific criteria, including screening and enrollment requirements. These screening and enrollment requirements must also be reflected in the State Plan.

Criteria:

As a recipient of federal awards, DCH is required to establish and maintain effective internal control over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Section 200.303 – Internal Controls.

Additionally, Title 42 CFR Section 455.410 mandates that the State Medicaid agency require all enrolled providers to be screened and require all ordering or referring physicians or other referring physicians or other professionals providing services under the State plan or under a waiver of the plan to be enrolled as participating providers. Title 42 CFR Section 455.414 also requires that the State Medicaid agency revalidate the enrollment of all providers regardless of provider type at least every five years. Furthermore, Title 42 CFR Section 455.416(d) requires that the State Medicaid agency terminate or deny enrollment of a provider that does not submit timely or accurate information, unless the State Medicaid agency determines

that termination or denial of enrollment is not in the best interests of the Medicaid program and the State Medicaid agency documents that determination in writing.

Condition:

Our audit of the Medicaid program revealed deficiencies in the operation of internal controls over the revalidation process for service providers and Care Management Organization (CMO) providers. We identified a total of 24,469 service providers and 2,576 CMO providers that received Medicaid payments during the fiscal year under review. From this population, a sample of 60 Medicaid service and CMO providers was selected for testing using a non-statistical sampling method. We found that the DCH did not perform the required revalidation process for one of the Medicaid service providers tested. DCH personnel determined that enrollment termination was not in the best interests of the Medicaid program, but no documented rationale for this decision was provided to the auditors.

In addition, during our audit, we became aware of approximately 10,700 providers who were not appropriately revalidated during the period of July 1, 2019 through February 29, 2020. Benefits payments totaling \$6,096,329 were made to 1,291 of these providers.

Questioned Costs:

We were unable to determine whether any questioned costs existed. While all applicable documentation was not maintained by the DCH, termination of a provider from the Medicaid program is not required when it is determined that this termination is not in the best interests of the program. Therefore, the fact that these providers were not revalidated within the appropriate timeframe does not necessarily indicate that they were ineligible to provide services for the Medicaid program and that payments made to these providers were improper.

Cause:

The DCH has procedures in place for reviewing and documenting eligibility revalidations; however, these procedures were not sufficient to ensure that the required eligibility revalidations were properly performed for all Medicaid providers. In addition, DCH management stated that the termination of the providers in question was not in the best interests of the Medicaid program; however, written documentation for these determinations, which included an appropriate rationale for these decisions, was not provided to auditors for review as DCH personnel could not locate such documentation.

Effect:

The deficiencies in provider eligibility resulted in noncompliance with federal regulations and questioned costs. There is also an increased risk that ineligible providers are mistakenly deemed eligible and claiming federal reimbursement for unallowable amounts. In addition, grant provisions allow the grantor to penalize DCH for noncompliance by suspending or terminating the award or withholding future awards.

Recommendation:

The DCH management should strengthen internal controls over eligibility determinations for Medicaid providers to ensure its policies and procedures are consistently enforced and operating effectively. Specifically, the management should incorporate additional oversight and perform thorough reviews of the eligibility revalidations for Medicaid providers to ensure eligibility revalidations are adequately documented and the required procedures are properly performed. Additionally, when termination of the providers is not in the best interests of the Medicaid program, such determination should include an appropriate rationale, be documented in writing, and be maintained on-file.

Views of Responsible Officials:

The Department (DCH) concurs with this finding and will continue to work to provide outreach to providers who have not revalidated.

FEDERAL AGENCY: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (*continued*)

STATE ENTITY: DEPARTMENT OF HUMAN SERVICES

2020-031 Strengthen Logical Access Controls

Compliance Requirement:	Activities Allowed or Unallowed Allowable Costs/Cost Principles Program Income
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.044 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers 93.044 – COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers 93.045 – Special Programs for the Aging, Title III, Part C, Nutrition Services 93.045 – COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services 93.053 – Nutrition Services Incentive Program
Federal Award Number:	1901GAOANS (Year: 2019), 1901GAOASS (Year 2019), 2001GAHDC2 (Year: 2020), 2001GAOASS (Year: 2020), 2001GAOACM (Year: 2020), 2001GAOANS (Year: 2020), 2001GAHDC3 (Year: 2020), 2001GASSC3 (Year: 2020), 2001GACMC2 (Year: 2020)
Questioned Costs:	None Identified

The Department of Human Services should strengthen logical access controls over the Division of Aging Services Data System.

Background Information:
See Financial Statement Finding 2020-005.

Criteria:
See Financial Statement Finding 2020-005.

Condition:
See Financial Statement Finding 2020-005.

Cause:
See Financial Statement Finding 2020-005.

Effect:
See Financial Statement Finding 2020-005.

Recommendation:
See Financial Statement Finding 2020-005.

Views of Responsible Officials:
The Department of Human Services concurs with the finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES *(continued)*

STATE ENTITY: DEPARTMENT OF HUMAN SERVICES *(continued)*

2020-032 Strengthen Information Technology General Controls

Compliance Requirement:	Activities Allowed or Unallowed Allowable Costs/Cost Principles Eligibility Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.658 - Foster Care Title IV-E
Federal Award Number:	1901GAFOST (Year: 2019), 2001GAFOST (Year: 2020)
Questioned Costs:	None Identified

The Department of Human Services should strengthen information technology general controls over the child foster care information system.

Background Information:

See Financial Statement Finding 2020-006.

Criteria:

See Financial Statement Finding 2020-006.

Condition:

See Financial Statement Finding 2020-006.

Cause:

See Financial Statement Finding 2020-006.

Effect:

See Financial Statement Finding 2020-006.

Recommendation:

See Financial Statement Finding 2020-006.

Views of Responsible Officials:

The Department of Human Services concurs with the finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (*continued*)

STATE ENTITY: DEPARTMENT OF COMMUNITY HEALTH &
STATE ENTITY: DEPARTMENT OF HUMAN SERVICES

2020-033 Improve Controls over Medicaid Eligibility Determinations for Ex Parte Members

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.778 – Medical Assistance Program (Medicaid: Title XIX) 93.778 – COVID-19 – Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	1905GA5MAP (Year: 2019), 2005GA5MAP (Year: 2020)
Questioned Costs:	\$2,244,919
Repeat of Prior Year Finding:	2019-027, 2018-029

The Department of Community Health and Department of Human Services did not have effective internal controls in place to ensure the required continuing Medicaid eligibility determinations are performed for Supplemental Security Income Ex Parte members.

Background Information:

The Department of Community Health (DCH) administers the State’s Medicaid program that provides payments for medical assistance to low-income individuals. Medicaid is one of Georgia’s largest public assistance program with federal and state funds totaling \$12 billion for fiscal year 2020. The program accounts for approximately twenty-five percent of the State’s total federal award expenditures.

Eligibility for the Medicaid program is determined by the Division of Family and Children Services (DFCS), a division within the Department of Human Services (DHS), which has offices in each of the 159 counties in the State of Georgia. Individuals who are eligible for Supplemental Security Income (SSI) are also eligible for the Medicaid benefits, and those whose SSI benefits are terminated or denied by the Social Security Administration are SSI Ex Parte members for the Medicaid program. For those members, DCH makes temporary determinations of continued eligibility under a new Ex Parte Medicaid Class of Assistance in the Georgia Medicaid Management Information System (GAMMIS).

The DFCS is responsible for performing a Continuing Medicaid Determination (CMD) for each new SSI Ex Parte member. The DFCS uses the daily Ex Parte Determination Reports generated by GAMMIS to identify the new SSI Ex Parte members that require a CMD. GAMMIS also generates monthly Ex Parte Non-Confirmation Reports, which identify all entries from the Ex Parte Determination Reports that are over 30-days old and have not yet been acted upon.

When a CMD is complete, DFCS enters the individual in the Georgia Gateway eligibility system and an approval or denial notice is generated. GAMMIS is updated through the Georgia Gateway interface when eligibility for a member is approved. When eligibility is denied, DFCS sends the denial notice to DCH which triggers the removal of the denied member from GAMMIS.

As part of our fiscal year 2020 audit, we followed up on DCH’s efforts to implement corrective action plans in response to the prior year finding in which we reported that DCH did not perform the required continuing eligibility determination for SSI Ex Parte members. Although DCH was unable to fully implement their

corrective action plan prior to fiscal year-end, we noted that significant progress in training various levels of Medicaid workers on the correct procedures for handling Ex-Parte cases had occurred. Subsequent to fiscal year-end, automation of the SSI Ex-Parte process was completed, as well.

Criteria:

As recipients of federal awards, both DCH and DHS are required to establish and maintain effective internal controls over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Section 200.303 – Internal Controls.

The eligibility determination requirements for SSI Ex Parte members are addressed in Chapter 2700, Section 50 - DCH Reports - Ex Parte Lists of the DHS Medicaid Manual. In accordance with Section 50 of the Medicaid Manual, DFCS is required to perform eligibility determinations of those members whose SSI benefits are terminated or denied.

Condition:

Our audit of the Medicaid program revealed deficiencies in the performance of eligibility determinations for SSI Ex Parte members. During fiscal year 2020, DCH paid Medicaid benefits totaling \$69,553,146 for 663,566 claim transactions. We used a nonstatistical sampling method to select a random sample of 60 Ex Parte benefit payments from this population and tested the sample to determine if eligibility determinations were performed appropriately. For 47 out of 60 SSI Ex Parte payments tested, we found that DFCS did not perform the required eligibility determinations prior to payments being made.

Questioned Costs:

Known questioned costs of \$2,244,919 were identified for benefit payments made to the 47 SSI Ex Parte members whose eligibility was not appropriately redetermined. The Federal and State share of known questioned costs is approximately \$1,513,960 and \$730,959, respectively.

Using the total SSI Ex Parte population amount of \$69,553,146, we project the likely questioned cost to be approximately \$54,553,621. The projected likely questioned cost is based on the testing of the sample of 60 SSI Ex Parte benefit payments made. The Federal and State share of likely questioned costs is approximately \$36,714,587 and \$17,839,034, respectively.

Cause:

Though the DFCS offices have procedures in place for reviewing eligibility documentation, the operation of those procedures did not guarantee the required eligibility determinations were made on all SSI Ex Parte members. The proposed enhancements to the Georgia Gateway eligibility system and GAMMIS, which would automate the Ex Parte eligibility determination process to ensure that Ex Parte Medicaid members terminated from SSI will have eligibility determinations completed in a timely manner, were not finalized during the fiscal year under review due to the complexity and time-consuming nature of the testing and implementation of the enhancements.

Effect:

The deficiencies in eligibility determinations resulted in noncompliance with federal regulations and questioned costs. Also, grant provisions allow the grantor to penalize DCH for noncompliance by suspending or terminating the award or withholding future awards. In addition, DCH may be providing Medicaid benefits to ineligible individuals and claiming federal reimbursement for unallowable expenditures.

Recommendation:

The DHS management should dedicate the necessary resources and execute their plan to ensure that modifications are implemented appropriately within Georgia Gateway and GAMMIS to ensure that eligibility determinations for SSI Ex Parte members are performed in a timely manner. Specifically, management should continue to provide training to new hires as planned and strengthen oversight of the DFCS eligibility determinations for SSI Ex Parte members to make certain they are being performed as required. We also recommend management consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid.

Views of Responsible Officials:

The Department (DCH) concurs with this finding and has implemented all corrective action plans.

FEDERAL AGENCY: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (*continued*)

STATE ENTITY: DEPARTMENT OF COMMUNITY HEALTH (*continued*) &
STATE ENTITY: DEPARTMENT OF HUMAN SERVICES (*continued*)

2020-034 Improve Controls over Medicaid Eligibility Redeterminations

Compliance Requirement:	Eligibility
Internal Control Impact:	Material Weakness
Compliance Impact:	Material Noncompliance
Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	None
CFDA Number and Title:	93.778 – Medical Assistance Program (Medicaid: Title XIX) 93.778 – COVID-19 – Medical Assistance Program (Medicaid: Title XIX)
Federal Award Number:	1905GA5MAP (Year: 2019), 2005GA5MAP (Year: 2020)
Questioned Costs:	\$128,130

The Department of Community Health and the Department of Human Services do not have adequate controls in place to ensure the periodic eligibility renewal procedures are performed for all Medicaid members.

Background Information:

The Department of Community Health (DCH) administers the State’s Medicaid program that provides payments for medical assistance to low-income individuals. Medicaid is one of Georgia’s largest public assistance program with federal and state funds totaling \$12 billion for fiscal year 2020 and servicing approximately 2.6 million members. The program accounts for approximately twenty-five percent of the State’s total federal award expenditures.

Eligibility for the Medicaid program is determined by the Division of Family and Children Services (DFCS), a division within the Department of Human Services (DHS), which has offices in each of the 159 counties in the State of Georgia.

Criteria:

As a recipient of federal awards, DCH is required to establish and maintain effective internal control over federal awards that provides reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Section 200.303 – Internal Controls.

Title 42 CFR Section 435.916(b) requires the State to redetermine the eligibility of Medicaid beneficiaries, with respect to circumstances that may change, at least every 12 months.

Condition:

Our audit of the Medicaid program revealed deficiencies in the performance of eligibility redeterminations for Non-Supplemental Security Income (SSI) Medicaid members. During the months of July 2019 through March 2020, DCH paid Medicaid benefits for Non-SSI members totaling \$4.9 billion for 28,217,072 claim transactions. We used a statistical sampling method to select a random sample of 67 Non-SSI Medicaid benefit payments from this population and tested the sample to determine if eligibility redeterminations were performed appropriately. We found that in one instance DFCS did not perform the required eligibility redetermination within the previous 12 months of the service period tested. While the eligibility

redetermination was processed by DFCS in September 2020 after the error was discovered by auditors and the member remained eligible for future payments, the member was not eligible during the period under review and all payments made during this time were not allowable.

During the months of April 2020 through June 2020, DCH also paid Medicaid benefits for Non-SSI members totaling \$784,294,345 for 9,730,991 claim transactions. We used a statistical sampling method to select a random sample of 67 Non-SSI Medicaid benefit payments from this population and found that all required eligibility redeterminations were performed within the previous 12 months of the service period tested.

Questioned Costs:

Known questioned costs of \$128,130 were identified for benefit payments for one Medicaid member whose eligibility was not redetermined for the fiscal year under review. The Federal and State share of the known questioned costs is approximately \$86,416 and \$41,714, respectively.

Using the population amount of \$4.9 billion, we project the likely questioned costs to be approximately \$564,640,406. The projected likely questioned cost is based on the testing of the sample of 67 Medicaid members for the July 2019 through March 2020 period. The Federal and State share of the likely questioned cost is approximately \$342,521,307 and \$222,119,099, respectively.

Cause:

The DFCS offices have procedures in place for reviewing and documenting eligibility redetermination, but the operation failed in this one instance. The Aged, Blind, and Disabled (ABD) cases are to remain open until a manager contacts the member. In this case, the ABD Medicaid member was mailed a renewal notice. However, the member did not return the renewal documentation, and the Georgia Gateway eligibility system did not generate an overdue renewal task to notify the DFCS caseworker that further follow-up was required.

Effect:

The deficiency in eligibility resulted in noncompliance with federal regulations and questioned costs. In addition, DCH may be providing Medicaid benefits to ineligible individuals and claiming federal reimbursement for unallowable expenditures. Furthermore, grant provisions allow the grantor to penalize DCH for noncompliance by suspending or terminating the award or withholding future awards.

Recommendation:

The DHS management should ensure that annual redeterminations are performed in a timely manner and that each factor of the eligibility decision is adequately supported and verified according to federal requirements. The DHS management should make modifications to Gateway, if needed, to ensure the overdue renewal tasks functionality is working as intended. We also recommend that management consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid.

Views of Responsible Officials:

The Department of Human Services, Division of Family and Children Services concurs with the finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (*continued*)

STATE ENTITY: GEORGIA INSTITUTE OF TECHNOLOGY &
STATE ENTITY: GEORGIA INSTITUTE OF TECHNOLOGY RESEARCH CORPORATION

2020-035 National Institute of Health Salary Cap Limitations

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Health and Human Services
Pass-Through Entity:	Various – See Table 2020-035
CFDA Number and Title:	Various (Research & Development Cluster) – See Table 2020-035
Federal Award Number:	Various – See Table 2020-035
Award Year:	2015, 2016, 2017, 2018, 2019, 2020
Questioned Costs:	\$54,848

The Georgia Institute of Technology and Georgia Tech Research Corporation did not have effective internal controls in place to ensure salaries paid to employees did not exceed the salary cap limitations published by the National Institute of Health.

Criteria:

Annually, the National Institute of Health (“NIH”) publishes information regarding the salary limitation for NIH awards, including flow-through awards from other institutions. The annual salary limitation is multiplied by the effort percentage allocated to the award which then generates the annual salary cap for each employee. Employees with salaries over the cap must have a companion cost share project linked to the NIH award (for reporting purposes) to cover the portion of their salary that exceeds the salary cap.

NIH Guidance on Salary Limitation for Grants and Cooperative Agreements FY 2020 – Notice Number: NOT-OD-20-065 – Single 1990, Congress has legislatively mandated a limitation on direct salary for individuals under NIH grant and cooperative agreement awards (referred to here as a grant). The mandate appears in The Further Consolidated Appropriations Act, 2020 (Public Law 116-94), signed into law on December 20, 2019, which provides authority for NIH to incur obligations for FY 2020. The Further Consolidated Appropriations Act, 2020, restricts the amount of direct salary to Executive Level II of the Federal Executive pay scale. The Office of Personnel Management has recently released new salary levels for the Executive Pay Scale. Effective January 5, 2020, the salary limitation for Executive Level II is \$197,300.

Condition:

Georgia Institution of Technology’s (“GIT” or the “Institute”) Department of Internal Audit performed audits on the effort reporting procedures for employees covered under the Plan Confirmation System with activity sponsored projects related to the fiscal year ended June 30, 2020.

From a sample of 40 employees who worked on NIH projects during the year ended June 30, 2020, 13 employees (32%) exceeded the salary cap limitation. Employees exceeded the salary cap limitations, individually, in amounts ranging from \$500 to \$13,555 for a combined total of \$54,848 in excess salaries. Nine of the employees who exceeded the salary cap limitation did not have a companion cost share project linked to their NIH award.

Schedule of Findings and Questioned Costs
Section III – Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

Questioned Costs:

Known questioned costs of \$54,848 were identified for the salaries paid in excess of NIH-imposed limitations.

Cause:

Deficiencies occurred as a result of the following factors:

- Lack of an effective control to monitor employee salary charges to NIH projects throughout the year.
- Due to the OneUSG information system being utilized by all 26 institutions in the University System of Georgia, the Institute was unable to configure the information system to implement controls that would be able to flag and monitor potential violations of salary cap limitations.

Effect:

Unallowable costs could be charged to NIH projects.

Recommendation:

It is recommended that the Institute:

- Create a resource, tool, or calculator for the campus community to utilize to proactively check whether the budgeted effort and salary towards a NIH award will cause them to exceed the salary cap limitation including how much may need to be cost shared.
- Consult with GIT’s Enterprise Data Management team to develop a report that can be utilized by the campus community to help monitor or identify potential violations of salary cap limitations.
- Update “Georgia Tech Policy 2.6.1 Salary Rate Caps” to provide current and comprehensive details regarding salary cap limitations.

