

State of Arizona

Single Audit Report

Year Ended June 30, 2017



A Report to the Arizona Legislature





The Arizona Office of the Auditor General's mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, the Office provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, state agencies, and the programs they administer.

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Senator **John Kavanagh**

Senator **Steve Yarbrough** (ex officio)

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TABLE OF CONTENTS

Auditors Section

Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards* 1

Independent auditors' report on compliance for each major federal program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by the Uniform Guidance 3

Schedule of Findings and Questioned Costs 7

Summary of auditors' results 7

Financial statement findings 9

Federal award findings and questioned costs 32

State Section

Schedule of expenditures of federal awards 59

Notes to schedule of expenditures of federal awards 93

Appendix

State of Arizona agency codes 99

State Response

Corrective action plan 102

Summary schedule of prior audit findings 119

Universities Responses

Corrective action plan 137

Report Issued Separately

Comprehensive annual financial report



STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

**Independent auditors' report on internal control over financial reporting and
on compliance and other matters based on an audit of basic financial
statements performed in accordance with *Government Auditing Standards***

The Honorable Doug Ducey, Governor
State of Arizona

The Honorable Steve Yarbrough, President
Arizona State Senate

The Honorable J. D. Mesnard, Speaker
Arizona House of Representatives

The Honorable Scott Bales, Chief Justice
Arizona Supreme Court

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information of the State of Arizona as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated March 15, 2018. Our report includes a reference to other auditors who audited the financial statements of the Arizona Department of Transportation, the Arizona Health Care Cost Containment System, the Arizona State Lottery, the Arizona State Retirement System, the Public Safety Personnel Retirement System, the Corrections Officer Retirement Plan, the Elected Officials' Retirement Plan, the Early Childhood Development and Health Board, the Arizona Correctional Industries, and certain aggregate discretely presented component units, as described in our report on the State's financial statements. The other auditors did not audit the financial statements of the Arizona Power Authority and the Universities-Affiliated Component Units, except for those of the Arizona State University Preparatory Academy, Inc., which were reported as discretely presented component units, in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with those discretely presented component units. For those state agencies and discretely presented component units the other auditors audited in accordance with *Government Auditing Standards*, this report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that the other auditors reported on separately. However, this report, insofar as it relates to the other auditors' results, is based solely on the other auditors' reports.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the State's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in

the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we and the other auditors identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the State's basic financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2017-02, 2017-03, and 2017-04 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2017-01 and 2017-05 through 2017-22 to be significant deficiencies.

Compliance and other matters

As part of obtaining reasonable assurance about whether the State's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and that is described in the accompanying schedule of findings and questioned costs as item 2017-11.

State of Arizona's response to findings

The State's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. The State's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jay Zsorey, CPA
Director, Financial Audit Division

March 15, 2018



STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

**Independent auditors' report on compliance for each major federal program;
report on internal control over compliance; and report on schedule of
expenditures of federal awards required by the Uniform Guidance**

The Honorable Doug Ducey, Governor
State of Arizona

The Honorable Steve Yarbrough, President
Arizona State Senate

The Honorable J.D. Mesnard, Speaker
Arizona House of Representatives

The Honorable Scott Bales, Chief Justice
Arizona Supreme Court

Report on compliance for each major federal program

We have audited the State of Arizona's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017, except for the major federal programs listed below:

<u>Program/cluster title</u>	<u>Administered by</u>
Medical Assistance Program (part of Medicaid Cluster)	Arizona Health Care Cost Containment System
Block Grants for Prevention and Treatment of Substance Abuse	Arizona Health Care Cost Containment System
Block Grants for Community Mental Health Services	Arizona Health Care Cost Containment System

Those major federal programs were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to those major federal programs' compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, is based solely on the report of the other auditor. The State's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The State's basic financial statements include the operations of the Thunderbird School of Global Management, which was reported as a blended component unit and the ASU Preparatory Academy, Inc., which was reported as a discretely presented component unit. These component units expended \$11,078 and \$1,596,104 in federal awards, respectively, that are not included in the State's schedule of expenditures of federal awards for the year ended June 30, 2017. Our audit, described below, did not include the operations of the Thunderbird School of Global Management and the ASU Preparatory Academy, Inc., because these entities engaged other auditors to perform an audit in accordance with 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).

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.

Auditors' responsibility

Our responsibility is to express an opinion on compliance for each of the State's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 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 and the report of the other auditor 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 qualified opinion on Child and Adult Care Food Program, Special Education Cluster (IDEA), Migrant Education—State Grant Program, Rehabilitation Services—Vocational Rehabilitation Grants to States, TANF Cluster, Foster Care—Title IV-E, and Adoption Assistance

As described in the accompanying schedule of findings and questioned costs, the State did not comply with certain compliance requirements that are applicable to the major federal programs listed below. Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to those programs.

<u>Program/cluster title (CFDA number)</u>	<u>Compliance requirement</u>	<u>Finding number</u>
Child and Adult Care Food Program (10.558)	Eligibility	2017-110
Special Education Cluster (IDEA) (84.027/84.173)	Level of effort	2017-102, 2017-104
	Earmarking and special tests and provisions	2017-103
	Earmarking and period of availability of federal funds	2017-105
	Reporting and special tests and provisions	2017-108
Rehabilitation Services—Vocational Rehabilitation Grants to States (84.126)	Activities allowed or unallowed and allowable costs/cost principles	2017-119
	Cash management	2017-118
	Eligibility	2017-120
	Earmarking	2017-121
TANF Cluster (93.558)	Cash management	2017-118
Foster Care—Title IV-E (93.658)	Eligibility	2017-114

Program/cluster title (CFDA number)

Adoption Assistance (93.659)

Compliance requirement

Cash management

Finding number

2017-115

Qualified opinion on Child and Adult Care Food Program, Special Education Cluster (IDEA), Migrant Education—State Grant Program, Rehabilitation Services—Vocational Rehabilitation Grants to States, TANF Cluster, Foster Care—Title IV-E, and Adoption Assistance

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 Child and Adult Care Food Program (10.558), Special Education Cluster (IDEA) (84.027/84.173), Migrant Education—State Grant Program (84.011), Rehabilitation Services—Vocational Rehabilitation Grants to States (84.126), TANF Cluster (93.558), Foster Care—Title IV-E (93.658), and Adoption Assistance (93.659) for the year ended June 30, 2017.

Unmodified opinion on each of the other major federal programs

In our opinion, based on our audit and the report of the 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 auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2017.

Other matters

The results of our auditing procedures disclosed other instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as items 2017-101, 2017-106, 2017-107, 2017-109, 2017-111, 2017-112, 2017-113, 2017-117, 2017-122, 2017-123, 2017-124, and 2017-126. Our opinion on each major federal program is not modified with respect to these matters.

Report on internal control over compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is 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 as items 2017-102, 2017-103, 2017-104, 2017-105, 2017-108, 2017-110, 2017-114, 2017-115, 2017-118, 2017-119, 2017-120, and 2017-121 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 as items 2017-106, 2017-107, 2017-109, 2017-111, 2017-112, 2017-113, 2017-116, 2017-117, 2017-122, 2017-123, 2017-124, 2017-125, and 2017-126 to be significant deficiencies.

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.

State of Arizona's response to findings

The State's responses to the findings identified in our audit are presented in its corrective action plan at the end of this report. The State's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on them.

Report on schedule of expenditures of federal awards required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, aggregate discretely presented component units, each major fund, and aggregate remaining fund information of the State of Arizona as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the State's basic financial statements. We issued our report thereon dated March 15, 2018, that contained unmodified opinions on those financial statements. Our report also included a reference to our reliance on other auditors. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the State's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of the State's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards by us and the other auditors. In our opinion, based on our audit, the procedures performed as described previously, and the reports of the other auditors, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Jay Zsorey, CPA
Director, Financial Audit Division

March 30, 2018



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of auditors' results

Financial statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles **Unmodified**

Internal control over financial reporting

Material weaknesses identified? **Yes**

Significant deficiencies identified? **Yes**

Noncompliance material to the financial statements noted? **No**

Federal awards

Internal control over major programs

Material weaknesses identified? **Yes**

Significant deficiencies identified? **Yes**

Type of auditors' report issued on compliance for major programs

Unmodified on all programs except for Child and Adult Care Food Program (10.558), Special Education Cluster (IDEA) (84.027/84.173), Migrant Education—State Grant Program (84.011), Rehabilitation Services—Vocational Rehabilitation Grants to States (84.126), TANF Cluster (93.558), Foster Care—Title IV-E (93.658), and Adoption Assistance (93.659), which were qualified.

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

Identification of major programs

CFDA number	Name of federal program or cluster
10.558	Child and Adult Care Food Program
17.258/17.259/17.278	WIOA Cluster
84.027/84.173	Special Education Cluster (IDEA)

CFDA number	Name of federal program or cluster
84.002	Adult Education—Basic Grants to States
84.011	Migrant Education—State Grant Program
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States
84.181	Special Education—Grants for Infants and Families
93.558	TANF Cluster
93.775/93.777/93.778	Medicaid Cluster
93.658	Foster Care—Title IV-E
93.659	Adoption Assistance
93.958	Block Grants for Community Mental Health Services
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.067	Homeland Security Grant Program
84.007/84.033/84.038/ 84.063/84.268/84.379/ 84.408/93.264/93.342/ 93.364/93.408/93.925	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs **\$30,000,000**

Auditee qualified as low-risk auditee? **No**

Other matters

Auditee’s summary schedule of prior audit findings required to be reported in accordance with 2 CFR §200.511(b)? **Yes**

Financial statement findings

2017-01

The four state agencies named below should improve their risk-assessment process to include information technology security

Criteria—The State faces risks of reporting inaccurate financial information and exposing sensitive data. An effective internal control system for the State's agencies should include an agency-wide risk-assessment process that involves members of an agency's administration and IT management to determine the risks an agency faces as it seeks to achieve its objectives to report accurate financial information and protect sensitive data. An effective risk-assessment process provides the basis for developing appropriate risk responses and should include defining objectives to better identify risks and define risk tolerances, and identifying, analyzing, and responding to identified risks.

Condition and context—The information technology security risk-assessment process was reviewed at four state agencies including the Department of Administration (DOA), Department of Economic Security (DES), Department of Child Safety (DCS), and Department of Revenue (DOR). The DES is partially responsible for the DCS' controls over its risk assessment process. We determined that these agencies' annual risk-assessment processes did not include an agency-wide information technology (IT) security risk assessment over their IT resources, which include their systems, networks, infrastructure, and data. Also, these agencies did not identify and classify sensitive information. Further, these agencies did not evaluate the impact disasters or other system interruptions could have on their critical IT resources.

Effect—There is an increased risk that these agencies' administrators and IT management may not effectively identify, analyze, and respond to risks that may impact their IT resources.

Cause—These agencies lacked sufficient policies and procedures and detailed instructions for employees to follow.

Recommendations—To help ensure these agencies have effective policies and procedures to identify, analyze, and respond to risks that may impact their IT resources, these agencies need to develop and implement an effective agency-wide IT risk-assessment process. The information below provides guidance and best practices to help these agencies achieve this objective:

- **Conduct an IT risk-assessment process at least annually**—A risk-assessment process should include the identification of risk scenarios, including the scenarios' likelihood and magnitude; documentation and dissemination of results; review by appropriate personnel; and prioritization of risks identified for remediation. An IT risk assessment could also incorporate any unremediated threats identified as part of an entity's security vulnerability scans. (DOA, DES, DCS, DOR)
- **Identify, classify, inventory, and protect sensitive information**—Security measures should be developed to identify, classify, and inventory sensitive information and protect it, such as implementing controls to prevent unauthorized access to that information. Policies and procedures should include the security categories into which information should be classified, as well as any state statutes and federal regulations that could apply, and require disclosure to affected parties if sensitive information covered by state statutes or federal regulations is compromised. (DOA, DES, DCS, DOR)
- **Evaluate the impact disasters or other system interruptions could have on critical IT resources**—The evaluation should identify key business processes and prioritize the resumption of these functions within time frames acceptable to the entity in the event of contingency plan activation. Further, the evaluation's results should be considered when updating its disaster recovery plan. (DES, DOR)

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-03.

2017-02

The four state agencies named below should improve access controls over their information technology resources

Criteria—Logical and physical access controls help to protect a state agency's information technology (IT) resources, which include its systems, network, infrastructure, and data, from unauthorized or inappropriate access or use, manipulation, damage, or loss. Logical access controls also help to ensure that authenticated users access only what they are authorized to access. Therefore, an agency should have effective internal control policies and procedures to control access to its IT resources.

Condition and context—Access controls over information technology resources were reviewed at four state agencies including the Department of Administration (DOA), Department of Economic Security (DES), Department of Child Safety (DCS), and Department of Revenue (DOR). The DES is partially responsible for DCS' access controls. We determined that these agencies did not have adequate policies and procedures or consistently implement their policies and procedures to help prevent or detect unauthorized or inappropriate access to their IT resources.

Effect—There is an increased risk that these agencies may not prevent or detect unauthorized or inappropriate access or use, manipulation, damage, or loss of their IT resources, including sensitive and confidential information.

Cause—These agencies lacked sufficient policies and procedures and detailed instructions for employees to follow.

Recommendations—To help prevent and detect unauthorized access or use, manipulation, damage, or loss to these agencies' IT resources, these agencies need to develop effective logical and physical access policies and procedures over their IT resources. These agencies should review their policies and procedures against current IT standards and best practices and implement them agency-wide, as appropriate. Further, these agencies should train staff on the policies and procedures. The information below provides guidance and best practices to help these agencies achieve this objective:

- **Review user access**—A periodic, comprehensive review should be performed of all existing employee accounts to help ensure that network and system access granted is needed and compatible with job responsibilities. (DOA, DES, DCS, DOR)
- **Remove terminated employees' access to its IT resources**—Employees' network and system access should immediately be removed upon their terminations. (DOA, DES, DOR)
- **Review contractor and other nonentity account access**—A periodic review should be performed on contractor and other nonentity accounts with access to an entity's IT resources to help ensure their access remains necessary and appropriate. (DOA, DES, DCS, DOR)
- **Review all shared accounts**—Shared network access accounts should be reviewed and eliminated or minimized when possible. (DOA, DES, DOR)

- **Manage shared accounts**—Shared accounts should be used only when appropriate and in accordance with an established policy authorizing the use of shared accounts. In addition, account credentials should be reissued on shared accounts when a group member leaves. (DES, DOR)
- **Review and monitor key activity of users**—Key activities of users and those with elevated access should be reviewed for propriety. (DOA, DES, DCS, DOR)
- **Improve network and system password policies**—Network and system password policies should be improved and ensure they address all accounts. (DOA, DOR)
- **Manage employee-owned and entity-owned electronic devices connecting to the network**—The use of employee-owned and entity-owned electronic devices connecting to the network should be managed, including specifying configuration requirements and the data appropriate to access; inventorying devices; establishing controls to support wiping data; requiring security features, such as passwords, antivirus controls, file encryption, and software updates; and restricting the running of unauthorized software applications while connected to the network. (DOA, DES, DOR)
- **Manage remote access**—Security controls should be utilized for all remote access. These controls should include appropriate configuration of security settings such as configuration/connections requirements and the use of encryption to protect the confidentiality and integrity of remote sessions. (DOA, DES, DOR)
- **Review data center access**—A periodic review of physical access granted to the data center should be performed to ensure that it continues to be needed. (DOA, DES, DOR)
- **Data sharing**—Data-sharing agreements should be sufficiently designed to include data security restrictions for confidential information, and these agreements should be monitored. (DOR)

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-04.

2017-03

The four state agencies named below should improve their configuration management processes over their information technology resources

Criteria—A well-defined configuration management process, including a change management process, is needed to ensure that a state agency's information technology (IT) resources, which include its systems, network, infrastructure, and data, are configured securely and that changes to these IT resources do not adversely affect security or operations. IT resources are typically constantly changing in response to new, enhanced, corrected, or updated hardware and software capabilities and new security threats. An agency should have effective written configuration management internal control policies and procedures to track and document changes made to its IT resources.

Condition and context—The information technology configuration management processes were reviewed at four state agencies including the Department of Administration (DOA), Department of Economic Security (DES), Department of Child Safety (DCS), and Department of Revenue (DOR). The DES is partially responsible for the DCS' controls over its configuration management processes. These agencies have written policies and procedures for managing changes to their IT resources; however, some of these agencies lacked critical elements, and the agencies did not consistently implement their configuration management policies and procedures. Also, these agencies did not have policies and procedures to ensure IT resources were configured securely.

Effect—There is an increased risk that these agencies' IT resources may not be configured appropriately and securely and that changes to those resources could be unauthorized or inappropriate or could have unintended results without proper documentation, authorization, review, testing, and approval prior to being applied.

Cause—These agencies lacked sufficient policies and procedures and detailed instructions for employees to follow.

Recommendations—To help prevent and detect unauthorized, inappropriate, and unintended changes to these agencies' IT resources, these agencies need to review their configuration management policies and procedures against current IT standards and best practices, update them where needed, and implement them agency-wide, as appropriate. Further, these agencies should train staff on the policies and procedures. The information below provides guidance and best practices to help these agencies achieve this objective:

- **Establish and follow change management processes**—For changes to IT resources, a change-management process should be established for each type of change, including emergency changes and other changes that might not follow the normal change-management process. Further, all changes should follow the applicable change-management process and should be appropriately documented. (DOA, DOR)
- **Review proposed changes**—Proposed changes to IT resources should be reviewed for appropriateness and justification, including consideration of the changes' security impact. (DOA, DOR)
- **Document changes**—Changes made to IT resources should be logged and documented, and a record should be retained of all change details, including a description of the change, the departments and systems impacted, the individual responsible for making the change, test procedures performed and the test results, security impact analysis results, change approvals at each appropriate phase of the change management process, and a post-change review. (DOA, DOR)
- **Roll back changes**—Rollback procedures should be established that include documentation necessary to back out changes that negatively impact IT resources. (DOA, DES, DOR)
- **Test**—Changes should be tested prior to implementation, including performing a security impact analysis of the change. (DOA, DOR)
- **Separate responsibilities for the change-management process**—Responsibilities for developing and implementing changes to IT resources should be separated from the responsibilities of authorizing, reviewing, testing, and approving changes for implementation or, if impractical, performing a post-implementation review of the change to confirm the change followed the change management process and was implemented as approved. (DOR)
- **Configure IT resources appropriately and securely, and maintain configuration settings**—Configure IT resources appropriately and securely, which includes limiting the functionality to ensure only essential services are performed, and maintain configuration settings for all systems. (DOA, DES, DOR)
- **Manage software installed on employee computer workstations**—For software installed on employee computer workstations, policies and procedures should be developed to address what software is appropriate and the process for requesting, approving, installing, monitoring, and removing software on employee computer workstations. (DES, DOR)

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-05.

2017-04

The four state agencies named below should improve security over their information technology resources

Criteria—The selection and implementation of security controls for a state agency's information technology (IT) resources, which include its systems, network, infrastructure, and data, are important because they reduce the risks that arise from losing confidentiality, integrity, or availability of information that could adversely impact the agency's operations or assets. Therefore, an agency should implement internal control policies and procedures for an effective IT security process that includes practices to help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to its IT resources.

Condition and context—The security controls over information technology resources were reviewed at four state agencies including the Department of Administration (DOA), Department of Economic Security (DES), Department of Revenue (DOR), and Department of Child Safety (DCS). The DES is partially responsible for the DCS' controls over information technology security. These agencies did not have sufficient written IT security policies and procedures over their IT resources.

Effect—There is an increased risk that these agencies may not prevent or detect the loss of confidentiality, integrity, or availability of systems and data.

Cause—These agencies lacked sufficient policies and procedures and detailed instructions for employees to follow.

Recommendations—To help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to these agencies' IT resources, these agencies need to further develop their policies and procedures over IT security. These agencies should review their policies and procedures against current IT standards and best practices and implement them agency-wide, as appropriate. Further, the agencies should train staff on the policies and procedures. The information below provides guidance and best practices to help these agencies achieve this objective:

- **Perform proactive logging and log monitoring**—Key user and system activity should be logged, particularly for users with administrative access privileges and remote access, along with other activities that could result in potential security incidents such as unauthorized or inappropriate access. An entity should determine what events to log, configure the system to generate the logs, and decide how often to monitor these logs for indicators of potential attacks or misuse of IT resources. Finally, activity logs should be maintained where users with administrative access privileges cannot alter them. (DOA, DES, DOR)
- **Prepare and implement an incident response plan**—An incident response plan should be developed, tested, and implemented for an entity's IT resources, and staff responsible for the plan should be trained. The plan should coordinate incident-handling activities with contingency-planning activities and incorporate lessons learned from ongoing incident handling in the incident response procedures. The incident response plan should be distributed to incident response personnel and updated as necessary. Security incidents should be reported to incident response personnel so they can be tracked and documented. Policies and procedures should also follow regulatory and statutory requirements, provide a mechanism for assisting users in handling and reporting security incidents, and making disclosures to affected individuals and appropriate authorities if an incident occurs. (DES, DOR)

- **Provide training on IT security risks**—A plan should be developed to provide continuous training on IT security risks, including a security awareness training program for all employees that provides a basic understanding of information security, user actions to maintain security, and how to recognize and report potential indicators of security threats, including threats employees generate. Security awareness training should be provided to new employees and on an ongoing basis. (DOA, DES, DOR)
- **Perform IT vulnerability scans**—A formal process should be developed for vulnerability scans that includes performing vulnerability scans of its IT resources on a periodic basis and utilizing tools and techniques to automate parts of the process by using standards for software flaws and improper configuration, formatting procedures to test for the presence of vulnerabilities, measuring the impact of identified vulnerabilities, and approving privileged access while scanning systems containing highly sensitive data. In addition, vulnerability scan reports and results should be analyzed and legitimate vulnerabilities remediated as appropriate, and information obtained from the vulnerability-scanning process should be shared with the entity's other departments to help eliminate similar vulnerabilities. (DOA, DES, DOR)
- **Apply patches**—Patches to IT resources should be evaluated, tested, and applied in a timely manner once the vendor makes them available. (DOA, DES, DOR)
- **Secure unsupported software**—Establish a strategy for assessing and securing any software that the manufacturer no longer updates and supports. (DES)
- **Protect sensitive or restricted data**—Restrict access to media containing data the entity, federal regulation, or state statute identifies as sensitive or restricted. Such media should be appropriately marked indicating the distribution limitations and handling criteria for data included on the media. In addition, media should be physically controlled and secured until it can be destroyed or sanitized using sanitization mechanisms with the strength and integrity consistent with the data's security classification. (DOA, DES, DOR)
- **Develop and document a process for awarding IT vendor contracts**—A process should be developed and documented to ensure the consideration of IT risks, costs, benefits, and technical specifications prior to awarding IT vendor contracts. In addition, contracts should include specifications addressing the management, reliability, governance, and security of the entity's IT resources. Further, for cloud services, ensure service contracts address all necessary security requirements based on best practices, such as physical location of data centers. Finally, IT vendors' performance should be monitored to ensure conformance with vendor contracts. (DOA, DES)

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-06.

2017-05

The four state agencies named below should improve their contingency planning procedures for their information technology resources

Criteria—It is critical that the State's agencies have contingency planning procedures in place to provide for the continuity of operations and to help ensure that vital information technology (IT) resources, which include an agency's systems, network, infrastructure, and data, can be recovered in the event of a disaster, system or equipment failure, or other interruption. Contingency planning procedures include having a comprehensive, up-to-date contingency plan; taking steps to facilitate the plan's activation; and having system and data backup policies and procedures.

Condition and context—The contingency planning procedures were reviewed at four state agencies including the Department of Administration (DOA), Department of Economic Security (DES), Department of Revenue (DOR), and Department of Child Safety (DCS). The DES is responsible for all the DCS' controls over contingency planning. These agencies' contingency plans lacked certain key elements related to restoring operations in the event of a disaster or other system interruption of their IT resources. Also, although these agencies were performing system and data backups, they did not have documented policies and procedures for performing the backups or testing them to ensure they were operational and could be used to restore their IT resources.

Effect—These agencies risk not being able to provide for the continuity of operations, recover vital IT systems and data, and conduct daily operations in the event of a disaster, system or equipment failure, or other interruption, which could cause inaccurate or incomplete system and data recovery.

Cause—These agencies lacked sufficient policies and procedures and detailed instructions for employees to follow.

Recommendations—To help ensure these agencies' operations continue in the event of a disaster, system or equipment failure, or other interruption, these agencies need to further develop their contingency planning procedures. These agencies should review their contingency planning procedures against current IT standards and best practices, update them where needed, and implement them agency-wide, as appropriate. The information below provides guidance and best practices to help these agencies achieve this objective:

- **Update the contingency plan and ensure it includes all required elements to restore operations**—Contingency plans should be updated at least annually for all critical information or when changes are made to IT resources, and updates to the plan should be communicated to key personnel. The plan should include essential business functions and associated contingency requirements, including recovery objectives and restoration priorities and metrics as determined in the entity's business-impact analysis; contingency roles and responsibilities and assigned individuals with contact information; identification of critical information assets and processes for migrating to the alternative processing site; processes for eventual system recovery and reconstitution to return the IT resources to a fully operational state and ensure all transactions have been recovered; and review and approval by appropriate personnel. The contingency plan should also be coordinated with incident-handling activities and stored in a secure location, accessible to those who need to use it, and protected from unauthorized disclosure or modification. (DOA, DES)
- **Develop and implement a contingency plan**—A contingency plan should be developed and implemented and include essential business functions and associated contingency requirements; recovery objectives and restoration priorities and metrics as determined in the entity's business-impact analysis; contingency roles and responsibilities and assigned individuals with contact information; identification of critical information assets and processes for migrating to the alternative processing site; processes for eventual system recovery and reconstitution to return the IT resources to a fully operational state and ensure all transactions have been recovered; and review and approval by appropriate personnel. The contingency plan should also be coordinated with incident-handling activities and stored in a secure location, accessible to those who need to use it, and protected from unauthorized disclosure or modification. (DOR)
- **Move critical operations to a separate alternative site**—Policies and procedures should be developed and documented for migrating critical IT operations to a separate alternative site for essential business functions, including putting contracts in place or equipping the alternative site to resume essential business functions, if necessary. The alternative site's information security safeguards should be equivalent to the primary site. (DES, DOR)

- **Test the contingency plan**—A process should be developed and documented to perform regularly scheduled tests of the contingency plan and document the tests performed and results. This process should include updating and testing the contingency plan at least annually or as changes necessitate, and coordinating testing with the entity’s other plans such as its continuity of operations, cyber incident response, and emergency response plans. Plan testing may include actual tests, simulations, or tabletop discussions and should be comprehensive enough to evaluate whether the plan can be successfully carried out. The test results should be used to update or change the plan. (DES, DOR)
- **Train staff responsible for implementing the contingency plan**—An ongoing training schedule should be developed for staff responsible for implementing the plan that is specific to each user’s assigned role and responsibilities. (DOA, DES, DOR)
- **Backup systems and data**—Establish and document policies and procedures for testing IT system software and data backups to help ensure they could be recovered if needed. Policies and procedures should require system software and data backups to be protected and stored in an alternative site with security equivalent to the primary storage site. Backups should include user-level information, system-level information, and system documentation, including security-related documentation. In addition, critical information system software and security-related information should be stored at an alternative site or in a fire-rated container. (DOA, DES, DOR)

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-07.

2017-06

The Department of Administration’s Data Center should strengthen its contracts with state agencies

Criteria—Information technology (IT) service contracts between the Department of Administration’s Data Center (Data Center) and other state agencies should be complete, up to date, and include all parties’ responsibilities. Well-documented and up-to-date service contracts provide staff with repeatable processes and clear expectations. In addition, the Data Center should maintain a comprehensive listing of state agencies it has provided services to and the services provided.

Condition and context—The Data Center’s IT service contracts with state agencies are broad, not agency specific, and do not adequately address critical services, including disaster recovery. Consequently, agencies may not understand their responsibilities in the event of a disaster, including what they would need to provide (e.g., data, software, etc.) to the Data Center.

Effect—Current contracts for services between the Data Center and state agencies could result in the failure to clearly communicate policies and procedures, limit staff accountability, and result in inconsistencies. For example, if a major disruption or disaster were to occur, the order in which systems were restored may not match individual state agencies’ or the State’s criticality or operational priorities. In addition, state agencies might incorrectly assume that the Data Center will always provide full off-site backup and disaster recovery.

Cause—The Data Center did not have sufficient policies and procedures to help ensure their contracts with state agencies, including disaster recovery services, are specific for each state agency and are updated as needed. In addition, the Data Center did not maintain a comprehensive listing of state agencies it provided services to along with the services provided.

Recommendations—To help ensure IT service contracts between the Data Center and state agencies are complete and up to date, the Data Center should strengthen its IT services policies and procedures. The procedures should include establishing a comprehensive listing of the state agencies' systems maintained and clarifying the specific roles and responsibilities that all parties play in disaster recovery efforts. Further, the Data Center should ensure that the services provided are appropriately identified on the listing, state agency systems are prioritized for recovery based on their relative importance, and the listing is updated as the state agency's needs change. The information from the listing should also be included in the IT service contract with each state agency and provided either in summary form or a contract revision to each state agency.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-08.

2017-07

The Department of Administration's State Procurement Office should strengthen its policies and procedures over monitoring its contract with its ProcureAZ vendor

Criteria—The Department of Administration's State Procurement Office (SPO) contracted with a vendor to support and host the State's procurement system (ProcureAZ). This vendor also used a subcontractor to perform some of these services for the ProcureAZ system. Accordingly, the SPO should monitor the contract to ensure the vendor and its subcontractor met the contract terms and conditions.