Views of Responsible Officials:

We concur with this finding.

Table 2020-035

<i>Federal CFDA Number</i>	<i>Program Title</i>	<i>Name of Funder Pass-Through Entity</i>	<i>Federal Expenditures</i>	<i>Award Number(s)</i>
93.113	Environmental Health	None (Direct)	\$418,200	1R56ES026612, R00ES026620, R01ES026243
		Emory University	\$351,893	A191435, T779501
93.121	Oral Diseases and Disorders Research	None (Direct)	\$1,180,441	4R00DE022796-03, F31DE029415, R01DE019637, R01DE020100, R01DE023193, R01DE028283
		Emory University	\$77,842	T825580
93.172	Human Genome Research	None (Direct)	\$401,036	R01HG008146

Schedule of Findings and Questioned Costs
Section III – Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

State of Georgia

93.173	Research Related to Deafness and Communication Disorders	None (Direct)	\$368,848	R01DC016114, R21DC015652, UH2GM129516
93.213	Research and Training in Complementary and Integrative Health	Virginia Commonwealth University	\$75,750	PT112083-SC107082
93.242	Mental Health Research Grants	None (Direct)	\$970,650	R01MH103517, R01MH114999, R01MH117172
		Emory University	\$20,757	#A027182
		The Johns Hopkins University Applied Physics Laboratory, LLC	\$40,859	#145278
93.273	Alcohol Research Programs	Emory University	\$43,627	A175538
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	None (Direct)	\$2,094,810	1R01EB025022, 1R21EB022794, 1R21EB025499-01, 1T32EB021962-01A1, 2T32EB006343-06A1, R00EB016971, R01EB020050, R01EB023808, R01EB024322, R21EB020213, R21EB024253, R25EB025783, T32EB025816
		Cornell University	\$57	16111826-GEORGIA
		Emory University	\$445,089	A066738 (CORE 4), A073523, A084034, A180281, A180498, A249850, A325090
		Michigan State University	\$62,641	RC104170GT, RC109911-GT
		University of California, San Francisco	\$98,922	10547SC
		University of Memphis	\$22,634	5-40708
		University of Texas at Austin	\$101,403	UTA17-000428
93.307	Minority Health and Health Disparities Research	University of Utah	\$84,375	10044779-01
93.310	Trans-NIH Research Support	None (Direct)*	\$832,862	DP2HD091793, SUB00001822

Schedule of Findings and Questioned Costs
Section III – Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

State of Georgia

		Emory University	\$663,691	T951414
		Vanderbilt University	\$64,864	VUMC73117
93.350	National Center for Advancing Translational Sciences	Emory University	\$502,824	A004409, A007319, A229809, A230028
93.351	Research Infrastructure Programs	Emory University	\$173,411	T620910
93.393	Cancer Cause and Prevention Research	None (Direct)	\$111,385	1R01CA195653-01
		University of Utah	\$63,799	10044693-02, 10045740-01
93.394	Cancer Detection and Diagnosis Research	None (Direct)	\$314,815	1R21223853-01, R21CA191243
93.395	Cancer Treatment Research	None (Direct)	\$1,260,690	R01CA158598, R01CA207619, R01CA221363, R01CA237210
		University of Michigan	\$62,304	SUBK00008227
93.396	Cancer Biology Research	None (Direct)	\$1,982,454	1U01CA215848-01A1, R01CA218664, R21CA202849, R21CA232249, U01CA214354
		Emory University	-\$194	T953287
		University of Michigan	\$86,875	3004589137
93.398	Cancer Research Manpower	None (Direct)	\$75,179	F30CA224968, F31CA243345
93.837	Cardiovascular Diseases Research	None (Direct)	\$3,358,911	1DP2HL142050-01, 1R01HL140325-01A1, 1R56HL138415, 7R21HL126004, R01HL113061, R01HL124417, R01HL130619, R01HL142036, R01HL143450, R01HL144714
		Baylor College of Medicine	\$48,497	#P.O. 700000129
		Boston Children's Hospital	\$253,183	GENFD0001603570, GENFD0001664762
		Emory University	\$478,560	A022924, A092263, A101267, A179709, A21I700, A292193, T586137
		Rochester Institute of Technology	\$2,822	32433-01

Schedule of Findings and Questioned Costs
Section III – Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

State of Georgia

		Sutter Health	\$196,131	280201017-S249
		University of Virginia	\$110,155	GB10347 2133564
		UT-Battelle, LLC	\$6,413	4000128353
93.838	Lung Diseases Research	None (Direct)	\$1,220,002	1R01HL141269-01, F32HL140821, R01HL136141, R56HL142857
		Palo Alto Veterans Institute for Research	\$56,666	NIM0003-03, NIM0013-03
93.839	Blood Diseases and Resources Research	None (Direct)	\$5,993	R56136210
		Emory University	\$92,025	A035610
93.846	Arthritis, Musculoskeletal and Skin Diseases Research	None (Direct)*	\$1,188,578	1R56AR071708-01A1, R01AR062368, R01AR062920, R01AR063692, R01AR069297, R01AR071026, #SP00013208-01
		Columbia University	\$51,274	2(GG014632-01)
93.847	Diabetes, Digestive, and Kidney Diseases Extramural Research	None (Direct)*	\$273,785	R01DK119991, SP00013928-01
		Emory University	\$172,378	#T663443, A054794, T701369, T701372
		Mayo Clinic, Rochester	\$8,373	GEO- 235217/PO#65641111
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	None (Direct)	\$3,869,209	1R21NS102860-01A1, 1R21NS108391, 1R56101909-01, F32NS112556, R00NS087088, R01HL132019, R01NS096581, R01NS100928, R01NS104928, R01NS107968, R01NS109226, R01NS109978, R03NS103006, R03NS106088
		Emory University	\$651,741	A186959, A204324, A308633, T990238
		Icahn School of Medicine at Mount Sinai	\$254,167	0255-A441-4609
		Massachusetts General Hospital	\$16,472	232958
		Massachusetts Institute of Technology	\$276,268	#64620
		University of California	\$85,546	8936, 8937

Schedule of Findings and Questioned Costs
Section III – Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

State of Georgia

93.855	Allergy and Infectious Diseases Research	None (Direct)	\$1,206,243	1R21AI129477, K25AI140783, R21AI143296, U01AI124270, SP00013890-01, SP00012355-01, SP00013700-01B
		Boston University	\$72,992	#-4500002698
		Duke University	\$23,572	#2037820
		Emory University	\$840,820	A007606, A016182, A085091, A102176, A237526, AGREEMENT DTD 8/30/19, T365272, A122881, T939590, T966688, T970397
		Stanford University	\$199,829	61989439-131451
		The Scripps Research Institute	\$263,811	5-53830
		University of Alabama at Birmingham	\$150,464	000521058-001, 000521324-002
		University of Louisiana at Lafayette	\$460,152	3301361, 87100-01
		University of Louisville	\$106,336	ULRF-17-0481-01
		University of Michigan	\$83,145	3004744318
		University of Pennsylvania	\$168,766	576610
93.856	Microbiology and Infectious Diseases Research	Emory University	\$14,570	A295128
93.859	Biomedical Research and Research Training	None (Direct)	\$6,281,283	1F32GM125496, 1R01 GM101095-01A1, 1R01GM112662-01, 1R01GM112697-01, 1R01GM123169-01A1, 1R01GM123517-01, 1R35GM118039-01, 1T32GM105490-01, F31GM123662, F32GM128346, R01GM067169, R01GM088333, R01GM112882, R01GM114170, R01GM115927, R01GM116547, R01GM117400, R01GM118744,

Schedule of Findings and Questioned Costs
Section III – Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

State of Georgia

				R01GM118803, R01GM126554, R01GM128145, R01GM129119, R01GM132985, R35GM119701, R35GM119744, R35GM124846, R35GM124871, T32GM008433
		Emory University	\$0	T674760
		Harvard University	\$104,322	133233-5068506, 133286-5112927
		New York University	\$102,712	17-A1-00-007405-01
		University of Texas MD Anderson Cancer	\$13,638	3001093383
		University of Wisconsin - Madison	\$137,682	#856K520
93.865	Child Health and Human Development Extramural Research	None (Direct)	\$1,135,886	4R00HD084814-03, 5R01HD086201, R03HD097740, R61HD099745
		Emory University	\$28,766	A081027, T696074, T949806
93.866	Aging Research	None (Direct)	\$1,058,226	1R21AG056781-01A1, F31AG066410, R01AG045703, R03AG062976, R21AG061687, R21AG063131, R56AG049793, T32AG000175
		Arizona State University	\$17,461	ASUB00000294
		Emory University	\$45,703	A007350, A054728
		Mayo Clinic, Rochester	\$235,731	GEO- 233617/PO#65936217, GEO- 233617/PO#67304962,
		University of Michigan	\$254,534	SUBK00008360
		University of North Carolina	\$149,048	#5111414
		Weill Cornell Medicine	\$98,024	ADV PROJECT- SUB W/WCM
93.867	Vision Research	None (Direct)	\$1,456,922	1F31EY028832-01A1, 1R01EY030071-01, R01EY016435, R01EY021205, R01EY025286, R21EY026685

Schedule of Findings and Questioned Costs
Section III – Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

State of Georgia

		Emory University	\$245,705	#A043837, A051015, A149870, A264575
		Northwestern University	\$102,319	SP0028943- PROJ0007598
		University of Texas at Austin	\$27,234	UTA20-000161
93.989	International Research and Research Training	None (Direct)	\$2,257,611	2U19TW007401-10, F31HL145984, F32AG063460, R01AI146592, R01EB029331, R01NS115327, R21AG059942, R35GM133727, R35GM133784, R56AG063928
93.991	Preventive Health and Health Services Block Grant	None (Direct)*	\$2,555,130	1R01ED022592, 7F32DE027281-02, R13EB028127, R33ES025661, R56MH119189, SP00013700-01B, SP00013351-03
		Boston Children's Hospital	\$65,689	GENFD0001493133
		Dana-Farber Cancer Institute	\$75,142	1242101
		Emory University	\$369,874	141773, A031295, A171995, A230010, A251903, COLLABORATION AGMT DTD, T783523, T846705
		IMS Government Solutions, Inc.	\$155	2017-IMS-SC-GT001, 2017-IMS-SC-GT002
		Northwestern University	\$173,298	60047538 GIT
		PhotoSound Technologies, Inc.	\$39,631	AGR DTD 04/20/18, AGR DTD 10/01/2017
		Thrust Interactive, Inc.	\$57,263	9R44GM130282-02
		University of Louisiana at Lafayette	\$88	#330136
		University of Louisville	\$132,115	ULRF 17-0029-01
		University of Oregon	\$298,588	215830A
			\$46,842,422	
		* = Includes amounts that were originally received by another SRE.		

FEDERAL AGENCY: U.S. DEPARTMENT OF LABOR

STATE ENTITY: DEPARTMENT OF LABOR

2020-036 Improve Controls over Eligibility Determinations

Compliance Requirement:	Eligibility
Internal Control Impact:	Material Weakness
Compliance Impact:	Material Noncompliance
Federal Awarding Agency:	U.S. Department of Labor
Pass-Through Entity:	None
CFDA Number and Title:	17.225 – Unemployment Insurance 17.225 – COVID-19 – Unemployment Insurance
Federal Award Number:	UI347102055A13 (Year: 2020)
Questioned Costs:	\$14,898

The Georgia Department of Labor did not have effective internal controls in place to ensure unemployment benefit payments were made only to eligible claimants.

Background Information:

The Unemployment Insurance (UI) program, created by the Social Security Act (Pub. L. No. 74-271), provides Unemployment Compensation (UC) benefits to workers who are unemployed through no fault of their own and are seeking reemployment. To receive benefits, claimants must be able to work, available for work, and actively seeking work.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. The CARES Act was designed to mitigate the economic effects of the COVID-19 pandemic in a variety of ways, including providing additional UI provisions.

Title II, Subtitle A of the CARES Act, authorizes the following temporary UI programs:

- Federal Pandemic Unemployment Compensation (FPUC) – The FPUC program provides eligible individuals with \$600 per week in addition to the weekly benefit amount they receive from certain other UC programs.
- Pandemic Emergency Unemployment Compensation (PEUC) – The PEUC program provides up to 13 weeks of benefits to individuals who have exhausted all rights to regular compensation under state law or Federal law with respect to a benefit year that ended on or after July 1, 2019, have no rights to regular compensation with respect to a week under any other State or Federal UC law, are not receiving compensation with respect to such week under the UC law of Canada, and are able to work, available to work, and actively seeking work.
- Pandemic Unemployment Assistance (PUA) – The PUA program provides up to 39 weeks of benefits to those individuals who are not eligible for regular UC or extended benefits under State or Federal law or PEUC, including those who have exhausted all rights to such benefits.

The Georgia Department of Labor (DOL) paid out more than \$2.2 billion and \$8 billion in UC and CARES Act benefits, respectively, to over 1.3 million individuals for the fiscal year under review.

Criteria:

Section 2102 of the CARES Act provides for the payment of PUA to those qualifying as a “covered individual.” A covered individual is “an individual who is not eligible for regular compensation, or extended benefits under State or Federal law or PEUC..., including an individual who has exhausted all rights to regular unemployment or extended benefits under State or Federal law or PEUC...” A covered individual may include those who are self-employed, individuals seeking part-time employment, individuals lacking sufficient work history, or those who otherwise not qualified for regular UC, extended benefits, or PEUC.

Per Appendix I, Section C-7 of UI Program Letter (UIPL) No. 16-20, “... b. In processing claims for PUA, states must verify that individuals have no regular UI entitlement. If the individual is not eligible for regular UI because there are insufficient covered wages or the individual has an active UI claim with a definite or indefinite disqualification, then a state does not need to require the individual to file a regular UI initial claim. However, the state must have an established process whereby the individual’s ineligibility for regular UI is documented on the application. c. If the individual’s eligibility for regular UI is questionable (for example, there are wages in the base period but no claim is filed, or a job separation that has not been adjudicated), then the state must first require the individual to file a regular UI initial claim. If the individual is subsequently disqualified, then the state may consider the individual for PUA eligibility.”

Additionally, Question 13 within Attachment I to UIPL No. 16-20 Change 1 states that “the PUA WBA [weekly benefit amount] will be the amount of compensation an individual would have been paid regularly as computed under the provisions of the applicable state law, using the state’s existing wage records and any additional supporting evidence provided by the individual... However, an individual will be provided the minimum PUA WBA if the state does not have any existing wage records and he or she does not provide evidence to support a higher amount.” Further, Question 20 within Attachment I to UIPL No. 16-20 Change 1 states that “if an individual does not provide proof of CY [calendar year] 2019 (i.e., PUA base period) wages within 21 days, an individual’s WBA will be reduced based on whichever is higher – the record of wages already on file or the minimum PUA WBA. An overpayment must be established for any benefits overpaid.”

Condition:

A sample of 60 UI benefits payment transactions processed by the DOL was randomly selected for testing using a non-statistical sampling method. During our testing of 14 PUA claims within this sample, we reviewed each claimant’s UC application to verify that the claimant was not eligible for UC and subsequently reviewed each claimant’s PUA application to determine eligibility. Additionally, if there was conflicting information between the UC application and PUA application, supporting documentation was reviewed to validate the information reflected on the PUA application. The following deficiencies were identified:

- One claimant reported wages for one employer on their UC application but reported being separated from a different employer on their PUA application. This conflicting information was not appropriately investigated by DOL until discovered by the auditors. Furthermore, it was found that the claimant was paid more than the minimum PUA amount and was required to provide evidence to support the payment of a higher amount within 21 days. Though the salary match process was performed by DOL to obtain data reflected in the Georgia Department of Revenue’s records, the employer listed on the PUA application did not agree to the employer listed in the Georgia Department of Revenue’s records. Appropriate documentation to support amounts paid to this claimant was not obtained until January 27, 2021 when discovered by auditors. While it was eventually determined that the amounts paid to this claimant were allowable, the claimant was not eligible to receive amounts in excess of the minimum during the period under review and this resulted in an overpayment of \$2,376 from the PUA program.

- One claimant reported wages that ended in December 2019 within the UC system but stated that their employment ended in March 2020 on their PUA application. This conflicting information was not appropriately investigated by DOL until discovered by the auditors.
- Three claimants were eligible to receive benefit payments under the PEUC program but were paid under the PUA program. While a total of \$4,276 was paid from the incorrect program, no net overpayments occurred as a result of these errors.

In addition, upon review of a sample of benefit payment transactions to determine if the Benefits Expense amount was reported appropriately within the Unemployment Compensation Fund (UCF), the following deficiencies were identified:

- One claimant was determined to be eligible for regular UC by DOL. However, the claimant was considered to be self-employed, and the claim should have been for PUA, rather than regular UC. This resulted in an overpayment of \$130 for the week selected for testing and a total overpayment of \$9,490.
- One claimant did not have an appropriate eligibility determination for the week associated with the transaction tested. This resulted in an overpayment of \$330 for the week selected for testing and a total overpayment of \$930.
- Per review of one claimant's PUA application, they ceased employment before PUA was available for payment. Once this information was discovered by the auditors, DOL performed an investigation and obtained appropriate documentation to validate the correct date on which the claimant actually ceased employment; however, it was noted by auditors that the claimant was paid for periods before this adjusted date. This resulted in an overpayment of \$149 for the week selected for testing and a total overpayment of \$1,643 for all weeks for which the claimant was paid prior to the date on which they reported their employment was affected by the pandemic.
- One claimant reported wages on their PUA application and, based upon this disclosure, was paid a weekly benefit amount that exceeded the minimum amount. However, the claimant did not provide documentation to support the wages reported on the application within 21 days as required. This documentation was not obtained by the DOL until March 17, 2021 upon being discovered by auditors in January 2021. While it was eventually determined that the amounts paid to this claimant were allowable, the claimant was not eligible to receive amounts in excess of the minimum during the period under review. This resulted in an overpayment of \$27 for the week selected for testing and a total overpayment of \$459.

Questioned Costs:

Known questioned costs of \$2,376 were identified for the claimant who did not submit appropriate documentation within 21 days to receive PUA payments in excess of the minimum amount, and known questioned costs of \$12,522 were identified upon review of the Benefits Expense balance reported in the UCF for additional regular UC and PUA payments in excess of the claimants' eligibility. Using the population of UC payments associated with the CARES Act, which totaled \$6,220,521,193, and the known questioned costs of \$2,376 associated with the claimant who did not submit appropriate documentation within 21 days to receive PUA payments in excess of the minimum amount, we project likely questioned costs to be approximately \$40,429,789.

Cause:

Due to the unprecedented volume of UC claims related to the COVID-19 pandemic and the short time in which to implement the CARES Act programs with limited guidance, existing controls over claims processing were modified and/or eliminated. In addition, the DOL did not have adequate controls to identify or a process in place to redetermine the weekly benefit amount for claimants who did not submit appropriate documentation to substantiate stated wages on the PUA application and received payments in excess of the minimum. Furthermore, the PUA program was implemented within the DOL’s information system prior to the PEUC program and individuals were inappropriately allowed to receive to PUA payments before eligibility for the PEUC program was determined.

Effect:

Without effective controls, the DOL increases its risk of providing benefits to ineligible claimants and not detecting improper payments. The deficiencies in eligibility determinations also resulted in noncompliance with federal regulations and questioned costs. While funds for UC, FPUC, PUA and PEUC benefit payments are not provided to states through grant awards, states are awarded funds to administer these programs. Grant provisions allow the grantor to penalize DOL for noncompliance by suspending or terminating the award or withholding future awards. This may prevent eligible individuals from receiving benefits in the future.

Recommendation:

The DOL management should develop and implement internal controls over eligibility and claims processing to ensure procedures are consistently enforced and operating effectively. Management should also provide training on procedures for processing unemployment claims for new programs created by the CARES Act. In addition, strong monitoring controls should be implemented to ensure that the DOL achieves its objectives in complying with the eligibility requirements for the various UC programs.

Views of Responsible Officials:

We concur with the finding.

After review of the cases, we find the following:

1. One claimant reported wages for one employer on their UC application but reported being separated from a different employer on their PUA application. This conflicting information was not appropriately investigated by DOL until discovered by the auditors. Furthermore, it was found that the claimant was paid more than the minimum PUA amount and was required to provide evidence to support the payment of a higher amount within 21 days. Though the salary match process was performed by DOL to obtain data reflected in the Georgia Department of Revenue’s records, the employer listed on the PUA application did not agree to the employer listed in the Georgia Department of Revenue’s records. Appropriate documentation to support amounts paid to this claimant was not obtained until January 27, 2021 when discovered by auditors. While it was eventually determined that the amounts paid to this claimant were allowable, the claimant was not eligible to receive amounts in excess of the minimum during the period under review and this resulted in an overpayment of \$2,376 from the PUA program.

GDOL Response: An overpayment is not in order given the documentation available on the Department of Revenue interface. As indicated by USDOL, “The PUA WBA will be the amount of compensation an individual would have been paid regularly as computed under the provisions of the applicable state law, using the state’s existing wage records and any additional supporting evidence provided by the individual. The state may use their interface to verify wages and compute the PUA WBA in lieu of claimant documentation.”

2. One claimant reported wages that ended in December 2019 within the UC system but stated that their employment ended in March 2020 on their PUA application. This conflicting information was not appropriately investigated by DOL until discovered by the auditors.

GDOL Response: Claimant provided sufficient proof by the deadline that she was scheduled to begin work again with the film industry in March 2020 but could not due to COVID. Claimant’s work was affected by COVID; therefore, she is eligible for PUA benefits. Federal regulations, found in Unemployment Insurance Program Letter 16-20 state an individual who was scheduled to start a job but could not due to COVID is eligible to receive PUA and FPUC accordingly.

3. One claimant reported wages on their PUA application and, based upon this disclosure, was paid a weekly benefit amount that exceeded the minimum amount. However, the claimant did not provide documentation to support the wages reported on the application within 21 days as required. This documentation was not obtained by the DOL until March 17, 2021 upon being discovered by auditors in January 2021. While it was eventually determined that the amounts paid to this claimant were allowable, the claimant was not eligible to receive amounts in excess of the minimum during the period under review. This resulted in an overpayment of \$27 for the week selected for testing and a total overpayment of \$459.

GDOL Response: An overpayment is not in order given the documentation available on the Department of Revenue interface. As indicated by USDOL, “The PUA WBA will be the amount of compensation an individual would have been paid regularly as computed under the provisions of the applicable state law, using the state’s existing wage records and any additional supporting evidence provided by the individual. The state may use their interface to verify wages and compute the PUA WBA in lieu of claimant documentation.”

Auditor’s Concluding Remarks:

The DOL states that various documentation was obtained to address ineligible payments identified by the auditors; however, documentation was not obtained within the appropriate timeframe. After completing our testing over benefits payments and associated eligibility criteria in January 2021, we provided the results of this testing to the DOL management and gave the DOL the opportunity to provide additional documentation for our review. Based on the DOL’s response and information provided, auditors reduced the number of errors noted. On January 27, 2021, the DOL confirmed that the remaining errors noted by auditors should be reported as ineligible payments. On March 29, 2021 additional documentation was provided by the DOL to address several of these errors. Auditors reduced the dollar amount of ineligible payments based upon the updated documentation provided by the DOL.

In all cases disputed by the DOL within the “Views of Responsible Officials” above, appropriate documentation to support eligibility was obtained from claimants after testing was performed and issues were noted by the auditors. The auditors acknowledge when DOL followed up on the issues identified, the results yielded these claimants were eligible for benefits. However, at the point when audit procedures were performed, DOL did not have the appropriate documentation to confirm eligibility as required, which signifies a control issue.

While the DOAA appreciates the efforts made by the DOL in following up on the issues noted by auditors, the errors noted by auditors related to the testing of a sample of claimants who received UC payments during fiscal year 2020. Audit sampling is the process of selecting a number of items that are expected to be representative of the overall population for testing with all items in the population having an opportunity to be selected, allowing for the results of the sample testing to be projected to the entire population. Though auditors noted problems with a small number of claimants tested via sampling, the projected effect of the issues identified is significant to the overall population of claimants who received UC payments during the

period under review. Further, though the DOL subsequently followed up on issues noted within the sample by the DOAA, these same errors are likely present in the remaining population of UC recipients that were not selected for testing by auditors and were not corrected.

The Georgia Department of Audits and Accounts (DOAA) acknowledges the overwhelming burden placed on the DOL during the last quarter of fiscal year 2020 due to the effects of the COVID-19 pandemic and the urgency with which payments were made to the unemployed citizens of Georgia. However, given the comments above, we reaffirm our finding and will review the status of the DOL's corrective actions during our next audit.

FEDERAL AGENCY: U.S. DEPARTMENT OF LABOR *(continued)*

STATE ENTITY: DEPARTMENT OF LABOR *(continued)*

2020-037 Strengthen Logical Access Controls

Compliance Requirement:	Eligibility
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Labor
Pass-Through Entity:	None
CFDA Number and Title:	17.225 – Unemployment Insurance 17.225 – COVID-19 – Unemployment Insurance
Federal Award Number:	UI347102055A13 (Year: 2020)
Questioned Costs:	None Identified

The Georgia Department of Labor should strengthen logical access controls over the unemployment insurance system.

Background Information:

See Financial Statement Finding 2020-007.

Criteria:

See Financial Statement Finding 2020-007.

Condition:

See Financial Statement Finding 2020-007.

Cause:

See Financial Statement Finding 2020-007.

Effect:

See Financial Statement Finding 2020-007.

Recommendation:

See Financial Statement Finding 2020-007.

Views of Responsible Officials:

The Department concurs in part with this finding:

- a. *The Department agrees that the objective of the logical controls process is to avoid the unnecessary risk of unauthorized access to the unemployment insurance and possible manipulation or loss of data.*
- b. *GDOL agrees that 17 out of 25 system users tested had various access and permissions associated with some roles that were not required for their normal job roles and responsibilities.*
- c. *Further analysis of the 17 identified users resulted in the following breakdown:*
 - i. *Several transactions should have been classified as belonging to a role group, access granted to users through a group based on role is deemed appropriate by the group owner.*
 - ii. *14 users had 0 executions of any of the identified transactions*

- iii. 1 user had 1 execution of a single transaction that was approved by a different manager during the 2019 user review*
- iv. 1 user executed 3 transactions multiple times; manager indicated access should have been appropriate*
- v. 1 user executed 3 transactions multiple times - this was a new user that had been set up with access provisioned as directed by the manager, but upon redirect the manager indicated access was inappropriate for the 3 transactions in question; this situation would have likely been resolved by the annual user access review*
- d. Information Technology performs annual global access monitoring, which serves to further mitigate any risk of unauthorized access to systems within the Department network.*
- e. The Information Technology division enhanced the annual transaction access review in FY19 to include a biennial role design review with the appropriate business units to insure transactions assigned to the role continue to be appropriate based on job responsibilities and business functions.*
- f. Due to the COVID pandemic, GDOL was faced with multiple priorities to process unemployment benefits. Due to the state of emergency put in place by the Governor, resources were not available to conduct the annual user access review, normally scheduled between April/May. Although several attempts were made to schedule the review, the unprecedented number of claims received and processed prevented the review from being performed before the end of the fiscal year.*
- g. The Department agrees that certain enhancements as detailed in the Corrective Action Plan will further improve our current process.*

Auditor’s Concluding Remarks:

We thank the Department’s Information Technology Division for its cooperation and assistance throughout the audit.

During our audit we presented DOL management with the results of our logical access controls testing and gave the DOL the opportunity to provide additional documentation for our review. In addition to having access to the system through groups, each of the 17 system users identified in the condition had inappropriate permissions to the system directly provisioned to the user, which is outside of a group. When these inappropriate permissions provisioned to the 17 users were brought to the attention of DOL by the auditors, management confirmed the access was inappropriate and removed the access from all 17 users.

The 25 system users selected for testing are expected to be representative of 1164 system users that have the ability to make changes within the system. All users in this population had the equal opportunity to be selected for testing, and therefore there is a potential for additional system user access deficiencies that were not identified during testing.

The Georgia Department of Audits and Accounts (DOAA) acknowledges the overwhelming burden placed on the DOL during the last quarter of fiscal year 2020 due to the effects of the COVID-19 pandemic and the urgency with which payments were made to the unemployed citizens of Georgia. In addition, DOAA understands that the DOL Information Technology Division may not have had the time or resources during the course of the audit to perform further analysis on the types of transactions the users may have executed during the audit period as mentioned in the Views of Responsible Officials. However, it should also be noted that DOAA has not received audit evidence since the completion of audit field work to support the further analysis described in the Views of Responsible Officials above. Given the lack of additional audit evidence and our comments above, we reaffirm our finding and will review the status of the DOL’s corrective actions during our next audit.

FEDERAL AGENCY: U.S. DEPARTMENT OF LABOR *(continued)*

STATE ENTITY: DEPARTMENT OF LABOR *(continued)*

2020-038 Improve Controls over the Identification and Recording of Overpayments

Compliance Requirement:	Reporting Special Tests and Provisions
Internal Control Impact:	Material Weakness
Compliance Impact:	Material Noncompliance
Federal Awarding Agency:	U.S. Department of Labor
Pass-Through Entity:	None
CFDA Number and Title:	17.225 – Unemployment Insurance 17.225 – COVID-19 – Unemployment Insurance
Federal Award Number:	UI347102055A13 (Year: 2020)
Questioned Costs:	None Identified

The Georgia Department of Labor did not maintain adequate controls over the identification and recording of benefit overpayments associated with the Unemployment Insurance programs created by the CARES Act.

Background Information:

See Financial Statement Finding 2020-008.

Criteria:

See Financial Statement Finding 2020-008.

Condition:

See Financial Statement Finding 2020-008.

Cause:

See Financial Statement Finding 2020-008.

Effect:

See Financial Statement Finding 2020-008.

Recommendation:

See Financial Statement Finding 2020-008.

Views of Responsible Officials:

We concur with the finding.

Effect: Inaccurate reports were also filed with the U. S. Department of Labor.

GDOL Response: The reports submitted were not inaccurate but compliant with the direction of the USDOL until the pending federal reporting program is implemented for the CARES Act programs. The reports will be updated when the programming is complete as required by USDOL.

Due to the lack of controls, there is an increased risk for fraudulent claims and improper benefits paid during the last quarter of fiscal year 2020.

GDOL Response: Prior to enactment of the CARES Act programs, GDOL had internal controls to verify identities with the Social Security Administration (SSA) as well as the detection and suspension of payments

on accounts where more than two claimants attempted to use the same bank account for direct deposit of unemployment benefits. Additionally, verification of identity is also conducted when claims are filed with a cross match interface with the Georgia Department of Driver Services.

The ID.me, identity verification tool, was also implemented in July 2020 initially to require the verification of identity of individuals where suspicious and potential fraudulent activity was detected.

Identifying duplicate bank accounts systematically, as well as duplicate email addresses and telephone number were incorporated into the ID.me workflow which automated the process of suspending benefit payments, generating correspondence notifying the claimant to complete an identity verification and update their preferred payment information before payments could resume or be paid for individuals who were not already receiving benefits.

Claimants who have an established benefit year end date of July 1, 2019 or later, which includes claims filed March 2020 and forward, were systematically checked to identify claims with duplicate emails, telephone numbers, and bank accounts. Benefits were suspended on impacted claimants and they were notified of necessary actions to resolve these issues including identity verification through ID.me. Affected claimants are provided a timeframe to meet the requirement before benefits are denied by a written determination. This process is now run every night to identify new claims filed meeting the defined criteria for suspicious activity.

In January 2021, the Department implemented the Integrity Data Hub (IDH) Identity (ID) Verification exchange as a first level identity verification first to individuals applying for and receiving Pandemic Unemployment Assistance (PUA) and are in the process of phasing in claimants requesting unemployment benefits on all other UI programs. Individuals who do not meet the conditions to satisfy the ID verification requirement are referred to the ID.me process as a secondary, more stringent process to verify identities.

Additionally, a staff application is available for staff to identify whether other claims with same contact information to include the mailing and residential addresses exist in the benefits

An online fraud reporting system is available and continuously expanded for individuals to report suspicious, fraudulent activity using their personal information without authorization, tips/leads about individuals who may be committing unemployment fraud, and more. Based on the nature of the report, benefits are suspended and an investigation is conducted to determine appropriate next actions by the Department which may include establishing overpayments, imposing fraud penalties, etc.

The ability to release eligibility determinations was implemented with the PUA application and processes in April 2020. A denial determination is and will continue to be released when an individual receiving unemployment benefits is later determined not eligible. These claims were documented on a list maintained by the Overpayment Unit until the functionality to establish overpayments became available.

When fraudulent activity is detected at any juncture of the claims process, all information available is documented and notice of a work item is sent to the Overpayment Unit to conduct an official investigation for overpayment and/or fraud. Instances involving false information about employment and/or wages result in a redetermination of eligibility, as appropriate, in addition to the overpayment investigation.

Unemployment Insurance Program Letter 01-16 states “in order to be eligible to receive administrative grants, a state must do the following in context of identifying and establishing improper payments...continue to make timely UC payments (if due) and wait to commence recovery of overpayments until an official determination of ineligibility is made...”

The overpayment system was implemented February 21, 2021 to accommodate the CARES Act program. In the interim while these programs were being programmed, as overpayments were detected and fraud was identified and investigated, a list of claimants was maintained by the Overpayment Unit. This was to track these activities to ensure fraud and non-fraud determinations will be established in the system when the programming was implemented.

Auditor’s Concluding Remarks:

The DOL states that the ETA 227 and ETA 902P reports submitted were not inaccurate. While the reports may have agreed to the overpayments data reflected on the DOL’s internal, detailed records, the reports reflect zero balances for overpayments associated with CARES Act UI programs for the periods reviewed. The DOL additionally states amended reports will be submitted supporting the auditors’ conclusion that overpayments were not identified appropriately or timely.

In addition, as reflected in the finding details and in the DOL’s response within the “Views of Responsible Officials” above, modifications to the existing overpayment system, which would allow for the identification and tracking of UC overpayments associated with CARES Act programs, were not implemented until February 21, 2021. While the Georgia Department of Audits and Accounts (DOAA) acknowledges that many controls have been implemented to improve the identification, tracking, and reporting of overpayments for the CARES Act UI programs since June 30, 2020, these controls were not implemented until almost eight months after fiscal year-end, and potential overpayments still had not been fully analyzed by the DOL as of the last date of fieldwork. Therefore, the DOAA was unable to gain sufficient appropriate audit evidence to determine the magnitude of the unreported payable and receivable amounts associated with overpayments.

Furthermore, the DOL references verbiage reflected in Unemployment Insurance Program Letter (UIPL) No. 01-16 as follows, “in order to be eligible to receive administrative grants, a state must do the following in context of identifying and establishing improper payments...continue to make timely UC payments (if due) and wait to commence recovery of overpayments until an official determination of ineligibility is made...” This UIPL was issued “to remind state agencies of the requirements of Federal law pertaining to protecting individual rights in state procedures to prevent or recover unemployment compensation (UC) overpayments.” Therefore, auditors do not believe that the guidance is intended to address the state agencies’ obligation to identify overpayments initially but rather their obligation to protect claimants while preventing and recovering overpayments. The fact remains that the DOL did not have adequate procedures in place to make official determinations of ineligibility and overpayments associated with CARES Act UI programs during the period under review or within a reasonable amount of time after fiscal year-end.

We reaffirm our finding and will review the status of the DOL’s corrective actions during our next audit.

FEDERAL AGENCY: U.S. DEPARTMENT OF LABOR *(continued)*

STATE ENTITY: DEPARTMENT OF LABOR *(continued)*

2020-039 Follow Established Controls over the Benefits Accuracy Measurement Program

Compliance Requirement:	Special Tests and Provisions
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of Labor
Pass-Through Entity:	None
CFDA Number and Title:	17.225 – Unemployment Insurance 17.225 – COVID-19 – Unemployment Insurance
Federal Award Number:	UI298361755A13 (Year: 2017), UI312881855A13 (Year: 2018), UI325941955A13 (Year: 2019), UI340532055A13 (Year: 2020)
Questioned Costs:	None Identified

The Georgia Department of Labor (DOL) should follow established procedures for the Benefits Accuracy Measurement (BAM) program.

Background Information:

The Unemployment Insurance (UI) program, created by the Social Security Act (Pub. L. No. 74-271), provides Unemployment Compensation (UC) benefits to workers who are unemployed through no fault of their own and are seeking reemployment. To receive benefits, claimants must be able to work, available for work, and actively seeking work.

State UI funds are deposited into the Unemployment Trust Fund (UTF) in the U.S. Treasury, primarily to be used to pay UI program benefits under the federally approved State unemployment law. Accordingly, expenditures of both state and federal unemployment insurance funds are included in the total expenditures for the UI program as reported in the State’s Schedule of Expenditures of Federal Awards (SEFA).

Criteria:

The BAM program is DOL’s quality control system designed to assess the accuracy of UI benefit payments and denied claims unless the State Workforce Agency (SWA) is excepted from such requirement (20 CFR section 602.22). The SWA’s BAM unit is required to draw a weekly sample of payments and denied claims and complete prompt and in-depth case investigations to determine the degree of accuracy and timeliness in the administration of the State UC law and federal programs with respect to benefit determinations, benefit payments, and revenue collections (20 CFR section 602.21(c)).

In addition, the BAM State Operations Handbook (ET Handbook No. 395) states on page VI-10 that “each completed case must contain a Summary of Investigation. Each SWA must develop a format which includes, at a minimum, a narrative that explains the pertinent facts of the case: the basis for any decision that an error was made and any complexities of the case, e.g., difficulty obtaining information, evaluation of statements taken (i.e. how the investigator resolved a conflict in statements or why one party was found to be more credible the other), reasons for delay, or any special circumstances that occurred. Alternately, this may be satisfied by appropriate reference to explanations elsewhere in the case file. The summary should not introduce any new information. In other words, the summary must be substantiated by documentation in the case file. The investigator must sign and date the document.”