Condition and context—There were several deficiencies related to SPO ensuring the contractor and its subcontractor adhered to the contract requirements over the ProcureAZ system, as follows:

- The contract provided for the State to perform an audit or inspection of the vendor records as they relate to the ProcureAZ system; however, the SPO did not monitor the vendor's internal controls or require that a service organization perform an internal control audit in accordance with Statement on Standards for Attestation Engagements No. 16, Type II, and submit the audit report to the SPO.
- The contract required the vendor to demonstrate, at least once a year, the successful recovery of the ProcureAZ system should a disaster occur; however, the SPO did not obtain and review the results of the annual disaster recovery assessment from the vendor.
- The contract included service level agreements that the vendor should meet. However, the SPO did not have a documented process in place to track and monitor these results to ensure the vendor was meeting the service levels. As such, the SPO did not determine if the vendor complied with this requirement.

Effect—The SPO did not ensure that the vendor and its subcontractor were fulfilling their contract responsibilities or obtain the necessary information or data and assurances that the vendor's system of internal controls is operating effectively.

Cause—The SPO did not have written policies and procedures to monitor and ensure the vendor and its subcontractor met all requirements set forth in the contract. In addition, throughout the contract period there was turnover with the personnel responsible for overseeing the contract, and as a result there was no continuity of SPO staff to evaluate vendor and subcontractor compliance with the contract.

Recommendations—The SPO should develop and implement comprehensive procurement policies and procedures to help ensure that it monitors its vendor and subcontractor compliance with the terms and conditions of the ProcureAZ contract.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-09.

2017-08

The Department of Education should reconcile its internal information system to the State's general ledger accounting system

Criteria—In accordance with the State of Arizona Accounting Manual (SAAM), Topic 05: Internal Controls, Section 05, General Internal Controls, 3, each agency must reconcile relevant activity not later than the end of the month following the month in which the transactions occurred and no less frequently than once a month. Further, reconciliations should be documented and retained in accordance with state record retention requirements.

Condition and context—During fiscal year 2017, the Department of Education (Department) distributed approximately \$3.79 billion in basic state aid to school districts and charter schools and \$442.5 million in classroom site fund monies to school districts and charter schools. The Department uses its own internal system to account for student count information and to calculate the amount of basic state aid and classroom site fund disbursements to the school districts and charter schools. However, the distribution amounts in its internal information system were not reconciled to the accounting records on the State's general ledger accounting system that was used to generate the payments to the school districts and charter schools. As a result, the Department was unable to readily provide explanations for significant variances between the two systems.

Effect—The Department was not in compliance with the SAAM and could have distributed inaccurate amounts to the school districts and charter schools. However, the Department subsequently performed the reconciliation and was able to explain the significant variances.

Cause—The Department did not have policies and procedures in place to perform a monthly reconciliation of its internal information system to the State's general ledger accounting system.

Recommendation—To help ensure the Department complies with the SAAM and amounts distributed to school districts and charter schools are accurate, the Department should develop policies and procedures to reconcile its internal information system to the State's general ledger accounting system for accuracy at least monthly. In addition, documentation of the reconciliation should be retained in accordance with state record retention requirements.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2017-09

The Department of Insurance should improve its workers' compensation claim management process over insolvent insurance carriers

Criteria—The Department of Insurance (Department) should have effective internal controls in place to ensure the workers' compensation claims payments reported in the insurance department guaranty funds (guaranty funds) for insolvent insurance carriers are accurate and complete.

Condition and context—During fiscal year 2017, the Department used a third-party service organization to distribute approximately \$10.4 million in insolvent insurance carriers' workers' compensation claims. Further, the service organization established the reserve balances that the Department used to estimate the guaranty funds' future liabilities. The June 30, 2017, worker's compensation liability was approximately \$143.7 million. Specifically, the Department did not maintain adequate independent records to enable it to review and reconcile the claims data the service organization provided.

Effect—The Department could reimburse the service organization for invalid claimants or for inaccurate claim amounts.

Cause—The Department received a monthly list of the insolvent insurance carriers' workers' compensation claims that the service organization processed and the reserve balances and reviewed the list to ensure that the detailed report totals agreed to the summary report totals. However, because of system limitations, the Department did not have records or controls to verify claimant information on the monthly lists was accurate and complete.

Recommendation—To help ensure the Department reimburses the service organization for the proper amounts, the Department should establish independent records of workers' compensation claimant information and internal controls to reconcile those records to the data the service organization provided for accuracy and completeness.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-02.

2017-10

The Department of Revenue should continue to strengthen its procedures for processing income tax revenues

Criteria—The Department of Revenue (Department) should improve procedures to ensure that it collects and reports all state income taxes.

Condition and context—The Department is responsible for collecting and reporting all of the State's income taxes. The Department's procedures for collecting and reporting income taxes were not sufficient to ensure all of the State's income taxes are collected and reported. Certain information in this finding has been omitted because of its sensitive nature. Therefore, specific details, including detailed recommendations, were verbally communicated to those officials directly responsible for implementing corrective action.

Effect—The State may not receive the proper amount of income taxes.

Cause—The Department's information system did not have the functionality to perform the additional procedures needed to help ensure all income taxes are collected and reported.

Recommendation—To help ensure the Department is collecting and reporting all of the State's income taxes, the Department should implement additional procedures necessary to compensate for the omitted procedures.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-10.

2017-11

The Department of Revenue should have effective policies and procedures in place to ensure unclaimed and abandoned tax refunds are reported to the Department's Unclaimed Property Unit and are properly reported in the State's financial statements

Criteria—The Department of Revenue (Department) should have effective internal control policies and procedures in place to ensure taxes receivable and unclaimed property reported in the State's financial statements are accurate and complete, and that it tracks and reports unclaimed and abandoned tax overpayments (refunds) to the Department's Unclaimed Property Unit, as required by state statutes.

Condition and context—The Department is responsible for collecting and reporting state income and sales taxes, including remitting taxpayer refunds in a timely manner. Further, the Department is responsible for submitting accurate and complete financial information to the Department of Administration to be used in preparing the State's comprehensive annual financial report. Taxes receivable recorded in the State's general fund is based on outstanding amounts due from taxpayers at fiscal year-end, net of allowances that include refunds owed to taxpayers. However, the Department was not complying with state statutes that require unclaimed and abandoned monies that include unclaimed and abandoned tax refunds be reported to the Department's Unclaimed Property Unit following the requirements of Arizona Revised Statutes §44-302 A.11 and §44-307 A. In addition, unclaimed and abandoned tax refunds were still being included in the amounts deducted from the taxes receivable balance at fiscal year-end recorded on the State's financial statements, and the Department did not have procedures in place to identify such refunds and adjust the State's financial statements. Once these refunds become unclaimed or abandoned they should no longer be reported as an allowance to taxes receivable for financial reporting purposes. The Department provided an estimate of the misstatements to the Department of Administration, and the State's financial statements were adjusted for these errors.

Effect—In the preliminary draft of the general fund financial statements, taxes receivable and unavailable revenues were understated by \$52.7 million, or by 1.5 percent of total assets and total liabilities and fund balance. Further, taxpayers may not be aware that they have unclaimed or abandoned tax refunds because these unclaimed and abandoned refunds had not been reported to the Department's Unclaimed Property Unit.

Cause—The Department did not have sufficient resources to develop appropriate policies and procedures to track and report unclaimed and abandoned tax refunds to the Department’s Unclaimed Property Unit and properly report these tax refunds in the State’s financial statements.

Recommendation—The Department should develop and implement policies and procedures necessary to identify, track, and report unclaimed and abandoned tax refunds to the Department’s Unclaimed Property Unit and ensure that these refunds are properly reported in the State’s financial statements.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

2017-12

Northern Arizona University should improve its risk-assessment process over information technology security

Criteria—Northern Arizona University (University) faces risks of reporting inaccurate financial information and exposing sensitive data. An effective internal control system should include an entity-wide risk-assessment process that involves members of the University’s administration and information technology (IT) management to determine the risks the University faces as it seeks to achieve its objectives to report accurate financial information and protect sensitive data. An effective risk-assessment process provides the basis for developing appropriate risk responses and should include defining objectives to better identify risks and define risk tolerances, and identifying, analyzing, and responding to identified risks.

Condition and context—The University’s annual risk-assessment process did not include an adequate university-wide IT security risk assessment over the University’s IT resources, which include its systems, network, infrastructure, and data. Also, the University did not have adequate policies and procedures to identify and classify sensitive information. Further, the University did not evaluate the impact disasters or other system interruptions could have on its critical IT resources and business operations.

Effect—There is an increased risk that the University’s administration and IT management may not effectively identify, analyze, and respond to risks that may impact its IT resources.

Cause—The University had not reviewed its policies and procedures to ensure they were in line with current IT standards and best practices.

Recommendations—To help ensure the University has effective policies and procedures to identify, analyze, and respond to risks that may impact its IT resources, the University needs to improve its University-wide IT risk-assessment process. The information below provides guidance and best practices to help the University achieve this objective:

- **Conduct an IT risk-assessment process at least annually**—A risk-assessment process should include the identification of risk scenarios, including the scenarios’ likelihood and magnitude; documentation and dissemination of results; review by appropriate personnel; and prioritization of risks identified for remediation. An IT risk assessment could also incorporate any unremediated threats identified as part of an entity’s security vulnerability scans.
- **Identify, classify, inventory, and protect sensitive information**—Security measures should be developed to identify, classify, and inventory sensitive information and protect it, such as implementing controls to prevent unauthorized access to that information. Policies and procedures should include the

security categories into which information should be classified, as well as any state statutes and federal regulations that could apply, and require disclosure to affected parties if sensitive information covered by state statutes or federal regulations is compromised.

- **Evaluate the impact disasters or other system interruptions could have on critical IT resources—** The evaluation should identify key business processes and prioritize the resumption of these functions within time frames acceptable to the entity in the event of contingency plan activation. Further, the results of the evaluation should be considered when updating its disaster recovery plan.

Northern Arizona University's responsible officials' views and planned corrective action are in its corrective action plan included in the Universities Responses section at the end of this report. This finding was also reported in Northern Arizona University's separately issued report on internal control and compliance for the year ended June 30, 2017, as finding 2017-01.

2017-13

Northern Arizona University should improve access controls over its information technology resources

Criteria—Logical access controls help to protect Northern Arizona University's (University) information technology (IT) resources, which include its systems, network, infrastructure, and data, from unauthorized or inappropriate access or use, manipulation, damage, or loss. Logical access controls also help to ensure that authenticated users access only what they are authorized to. Therefore, the University should have effective internal control policies and procedures to control access to its IT resources.

Condition and context—The University did not have adequate policies and procedures to help prevent or detect unauthorized or inappropriate access to its IT resources.

Effect—There is an increased risk that the University may not prevent or detect unauthorized or inappropriate access or use, manipulation, damage, or loss of its IT resources, including sensitive and confidential information.

Cause—The University had not reviewed its policies and procedures to ensure they were in line with current IT standards and best practices.

Recommendations—To help prevent and detect unauthorized access or use, manipulation, damage, or loss to its IT resources, the University needs to develop and implement effective logical access policies and procedures over its IT resources. The University should review these policies and procedures against current IT standards and best practices and implement them university-wide, as appropriate. Further, the University should train staff on the policies and procedures. The information below provides guidance and best practices to help the University achieve this objective:

- **Review user access—**A periodic, comprehensive review should be performed of all existing employee accounts to help ensure that network and system access granted is needed and compatible with job responsibilities.
- **Review contractor and other nonentity account access—**A periodic review should be performed on contractor and other nonentity accounts with access to an entity's IT resources to help ensure their access remains necessary and appropriate.
- **Review all shared accounts—**Shared network access accounts should be reviewed and eliminated or minimized when possible.

- **Manage shared accounts**—Shared accounts should be used only when appropriate and in accordance with an established policy authorizing the use of shared accounts. In addition, account credentials should be reissued on shared accounts when a group member leaves.
- **Review and monitor key activity of users**—Key activities of users and those with elevated access should be reviewed for propriety.
- **Manage employee-owned electronic devices connecting to the network**—The use of employee-owned electronic devices connecting to the network should be managed, including specifying configuration requirements and the data appropriate to access; inventorying devices; requiring security features, such as passwords, antivirus controls, file encryption, and software updates; and restricting the running of unauthorized software applications while connected to the network.

Northern Arizona University’s responsible officials’ views and planned corrective action are in its corrective action plan included in the Universities Responses section at the end of this report. This finding was also reported in Northern Arizona University’s separately issued report on internal control and on compliance for the year ended June 30, 2017, as finding 2017-02.

2017-14

Northern Arizona University should improve its configuration management processes over its information technology resources

Criteria—A well-defined configuration management process, including a change management process, is needed to ensure that Northern Arizona University’s (University) information technology (IT) resources, which include its systems, network, infrastructure, and data, are configured securely and that changes to these IT resources do not adversely affect security or operations. IT resources are typically constantly changing in response to new, enhanced, corrected, or updated hardware and software capabilities and new security threats. The University should have effective written configuration management internal control policies and procedures to track and document changes made to its IT resources.

Condition and context—The University has written policies and procedures for managing changes to its IT resources; however, they were not fully implemented as of fiscal year-end. Also, the University did not have policies and procedures to ensure all IT resources were configured securely.

Effect—There is an increased risk that the University’s IT resources may not be configured appropriately and securely and that changes to those resources could be unauthorized or inappropriate or could have unintended results without proper documentation, authorization, review, testing, and approval prior to being applied.

Cause—The University made significant changes to its configuration management policies and procedures but had not fully implemented all of these changes as of fiscal year-end. Further, the University had not reviewed all of its policies and procedures to ensure they were in line with current IT standards and best practices.

Recommendations—To help prevent and detect unauthorized, inappropriate, and unintended changes to its IT resources, the University needs to review its configuration management policies and procedures against current IT standards and best practices, update them where needed, and implement them University-wide, as appropriate. Further, the University should train staff on the policies and procedures. The information below provides guidance and best practices to help the University achieve this objective:

- **Establish and follow change management processes**—For changes to IT resources, a change management process should be established for each type of change, including emergency changes and other changes that might not follow the normal change management process. Further, all changes should follow the applicable change management process and should be appropriately documented.
- **Review proposed changes**—Proposed changes to IT resources should be reviewed for appropriateness and justification, including consideration of the change’s security impact.
- **Document changes**—Changes made to IT resources should be logged and documented, and a record should be retained of all change details, including a description of the change, the departments and system(s) impacted, the individual responsible for making the change, test procedures performed and the test results, security impact analysis results, change approvals at each appropriate phase of the change management process, and a post-change review.
- **Roll back changes**—Roll-back procedures should be established that include documentation necessary to back out changes that negatively impact IT resources.
- **Test**—Changes should be tested prior to implementation, including performing a security impact analysis of the change.
- **Separate responsibilities for the change management process**—Responsibilities for developing and implementing changes to IT resources should be separated from the responsibilities of authorizing, reviewing, testing, and approving changes for implementation or, if impractical, performing a post-implementation review of the change to confirm the change followed the change management process and was implemented as approved.
- **Configure IT resources appropriately and securely, and maintain configuration settings**—Configure IT resources appropriately and securely, which includes limiting the functionality to ensure only essential services are performed, and maintain configuration settings for all systems.
- **Manage software installed on employee computer workstations**—For software installed on employee computer workstations, policies and procedures should be developed to address what software is appropriate and the process for requesting, approving, installing, monitoring, and removing software on employee computer workstations.

Northern Arizona University’s responsible officials’ views and planned corrective action are in its corrective action plan included in the Universities Responses section at the end of this report. This finding was also reported in Northern Arizona University’s separately issued report on internal control and on compliance for the year ended June 30, 2017, as finding 2017-03.

2017-15

Northern Arizona University should improve security over its information technology resources

Criteria—The selection and implementation of security controls for Northern Arizona University’s (University) information technology (IT) resources, which include its systems, network, infrastructure, and data, are important because they reduce the risks that arise from the loss of confidentiality, integrity, or availability of information that could adversely impact the University’s operations or assets. Therefore, the University should implement internal control policies and procedures for an effective IT security process that includes practices to help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to its IT resources.

Condition and context—The University did not have sufficient written IT security policies and procedures over its IT resources.

Effect—There is an increased risk that the University may not prevent or detect the loss of confidentiality, integrity, or availability of systems and data.

Cause—The University had not reviewed its policies and procedures to ensure they were in line with current IT standards and best practices.

Recommendations—To help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to its IT resources, the University needs to further develop its IT security policies and procedures. The University should review these policies and procedures against current IT standards and best practices and implement them university-wide, as appropriate. Further, the University should train staff on the policies and procedures. The information below provides guidance and best practices to help the University achieve this objective:

- **Perform proactive logging and log monitoring**—Key user and system activity should be logged, particularly for users with administrative access privileges and remote access, along with other activities that could result in potential security incidents, such as unauthorized or inappropriate access. An entity should determine what events to log, configure the system to generate the logs, and decide how often to monitor these logs for indicators of potential attacks or misuse of IT resources. Finally, activity logs should be maintained where users with administrative access privileges cannot alter them.
- **Prepare and implement an incident response plan**—An incident response plan should be developed, tested, and implemented for an entity’s IT resources, and staff responsible for the plan should be trained. The plan should coordinate incident-handling activities with contingency-planning activities and incorporate lessons learned from ongoing incident handling in the incident response procedures. The incident response plan should be distributed to incident response personnel and updated as necessary. Security incidents should be reported to incident response personnel so they can be tracked and documented. Policies and procedures should also follow regulatory and statutory requirements, provide a mechanism for assisting users in handling and reporting security incidents, and making disclosures to affected individuals and appropriate authorities if an incident occurs.
- **Provide training on IT security risks**—A plan should be developed to provide continuous training on IT security risks, including a security awareness training program for all employees that provides a basic understanding of information security, user actions to maintain security, and how to recognize and report potential indicators of insider threats. Security awareness training should be provided to new employees and on an ongoing basis.
- **Document IT vulnerability scans policies and procedures**—Policies and procedures should address the formal process for performing vulnerability scans of its IT resources on a periodic basis and utilizing tools and techniques to automate parts of the process by using standards for software flaws and improper configuration, formatting procedures to test for the presence of vulnerabilities, measuring the impact of identified vulnerabilities, and approving privileged access while scanning systems containing highly sensitive data. In addition, policies and procedures should require that vulnerability scan reports and results be analyzed and legitimate vulnerabilities remediated as appropriate, and information obtained from the vulnerability-scanning process should be shared with the entity’s other departments to help eliminate similar vulnerabilities.
- **Apply patches**—Patches to IT resources should be evaluated, tested, and applied in a timely manner once the vendor makes them available.
- **Protect sensitive or restricted data**—Restrict access to media containing data the entity, federal regulation, or state statute identifies as sensitive or restricted. Such media should be appropriately marked indicating the distribution limitations and handling criteria for data included on the media. In addition, media should be physically controlled and secured until it can be destroyed or sanitized using sanitization mechanisms with the strength and integrity consistent with the data’s security classification.

Northern Arizona University's responsible officials' views and planned corrective action are in its corrective action plan included in the Universities Responses section at the end of this report. This finding was also reported in Northern Arizona University's separately issued report on internal control and on compliance for the year ended June 30, 2017, as finding 2017-04.

2017-16

Northern Arizona University should improve its contingency planning procedures for its information technology resources

Criteria—It is critical that Northern Arizona University (University) have contingency planning procedures in place to provide for the continuity of operations and to help ensure that vital information technology (IT) resources, which include its systems, network, infrastructure, and data, can be recovered in the event of a disaster, system or equipment failure, or other interruption. Contingency planning procedures include having a comprehensive, up-to-date contingency plan; taking steps to facilitate activation of the plan; and having system and data backup policies and procedures.

Condition and context—The University's contingency plan lacked certain key elements related to restoring operations in the event of a disaster or other system interruption of its IT resources. Also, although the University was performing system and data backups, it did not have documented policies and procedures for performing the backups or testing them to ensure they were operational and could be used to restore its IT resources.

Effect—The University risks not being able to provide for the continuity of operations, recover vital IT systems and data, and conduct daily operations in the event of a disaster, system or equipment failure, or other interruption, which could cause inaccurate or incomplete system and data recovery.

Cause—The University had not reviewed its policies and procedures to ensure they were in line with current IT standards and best practices. Additionally, the University had not updated its incident management plan based on the results of its most recent test of the plan.

Recommendations—To help ensure university operations continue in the event of a disaster, system or equipment failure, or other interruption, the University needs to further develop its contingency planning procedures. The University should review its contingency planning procedures against current IT standards and best practices, update them where needed, and implement them university-wide, as appropriate. The information below provides guidance and best practices to help the University achieve this objective:

- **Update the contingency plan and ensure it includes all required elements to restore operations**—Contingency plans should be updated at least annually for all critical information or when changes are made to IT resources, and updates to the plan should be communicated to key personnel. The plan should include essential business functions and associated contingency requirements, including recovery objectives and restoration priorities and metrics as determined in the entity's business-impact analysis; contingency roles and responsibilities and assigned individuals with contact information; identification of critical information assets and processes for migrating to the alternative processing site; processes for eventual system recovery and reconstitution to return the IT resources to a fully operational state and ensure all transactions have been recovered; and review and approval by appropriate personnel.

- **Test the contingency plan**—A process should be developed and documented to perform regularly scheduled tests of the contingency plan and document the tests performed and results. This process should include updating and testing the contingency plan at least annually or as changes necessitate, and coordinating testing with the entity’s other plans such as its continuity of operations, cyber incident response, and emergency response plans. Plan testing may include actual tests, simulations, or tabletop discussions and should be comprehensive enough to evaluate whether the plan can be successfully carried out. The test results should be used to update or change the plan.
- **Backup systems and data**—Establish and document policies and procedures for testing IT system software and data backups to help ensure they could be recovered if needed.

Northern Arizona University’s responsible officials’ views and planned corrective action are in its corrective action plan included in the Universities Responses section at the end of this report. This finding was also reported in Northern Arizona University’s separately issued report on internal control and on compliance for the year ended June 30, 2017, as finding 2017-05.

2017-17

The University of Arizona should strengthen oversight of its information technology internal controls

Criteria—A strong control environment should include a governance structure that provides oversight and requires policies and procedures that are documented, communicated to employees, and consistently applied. In addition, an effective internal control system should include monitoring of internal controls to ensure that employees are following the University of Arizona’s (University) policies and procedures.

Condition and context—The University had policies and procedures over most of its information technology (IT) resources, which include its systems, network, infrastructure, and data. However, the University did not monitor its policies and procedures over its IT resources to ensure that they were established and followed.

Effect—There is an increased risk that the University may not achieve its internal control objectives as they relate to IT security and integrity.

Cause—The University is a complex system of colleges and business units, each with their own IT personnel and IT resources. Although the University centralized some aspects of IT internal controls, it had not clearly designated oversight and monitoring responsibilities for those IT internal controls that were not centralized.

Recommendations—To help ensure that the University maintains a strong control environment and effective internal controls over its IT resources, the University should clearly designate oversight and perform monitoring over its IT internal controls to help ensure that they are in place and followed.

The University of Arizona’s responsible officials’ views and planned corrective action are in its corrective action plan included in the Universities Responses section at the end of this report. This finding was also reported in the University of Arizona’s separately issued report on internal control and on compliance for the year ended June 30, 2017 as finding 2017-01.

2017-18

The University of Arizona should improve its risk-assessment process over information technology security

Criteria—The University of Arizona (University) faces risks of reporting inaccurate financial information and exposing sensitive data. An effective internal control system should include an entity-wide risk-assessment process that involves members of the University’s administration and information technology (IT) management to determine the risks the University faces as it seeks to achieve its objectives to report accurate financial information and protect sensitive data. An effective risk-assessment process provides the basis for developing appropriate risk responses and should include defining objectives to better identify risks and define risk tolerances, and identifying, analyzing, and responding to identified risks.

Condition and context—The University did not complete its risk-assessment process over its IT resources, which include its systems, network, infrastructure, and data. Also, the University did not always follow its policies to identify and classify sensitive information. Further, the University did not evaluate the impact disasters or other system interruptions could have on its critical IT resources.

Effect—There is an increased risk that the University’s administration and IT management may not effectively identify, analyze, and respond to risks that may impact its IT resources.

Cause—The University developed policies and procedures addressing risk-assessment and data classification but did not have a process in place to ensure they were fully implemented. Additionally, a business impact analysis had not been performed.

Recommendations—To help ensure the University has effective policies and procedures to identify, analyze, and respond to risks that may impact its IT resources, it needs to fully implement its IT risk-assessment process. The information below provides guidance and best practices to help the University achieve this objective:

- **Complete an IT risk-assessment process in accordance with its policies and procedures**—A risk-assessment process should include the identification of risk scenarios, including the scenarios’ likelihood and magnitude; documentation and dissemination of results; review by appropriate personnel; and prioritization of risks identified for remediation. An IT risk-assessment could also incorporate any unremediated threats identified as part of an entity’s security vulnerability scans.
- **Implement its policies and procedures for identifying, classifying, inventorying, and protecting sensitive information**—Security measures should be implemented to identify, classify, and inventory sensitive information and protect it, such as implementing controls to prevent unauthorized access to that information in accordance with the University’s data classification and handling standard.
- **Evaluate the impact disasters or other system interruptions could have on critical IT resources**—The evaluation should identify key business processes and prioritize the resumption of these functions within time frames acceptable to the University in the event of contingency plan activation. Further, the results of the evaluation should be considered when updating its disaster recovery plan.

The University of Arizona’s responsible officials’ views and planned corrective action are in its corrective action plan included in the Universities Responses section at the end of this report. This finding was also reported in the University of Arizona’s separately issued report on internal control and on compliance for the year ended June 30, 2017, as finding 2017-02.

2017-19

The University of Arizona should improve access controls over its information technology resources

Criteria—Logical access controls help to protect the University of Arizona's (University) information technology (IT) resources, which include its enterprise systems, network, infrastructure, and data, from unauthorized or inappropriate access or use, manipulation, damage, or loss. Logical access controls also help to ensure that authenticated users access only what they are authorized to. Therefore, the University should have effective internal control policies and procedures to control access to its IT resources.

Condition and context—The University did not have adequate policies and procedures for logging and monitoring users with elevated access within its enterprise systems.

Effect—There is an increased risk that the University may not prevent or detect unauthorized or inappropriate access or use, manipulation, damage, or loss of its IT resources, including sensitive and confidential information.

Cause—The University had not established written policies and procedures for logging and monitoring users with elevated access within its enterprise systems. The University was aware that technology is available to assist with this process, but the University is not currently utilizing any of these tools.

Recommendations—To help prevent and detect unauthorized access or use, manipulation, damage, or loss to its IT resources, the University needs to develop and implement effective logical access policies and procedures for logging and monitoring users with elevated access within its enterprise systems. In addition, key activities of users with elevated access should be reviewed regularly for propriety. The University should review these policies and procedures against current IT standards and best practices. Further, the University should train staff on the policies and procedures.

The University of Arizona's responsible officials' views and planned corrective action are in its corrective action plan included in the Universities Responses section at the end of this report. This finding was also reported in the University of Arizona's separately issued report on internal control and on compliance for the year ended June 30, 2017, as finding 2017-03.

2017-20

The University of Arizona should improve security over its information technology resources

Criteria—The selection and implementation of security controls for the University of Arizona's (University) information technology (IT) resources, which include its enterprise systems, network, infrastructure, and data, are important because they reduce the risks that arise from the loss of confidentiality, integrity, or availability of information that could adversely impact the University's operations or assets. Therefore, the University should further develop and fully implement internal control policies and procedures for an effective IT security process that include practices to help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to its IT resources.

Condition and context—The University did not fully implement its existing IT security policies and procedures, and in some cases did not have sufficient written security policies and procedures over its IT resources.

Effect—There is an increased risk that the University may not prevent or detect the loss of confidentiality, integrity, or availability of data and systems.

Cause—The University developed some policies and procedures for IT security but did not have a process in place to ensure they were fully implemented and lacked detailed policies and procedures for some IT security areas.

Recommendations—To help prevent, detect, and respond to instances of unauthorized or inappropriate access or use, manipulation, damage, or loss to its IT resources, the University needs to further develop its policies and procedures over IT security. The University should review these policies and procedures against current IT standards and best practices and implement them university-wide, as appropriate. Further, the University should train staff on the policies and procedures. The information below provides guidance and best practices to help the University achieve this objective:

- **Improve its incident response plan**—The incident response plan should be further developed and staff responsible for the plan should be trained. The plan should coordinate incident-handling activities with contingency-planning activities and incorporate lessons learned from ongoing incident handling in the incident response procedures. All security incidents should be reported to incident response personnel so they can be tracked and documented. Policies and procedures should also follow regulatory and statutory requirements and require making disclosures to affected individuals and appropriate authorities if an incident occurs.
- **Perform IT vulnerability scans**—A formal process should be developed for vulnerability scans that includes performing vulnerability scans of its IT resources on a periodic basis and utilizing tools and techniques to automate parts of the process by using standards for software flaws and improper configuration, formatting procedures to test for the presence of vulnerabilities, measuring the impact of identified vulnerabilities, and approving privileged access while scanning systems containing highly sensitive data. In addition, vulnerability scan reports and results should be analyzed, and legitimate vulnerabilities remediated as appropriate, and information obtained from the vulnerability-scanning process should be shared with other departments to help eliminate similar vulnerabilities.
- **Protect sensitive or restricted data**—Restrict access to media containing data the University, federal regulation, or state statute identifies as sensitive or restricted. Such media should be appropriately marked indicating the distribution limitations and handling criteria for data included on the media. In addition, media should be physically controlled and secured until it can be destroyed or sanitized using sanitization mechanisms with the strength and integrity consistent with the University's data classification and handling standard.

The University of Arizona's responsible officials' views and planned corrective action are in its corrective action plan included in the Universities Responses section at the end of this report. This finding was also reported in the University of Arizona's separately issued report on internal control and on compliance for the year ended June 30, 2017, as finding 2017-04.

2017-21

The University of Arizona should improve its contingency planning procedures for its information technology resources

Criteria—It is critical that the University of Arizona (University) have contingency planning procedures in place to provide for the continuity of operations and to help ensure that vital information technology (IT) resources, which include its enterprise systems, network, infrastructure, and data, can be recovered in the

event of a disaster, system or equipment failure, or other interruption. Contingency planning procedures include having system and data backup policies and procedures.