Furthermore, as a recipient of federal awards, DOL is required to establish and maintain effective internal control over federal awards that provides reasonable assurance that it is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 CFR 200.303, Subpart D of the Uniform Guidance.

Condition:

Our audit of the UI program revealed deficiencies in the operation of internal controls over the BAM program. We identified a total of 711 paid and denied BAM cases for the fiscal year under review. From this population, a sample of 60 cases was randomly selected for testing using a non-statistical sampling method. The following deficiencies were identified:

- For seven cases, a Summary of Investigation form or narrative was not completed.
- For six cases, a typed Summary of Investigation form was completed, but these forms were not signed or dated, as required.

Cause:

While DOL has procedures in place for completing a signed and dated Summary of Investigation form for each case file that they review, the cases selected by the auditors for testing were completed during a period of transition in BAM management, which led to the breakdown in the completion of the Summary of Investigation documentation.

Effect:

The deficiencies in BAM investigation procedures resulted in noncompliance with federal regulations. In addition, though no UC claim decisions associated with the BAM cases tested were found to be inappropriate, failure to perform established quality control procedures may result in benefit payments to ineligible recipients or the denial of benefits to eligible recipients. Furthermore, grant provisions allow the grantor to penalize DOL for noncompliance by suspending or terminating the award or withholding future awards. This may prevent eligible individuals from receiving benefits.

Recommendation:

The DOL management should strengthen internal controls over BAM investigations to ensure its established policies and procedures are consistently followed and operating effectively. In addition, DOL should develop a plan to address the performance of controls when management transitions occur.

Views of Responsible Officials:

The Department concurs with this finding.

FEDERAL AGENCY: U.S. DEPARTMENT OF THE TREASURY

STATE ENTITY: OFFICE OF THE GOVERNOR

2020-040 Improve Internal Controls Activities over the Coronavirus Relief Fund

Compliance Requirement:	Activities Allowed or Unallowed Allowable Costs/Cost Principles Reporting
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	U.S. Department of the Treasury
CFDA Number and Title:	COVID-19 - 21.019 – Coronavirus Relief Fund
Federal Award Number:	None Provided (Year: 2020)
Questioned Costs:	\$219,904

The Governor’s Office of Planning and Budget should strengthen internal controls to ensure that appropriate reviews and approvals occur and adequate documentation is maintained for expenditures and reporting related to the Coronavirus Relief Fund.

Background Information:

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. The CARES Act was designed to mitigate the economic effects of the COVID-19 pandemic in a variety of ways, including providing additional funding for State, Local, and Tribal governments navigating the impact of the COVID-19 outbreak.

Title VI, Section 601 of the CARES Act appropriated \$150 billion to States, Tribal governments and units of local government through the establishment of the Coronavirus Relief Fund (CRF). Of this funding, the State of Georgia received \$3.5 billion. The Governor’s Office of Planning and Budget (OPB) was designated as the custodian of the CRF funds for the State of Georgia and was charged with reviewing and approving expenditures and disbursing reimbursements for this expenditure activity to the various State agencies.

The State of Georgia is also required to report details associated with these expenditures to the U.S. Department of the Treasury’s Office of Inspector General. The information is submitted through the GrantSolutions portal and reflected on the quarterly Financial Progress Report. This data is provided to the Pandemic Response Accountability Committee (PRAC) and published on its website, as well.

CRF funds totaling \$315.1 million were expended and reported on the State of Georgia’s *Schedule of Expenditures of Federal Awards* (SEFA) for fiscal year 2020.

Criteria:

As a recipient of federal awards, the OPB is required to establish and maintain effective internal controls over federal awards that provide reasonable assurance of managing the federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards pursuant to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Section 200.303 – Internal Controls.

Additionally, Title VI, Section 601(d) of the CARES Act as amended by the Consolidated Appropriations Act of 2021 provides guidance for the use of CRF funds and states: A State, Tribal government, and unit of local government shall use the funds provided... to cover only those costs of the State, Tribal government, or unit of local government that – (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); (2) were not accounted for in the budget most recently approved as of the date of enactment of this section for the State or government; and (3) were incurred during the period that begins on March 1, 2020 and ends on December 31, 2021.

Condition:

Our audit of the CRF program revealed deficiencies in the expenditure review process. The process included consideration of requirements and review by both the state agency incurring the expense and the OPB, the defined recipient with responsibility for the administration of the funds. We were told that the internal control review for the allowability of the expenditures consisted of informal conversations that were held between state agencies requesting funds and the OPB; however, this process was not documented, and no evidence was available for review.

A total of 162 expenditure transactions were selected for testing using non-statistical sampling methods. Deficiencies were noted through testing as follows:

Auditors found that six indirect cost expenditures totaling \$219,904 were charged to the program. DOAA does not believe that these types of expenditures satisfy the original requirements of the CRF program as reflected in the CARES Act. Specifically, the CARES Act states that CRF funds must be used for costs that “are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19).” Further, the CRF FAQ document issued on May 4, 2020 states, “The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency.” The general nature of indirect costs and the documentation provided does not allow the auditor to determine that these costs were necessary due to the effects of the pandemic.

The U.S. Department of the Treasury re-published previously issued guidance in relation to the Coronavirus Relief Fund for States, tribal governments, and certain eligible local governments in Federal Register Notice, Volume 86, Number 10, which states, in part: Payments from the Fund are not administered as part of a traditional grant program and the provisions of the Uniform Guidance, 2 CFR part 200, that are applicable to indirect costs do not apply. Recipients may not apply their indirect costs rates to payments received from the Fund reaffirming our position on the unallowable nature of the aforementioned expenditures.

In addition, it was noted upon review of the Financial Progress Report submitted for the period ending June 30, 2020 that while a reconciliation was performed to compare amounts per the accounting records and various supporting documentation to the amounts reflected on the Financial Progress Report, no evidence existed for the review and approval process performed by OPB management when submitting the final Financial Progress Report.

Questioned Costs:

Known questioned costs of \$219,904 were identified for the six unallowable indirect cost expenditures included in the expenditure samples. Using the population of CRF expenditures, which totaled \$315,079,890, we project the likely questioned costs to be approximately \$1,249,846.

Cause:

There were no formal internal control review and approval processes documented, as noted above, during the early stages of the Cares program due to the need for a quick response to the public health emergency.

Additionally, management asserts that the questioned costs were allowable expenditures under the program guidelines.

Effect:

If applicable internal controls are not documented and operating appropriately, the OPB increases its risk of unallowable expenditures.

The unallowable payments identified by auditors resulted in potential noncompliance with federal regulations and questioned costs.

Furthermore, though it does not appear that inappropriate information was transmitted on the Financial Progress Report and published on the PRAC website, this could occur if appropriate review and approval procedures are not documented and functioning properly.

Recommendation:

The OPB should consult with the grantor to discuss whether the questioned costs identified in the audit should be repaid or if funds can be retained to cover alternative allowable expenditures.

Recognizing the need for additional management and internal controls, OPB procured and implemented a grants management system that would provide the capability to collect documentation, to perform expenditure reviews, and to disburse CRF funds to state agencies on a reimbursement basis. The OPB should continue to ensure that internal controls implemented in the newly-established reimbursement system are operating appropriately to provide adequate supporting documentation for all expenditures and review of each expenditure for compliance with grant program requirements.

The OPB management should also ensure that evidence of supervisory review and approval of the Financial Progress Report is maintained on-file.

Views of Responsible Officials:

The Governor's Office of Planning and Budget (OPB) does not concur with this finding.

OPB does not agree with the deficiencies identified in the finding and does not agree with the underlying criteria used by the auditors to determine questioned costs within the CRF program. It is important to note, for perspective, that the first months of this grant that fell during the finding's audit period, OPB was operating during an unprecedented pandemic emergency. The federal government's intent was to provide states with the resources necessary to combat the pandemic as quickly as possible; however, the CRF funds were released from the Federal government with very little guidance, except for the broad wording contained in the CARES Act itself.

OPB continuously and carefully reviewed guidance as it was released by the federal government while also simultaneously working closely with those State agencies most able to help combat the pandemic to quickly stand-up testing sites, procure personal protective equipment, provide for surge medical needs, amongst other activities. OPB directed those agencies working on these initiatives to record those expenses against the allocated CRF funds as state funds appropriated for FY 2020 were insufficient to meet the level of expense agencies incurred during the emergency. OPB also set up a process to receive and review CRF reimbursement requests using data available through TeamWorks and required budget amendments to be submitted for review and approval within OPB's Planning and Budget Cloud Services (PBCS) system. Based on OPB's review of the expenses and federal guidance available at the time the expenses were incurred, OPB did in some instances direct agencies to rerate expenses that were deemed unallowable from CRF to other fund sources.

OPB would like to highlight that the reference in the finding to the Federal Register relating to indirect costs is not applicable, as this guidance was not issued until September 2, 2020, which is after both the when the questioned expenses were incurred and after the period under audit.

The six indirect costs expenditures totaling \$219,904 identified in the finding as questioned costs were recorded by Department of Public Health (DPH) in May or June of 2020. DPH was one of the main agencies combatting this pandemic, and DPH staff was re-directed from other grant programs that have historically generated funds to cover the indirect costs of operating the public health departments. As those activities were temporarily halted, the funding from those programs was not available to cover those ongoing administrative expenses necessary to continue department operations. At the time the expenses were incurred, there was no guidance issued by the grantor indicating that indirect costs would not be reimbursable under the CRF program, and traditionally grants generally allow for reimbursement of some indirect expenses. Therefore, there was no reason for OPB to anticipate indirect costs to later be deemed not reimbursable by the grantor. OPB would like it cited, that the amount of the deficiencies identified in the finding are less than .2% (questioned costs of \$219,904 out of \$131.7 million tested), and even considering the projected amount, the total error rate is less than .4% (questioned costs of \$1.2 million out of \$315.1 million received).

Additionally, regarding the Financial Progress Report, the Director of Administration and Deputy Director have reviewed each report prior to submission. For perspective, there were numerous factors impacting the report for the period ending June 30, 2020. Specifically, staff that would normally review and approve the reports had to also enter information in the system, as there was very little time to manually enter numerous data fields in a system newly established by the grantor which did not provide a data upload process. Additionally, OPB would like to clarify that other agencies, such as the State Accounting Office, assisted in gathering the underlying data and reconciliation of this report.

Auditor’s Concluding Remarks:

The Georgia Department of Audits and Accounts (DOAA) acknowledges the overwhelming burden placed on various State agencies, including the OPB, during the last quarter of fiscal year 2020 due to the effects of the COVID-19 pandemic and the urgent response necessary. Additionally, clarifying guidance associated with the CRF program has been issued in numerous instances since the CARES Act was initially signed into law. While the clarifying guidance specific to indirect cost expenditures was not published until September 2, 2020, the indirect cost expenditures in question were not approved for reimbursement by the OPB until well after this date. Furthermore, the criteria cited within the finding above is the original text from the CARES Act. A reference to the Federal Register notice, which codified the aforementioned guidance associated with indirect cost expenditures, was included within the finding’s condition to provide additional support for the DOAA’s assertion that the initial directives reflected in the CARES Act would not have allowed for the use of CRF monies in this manner.

While the known and likely questioned costs identified by the DOAA for unallowable indirect cost expenditures may appear to be insignificant in comparison to the overall CRF program expenditures, the Uniform Guidance Section 200.515 requires auditors to report as audit findings instances in which known and/or likely questioned costs identified in major program testing exceed \$25,000. Furthermore, a questioned cost is defined within the Uniform Guidance Section 200.85 as “a cost that is questioned by the auditor because of an audit finding: (a) Which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award...; (b) Where the costs at the time of the audit, are not supported by adequate documentation; or (c) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.” In this case, auditors noted a violation or possible violation of the provisions reflected in the CARES Act and identified costs in excess of \$25,000 associated with this violation.

As stated within the finding's condition, auditors were able to review the Financial Progress Report reconciliation performed by the OPB and SAO staff; however, no evidence of supervisory review and approval of this reconciliation or the Financial Progress Report itself was maintained on-file. As reflected in the finding's criteria, recipients of federal awards are required to establish and maintain effective internal controls over all applicable compliance requirements. Provisions included in the Uniform Guidance Section 200.514 require auditors to test these internal controls, and when internal controls cannot be tested or are deemed ineffective, issue a significant deficiency or material weakness finding.

We reaffirm our finding and will review the status of the OPB's corrective actions during our next audit.

VARIOUS FEDERAL AGENCIES

STATE ENTITY: GEORGIA INSTITUTE OF TECHNOLOGY *(continued)* &
STATE ENTITY: GEORGIA INSTITUTE OF TECHNOLOGY RESEARCH CORPORATION
(continued)

2020-041 Subrecipient Monitoring

Compliance Requirement:	Subrecipient Monitoring
Internal Control Impact:	Significant Deficiency
Compliance Impact:	Nonmaterial Noncompliance
Federal Awarding Agency:	Various – See Table 2020-041
Pass-Through Entity:	None
CFDA Number and Title:	Various (Research & Development Cluster) – See Table 2020-041
Federal Award Number:	Various – See Table 2020-041
Award Year:	2015, 2016, 2017, 2018, 2019, 2020
Questioned Costs:	None Identified

The Georgia Institute of Technology and Georgia Tech Research Corporation did not have effective internal controls in place to ensure that documentation was maintained to evidence compliance with federal regulations related to certain subrecipient monitoring activities.

Criteria:

As defined in 2 CFR section 200.331, a pass-through entity must (following is not a complete listing):

- Provide required information includes all requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award and any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency.
- Evaluate each subrecipient’s risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.
- Consider imposing specific subaward conditions upon a subrecipient if appropriate, and
- Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.

Condition:

Georgia Institution of Technology’s (“GIT” or the “Institute”) Department of Internal Audit performed audits on the subcontract, subaward, and subrecipient monitoring process for active subawards related to the fiscal year ended June 30, 2020.

The Institute’s Department of Internal Audit selected 40 active subawards in the year ended June 30, 2020, of which 35 were federally funded and 11 met the threshold for a required Single Audit. Out of those 11:

- Four (36%) of the subrecipients did not have either a Single Audit on file or documentation of where a Single Audit was reviewed.
- One subrecipient certified that their Single Audit had not yet been completed and would be ready by a specific date. It was not evident whether the Single Audit was ever received or followed up on.

- One subrecipient certified that their Single Audit had significant deficiencies identified in internal controls over their federal awards program; however, there was a lack of an action plan in place and the Contracting Officer rated the subrecipient as low risk without supporting documentation as to why.
- One subrecipient had findings on their Single Audit regarding procurement and alcohol purchases on federal awards, which is an unallowable cost, and the Contracting Officer rated the subrecipient as low risk without supporting documentation as to why.
- Of the 24 subrecipients that did not require a Single Audit, we noted that 12 did provide documentation or certification including Defense Contract Audit Agency (“DCAA”) audit reports, Defense Contract Management Agency (“DCMA”) audit reports, third party financial audit reports, or certifications of accounting systems. The remaining 12 certified that they did not require a Single Audit and no other documentation was requested.
- They also noted that the Office of Sponsored Programs’ (“OSP”) review of Uniform Guidance Audit Reports were completed during the initial stages of the subaward, but there was no evidence of ongoing review beyond the initial year.
- From a sample of 40 active subawards in FY20, six (15%) did not have a risk assessment and Memorandum of Negotiation on file.

Cause:

Deficiencies occurred as a result of the following factors:

- Lack of documented procedures and controls to ensure that Uniform Guidance Audit Reports were adequately documented and reviewed.
- Lack of a documented procedure and oversight to follow up on audit reports and findings.
- The OSP Audit Coordinator position was vacant, which led to difficulties in adequately monitoring the growing portfolio of subrecipients.
- Lack of updating website for current Uniform Guidance requirements. Lack of documented procedures and controls to ensure that risk assessments were consistently and adequately conducted.

Effect:

Subrecipients’ expenditures may not be in compliance with federal or grant award provisions.

Recommendation:

It is recommended that the Institute:

- Document Uniform Guidance Audit requirements for current active subrecipients.
- For those who do not require a Uniform Guidance Audit, request alternative audit reports (i.e., DCAA/DCMA audit, third-party financial audit, etc.) or consider reviewing financial statements or administering audit questionnaires.
- Develop, implement, and document procedures for an initial and annual review of all applicable audit reports going forward as a part of ongoing subrecipient monitoring.
- Revise the “Subrecipient A-133 Audit Certification Form” to include Uniform Guidance verbiage.
- Update the OSP’s subrecipient monitoring website to present current Uniform Guidance requirements.
- Develop and administer standard weighted risk assessments or risk assessment questionnaires for Contracting Officers to utilize for current active subawards based on factors such as program complexity, percentage passed dollar amount of award, prior experience, audit reports, etc.

Views of Responsible Officials:

We concur with this finding.

Schedule of Findings and Questioned Costs
Section III – Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

State of Georgia

Table 2020-041

Federal Awarding Agency	Federal CFDA Number	Program Title	Total Amount Provided to Sub-Recipients	Award Number(s)
U.S. Department of Commerce	11.609	Measurement and Engineering Research and Standards	\$128,337	70NANB19H067, 60NANB17D243
U.S. Department of Defense	12.300	Basic and Applied Scientific Research	\$20,337,736	N68335-17-C-0226, N00039-16-D-0060-N0003917F0051, N00039-16-D-0060-N0003917F0229, N004211730004, N00039-16-D-0060-N0003918F0195, W31P4Q-18-D-0002-W31P4Q19F0068, W31P4Q-18-D-0002/W31P4Q19F0470, W31P4Q-18-D-0002-W31P4Q19F0259, N61331-16-D-0003-N6133118F0120, N00039-16-D-0060/N0003918F1316, N00421-17-3-0003/N004211830003, N00039-16-D-0060/N0003918F1350, N00421-17-3-0003/N004211930001, N00039-16-D-0060/N0003919F0025, N00039-16-D-0060-N0003919F0193, N61331-16-D-0003-N6133119F0089, N00039-16-D-0060/N0003919F0230, N00039-16-D-0060/N0003919F0411, N00039-16-D-0060/N0003919F0410, 2019-19081900003, N00039-16-D-0060/N0003919F0422, N00039-16-D-0060/N0003920F0256, FA8523-19-D-0006/FA852519F0045, N00014-17-1-2895, N00014-15-C-5061, N00014-17-1-2284, N00014-16-1-2520, N00014-16-1-2731, N00014-16-1-2835,

Schedule of Findings and Questioned Costs
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State of Georgia

				N66001-19-2-4002, N00014-14-1-0003, N00014-17-1-2537, N0014-19-1-2266
	12.351	Scientific Research - Combating Weapons of Mass Destruction	\$320,555	HDTRA11710055, HDTRA11810004, HDTRA1-15-1-0035, HDTRA11810023
	12.420	Military Medical Research and Development	\$205,719	W81XWH-16-1-0518, W81XWH-18-1-0669, W81XWH-17-1-0221
	12.431	Basic Scientific Research	\$21,425,768	PA 04; NSC-16-0190, PA 03/NSC-16-0160, 2017-311A PA 5, W31P4Q-18-D-0002-W31P4Q18F0029, W31P4Q-18-D-0002-W31P4Q19F0036, W31P4Q-18-D-0002-W31P4Q18F0090, W31P4Q-18-D-0002-W31P4Q18F0130, W31P4Q-18-D-0002-W31P4Q18F0232, W31P4Q-18-D-0002-W31P4Q19F0034, W31P4Q-18-D-0002-W31P4Q19F0110, W31P4Q-18-D-0002-W31P4Q19F0188, W31P4Q-18-D-0002-W31P4Q19F0175, W31P4Q-18-D-0002-W31P4Q19F0155, W31P4Q-18-D-0002-W31P4Q19F0447, W31P4Q-18-D-0002-W31P4Q19F0350, W31P4Q-18-D-0002-W31P4Q20F0008, N00039-16-D-0060/N0003918F1334, W900KK-19-C-0003,

Schedule of Findings and Questioned Costs
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State of Georgia

				W911W5-16-D-0001-W911W519F0009, W911W5-16-D-0001-W911W519F0024, W911W6-19-C-0063, W911W5-16-D-0001-W911W519F0072, W911W5-16-D-0001-W50NH920F0009, W911W5-16-D-0001-W911W519F0040, W911NF1910233, W911NF-18-1-0101, W911W6-17-2-0002, 1000GSA785, W911NF-16-1-0278
	12.630	Basic, Applied, and Advanced Research in Science and Engineering	\$5,363,889	01-D-8227-0010, 13-C-8071, W911W5-16-D-0001-0002, W911W5-16-D-0001-0005, W911W5-16-D-0001-0009, W9113M-15-D-0002-0006, W911W5-16-D-0001-0015, W911W5-16-D-0001-0023, HR001117C0124, W9113M-15-D-0002-0008, N687861-18-D7400N68786118F7182, HQ0147-16-D-0001-HQ014718F0029, W911W5-16-D-0001-W911W518F0019, N00039-16-D-0060/N0003918F1178, 18-C-0340, 2018200G006-001, HR00111990008, HQ0034-19-C-0012, HC1028-19-C-0008, H98230-20-C-0061, HDTRA1-16-1-0018, W911NF-19-2-0137, HR0011-18-2-0019, FA8750-17-C-0016, HDTRA1-16-1-0032, HR001118C0057, HR001118C0096, FA8650-16-C-7620

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	12.800	Air Force Defense Research Sciences Program	\$40,661,460	HC1047-05-D-4000-0160, FA8650-08-D-1302-0017, FA8075-14-D-0018-0002, FA8075-14-D-0018-0003, FA8075-14-D-0018-0005, FA8075-14-D-0018-0007, FA8650-14-D-1732-0002, FA8075-14-D-0018-0014, FA8075-14-D-0018-0015, FA8075-14-D-0018-0016, FA8075-14-D-0018-0018, FA8075-14-D-0018-0023, FA8075-14-D-0018-0025, FA8075-14-D-0018-0026, FA8075-14-D-0018-FA807517F1138, FA8075-16-D-0005-FA807517F1359, FA8075-14-D-0018-FA807517F1391, FA8075-16-D-0005-FA807517F1419, FA8651-16-D-0049--FA865118F1013, FA8750-18-C-0050, FA8523-18-C-0002, FA8527-16-D-0001-FA873018F0138, FA8527-16-D-0001-FA852718F0039, FA8651-16-D-0049-FA865118F1053, FA8075-16-D-0005-FA807518F1456, FA8650-15-D-1833-FA865019F1682, FA8525-19-C-0001, FA8075-16-D-0005-FA807519FA022, FA8651-16-D-0049-FA865119F1100, FA8651-20-D-0070-FA865120F1070, FA8075-18-D-0008-FA807519FA030, FA8075-18-D0008-FA807520F0007, FA8750-15-2-0009, FA8750-17-C-0086, FA9550-17-1-0274, FA9550-15-1-0512, FA9550-16-1-0341, FA9550-18-1-0499, FA9550-18-1-0024
	12.910	Research and Technology Development	\$5,988,516	HR001118C0057, FA8750-18-2-0108, D19AC00009, HR0011-19-2-0008
U.S. Department of the Interior	15.805	Assistance to State Water Resources	\$25,003	G16AP00047

Schedule of Findings and Questioned Costs
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State of Georgia

		Research Institutes		
U.S. Department of Transportation	20.109	Air Transportation Centers of Excellence	\$23,811	GR00002784
	20.205	Highway Planning and Construction	-\$24	DTFH6114H00003
	20.762	Research Grants	\$40,227	None
National Aeronautics & Space Administration	43.001	Science	\$2,073,393	NNX17AK72G, 80ARC017M0007, NNA17BB05A, 80NSSC18K1301, NNX15AM98G, 80NSSC18K1139, NNX16AM12G, 80NSSC19K0627
	43.002	Aeronautics	\$185,019	P015B180072, NNX15AU22A, 80NSSC18M0151
	43.003	Exploration	\$113,429	80NSSC19K1298, NNX16AM16G, NNX17AB08G, NNX16AT06G
	43.008	Office of Stem Engagement (OSTEM)	\$227,269	NNX15AP85H
	43.012	Space Technology	\$35,371	NNX17AD12G
	National Science Foundation	47.041	Engineering	\$4,524,381
47.049		Mathematical and Physical Sciences	\$1,416,378	1504217, DMR - 1807797, DMS - 1764406, 1709420, PHY - 1806833
47.050		Geosciences	\$155,679	1608709, 1520803, 1558916
47.070		Computer and Information Science and Engineering	\$245,970	1763969, 1718771, CNS - 1842092, 1544332, 1760645, 1624731, 1564080, 1804970
47.074		Biological Sciences	\$51,710	DEB - 1754756, 1517588
47.076		Education and Human Resources	\$274,064	HRD - 1821298, DRL- 1417835, 1626362, DUE- 1238089, 1545287, 1814083, 1639946, 1446363

Schedule of Findings and Questioned Costs
Section III – Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

State of Georgia

	47.083	Integrative Activities	\$218,349	OIA-1937068
Environmental Protection Agency	66.509	Science To Achieve Results (STAR) Research Program	\$49,879	83588001
U.S. Department of Energy	81.049	Office of Science Financial Assistance Program	\$1,114,651	DE-SC0019336, DE-AR0000899, DE-SC0012577, DE-SC0019418, DE-FG02-03ER15459
	81.086	Conservation Research and Development	\$52,329	DE-EE0008680
	81.087	Renewable Energy Research and Development	\$107,467	DE-EE0008833, DE-EE0008351
	81.089	Fossil Energy Research and Development	\$70,351	DE-FE0031288
	81.113	Defense Nuclear Nonproliferation Research	\$847,551	DE-NA0003921
	81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	\$59,310	DE-EE0007703
	81.121	Nuclear Energy Research, Development and Demonstration	\$361,977	DE-AR0001113, DE-NE0008589
	81.122	Electricity Research, Development and Analysis	\$89,752	DE-OE0000877
	81.135	Advanced Research Projects Agency - Energy	\$30,924	DE-AR0001137
U.S. Department of Education	84.116	Fund for the Improvement of Postsecondary Education	\$22,858	P116F140452
U.S. Department of Health and Human Services	93.103	Food and Drug Administration Research	\$353,013	P50FD004193, R01FD006598

Schedule of Findings and Questioned Costs
Section III – Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

State of Georgia

93.113	Environmental Health	\$71,504	R01ES026243
93.121	Oral Diseases and Disorders Research	\$387,010	R01DE019637, R01DE023193, R01DE028283
93.172	Human Genome Research	\$468,054	R01HG008146
93.173	Research Related to Deafness and Communication Disorders	\$31,184	R21DC015652
93.242	Mental Health Research Grants	\$517,489	R01MH103517, R01MH114999
93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	\$400,238	R01EB020050, R01EB023808, 1R21EB025499-01, R01EB024322, T32EB025816
93.393	Cancer Cause and Prevention Research	\$66,667	1R01CA195653-01
93.394	Cancer Detection and Diagnosis Research	\$12,023	1R21223853-01
93.395	Cancer Treatment Research	\$100,887	R01CA221363, R01CA207619
93.396	Cancer Biology Research	\$716,294	U01CA214354, 1U01CA215848-01A1, R01CA218664
93.433	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	\$485,155	90IF0120-01, 90RE5025-01, 90REGE006-01-00, 90IFRE0004-01-00
93.464	ACL Assistive Technology	\$142,450	1901GAATSG-00 FY19, 1801GASCAT SEQ 2018/1
93.837	Cardiovascular Diseases Research	\$1,138,630	1R56HL138415, R01HL142036, R01HL130619, 7R21HL126004, 1R01HL140325-01A1, R01HL142036, R01HL143450, R01HL124417, R01HL144714
93.838	Lung Diseases Research	\$355,737	R01HL136141
93.846	Arthritis, Musculoskeletal	\$8,971	R01AR069297, R01AR071026

Schedule of Findings and Questioned Costs
Section III – Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

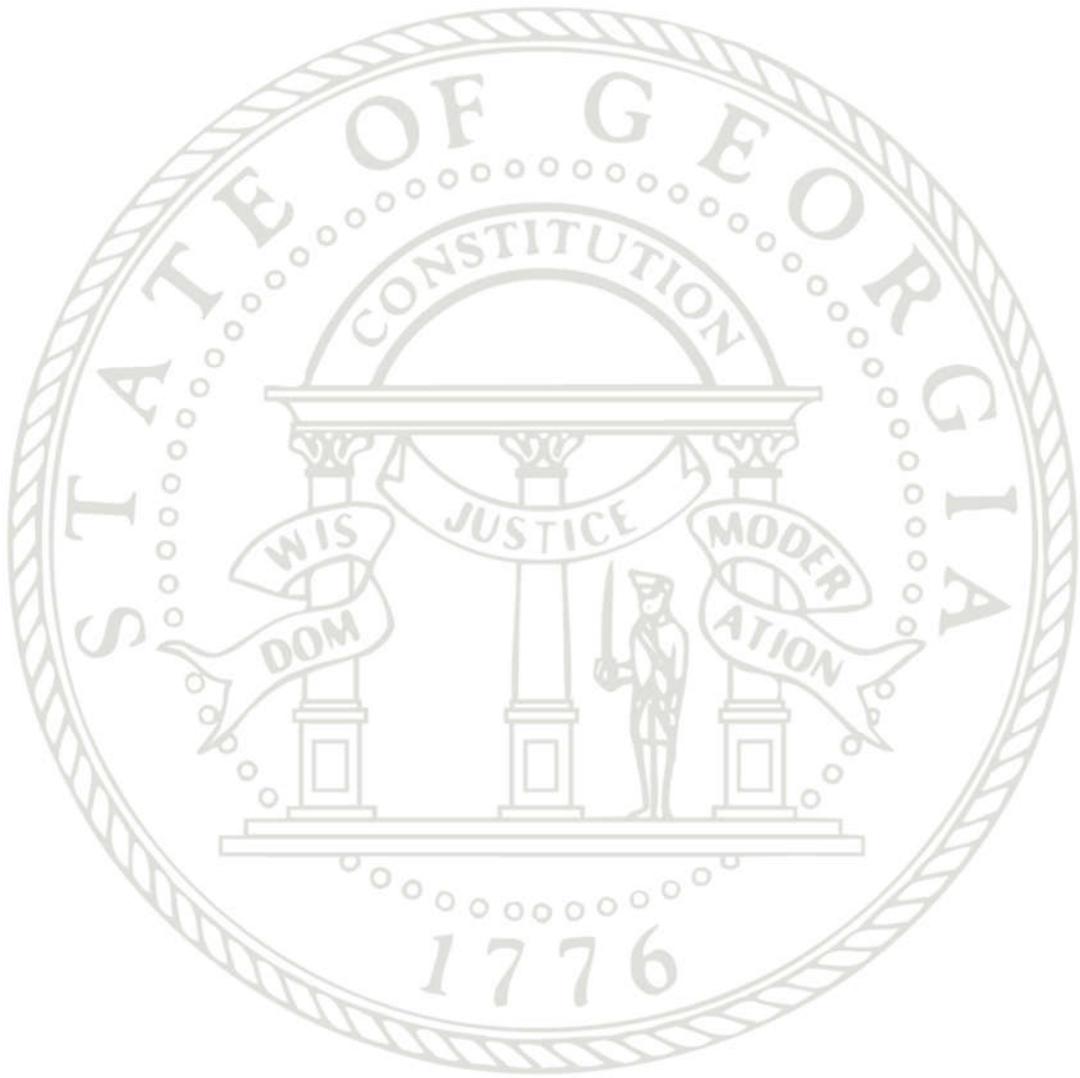
State of Georgia

		and Skin Diseases Research		
	93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	\$419,765	R01NS100928, R01NS109978, R01HL132019, R01NS109226
	93.855	Allergy and Infectious Diseases Research	\$300,698	U01AI124270, 1R21AI129477
	93.859	Biomedical Research and Research Training	\$556,014	1R01GM123517-01, 1R01GM112697-01, R01GM129119, R01GM115927, R01GM118803, R01GM116547, 1R01GM123169-01A1, 1R01GM112662-01, R01GM126554
	93.865	Child Health and Human Development Extramural Research	\$137,873	R61HD099745, 5R01HD086201
	93.866	Aging Research	\$134,151	1R21AG056781-01A1, R01AG045703, R21AG061687
	93.867	Vision Research	\$297,198	R01EY016435, R01EY025286
	93.989	International Research and Research Training	\$91,822	2U19TW007401-10
	93.991	Preventive Health and Health Services Block Grant	\$259,870	75D30118F03485, R33ES025661
U.S. Department of Homeland Security	97.005	State and Local Homeland Security National Training Program	\$26,052	EMW-2016-CA-00110-S01
	97.077	Homeland Security Research, Development, Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Threat Detection	\$117,160	2015-DN-077-ARI096

Schedule of Findings and Questioned Costs
Section III – Federal Award Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

State of Georgia

U.S. Agency for International Development	98.001	USAID Foreign Assistance for Programs Overseas	\$83,555	#PO16003387
		Total Provided to Subrecipients	\$114,528,522	



Corrective Action Plan for Current Year Findings





Brian P. Kemp
Governor

Kris W. Martins, CPA
State Accounting Officer

August 27, 2021

Mr. Greg S. Griffin, State Auditor
Georgia Department of Audits and Accounts
270 Washington Street, S.W., Room 1-156
Atlanta, Georgia 30334-8400

Dear Mr. Griffin,

Enclosed with this letter is the State of Georgia's "Corrective Action Plan" (CAP) for reporting in the Single Audit Report for fiscal year ending June 30, 2020. This CAP is compiled by the State Accounting Office (SAO) based on corrective action plans provided by the respective State Organization, and is organized by finding type (financial statement and federal award), Federal Agency (if applicable), State Organization, and finding number.

The State's CAP satisfies the requirements as detailed in Title 2 U.S. *Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Subpart F, Section 511 – Audit findings follow-up.

If you have any questions regarding this CAP, please contact our Office.

Sincerely,

A handwritten signature in black ink, appearing to read "Kris W. Martins". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kris W. Martins, CPA
State Accounting Officer

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Financial Statement findings 2020-001 through 2020-012, were previously released in the State of Georgia Single Audit Report Part I. This report can be accessed on SAO's website:

<https://sao.georgia.gov/statewide-reporting/federal-compliance-reporting#toc-single-audit-report-and-presentations>.

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¹ The entity number represents the control number that was assigned to each State entity.

**FINANCIAL STATEMENT FINDINGS REPORTED UNDER
GOVERNMENT AUDITING STANDARDS**

Financial Statement findings 2020-001 through 2020-012, were previously released in the State of Georgia Single Audit Report Part I. This report can be accessed on SAO's website:

<https://sao.georgia.gov/statewide-reporting/federal-compliance-reporting#toc-single-audit-report-and-presentations>.

FEDERAL AWARD FINDINGS

2020-013 Improve Controls Over the Awarding Process

Federal Agency: U.S. Department of Education

State Entity: Savannah State University

Corrective Action Plans:

The institution is working to fill vacant positions with trained financial aid professionals. The Financial Aid Office, in conjunction with the Registrar and Bursar Offices, will review processes and set-ups in BANNER as well as awarding procedures. This will ensure that awards will be accurate, over awards are monitored and aid is adjusted appropriately, and timely and disbursement notices are being sent. The transfer monitoring process will be completed in BANNER so that compliance requirements can be met. The SAP Policy and Procedures, as well as the set ups in BANNER will be reviewed and updated to ensure students statuses are calculated accurately.

Estimated Completion Date: July 1, 2021

Contact Person: Raymond Clarke, Vice President of Enrollment Management

Telephone: (912) 358-4338; **E-mail:** clarker@savannahstate.edu

2020-014 Strengthen Controls over Cost of Attendance Budgets

Federal Agency: U.S. Department of Education

State Entity: Savannah State University

Corrective Action Plans:

The cost of attendance budgets are being reviewed and documented appropriately by the financial aid office and will be stored in a shared file so that it may be accessed and provided even if the person who documented it is no longer employed by the university.

Estimated Completion Date: July 1, 2021

Contact Person: Raymond Clarke, Vice President of Enrollment Management

Telephone: (912) 358-4338; **E-mail:** clarker@savannahstate.edu

2020-015 Improve Controls over Special Reporting

Federal Agency: U.S. Department of Education

State Entity: Savannah State University

Corrective Action Plans:

When completing future FISAP's, the documentation for the information will be compiled by the appropriate offices and stored in a central location so the information will be available for review.

Estimated Completion Date: July 1, 2021

Contact Person: Raymond Clarke, Vice President of Enrollment Management

Telephone: (912) 358-4338; **E-mail:** clarker@savannahstate.edu

2020-016 Strengthen Controls over Verification Process

Federal Agency: U.S. Department of Education

State Entity: Savannah State University

Corrective Action Plans:

The institution will provide additional training opportunities for staff completing verification in order to ensure that they are completed accurately. Additionally, staff will perform random self-audits of completed files to further ensure accuracy and identify training opportunities.

Estimated Completion Date: July 1, 2021

Contact Person: Raymond Clarke, Vice President of Enrollment Management

Telephone: (912) 358-4338; **E-mail:** clarker@savannahstate.edu

2020-017 Improve Controls over the Return of Title IV Funds Process

Federal Agency: U.S. Department of Education

State Entity: Savannah State University

Corrective Action Plans:

The Financial Aid Office, the Bursar Office and the Registrar Office will review processes and set ups in BANNER to ensure that R2T4 calculations are being completed accurately and timely for both official and unofficial withdrawals. Additionally, staff will receive additional training and the withdrawal policies will be reviewed and updated as necessary to meet federal regulations.

Estimated Completion Date: July 1, 2021

Contact Person: Raymond Clarke, Vice President of Enrollment Management

Telephone: (912) 358-4338; **E-mail:** clarker@savannahstate.edu

2020-018 Strengthen Controls over Enrollment Reporting

Federal Agency: U.S. Department of Education

State Entity: Savannah State University

Corrective Action Plans:

The Financial Aid Office and the Registrar's Office will work on the policy and processes related to students who withdraw, change programs or change enrollment status to ensure that these updates are processed timely and correctly.