Condition and context—Although the University was performing system and data backups, it did not have documented policies and procedures for testing them to ensure they were operational and could be used to restore its IT resources.

Effect—The University risks not being able to provide for the continuity of operations, recover vital IT systems and data, and conduct daily operations in the event of a disaster, system or equipment failure, or other interruption, which could cause inaccurate or incomplete system and data recovery.

Cause—The University’s contingency planning policies and procedures need further development to ensure its disaster recovery efforts can be relied on in the event they are needed.

Recommendations—To help ensure university operations continue in the event of a disaster, system or equipment failure, or other interruption, the University should establish and document policies and procedures for testing IT system software and data backups to help ensure they could be recovered if needed. The University should review its contingency-planning procedures against current IT standards and best practices and implement them university-wide, as appropriate. Further, the University should train staff on the policies and procedures.

The University of Arizona’s responsible officials’ views and planned corrective action are in its corrective action plan included in the Universities Responses section at the end of this report. This finding was also reported in the University of Arizona’s separately issued report on internal control and on compliance for the year ended June 30, 2017, as finding 2017-05.

Other auditors’ finding

The other auditors who audited the Arizona Department of Transportation reported the following finding:

2017-22

Significant audit adjustment

Criteria—Internal controls should be in place to provide reasonable assurance that expenses and revenues are recorded in the proper period in accordance with U.S. GAAP.

Condition and context—During the course of our audit, we proposed and the Department subsequently recorded a significant adjustment to correct accounts receivable/revenue and accounts payable/expenses. As a result of audit procedures, we noted that 4 transactions were not recorded in the proper period. We proposed and the Department subsequently recorded an adjustment to accrue right-of-way condemnation judgments, which resulted in adjustments to accounts payable and related expenses as well as federal reimbursement receivables and related revenues as a recognizable subsequent event.

Effect—The lack of controls in place over the review of contingent liabilities and subsequent disbursements increases the risk of misstatements or errors occurring and not being detected and corrected.

Cause—The Department has not adopted a policy to review right-of-way transactions for contingent liabilities. As such the Department did not properly accrue right-of-way condemnation judgments. Management is in the process of implementing controls and procedures.

Recommendations—We recommend that the Department implement policies and proper internal control procedures to ensure that expenditures are recorded in the proper period.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

Federal award findings and questioned costs

2017-101

CFDA numbers and names:	Various
Award numbers and years:	Various
Federal agencies:	Various
Compliance requirement:	Allowable costs/cost principles
Questioned costs:	Unknown

Criteria—In accordance with 2 U.S. Code of Federal Regulations (CFR) §200.405(a), costs charged to federal programs should be based on the relative benefits received.

Condition and context—The State did not comply with the allowable costs/cost principles requirements with respect to the following legislatively mandated transfers:

- Senate Bill 1522 of the 53rd Legislature, First Regular Session, Chapter 305, §2, and House Bill 2695 of the 52nd Legislature, Second Regular Session, Chapter 117, §158, mandated transfers from various state funds to the State’s automation projects fund.
- House Bill 2695 of the 52nd Legislature, Second Regular Session, Chapter 117, §§8 and 156, mandated transfers from the special employee health insurance trust fund and the State’s automation operations fund to the State’s general fund to help provide support and maintenance for state agencies.

Further, the Department of Public Safety (Public Safety) and the Department of Child Safety (Child Safety) transferred monies from their risk management fund to a fund to pay department-wide administrative costs.

A portion of these monies transferred included federal monies and was therefore unallowable since the transfers were not based on the relative benefits received for federal programs the State administered.

Effect—We were unable to determine the amount of questioned costs that resulted from this finding or to identify all the federal programs this finding affected because the State’s Department of Administration (Department) has not finalized the calculation for the federal portion of these transfers that occurred during fiscal year 2017; however, it is estimated that questioned costs will exceed \$25,000. Once calculated, this amount will be subject to the U.S. Department of Health and Human Services’ review and approval. This finding could potentially affect all federal programs administered by state agencies that had legislatively mandated or directed transfers.

Cause—The noncompliance for the mandated transfers resulted from state legislation and, therefore, was not caused by the federal programs’ administration. Further, for the Public Safety and Child Safety transfers, the noncompliance resulted from an agency decision to transfer monies that included federal monies from their risk management fund to a fund to pay department-wide administrative costs.

Recommendation—The State should ensure that legislatively mandated and directed transfers do not include federal program monies. In addition, the Department should monitor bills being considered in the Arizona State Legislature to help ensure that unallowable costs to federal programs will not be incurred in the future. Finally, the Department should ensure all agencies are aware that transfers that include federal monies should be based on the relative benefits received.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

The finding is similar to prior-year finding 2016-103.

2017-102

Cluster name:	Special Education Cluster (IDEA)
CFDA numbers and names:	84.027 Special Education—Grants to States 84.173 Special Education—Preschool Grants
Award numbers and years:	H027A140007, 2014; H027A150007, 2015; H027A160007 2016; H173A140003, 2014; H173A150003, 2015; H173A160003, 2016
Federal agency:	U.S. Department of Education
Compliance requirement:	Level of effort
Questioned costs:	None

Criteria—In accordance with 34 CFR §300.203(a), a local educational agency (LEA) is eligible to receive program monies only if the State determines that the LEA has demonstrated that it will meet its required level of effort. The State must provide LEAs the opportunity to meet the level of effort requirement based on the comparison of the following sources: (1) local funds only, (2) the combination of state and local funds, (3) local funds only on a per capita basis, and (4) the combination of state and local funds on a per capita basis. The LEA will have demonstrated that it met the required level of effort if at least one of the sources show that the LEA’s budgeted expenditures, for the education of children with disabilities, were not less than actual expenditures for the preceding fiscal year. Also, in accordance with 2 CFR §200.303, the Department of Education (Department) must establish and maintain effective internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—The Department did not have adequate policies and procedures to ensure that the LEAs were provided the opportunity to meet the level of effort requirement. Specifically, the Department did not permit LEAs to demonstrate that they met the required level of effort based on a comparison of local funds only or local funds only on a per capita basis.

Effect—The Department could have inappropriately denied federal monies to LEAs who were eligible to participate in the program.

Cause—The Department’s system was not designed for LEAs to separately identify local funds data. In addition, the Department was unaware it needed to provide LEAs the opportunity to meet level of effort requirements with all four options.

Recommendation—The Department should revise its policies and procedures to ensure that LEAs are provided the opportunity to demonstrate that they meet the level of effort requirement in accordance with federal regulations, including the use of local funds only or local funds only on a per capita basis.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-106.

2017-103

Cluster name:	Special Education Cluster (IDEA)
CFDA numbers and names:	84.027 Special Education—Grants to States 84.173 Special Education—Preschool Grants
Award numbers and years:	H027A140007, 2014; H027A150007, 2015; H027A160007, 2016; H173A140003, 2014; H173A150003, 2015; H173A160003, 2016
Federal agency:	U.S. Department of Education
Compliance requirements:	Earmarking and special tests and provisions
Questioned costs:	Unknown

Criteria—In accordance with 34 CFR §§300.705(a)-(b), 300.815, and 300.816, the Department of Education (Department) must distribute any monies it has not reserved for state administration or other state-level activities to eligible local educational agencies (LEAs) based on a formula specified in federal regulations. The formula includes a base payment amount calculated using historical grant award data that the Department must adjust annually based on criteria the regulations specify. In addition, the Department must distribute all remaining unused grant monies after adjustments to the LEAs based proportionally on the number of enrolled children with disabilities and the number of children living in poverty. Also, in accordance with 2 CFR §200.303, the Department must establish and maintain effective internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—The Department did not have adequate policies and procedures to ensure that it distributed the appropriate amount of program monies to each LEA. Specifically, the Department’s method for calculating base payment adjustments did not follow the required formula for allocating program monies. In addition, the Department proportionately allocated unused program monies in the following fiscal year based on enrolled children with disabilities and the number of children living in poverty instead of proportionally redistributing those monies to eligible LEAs in the current fiscal year.

Effect—The Department may have distributed improper amounts of program monies to the LEAs. As the Department is currently in the process of recalculating the amount of program monies that may have been improperly distributed and due to the complexity of these calculations, it was not practical to extend our auditing procedures to determine questioned costs, if any, that may have resulted from this finding.

Cause—The Department was unaware that it was using an incorrect method for calculating base payment adjustments and allocating unused program monies.

Recommendation—The Department should revise its policies and procedures to ensure that program monies are distributed to LEAs in accordance with federal regulations.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-105.

2017-104

Cluster name:	Special Education Cluster (IDEA)
CFDA numbers and names:	84.027 Special Education—Grants to States 84.173 Special Education—Preschool Grants
Award numbers and years:	H027A140007, 2014; H027A150007, 2015; H027A160007, 2016; H173A140003, 2014; H173A150003, 2015; H173A160003, 2016
Federal agency:	U.S. Department of Education
Compliance requirement:	Level of effort
Questioned costs:	None

Criteria—In accordance with 34 CFR §300.163, the State must not reduce the amount of state funding made available for special education and related services for children with disabilities below the amount made available for the preceding fiscal year or the federal funding for this purpose could be reduced in the next fiscal year. The State must report the total amount of state financial support made available for these services on its annual state application under Individuals with Disabilities Education Act Part B, as amended in 2004. Also, in accordance with 2 CFR §200.303, the Department of Education (Department) must establish and maintain effective internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—The Department included only monies available to the local educational agencies (LEA) when it calculated and reported the State's financial support. In prior fiscal years, the Department had also included the amount of state monies made available to other state agencies for special education and related services for children with disabilities. Because the calculations of the State's financial support were not consistent with the prior fiscal year, we were unable to verify that the State did not reduce the amount of state funding for these services.

Effect—The federal funding for special education and related services for children with disabilities could be reduced if the Department did not accurately calculate the amount of the State's financial support for these services.

Cause—The Department did not have documented policies and procedures in place for calculating the amount of state support provided to LEAs or other state agencies or requiring a supervisory review of the calculations to determine the amounts were accurate and complete.

Recommendation—The Department should revise its policies and procedures to ensure that its calculation and reporting of the State's financial support for special education and related services is accurate and complete. These policies and procedures should include an independent review of these calculations to ensure all of the State's financial support for special education purposes are included and the calculations are accurate.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2017-105

Cluster name:	Special Education Cluster (IDEA)
CFDA numbers and names:	84.027 Special Education—Grants to States 84.173 Special Education—Preschool Grants
Award numbers and years:	H027A140007, 2014; H027A150007, 2015; H027A160007, 2016; H173A140003, 2014; H173A150003, 2015; H173A160003, 2016
Federal agency:	U.S. Department of Education
Compliance requirements:	Earmarking and period of availability of federal funds
Questioned costs:	Unknown

Criteria—In accordance with 34 CFR §300.704, the Department of Education (Department) can use the maximum amount available, as identified in the grant award documents, for the administration of the special education program and for other state-level activities. According to 34 CFR §§76.703 through 76.710 and 2 CFR §200.343, the Department must obligate monies for these program activities during the 27 months, extending from July 1 of the fiscal year in which the monies are appropriated through September 30 of the second following fiscal year. The Department is required to liquidate all obligations incurred under the federal award no later than 90 days after the end of the award period and return any funds that are not obligated by the end of this period to the federal awarding agency. Also, in accordance with 2 CFR §200.303, the Department must establish and maintain effective internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—The Department exceeded the maximum amount allowed to be spent for administration of the special education program for the federal 2014 grant award that ended during the fiscal year. Although, the Department made an adjustment to reclassify monies spent on administration to state-level activities, this reclassification occurred after the grant's closeout period ended. In addition, the Department continued to pay salaries totaling \$300,724 to employees who were not assigned to administrative functions for closing out the grant and instead provided services for state-level activities after the grant period ended.

Effect—The Department may have to reimburse the federal awarding agency for the costs incurred after the award period ended or costs in excess of the maximum amounts allowed.

Cause—The Department did not have adequate internal controls in place to ensure (1) the amount of program monies spent on administration or other state-level activities did not exceed the maximum allowed per the grant award agreement or (2) program monies were not charged or reallocated to a federal award after the award period ended.

Recommendation—The Department should implement policies and procedures to ensure the program costs for administration and state-level activities are tracked and monitored so costs do not exceed the amounts allowed per the grant award agreements and costs are not charged to the program after the end of the award period.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2017-106

Cluster name:	Special Education Cluster (IDEA)
CFDA numbers and names:	84.027 Special Education—Grants to States 84.173 Special Education—Preschool Grants
Award numbers and years:	H027A140007, 2014; H027A150007, 2015; H027A160007, 2016; H173A140003, 2014; H173A150003, 2015; H173A160003, 2016
Federal agency:	U.S. Department of Education
Compliance requirements:	Activities allowed or unallowed, allowable costs/cost principles, cash management, and reporting
Questioned costs:	None

Criteria—In accordance with 2 CFR §200.405, the Department of Education (Department) should charge costs to a federal award only if the cost is incurred specifically for the federal award. Further, according to 31 CFR §§205.11, 205.12(b)(4), 205.15(a), and 205.33(a), the Department must request federal monies from the federal awarding agency in accordance with the funding technique agreed to in the Treasury-State Agreement. The technique agreed upon for the program is a pre-issuance methodology where the Department should request monies not more than three business days prior to the Department making a disbursement for program purposes. An interest liability may accrue if the Department receives federal monies prior to the day it pays out the funds for federal assistance program purposes. Also, in accordance with 2 CFR §200.303, the Department must establish and maintain effective internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—The Department charged costs to the special education program and received funds in advance from the federal grantor to cover the costs of another federal program. The Department was reimbursed for the costs by the other federal program 3 to 6 months after the initial expense and request for monies occurred.

Effect—The Department used special education program monies to advance funds to another federal program, which may reduce the monies available for special education program use. In addition, the Department may be responsible for repaying interest to the federal awarding agency for the monies advanced but not used for program purposes.

Cause—The Department did not have internal controls in place to ensure that only costs that were for the benefit of the special education program were charged to that program and that requests for funds from the federal awarding agency were used to pay only special education program costs.

Recommendation—The Department should establish policies and procedures that ensure the special education program is charged for only costs specifically incurred for that program. In addition, to help ensure compliance with the Treasury-State Agreement, the Department should request program monies for only special education program disbursements.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2017-107

CFDA number and name:	84.011 Migrant Education—State Grant Program
Award numbers and years:	S011A140003, 2014; S011A150003, 2015; S011A160003, 2016
Federal agency:	U.S. Department of Education
Compliance requirement:	Special tests and provisions
Questioned costs:	Unknown

Criteria—In accordance with the Elementary and Secondary Education Act (ESEA) §1304(b)(5), the Department of Education (Department) must determine the amount of subgrants it will award to local educational agencies (LEAs) by taking into account the following: (1) the numbers of migratory children, (2) the needs of migratory children, (3) the “priority of services” requirement in §1304(d), and (4) the availability of funds from other federal, state, and local programs. In addition, in accordance with 2 CFR §200.303, the Department must establish and maintain effective internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—The Department did not have adequate policies and procedures to ensure that it determined the amount of subgrants to LEAs in accordance with federal regulations. Specifically, the Department did not consider the availability of funds from other federal, state, and local programs when determining subgrant amounts.

Effect—The Department may have distributed improper amounts of program monies to LEAs because there were no policies and procedures for how the Department should consider the availability of other funds from other federal, state, and local programs when determining the amount of subgrants to be awarded to LEAs.

Cause—The Department was unaware of the requirement to consider the availability of funds from other federal, state, and local programs. As a result, this requirement was not included in the Department’s policies and procedures.

Recommendation—The Department should revise its policies and procedures to ensure that it awards program monies to LEAs in accordance with federal regulations.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

2017-108

CFDA number and name:	84.011 Migrant Education—State Grant Program
Award numbers and years:	S011A140003, 2014; S011A150003, 2015; S011A160003, 2016
Federal agency:	U.S. Department of Education
Compliance requirements:	Reporting and special tests and provisions
Questioned costs:	N/A

Criteria—In accordance with the Elementary and Secondary Education Act (ESEA) §9303, the Department of Education (Department) must submit an annual consolidated state performance report (CSPR) that consists of information related to specific ESEA programs that the Department administers. As part of the CSPR, the Department is required to provide an unduplicated state-wide count of eligible migratory children

and eligible migratory children who have been classified as having “priority for services” as defined in ESEA §1304(d). In accordance with ESEA §1304(c)(d), the federal awarding agency may use the number of migratory children reported in the CSPR to determine the State’s annual allocations. In addition, in accordance with 34 CFR §200.89(d), the Department must establish and implement a system of quality controls to properly identify eligible migratory children in the State. The Department is required to report in the CSPR its quality control process that ensures an accurate count of eligible migratory children. Further, in accordance with 2 CFR §200.303, the Department must establish and maintain effective internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—The Department was unable to support the numbers reported in the CSPR for the unduplicated state-wide count of eligible migratory children and for eligible migratory children who have been identified as having “priority for services.” In addition, the Department was unable to provide documentation to support that it accurately reported its quality control process in the CSPR.

Effect—The Department may have reported an inaccurate count of eligible migratory children in the CSPR, which could have an impact on the annual allocations the Department receives from the federal awarding agency.

Cause—The Department did not have adequate policies and procedures to require that documentation was always maintained to support the information reported in the CSPR.

Recommendation—The Department should establish policies and procedures, which should include review and approval of the CSPR to ensure the information reported is accurate and complete and its quality control process is in accordance with federal regulations.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

2017-109

CFDA number and name:	84.011 Migrant Education—State Grant Program
Award numbers and years:	S011A140003, 2014; S011A150003, 2015; S011A160003, 2016
Federal agency:	U.S. Department of Education
Compliance requirement:	Procurement
Questioned costs:	Unknown

Criteria—In accordance with 2 CFR §200.317, the Department of Education (Department) must use the same policies and procedures it uses for procurements from non-federal monies when procuring property and services from program monies. In addition, State Procurement Code §R2-7-E303 requires the Department to maintain a record of all competition impracticable procurements that includes a written explanation justifying the need for procuring goods and services with this procurement method. Further, in accordance with 2 CFR §200.303, the Department must establish and maintain effective internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—For one of two contracts tested, the Department did not document why the competition impracticable procurement method was appropriate for the services purchased.

Effect—The Department could enter into a contract that is not the most advantageous to the federal program. As there was a lack of documentation, we were unable to determine questioned costs, if any, that may have resulted from this finding.

Cause—The Department did not follow its policies and procedures that required maintaining documentation supporting its procurement determinations when procuring services with program monies.

Recommendation—To help ensure that it obtains the most advantageous price for goods and services purchased with program monies, the Department should follow its purchasing policies and procedures and maintain documentation to support its procurement determinations.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2017-110

CFDA number and name:	10.558 Child and Adult Care Food Program
Award numbers and years:	7AZ300AZ3, 2015, 2016, 2017; 7AZ300AZ4, 2014, 2015, 2016, 2017
Federal agency:	U.S. Department of Agriculture
Compliance requirement:	Eligibility
Questioned costs:	Unknown

Criteria—In accordance with 7 CFR §226.6, the Department of Education (Department) must establish application review procedures to determine the eligibility of subrecipients awarded program monies. Further, in accordance with 7 CFR §226.15-19, subrecipients must submit specific required eligibility information with their application to the Department demonstrating their capability to operate the program in accordance with federal regulations. Additionally, in accordance with 7 CFR §226.18, the Department must obtain and approve the written agreements that subrecipients enter into with each of their sponsored day care homes ensuring that they contain required rights and responsibilities of the parties participating in the program. Lastly, in accordance with 7 CFR §226.16, subrecipients are eligible to participate in the program only if the budgeted administrative costs do not exceed 15 percent of estimated program reimbursements. Subrecipient budgeted administrative costs may exceed the limit if the Department determines that the subrecipient will have adequate funding to provide meals to participants and waives the requirement. The Department must document this waiver and submit it to the federal grantor.

Condition and context—During fiscal year 2017, the Department disbursed over \$51 million in program monies to a total of 332 subrecipients for this program but did not collect all of the eligibility information required to demonstrate each subrecipient's capability to operate the program in accordance with federal regulations. Specifically, for 319 subrecipients, which were child or adult day care centers, at-risk afterschool programs, or emergency shelters, referred to as centers, the Department's application forms did not include a question for subrecipients to identify the source of non-program monies that could be used to pay for program costs that would be unallowable uses of federal monies. In addition, for 13 subrecipients, which were sponsoring organization of day care homes, the Department approved written agreements between subrecipients and their sponsored day care homes that did not contain all the required rights and responsibilities. Further, for 2 of 5 subrecipient center applications tested, the Department did not review the applications to ensure that the written notification of the authority of state and federal officials to make reviews of centers explicitly stated the right of other state and federal officials to conduct such reviews.

Finally, the Department did not have procedures to review center applications to ensure that participant budgeted administrative costs did not exceed the federally mandated limit.

Effect—Federal monies could have been awarded to subrecipients who were ineligible to participate in the program. As the Department’s application form did not collect all required information to determine all eligibility requirements were met, it was not practical to extend our auditing procedures to determine questioned costs, if any, that may have resulted from this finding.

Cause—The Department’s application form and review procedures did not contain enough detail to ensure that all eligibility requirements were met prior to awarding federal monies to its subrecipients. The Department was unaware that the applications were improperly designed and their review process was insufficient.

Recommendation—The Department should revise its application form and existing procedures to ensure that all eligibility requirements are met prior to awarding federal monies to its subrecipients. In addition, the Department should revise its review procedures to ensure that the subrecipients’ written agreements with their sponsored day care homes contain the required rights and responsibilities. Finally, the Department should revise its review procedures to ensure that budgeted administrative costs are limited or written waivers are granted in accordance with the requirements of 7 CFR §226.16.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-104.

2017-111

CFDA number and name:	10.558 Child and Adult Care Food Program
Award numbers and years:	7AZ300AZ3, 2015, 2016, 2017; 7AZ300AZ4, 2014, 2015, 2016, 2017
Federal agency:	U.S. Department of Agriculture
Compliance requirement:	Reporting
Questioned costs:	None

Criteria—In accordance with 7 CFR §226.7, the Department of Education (Department) must submit a monthly report of the Child and Adult Care Food Program (FNS-44) to the federal awarding agency. The FNS-44 report consists of data gathered from monthly reimbursement requests subrecipients submitted to the Department. Additionally, in accordance with 2 CFR §200.303, the Department must establish and maintain effective internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—The Department did not always follow its procedures to ensure that support was maintained for FNS-44 reports the Department submitted and that review of the report was documented. Specifically, for one of six reports tested, the Department did not maintain support for the data reported in the May 2017 90-day FNS-44 report. Further, for one of six reports tested, the Department did not document the review of the November 2016 90-day FNS report.

Effect—The reports the Department submitted may have included errors or been incomplete.

Cause—The Department assigned report preparation responsibilities to a staff member who had not received timely training to ensure that supporting documentation was maintained for each FNS-44 report prepared. Further, the Department's procedure was to document the identity of the report preparer and reviewer in the FNS-44 report in the federal reporting system. However, due to staff turnover there was only one staff member with access to the federal reporting system and the Department had no alternative procedures to document separation of responsibilities between report preparation and approval.

Recommendation—To ensure the FNS-44 reports are accurate and complete, the Department should provide training to staff on existing procedures for maintaining support for reports and develop alternate procedures for documenting report preparation and approval by staff without access to the federal reporting system.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2017-112

CFDA number and name:	10.558 Child and Adult Care Food Program
Award numbers and years:	7AZ300AZ3, 2015, 2016, 2017; 7AZ300AZ4, 2014, 2015, 2016, 2017
Federal agency:	U.S. Department of Agriculture
Compliance requirement:	Period of performance
Questioned costs:	Unknown

Criteria—In accordance with 7 CFR §3016.23, the Department of Education (Department) must charge only costs resulting from obligations during the funding period unless permission is obtained to carry over unobligated balances. Additionally, in accordance with 2 CFR §200.303, the Department must establish and maintain effective internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—For 1 of 25 payments tested, the Department charged payroll costs to the 2016 grant award that were incurred after the funding period ended on September 30, 2016. We performed additional procedures and determined that the Department paid salaries totaling \$74,678 to employees providing services during the grant closeout period; however, the Department did not maintain documentation to support that those payroll costs were for grant closeout activities. The Department did not obtain permission to carry over unobligated balances.

Effect—The Department may have to reimburse the federal awarding agency for the costs incurred after the award period ended. As there was a lack of documentation, we were unable to determine questioned costs, if any, that may have resulted from this finding.

Cause—The Department did not have adequate internal controls in place to ensure program costs were not charged to the federal award after the award period ended.

Recommendation—The Department should implement policies and procedures to ensure costs are not charged to a program after an award has ended unless the Department obtained permission to carry over unobligated balances.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2017-113

Cluster name:	Student Financial Assistance Cluster
CFDA numbers and names:	84.007 Federal Supplemental Educational Opportunity Grants 84.033 Federal Work-Study Program 84.038 Federal Perkins Loan Program—Federal Capital Contributions 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)
Award numbers and years:	Various, 2017
Federal agency:	U.S. Department of Education
CFDA numbers and names:	93.364 Nursing Student Loans 93.925 Scholarships for Health Professions Students from Disadvantaged Backgrounds
Award numbers and years:	Various, 2017
Federal agency:	U.S. Department of Health and Human Services
Compliance requirement:	Special tests and provisions
Questioned costs:	N/A

Criteria—For the Federal Direct Student Loan program, 34 CFR §685.300(b)(5) requires institutions to reconcile institutional records monthly with direct loan funds received from the Secretary of Education and direct loan disbursement records submitted to and accepted by the Secretary. Further, in accordance with 2 CFR §200.303, the Universities must establish and maintain effective internal control over their federal awards that provides reasonable assurance that the Universities are managing the awards in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—Northern Arizona University (University) did not have adequate internal control procedures to ensure it performed and documented monthly reconciliations of direct loan funds received and disbursed to the University's records. Specifically, for all five months tested, the University did not maintain documentation that it had performed the reconciliations.

Effect—The University did not comply with the borrower data transmission and reconciliation requirements of 34 CFR §685.300(b)(5), which could result in the University not detecting and correcting discrepancies in a timely manner between direct loan funds received and disbursed and its records.

Cause—The University did not have adequate internal control procedures to ensure it performed and documented the monthly reconciliations.

Recommendation—The University should develop and implement internal control procedures to ensure it performs and documents monthly reconciliations of direct loan funds received and disbursed to its institutional records in accordance with the borrower data transmission and reconciliation requirements of 34 CFR §685.300(b)(5). Specifically, the University must be able to account for any differences between the direct loan funds received and disbursed on each monthly school account statement and the University

records. In addition, the University should document the reasons for the differences and resolve them as applicable, as part of the monthly reconciliation process.

The State's responsible officials' views and planned corrective action are in its corrective action plan at the end of this report.

2017-114

CFDA number and name:	93.658 Foster Care—Title IV-E
Award numbers and years:	1601AZFOST, 2016 1701AZFOST, 2017
Federal agency:	U.S. Department of Health and Human Services
Compliance requirement:	Eligibility
Questioned costs:	Unknown

Criteria—In accordance with 45 CFR §1356.30(f), for a child care institution such as a foster care group home to be eligible for Title IV-E funding, the Department of Child Safety (Department) must address safety considerations associated with employees who have direct contact with children. The State's safety consideration standards are outlined in A.R.S. §8-804(B)(3) and require the Department to complete a background check using the State's central registry for all employees of contracted and subcontracted child care institutions that provide direct services to children. The background check must be completed within a reasonable period after their hire date. Further, in accordance with 45 CFR §75.303, the Department must establish and maintain effective internal control over the federal award that provides reasonable assurance that the Department is managing the federal award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—The Department did not always follow its policies and procedures to ensure that it completed background checks of its contracted and subcontracted child care institutions' employees within a reasonable period after their hire date. Specifically, for six of the ten child care institutions tested, the Department did not complete 66 of 709 employees' background checks until 2 to 98 months after the employee's hire date. The Department subsequently performed background checks on all child care institution employees between December 2017 and January 2018. In addition, for 2 of the 66 employees, the employee did not pass the background check and worked with foster care children for 3 to 4 months before they were terminated.

Effect—The Department paid the six child care institutions an estimated \$9,226,730 in federal monies for maintenance payments when the institutions were in noncompliance during the audit period July 1, 2016 through June 30, 2017. The majority of the background checks were completed after the audit period, and therefore, the Department continued to pay these child care institutions federal funds in the following fiscal year.

Cause—The Department did not maintain documentation for long-term employees who were previously verified and did not enforce its existing policies and procedures to perform background checks of new hires at child care institutions within a reasonable period after their hire date.

Recommendation—The Department should ensure that child care institutions submit new hire information within 5 days and the department performs and completes background checks of the new hires at child care institutions within 2 weeks of their hire date. Also, the Department should review its current records of all child care institutions to verify they are complete and employees' information is current. In

addition, the Department should make maintenance payments only to child care institutions that have met all the required federal compliance requirements, and the Department's records should include documentation that these compliance requirements have been met.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-112.

2017-115

CFDA number and name:	93.659 Adoption Assistance
Award numbers and years:	1601AZADPT, 2016 1701AZADPT, 2017
Federal agency:	U.S. Department of Health and Human Services
Compliance requirement:	Cash management
Questioned costs:	None

Criteria—In accordance with 31 CFR §§205.11, 205.12(b), and 205.33(a) the Department of Child Safety (Department) must request federal monies in accordance with the funding techniques agreed to in the Treasury-State Agreement. The Department uses the average clearance methodology to request funding from the federal agency for its payments to vendors and service providers. For the average clearance methodology, the Department should request funds for only the exact amount of the disbursements to be paid in 4 days. Additionally, in accordance with 45 CFR §75.303, the Department must establish and maintain effective internal controls over the federal award that provides reasonable assurance that the Department is managing the federal award in compliance with federal statutes, regulations and the award terms and conditions.