Estimated Completion Date: July 1, 2021

Contact Person: Raymond Clarke, Vice President of Enrollment Management

Telephone: (912) 358-4338; **E-mail:** clarker@savannahstate.edu

2020-019 Improve Controls over the Awarding Process

Federal Agency: U.S. Department of Education

State Entity: Valdosta State University

Corrective Action Plans:

The improper award identified was due to a flawed procedure, implemented for Fall Semester 2019. The procedure was designed to allow the use of the Campus Logic's VerifyMyFAFSA.com document and form collection system to collect the required proof of registration with the Selective Service so that they could more easily be submitted remotely.

Staff members were correctly manually posting the additional "Verify" requirement in Banner that should have prevented awarding of funds until the requirement was satisfied in Campus Logic and then acted as the interface between the two systems. Unfortunately, they were not aware that because they were not locking the updated records, the "Verify" requirements was later being inadvertently removed by the Banner automated requirement tracking process allowing awarding.

To resolve this issue, a change has been made to the Banner automated requirement tracking process so that the process will now post the additional "Verify" requirement to all Banner records with Selective Service Comment Codes requiring resolution. This change will preclude the need for staff to manually post the requirement, prevent the "Verify" code from inadvertently being removed and ensure that the requirement is always present to prevent awarding until the necessary proof of registration is received in Campus Logic VerifyMyFAFSA.com system and review by a staff member.

The procedure will be monitored for the remainder of the 2020-2021 academic year to ensure that the change prevents additional improper awards from being made. Going forward, a quarterly review of Selective Service Comment Code students will be conducted to ensure that the issue does not recur.

A complete review of all Selective Service requirements since the change in procedure for Fall 2019 has been completed, including 2019-2020 and 2020-2021 award year records and corrective measures have been taken for any issues found.

2020-019 Improve Controls over the Awarding Process (continued)

Estimated Completion Date: September 8, 2020

Contact Person: Douglas R. Tanner, Director of Financial Aid

Telephone: (229) 245-2471; **E-mail:** dtanner@valdosta.edu

2020-020 Improve Controls over the Awarding Process

Federal Agency: U.S. Department of Education

State Entity: Atlanta Metropolitan State College

Corrective Action Plans:

The Office of Financial Aid in conjunction with the Office of the Registrar will review the internal control processes associated with awarding students aid, including a review of the Banner setup rules in order to ensure the accurate calculation of Satisfactory Academic Progress (SAP).

The transfer monitoring process has already been reworked so that students who transfer mid-year are put on hold for seven days. This hold will prevent students from receiving aid until the institution can ensure they have not been paid for the same term at another institution. In previous years AMSC completed transfer monitoring, however it was deleted in Banner after the 7-day expiration. Going forward, AMSC will leave the holds in Banner with an expiration date as a point of reference.

Estimated Completion Date: December 31, 2020

Contact Person: Carol Jones, Financial Aid Director

Telephone: (678) 623-1182; **E-mail:** cjones@atlm.edu

2020-021 Strengthen Controls over the Return of Title IV Funds Process

Federal Agency: U.S. Department of Education

State Entity: Atlanta Metropolitan State College

Corrective Action Plans:

The institution has updated its institutional procedures for processing Return to Title IV (R2T4), in order to ensure complete and accurate calculations. The updated procedures will include a mechanism for identifying students who completely withdraw. The Office of Financial Aid is working in conjunction with the Office of the Registrar to streamline this process. The Office of the Registrar now requires a last date of attendance for any student who does not successfully complete classes during the semester. All withdrawal forms are now in the process of be moved to an electronic form which will be routed from the student to the instructor, then to the Registrar and finally to the Office of Financial Aid. In addition, the Office of Financial Aid has now been moved from the Division of Enrollment Services to the Division of Fiscal Affairs.

Estimated Completion Date: December 31, 2020

Contact Person: Carol Jones, Financial Aid Director

Telephone: (678) 623-1182; **E-mail:** cjones@atlm.edu

2020-022 Improve Controls over Enrollment Reporting

Federal Agency: U.S. Department of Education

State Entity: Atlanta Metropolitan State College

Corrective Action Plans:

The process of enrollment reporting has been the responsibility of two different areas in the past. The process will be officially assigned to one specific office going beginning in fiscal year 2021. A schedule along with policies and procedures will be developed to ensure the proper and timely reporting of this data. In addition, the enhancements noted in finding 2020-021 regarding R2T4 will help to further assist in the timely updating of enrollment as well as the implementation of electronic forms will further enhance our ability to keep up with enrollment changes and ensure data is accurately reported to the National Student Clearinghouse.

Estimated Completion Date: January 31, 2021

Contact Person: Rob Wingfield, Registrar

Telephone: (678) 623-1202; **E-mail:** rwingfield@atlm.edu

2020-023 Strengthen Controls over the Federal Direct Student Loans Reconciliation Process

Federal Agency: U.S. Department of Education

State Entity: Atlanta Metropolitan State College

Corrective Action Plans:

The Office of Financial Aid was understaffed during FY20 and thus reconciliations were not done in a timely manner. AMSC has since added an additional part-time staff member in SFA to help with the reconciliation process going forward into FY21. The additional staff person will focus solely on monthly and annual reconciliations. In addition, the Office of Financial Aid had now been moved from the Division of Enrollment Services to the Division of Fiscal Affairs.

Estimated Completion Date: May 31, 2020

Contact Person: Carol Jones, Financial Aid Director

Telephone: (678) 623-1182; **E-mail:** cjones@atlm.edu

2020-024 Improve Controls over Medicaid Capitation Payments for Managed Care Recipients

Federal Agency: U.S. Department of Health and Human Services

State Entity: Department of Community Health

Corrective Action Plans:

The Department has implemented its corrective action which includes the retraining of all staff. All staff have been retrained on how to identify members with more than one Medicaid ID number.

Estimated Completion Date: March 27, 2021

Contact Person: Lynnette Rhodes, Executive Director, Medical Assistance Plans

Telephone: (404) 656-7513; **E-mail:** lrhodes@dch.ga.gov

2020-025 Improve Controls over Medicaid Payments after Date of Death

Federal Agency: U.S. Department of Health and Human Services

State Entity: Department of Community Health

Corrective Action Plans:

DCH has implemented its Corrective Action Plan which includes reprogramming the GAMMIS system to check all active members against the Social Security Administration's Death Master File. The GAMMIS system was modified to check all active members against the Social Security Administration's Death Master File in addition to Vital Records. Based upon this change, the member's date of death will be placed on the GAMMIS file. Any claims with dates of service after the member's date of death will be denied. The GAMMIS system changes were placed into production on 3/1/2021. Section 202.1 (E), of the Department's Part I, Policies and Procedures for Medicaid/PeachCare for Kids manual was updated on October 1, 2020 to include specific language which prohibits payment of claims with dates of service after a member's date of death.

Estimated Completion Date: March 21, 2021

Contact Person: Lynnette Rhodes, Executive Director, Medical Assistance Plans

Telephone: (404) 656-7513; **E-mail:** lrhodes@dch.ga.gov

2020-026 Improve Controls over Medicaid Capitation Payments for Medicare Members

Federal Agency: U.S. Department of Health and Human Services

State Entity: Department of Community Health

Corrective Action Plans:

We continue to work through our corrective action plan which includes reprogramming the GAMMIS system to recoup the capitation payment from the Managed Care Entities for members who have been retroactively enrolled in Medicare. All change orders associated with the CSR have been completed with the exception of the Buy-in Batch. Additional guidance is needed from CMS before the GAMMIS modifications can take place. We are working with CMS to schedule a follow-up meeting. The go-live dates for the system enhancements have not been finalized at this time.

Estimated Completion Date: December 31, 2021

Contact Person: Lynnette Rhodes, Executive Director, Medical Assistance Plans

Telephone: (404) 656-7513; **E-mail:** lrhodes@dch.ga.gov

2020-027 Improve Controls over Payments for Home and Community-Based Services

Federal Agency: U.S. Department of Health and Human Services

State Entity: Department of Community Health

Corrective Action Plans:

DCH will make the necessary adjustments in the GAMMIS system to include additional edits that will prevent a claim with overlapping dates of service form paying.

Estimated Completion Date: December 31, 2021

Contact Person: Lynnette Rhodes, Executive Director, Medical Assistance Plans

Telephone: (404) 656-7513; **E-mail:** lrhodes@dch.ga.gov

2020-028 Continue to Strengthen Application Risk Management Program

Federal Agency: U.S. Department of Health and Human Services

State Entity: Department of Community Health

Corrective Action Plans:

Implementation of the previous Corrective Action Plan is still in-progress. The Agency is attempting to identify and secure the necessary funding required to implement its CAP in order to fully remediate the audit finding by December 31, 2022.

Estimated Completion Date: December 31, 2022

Contact Person: Sherman Harris, Director, Cybersecurity Office

Telephone: (404) 656-9653; **E-mail:** sheharris@dch.ga.gov

2020-029 Improve Controls over Inpatient Medicaid Payments

Federal Agency: U.S. Department of Health and Human Services

State Entity: Department of Community Health

Corrective Action Plans:

The Department has submitted a State Plan Amendment to the Centers for Medicare & Medicaid Services (CMS) which will remove the requirement to perform field audits. The State Plan Amendment was submitted to CMS on April 4, 2021.

Estimated Completion Date: April 30, 2021

Contact Person: Lynnette Rhodes, Executive Director, Medical Assistance Plans

Telephone: (404) 656-7513; **E-mail:** lrhodes@dch.ga.gov

2020-030 Improve Controls over Medicaid Provider Eligibility

Federal Agency: U.S. Department of Health and Human Services

State Entity: Department of Community Health

Corrective Action Plans:

In order to ensure that our members had continued access to services, versus suspending and/or terminating providers that had not revalidated, the Department initiated direct, targeted outreach to those providers who had not revalidated. During this period of outreach, we were placed under a Public Health Emergency and received a waiver from CMS. Throughout the Public Health Emergency, we have continued to conduct direct, targeted outreach to those providers who have not revalidated and will continue to do so.

Estimated Completion Date: December 31, 2021

Contact Person: Lynnette Rhodes, Executive Director, Medical Assistance Plans

Telephone: (404) 656-7513; **E-mail:** lrhodes@dch.ga.gov

2020-031 Strengthen Logical Access Controls

Federal Agency: U.S. Department of Health and Human Services

State Entity: Department of Human Services

Corrective Action Plans:

All inappropriate access has been removed. A quarterly user re-certification process has been established to verify users have appropriate levels of access according to job roles. Processes will be established to monitor changes to ensure configuration changes have been authorized prior to completion. In addition, a process to monitor user access permissions with the corresponding documentation.

Adjustments have been made to User Recertification reports that will utilize various reports to reflect users and the level of access to the system.

Training will be provided to applicable staff on the completion of the role request form and documenting evidence.

Estimated Completion Date: June 30, 2021

Contact Person: Ananias Williams, Deputy Chief Information Officer

Telephone: (404) 463-0929; **E-mail:** ananias.williams@dhs.ga.gov

2020-032 Strengthen Information Technology General Controls

Federal Agency: U.S. Department of Health and Human Services

State Entity: Department of Human Services

Corrective Action Plans:

The applicable environment has been reviewed and unauthorized users have been removed. Processes will be established to review privileged access requests, monitor changes to ensure changes have been authorized, tested, and approved prior to deployment.

Training will be provided to authorized management on how to complete the role request form review active and terminated user access, and document evidence.

All general database settings findings have been remediated.

Estimated Completion Date: June 30, 2021

Contact Person: Ananias Williams, Deputy Chief Information Officer

Telephone: (404) 463-0929; **E-mail:** ananias.williams@dhs.ga.gov

2020-033 Improve Controls over Medicaid Eligibility Determinations for Ex Parte Members

Federal Agency: U.S. Department of Health and Human Services

State Entity: Various State Agencies:
Department of Community Health
Department of Human Services

Corrective Action Plans:

The GAMMIS system was modified to automate the Ex-Parte process. The system changes were placed into production on September 1, 2020. All staff training has been completed by DHS/DFCS. All appropriate ABD and Family Medicaid Administrators, Field Program Specialists, Medicaid eligibility supervisors and Medicaid eligibility workers have been trained on the correct procedures for Ex-Parte. Training for new staff will be completed once the individuals are onboarded. Training materials were developed and approved in accordance with the corrective action plan. DCH will continue to meet with the DFCS Medicaid Unit on a monthly ongoing basis to review and monitor the status of the Ex-Parte list and to ensure that Continuing Medicaid Eligibility Determinations are performed.

Estimated Completion Date: September 1, 2020

Contact Person: Lynnette Rhodes, Executive Director, Medical Assistance Plans

Telephone: (404) 656-7513; **E-mail:** lrhodes@dch.ga.gov

2020-034 Improve Controls over Medicaid Eligibility Redeterminations

Federal Agency: U.S. Department of Health and Human Services

State Entity: Various State Agencies:
Department of Community Health
Department of Human Services

Corrective Action Plans:

The system issue has been corrected and the overdue renewal completed.

Estimated Completion Date: March 23, 2021

Contact Person: Jon Anderson, Chief Deputy Division Director

Telephone: (404) 596-9562; **E-mail:** jon.anderson@dhs.ga.gov

2020-035 National Institute of Health Salary Cap Limitations

Federal Agency: U.S. Department of Health and Human Services

State Entity: Various State Agencies:
Georgia Institute of Technology
Georgia Tech Research Corporation

Corrective Action Plans:

GIT will add tools and reports to enhance knowledge and improve monitoring in this area. This will include an on-line NIH calculator tool, additional management reports, and, where required, enhancements to policies, procedures and other reference materials.

Procedures are currently in place to manage the NIH salary cap. GIT has historically used the GIT fiscal year period to confirm compliance with the NIH salary cap. Although the extraordinary events of FY 2020 led to delays beyond the GIT fiscal year boundary, the adjustments referenced in this finding have been applied.

Estimated Completion Date: June 30, 2021

Contact Person: Josh Rosenberg, Grants and Contracts Accounting

Telephone: (404) 894-4624; **E-mail:** josh.rosenberg@business.gatech.edu

2020-036 Improve Controls over Eligibility Determinations

Federal Agency: U.S. Department of Labor

State Entity: Department of Labor

Corrective Action Plans:

Training on the CARES Act has been provided since implementation of the programs. Resource materials, memorandums and desk-aids are released, as appropriate with program changes and process enhancements. Additionally, when new applications are developed, processing changes made, and/or new staff are hired or moved into new roles, training is provided on the subject matter, as appropriate.

Modifications to the Pandemic Unemployment Assistance (PUA) application will be made to display existing information previously provided by the claimant on the most recent application for unemployment benefits. This is to remind the claimant of pre-existing information prior to allowing them to enter new information to be used when considering eligibility.

Develop an automatic process to establish overpayments appropriately for individuals who fail to respond timely to requests for proof of employment and wages. The ability for claimants with the appropriate credentials to upload proof of documentation for PUA eligibility has been implemented. System and workflow processes are under development to detect responses as they are received. A ready to work indicator will be updated to Yes as documents are submitted. The system will maintain a counter from the date of notification to the deadline and initiate a workflow process to release a fail to report determination, adjust the monetary entitlement for the impacted period and establish overpayments, as appropriate.

Estimated Completion Date: June 30, 2021

Claims where individuals were paid PUA before Pandemic Emergency Unemployment Compensation (PEUC) will be adjusted to move the claimant to the appropriate program. PEUC claims will be established, monetary determinations released and payments will be moved to the appropriate PEUC benefit year claim. When the PUA weekly benefit amount (WBA) is less than the PEUC WBA, then deficiency payments will be made for the appropriate weeks. Further, when the PUA WBA is more than the PEUC WBA, an overpayment will be established for the appropriate weeks.

Estimated Completion Date: September 6, 2021

Estimated Completion Date: June 30, 2021

Contact Person: Crystal Singleton, UI Policy and Procedures

Telephone: (404) 232-3183; **E-mail:** Crystal.Singleton@gdol.ga.gov

2020-037 Strengthen Logical Access Controls

Federal Agency: U.S. Department of Labor

State Entity: Department of Labor

Corrective Action Plans:

The Information Technology division will continue to enhance the current annual transaction access review process. GDOL has begun the planning process to perform the annual user access review for FY21. We will continue to collaborate with business units to design more specific roles to align more closely with each user's role and daily tasks as appropriate. We have made progress toward this end, and anticipate the changes to be complete by December 31, 2021.

Estimated Completion Date: December 31, 2021

Contact Person: Lindsey Gardener, Information Technology

Telephone: (404) 232-7548; **E-mail:** Lindsey.Gardener@gdol.ga.gov

2020-038 Improve Controls over the Identification and Recording of Overpayments

Federal Agency: U.S. Department of Labor

State Entity: Department of Labor

Corrective Action Plans:

The system is now in place to track and establish CARES Act overpayments. The list used to maintain a record prior to implementation is processed daily by staff to enter overpayments pending establishment. ETA 227 amended reports will be submitted for first impacted period through the current period at the time of implementation. ETA 902P amended reports will be updated appropriately going forward as overpayments are identified and recorded. GDOL plans to address the recommendations to reconcile the detailed records of overpayments to the general ledger and estimate allowance for doubtful accounts balances. Financial Services will post to the GL as uncollectible the number deemed as 'write offs' on the ETA 227 reports generated by the UI program.

Estimated Completion Date: June 30, 2021

Contact Person: Crystal Singleton, UI Policy and Procedures

Telephone: (404) 232-3183; **E-mail:** Crystal.Singleton@gdol.ga.gov

2020-039 Follow Established Controls over the Benefits Accuracy Measurement Program

Federal Agency: U.S. Department of Labor

State Entity: Department of Labor

Corrective Action Plans:

Since review of the audit sample, the Department has instituted a policy requirement for all auditors to utilize a uniform Summary of Investigation with an electronic signature that must be signed in and included in all cases submitted for a secondary review by another BAM auditor prior to submission to the final reviewer to sign off and close the case. A supervisor manual was developed in January 2021 documenting the responsibilities and will be amended to include the responsibilities of the auditors and ensure instructions and guidelines continue to be followed even during a transition of management. Recently, a new BAM Supervisor assumed this responsibility and is in the process of implementing procedures to ascertain compliance with all federal requirements for the BAM program investigation process.

Estimated Completion Date: April 1, 2021

Contact Person: Crystal Singleton, UI Policy and Procedures

Telephone: (404) 232-3183; **E-mail:** Crystal.Singleton@gdol.ga.gov

2020-040 Improve Internal Controls Activities over the Coronavirus Relief Fund

Federal Agency: U.S. Department of the Treasury

State Entity: Office of the Governor

Corrective Action Plans:

OPB does not agree that the amount is actually questioned costs, and therefore, does not agree the amount needs to be repaid or replaced with other allowable expenditures. Additionally, OPB is allowed to use CRF funds for expenses incurred by December 31, 2021 and can consequently replace this small amount with an alternative expense already incurred if necessary.

As indicated in this finding's recommendations, shortly after the period under audit, OPB implemented a grants management system. This system contains two levels of review for each of the submitted reimbursements requests. Additionally, documentation supporting the reimbursement request is reviewed prior to approval.