Condition and context—The Department did not always follow the cash management funding technique pattern outlined in the State of Arizona's Treasury-State Agreement when requesting federal funds for payments to its vendors and service providers. Specifically, for one of eight cash drawdowns tested, the Department drew down more than the amount required to meet its expected cash-management needs. Also, the Department maintained positive cash balances throughout the audit period July 1, 2016 through June 30, 2017 that averaged \$427,335 up to \$9,590,176. The larger balances were reduced within 1 to 2 business days exceeding the required 4-day average clearance methodology. However, the Department maintained an average balance of \$1,242,034 for 90 days, another \$815,700 for 27 days, and \$427,335 for 36 days.

Effect—The Department did not comply with the required cash-management funding technique outlined in the Treasury-State Agreement, which resulted in the Department maintaining positive cash balances for the program for a total of 153 days. The Department remitted interest earned back to the federal government for these positive cash balances.

Cause—The Department did not follow the State's policies and procedures to ensure cash drawdown requests followed the proper funding techniques outlined in the Treasury-State Agreement.

Recommendation—To help ensure compliance with the Treasury-State Agreement, the Department should follow the State's policies and procedures to ensure the amount of cash drawdown requests is calculated based on the approved funding techniques and provide training to staff responsible for preparing

the drawdown requests. Also, future cash drawdown requests should be reduced for any positive cash balances to ensure monies requested are for the Department's immediate cash needs. In addition, a knowledgeable employee should review and approve cash drawdown requests to ensure they comply with the Department's cash management funding techniques and are compared to the program's cash balances.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-114.

2017-116

CFDA number and name:	93.659 Adoption Assistance
Award numbers and years:	1601AZADPT, 2016 1701AZADPT, 2017
Federal agency:	U.S. Department of Health and Human Services
Compliance requirement:	Matching
Questioned costs:	None

Criteria—In accordance with 42 United States Code (USC) 674(a)(1) and 45 CFR §1356.60(a), the Department of Child Safety (Department) must match adoption assistance subsidy payments by the Federal Medical Assistance Program (FMAP) percentage. Further, in accordance with 45 CFR §75.303, the Department must establish and maintain effective internal control over the federal award that provides reasonable assurance that the Department is managing the federal award in compliance with Federal statutes, regulations, and the award terms and conditions.

Condition and context—The Department did not have adequate internal control policies and procedures in place to review and monitor its matching requirements for the adoption assistance program. To ensure that the program is matched at the proper FMAP rate, the Department sets up its account codes to proportionately pay for expenditures with both federal and state dollars in accordance with the FMAP rate. However, the Department did not apply the correct FMAP rate to match the adoption assistance subsidy payments. As a result, the Department did not meet the required state matching percentage for its federal fiscal year 2016 grant when the expenditures were incurred. The Department subsequently corrected the \$3,119,528 error within the grant's award period after we brought it to their attention.

Effect—Failure to properly monitor matching expenditures could result in noncompliance with the program's matching requirements and potential questioned costs.

Cause—The Department had ineffective procedures to ensure that staff monitored matching requirements. Further, the Department did not perform a reconciliation of grant expenditure activity to verify the correct matching amount was met.

Recommendation—To help ensure that the program's matching requirements are met, the Department should strengthen its policies and procedures over monitoring, reviewing, and reconciling its matching requirements to its accounting records.

The Department's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2017-117

Cluster name:	TANF Cluster
CFDA number and name:	93.558 Temporary Assistance for Needy Families
Award numbers and years:	1502AZTANF, 2015; 1602AZTANF, and 1602AZTAN3, 2016; and 1702AZTANF, and 1702AZTAN3, 2017
CFDA number and name:	93.658 Foster Care—Title IV-E
Award numbers and years:	1601AZFOST, 2016 1701AZFOST, 2017
CFDA number and name:	93.659 Adoption Assistance
Award numbers and years:	1601AZADPT, 2016 1701AZADPT, 2017
CFDA number and name:	93.667 Social Services Block Grant
Award numbers and years:	G1501AZSOSR, 2015; G1601AZSOSR, 2016; G1701AZSOSR, 2017
Federal agency:	U.S. Department of Health and Human Services
Compliance requirement:	Allowable costs/cost principles
Questioned costs:	\$750,000

Criteria—In accordance with 2 CFR §200.303, the Department of Child Safety (Department) must establish and maintain effective internal controls over federal awards that provides reasonable assurance that the Department is managing the federal awards in compliance with federal statutes, regulations, and the award terms and conditions. Further, costs allocated to federal programs should be in accordance with the Department's approved cost allocation plan to comply with 45 CFR §95.507. For example, expenditures processed through the Arizona Random Moment Sampling (ARMS) cost allocation method should be allocated to programs based on the percentage of services provided by employees when surveyed at a random moment in time.

Condition and context—The Department did not have proper internal controls over its allocation of indirect costs to federal programs. Specifically, the Department did not review and reconcile its monthly indirect cost allocations to ensure that the costs were allocated to the correct programs. As a result, allocations were not always accurate. For example, for 9 of 12 months tested, the Department's indirect costs allocated through the ARMS cost allocation method were incorrectly calculated because services provided for the Foster Care—Title IV-E (Foster Care) program were included as services provided for the Social Services Block Grant (SSBG). For the period July 1, 2016 through June 30, 2017, the SSBG program was allocated approximately \$750,000 in federal expenditures that should have been allocated and paid out of the Foster Care program.

Effect—The Department incorrectly allocated approximately \$750,000 in federal expenditures to the SSBG program. Additionally, there is an increased risk that costs could be incorrectly allocated in the Department's other cost pools to federal programs.

Cause—The Department did not have a process in place to reconcile its indirect cost allocations on a monthly basis.

Recommendation—To ensure compliance with federal requirements, a responsible employee should review and approve the cost allocation monthly. This includes recalculating the ARMS percentages that are used to allocate the indirect costs. Further, the Department should correct the error noted in the ARMS cost allocation pool for the Foster Care and SSBG programs.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2017-118

CFDA number and name: 84.126 **Rehabilitation Services—Vocational Rehabilitation Grants to States**

Award numbers and years: H126A150002, 2015; H126A160002, 2016; and H126A170002, 2017

Federal agency: **U.S. Department of Education**

Cluster name: **TANF Cluster**

CFDA number and name: 93.558 **Temporary Assistance for Needy Families**

Award numbers and years: 1502AZTANF, 2015; 1602AZTANF and 1602AZTAN3, 2016; and 1702AZTANF and 1702AZTAN3, 2017

Federal agency: **U.S. Department of Health and Human Services**

Compliance requirement: Cash management

Questioned costs: N/A

Criteria—In accordance with 31 CFR §§205.11, 205.12(b), and 205.33, Subpart A, the Department of Economic Security (Department) must request federal monies in accordance with the funding techniques agreed to in the Treasury-State Agreement (TSA). In addition, in accordance with the TSA, Section 7.3, when applying funding techniques that require federal funds to be deposited in a state account on the average clearance day of payroll, the State shall request to receive the funds on Thursday of the week the payroll is paid. Further, in accordance with 2 CFR §200.303 and 45 CFR §75.303(a), the Department must establish and maintain effective internal control over its federal awards that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—The Department's Financial Services Administration (FSA) did not follow the agreed upon TSA funding technique that requires the State to request funds to be received on Thursday of the week the payroll is paid. Specifically, for eight of nine Rehabilitation Services—Vocational Rehabilitation Grants to States and six of ten Temporary Assistance for Needy Families cash drawdowns examined containing payroll costs, the federal funds were deposited on Wednesday of the week the payroll was paid. The State's payrolls are paid on Thursday of the week following the pay period end date.

Effect—Noncompliance with the clearance pattern agreed upon in the TSA. This finding could potentially affect all federal programs the TSA covers.

Cause—The FSA draws cash down on Wednesday of the week the payroll is paid to ensure cash needs are met for payroll payments on Thursday.

Recommendation—To help ensure compliance with cash management compliance requirements, the FSA should follow the TSA and request federal funds be transferred on the Thursday of the week the payroll is paid or the Department should work with the Treasury Department to revise its TSA to meet its cash needs.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2017-119

CFDA number and name:	84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Award numbers and years:	H126A150002, 2015; H126A160002, 2016; and H126A170002, 2017
Federal agency:	U.S. Department of Education
Compliance requirements:	Activities allowed or unallowed, allowable costs/cost principles
Questioned costs:	\$24,726

Criteria—In accordance with 29 USC §723(a), vocational rehabilitation services are any services described in an individualized plan for employment necessary to assist an individual with a disability in preparing for, securing, retaining, or regaining an employment outcome that is consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice. In addition, 34 CFR §361.46 requires each individualized plan for employment to include the specific rehabilitation services needed to achieve the employment outcome. Further, in accordance with 2 CFR §200.303, the Department of Economic Security (Department) must establish and maintain effective internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—The Department's Division of Employment and Rehabilitation Services, Rehabilitation Services Administration (Administration), did not adequately document in the recipients' case records how services were necessary to assist individuals with a disability in preparing for, securing, retaining, or regaining an employment outcome. Specifically, for 2 of 25 program expenditures tested, the Administration did not document in the recipients' case records how home modifications such as an electric gate and bathroom remodel totaling \$24,073 and kitchen accessories totaling \$478 assisted in an employment outcome.

In addition, the Administration advanced a recipient \$175 to purchase clothing for a job interview; however, the Administration was unable to verify that the recipient used the program monies for the intended purpose, and/or collect any unspent portion because the recipient exited the program after receiving the advance.

Effect—Vocational rehabilitation funds may be used to pay for unallowed services.

Cause—The Administration's policies and procedures require the recipients' individualized plans for employment to document the rehabilitation services needed but do not require documentation of how the specific rehabilitation services help to achieve the employment outcomes. In addition, the Administration did not follow up with the recipient who exited the program.

Recommendation—To help ensure compliance with activities allowed or unallowed and allowable costs/cost principles compliance requirements, the Administration should document in the recipients' case record how services will assist individuals with a disability in preparing for, securing, retaining, or regaining an employment outcome.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2017-120

CFDA number and name:	84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Award numbers and years:	H126A150002, 2015; H126A160002, 2016; and H126A170002, 2017
Federal agency:	U.S. Department of Education
Compliance requirement:	Eligibility
Questioned costs:	\$4,086

Criteria—In accordance with 29 USC §722(a)(1), an individual is eligible for assistance if the individual has undergone an assessment for determining eligibility and vocational rehabilitation needs and as a result has been determined to be an individual with a disability under 29 USC §705(20)(A). In addition, in accordance with 29 USC §722(a)(6), the Department of Economic Security (Department) must determine whether an applicant is eligible for vocational rehabilitation services within 60 days after the applicant has submitted an application for the services unless the Department and the applicant agree to an extension. Further, in accordance with 2 CFR §200.303, the Department must establish and maintain effective internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—For 1 of 40 applications tested, the Department’s Division of Employment and Rehabilitation Services, Rehabilitation Services Administration (Administration), did not provide documentation of a completed assessment to determine an individual’s eligibility. In addition, for 3 of 40 applications tested, the Administration did not determine applicant eligibility within 60 days. Specifically, it took the Administration between 70 and 136 days to determine the applicant was eligible or close the case after determining the applicant was not eligible for the program.

Effect—Lack of disability verification may result in services provided to ineligible applicants. Furthermore, failure to make timely eligibility determinations may result in delayed services.

Cause—The Administration did not follow its policies and procedures when verifying applicant eligibility and did not react to system alerts that open applications were close to the 60-day eligibility determination requirement.

Recommendation—To help ensure compliance with eligibility requirements, the Administration should retain the completed assessments documenting the individual’s eligibility. In addition, to help ensure eligibility determinations are made within 60 days after the applicant has submitted an application or the applicant has agreed to an extension, the Administration should provide adequate supervision of its case workers and enforce its policies and procedures to follow up on computer information system alerts that open applications were close to the 60-day eligibility determination requirement. If the eligibility determination cannot be completed within the 60-day period, the applicant and Administration should agree to an extension.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-115.

2017-121

CFDA number and name:	84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Award numbers and years:	H126A150002, 2015; H126A160002, 2016; and H126A170002, 2017
Federal agency:	U.S. Department of Education
Compliance requirement:	Earmarking
Questioned costs:	None

Criteria—In accordance with 29 USC §730(d), the Department of Economic Security (Department) must reserve and expend at least 15 percent of its Vocational Rehabilitation (VR) allotment to provide pre-employment transition services to students with disabilities who are eligible, or potentially eligible, for VR services. Further, in accordance with 2 CFR §200.303, the Department must establish and maintain effective internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—The Department's Division of Employment and Rehabilitation Services, Rehabilitation Services Administration (Administration), established policies and procedures for the earmarking compliance requirement in August 2016; however, those policies and procedures were not in place to ensure compliance with earmarking requirements for the 2015 grant award. For most of the grant's award period, the Administration did not have a way to accurately monitor which of its expenditures were for the provision of pre-employment transition services to students with disabilities who were eligible or potentially eligible for VR services. For the 2015 grant award, the Administration reported it expended \$7,033,303, or 11 percent, on pre-employment transition services on the final SF-425 *Federal Financial Report* for the period of October 1, 2014 through September 30, 2016.

Effect—Noncompliance with program requirements could result in not providing sufficient employment transition services to students with disabilities.

Cause—The requirement became effective in federal fiscal year 2015, at which time the Administration was not clear how to track pre-employment transition services to students with disabilities and did not establish policies and procedures to do so until August 2016.

Recommendation—To help ensure compliance with earmarking requirements, the Administration should reserve and monitor the VR allotment amount expended for pre-employment transition services to students with disabilities who are eligible or potentially eligible for VR services.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-116.

2017-122

CFDA number and name:	84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Award numbers and years:	H126A150002, 2015; H126A160002, 2016; and H126A170002, 2017
Federal agency:	U.S. Department of Education
Compliance requirement:	Reporting
Questioned costs:	None

Criteria—In accordance with 34 CFR §361.240(a), the Department of Economic Security (Department) must establish procedures consistent with guidelines issued by the Secretary of Labor or the Secretary of Education to ensure that it submits complete annual performance reports that contain information that is valid and reliable, as required by the Workforce Innovation and Opportunity Act of 2014, §116(d)(5). Further, in accordance with 2 CFR §200.303, the Department must establish and maintain effective internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—For 2 of 25 cases tested, the Department's Division of Employment and Rehabilitation Services, Rehabilitation Services Administration (Administration), did not accurately report the correct dates of a service and a program outcome on the annual *RSA-911 Case Service Report to the US Department of Education*. Specifically, for data element 49, the date a recipient's individualized plan for employment (IPE) was established was reported as 145 days later than the recipient's records indicated, and for data element 195, the date a recipient was reported as being placed into employment was 2½ years later than the recipient's records supported.

Effect—Incorrect reporting of data elements may misrepresent the Department's Vocational Rehabilitation program performance.

Cause—For data element 49, when the IPE was created in fiscal year 2004, the Administration's policies and procedures were unclear regarding when an IPE was considered completed and implemented. After the Administration clarified its policies and procedures it did not retroactively correct system data. For data element 195 the Administration did not follow its policies and procedures and follow up with the recipient every 90 days to assess the recipient's progress in achieving an employment outcome.

Recommendation—To help ensure compliance with reporting requirements, the Administration should develop policies and procedures to accurately compile and report the RSA-911 data elements. In addition, for accurate performance reporting, the Administration should report the most recent or amended date when individuals enter an IPE and identify when individuals enter employment in a timely manner.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

2017-123

Cluster name:	TANF Cluster
CFDA number and name:	93.558 Temporary Assistance for Needy Families
Award numbers and years:	1502AZTANF, 2015; 1602AZTANF and 1602AZTAN3, 2016; and 1702AZTANF and 1702AZTAN3, 2017
Federal agency:	U.S. Department of Health and Human Services
Compliance requirement:	Eligibility
Questioned costs:	\$2,477

Criteria—In accordance with 45 CFR §206.10(a)(8), each decision regarding eligibility or ineligibility must be supported by facts in the applicant’s or recipient’s case record. Further, in accordance with 45 CFR §75.303(a), the Department of Economic Security (Department) must establish and maintain effective internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—The Department’s Division of Benefits and Medical Eligibility, Family Assistance Administration (FAA) provided cash assistance to an applicant without adequately supporting its decision regarding the Temporary Assistance for Needy Families eligibility requirements. Specifically, for 1 of 40 case records examined, the FAA could not provide required documentation supporting the recipient was the child’s legal caretaker. Because the case record did not adequately support eligibility determination facts, the recipient’s cash assistance payments totaling \$2,477 are questioned costs.

Effect—Noncompliance with eligibility compliance requirements and excess benefits may be issued to recipients.

Cause—The FAA case worker believed all supporting documentation was accounted for in the case file.

Recommendation—To help ensure the FAA makes accurate benefit payments and complies with eligibility compliance requirements, it should ensure that facts regarding eligibility determinations are properly supported and the support is retained in the recipients’ case records.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

2017-124

Cluster name:	TANF Cluster
CFDA number and name:	93.558 Temporary Assistance for Needy Families
Award numbers and years:	1502AZTANF, 2015; 1602AZTANF and 1602AZTAN3, 2016; and 1702AZTANF and 1702AZTAN3, 2017
Federal agency:	U.S. Department of Health and Human Services
Compliance requirement:	Special tests and provisions
Questioned costs:	\$252

Criteria—In accordance with 42 USC §607(e), if an individual in a family receiving assistance refuses to engage in required work, the Department of Economic Security (Department) must reduce assistance to the family, at least pro rata, with respect to any period during the month in which the individual so refuses. Further, in accordance with 45 CFR §75.303(a), the Department must establish and maintain effective

internal control over its federal award that provides reasonable assurance that the Department is managing the award in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—The Department’s Division of Benefits and Medical Eligibility, Family Assistance Administration (FAA), did not always reduce or halt Temporary Assistance for Needy Families benefit payments for individuals who did not comply with the Job Opportunities and Basic Skills Training (JOBS) working requirements. Specifically, for 1 of 40 case records examined, the recipient was issued a 25 percent noncompliance JOBS sanction notice; however, the recipient’s benefits were not reduced when the noncompliance was determined.

Effect—Noncompliance with 42 USC §607(e) and excess benefits of \$252 were issued.

Cause—The FAA was unaware of the JOBS sanction notice. The FAA relies on a subrecipient to determine JOBS compliance and issue sanctions for this requirement. The subrecipient incorrectly removed the reduction and labeled the notice as an administrative error.

Recommendation—To help ensure compliance with 42 USC §607(e), the FAA should follow its policies and procedures to reduce recipients’ benefits when noncompliance is first determined. In addition, the FAA should ensure that each decision regarding compliance with 42 USC §607(e) is adequately applied to the recipients’ case record.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

2017-125

CFDA number and name: 84.126 **Rehabilitation Services—Vocational Rehabilitation Grants to States**

Award numbers and years: H126A150002, 2015; H126A160002, 2016; and H126A170002, 2017

CFDA number and name: 84.181 **Special Education—Grants for Infants and Families**

Award numbers and years: H181A150002, 2015 and H181A160002, 2016

Federal agency: **U.S. Department of Education**

Cluster name: **TANF Cluster**

CFDA number and name: 93.558 **Temporary Assistance for Needy Families**

Award numbers and years: 1502AZTANF, 2015; 1602AZTANF and 1602AZTAN3, 2016; and 1702AZTANF and 1702AZTAN3, 2017

CFDA number and name: 93.658 **Foster Care—Title IV-E**

Award numbers and years: 1601AZFOST, 2016
1701AZFOST, 2017

CFDA number and name:	93.659 Adoption Assistance
Award numbers and years:	1601AZADPT, 2016 1701AZADPT, 2017
Federal agency:	U.S. Department of Health and Human Services
Compliance requirements:	Activities allowed or unallowed, allowable costs/cost principles, cash management, eligibility, period of availability/performance, matching, level of effort, earmarking, reporting, and special tests and provisions
Questioned costs:	Not applicable

Criteria—It is critical that the Department of Economic Security (Department) have contingency-planning procedures in place to provide for the continuity of operations and to help ensure that vital information technology (IT) resources, which include its systems, network, infrastructure, and data, can be recovered in the event of a disaster, system or equipment failure, or other interruption. Contingency-planning procedures include having a comprehensive, up-to-date contingency plan; taking steps to facilitate activation of the plan; and having system and data backup policies and procedures.

Condition and context—The Department’s contingency plan lacked certain key elements related to restoring operations in the event of a disaster or other system interruption of its IT resources and did not include all systems. Also, although the Department was performing system and data backups, it did not have documented policies and procedures for performing the backups or testing them to ensure they were operational and could be used to restore its IT resources.

Effect—The Department risks not being able to provide for the continuity of operations, recover vital IT systems and data, and conduct daily operations in the event of a disaster, system or equipment failure, or other interruption, which could cause inaccurate or incomplete system and data recovery. This finding could potentially affect all federal programs the Department administers.

Cause—The Department is working on its multi year corrective action plan to remediate the deficiencies noted in a prior year.

Recommendation—To help ensure department operations continue in the event of a disaster, system or equipment failure, or other interruption, the Department needs to further develop its contingency-planning procedures. The Department should review its contingency-planning procedures against current IT standards and best practices, update them where needed, and implement them department-wide, as appropriate. The information below provides guidance and best practices to help the Department achieve this objective:

- **Update the contingency plan and ensure it includes all required elements to restore operations**—Contingency plans should be updated at least annually for all critical information or when changes are made to IT resources, and updates to the plan should be communicated to key personnel. The plan should include essential business functions and associated contingency requirements, including recovery objectives and restoration priorities and metrics as determined in the entity’s business-impact analysis; contingency roles and responsibilities and assigned individuals with contact information; identification of critical information assets and processes for migrating to the alternative processing site; processes for eventual system recovery and reconstitution to return the IT resources to a fully operational state and ensure all transactions have been recovered; and review and approval by appropriate personnel. The contingency plan should also be coordinated with incident-handling activities and stored in a secure location, accessible to those who need to use it, and protected from unauthorized disclosure or modification.

- **Move critical operations to a separate alternative site**—Policies and procedures should be developed and documented for migrating critical IT operations to a separate alternative site for essential business functions, including putting contracts in place or equipping the alternative site to resume essential business functions, if necessary. The alternative site’s information security safeguards should be equivalent to the primary site.
- **Test the contingency plan**—A process should be developed and documented to perform regularly scheduled tests of the contingency plan and document the tests performed and results. This process should include updating and testing the contingency plan at least annually or as changes necessitate, and coordinating testing with the entity’s other plans, such as its continuity of operations, cyber incident response, and emergency response plans. Plan testing may include actual tests, simulations, or tabletop discussions and should be comprehensive enough to evaluate whether the plan can be successfully carried out. The test results should be used to update or change the plan.
- **Train staff responsible for implementing the contingency plan**—An ongoing training schedule should be developed for staff responsible for implementing the plan that is specific to each user’s assigned role and responsibilities.
- **Backup systems and data**—Establish and document policies and procedures for testing IT system software and data backups to help ensure they could be recovered if needed. Policies and procedures should require system software and data backups to be protected and stored in an alternative site with security equivalent to the primary storage site. Backups should include user-level information, system-level information, and system documentation, including security-related documentation. In addition, critical information system software and security-related information should be stored at an alternative site or in a fire-rated container.

The State’s responsible officials’ views and planned corrective action are in its corrective action plan included at the end of this report.

This finding is similar to prior-year finding 2016-121. This finding was also reported as a financial reporting finding. See finding 2017-05.

2017-126

CFDA number and name:	93.092 Affordable Care Act (ACA) Personal Responsibility Education Program
Award number and year:	1601AZPREP, 2016
Federal agency:	U.S. Department of Health and Human Services
Compliance requirements:	Activities allowed or unallowed, allowable costs/cost principles, subrecipient monitoring
Questioned costs:	\$66,415

Criteria—In accordance with 2 CFR §200.331, the Department of Health Services (Department) must monitor its subrecipients’ activities to ensure that subawards are used for authorized purposes. In addition, according to 2 CFR §200.303, the Department must establish and maintain effective internal control over its federal awards that provides reasonable assurance that the Department is managing the awards in compliance with federal statutes, regulations, and the award terms and conditions.

Condition and context—During fiscal year 2017, the Department reimbursed ten subrecipients over \$700,000 for federal program costs; however, the Department did not ensure that subrecipients used subawards for authorized purposes. Specifically, the Department collected an expenditure report from each subrecipient that included the current expenditures by budget line item and a statement from the

subrecipient that assured the amounts were valid and based on the accounting records. Subsequently, the Department determined that one subrecipient was unable to provide detailed supporting documentation for \$66,415 in program costs the Department reimbursed during fiscal year 2017.

Effect—Subrecipients could spend program monies on unallowable activities and costs. This finding has the potential to affect other federal programs the Department administers and subawards to other entities.

Cause—The Department relied on the subrecipients' expenditure report certification assuring that monies were spent on allowable program activities and costs, and did not require the subrecipients to submit supporting documentation so the Department could perform a review for allowability.

Recommendation—The Department should establish policies and procedures to ensure reimbursements to subrecipients are for authorized program activities and costs. These procedures should include monitoring subrecipient activities to ensure reimbursements are adequately supported and are for authorized program purposes.

The State's responsible officials' views and planned corrective action are in its corrective action plan included at the end of this report.

STATE SECTION

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
PEACE CORPS						
08.PC-14-8-064	Professional Campus Recruitment Services			ASA	\$ 22,208	
	Total Peace Corps				<u>22,208</u>	<u>-</u>
DEPARTMENT OF AGRICULTURE						
<u>SNAP Cluster</u>						
10.551	Supplemental Nutrition Assistance Program			DEA	1,360,167,035	
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			DEA	51,400,781	\$ 2,630,170
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			HSA	7,817,392	3,730,482
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			UAA	5,894,877	265,197
	10.561 Subtotal				<u>65,113,050</u>	<u>6,625,849</u>
	SNAP Cluster Subtotal				<u>1,425,280,085</u>	<u>6,625,849</u>
<u>Child Nutrition Cluster</u>						
10.553	School Breakfast Program			DCA	23,483	
10.553	School Breakfast Program			DJA	142,217	
10.553	School Breakfast Program			EDA	93,530,958	93,530,958
	10.553 Subtotal				<u>93,696,658</u>	<u>93,530,958</u>
10.555	National School Lunch Program			DCA	35,622	
10.555	National School Lunch Program			DJA	251,110	
10.555	National School Lunch Program			EDA	314,691,312	314,691,312
10.555	National School Lunch Program			SDA	70,694	
	10.555 Subtotal				<u>315,048,738</u>	<u>314,691,312</u>
10.556	Special Milk Program for Children			EDA	38,996	38,996
10.559	Summer Food Service Program for Children			EDA	3,230,999	3,119,740
	Child Nutrition Cluster Subtotal				<u>412,015,391</u>	<u>411,381,006</u>
<u>Food Distribution Cluster</u>						
10.565	Commodity Supplemental Food Program			HSA	3,890,769	959,301
10.568	Emergency Food Assistance Program (Administrative Costs)			DEA	2,035,509	1,820,538
10.569	Emergency Food Assistance Program (Food Commodities)			DEA	15,520,522	
	Food Distribution Cluster Subtotal				<u>21,446,800</u>	<u>2,779,839</u>
<u>Other Department of Agriculture Programs</u>						
10.025	Plant and Animal Disease, Pest Control, and Animal Care			AHA	2,097,192	
10.025	Plant and Animal Disease, Pest Control, and Animal Care			CRA	480,597	
10.025	Plant and Animal Disease, Pest Control, and Animal Care			UAA	193,423	
	10.025 Subtotal				<u>2,771,212</u>	<u>-</u>
10.028	Wildlife Services			GFA	3,336	
10.093	Voluntary Public Access and Habitat Incentive Program			GFA	304,166	
10.163	Market Protection and Promotion			AHA	29,894	
10.170	Specialty Crop Block Grant Program—Farm Bill			AHA	1,198,774	988,510
10.171	Organic Certification Cost Share Programs			AHA	66,768	60,115
10.172	Local Food Promotion Program			UAA	2,674	
10.215	Sustainable Agriculture Research and Education	Utah State University	14029901/140867004, 140867002, 140867047-136	UAA	37,414	
10.215	Sustainable Agriculture Research and Education	Western Sustainable Agriculture Research and Education	1002627	UAA	3,483	
	10.215 Subtotal				<u>40,897</u>	<u>-</u>
10.217	Higher Education—Institution Challenge Grants Program			UAA	126,733	40,234
10.304	Homeland Security—Agricultural			UAA	35,096	
10.310	Agriculture and Food Research Initiative (AFRI)			ASA	25,821	
10.310	Agriculture and Food Research Initiative (AFRI)			UAA	41,367	
10.310	Agriculture and Food Research Initiative (AFRI)	University of Nevada, Reno	UNR-16-69/2016-67004-24969	UAA	19,691	
	10.310 Subtotal				<u>86,879</u>	<u>-</u>
10.311	Beginning Farmer and Rancher Development Program			UAA	360,528	128,727
10.329	Crop Protection and Pest Management Competitive Grants Program			UAA	314,926	
10.460	Risk Management Education Partnerships			UAA	93,418	
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection			AHA	3,470,100	
10.479	Food Safety Cooperative Agreements			HSA	257,677	
10.500	Cooperative Extension Service			UAA	3,427,600	93,222
10.500	Cooperative Extension Service	Kansas State University	S15156, S16118/2014-48661-22370, S15094/2014-48661-22370, S15144/2013-48696-21184, S15021/2010-48661-21868	UAA	35,813	
10.500	Cooperative Extension Service	Michigan State University	RC103176BG, RC103176BO/2013-48765-21544	UAA	19,270	
10.500	Cooperative Extension Service	Pennsylvania State University	5355-UA-USDA-4341	UAA	24,898	
10.500	Cooperative Extension Service	University of Nebraska-Lincoln	25-6329-0086-305	UAA	4,327	
	10.500 Subtotal				<u>3,511,908</u>	<u>93,222</u>