OPB continues to reconcile information reported to the accounting records and/or the grants management system, and also is maintaining evidence of supervisory review and approval

Estimated Completion Date: August 20, 2021

Contact Person: Stephanie Beck, Deputy Director

Telephone: 404-656-6507 **E-mail:** stephanie.beck@opb.georgia.gov

2020-041 Subrecipient Monitoring

Federal Agency: Various Federal Agencies:

Environmental Protection Agency
National Aeronautics & Space Administration
National Science Foundation
U.S. Agency for International Development
U.S. Department of Commerce
U.S. Department of Defense
U.S. Department of Education
U.S. Department of Energy
U.S. Department of Homeland Security
U.S. Department of Health and Human Services
U.S. Department of the Interior
U.S. Department of Transportation

State Entity: Various State Agencies:

Georgia Institute of Technology
Georgia Tech Research Corporation

Corrective Action Plans:

The GIT Office of Sponsored Programs (OSP) plans to submit a critical hire request to the Georgia Tech Office of Human Resources (OHR) and the University System of Georgia (USG) for an audit manager/compliance officer to design and implement a subrecipient monitoring program as required by Uniform Guidance 2 CFR section 200.332. OSP will work with GIT OHR to find the appropriate job description and complete the forms necessary to get the approvals required to post the position.

The subrecipient monitoring program will include requesting and reviewing all required reports for current/active subrecipients, requesting alternative reports and analysis for subrecipients that are not required to complete an A-133 audit, implementing a risk analysis program for all future subrecipients, and revising our "Subrecipient A-133 Audit Certification Form" to include appropriate Uniform Guidance verbiage.

OSP has requested an edit from the Office of General Counsel to update GIT Research policy 5.3 with the current threshold of \$750,000 for subrecipients required to complete an A-133 audit.

OSP will conduct a thorough review of all subaward policies found in the GIT policy library under "Research" policies 5.0 through 5.4 and edit as necessary to comply with recent updates to 2 CFR part 200 released in November 2020.

OSP will request that GIT Purchasing delete its policies regarding subawards and provide a link to the Research policy to ensure that policies are in sync and do not provide conflicting guidance.

Estimated Completion Date: June 30, 2021

Contact Person: Rebecca Caravati, Interim VP for Research Administration

Telephone: (404) 894-4819; **E-mail:** rebecca.caravati@osp.gatech.edu

Summary Schedule of Prior Audit Findings





Brian P. Kemp
Governor

Kris W. Martins, CPA
Interim State Accounting Officer

March 5, 2021

Mr. Greg S. Griffin, State Auditor
Georgia Department of Audits and Accounts
270 Washington Street, S.W., Room 1-156
Atlanta, Georgia 30334-8400

Dear Mr. Griffin,

Enclosed with this letter is the State of Georgia's "Summary Schedule of Prior Audit Findings" (Schedule) for reporting in the Single Audit for fiscal year ending June 30, 2020. This Schedule is compiled by the State Accounting Office (SAO) based on answers provided by the respective State Organization. The State's Schedule reports the status, as of June 30, 2020, for all audit findings reported in the 2019 fiscal year Single Audit's "Schedule of Findings and Questioned Costs" and "Summary Schedule of Prior Audit Findings" that were not corrected. The findings are organized by finding type (financial statement and federal award), Federal Agency (if applicable), State Organization, and finding number (the finding number corresponds to the reference number that was reported in the prior fiscal year).

The State's Schedule satisfies the requirements as detailed in Title 2 U.S. *Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Subpart F, Section 511 – Audit findings follow-up.

If you have any questions regarding this Schedule, please contact our Office.

Sincerely,

A handwritten signature in black ink, appearing to read "Kris W. Martins", written in a cursive style.

Kris W. Martins, CPA
Interim State Accounting Officer

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¹ The entity number represents the control number that was assigned to each State entity.

**PRIOR FINANCIAL STATEMENT FINDINGS REPORTED UNDER
GOVERNMENT AUDITING STANDARDS**

2019-001 Continue to Improve Financial Statement Preparation

State Entity: Statewide Finding
Repeat of Prior Year Finding: 2018-001, 2017-001, 2016-001, 2015-041, 2014-054

Finding Status: Previously Reported Corrective Action Implemented

2018-001 Continue to Improve Financial Statement Preparation

State Entity: Statewide Finding
Repeat of Prior Year Finding: 2017-001, 2016-001, 2015-041, 2014-054

Finding Status: Previously Reported Corrective Action Implemented

2017-001 Continue to Improve Financial Statement Preparation

State Entity: Statewide Finding
Repeat of Prior Year Finding: 2016-001, 2015-041, 2014-054

Finding Status: Previously Reported Corrective Action Implemented

2016-001 Improve Financial Reporting and Communication with Agencies

State Entity: Statewide Finding
Repeat of Prior Year Finding: 2015-041, 2014-054

Finding Status: Previously Reported Corrective Action Implemented

2015-041 Financial Statement Preparation

State Entity: Statewide Finding
Repeat of Prior Year Finding: 2014-054

Finding Status: Previously Reported Corrective Action Implemented

2014-054 Controls over Financial Statement Preparation

State Entity: Statewide Finding

Finding Status: Previously Reported Corrective Action Implemented

2019-002 Strengthen Logical Access Controls

State Entity: Statewide Finding

Finding Status: Partially Resolved

As deemed necessary training has been provided and user access has been updated. Additional work continues to be performed to more plainly describe user roles, which will also help to identify compatibility. Due to the number of roles available in the system and different job functions performed the items identified in the finding were not able to be resolved prior to June 30, 2020. We anticipate completing our corrective action plans by June 30, 2021.

2019-003 Improve Financial Reporting Controls

State Entity: Department of Public Health
Repeat of Prior Year Finding: 2018-003

Finding Status: Partially Resolved

Due to time constraints of establishing new procedures by new leadership and staffing, along with the increased financial activities resulting from the COVID-19 public health emergency, previous deficiencies continue to be addressed. DPH is developing tools and processes to improve reconciliations and to automate accounting tasks, including a database for calculating and recording revenue draws. These updated processes and tools will improve the accuracy and timeliness of draws, as well as detect and address account balance and fund source discrepancies for research and correction. Accounting staff is being trained on new procedures, stronger financial controls, and tools to ensure accurate and timely posting of transactions. A monthly task list is being created and implemented, which will result in improved financial reporting, particularly at fiscal year-end.

2018-003 Improve Financial Reporting Controls

State Entity: Department of Public Health

Finding Status: Partially Resolved

See response to finding number 2019-003.

2017-003 Strengthen Bank Reconciliation Procedures

State Entity: Department of Public Health

Finding Status: Partially Resolved

Due to time constraints of establishing new procedures by new leadership and staffing, along with the increased financial activities resulting from the COVID-19 public health emergency, previous deficiencies continue to be addressed. A Bank Reconciliation Task Force, headed by the Accounting Director, has been established with clear goals and establishment of periodic benchmarks in order to ensure timely correction of prior year transaction discrepancies, along with enhanced training and internal policies and procedures. DPH has implemented regular bank reconciliation meetings, which include key staff from the general ledger, accounts payable, and accounts receivable sections, for a more comprehensive review of documentation and identification of appropriate correcting entries.

2019-004 Continue to Improve Internal Controls Over Claim Processing

State Entity: Department of Community Health
Repeat of Prior Year Finding: 2018-004

Finding Status: Previously Reported Corrective Action Implemented

2018-004 Improve Internal Controls over Claims Processing

State Entity: Department of Community Health

Finding Status: Previously Reported Corrective Action Implemented

2019-005 Continue to Strengthen Financial Reporting Controls

State Entity: Department of Community Health
Repeat of Prior Year Finding: 2018-005

Finding Status: Partially Resolved

The Department of Community Health has implemented four of the five corrective actions plans for strengthening controls over financial reporting. The Office of Financial Services has made and will continue to make recruiting efforts to hire quality staff in Financial Reporting with higher technical accounting skills to help oversee the preparation of financial statements. We anticipate being fully staffed by February 1, 2021.

2018-005 Strengthen Financial Reporting Controls

State Entity: Department of Community Health

Finding Status: Partially Resolved

See response to finding number 2019-005.

2019-006 Continue to Strengthen Application Risk Management Program

State Entity: Department of Community Health
Repeat of Prior Year Finding: 2018-006

Finding Status: Partially Resolved

As deemed necessary applicable policies and procedures have been implemented or updated, while additional work continues to be performed to fully implement certain corrective action. Due to need for approval and limited funding all findings were not able to be resolved prior to June 30, 2020. We anticipate completing corrective action by December 31, 2022.

2018-006 Continue to Strengthen Application Risk Management Program

State Entity: Department of Community Health

Finding Status: Partially Resolved

See response to finding number 2019-006.

2019-007 Strengthen Logical Access Controls

State Entity: Department of Human Services

Finding Status: Previously Reported Corrective Action Implemented

2019-008 Strengthen Logical Access Controls

State Entity: Department of Human Services

Finding Status: Previously Reported Corrective Action Implemented

2018-009 Implement Controls over SNAP Benefits Reporting

State Entity: Department of Human Services

Finding Status: Previously Reported Corrective Action Implemented

2019-009 Strengthen Logical Access Controls

State Entity: Department of Revenue

Finding Status: Partially Resolved

As deemed necessary applicable items were implemented or updated, including user access, policies and procedures, while additional work continues to be performed to fully implement certain corrective action. Due to need for additional review of certain user access, and software updates including necessary testing, all findings were not able to be resolved prior to June 30, 2020. We anticipate completing corrective action by summer 2022.

2019-010 Continue to Strengthen Logical Access Controls

State Entity: Georgia World Congress Center Authority

Repeat of Prior Year Finding: 2018-012, 2017-018 (*partial repeat*), 2016-024 (*partial repeat*)

Finding Status: Previously Reported Corrective Action Implemented

2018-012 Continue to Strengthen Logical Access Controls

State Entity: Georgia World Congress Center Authority

Repeat of Prior Year Finding: 2017-018 (*partial repeat*), 2016-024 (*partial repeat*)

Finding Status: Previously Reported Corrective Action Implemented

2017-018 Continue to Strengthen Logical Access Controls

State Entity: Georgia World Congress Center Authority

Repeat of Prior Year Finding: 2016-024 (*partial repeat*)

Finding Status: Previously Reported Corrective Action Implemented

2016-024 Strengthen Logical Access Controls

State Entity: Georgia World Congress Center Authority

Finding Status: Previously Reported Corrective Action Implemented

2018-014 Improve Controls over Financial Reporting

State Entity: State Road and Tollway Authority

Repeat of Prior Year Finding: 2017-019, 2016-025

Finding Status: Partially Resolved

Currently and going forward, the action of State Road and Tollway Authority's (SRTA) Finance Department is to develop and ensure the usage of fundamental accounting principles and competencies, along with the usage of best practice guidance, towards the effort of maintaining accurate and timely accounting data. Additional staff has been hired to aide in the efforts of improving accounting data recordkeeping and reduce the reliance of correction entries and post-closing adjustments. The installation of process governance and month-end checklists will help to ensure proper procedural steps are followed; and key chart field data, such as fund, fund source, project, etc., is recorded correctly. Performing monthly reconciliations and reviews of account and other key data factors also need to be implemented and practiced routinely. By improving accounting data recordkeeping and account ledger maintenance, a timely and accurate financial data set needed for the basis/foundation will be available to prepare and report timely and accurate financial statements and reporting. This will put the department in the best place it can be to improve and solidify the financial statement preparation process. SRTA is striving to use all resources available to assist with accounting record keeping efforts.

2017-019 Improve Controls over Financial Reporting

State Entity: State Road and Tollway Authority

Repeat of Prior Year Finding: 2016-025

Finding Status: Partially Resolved

See response to finding number 2018-014.

2016-025 Improve Controls over Financial Reporting

State Entity: State Road and Tollway Authority

Finding Status: Partially Resolved

See response to finding number 2018-014.

PRIOR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2019-011 Improve Controls over the Return of Title IV Funds Process

Federal Agency: U.S. Department of Education

State Entity: Clayton State University

Finding Status: Previously Reported Corrective Action Implemented

2019-012 Improve Controls over the Verification Process

Federal Agency: U.S. Department of Education

State Entity: Fort Valley State University

Finding Status: Unresolved

The University has invested in an electronic system to collect and store documents to prevent error in losing paperwork. All documents are collected through the online document portal, Campus Logic. No paper documents are accepted.

The Office of Financial Aid (OFA) will ensure proper training of employees on the verification process. The Office of Financial Aid (OFA) provided training to employees responsible for verification via the National Association of Student Financial Aid Advisors (NASFAA) webinar on the verification process November 13, 2019. Verification policies and procedures have also been provided as a reference tool and training guide. In addition, as of December 30, 2019 all Financial Aid Advisors have completed verification training with the Director of Financial Aid and they completed Verification training with NASFAA.

Also, as employees transition out of the department, the Director or Associate Director will ensure the proper review of the financial aid files they were responsible for are properly documented and processed. Review of verification files of the Financial Aid Advisor that resigned was completed by the Director, Associate Director and other Financial Aid Advisors. Further, verification was performed on the student in question with the correct documentation and no changes were needed. The student's award amounts stayed the same. No aid needs to be returned to the U.S. Department of Education.

The University plans to have all new processes and procedures implemented by June 30, 2021.

2019-013 Improve Controls over Cost of Attendance Budgets

Federal Agency: U.S. Department of Education

State Entity: Georgia Southwestern State University

Finding Status: Previously Reported Corrective Action Implemented

2019-014 Improve Controls over Unofficial Withdrawals

Federal Agency: U.S. Department of Education

State Entity: Georgia Southwestern State University

Finding Status: Previously Reported Corrective Action Implemented

2016-034 Return of Title IV Funds

Federal Agency: U.S. Department of Education
State Entity: Savannah State University
Repeat of Prior Year Finding: 2015-016, 2014-033

Finding Status: Unresolved

Savannah State University recognizes that not all correction actions regarding R2T4 were completed in the 2019-20 aid year. The University understands the magnitude of this repeated deficiency. The University is working with the System Office and other partners to be able to make improvements that will significantly improve processes and restore compliance with federal regulations in order to be excellent fiduciaries of the entrusted federal funds. SSU plans to have the enhancements fully implemented by July 1, 2021.

2015-016 Return of Title IV Funds

Federal Agency: U.S. Department of Education
State Entity: Savannah State University
Repeat of Prior Year Finding: 2014-033

Finding Status: Unresolved

See response to finding number 2016-034.

2014-033 Return of Title IV Funds

Federal Agency: U.S. Department of Education
State Entity: Savannah State University

Finding Status: Unresolved

See response to finding number 2016-034.

2017-026 Reports Not Reconciled

Federal Agency: U.S. Department of Education
State Entity: Atlanta Metropolitan State College

Finding Status: Previously Reported Corrective Action Implemented

2017-027 Return of Title IV Funds

Federal Agency: U.S. Department of Education
State Entity: Atlanta Metropolitan State College

Finding Status: Unresolved

The Institution has updated its institutional procedures for processing Return of Title IV (R2T4) in order to ensure complete and accurate calculations. The updated procedures will include a mechanism for identifying students who completely withdraw. The Office of Financial Aid is working in conjunction with the Office of the Registrar to streamline this process. The Office of the Registrar now requires a last date of attendance for any student who does not successfully complete classes during the semester. All withdrawal forms are now in the process of being moved to an electronic form, which will be routed from the student to the instructor, then to the Registrar and finally to the Office of Financial Aid. In addition, the Office of Financial Aid has now been moved from the Division of Enrollment Services to the Division of Fiscal Affairs.

The College plans to have all new processes and procedures implemented by December 31, 2020.

2017-028 Federal Direct Loan Program Reconciliations

Federal Agency: U.S. Department of Education
State Entity: Atlanta Metropolitan State College

Finding Status: Partially Resolved

The Office of Financial Aid was understaffed during fiscal year 20 and thus reconciliations were not done in a timely manner. AMSC has since added an additional part-time staff member in SFA to help with the reconciliation process going forward into fiscal year 21. The additional staff person will focus solely on monthly and annual reconciliations. In addition, the Office of Financial Aid has now been moved from the Division of Enrollment Services to the Division of Fiscal Affairs.

The College implemented all new reconciliation processes and procedures as of May 31, 2020.

2019-015 Strengthen Controls over Enrollment Reporting

Federal Agency: U.S. Department of Education
State Entity: Albany Technical College

Finding Status: Unresolved

Faculty are going to receive more training to insure that they report withdrawals to the Registrar earlier. Also, the Registrar updated the course status as well as the overall student status to insure the student's enrollment status is updated and sent to the National Student Clearinghouse and NSLDS. Also, the Registrar will manually report these withdrawals to the National Student Clearinghouse each semester. Our enrollment reporting upload is managed by the TCSG system office. We have sent them the findings and they are implementing new upload rules to ensure these types of student situations are not missed in the future. The Technical College plans to have all new processes and procedures implemented by May 21, 2021.

2018-019 Strengthen Controls over the Awarding Process

Federal Agency: U.S. Department of Education
State Entity: Atlanta Technical College

Finding Status: Partially Resolved

As the Institution has previously worked with the Technical College System of Georgia to address all deficiencies, HelpDesk support tickets will be submitted for additional assistance in reviewing processes and procedures associated with Satisfactory Academic Progress and Direct Loan awarding to ensure accurate calculations and award determinations are executed correctly within the Banner Financial Aid module. The Institution plans to have all new processes and procedures implemented by May 30, 2021.

2018-022 Improve Controls over the Return of Title IV Funds Process

Federal Agency: U.S. Department of Education
State Entity: Atlanta Technical College

Finding Status: Previously Reported Corrective Action Implemented

2019-016 Strengthen Controls over the Awarding Process

Federal Agency: U.S. Department of Education
State Entity: Georgia Piedmont Technical College

Finding Status: Previously Reported Corrective Action Implemented

2019-017 Improve Controls over Federal Work-Study Earmarking Requirements

Federal Agency: U.S. Department of Education
State Entity: Georgia Piedmont Technical College

Finding Status: Unresolved

Due to the COVID-19 pandemic, Georgia Piedmont Technical College (GPTC) was unable to complete the corrective action plan for the prior year earmarking finding. This issue is currently being resolved, as GPTC has been approved to host two students at the Dekalb County Library and one student at the Newton County Library as reading tutors.

GPTC plans to have all new processes and procedures implemented by December 1, 2020.

2019-018 Improve Controls over Special Reporting

Federal Agency: U.S. Department of Education
State Entity: Georgia Piedmont Technical College

Finding Status: Previously Reported Corrective Action Implemented

2019-019 Strengthen Controls over Enrollment Reporting

Federal Agency: U.S. Department of Education
State Entity: Georgia Piedmont Technical College

Finding Status: Previously Reported Corrective Action Implemented

2017-032 Overpayment of Student Financial Assistance

Federal Agency: U.S. Department of Education
State Entity: Georgia Piedmont Technical College

Finding Status: Previously Reported Corrective Action Implemented

2019-020 Improve Controls over Unofficial Withdrawals

Federal Agency: U.S. Department of Education
State Entity: Wiregrass Technical College

Finding Status: Previously Reported Corrective Action Implemented

2019-021 Improve Controls over Medicaid Capitation Payments

Federal Agency: U.S. Department of Health and Human Services
State Entity: Department of Community Health

Finding Status: Unresolved

DCH's Member Services team is reviewing and updating its current policy and process regarding the identification and review of members with multiple member identification numbers. We have identified the various sources of data that provide information regarding duplicate ID numbers. Re-training of staff has already begun and all staff will be re-trained by December 31, 2020.