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
10.547	Professional Standards for School Nutrition Employees			EDA	48,339	
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children			HSA	111,817,335	26,530,375
10.558	Child and Adult Care Food Program			EDA	51,904,696	51,280,313
10.560	State Administrative Expenses for Child Nutrition			EDA	5,219,267	
10.572	WIC Farmers' Market Nutrition Program (FMNP)			HSA	171,297	
10.576	Senior Farmers Market Nutrition Program			HSA	98,877	
10.578	WIC Grants to States (WGS)			HSA	3,928,962	789,514
10.579	Child Nutrition Discretionary Grants Limited Availability			DCA	69,681	
10.579	Child Nutrition Discretionary Grants Limited Availability			EDA	607,252	607,252
	10.579 Subtotal				676,933	607,252
10.582	Fresh Fruit and Vegetable Program			EDA	3,252,802	3,195,403
10.652	Forestry Research			GFA	38,783	22,000
10.652	Forestry Research			UAA	5,211	
	10.652 Subtotal				43,994	22,000
10.664	Cooperative Forestry Assistance			ASA	5,000	
10.664	Cooperative Forestry Assistance			FOA	3,827,307	1,642,921
10.664	Cooperative Forestry Assistance			GFA	32,246	
10.664	Cooperative Forestry Assistance			UAA	22,688	
	10.664 Subtotal				3,887,241	1,642,921
10.672	Rural Development, Forestry and Communities			GFA	2,406	
10.674	Wood Utilization Assistance			FOA	110,981	64,990
10.676	Forest Legacy Program			FOA	29,365	
10.683	National Fish and Wildlife Foundation			GFA	8,779	407
10.691	Good Neighbor Authority			FOA	52,445	
10.761	Technical Assistance and Training Grants			NAA	90,764	
10.762	Solid Waste Management Grants			NAA	39,649	
10.902	Soil and Water Conservation			FOA	32,020	
10.960	Technical Agricultural Assistance			UAA	150,812	137,102
10.12-CS-11030700-018, 10DG11301600050	Forest Service			NAA	8,420	
10.13-CR-11031600-044	Arizona Rangeland Monitoring and VGS Enhancement			UAA	175,984	
10.13-CS-11030504-019	Range Monitoring			UAA	33,042	
10.14-CR-11031600-54	Arizona Rangeland Education, Outreach and Monitoring			UAA	51,974	
10.14-JV-11221633-091	Documentation of Human Skeletal Remains and Funerary Objects from Tonto National Forest, Phase II			UAA	29,139	
10.16-CS-11030901-027	Forest Service			GFA	6,300	
10.16-CS-11031200-018	Forest Service			GFA	20,390	
10.16-CS-11221635-129	Forest Service			NAA	5,114	
10.17-CS-11030700-014	Forest Service			GFA	10,896	
10.17-CS-11030700-015	Forest Service			GFA	17,300	
10.AG-8371-P-15-0026	NAGPRA Documentation Project for Apache—Sitgreaves National Forest			ASA	57,365	
	Total Department of Agriculture				2,053,400,150	506,367,779
<u>DEPARTMENT OF COMMERCE</u>						
<u>Economic Development Cluster</u>						
11.307	Economic Adjustment Assistance			CAA	104,226	
	Economic Development Cluster Subtotal				104,226	-
<u>Other Department of Commerce Programs</u>						
11.303	Economic Development—Technical Assistance			NAA	100,333	
11.549	State and Local Implementation Grant Program			ADA	653,849	
11.611	Manufacturing Extension Partnership			CAA	1,022,536	
11.620	Science, Technology, Business and/or Education Outreach			ASA	51,874	
	Total Department of Commerce				1,932,818	-
<u>DEPARTMENT OF DEFENSE</u>						
12.110	Planning Assistance to States			GFA	2,960	
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services			EVA	691,982	
12.300	Basic and Applied Scientific Research			GFA	282,681	
12.357	ROTC Language and Culture Training Grants	Institute of International Education	2603-ASU-8-GO-017-P03, 2603-ASU-8-GO-051-P05	ASA	359,624	
12.357	ROTC Language and Culture Training Grants	Institute of International Education	2603UAZ28	UAA	504,129	
	12.357 Subtotal				863,753	-
12.400	Military Construction, National Guard			MAA	347,670	
12.401	National Guard Military Operations and Maintenance (O&M) Projects			GFA	97,450	
12.401	National Guard Military Operations and Maintenance (O&M) Projects			MAA	33,314,328	
	12.401 Subtotal				33,411,778	-
12.431	Basic Scientific Research			ASA	219,212	
12.550	The Language Flagship Grants to Institutions of Higher Education	Institute of International Education	0054-ASU-1-SSC-280-PO2	ASA	615,881	35,228

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
12.550	The Language Flagship Grants to Institutions of Higher Education	Institute of International Education	0054-UAZ-9-ARA-280-PO1, 0054 UAZ-9-SSA-280-PO2, 0054UAZ9SSA280PO3, NSEPU631073UAAARAH98	UAA	454,390	
	12.550 Subtotal				1,070,271	35,228
12.579	Language Training Center	Institute of International Education	2603-ASU-8-GO-017-P03, 2603-ASU-8-LTC-LT4-PO2, 2603-ASU-8-LTC-LT5-PO4	ASA	30,685	
12.630	Basic, Applied, and Advanced Research in Science and Engineering	Academy of Applied Science	LTR 9/21/06	GFA	38,515	
12.630	Basic, Applied, and Advanced Research in Science and Engineering			ASA	12,290	
	12.630 Subtotal					50,805
12.632	Legacy Resource Management Program			GFA	560,493	
12.800	Air Force Defense Research Sciences Program			ASA	126,198	
12.800	Air Force Defense Research Sciences Program			GFA	102,947	
	12.800 Subtotal				229,145	-
12.900	Language Grant Program			ASA	184,286	
12.901	Mathematical Sciences Grants			ASA	4,698	
12.902	Information Security Grants			ASA	77,175	
12.903	GenCyber Grants Program			UAA	14,419	
12.910	Research and Technology Development			UAA	272,385	
12.W9124A-05-D-0002	Business Enterprise Program/FT Huachuca			DEA	4,855,280	
12.W9124A-12-C-0011	Water Wise and Energy Smart			UAA	54,406	
	Total Department of Defense				43,224,084	35,228
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Section 8 Project-Based Cluster						
14.195	Section 8 Housing Assistance Payments Program			HDA	54,522,649	54,522,649
	Section 8 Project-Based Cluster Subtotal				54,522,649	54,522,649
HOPE VI Cluster						
14.866	Demolition and Revitalization of Severely Distressed Public Housing	City of Phoenix	IGA 133412	ASA	22,449	
	HOPE VI Cluster Subtotal				22,449	-
Housing Voucher Cluster						
14.871	Section 8 Housing Choice Vouchers			HDA	1,349,989	1,187,189
	Housing Voucher Cluster Subtotal				1,349,989	1,187,189
Other Department of Housing and Urban Development Programs						
14.171	Manufactured Home Dispute Resolution			HDA	274,311	
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			HDA	10,124,948	9,946,253
14.231	Emergency Solutions Grant Program			DEA	1,752,115	1,639,582
14.239	Home Investment Partnerships Program			HDA	5,759,510	5,225,144
14.241	Housing Opportunities for Persons with AIDS			HDA	215,180	207,275
14.267	Continuum of Care Program			HDA	5,196,519	4,899,420
14.275	Housing Trust Fund			HDA	57,289	
14.401	Fair Housing Assistance Program—State and Local			AGA	629,402	
14.AZ501FY2014COC	Pima County Homeless Street Count Project	Community Partnership of Southern Arizona	HSSIROW	UAA	4,832	
	Total Department of Housing and Urban Development				79,909,193	77,627,512
DEPARTMENT OF THE INTERIOR						
Fish and Wildlife Cluster						
15.605	Sport Fish Restoration			GFA	11,261,816	
15.605	Sport Fish Restoration			PRA	225,337	
	15.605 Subtotal				11,487,153	-
15.611	Wildlife Restoration and Basic Hunter Education			GFA	20,075,613	1,264,599
	Fish and Wildlife Cluster Subtotal				31,562,766	1,264,599
Other Department of the Interior Programs						
15.156	Tribal Climate Resilience			NAA	344,844	
15.224	Cultural and Paleontological Resources Management			ASA	4,156	1,608
15.224	Cultural and Paleontological Resources Management			PRA	27,651	
	15.224 Subtotal				31,807	1,608
15.225	Recreation Resource Management			GFA	19,894	
15.228	BLM Wildland Urban Interface Community Fire Assistance			FOA	367,529	346,536
15.231	Fish, Wildlife and Plant Conservation Resource Management			GFA	633,794	22,768
15.231	Fish, Wildlife and Plant Conservation Resource Management			NAA	9,860	
	15.231 Subtotal				643,654	22,768
15.236	Environmental Quality and Protection			GFA	316,111	
15.236	Environmental Quality and Protection			MIA	441,827	
	15.236 Subtotal				757,938	-
15.237	Rangeland Resource Management			UAA	92,082	
15.238	Challenge Cost Share			GFA	27,292	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
15.511	Cultural Resources Management			ASA	15,505	
15.517	Fish and Wildlife Coordination Act			GFA	901,440	9,750
15.538	Lower Colorado River Multi-Species Conservation			GFA	158,775	
15.541	Colorado River Basin Act of 1968			WCA	35,444	
15.608	Fish and Wildlife Management Assistance			GFA	356,333	81,661
15.608	Fish and Wildlife Management Assistance			UAA	35,417	
	15.608 Subtotal				391,750	81,661
15.615	Cooperative Endangered Species Conservation Fund			AHA	114,709	
15.615	Cooperative Endangered Species Conservation Fund			GFA	1,031,583	
15.615	Cooperative Endangered Species Conservation Fund			UAA	864	
	15.615 Subtotal				1,147,156	-
15.616	Clean Vessel Act			GFA	33,361	33,361
15.626	Enhanced Hunter Education and Safety			GFA	236,129	
15.634	State Wildlife Grants			GFA	1,110,612	158,026
15.637	Migratory Bird Joint Ventures			GFA	10,977	
15.654	National Wildlife Refuge System Enhancements			GFA	51,113	
15.657	Endangered Species Conservation—Recovery Implementation Funds			GFA	183,118	
15.664	Fish and Wildlife Coordination and Assistance			FOA	50,915	
15.666	Endangered Species Conservation-Wolf Livestock Loss Compensation and Prevention			GFA	120,000	120,000
15.670	Adaptive Science			UAA	9,706	
15.808	U.S. Geological Survey—Research and Data Collection			GFA	374,510	
15.808	U.S. Geological Survey—Research and Data Collection			WCA	4,207	
	15.808 Subtotal				378,717	-
15.810	National Cooperative Geologic Mapping			GSA	5,470	
15.904	Historic Preservation Fund Grants-In-Aid			PRA	952,531	29,516
15.916	Outdoor Recreation—Acquisition, Development and Planning			GFA	603,819	
15.916	Outdoor Recreation—Acquisition, Development and Planning			PRA	1,601,000	
	15.916 Subtotal				2,204,819	-
15.944	Natural Resource Stewardship			GFA	21,122	
15.945	Cooperative Research and Training Programs—Resources of the National Park System			NAA	49,482	
15.945	Cooperative Research and Training Programs—Resources of the National Park System			UAA	597,585	38,790
15.945	Cooperative Research and Training Programs—Resources of the National Park System	Arizona Sonora Desert Museum	ASDM-42	UAA	12,668	
	15.945 Subtotal				659,735	38,790
15.954	National Park Service Conservation, Protection, Outreach, and Education			GFA	1,945	
15.50730W0330	Bureau of Reclamation Restricted Endowment			ASA	6,672,715	
15.A15PX00768	Water Resources Technical Training Program for American Indians and Alaska Natives			UAA	178,806	
15.G16PX01213	US Geological Survey			NAA	5,000	
	Total Department of the Interior				49,384,667	2,106,615
<u>DEPARTMENT OF JUSTICE</u>						
16.017	Sexual Assault Services Formula Program			HSA	306,898	289,715
16.320	Services for Trafficking Victims	City of Tucson, Arizona	OVC20154069	UAA	10,760	
16.320	Services for Trafficking Victims	CODAC Behavioral Health Services	Agreement Signed 032516	UAA	13,468	
	16.320 Subtotal				24,228	-
16.523	Juvenile Accountability Block Grants			DJA	31,790	
16.523	Juvenile Accountability Block Grants			GVA	13,596	11,248
	16.523 Subtotal				45,386	11,248
16.526	OWW Technical Assistance Initiative			NAA	462,688	148,803
16.540	Juvenile Justice and Delinquency Prevention			GVA	997,145	
16.540	Juvenile Justice and Delinquency Prevention			SPA	36,000	
	16.540 Subtotal				1,033,145	-
16.543	Missing Children's Assistance			PSA	15,000	
16.543	Missing Children's Assistance	City of Phoenix	2009-MC-CX-K013	AGA	19,593	
	16.543 Subtotal				34,593	-
16.550	State Justice Statistics Program for Statistical Analysis Centers			JCA	60,256	
16.554	National Criminal History Improvement Program (NCHIP)			JCA	569,524	524,543
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants			EDA	1,579,995	1,423,099
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants			UAA	141,997	
	16.560 Subtotal				1,721,992	1,423,099
16.575	Crime Victim Assistance			AGA	580,150	
16.575	Crime Victim Assistance			DCA	197,256	
16.575	Crime Victim Assistance			DJA	50,062	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
16.575	Crime Victim Assistance			NAA	329,136	
16.575	Crime Victim Assistance			PSA	21,096,214	20,560,600
16.575	Crime Victim Assistance			SPA	29,532	
	16.575 Subtotal				<u>22,282,350</u>	<u>20,560,600</u>
16.576	Crime Victim Compensation			JCA	1,013,780	993,655
16.579	Edward Byrne Memorial Formula Grant Program	City of Tucson, Arizona	18110	UAA	156,878	
16.588	Violence Against Women Formula Grants			GVA	2,731,073	2,366,637
16.588	Violence Against Women Formula Grants			NAA	139,940	
	16.588 Subtotal				<u>2,871,013</u>	<u>2,366,637</u>
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program			GVA	95,876	90,310
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program			NAA	123,577	12,190
	16.589 Subtotal				<u>219,453</u>	<u>102,500</u>
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program			GVA	199,045	162,112
16.593	Residential Substance Abuse Treatment for State Prisoners			DCA	39,188	
16.593	Residential Substance Abuse Treatment for State Prisoners			DJA	30,598	
16.593	Residential Substance Abuse Treatment for State Prisoners			JCA	210,029	162,104
	16.593 Subtotal				<u>279,815</u>	<u>162,104</u>
16.606	State Criminal Alien Assistance Program			DCA	6,212,713	
16.609	Project Safe Neighborhoods			JCA	156,105	108,910
16.726	Juvenile Mentoring Program	National 4-H Council	2014-JU-FX-0025, 2015-JU-FX-0015	SPA	75,000	
16.726	Juvenile Mentoring Program	National 4-H Council	2014-JU-FX-0025, 2015-JU-FX-0015, 2016-JU-FX-0022	UAA	113,173	
	16.726 Subtotal				<u>188,173</u>	<u>-</u>
16.738	Edward Byrne Memorial Justice Assistance Grant Program			AGA	658,760	
16.738	Edward Byrne Memorial Justice Assistance Grant Program			JCA	3,282,302	2,882,035
16.738	Edward Byrne Memorial Justice Assistance Grant Program			PSA	235,388	
16.738	Edward Byrne Memorial Justice Assistance Grant Program			SPA	150,679	55,521
	16.738 Subtotal				<u>4,327,129</u>	<u>2,937,556</u>
16.741	DNA Backlog Reduction Program			PSA	536,922	
16.742	Paul Coverdell Forensic Science Improvement Grant Program			JCA	90,244	80,175
16.742	Paul Coverdell Forensic Science Improvement Grant Program			PSA	80,954	
	16.742 Subtotal				<u>171,198</u>	<u>80,175</u>
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program Superior Court of Maricopa County		13031-G	ASA	596	
16.746	Capital Case Litigation			UAA	54,929	
16.754	Harold Rogers Prescription Drug Monitoring Program			JCA	91,672	91,262
16.756	Court Appointed Special Advocates			SPA	20,243	18,915
16.812	Second Chance Act Reentry Initiative			ASA	104,053	
16.812	Second Chance Act Reentry Initiative			DCA	142,604	
16.812	Second Chance Act Reentry Initiative			DJA	10,500	
	16.812 Subtotal				<u>257,157</u>	<u>-</u>
16.813	NICS Act Record Improvement Program			JCA	361,130	
16.813	NICS Act Record Improvement Program			PSA	80,000	
16.813	NICS Act Record Improvement Program			SPA	223,525	
	16.813 Subtotal				<u>664,655</u>	<u>-</u>
16.816	John R. Justice Prosecutors and Defenders Incentive Act			SPA	41,995	41,995
16.820	Postconviction Testing of DNA Evidence			UAA	110,836	
16.826	Vision 21			JCA	21,000	
16.2016-02	DEA TASK FORCE			PSA	7,403	
16.2014WEAX0033	Community-Defined Solutions to Violence Against Women Program offered by US Department of Justice, Office of Violence Against Women	Pima County Attorney Office	CTPCA15000000000000000321	UAA	9,849	
16.2015-DE-BX-K002	Body Worn Camera Training and Technical Assistance TTA Provider	CNA Institute for Public Research	16-ASU-1-1376	ASA	327,584	
16.DJJ16-C-2690	Assessment of Consent Decree and Reform Model			ASA	124,454	
16.M160D08O000098	DOJ/US Marshals Service			PSA	22,896	
16.Unknown	Second Chance Coalition Building Training			ASA	3,215	
	Total Department of Justice				<u>44,631,768</u>	<u>30,023,829</u>
<u>DEPARTMENT OF LABOR</u>						
<u>Employment Service Cluster</u>						
17.207	Employment Service/Wagner-Peyser Funded Activities			ADA	148,635	
17.207	Employment Service/Wagner-Peyser Funded Activities			DEA	12,573,910	
17.207	Employment Service/Wagner-Peyser Funded Activities			EOA	453,596	
17.207	Employment Service/Wagner-Peyser Funded Activities			GVA	248,527	
17.207	Employment Service/Wagner-Peyser Funded Activities			UAA	74,117	
17.207	Employment Service/Wagner-Peyser Funded Activities			VSA	979,843	
	17.207 Subtotal				<u>14,478,628</u>	<u>-</u>
17.801	Disabled Veterans' Outreach Program (DVOP)			DEA	2,559,425	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
17.804	Local Veterans' Employment Representative Program Employment Service Cluster Subtotal			DEA	1,571,778 <u>18,609,831</u>	 -
WIOA Cluster						
17.258	WIOA Adult Program			CAA	88,160	
17.258	WIOA Adult Program			DEA	16,811,331	15,956,188
17.258	WIOA Adult Program			GVA	506,287	498,954
	17.258 Subtotal				<u>17,405,778</u>	<u>16,455,142</u>
17.259	WIOA Youth Activities			DEA	14,719,435	14,719,435
17.278	WIOA Dislocated Worker Formula Grants			DEA	21,984,553	21,019,378
17.278	WIOA Dislocated Worker Formula Grants			EOA	85,363	
	17.278 Subtotal				<u>22,069,916</u>	<u>21,019,378</u>
	WIOA Cluster Subtotal				<u>54,195,129</u>	<u>52,193,955</u>
Other Department of Labor Programs						
17.002	Labor Force Statistics			ADA	104,820	
17.002	Labor Force Statistics			EOA	844,114	
	17.002 Subtotal				<u>948,934</u>	-
17.005	Compensation and Working Conditions			ICA	208,310	
17.225	Unemployment Insurance			DEA	309,586,291	
17.225	Unemployment Insurance			EOA	25,198	
	17.225 Subtotal				<u>309,611,489</u>	-
17.235	Senior Community Service Employment Program			DEA	1,180,524	1,046,350
17.245	Trade Adjustment Assistance			DEA	684,014	
17.268	H-1B Job Training Grants			CAA	98,895	
17.271	Work Opportunity Tax Credit Program (WOTC)			DEA	551,036	
17.273	Temporary Labor Certification for Foreign Workers			DEA	118,913	
17.281	WIA/WIOA Dislocated Worker National Reserve Technical Assistance and Training			DEA	72,831	67,021
17.283	Workforce Innovation Fund			EOA	448,397	
17.285	Apprenticeship USA Grants			DEA	61,349	
17.502	Occupational Safety and Health—Susan Harwood Training Grants			ASA	33,294	
17.503	Occupational Safety and Health—State Program			ICA	2,146,767	
17.504	Consultation Agreements			ICA	1,402,035	
17.600	Mine Health and Safety Grants			MIA	284,992	
	Total Department of Labor				<u>390,656,740</u>	<u>53,307,326</u>
DEPARTMENT OF STATE						
19.009	Academic Exchange Programs—Undergraduate Programs			ASA	453,836	
19.009	Academic Exchange Programs—Undergraduate Programs	International Research and Exchanges Board (IREX)	FY16-YALI-CL-ASU-03, FY16-YALI-PM-ASU-01	ASA	295,648	
19.009	Academic Exchange Programs—Undergraduate Programs	Institute for Training and Development	SECAGD15CA1035BC, SECAGD15CA1035	UAA	306,427	
	19.009 Subtotal				<u>1,055,911</u>	-
19.010	Academic Exchange Programs—Hubert H. Humphrey Fellowship Program	Institute of International Education	3067_ASU_S-ECAGD-15-CA-1017_07012015	ASA	237,295	
19.011	Academic Exchange Programs—Special Academic Exchange	American Institute of Maghrib Studies	LTR DTD 110101	UAA	56,360	
19.021	Investing in People in The Middle East and North Africa			ASA	95,586	
19.022	Educational and Cultural Exchange Programs Appropriation Overseas Grants			UAA	13,300	
19.040	Public Diplomacy Programs			ASA	136,457	
19.040	Public Diplomacy Programs			UAA	17,166	
	19.040 Subtotal				<u>153,623</u>	-
19.300	Program for Study of Eastern Europe and the Independent States of the Former Soviet Union			ASA	213,661	
19.400	Academic Exchange Programs—Graduate Students	Institute of International Education	3216_ASU_4.6.16	ASA	45,911	
19.408	Academic Exchange Programs—Teachers	International Research and Exchanges Board (IREX)	FY17-ILEP-ASU-01	ASA	185,296	
19.421	Academic Exchange Programs—English Language Programs			NAA	86,866	
19.501	Public Diplomacy Programs for Afghanistan and Pakistan			ASA	535,132	
19.750	Bureau of Western Hemisphere Affairs (WHA) Grant Programs (including Energy and Climate Partnership for the Americas)			ASA	192,023	
19.900	AEECA/ESF PD Programs			ASA	29,844	
19.AID-306-TO-15-00062	PROMOTE: Afghan Women's Leadership in the Economy (AWLE)	Development Alternatives, Inc.	1002611-15S-004	ASA	236,970	
19.S-ECAGD-16-CA-1014	Humphrey Online Enhancement Workshop	Institute of International Education	3223_ASU_10.1.2016, 3223_ASU Transborder_10.1.2016	ASA	28,621	
	Total Department of State				<u>3,166,399</u>	-
DEPARTMENT OF TRANSPORTATION						
Highway Planning and Construction Cluster						
20.205	Highway Planning and Construction			ADA	100,341	
20.205	Highway Planning and Construction			DTA	744,601,253	99,126,414
20.205	Highway Planning and Construction			GFA	142,914	
20.205	Highway Planning and Construction			PSA	598,194	
20.205	Highway Planning and Construction	NMDOT	IG0004	GFA	54,497	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
20.205	Highway Planning and Construction	NVDOT	P225-14-015	GFA	15,020	
	20.205 Subtotal				745,512,219	99,126,414
20.219	Recreational Trails Program			DTA	1,480,891	
20.219	Recreational Trails Program			PRA	1,522,250	1,257,934
	20.219 Subtotal				3,003,141	1,257,934
	Highway Planning and Construction Cluster Subtotal				748,515,360	100,384,348
	Federal Transit Cluster					
20.500	Federal Transit—Capital Investment Grants			DTA	148,585	
20.526	Bus and Bus Facilities Formula Program			DTA	102,362	102,362
	Federal Transit Cluster Subtotal				250,947	102,362
	Transit Services Program Cluster					
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities			DTA	5,018,572	4,488,108
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities			NAA	67,123	
	20.513 Subtotal				5,085,695	4,488,108
20.516	Job Access And Reverse Commute Program			DTA	57,381	63,381
20.521	New Freedom Program			DTA	10,000	9,919
	Transit Services Program Cluster Subtotal				5,153,076	4,561,408
	Highway Safety Cluster					
20.600	State and Community Highway Safety			ASA	60,730	
20.600	State and Community Highway Safety			GFA	10,186	
20.600	State and Community Highway Safety			GHA	4,275,823	2,774,198
20.600	State and Community Highway Safety			LLA	162,825	
20.600	State and Community Highway Safety			NAA	18,490	
20.600	State and Community Highway Safety			PSA	809,037	
20.600	State and Community Highway Safety			SPA	31,343	
20.600	State and Community Highway Safety			UAA	30,303	
	20.600 Subtotal				5,398,737	2,774,198
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I			LLA	104,417	
20.616	National Priority Safety Programs			GHA	3,829,360	2,682,338
20.616	National Priority Safety Programs			NAA	7,534	
20.616	National Priority Safety Programs			PSA	360,450	
	20.616 Subtotal				4,197,344	2,682,338
	Highway Safety Cluster Subtotal				9,700,498	5,456,536
	Other Department of Transportation Programs					
20.106	Airport Improvement Program			DTA	4,313,400	
20.200	Highway Research and Development Program			DTA	1,948,747	304,300
20.215	Highway Training and Education			ASA	70,550	
20.215	Highway Training and Education			DTA	168,044	
	20.215 Subtotal				238,594	-
20.218	Motor Carrier Safety Assistance			DTA	408,805	
20.218	Motor Carrier Safety Assistance			PSA	3,351,059	
	20.218 Subtotal				3,759,864	-
20.223	Transportation Infrastructure Finance and Innovation Act (TIFIA) Program			DTA	8,841,932	
20.233	Border Enforcement Grants			PSA	6,664,649	
20.237	Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements			DTA	92,781	
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort			DTA	99,494	
20.317	Capital Assistance to States—Intercity Passenger Rail Service			DTA	119,540	
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			DTA	2,463,750	2,467,582
20.509	Formula Grants for Rural Areas			DTA	11,766,715	11,105,150
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program			DTA	262,291	
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements			DTA	116,842	
20.700	Pipeline Safety Program State Base Grant			CCA	1,045,212	
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants			MAA	142,535	65,799
20.DTFH6415G00142	Federal Highway Administration			NAA	928	
20.Unknown	2017 National Summer Transportation Institute (Weeks 2-4)			ASA	5,545	
20.Unknown	US Department of Transportation	City of Phoenix	144690	NAA	49,647	
	Total Department of Transportation				805,552,347	124,447,485
	DEPARTMENT OF THE TREASURY					
21.2016054	MOU b/t US Border Patrol & AZDPS.			PSA	74,841	
21.PL113-76X1350	NFMC—RND9			HDA	116,119	116,119
	Total Department of the Treasury				190,960	116,119
	EQUAL EMPLOYMENT OPPORTUNITY COMMISSION					
30.001	Employment Discrimination—Title VII of the Civil Rights Act of 1964			AGA	340,007	
	Total Equal Employment Opportunity Commission				340,007	-

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
GENERAL SERVICES ADMINISTRATION						
39.003	Donation of Federal Surplus Personal Property			ADA	8,261,718	
	Total General Services Administration				<u>8,261,718</u>	<u>-</u>
LIBRARY OF CONGRESS						
42.Unknown	Film Preservation: "Ambassadors in Levi's" and "Hank Rides Again"	National Film Preservation Foundation	FED15025	UAA	5,528	
42.Unknown	Preservation work on "Mission San Xavier del Bac" and "Yaqui De Grazia"	National Film Preservation Foundation	FED14026	UAA	6,412	
	Total Library of Congress				<u>11,940</u>	<u>-</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
43.001	Science			ASA	115,668	
43.001	Science	North Carolina State University	2016-3126-02	UAA	20,061	
43.001	Science	SETI Institute	SC-3177	UAA	129,408	
	43.001 Subtotal				<u>265,137</u>	<u>-</u>
43.NAS71407	Curriculum and Training Support for Navigator's Extra-Solar Planet Research	Jet Propulsion Laboratory	1251186	UAA	2,810	
43.NNX16AC53A	National Aeronautics and Space Administration			NAA	520,301	249,284
43.Unknown	National Aeronautics and Space Administration			NAA	122,652	
	Total National Aeronautics and Space Administration				<u>910,900</u>	<u>249,284</u>
NATIONAL ENDOWMENT FOR THE ARTS						
45.024	Promotion of the Arts—Grants to Organizations and Individuals			ASA	9,272	
45.024	Promotion of the Arts—Grants to Organizations and Individuals			UAA	9,996	
45.024	Promotion of the Arts—Grants to Organizations and Individuals	Mid Atlantic Arts Foundation	28752/DCA 2015-09	UAA	2,550	
	45.024 Subtotal				<u>21,818</u>	<u>-</u>
45.Unknown	NEA Challenge Grant Endowment			UAA	65,220	
	Total National Endowment for the Arts				<u>87,038</u>	<u>-</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES						
45.129	Promotion of the Humanities—Federal/State Partnership	Arizona Humanities Council	7020-2016, GG01-6281-2014, GG05-6390-2015, GG11-5951-2013	ASA	6,930	
45.129	Promotion of the Humanities—Federal/State Partnership	Arizona Humanities Council	GG03-6283-2014, GG02-6282-2014, 30062016, 7023-2016	NAA	6,015	
	45.129 Subtotal				<u>12,945</u>	<u>-</u>
45.149	Promotion of the Humanities—Division of Preservation and Access			NAA	5,244	
45.149	Promotion of the Humanities—Division of Preservation and Access			UAA	10,399	
	45.149 Subtotal				<u>15,643</u>	<u>-</u>
45.Unknown	NEH/ASM Educational Endowment			UAA	373,960	
45.Unknown	Teaching Shakespeare to Undergraduates	Folger Shakespeare Library	LTR DTD 050216	UAA	5,748	
	Total National Endowment for the Humanities				<u>408,296</u>	<u>-</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES						
45.301	Museums for America			ASA	30,548	
45.301	Museums for America			UAA	32,796	
	45.301 Subtotal				<u>63,344</u>	<u>-</u>
45.310	Grants to States			STA	2,997,549	894,393
45.310	Grants to States	City of Scottsdale	2016-094-COS, IGA 7/21/15	ASA	24,577	
	45.310 Subtotal				<u>3,022,126</u>	<u>894,393</u>
45.312	National Leadership Grants	Pacific Science Center Foundation	2016-1002E/MG-10-15-0083-1	UAA	6,732	
45.313	Laura Bush 21st Century Librarian Program			UAA	873	
45.313	Laura Bush 21st Century Librarian Program	University of Tennessee	A121113S001	UAA	14,584	
	45.313 Subtotal				<u>15,457</u>	<u>-</u>
	Total Institute of Museum and Library Services				<u>3,107,659</u>	<u>894,393</u>
NATIONAL SCIENCE FOUNDATION						
47.050	Geosciences			GSA	17,843	
47.050	Geosciences			NAA	1,126	
	47.050 Subtotal				<u>18,969</u>	<u>-</u>
47.074	Biological Sciences			NAA	73,256	
47.076	Education and Human Resources			NAA	575,614	14,822
47.076	Education and Human Resources			UAA	423,570	
	47.076 Subtotal				<u>999,184</u>	<u>14,822</u>
47.079	Office of International Science and Engineering			NAA	80,649	
47.080	Office of Cyberinfrastructure	University of California, San Diego	48975932	GSA	1,646	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
47.082	ARRA—Trans-NSF Recovery Act Research Support			UAA	335,253	
	Total National Science Foundation				1,508,957	14,822
<u>SMALL BUSINESS ADMINISTRATION</u>						
59.061	State Trade Expansion			CAA	156,497	
	Total Small Business Administration				156,497	-
<u>SMITHSONIAN INSTITUTION</u>						
60.14PO4000000305241	Aluminum Coating for Smithsonian 60-Inch Mirror			UAA	2,335	
	Total Smithsonian Institution				2,335	-
<u>DEPARTMENT OF VETERANS AFFAIRS</u>						
64.024	VA Homeless Providers Grant and Per Diem Program			VSA	23,807	
64.124	All-Volunteer Force Educational Assistance			VSA	288,038	
64.LTR DTD 010517	IPA for Terry Urbine			UAA	6,072	
64.LTR DTD 012016	Phoenix AZ Health Care System Extension			UAA	39,793	
64.LTR DTD 052814	United States Department of Veterans Affairs			UAA	14,323	
64.LTR DTD 082013	Assignment Agreement—Southern Arizona VA Health Care System (SAVAHCS)			UAA	5,385	
	Total Department of Veterans Affairs				377,418	-
<u>ENVIRONMENTAL PROTECTION AGENCY</u>						
<u>Clean Water State Revolving Fund Cluster</u>						
66.458	Capitalization Grants for Clean Water State Revolving Funds			FAA	3,351,673	2,992,142
	Clean Water State Revolving Fund Cluster Subtotal				3,351,673	2,992,142
<u>Drinking Water State Revolving Fund Cluster</u>						
66.468	Capitalization Grants for Drinking Water State Revolving Funds			EVA	2,107,371	
66.468	Capitalization Grants for Drinking Water State Revolving Funds			FAA	12,810,259	9,715,706
	66.468 Subtotal				14,917,630	9,715,706
	Drinking Water State Revolving Fund Cluster Subtotal				14,917,630	9,715,706
<u>Other Environmental Protection Agency Programs</u>						
66.001	Air Pollution Control Program Support			EVA	2,688,211	225,000
66.032	State Indoor Radon Grants			AEA	84,047	
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			EVA	321,004	95,680
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act			NAA	335,629	
	66.034 Subtotal				656,633	95,680
66.037	Internships, Training and Workshops for the Office of Air and Radiation			NAA	1,646,084	
66.419	Water Pollution Control State, Interstate, and Tribal Program Support			EVA	196,025	
66.440	Urban Waters Small Grants			ASA	22,110	
66.454	Water Quality Management Planning			EVA	83,467	
66.460	Nonpoint Source Implementation Grants			ADA	1,907,023	
66.460	Nonpoint Source Implementation Grants			EVA	1,238,447	1,238,447
66.460	Nonpoint Source Implementation Grants			GFA	116,330	116,330
66.460	Nonpoint Source Implementation Grants			UAA	22,408	
	66.460 Subtotal				3,284,208	1,354,777
66.509	Science To Achieve Results (STAR) Research Program			ASA	266,996	105,808
66.509	Science To Achieve Results (STAR) Research Program	Yurok Tribe	3017	NAA	57,433	
	66.509 Subtotal				324,429	105,808
66.514	Science To Achieve Results (STAR) Fellowship Program			ASA	20,500	
66.605	Performance Partnership Grants			AHA	487,511	
66.605	Performance Partnership Grants			EVA	3,375,717	
66.605	Performance Partnership Grants			SBA	1,379	
	66.605 Subtotal				3,864,607	-
66.608	Environmental Information Exchange Network Grant Program and Related Assistance			EVA	52,749	16,092
66.608	Environmental Information Exchange Network Grant Program and Related Assistance			NAA	162,435	
	66.608 Subtotal				215,184	16,092
66.708	Pollution Prevention Grants Program			EVA	123,634	
66.801	Hazardous Waste Management State Program Support			EVA	1,471,544	
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements			EVA	323,357	
66.804	Underground Storage Tank Prevention, Detection and Compliance Program			EVA	685,686	
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program			EVA	901,115	
66.808	Solid Waste Management Assistance Grants			NAA	330,796	
66.813	Alternative or Innovative Treatment Technology Research, Demonstration, Training, and Hazardous Substance Research Grants			NAA	201,657	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
66.815	Environmental Workforce Development and Job Training Cooperative Agreements			NAA	6,324	
66.817	State and Tribal Response Program Grants			EVA	723,144	
66.950	National Environmental Education Training Program			ASA	3,001	
66.951	Environmental Education Grants			ASA	35,477	
66.Unknown	Environmental Protection Agency	Walker River Paiute Tribe	30342	NAA	11,574	
	Total Environmental Protection Agency				<u>36,172,117</u>	<u>14,505,205</u>
DEPARTMENT OF ENERGY						
81.041	State Energy Program			ADA	727,429	
81.042	Weatherization Assistance for Low-Income Persons			HDA	1,089,979	961,388
81.049	Office of Science Financial Assistance Program			NAA	485,471	67,527
81.049	Office of Science Financial Assistance Program			UAA	4,603	
	81.049 Subtotal				<u>490,074</u>	<u>67,527</u>
81.089	Fossil Energy Research and Development	MicroBio Engineering Inc	Agrmt dated 1/19/16	ASA	37,921	
81.121	Nuclear Energy Research, Development and Demonstration			ASA	6,346	
81.AFC-5-520044-03	National Renewable Energy Laboratory			NAA	5,020	
81.AFG-7-70132-01	National Renewable Energy Laboratory			NAA	7,760	
81.DEAC5206NA25396	Subcontract No. 407375	Los Alamos National Laboratory	407375	UAA	890	
81.Unknown	Department of Energy	Alliance for Sustainable Energy	AEV-6-52000-01	NAA	21,800	
81.Unknown	Department of Energy	Utah Clean Energy	N/A	NAA	21,010	
	Total Department of Energy				<u>2,408,229</u>	<u>1,028,915</u>
DEPARTMENT OF EDUCATION						
Special Education Cluster (IDEA)						
84.027	Special Education—Grants to States			DCA	75,689	
84.027	Special Education—Grants to States			DJA	103,653	
84.027	Special Education—Grants to States			EDA	190,111,414	175,540,888
84.027	Special Education—Grants to States			NAA	316,450	
84.027	Special Education—Grants to States			SDA	680,330	
84.027	Special Education—Grants to States			UAA	91,859	
84.027	Special Education—Grants to States	Navajo Nation	C010643, C011771	NAA	588,042	
	84.027 Subtotal				<u>191,967,437</u>	<u>175,540,888</u>
84.173	Special Education—Preschool Grants			EDA	5,082,458	3,829,192
84.173	Special Education—Preschool Grants			SDA	3,291	
	84.173 Subtotal				<u>5,085,749</u>	<u>3,829,192</u>
	Special Education Cluster (IDEA) Subtotal				<u>197,053,186</u>	<u>179,370,080</u>
TRIO Cluster						
84.042	TRIO—Student Support Services			ASA	1,071,690	
84.042	TRIO—Student Support Services			NAA	285,372	
84.042	TRIO—Student Support Services			UAA	224,330	
	84.042 Subtotal				<u>1,581,392</u>	-
84.044	TRIO—Talent Search			ASA	133,018	
84.044	TRIO—Talent Search			NAA	285,664	
	84.044 Subtotal				<u>418,682</u>	-
84.047	TRIO—Upward Bound			ASA	1,000,344	
84.047	TRIO—Upward Bound			NAA	688,463	
	84.047 Subtotal				<u>1,688,807</u>	-
84.066	TRIO—Educational Opportunity Centers			NAA	401,194	
	TRIO Cluster Subtotal				<u>4,090,075</u>	-
Other Department of Education Programs						
84.002	Adult Education—Basic Grants to States			EDA	10,686,983	8,649,999
84.010	Title I Grants to Local Educational Agencies			DCA	4,845	
84.010	Title I Grants to Local Educational Agencies			EDA	308,213,222	305,026,157
84.010	Title I Grants to Local Educational Agencies			SDA	144,936	
	84.010 Subtotal				<u>308,363,003</u>	<u>305,026,157</u>
84.011	Migrant Education—State Grant Program			ASA	112,325	
84.011	Migrant Education—State Grant Program			EDA	7,639,899	6,781,518
	84.011 Subtotal				<u>7,752,224</u>	<u>6,781,518</u>
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			DCA	997,204	
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			DJA	249,657	
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			EDA	9,113	
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth			SPA	2,688	
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	Arizona Western College	B0011282/B0011480	UAA	24,408	
	84.013 Subtotal				<u>1,283,070</u>	-
84.015	National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program			UAA	464,992	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
84.016	Undergraduate International Studies and Foreign Language Programs			ASA	58,683	
84.016	Undergraduate International Studies and Foreign Language Programs			UAA	48,463	
	84.016 Subtotal				107,146	-
84.021	Overseas Programs—Group Projects Abroad			UAA	27,660	
84.031	Higher Education—Institutional Aid	Arizona Western College	P031S120083	NAA	193,310	
84.031	Higher Education—Institutional Aid	Maricopa Community Colleges	P.O. MCC04-100022837	ASA	7,990	
	84.031 Subtotal				201,300	-
84.048	Career and Technical Education—Basic Grants to States			DJA	10,242	
84.048	Career and Technical Education—Basic Grants to States			EDA	25,889,911	23,834,369
84.048	Career and Technical Education—Basic Grants to States			SDA	94,778	
84.048	Career and Technical Education—Basic Grants to States			UAA	99,516	
	84.048 Subtotal				26,094,447	23,834,369
84.116	Fund for the Improvement of Postsecondary Education			ASA	970,174	
84.126	Rehabilitation Services—Vocational Rehabilitation Grants to States			DEA	89,030,941	
84.129	Rehabilitation Long-Term Training			UAA	284,452	
84.144	Migrant Education—Coordination Program			EDA	88,238	
84.149	Migrant Education—College Assistance Migrant Program			ASA	244,180	
84.169	Independent Living—State Grants			DEA	404,264	
84.177	Rehabilitation Services—Independent Living Services for Older Individuals Who are Blind			DEA	641,981	
84.181	Special Education—Grants for Infants and Families			DEA	7,265,707	7,265,707
84.181	Special Education—Grants for Infants and Families			SDA	325,824	
	84.181 Subtotal				7,591,531	7,265,707
84.184	School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities—National Programs)			EDA	59,135	
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities			DEA	283,586	
84.196	Education for Homeless Children and Youth			EDA	1,409,640	1,220,486
84.200	Graduate Assistance in Areas of National Need			ASA	36,489	
84.206	Javits Gifted and Talented Students Education			EDA	50,865	
84.282	Charter Schools			EDA	4,097,703	3,794,273
84.287	Twenty-First Century Community Learning Centers			EDA	30,971,911	29,934,947
84.299	Indian Education—Special Programs for Indian Children			NAA	390,223	
84.299	Indian Education—Special Programs for Indian Children			UAA	135,990	
	84.299 Subtotal				526,213	-
84.305	Education Research, Development and Dissemination	Educational Testing Service	ASU-IES 305A	ASA	139,950	
84.323	Special Education—State Personnel Development			ASA	7,643	
84.323	Special Education—State Personnel Development			EDA	703,560	373,892
84.323	Special Education—State Personnel Development			NAA	467,761	
	84.323 Subtotal				1,178,964	373,892
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			ASA	520,374	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			NAA	385,285	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities			UAA	445,331	
84.325	Special Education—Personnel Development to Improve Services and Results for Children with Disabilities	University of Florida	16-01-ED	EDA	39,372	
	84.325 Subtotal				1,390,362	-
84.326	Special Education—Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities			SDA	152,061	990
84.330	Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)			EDA	623,383	
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs			NAA	4,222,254	2,465,750
84.335	Child Care Access Means Parents in School			NAA	1,179	
84.336	Teacher Quality Partnership Grants			ASA	1,620,982	
84.350	Transition to Teaching			UAA	125,716	
84.358	Rural Education			EDA	1,109,542	1,018,624
84.365	English Language Acquisition State Grants			ASA	512,102	
84.365	English Language Acquisition State Grants			EDA	14,174,965	13,405,117
84.365	English Language Acquisition State Grants			NAA	463,647	
	84.365 Subtotal				15,150,714	13,405,117
84.366	Mathematics and Science Partnerships			EDA	2,629,206	2,394,700
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			ASA	279,075	140,830
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			BRA	46,452	
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			DCA	48,548	
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			DJA	96,119	
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			EDA	33,030,712	32,085,185
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			NAA	379,127	181,731

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			SDA	22,714	
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)			UAA	274,059	
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	National Board for Teaching Standards	1606216	NAA	467,999	154,533
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	National Institute for Excellence in Teaching - TAP	AGR 02/11/14	ASA	2,336,666	
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	National Writing Project	09-AZ04-SEED2012, 09-AZ04-SEED2016	ASA	28,142	
84.367	Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	National Writing Project	92-AZ03-SEED2012, 92AZ03SEED2016ILI	UAA	6,905	
	84.367 Subtotal				<u>37,016,518</u>	<u>32,562,279</u>
84.368	Competitive Grants for State Assessments (formerly Grants for Enhanced Assessment Instruments)			EDA	291,213	
84.369	Grants for State Assessments and Related Activities			EDA	11,283,897	
84.374	Teacher and School Leader Incentive Grants (formerly the Teacher Incentive Fund)			ASA	1,560,613	1,174,366
84.374	Teacher and School Leader Incentive Grants (formerly the Teacher Incentive Fund)			DJA	155,157	
	84.374 Subtotal				<u>1,715,770</u>	<u>1,174,366</u>
84.377	School Improvement Grants			EDA	9,018,227	8,257,904
84.395	ARRA—Race to the Top			GVA	134,012	
84.411	Education Innovation and Research (formerly Investing in Innovation (3) Fund)	National Writing Project	92-AZ03-iDP2015	UAA	20,090	
84.413	Race to the Top			EDA	1,096,903	559,353
84.418	Promoting Readiness of Minors in Supplemental Security Income			EDA	1,064,982	
84.418	Promoting Readiness of Minors in Supplemental Security Income			UAA	123,333	
84.418	Promoting Readiness of Minors in Supplemental Security Income	State of Utah	146240	GVA	366,623	174,863
	84.418 Subtotal				<u>1,554,938</u>	<u>174,863</u>
84.419	Preschool Development Grants			CDA	4,091,620	2,522,698
84.419	Preschool Development Grants			EDA	11,969,370	11,288,344
84.419	Preschool Development Grants			SDA	71,253	
	84.419 Subtotal				<u>16,132,243</u>	<u>13,811,042</u>
84.H250X150002	United States Department of Education			NAA	763,220	
84.Unknown	Mathematical Modeling in the Middle Grades (M3)			UAA	43,378	
84.Unknown	Strengthening Geographic Literacy in Arizona			ASA	9,564	
84.Unknown	Intel Math Professional Development for Teachers at Washington Elementary School District	Washington Elementary School District	01606664	UAA	26,744	
84.Unknown	Project FOCUS Tucson Unified School District IGA	Tucson Unified School District	LTR DATED 062316	UAA	183,319	
84.Unknown	Ysleta Del Sur Pueblo Native Nation Building Educational Session	Ysleta Del Sur Pueblo	LTR DTD 070516	UAA	7,465	
	Total Department of Education				<u>800,457,203</u>	<u>642,076,416</u>
<u>MORRIS K. UDALL FOUNDATION</u>						
85.LTR DTD 012716	Udall Foundation Workplan 2016			UAA	225,411	
85.NN1001	Native Nations Institute for Leadership, Management, and Policy			UAA	1,126,295	
	Total Morris K. Udall Foundation				<u>1,351,706</u>	<u>-</u>
<u>NATIONAL ARCHIVES AND RECORDS ADMINISTRATION</u>						
89.003	National Historical Publications and Records Grants			NAA	3,000	
89.003	National Historical Publications and Records Grants			STA	19,811	15,175
	89.003 Subtotal				<u>22,811</u>	<u>15,175</u>
	Total National Archives and Records Administration				<u>22,811</u>	<u>15,175</u>
<u>ELECTION ASSISTANCE COMMISSION</u>						
90.401	Help America Vote Act Requirements Payments			STA	1,052,106	
	Total Election Assistance Commission				<u>1,052,106</u>	<u>-</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<u>Aging Cluster</u>						
93.044	Special Programs for the Aging—Title III, Part B—Grants for Supportive Services and Senior Centers			DEA	9,459,563	8,915,104
93.045	Special Programs for the Aging—Title III, Part C—Nutrition Services			DEA	11,597,429	9,870,785
93.053	Nutrition Services Incentive Program			DEA	1,878,792	1,570,648
	Aging Cluster Subtotal				<u>22,935,784</u>	<u>20,356,537</u>
<u>Maternal, Infant, and Early Childhood Home Visiting Cluster</u>						
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program			CDA	1,379,097	
93.505	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program			HSA	4,118,720	2,685,722
	93.505 Subtotal				<u>5,497,817</u>	<u>2,685,722</u>
93.870	Maternal, Infant and Early Childhood Home Visiting Grant Program			HSA	2,298,554	1,392,450
	Maternal, Infant and Early Childhood Home Visiting Cluster Subtotal				<u>7,796,371</u>	<u>4,078,172</u>

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
TANF Cluster						
93.558	Temporary Assistance for Needy Families			CHA	148,416,595	
93.558	Temporary Assistance for Needy Families			DEA	72,682,922	20,921,970
	93.558 Subtotal				221,099,517	20,921,970
	TANF Cluster Subtotal				221,099,517	20,921,970
CCDF Cluster						
93.575	Child Care and Development Block Grant			CHA	23,666,759	
93.575	Child Care and Development Block Grant			DEA	54,771,710	1,448,517
93.575	Child Care and Development Block Grant			GVA	269,087	195,066
	93.575 Subtotal				78,707,556	1,643,583
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund			DEA	43,469,717	
	CCDF Cluster Subtotal				122,177,273	1,643,583
Medicaid Cluster						
93.775	State Medicaid Fraud Control Units			AGA	1,684,504	
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			BNA	857,099	
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			HSA	4,284,605	
	93.777 Subtotal				5,141,704	-
93.778	Medical Assistance Program			HCA	8,939,690,000	4,942,000
	Medicaid Cluster Subtotal				8,946,516,208	4,942,000
Other Department of Health and Human Services Programs						
93.018	Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission			HSA	119,670	
93.018	Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission			UAA	94,188	10,000
	93.018 Subtotal				213,858	10,000
93.041	Special Programs for the Aging—Title VII, Chapter 3—Programs for Prevention of Elder Abuse, Neglect, and Exploitation			DEA	85,526	59,930
93.042	Special Programs for the Aging—Title VII, Chapter 2—Long Term Care Ombudsman Services for Older Individuals			DEA	331,063	302,904
93.043	Special Programs for the Aging—Title III, Part D—Disease Prevention and Health Promotion Services			DEA	349,275	346,370
93.048	Special Programs for the Aging—Title IV—and Title II—Discretionary Projects			DEA	246,560	
93.051	Alzheimer's Disease Demonstration Grants to States			DEA	167,173	167,173
93.052	National Family Caregiver Support, Title III, Part E			DEA	3,725,051	3,570,620
93.069	Public Health Emergency Preparedness			HSA	650,890	
93.070	Environmental Public Health and Emergency Response			HSA	438,068	28,050
93.071	Medicare Enrollment Assistance Program			DEA	279,093	262,850
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance			HSA	394,412	
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements			HSA	16,680,306	6,105,981
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance			EDA	25,438	
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program			HSA	793,318	712,218
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program			UAA	39,544	
	93.092 Subtotal				832,862	712,218
93.103	Food and Drug Administration—Research			AHA	109,286	
93.103	Food and Drug Administration—Research			HSA	50,681	
	93.103 Subtotal				159,967	-
93.107	Area Health Education Centers			UAA	492,175	342,423
93.110	Maternal and Child Health Federal Consolidated Programs			ASA	11,149	
93.110	Maternal and Child Health Federal Consolidated Programs			CDA	45,364	
93.110	Maternal and Child Health Federal Consolidated Programs			HSA	173,640	23,111
93.110	Maternal and Child Health Federal Consolidated Programs			NAA	228,894	
93.110	Maternal and Child Health Federal Consolidated Programs			UAA	1,002,000	18,201
93.110	Maternal and Child Health Federal Consolidated Programs	Association of Public Health	56300-600-160-16-16	HSA	55,760	
93.110	Maternal and Child Health Federal Consolidated Programs	University of Colorado	FY16.368.016	HSA	109,498	
93.110	Maternal and Child Health Federal Consolidated Programs	Oregon Health and Science University	9008441-UAHSC	UAA	34,250	
93.110	Maternal and Child Health Federal Consolidated Programs	Organization of Teratology Information Specialists	UG4MC27861	UAA	107,371	
	93.110 Subtotal				1,767,926	41,312
93.113	Environmental Health			NAA	2,531	
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs			HSA	1,524,930	769,589
93.124	Nurse Anesthetist Traineeships			UAA	8,353	
93.127	Emergency Medical Services for Children			HSA	114,697	20,000
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices			HSA	252,556	
93.134	Grants to Increase Organ Donations			UAA	2,519,352	2,435,655
93.136	Injury Prevention and Control Research and State and Community Based Programs			ASA	310,273	

State of Arizona
Schedule of expenditures of federal awards
Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.136	Injury Prevention and Control Research and State and Community Based Programs			HSA	1,527,573	783,344
93.136	Injury Prevention and Control Research and State and Community Based Programs			UAA	181,827	43,013
	93.136 Subtotal				<u>2,019,673</u>	<u>826,357</u>
93.145	HIV-Related Training and Technical Assistance	University of California, San Francisco	9054sc	UAA	181,283	
93.150	Projects for Assistance in Transition from Homelessness (PATH)			HCA	994,000	960,000
93.150	Projects for Assistance in Transition from Homelessness (PATH)			HSA	114,064	114,064
	93.150 Subtotal				<u>1,108,064</u>	<u>1,074,064</u>
93.157	Centers of Excellence			UAA	715,375	
93.161	Health Program for Toxic Substances and Disease Registry			HSA	88,418	
93.165	Grants to States for Loan Repayment Program			HSA	195,179	187,600
93.211	Telehealth Programs			UAA	361,106	52,617
93.217	Family Planning—Services	Arizona Family Health Partnership	AGR 01/03/14 Mod 2	ASA	7,315	
93.226	Research on Healthcare Costs, Quality and Outcomes			UAA	19,936	
93.234	Traumatic Brain Injury State Demonstration Grant Program			DEA	250,966	
93.235	Affordable Care Act (ACA) Abstinence Education Program			HSA	1,595,924	1,340,979
93.236	Grants to States to Support Oral Health Workforce Activities			HSA	250,951	23,487
93.236	Grants to States to Support Oral Health Workforce Activities			UAA	68,308	
	93.236 Subtotal				<u>319,259</u>	<u>23,487</u>
93.240	State Capacity Building			HSA	218,663	
93.241	State Rural Hospital Flexibility Program			UAA	527,506	
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			AGA	1,035	
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			GVA	2,075,162	1,524,200
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			HCA	2,855,000	2,459,000
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			UAA	590,817	168,043
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance			VSA	325,536	
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	Cenpatco Integrated Care	AZDHS15085891	UAA	186,711	
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	Pascua Yaqui Tribe	LTR DTD 050813	UAA	216,484	
93.243	Substance Abuse and Mental Health Services—Projects of Regional and National Significance	University of California, Los Angeles	2000 G QF264	ASA	123,876	
	93.243 Subtotal				<u>6,374,621</u>	<u>4,151,243</u>
93.247	Advanced Nursing Education Grant Program	Ohio State University	60055773	UAA	10,651	
93.251	Universal Newborn Hearing Screening			HSA	239,879	144,150
93.253	Poison Center Support and Enhancement Grant Program			UAA	161,916	
93.262	Occupational Safety and Health Program			UAA	576,855	
93.268	Immunization Cooperative Agreements			HSA	102,230,179	1,363,193
93.270	Viral Hepatitis Prevention and Control			HSA	91,829	
93.283	Centers for Disease Control and Prevention—Investigations and Technical Assistance			HSA	811,334	
93.292	National Public Health Improvement Initiative			HSA	1,923	
93.296	State Partnership Grant Program to Improve Minority Health			HSA	242,969	104,000
93.301	Small Rural Hospital Improvement Grant Program			UAA	113,626	79,704
93.305	National State Based Tobacco Control Programs			HSA	1,023,820	362,188
93.314	Early Hearing Detection and Intervention Information System (EHDI-S) Surveillance Program			HSA	167,132	66,300
93.322	CSELS Partnership: Strengthening Public Health Laboratories	Association of Public Health	564002000101604	HSA	38,818	
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			HSA	3,440,842	775,870
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			UAA	28,047	
	93.323 Subtotal				<u>3,468,889</u>	<u>775,870</u>
93.324	State Health Insurance Assistance Program			DEA	910,876	659,270
93.328	National Implementation and Dissemination for Chronic Disease Prevention	American Planning Association, Arizona Chapter	U58DP005565	UAA	66,041	
93.332	Cooperative Agreement to Support Navigators in Federally-facilitated and State Partnership Marketplaces			UAA	589,855	
93.336	Behavioral Risk Factor Surveillance System			HSA	360,233	
93.358	Advanced Education Nursing Traineeships			UAA	1,874	
93.360	Biomedical Advanced Research and Development Authority (BARDA), Biodefense Medical Countermeasure Development	Arizona Development Disabilities	ADDPC-03-2015	NAA	465	
93.424	NON-ACA/PPHF—Building Capacity of the Public Health System to Improve Population Health through National Nonprofit Organizations	Association of State and Territorial Health Offices	63-10603, 83-12343	HSA	107,943	
93.448	Food Safety and Security Monitoring Project			HSA	372,099	
93.464	ACL Assistive Technology			NAA	598,315	
93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review			IDA	208,549	
93.516	Public Health Training Centers Programs			UAA	1,092,204	422,688
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF			HSA	496,132	
93.524	Building Capacity of the Public Health System to Improve Population Health through National, Non-Profit Organizations-financed in part by Prevention and Public Health Funds (PPHF)	National Network of Public Health Institutes	G1012	UAA	139,564	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.539	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds			HSA	4,669,944	4,086,231
93.556	Promoting Safe and Stable Families			CHA	4,787,454	
93.563	Child Support Enforcement			DEA	46,521,803	5,042,112
93.566	Refugee and Entrant Assistance—State Administered Programs			DEA	7,814,885	4,805,965
93.566	Refugee and Entrant Assistance—State Administered Programs			HSA	246,870	79,553
	93.566 Subtotal				<u>8,061,755</u>	<u>4,885,518</u>
93.568	Low-Income Home Energy Assistance			DEA	15,860,578	15,860,578
93.568	Low-Income Home Energy Assistance			HDA	3,558,747	3,435,796
	93.568 Subtotal				<u>19,419,325</u>	<u>19,296,374</u>
93.569	Community Services Block Grant			DEA	5,240,352	5,055,390
93.576	Refugee and Entrant Assistance—Discretionary Grants			DEA	520,811	520,811
93.584	Refugee and Entrant Assistance—Targeted Assistance Grants			DEA	1,293,750	1,293,750
93.586	State Court Improvement Program			SPA	588,085	138,913
93.590	Community-Based Child Abuse Prevention Grants			CHA	436,739	
93.592	Family Violence Prevention and Services/Discretionary Grants to States for Access and Visitation Programs	Battered Womens Justice Project	OC2017-03	NAA	3,535	
93.597	Grants to States for Access and Visitation Programs			DEA	160,568	160,568
93.599	Chafee Education and Training Vouchers Program (ETV)			CHA	787,423	
93.600	Head Start			EDA	174,409	82,000
93.600	Head Start	Navajo Nation - Division of Dine Education	CO10328, CO12149	ASA	417,562	
	93.600 Subtotal				<u>591,971</u>	<u>82,000</u>
93.602	Assets for Independence Demonstration Program			ASA	925,740	
93.602	Assets for Independence Demonstration Program			NAA	99,264	
93.602	Assets for Independence Demonstration Program			UAA	894,581	503,162
	93.602 Subtotal				<u>1,919,585</u>	<u>503,162</u>
93.617	Voting Access for Individuals with Disabilities Grants to States			STA	2,550	
93.624	ACA—State Innovation Models: Funding for Model Design and Model Testing Assistance			HCA	178,000	
93.627	Affordable Care Act: Testing Experience and Functional Assessment Tools			HCA	26,000	
93.630	Developmental Disabilities Basic Support and Advocacy Grants			DEA	1,231,595	
93.630	Developmental Disabilities Basic Support and Advocacy Grants	Arizona Development Disabilities	ADDPC-01-2017	NAA	3,882	
	93.630 Subtotal				<u>1,235,477</u>	<u>-</u>
93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service			NAA	586,649	30,017
93.643	Children's Justice Grants to States			GVA	430,469	332,668
93.645	Stephanie Tubbs Jones Child Welfare Services Program			CHA	4,772,310	
93.648	Child Welfare Research Training or Demonstration			ASA	237,314	
93.648	Child Welfare Research Training or Demonstration	State University of New York, Research Foundation	1128024-20-72851, 1135853-20-76397/ #16-31	ASA	172,051	
	93.648 Subtotal				<u>409,365</u>	<u>-</u>
93.658	Foster Care—Title IV-E			ASA	39,890	
93.658	Foster Care—Title IV-E			CHA	173,929,872	
93.658	Foster Care—Title IV-E			SPA	1,017,684	686,436
	93.658 Subtotal				<u>174,987,446</u>	<u>686,436</u>
93.659	Adoption Assistance			CHA	132,642,903	
93.667	Social Services Block Grant			CHA	14,392,636	
93.667	Social Services Block Grant			DEA	16,943,707	11,920,396
	93.667 Subtotal				<u>31,336,343</u>	<u>11,920,396</u>
93.669	Child Abuse and Neglect State Grants			CHA	446,118	
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			HSA	1,847,976	1,805,723
93.674	Chafee Foster Care Independence Program			CHA	4,569,363	
93.733	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance—financed in part by the Prevention and Public Health Fund (PPHF)			HSA	1,012,673	307,500
93.735	State Public Health Approaches for Ensuring Quitline Capacity—Funded in part by Prevention and Public Health Funds (PPHF)			HSA	35,205	
93.735	State Public Health Approaches for Ensuring Quitline Capacity—Funded in part by Prevention and Public Health Funds (PPHF)			UAA	268,685	
	93.735 Subtotal				<u>303,890</u>	<u>-</u>
93.747	Elder Abuse Prevention Interventions Program			DEA	42,428	
93.752	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds			HSA	2,412,736	1,942,598
93.753	Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program			HSA	234,026	
93.757	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)			HSA	771,018	398,430