DCH will continue to recoup the duplicate capitation payments just as we do today. We will strengthen and improve our process to prevent any duplicate capitation payments from occurring. Medicaid Assistance Plan is developing a training plan will continue to train and educate staff on when it is appropriate to merge multiple identification numbers. A formal training plan is in development.

Due to the impacts of COVID-19 on agency operations, additional time was required to review and revise the relevant policies and procedures and to complete staff training.

Timeline for training staff: Re-training of staff has already begun. All staff will be re-trained by February 28, 2021.

2019-022 Improve Controls over Medicaid Payments

Federal Agency: U.S. Department of Health and Human Services
State Entity: Department of Community Health

Finding Status: Partially Resolved

The Department (“DCH”) has submitted a Customer Service Request (CSR) to our third-party vendor to modify the date of death processes within the Georgia Medicaid Management Information System (“GAMMIS”). Policies and procedures have been updated in the Medicaid and PeachCare for Kids manual to include specific provisions which prohibit payment for dates of service after a member’s date of death. Finally, our Care Management Organizations (CMOs) are actively engaging in additional provider education and training regarding the prohibition of payment for dates of service after a member’s date of death. The GAMMIS system modifications have not been completed. Additional time is required to complete all system changes. CSR #1563 will be placed into production by March 31, 2021.

2019-023 Improve Controls over Medicaid Capitation Payments

Federal Agency: U.S. Department of Health and Human Services
State Entity: Department of Community Health

Finding Status: Partially Resolved

The Department (“DCH”) has submitted a Customer Service Request (CSR) to our third-party vendor to modify the Georgia Medicaid Management Information System (“GAMMIS”) to retroactively recoup capitation payments from its Care Management Organizations (CMOs) upon receipt of notice that a member is eligible for Medicare. Medicaid Assistance Plan will continue to educate and train staff on the new procedures. All CMOs have been notified of the upcoming changes and the impact to capitation payments.

DCH was required to make programming changes in the GAMMIS system which requires a CSR. CSR #1561 has been opened and the business requirements have been developed. We anticipate all system updates will be completed on or before March 31, 2021. We anticipate that all system updates will be completed on or before March 31, 2021. All DCH staff will be trained on the new procedure by June 30, 2021. The Care Management Organizations will be trained on the new procedures by June 30, 2021.

2019-024 Continue to Strengthen Application Risk Management Program

Federal Agency: U.S. Department of Health and Human Services
State Entity: Department of Community Health
Repeat of Prior Year Finding: 2018-026, 2017-037, 2016-044

Finding Status: Partially Resolved

As deemed necessary applicable policies and procedures have been implemented or updated, while additional work continues to be performed to fully implement certain corrective action. Due to need for approval and limited funding all findings were not able to be resolved prior to June 30, 2020. We anticipate completing corrective action by December 31, 2022.

2018-026 Continue to Strengthen Application Risk Management Program

Federal Agency: U.S. Department of Health and Human Services
State Entity: Department of Community Health
Repeat of Prior Year Finding: 2017-037, 2016-044

Finding Status: Partially Resolved

See response to finding number 2019-024.

2017-037 Strengthen Application Risk Management Program

Federal Agency: U.S. Department of Health and Human Services
State Entity: Department of Community Health
Repeat of Prior Year Finding: 2016-044

Finding Status: Partially Resolved

See response to finding number 2019-024.

2016-044 Strengthen Application Risk Management Program

Federal Agency: U.S. Department of Health and Human Services
State Entity: Department of Community Health

Finding Status: Partially Resolved

See response to finding number 2019-024.

2019-025 Improve Controls over Inpatient Medicaid Payments

Federal Agency: U.S. Department of Health and Human Services
State Entity: Department of Community Health

Finding Status: Partially Resolved

The Department of Community Health has met with its third-party vendor to review its contract and State Plan. DCH will revise its State Plan to remove language related to “field audit” and replace with language stating “focused cost report audits”. Also, the third-party vendor contract will be amended to state “all desk and focused cost report audits must be completed by June 30th annually”. Director of Reimbursement completed the revision for the State Plan to agree with contract changes on 1/25/2021. The contract was revised on 1/7/2021 to remove language related to field audit and replace with desk or focus review. Contract changes were approved by finance on 1/8/2021. Final review by Contract Administration Director is estimated to be completed by 7/01/2021.

2019-026 Strengthen Logical Access Controls

Federal Agency: U.S. Department of Health and Human Services
State Entity: Department of Human Services

Finding Status: Previously Reported Corrective Action Implemented

2018-027 Continue to Monitor Controls over Eligibility Documentation

Federal Agency: U.S. Department of Health and Human Services
State Entity: Department of Human Services
Repeat of Prior Year Finding: 2017-038

Finding Status: Previously Reported Corrective Action Implemented

2017-038 Strengthen Controls over Eligibility Documentation

Federal Agency: U.S. Department of Health and Human Services
State Entity: Department of Human Services

Finding Status: Previously Reported Corrective Action Implemented

2018-028 Monitor Controls over Child Support Noncooperation Sanctions

Federal Agency: U.S. Department of Health and Human Services
State Entity: Department of Human Services
Repeat of Prior Year Finding: 2017-039

Finding Status: Previously Reported Corrective Action Implemented

2017-039 Improve Controls over Child Support Noncooperation Sanctions

Federal Agency: U.S. Department of Health and Human Services
State Entity: Department of Human Services

Finding Status: Previously Reported Corrective Action Implemented

2019-027 Improve Controls over Medicaid Eligibility Determinations

Federal Agency: U.S. Department of Health and Human Services
State Entity: Various State Agencies:
Department of Community Health
Department of Human Services

Repeat of Prior Year Finding: 2018-029

Finding Status: Partially Resolved

DCH Medicaid Assistance Plan (MAP) staff continue to meet with the DFCS Medicaid Unit on a monthly basis to review and monitor the status of the Ex-Parte list and to ensure that Continuing Medicaid Eligibility Determinations are performed. All appropriate ABD and Family Medicaid Administrators, Field Program Specialists, Medicaid eligibility supervisors and Medicaid eligibility workers have been trained on the correct procedures for Ex-Parte. Training is now complete. Ongoing training will be provided for new hires. A Customer Service Request to automate the SSI Ex-Parte in the Georgia Medicaid Management Information System (GAMMIS) process has been implemented.

2019-027 Improve Controls over Medicaid Eligibility Determinations (continued)

In order to automate the SSI Ex-Parte process, DCH was required to open a CSR. CSR #1492 required modifications to the GAMMIS system. Prior to modifying the GAMMIS system, business requirements had to be developed and finalized. In addition to modifying the GAMMIS system, a change request had to be completed and changes made in the Gateway system. CSR #1492 was placed into production on September 1, 2020.

Training of ABD, Family Medicaid Administrators, Field Program Specialists, Medicaid eligibility supervisors, and Medicaid eligibility workers was completed by April 30, 2020.

All requirements outlined in the above corrective action plan have been completed. Completion dates are as follows:

- *Automation of SSI Ex-Parte Process: Completed on September 1, 2020*
- *Training of ABD, Family Medicaid Administrators, Field Program Specialists, Medicaid eligibility supervisors, and Medicaid eligibility workers: Completed on April 30, 2020.*
- *Review of outstanding Ex-Parte cases: Completed on August 28, 2020*

2018-029 Improve Controls over Medicaid Eligibility Determinations

Federal Agency: U.S. Department of Health and Human Services

State Entity: Various State Agencies:
Department of Community Health
Department of Human Services

Finding Status: Partially Resolved

See response to finding number 2019-027.

2019-028 Follow Established Controls over Real Property and Equipment

Federal Agency: U.S. Department of the Interior

State Entity: Department of Natural Resources

Finding Status: Previously Reported Corrective Action Implemented

2019-029 Strengthen Controls over the Awarding Process

Federal Agency: Various Federal Agencies:
U.S. Department of Education and
U.S. Department of Health and Human Services

State Entity: University of West Georgia

Finding Status: Previously Reported Corrective Action Implemented

2019-030 Improve Controls over Cost of Attendance Budgets

Federal Agency: Various Federal Agencies:
U.S. Department of Education and
U.S. Department of Health and Human Services

State Entity: University of West Georgia

Finding Status: Previously Reported Corrective Action Implemented

2019-031 Improve Controls over the Return of Title IV Funds Process

Federal Agency: Various Federal Agencies:
U.S. Department of Education and
U.S. Department of Health and Human Services

State Entity: University of West Georgia

Finding Status: Partially Resolved

The UWG Financial Aid Office implemented a temporary corrective action plan immediately followed by a permanent correction action plan. Before the permanent corrective action plan was implemented, two UWG Financial Aid employees reviewed each R2T4 calculation. This helped to ensure timeliness and accuracy in the current process. In order to reduce the capacity for human error as much as possible, the permanent solution to completely move the R2T4 calculation process into Banner was fully implemented on December 31, 2020. The UWG Financial Aid Office has worked to complete this project with both the Bursar's and Registrar's offices.



**Appendix "A" – Listing of Organizational Units
Comprising the State of Georgia Reporting Entity
For the Fiscal Year Ended June 30, 2020**

State of Georgia

<u>ORGANIZATIONAL UNIT</u>	<u>CONTROL NUMBERS</u>
Accounting Office, State	407
Administrative Services, Department of	403
Agricultural Commodities Commissions	93X
Agricultural Exposition Authority, Georgia	926
Agriculture, Department of	402
Audits and Accounts, Department of (*)	404
Aviation Authority, Georgia	992
Banking and Finance, Department of	406
Behavioral Health and Developmental Disabilities, Department of	441
Boll Weevil Eradication Foundation of Georgia, Inc.	930
Building Authority, Georgia (*)	900
Community Affairs, Department of (*)	428
Community Health, Department of	419
Community Supervision, Department of	477
Correctional Industries Administration, Georgia	921
Corrections, Department of	467
Defense, Department of	411
Development Authority, Georgia (*)	914
Driver Services, Department of	475
Early Care and Learning, Department of	469
Economic Development, Department of	429
Education, Department of	414
Environmental Finance Authority, Georgia (*)	928
Financing and Investment Commission, Georgia State (*)	409
General Assembly, Georgia (*)	444
Geo. L. Smith II Georgia World Congress Center Authority	922
Georgia Forestry Commission	420
Governor, Office of the	422
Higher Education Assistance Corporation, Georgia (*)	918
Higher Education Facilities Authority, Georgia (*)	969
Housing and Finance Authority, Georgia (*)	923
Human Services, Department of	427
Insurance, Department of (<i>I</i>)	408
Investigation, Georgia Bureau of	471
Jekyll Island State Park Authority	910
Jekyll Island Foundation, Inc.	993
Judicial Branch	430
Court of Appeals, Georgia	432
Judicial Council of Georgia	434
Juvenile Court Judges of Georgia, Council of	431

(1) Organization elected to use the 10% de minimis cost rate, see page C-129 for more information.

(*) The audit of this organization is performed in whole or in part by other auditors.

**Appendix "A" – Listing of Organizational Units
Comprising the State of Georgia Reporting Entity
For the Fiscal Year Ended June 30, 2020**

State of Georgia

<u>ORGANIZATIONAL UNIT</u>	<u>CONTROL NUMBERS</u>
Prosecuting Attorneys' Council of Georgia <i>(1)</i>	418
Superior Courts, Georgia	436
Supreme Court, Georgia	438
Juvenile Justice, Department of	461
Labor, Department of	440
Lake Lanier Islands Development Authority	913
Law, Department of	442
Lottery Corporation, Georgia (*)	973
Natural Resources, Department of	462
North Georgia Mountains Authority	912
OneGeorgia Authority	981
Pardons and Paroles, State Board of	465
Pension and Other Employee Benefit Trust Funds	
Augusta University Early Retirement Pension Plan	5127
Employees' Retirement System of Georgia (*)	
Regular	416
Deferred Compensation 401 (K) Plan	n/a
Deferred Compensation 457 Plan	n/a
Defined Contribution Plan, Georgia	n/a
District Attorneys' Retirement Fund of Georgia	946
Judicial Retirement System, Georgia	n/a
Legislative Retirement System, Georgia	n/a
Military Pension Fund, Georgia	n/a
Public School Employees Retirement System	468
State Employees' Assurance Department	n/a
Superior Court Judges Retirement Fund of Georgia	945
Firefighters' Pension Fund, Georgia	950
Judges of the Probate Courts Retirement Fund of Georgia	949
Magistrates Retirement Fund of Georgia	991
Peace Officers' Annuity and Benefit Fund of Georgia	947
School Personnel Postemployment Health Benefit Fund, Georgia	360A
Sheriffs' Retirement Fund of Georgia	951
State Employees Postemployment Health Benefit Fund	360B
Superior Court Clerks' Retirement Fund of Georgia (*)	948
Teachers Retirement System of Georgia (*)	482
Ports Authority, Georgia (*)	916
Properties Commission, State	410
Public Defender Standards Council, Georgia	492
Public Health, Department of	405
Public Safety, Department of	466

(1) Organization elected to use the 10% de minimis cost rate, see page C-129 for more information.

(*) The audit of this organization is performed in whole or in part by other auditors.

**Appendix "A" – Listing of Organizational Units
Comprising the State of Georgia Reporting Entity
For the Fiscal Year Ended June 30, 2020**

State of Georgia

<u>ORGANIZATIONAL UNIT</u>	<u>CONTROL NUMBERS</u>
Public Service Commission	470
Public Telecommunications Commission, Georgia	977
Regents of the University System of Georgia, Board of	472
Abraham Baldwin Agricultural College	557
Albany State University	522
Atlanta Metropolitan State College	561
AU Health System, Inc. (*)	5128
Augusta University	512
Augusta University Foundation, Inc. and Subsidiaries (*)	5272
Augusta University Research Institute, Inc. (*)	5126
Clayton State University	528
College of Coastal Georgia	563
Columbus State University	530
Dalton State College	569
East Georgia State College <i>(1)</i>	572
Fort Valley State University	533
Georgia Advanced Technology Ventures, Inc. and Subsidiaries (*)	5038
Georgia College & State University	536
Georgia College & State University Foundation, Inc. and Subsidiaries (*)	5362
Georgia Gwinnett College	540
Georgia Gwinnett College Foundation, Inc. (*)	5365
Georgia Health Sciences Foundation, Inc. (*)	5273
Georgia Highlands College	573
Georgia Institute of Technology	503
Georgia Military College	968
Georgia Southern University	539
Georgia Southern University Housing Foundation, Inc. and Subsidiaries (*)	5392
Georgia Southwestern State University	542
Georgia State University	509
Georgia State University Athletic Association, Inc. (*)	5093
Georgia State University Foundation, Inc. (*)	5091
Georgia State University Research Foundation, Inc. (*)	5092
Georgia Tech Athletic Association (*)	5032
Georgia Tech Facilities, Inc. (*)	5034
Georgia Tech Foundation, Inc. (*)	5035
Georgia Tech Research Corporation (*)	5036
Gordon State College	576
Kennesaw State University	543
Kennesaw State University Foundation, Inc. (*)	5431
Medical College of Georgia Foundation, Inc. (*)	5122

(1) Organization elected to use the 10% de minimis cost rate, see page C-129 for more information.

(*) The audit of this organization is performed in whole or in part by other auditors.

**Appendix "A" – Listing of Organizational Units
Comprising the State of Georgia Reporting Entity
For the Fiscal Year Ended June 30, 2020**

State of Georgia

<u>ORGANIZATIONAL UNIT</u>	<u>CONTROL NUMBERS</u>
Middle Georgia State University (<i>I</i>)	583
Middle Georgia State University Real Estate Foundation, Inc. and Subsidiaries (*)	5841
Savannah State University	548
South Georgia State College	588
University of Georgia	518
University of Georgia Athletic Association, Inc. (*)	5181
University of Georgia Foundation (*)	5182
University of Georgia Research Foundation, Inc. and Subsidiaries (*)	5184
University of North Georgia	553
University of North Georgia Real Estate Foundation, Inc. and Subsidiaries (*)	5452
University of West Georgia	554
UWG Real Estate Foundation, Inc. (*)	5543
University System of Georgia Foundation, Inc. and Affiliates (*)	4721
Valdosta State University	551
VSU Auxiliary Services Real Estate Foundation, Inc. (*)	5512
Regional Educational Service Agencies	
Central Savannah River Area RESA	8684
Chattahoochee-Flint RESA	8724
Coastal Plains RESA	8864
First District RESA	8804
Griffin RESA	8624
Heart of Georgia RESA	8764
Metropolitan RESA	8564
Middle Georgia RESA	8644
North Georgia RESA	8524
Northeast Georgia RESA	8584
Northwest Georgia RESA	8504
Oconee RESA	8664
Okefenokee RESA	8884
Pioneer RESA	8544
Southwest Georgia RESA	8844
West Georgia RESA	8604
Regional Transportation Authority, Georgia	976
Revenue, Department of	474
Road and Tollway Authority, State	927
Savannah-Georgia Convention Center Authority	998
Secretary of State	478
Seed Development Commission, Georgia	919
State Treasurer, Office of the	486
Stone Mountain Memorial Association (*)	911

(1) Organization elected to use the 10% de minimis cost rate, see page C-129 for more information.

(*) The audit of this organization is performed in whole or in part by other auditors.

**Appendix "A" – Listing of Organizational Units
Comprising the State of Georgia Reporting Entity
For the Fiscal Year Ended June 30, 2020**

State of Georgia

<u>ORGANIZATIONAL UNIT</u>	<u>CONTROL NUMBERS</u>
Student Finance Authority, Georgia (*)	917
Student Finance Commission, Georgia	476
REACH Georgia Foundation, Inc. (*)	4761
Subsequent Injury Trust Fund	489
Superior Court Clerks' Cooperative Authority, Georgia (*)	955
Technical College System of Georgia	415
Albany Technical College	820
Athens Technical College	822
Atlanta Technical College	823
Augusta Technical College	824
Central Georgia Technical College	835
Chattahoochee Technical College	827
Coastal Pines Technical College	818
Columbus Technical College	828
Georgia Northwestern Technical College	829
Georgia Piedmont Technical College	830
Gwinnett Technical College	832
Lanier Technical College	834
North Georgia Technical College <i>(1)</i>	838
Oconee Fall Line Technical College	817
Ogeechee Technical College	844
Savannah Technical College	841
South Georgia Technical College	842
Southeastern Technical College	843
Southern Crescent Technical College	831
Southern Regional Technical College <i>(1)</i>	837
West Georgia Technical College	826
Wiregrass Technical College <i>(1)</i>	848
Technology Authority, Georgia	980
Transportation, Department of	484
Veterans Service, Department of	488
Workers' Compensation, State Board of	490

(1) Organization elected to use the 10% de minimis cost rate, see page C-129 for more information.

(*) The audit of this organization is performed in whole or in part by other auditors.