State of Arizona
Schedule of expenditures of federal awards
Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.757	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)			UAA	45,306	
	93.757 Subtotal				<u>816,324</u>	<u>398,430</u>
93.758	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)			HSA	1,548,880	1,020,735
93.767	Children's Health Insurance Program			HCA	189,824,000	
93.767	Children's Health Insurance Program			HSA	12,116	
	93.767 Subtotal				<u>189,836,116</u>	<u>-</u>
93.779	Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	Scottsdale Healthcare	LTR 02/23/16	ASA	10,567	
93.788	Opioid STR			HCA	4,000	
93.800	Organized Approaches to Increase Colorectal Cancer Screening			HSA	764	
93.815	Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			HSA	251,139	
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities			HSA	59,058	
93.822	Health Careers Opportunity Program			NAA	603,133	
93.889	National Bioterrorism Hospital Preparedness Program			UAA	119,904	
93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	Rio Rico Fire District	LTR DTD 082415, LTR DTD 120115	UAA	46,686	
93.913	Grants to States for Operation of Offices of Rural Health			UAA	166,743	
93.917	HIV Care Formula Grants			HSA	20,504,650	13,955,953
93.917	HIV Care Formula Grants			UAA	609,556	
	93.917 Subtotal				<u>21,114,206</u>	<u>13,955,953</u>
93.918	Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease			UAA	312,033	
93.940	HIV Prevention Activities—Health Department Based			HSA	3,407,585	2,212,944
93.940	HIV Prevention Activities—Health Department Based			UAA	1,276	
	93.940 Subtotal				<u>3,408,861</u>	<u>2,212,944</u>
93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance			HSA	881,368	36,951
93.945	Assistance Programs for Chronic Disease Prevention and Control			HSA	1,563,081	631,447
93.945	Assistance Programs for Chronic Disease Prevention and Control			UAA	13,198	
	93.945 Subtotal				<u>1,576,279</u>	<u>631,447</u>
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			HSA	243,698	14,000
93.958	Block Grants for Community Mental Health Services			HCA	10,503,000	10,240,000
93.959	Block Grants for Prevention and Treatment of Substance Abuse			HCA	48,410,000	47,568,000
93.959	Block Grants for Prevention and Treatment of Substance Abuse			HSA	60,567	
	93.959 Subtotal				<u>48,470,567</u>	<u>47,568,000</u>
93.969	PPHF Geriatric Education Centers			UAA	879,259	310,875
93.970	Health Professions Recruitment Program for Indians			ASA	124,696	
93.970	Health Professions Recruitment Program for Indians			UAA	232,623	
	93.970 Subtotal				<u>357,319</u>	<u>-</u>
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants			HSA	1,288,573	940,244
93.991	Preventive Health and Health Services Block Grant			ASA	159,855	
93.991	Preventive Health and Health Services Block Grant			UAA	10,711	
	93.991 Subtotal				<u>170,566</u>	<u>-</u>
93.994	Maternal and Child Health Services Block Grant to the States			HSA	7,762,021	4,467,943
93.D04RH23596	Vivir Mejor! Diabetes System of Prevention and Care	Mariposa Community Health Center	LTR DTD 080912	UAA	18,991	
93.HHSN271201500280 P	Outreach Partnership Program Support			ASA	1,370	
93.HHSP23320095657W C	National Tribal Maternal Infant Early Child Home Visiting Technical Assistance Project	Zero To Three	2016040091	ASA	76,052	
93.HS632001	Strategic Prevention Framework - Partnerships for Success			UAA	247,884	
93.IPA-1616705	IPA Agreement for Dr. Reed 1616705			UAA	11,300	
93.LTR DTD 041416	West Nile Virus Testing			UAA	573	
93.U36 OE00002	Building an Effective Tribal and Multijurisdictional Response Network to Improve Preparedness and Response	Association of Schools and Programs of Public Health	S5063	UAA	612,034	
93.Unknown	Department of Health and Human Services			NAA	362,398	3,246
93.Unknown	National Institutes of Health			NAA	162,768	44,423
93.Unknown	Advanced Practice Nurses for a Healthy Arizona	HonorHealth	LTR DTD 121812	UAA	424,326	
93.Unknown	Arizona AIDS Education and Training Center	University of California, Los Angeles	1550 S UA651	UAA	25,000	
93.Unknown	Department of Health and Human Services	Christopher Reeve's Foundation	N/A	NAA	48,930	
93.Unknown	Evaluation of Dine College's HIV, HCV and Substance Abuse Prevention Program	Dine College	502 J5J8-6590	UAA	16,660	
93.Unknown	Graduate Nurse Education Demonstration Project	Scottsdale Healthcare Medical Center	Agr 12/18/12	ASA	199,586	
93.Unknown	Support for Knowledge River Library School Internships	Center for Public Service Communications, LLC	2008-15	UAA	34,944	
	Total Department of Health and Human Services				<u>10,227,219,643</u>	<u>219,471,466</u>

State of Arizona
Schedule of expenditures of federal awards
Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>						
<u>Foster Grandparents/Senior Companion Cluster</u>						
94.011	Foster Grandparent Program			NAA	800,045	
94.016	Senior Companion Program			NAA	569,002	
	Foster Grandparents/Senior Companion Cluster Subtotal				<u>1,369,047</u>	<u>-</u>
<u>Other Corporation for National and Community Service Programs</u>						
94.002	Retired and Senior Volunteer Program			NAA	141,551	
94.003	State Commissions			GVA	332,368	
94.006	AmeriCorps			ASA	376,862	21,208
94.006	AmeriCorps			GVA	2,623,385	2,623,385
94.006	AmeriCorps			NAA	248,068	
94.006	AmeriCorps			SPA	2,645	
94.006	AmeriCorps			UAA	262,114	
94.006	AmeriCorps	Public Allies	OP007-94.006-15-PAAZ, OP007-94.006-16-PAAZ	ASA	411,805	
	94.006 Subtotal				<u>3,924,879</u>	<u>2,644,593</u>
94.009	Training and Technical Assistance			GVA	146,080	41,790
94.009	Training and Technical Assistance			UAA	210,448	
	94.009 Subtotal				<u>356,528</u>	<u>41,790</u>
94.013	Volunteers in Service to America			DEA	26,721	
94.025	Operation AmeriCorps			GVA	246,234	246,234
	Total Corporation for National and Community Service				<u>6,397,328</u>	<u>2,932,617</u>
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>						
95.001	High Intensity Drug Trafficking Areas Program			AGA	748,316	
95.001	High Intensity Drug Trafficking Areas Program	City of Tucson, Arizona	HT-14	PSA	1,423,325	
95.001	High Intensity Drug Trafficking Areas Program			UAA	13,145	
	95.001 Subtotal				<u>2,184,786</u>	<u>-</u>
	Total Executive Office of the President				<u>2,184,786</u>	<u>-</u>
<u>SOCIAL SECURITY ADMINISTRATION</u>						
<u>Disability Insurance/SSI Cluster</u>						
96.001	Social Security—Disability Insurance			DEA	38,378,989	
	Disability Insurance/SSI Cluster Subtotal				<u>38,378,989</u>	<u>-</u>
	Total Social Security Administration				<u>38,378,989</u>	<u>-</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>						
97.008	Non-Profit Security Program			HLA	150,991	150,991
97.012	Boating Safety Financial Assistance			GFA	1,524,423	
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)			WCA	158,234	
97.029	Flood Mitigation Assistance			MAA	163,260	160,905
97.036	Disaster Grants—Public Assistance (Presidentially Declared Disasters)			MAA	1,969,305	1,967,005
97.039	Hazard Mitigation Grant			MAA	20,112	
97.041	National Dam Safety Program			WCA	81,022	
97.042	Emergency Management Performance Grants			AHA	142,577	
97.042	Emergency Management Performance Grants			MAA	5,815,112	2,960,584
	97.042 Subtotal				<u>5,957,689</u>	<u>2,960,584</u>
97.045	Cooperating Technical Partners			WCA	516,058	
97.047	Pre-Disaster Mitigation			GSA	305,581	
97.047	Pre-Disaster Mitigation			MAA	1,037,143	982,627
	97.047 Subtotal				<u>1,342,724</u>	<u>982,627</u>
97.067	Homeland Security Grant Program			AEA	30,433	
97.067	Homeland Security Grant Program			HLA	19,933,261	18,199,149
97.067	Homeland Security Grant Program			MAA	481,799	99,311
97.067	Homeland Security Grant Program			PSA	1,739,325	8,004
	97.067 Subtotal				<u>22,184,818</u>	<u>18,306,464</u>
97.120	Rural Emergency Medical Communications Demonstration Project			HLA	640	
	Total Department of Homeland Security				<u>34,069,276</u>	<u>24,528,576</u>
<u>AGENCY FOR INTERNATIONAL DEVELOPMENT</u>						
98.001	USAID Foreign Assistance for Programs Overseas			ASA	1,278,040	163,462
98.001	USAID Foreign Assistance for Programs Overseas	Creative Associates International	CN70503-SVPA-002	ASA	175,960	
98.001	USAID Foreign Assistance for Programs Overseas	International Research and Exchanges Board (IREX)	FY15-YALI-ASU-02	ASA	3,334	
98.001	USAID Foreign Assistance for Programs Overseas	World Learning-Transit Europe	S02- AID-167-A-14-00002	ASA	143,883	
98.001	USAID Foreign Assistance for Programs Overseas	Center for International Forestry Research		NAA	19,465	
	98.001 Subtotal				<u>1,620,682</u>	<u>163,462</u>

State of Arizona
Schedule of expenditures of federal awards
Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
98.012	USAID Development Partnerships for University Cooperation and Development			ASA	199,153	
98.182A000900010100	Integrated Telemedicine and E-Health Program of Albania	International Virtual E-Hospital Foundation	185A000900010100	UAA	5,200	
98.AID-486-A-12-00005	The Vocational University Leadership and Innovation Institute (VULII)			ASA	51,145	
98.AID-497-C-12-00001	Indonesia Higher Education Leadership and Management (HELM) Project—participant support	Chemonics International Inc	AID-497-C-12-00001-ASU	ASA	25,823	
98.AID-522-TO-16-00007	Honduras Justice Human Rights and Security Strengthening (JHRSS)	Development Alternatives, Inc.	1002979-17S-27430-00	ASA	10,919	
98.Unknown	YALI Regional Leadership Center East Africa FY18—Cohort 17 18 and 19	Deloitte Limited	AGR 06/14/16, AGR 06/29/17	ASA	325,088	
	Total Agency for International Development				2,238,010	163,462
<u>STUDENT FINANCIAL ASSISTANCE CLUSTER</u>						
<u>Department of Education</u>						
84.007	Federal Supplemental Educational Opportunity Grants			ASA	3,374,498	
84.007	Federal Supplemental Educational Opportunity Grants			NAA	697,725	
84.007	Federal Supplemental Educational Opportunity Grants			UAA	1,146,991	
	84.007 Subtotal				5,219,214	-
84.033	Federal Work—Study Program			ASA	3,824,393	
84.033	Federal Work—Study Program			NAA	882,506	
84.033	Federal Work—Study Program			UAA	2,073,272	
	84.033 Subtotal				6,780,171	-
84.038	Federal Perkins Loan Program—Federal Capital Contributions			ASA	12,624,773	
84.038	Federal Perkins Loan Program—Federal Capital Contributions			NAA	7,353,618	
84.038	Federal Perkins Loan Program—Federal Capital Contributions			UAA	10,768,032	
	84.038 Subtotal				30,746,423	-
84.063	Federal Pell Grant Program			ASA	119,043,252	
84.063	Federal Pell Grant Program			NAA	40,525,931	
84.063	Federal Pell Grant Program			UAA	46,011,834	
	84.063 Subtotal				205,581,017	-
84.268	Federal Direct Student Loans			ASA	611,062,672	
84.268	Federal Direct Student Loans			NAA	172,603,886	
84.268	Federal Direct Student Loans			UAA	270,682,801	
	84.268 Subtotal				1,054,349,359	-
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			ASA	2,209,792	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			NAA	755,386	
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			UAA	130,888	
	84.379 Subtotal				3,096,066	-
84.408	Postsecondary Education Scholarships for Veteran's Dependents			ASA	5,419	
84.408	Postsecondary Education Scholarships for Veteran's Dependents			UAA	5,414	
	84.408 Subtotal				10,833	-
	Department of Education Subtotal				1,305,783,083	-
<u>Department of Health and Human Services</u>						
93.264	Nursing Faculty Loan Program (NFLP)			ASA	441,827	
93.264	Nursing Faculty Loan Program (NFLP)			UAA	8,640,751	
	93.264 Subtotal				9,082,578	-
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students			UAA	2,869,204	
93.364	Nursing Student Loans			NAA	417,941	
93.364	Nursing Student Loans			UAA	526,638	
	93.364 Subtotal				944,579	-
93.408	ARRA-Nurse Faculty Loan Program			UAA	351,000	
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds			NAA	637,002	
	Department of Health and Human Services Subtotal				13,884,363	-
	Total Student Financial Assistance Cluster				1,319,667,446	-
<u>RESEARCH AND DEVELOPMENT CLUSTER</u>						
<u>Department of Agriculture</u>						
10.RD	Agricultural Research Service			ASA	131,355	
10.RD	Agricultural Research Service			UAA	1,580,833	
10.RD	Animal and Plant Health Inspection Service			ASA	51,995	
10.RD	Department of Agriculture			ASA	128,157	
10.RD	Department of Agriculture			NAA	711,466	43,116
10.RD	Forest Service			ASA	8,859	
10.RD	Forest Service			NAA	2,293,697	68,766
10.RD	National Institute of Food and Agriculture			ASA	998,081	23,816
10.RD	Natural Resources Conservation Service			NAA	74,565	
10.RD	Natural Resources Conservation Service			UAA	272,392	
10.RD	United States Department of Agriculture			UAA	6,163,890	508,916

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
10.RD	United States Forest Service	Apex Applied Technology, Incorporated	LTR DTD 010416, LTR DTD 061616	UAA	263,182	6,373
10.RD				UAA	24,966	
10.RD	Arizona Department of Agriculture	Arizona Department of Agriculture	SCBGP-FB15-24, SCBGP-FB16-07	ASA	28,920	
10.RD				UAA	969,870	
10.RD	Arizona State Forestry Division	Arizona State Forestry Division	SWET-14901, ALP16-931	NAA	73,463	
10.RD				UAA	15,738	
10.RD	Arizona State Land Department Forestry Division	CCG 16-106		ASA	3,762	
10.RD	Arizona State University	16-927		UAA	57,322	
10.RD	Center for Produce Safety	2017CPS05/16-SCBGP-CA-0035		UAA	54,770	
10.RD	Citrus Research and Development Foundation, Incorporated	13-005NU-784		UAA	429,187	85,898
10.RD	Cornell University	79554-10809/2017CPS09		UAA	23,751	
10.RD	Desert Botanical Garden	NAU03012015		NAA	26,654	
10.RD	Diversified Technologies, Inc.	P000014150		ASA	33,012	
10.RD	GIV	15.0091		NAA	36,898	
10.RD	Iowa State University	416-41-07F/2014-68004-21855		UAA	4,367	
10.RD	Latitude Engineering, LLC	05805		UAA	2,079	
10.RD	Macaulay-Brown Inc	DSC3090-01		ASA	30,576	
10.RD	Michigan State University	RC102547A		UAA	8,013	
10.RD	Montana BioAgriculture Inc.	MBA1 Subaward 2016-1		NAA	11,442	
10.RD	Navajo Technical University	30922		NAA	24,123	
10.RD	New Mexico State University	Q01784		UAA	5,151	
10.RD	North Carolina State University	2011-0494-06		ASA	697	
10.RD	North Carolina State University	2011-1609-10/, 2016-1498-05		UAA	170,844	
10.RD	Oklahoma State University	AB-5-67690-NAU		NAA	9,727	
10.RD	Oregon State University	DA875B-A		UAA	5,483	
10.RD	Out of the Fog Research LLC	1601		ASA	96,881	
10.RD	Rutgers, The State University of New Jersey	S1522449		UAA	39,970	
10.RD	Sandia National Laboratory	1461164		ASA	47,495	
10.RD	University of Arizona	261656		ASA	46,224	
10.RD	University of California, Davis	201016163-03		ASA	30,371	
10.RD	University of California, Davis	201303063-10, 201400966-01, 201403743-01/20147000622524, 201403757-03, 201504249-02, 201603794-10, SA14-2309-02/, SA-14-2309-19		UAA	299,000	9,842
10.RD	University of Florida	UFDSP00011348		ASA	24,180	
10.RD	University of Hawaii	MA150012		ASA	72,676	
10.RD	University of Illinois at Urbana-Champaign	2015-06295-01		UAA	32,020	
10.RD	University of Maryland	16399-Z5467008/2011-51181-3, 35504-Z5782001		UAA	372,953	
10.RD	University of Montana	PG17-65073-01		NAA	13,136	
10.RD	University of Nevada, Reno	UNR-15-70		UAA	93,988	
10.RD	University of Washington	763254/201467015-22106, UWSC8974 / 14607		UAA	217,224	3,743
10.RD	University of Wyoming	1002548-UA		UAA	50,909	
10.RD	US Civilian Research and Development Foundation	DAA2-15-61224-1		UAA	11,875	
10.RD	Utah State University	120833031, 200595-00001-304		UAA	13,104	
10.RD	Virginia Polytechnic Institute and State University	422517-19101		UAA	23,527	
10.RD	Washington State University	108815_G003547, 126409-G003522		UAA	69,723	
10.RD	World Cocoa Foundation	58-3148-2-126		UAA	31,833	
	Department of Agriculture Subtotal				<u>16,316,376</u>	<u>750,470</u>
	Department of Commerce					
11.RD	National Institute of Standards and Technology			ASA	246,310	8,571

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
11.RD	National Institute of Standards and Technology			UAA	76,614	
11.RD	National Oceanic and Atmospheric Administration			ASA	178,848	87,601
11.RD	National Oceanic and Atmospheric Administration			UAA	877,554	30,713
11.RD	United States Patent and Trademark Office			UAA	19,306	
11.RD		Adaptation International LLC	NA14OAR4310248	UAA	21,354	
11.RD		Columbia University	1 (GG008896)/	UAA	595,866	
			NA13OAR4310184			
11.RD		ECS Federal	209773	ASA	39,550	
11.RD		Nevada System of Higher Education, Board of Regents	663.5105.01	UAA	18,985	
11.RD		North Pacific Research Board	1607	ASA	2,886	
11.RD		Research Triangle Institute	1-312-0214999-52329L	ASA	20,576	
11.RD		University Corporation for Atmospheric Research	Z16-23488, Z16-26986	UAA	38,948	
11.RD		University of Colorado, Boulder	1553216, 1554724/ 1000782026/NA15oAR4	UAA	10,597	
11.RD		University of Miami	S16-21	ASA	48,097	
11.RD		University of North Dakota	UND10515	UAA	111,269	
	Department of Commerce Subtotal				<u>2,306,760</u>	<u>126,885</u>
	Department of Defense					
12.RD	Advanced Research Projects Agency			ASA	1,519,730	304,226
12.RD	Air Force Office of Scientific Research			UAA	4,591,115	842,225
12.RD	Air Force Research Laboratory			UAA	250,377	
12.RD	Defense Advanced Research Projects Agency			UAA	823,039	237,551
12.RD	Defense Threat Reduction Agency			NAA	2,505,039	1,073,826
12.RD	Defense Threat Reduction Agency			UAA	1,023,632	354,529
12.RD	Department of Defense			ASA	506,821	34,294
12.RD	Department of Defense			NAA	167,874	
12.RD	Department of the Air Force, Materiel Command			ASA	2,567,399	265,041
12.RD	Department of the Navy, Office of the Chief of Naval Research			ASA	8,251,631	268,064
12.RD	Maryland Procurement Office			UAA	47,573	
12.RD	National Security Agency			ASA	4,783	
12.RD	Naval Facilities Engineering Command SW			NAA	8,867	
12.RD	Naval Postgraduate School			UAA	83,312	
12.RD	Naval Surface Warfare Center			UAA	102,840	
12.RD	Office of Naval Research			UAA	2,899,386	1,028,543
12.RD	Office of the Secretary of Defense			ASA	477,713	52,036
12.RD	Pacific Northwest National Laboratory			NAA	306,791	
12.RD	United States Army Contracting Command			UAA	1,819,519	151,318
12.RD	United States Army Corps of Engineers			NAA	3,144	
12.RD	United States Army Corps of Engineers			UAA	382,839	12,419
12.RD	United States Army Material Command			ASA	5,823,414	1,190,436
12.RD	United States Army Medical Command			ASA	1,925,612	144,655
12.RD	United States Army Medical Research Acquisition Activity			UAA	4,028,579	218,152
12.RD	United States Army Research, Development and Engineering Command			UAA	5,381	
12.RD	United States Army Research Office			UAA	121,989	
12.RD	United States Naval Research Laboratory			UAA	38,208	
12.RD		Alion Science and Technology Corp	SFP1143600	NAA	88,442	
12.RD		American Burn Association	W81XWH-09-2-0194	UAA	42,339	
12.RD		Applied Research Associates, Incorporated	S-D00071.00002.02.UA/PO17-0	UAA	67,136	
12.RD		Arizona State University	17027	UAA	82,870	
12.RD		ASU Research Enterprise (ASURE)	PO 0002, PO 0003	ASA	139,242	
12.RD		Baer Engineering and Environmental Consulting Inc	W9126G-14-C-0096	ASA	160,466	
12.RD		Boeing Company	1234744	ASA	110,386	
12.RD		Boston Fusion Corp6	BF-5035-SK001, BF-5036-SK001	ASA	73,365	
12.RD		Carnegie Mellon University	1141244-313357	ASA	80,168	
12.RD		Charles River Analytics	SC1329601, SC1404602, SC1504601, SC1519204	ASA	186,230	
12.RD		City of Surprise	LTR 4/25/16	ASA	337,118	28,222
12.RD		Digital Manufacturing and Design Innovation Institute	220150002	ASA	4,016	
12.RD		Engility Corporation	HPTI-PETTT-ASU/ BY15-081SP	ASA	25,153	
12.RD		Ensco, Inc.	G27364-3714	ASA	12,860	
12.RD		Environment and Infrastructure Incorporated	F013000007	UAA	4,338	
12.RD		Environmental Research Group, LLC (ERG)	F-STL.0015. ArchSE.0005.tDAR	ASA	121,555	
12.RD		Episys Science Corporation	N00014-15-C-5173	UAA	88,474	
12.RD		FASORtronics LLC	Agreement Signed 112015	UAA	15,542	
12.RD		Freedom Photonics	7076	ASA	105,081	
12.RD		General Electric Company	401061856	UAA	27,816	
12.RD		Georgia Institute of Technology	D8083-S1, RH501-S1, RF462-G1	ASA	170,594	
12.RD		Geost, Incorporated	FA9451-16-M-0485	UAA	29,899	
12.RD		Henry M Jackson Foundation for Advancement of Military Medicine	3024	UAA	43,566	
12.RD		Integrated Science Technology Inc	27-0007	ASA	58,931	
12.RD		Intelligent Automation, Inc. (IAI)	2267-1	ASA	18,319	
12.RD		Jem Engineering	1127.008, 1127.009, 1193.002	ASA	217,061	
12.RD		Lincoln Laboratories	7000345528	UAA	64,012	
12.RD		Lincoln Laboratory - MIT	7000237987, 7000339227	ASA	131,711	
12.RD		Lockheed Martin Corporation	4101913316	UAA	335,061	
12.RD		Luna Innovations, Inc.	3135-ARM-2S/ASU	ASA	115,627	
12.RD		Massachusetts Institute of Technology (MIT)	5710003815, 7000295379	ASA	340,951	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
12.RD		Mayo Clinic Arizona	ARI-206523/PO 64317748	ASA	43,531	
12.RD		Medical Technology Enterprise Consortium (MTEC)	2017-608	ASA	78,615	
12.RD		MER Corporation (Materials and Electrochemical Research Corporation)	N00014-15-C-0165	UAA	172,361	
12.RD		Michigan State University	RC104416-ASU	ASA	128,025	
12.RD		Microelectronics Research and Development Corporation	07062-SC-001	ASA	50,000	
12.RD		Middle East Technical University	ASU-FP7961	ASA	5,683	
12.RD		Nerves Incorporated	AGR 06/24/15	ASA	38,110	
12.RD		New Mexico State University	Q01609	UAA	81,908	
12.RD		Nonlinear Control Strategies, Inc	7017-001	ASA	111,647	
12.RD		Northrop Grumman	8140000817, 8200171699, 8200197599, 8200198232	ASA	764,153	
12.RD		NP Photonics, Incorporated	FA8650-16-C-9110	UAA	159,768	
12.RD		Ohio State University	60038238, 60058654	ASA	120,654	
12.RD		Ohio State University	60052493/FA-9550-16-1-0013	UAA	194,687	
12.RD		Orsa Technologies, LLC	PSA-ASU-ODEX-16-04	ASA	59,016	
12.RD		Pennsylvania State University	5614-ASU-ARO-0475	ASA	45,764	
12.RD		PowerFilm, Inc	PIA1	ASA	130,597	
12.RD		Princeton University	SUB0000042	ASA	43,690	
12.RD		Progeny Systems Corporation	PSC-0347	ASA	32,883	
12.RD		Rayn Innovations	RI-0093	ASA	22,109	
12.RD		Raytheon, BBN Technologies Corp	14389, 60537	ASA	95,655	
12.RD		Saint Joseph's Hospital and Medical Center	32093-UofA	UAA	34,426	
12.RD		Sandia Research Corporation	SRC_ASU_2014_0084	ASA	2,892	
12.RD		Santa Barbara Botanic Garden	2016-003	NAA	9,959	
12.RD		SAZE Technologies LLC	15SZSC-NATC1, 17ENCX1-ASU-01	ASA	19,570	
12.RD		Science and Engineering Services, LLC	SC-DARPA-15-01/HR0011-15-C-	UAA	188,830	
12.RD		Scientific Systems Company Inc	1626-ASU	ASA	8,027	
12.RD		Space Micro, Inc	8977	ASA	31,618	
12.RD		Spectral Energies, LLC	SB1322-001-1, SB1704-001-1	ASA	13,811	
12.RD		Spectral Imaging Laboratory	F27362	UAA	24,818	
12.RD		St Joseph's Hospital Medical Center	32200-ASU	ASA	49,398	
12.RD		Stanford University	60744757114407	UAA	272,686	
12.RD		State University of New York Research Foundation	FA8650-15-2-5220	UAA	920,177	
12.RD		Stevens Institute of Technology	210267302	UAA	101,163	
12.RD		Syracuse University	2916504567s02	UAA	69,124	
12.RD		Systems and Technology Research	2016-1107	ASA	119,624	
12.RD		Taitech, Inc	TS15-16-02-005, TS16-16-61-005	ASA	113,994	
12.RD		Technical Data Analysis, Inc.	1073-012-02, 1073-017-09, 2063-010-04	ASA	75,979	
12.RD		Technology Service Corporation	TSC-1065-40066	ASA	21,705	
12.RD		The Perduco Group	Agr 11/21/16	ASA	34,375	
12.RD		The Regents of the University of California	0190 G UB219	ASA	22,359	
12.RD		UES, Inc.	S-104-000-001, S-125-000-001	UAA	314,211	
12.RD		Universal Technology Corporation	15-S7410-02-C1, 17-S7415-07-C1/	UAA	196,096	
12.RD		University of Arizona	184426, 324814	ASA	269,201	
12.RD		University of California, Berkeley	9181, 9417	ASA	48,425	
12.RD		University of California, Berkeley	00008554	UAA	138,870	
12.RD		University of California, Los Angeles	0190GUB220	UAA	4,786	
12.RD		University of California, Riverside	S000622	UAA	35,414	
12.RD		University of California, San Diego	79306236	ASA	75,828	
12.RD		University of California, San Diego	43103402/S9000370/N00014-16, 77785949	UAA	373,081	
12.RD		University of California, Santa Barbara	KK1130	ASA	693	
12.RD		University of Colorado, Boulder	1550997	ASA	185,257	
12.RD		University of Colorado, Boulder	1553897/1000641524/FA9550-1	UAA	119,931	
12.RD		University of Illinois at Chicago	W81XWH-13-1-0252	UAA	59,712	
12.RD		University of Illinois at Urbana-Champaign	2010-04989-02 (A1799)	ASA	165,767	
12.RD		University of Illinois at Urbana-Champaign	2013-03174-02 (AA669)	UAA	392,750	
12.RD		University of Iowa	W000836161, W000840526/1001639904/FA865	UAA	101,646	
12.RD		University of Maryland	38404-Z8424102	UAA	205,031	
12.RD		University of Maryland, College Park	35503-Z8165001, Z868302	ASA	375,759	
12.RD		University of Memphis	AGR 07/06/15, 5-40469, 5-40521	ASA	70,195	
12.RD		University of Michigan	3001996296	ASA	71,800	
12.RD		University of Minnesota	A003571415	UAA	203,823	
12.RD		University of Nevada, Reno	UNR-17-09	ASA	34,450	
12.RD		University of Nevada, Reno	UNR-17-08	NAA	69,653	
12.RD		University of New Mexico	P0146633	UAA	5,451	
12.RD		University of North Carolina, Charlotte	20160357-01-ASU	ASA	90,754	
12.RD		University of Notre Dame	202574AU/FA9550-15-1-0186	UAA	13,582	
12.RD		University of Pittsburgh	0035859(409685-3)	UAA	222,177	
12.RD		University of Southern California	73102172, 78245410, 53-0821-4124	ASA	572,781	
12.RD		University of Texas, Austin	UTA12-001067, UTA14-000730	ASA	157,952	
12.RD		University of Wisconsin-Madison	483K814	UAA	145,790	
12.RD		Utah State University	CP0039791	ASA	71,810	
12.RD		Wright Brothers Institute	WBSC 7255 SOI ASU 0001	ASA	76,114	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
12.RD		Zona Technology, Inc.	ZTSASU-CZ-C-0027-II	ASA	203,640	
	Department of Defense Subtotal				<u>53,170,757</u>	<u>6,205,537</u>
	Department of Housing and Urban Development					
14.RD		City of Phoenix Planning Department	133995	ASA	273	
	Department of Housing and Urban Development Subtotal				<u>\$ 273</u>	<u>\$ -</u>
	Department of the Interior					
15.RD	Bureau of Indian Affairs			NAA	15,440	
15.RD	Bureau of Indian Affairs			UAA	132,926	
15.RD	Bureau of Land Management			ASA	40,017	
15.RD	Bureau of Land Management			NAA	489,844	9,422
15.RD	Bureau of Land Management			UAA	389,550	7,686
15.RD	Bureau of Reclamation			ASA	167,171	2,500
15.RD	Bureau of Reclamation			NAA	23,373	
15.RD	Bureau of Reclamation			UAA	435,100	11,159
15.RD	Fish and Wildlife Service			NAA	43,445	
15.RD	International Boundary and Water Commission			UAA	168,235	66,005
15.RD	National Park Service			ASA	64,947	
15.RD	National Park Service			NAA	820,045	
15.RD	National Park Service			UAA	1,011,091	21,161
15.RD	United States Fish and Wildlife Service			UAA	380,800	
15.RD	United States Geological Survey			ASA	196,995	
15.RD	United States Geological Survey			NAA	1,112,177	
15.RD	United States Geological Survey			UAA	4,040,819	1,015,699
15.RD		Arizona Department of Agriculture	Segment 18 2014-2016-01 F14AP00869, Segment 18 2014-2016-03 F14AP00869, Segment 18 2014-2016-10 F14AP00869	ASA	7,501	
15.RD		Arizona Department of Agriculture	Seg 19-2015-2017-05	NAA	6,578	
15.RD		Arizona Department of Agriculture	Segment19/2015201703	UAA	2,732	
15.RD		Arizona Department of Game and Fish	N/A	NAA	9,931	
15.RD		Arizona Geological Survey	G15AC00519, G15AP00129	UAA	88,161	
15.RD		Arizona State University	LOU No. 16-981	NAA	6,795	
15.RD		Borderlands Restoration	LTR DTD 102716	UAA	1,084	
15.RD		Conservation Science Partners	F15Ac00324	NAA	44,076	
15.RD		Florida Fish and Wildlife Conservation Commission	16001/F16AF00541	UAA	45,129	
15.RD		Great Basin Bird Observatory	R14AC00032	UAA	67,034	
15.RD		Mescalero Apache Tribe	TPAM-2016-01	NAA	51,390	
15.RD		Metropolitan Water District of Southern California	167255	UAA	4,198	
15.RD		Nature Conservancy	AZFO-160322, AZFO-161222	UAA	16,082	
15.RD		Navajo Nation	CO11426	UAA	43,877	
15.RD		Stony Brook University	FP00004402	ASA	65,068	
15.RD		Texas A&M University	TPAM-2016-01	NAA	6,712	
15.RD		The Water Institute of the Gulf	BOEM-2016-COM-SH	UAA	13,048	
15.RD		TIPD, LLC	SB161-005	UAA	37,218	
15.RD		Trout Unlimited	LTR DTD 072716	UAA	2,975	
15.RD		University of Arizona	300002	NAA	7,906	
15.RD		University of Nevada, Reno	UNR-15-29	NAA	27,651	
	Department of the Interior Subtotal				<u>10,087,121</u>	<u>1,133,632</u>
	Department of Justice					
16.RD	Bureau of Justice Statistics			ASA	25,672	
16.RD	Department of Justice			ASA	3,090	
16.RD	National Institute of Justice			ASA	1,015,239	410,059
16.RD	National Institute of Justice			UAA	42,654	30,648
16.RD	Office for Victims of Crime			ASA	39,670	
16.RD	United States Department of Justice			UAA	36,725	3,403
16.RD		American University	31306-01	ASA	76,235	
16.RD		Arizona Criminal Justice Commission	PSN-15-005	ASA	38,932	
16.RD		Arizona Department of Corrections	17-030-19	ASA	13,180	
16.RD		Arizona Department of Education	15-02-EDSG/2014-CK-BX-0016	UAA	523,688	
16.RD		City of Shreveport	FP00007901	ASA	21,445	
16.RD		Community Organization for Drug Abuse Control	OVC005	ASA	4,129	
16.RD		Fairleigh Dickinson University	DOJ0001-04	UAA	161,714	
16.RD		Indiana University	BL4331202UA	UAA	3,469	
16.RD		International Rescue Committee	AGR 06/21/17	ASA	1,766	
16.RD		Oregon Social Learning Center	2015-R2-CX-0003	ASA	29,164	
16.RD		Phoenix Police Department	138891-0, 142511-0, 143770, 144889-0	ASA	89,855	
16.RD		Pima County, Arizona	CT-PCA-15000000000000000000132	UAA	66,505	
16.RD		RAND	9920150053	ASA	195,513	
16.RD		Salvation Army, The	FP00007781	ASA	520	
16.RD		Superior Court of Arizona	15008-SG	ASA	56,685	
16.RD		Tucson Police Department	AGR 06/09/16	ASA	3,790	
16.RD		University of Colorado, Boulder	0615.07.1365B	ASA	46,562	
16.RD		University of Maryland, College Park	25710-Z9458001	ASA	25,003	
16.RD		University of Virginia	GG11826 151479	ASA	38,552	
	Department of Justice Subtotal				<u>2,559,757</u>	<u>444,110</u>

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
Department of Labor						
17.RD	Mine Safety and Health Administration			UAA	109,405	
17.RD		Arizona Governors Office of Workforce Development	ISA-WIA-GR-070115-01	ASA	122,584	
17.RD		Goodwill Industries of Southern Arizona	FP00003773	ASA	1,724	
17.RD		Universidad Metropolitana	C0018562	UAA	55,300	
	Department of Labor Subtotal				289,013	-
Department of State						
19.RD	Bureau of Educational and Cultural Affairs			ASA	119,395	
19.RD	Department of State			ASA	192,643	
19.RD	International Narcotics and Law Enforcement Affairs			ASA	549,514	138,434
19.RD	United States Department of State			UAA	26,162	
	Department of State Subtotal				887,714	138,434
Department of Transportation						
20.RD	Department of Transportation			ASA	93,589	12,199
20.RD	Federal Aviation Administration			ASA	166,566	
20.RD	Pipeline and Hazardous Materials Safety Administration			ASA	88,689	19,715
20.RD		Arizona Department of Transportation	ADOT11-002985, ADOT16-147805	ASA	251,397	
20.RD		Arizona Department of Transportation	ADOT11003259, ADOT11-003259/MPD 0036-16, ADOT11-003259/PO0000079093, ADOT16-147807/PO0000162798	UAA	312,031	
20.RD		Battelle Memorial Institute	526438 / US001-0000526438	UAA	78,863	
20.RD		Booz-Allen Hamilton	102300SB1M	ASA	23,918	
20.RD		Gas Technology Institute (GTI)	S575	ASA	104,806	
20.RD		Kittelson & Associates, Incorporated	19665-11074/DTFH61-12-D-000	UAA	34,496	
20.RD		Maricopa County, Arizona	C.91.09.062.M.02/FM-CVN-012	UAA	33,294	
20.RD		National Academy Of Science	ACRPA11-01 (09-01)SUB0000988	UAA	8,987	
20.RD		Oregon Department of Transportation	30258	NAA	7,426	5,590
20.RD		Portland State University	204MON467	NAA	2,976	
20.RD		Portland State University	205KOT517	NAA	24,348	
20.RD		Southern California Association of Governments	M-001-16 / OWP No. 225.3565.01	ASA	43,820	
20.RD		Tampa Hillsborough Expressway Authority	DTFH6115C00037/DTFH6116H000	UAA	22,851	
20.RD		Texas A and M Research Foundation	99-S171201/ADOT11-003006/M	UAA	15,241	
20.RD		University of California, Berkeley	00008606/DTRT13-G-UTC39, 00008607/DTRT13-G-UTC39	UAA	11,595	8,043
20.RD		University of Colorado, Boulder	1554540	ASA	30,562	
20.RD		University of Colorado, Denver	FY15.675.001	ASA	773	
20.RD		University of Illinois, Chicago	2012-01429-01-00	ASA	9,535	
20.RD		University of Maryland, College Park	6716-Z9600003, 20137-Q0050002	ASA	253,875	
20.RD		University of Nevada, Reno	UNR-14-60, UNR 15-62	ASA	182,889	
20.RD		University of Southern California	69A3551747109	NAA	3,611	
	Department of Transportation Subtotal				1,806,138	45,547
National Aeronautics and Space Administration						
43.RD	NASA: Ames Research Center			ASA	896,323	32,729
43.RD	NASA: Ames Research Center			UAA	501,667	111,319
43.RD	NASA: Armstrong Flight Research Center			ASA	3,851	
43.RD	NASA: Glenn Research Center			ASA	525,598	301,603
43.RD	NASA: Goddard Space Flight Center			ASA	14,972,518	3,667,145
43.RD	NASA: Goddard Space Flight Center			UAA	9,339,113	2,814,336
43.RD	NASA: Headquarters			UAA	10,534,549	865,948
43.RD	NASA: John C. Stennis Space Center			UAA	29,000	
43.RD	NASA: Johnson Space Center			ASA	331,848	
43.RD	NASA: Johnson Space Center			UAA	178,931	30,000
43.RD	NASA: Langley Space Center			UAA	11,439	
43.RD	NASA: Marshall Space Flight Center			ASA	231,974	53,105
43.RD	NASA: Marshall Space Flight Center			UAA	10,764,887	3,670,759
43.RD	National Aeronautics and Space Administration			NAA	1,047,768	235,569
43.RD	Smithsonian Astrophysical Observatory			UAA	400,724	
43.RD	Aeolis Research, Inc.		AR001	UAA	8,604	
43.RD	Arizona State University		LOU No 17-122, LOU15-724	NAA	47,391	
43.RD	Arizona State University		7790, 16976, 17178	UAA	90,414	
43.RD	Association of Universities for Research in Astronomy, Incorporated		48173, 48376, 49992	UAA	109,981	
43.RD	Ball Aerospace And Technologies Corporation		16NRO0004/NNG16HS00C	UAA	122,248	
43.RD	Baylor College of Medicine		NCC 9-58 166/RE03701	UAA	40,111	
43.RD	Busek Company, Inc.		S1092	ASA	42,798	
43.RD	California Institute of Technology		65D-1095129	ASA	106,291	
43.RD	California Institute of Technology		65P1097502	UAA	9,900	
43.RD	Carnegie Institution for Science		DTM325002	UAA	47,800	
43.RD	Carnegie Institution of Washington		DTM325022 (Phase E)	ASA	52,685	20,000
43.RD	Cornell University		64969-10721, 77301-10535	ASA	106,966	
43.RD	Cornell University		7699410633	UAA	51,408	
43.RD	Florida Institute of Technology		201760	UAA	10,353	
43.RD	Future Earth		LTR 11/27/14	ASA	94,225	
43.RD	Georgia State University		SP0001243501	UAA	1,924	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
43.RD		Jet Propulsion Laboratory	1228404, 1276419, 1399938, 1412578, 1429649, 1444481, 1454641, 1472603, 1483480, 1484341, 1486551, 1491755, 1507772, 1511125, 1514941, 1516542, 1519893, 1531839, 1532287, 1535627, 1537938, 1538086, 1538311, 1538485, 1538523, 1539094, 1539248, 1541105, 1542025, 1542267, 1545667, 1545776, 1547619, 1553918, 1554788, 1556381, 1557062, 1561023, 1561025, 1562147, 1562540, 1563186, 1563414, 1565846, 1567696, 1568529, 1569884, 1570596	ASA	13,061,460	7,854,892
43.RD		Jet Propulsion Laboratory	RSA 1439888, 1526108, 1559087, 1564918, 1564919	NAA	97,942	
43.RD		Jet Propulsion Laboratory	1226582, 1228726, 1270067, 1272218, 1306547, 1319248, 1407200, 1407263, 1422779, 1494629, 1515672, 1518958, 1525084, 1529346/NNN12AA01C, 1533445, 1538951, 1550600/NNN12AA01C, 1558362, 1561710, 1568535	UAA	6,703,865	877,486
43.RD		Johns Hopkins Applied Physics Laboratory	137698, 137699	UAA	10,434	
43.RD		Johns Hopkins University, Applied Physics Laboratory (APL)	128602	ASA	21,097	
43.RD		Johns Hopkins University	128956, 130313, 131989, 132230, 133966, 2002156951	UAA	170,768	
43.RD		Lockheed Martin Corporation	4101495805	UAA	523,759	
43.RD		Lowell Observatory	2011-71262, 2014-81500. 2017-81502NAU	NAA	34,139	
43.RD		Malin Space Science Systems, Inc.	11-0124, 16-0688	ASA	518,732	
43.RD		Massachusetts Institute of Technology	1674	UAA	34,680	
43.RD		Massachusetts Institute of Technology (MIT)	5710003859, 5710003894	ASA	3,307	
43.RD		Millennium Engineering and Integration Company	S-2017-709/NNA13AC87C	UAA	6,034	
43.RD		Montana State University	G245-17-W	NAA	3,232	
43.RD		National Institute of Aerospace	C16-2B00-UA/2B85-UA/NNL09AA	UAA	57,669	
43.RD		National Optical Astronomy Observatories	N79550C	UAA	46,430	
43.RD		NuVue Therapeutics, Inc.	NVMR-2/NNJ16GU04A	UAA	34,896	
43.RD		Oregon State University	NS2284A-B	NAA	3,047	
43.RD		Pennsylvania State University	5560UJAJPL7612	UAA	28,544	
43.RD		Planetary Science Institute	1395	ASA	28,611	
43.RD		Planetary Science Institute	1319	NAA	17,985	
43.RD		Planetary Science Institute	1307, 1350, 1411, 1470, 1474	UAA	90,661	
43.RD		Princeton University	SUB0000159	UAA	18,061	
43.RD		Rensselaer Polytechnic Institute	A12561	ASA	45,171	
43.RD		Science Museum of Minnesota	NNH15ZDA0004C	ASA	111,602	
43.RD		SETI Institute	SC 3129, SC 3138	ASA	139,448	
43.RD		Southwest Research Institute	H99065CT, H99066CT, J99040LW, K99033MEC, K99056JRG	ASA	147,810	
43.RD		Southwest Research Institute	1415GC0049, 699053X, D99004L, D99030L	UAA	141,012	
43.RD		Space Micro, Inc	PO 5703, PO 7269	ASA	95,870	
43.RD		Space Telescope Science Institute	HST-GO-12613.11-A, HST-GO-12899.04-A, HST-GO-12974.05-A, HST-GO-13364.25-A, HST-HF-51291.01-A, HST-GO-13828.004-A, HST-GO-14201.001-A, HST-GO-14262.002-A, HST-GO-14111.002-A, HST-AR-14591.001 A, HST-GO-13779.001-A, HST-GO-13446.010-A, HST-EO-13241.001-A, HST-AR-13877.001 A, HST-GO-13779.005-A, HST-GO-13779.010-A, HST-GO-14227.016-A	ASA	413,208	
43.RD		Space Telescope Science Institute	HST-AR-13247.02-A, HST-GO-13716.001-A	NAA	894	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
43.RD		Space Telescope Science Institute	HSTAR1282701A, HSTAR13251.01A, HSTAR1325704A, HSTAR13911.001A, HSTAR14278001A, HSTAR14285, HST-AR- 14312.002-A, HSTGO1228104A, HSTGO12511009A, hstgo1252802a, HSTGO1255602A, HSTGO1259009A, HSTGO1292301A, HSTGO12924.01A, HSTGO12956, HSTGO1303206A, HSTGO1304201, HSTGO1306701A, HST-GO- 13176.01-A, HSTGO1328002A, HST-GO-13308.007-A, HSTGO13317003A, HSTGO13331007A, HSTGO1334901A, HSTGO1338103A, HSTGO13390001A, HSTGO1339101A, HSTGO13393001A, HSTGO1341801A, HSTGO13443010A, HSTGO1346708A, HSTGO13476, HSTGO13644.001A, HSTGO13645001A, HST-GO- 13646.008-A, HSTGO13653.001, HSTGO13665.007A, HSTGO13665012, HSTGO13711005A, HSTGO13719003A, HSTGO13746003A, HSTGO13748003A, HST-GO- 13753.003-A, HST-GO- 13785.003-A, HST-GO- 13786.001-A, HST-GO- 13788.002-A, HST-GO- 13834.005-A, HSTGO13846007A, HSTGO13859002A, HSTGO14076, HSTGO14090001A, HST-GO- 14096.006-A, HSTGO14113004A, HSTGO14118, HSTGO14138003A, HSTGO14148, HSTGO14168, HST-GO-14185.002-A, HSTGO14223, HSTGO14227007A, HSTGO14235003A, HSTGO14236, HSTGO14241001A, HSTGO14456006A, HSTGO14468002A, HSTGO14596001A, HSTGO14625, HSTGO14654, HSTGO14717, HSTGO14734009A, HSTGO14767003A, HSTHF251380001A, HSTHF5131801A	UAA	1,698,367	
43.RD		Stinger Ghaffarian Technologies	P016-01363/NGG12CR31C	UAA	27,961	
43.RD		Stony Brook University	66726, 68815	NAA	19,305	
43.RD		Texas State University	17011-82719-1	ASA	2,627	
43.RD		The Research Foundation for the State University of New York	170-1125271-71592	ASA	37,736	
43.RD		Thermosolv LLC	T2016-0001-00	ASA	15,000	
43.RD		Trident, Inc.	20170516-1	UAA	7,755	
43.RD		Universities Space Research Association	09960-26	ASA	13,067	
43.RD		Universities Space Research Association	223504, 3577004, 03577- 008/NNM13AA43C, 68002004, SAF050054Ertel, SOF 030131Smith, SOF Smith 0101/NAS2-97001, SOF Su 0061/NAS2-97001, SOF030092, SOF040015, SOF040065, SOF050180	UAA	398,854	3,000
43.RD		University Corporation for Atmospheric Research	Z15-16976, Z17-25720	UAA	63,799	
43.RD		University of Arizona	125837, 129350, 238880, 268293, 268580, 353046, 360104, PO Y560213	ASA	930,963	
43.RD		University of California, Los Angeles	2090-S-SA473	ASA	115,537	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
43.RD		University of California, Los Angeles	0995GUA602	UAA	45,105	
43.RD		University of California, Riverside	S-000732	ASA	41,144	
43.RD		University of California, Santa Barbara	KK1613	UAA	4,383	
43.RD		University of California, Santa Cruz	A160381S005P0600213	UAA	22,889	
43.RD		University of Colorado, Boulder	1552616, 1553136, 1553980, Unknown	ASA	101,895	
43.RD		University of Colorado, Boulder	1000008166, 1551807	UAA	260,944	
43.RD		University of Hawaii	MA150008	UAA	8,976	
43.RD		University of Idaho	AMK148SB002	UAA	10,813	
43.RD		University of Maryland	40227, 46332-Z6927003	NAA	30,721	
43.RD		University of Maryland, College Park	Z660701	ASA	102	
43.RD		University of Massachusetts Amherst	16008935A	UAA	34,681	
43.RD		University of North Dakota	UND10527, UND10529	UAA	32,230	
43.RD		University of Pennsylvania	560958	ASA	70,976	
43.RD		University of Texas, Austin	UTA16-000104, UTA16-001088	ASA	41,591	
43.RD		Yale University	C15N12087 (N00218)	ASA	56,361	
	National Aeronautics and Space Administration Subtotal				<u>77,417,439</u>	<u>20,537,891</u>
	<u>National Endowment for the Humanities</u>					
45.RD	Institute of Museum and Library Sciences			ASA	36,612	2,186
45.RD	Institute of Museum and Library Services			UAA	169,537	
45.RD	National Endowment for the Arts			ASA	34,898	1,560
45.RD	National Endowment for the Humanities			ASA	178,838	
45.RD	National Endowment for the Humanities			UAA	16,119	
	National Endowment for the Humanities Subtotal				<u>436,004</u>	<u>3,746</u>
	<u>National Science Foundation</u>					
47.RD	National Science Foundation			ASA	58,062,318	6,598,086
47.RD	National Science Foundation			NAA	7,819,561	1,191,791
47.RD	National Science Foundation			UAA	53,817,473	7,403,783
47.RD	Smithsonian Astrophysical Observatory			UAA	240,904	
47.RD		American Physical Society	MOU 8/28/14, MOU 07/30/15	ASA	328	
47.RD		Appalachian State University	A14-0153-S004 (formerly A14-0153-S001)	ASA	30,085	
47.RD		Arizona State University	12728, 14528, 17-056/HRD-1608928, 17-099, ECRA632-11-77/SUB, ECRA632-11-77/SUB/V17UR004, ECRA632-11-77/SUB/V17UR005/, ECRA632-11-77/V17UR016/V201, ERCA632-11-77/SUB/V17UR003, KMS00511172/F15UR020/F2015 u, KMS0051-11-72/F15UR023/f201, KMS0051-11-72/F15UR027/F201, KMS0051-11-72/F15UR028/F201, KMS0051-11-72/SUB, KMS0051-11-72/SUB/F15UR012/, KMS0051-11-72/SUB/F15UR024, KMS0051-11-73/S16UR011/S201, KMS00511173/S16UR013/S2016, KMS00511173/S16UR014/S201, KMS0051-11-74/SUB/V16UR006/, KMS0051-11-74/SUB/V16UR010, KMS00511175, KMS0051-11-75/SUB, KMS0051-11-75/SUB/F16UR006/, KMS0051-11-75/SUB/F16UR020/, KMS0051-11-75/SUB/F16UR021/, KMS0051-11-75/SUB/F16UR022/, KMS0051-11-76, KMS0051-1176/HRD1101728, KMS0051-11-76/SUB, KMS0051-11-76/SUB/S17UR001/, KMS0051-11-76/SUB/S17UR002/, KMS0051-11-76/SUB/S17UR003/, KMS0051-11-76/SUB/S17UR005/, KMS0051-11-76/SUB/S17UR006/, KMS0051-11-76/SUB/S17UR017/, KMS00511176SUB, v2016gp0002/V16CC002/HRD-11, V2017gp0005/V-17CC002	UAA	644,878	
47.RD		Association of Universities for Research in Astronomy, Incorporated	Agreement Signed 082415, Agreement Signed 092815, N67816C/AST1421197, N69767CN, N71373CL, N84158C	UAA	562,601	
47.RD		Aural Analytics LLC	2015-01	ASA	21,773	
47.RD		Bethel University	Dated 042313	UAA	5,895	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
47.RD		Biosensing Instrument	13013179	ASA	194,793	
47.RD		Boise State University	7476A	UAA	61,845	
47.RD		Brigham Young University	15-0429	NAA	8,448	
47.RD		Caduceus Intelligence Corporation	IIP-1622788	UAA	6,003	
47.RD		California State Los Angeles University Auxiliary Services, Incorporated	UA230956	UAA	22,641	
47.RD		California State University, San Marcos	92249 / 85038 ASU	ASA	18,113	
47.RD		Carnegie Mellon University	1122188-341619, 1122080-345894	ASA	68,191	
47.RD		Carnegie Mellon University	1121710-363024/SES-1130706	UAA	71,033	
47.RD		Clarkson University	378-40650-2/IIP1068055	UAA	20,000	
47.RD		Clemson University	1858-206-2011314	ASA	7,841	
47.RD		Colorado State University	G-00973-5, G-37052-1	ASA	330,346	
47.RD		Colorado State University	G-00973-3/1444758, G-14888-1, G190161, G-96702-3/DRL-1543228	UAA	243,846	
47.RD		Columbia University	34(GG009393), 34(GG009393-01)	ASA	17,292	
47.RD		Columbia University	1GG012608	UAA	102	
47.RD		Computing Research Association	Postdoc001	ASA	178,212	21,120
47.RD		Concord Consortium	268.01.01	ASA	10,815	
47.RD		Consortium for Ocean Leadership	BA-98	NAA	727	
47.RD		Dine College	244-J7H8	NAA	19,119	
47.RD		George Washington University	1000206665, 15-S17/CCF-1565273	UAA	81,558	
47.RD		Georgia Institute of Technology	RG098-G1, RG758-G1, RC850-G1	ASA	299,071	
47.RD		Hauptman-Woodward Medical Research Institute	UBSBXLCG6200, UBSBXLpi6200	ASA	62,408	
47.RD		Illinois Institute of Technology	A17-0026-S001	UAA	13,336	
47.RD		Indiana University	BL-4848800-ASU	ASA	44,224	
47.RD		Indiana University	BL-4812517-UA/ACI-1445604	UAA	150,000	
47.RD		Inston Inc.	1430815	UAA	10,665	
47.RD		Inter-American Institute for Global Change Research (Brazil)	CRN3056/GEO-1128040	UAA	154,414	113,744
47.RD		Iowa State University	420-21-52A	NAA	7,165	
47.RD		Iowa State University	420-61-73A/IOS-1444806	UAA	24,215	
47.RD		Kansas State University	S16102	UAA	27,329	
47.RD		Malachite Technologies, LLC	NSF2017-01	ASA	16,318	
47.RD		Maricopa Community Colleges	DUE 1103080	ASA	101,041	
47.RD		Marquette University	IIS-1427399	ASA	37,188	
47.RD		Massachusetts Institute of Technology (MIT)	5710003573	ASA	48,901	
47.RD		Michigan State University	RC104177ASU	ASA	178,386	
47.RD		Michigan State University	RC101209UA, RC104426UA/DRL-1316235	UAA	16,588	
47.RD		Michigan Technological University	1603040Z1	ASA	62,877	
47.RD		Michigan Technological University	111009022	NAA	14,845	
47.RD		NAS-National Academy of Sciences	2000004243, 2000005674	ASA	28,070	
47.RD		National Center for Atmospheric Research (NCAR)	Z14-12900	ASA	50,073	
47.RD		National Radio Astronomy Observatory	353087, 354288	ASA	40,772	
47.RD		National Radio Astronomy Observatory	SOSPA2007347025, SOSPA2012 347023	UAA	7,031	
47.RD		Navillum Nanotechnologies	AGR 02/28/17	ASA	35,555	
47.RD		New York University	F7480-01	ASA	39,616	
47.RD		North Carolina State University	2008-1015-01	ASA	375,679	
47.RD		North Carolina State University	2009271905, 2009271910	UAA	82,173	
47.RD		Northern Arizona University	1002736-01, 1003107-01	ASA	63,115	
47.RD		Ohio State University	60052837-NAU	NAA	12,136	
47.RD		Pennsylvania State University	5225-ASU-NSF-7193, 5573-ASU-NSF-8209	ASA	100,931	
47.RD		Princeton University	SUB0000009	UAA	418,716	170,366
47.RD		Raytheon, BBN Technologies Corp	14564	ASA	104,349	
47.RD		Rice University	R3F80A / 1449500	ASA	684,265	
47.RD		South Dakota State University	3TE097	ASA	26,152	
47.RD		SpringActive	AGR 06/02/17	ASA	36,263	
47.RD		Stanford University	61080052-113062	ASA	28,417	
47.RD		State University of New York Research Foundation	7674911366522	UAA	3,427	
47.RD		SUNY-Buffalo	R876181, R950225	ASA	1,034,444	
47.RD		Swinomish Indian Tribal Community	1516742	UAA	2,040	
47.RD		Synactix Pharmaceuticals, Inc.	LTR DTD 022416	UAA	23,160	
47.RD		Tennessee Tech University	BL83381353	UAA	345,899	
47.RD		Texas A and M University	06-S140689	UAA	90,133	
47.RD		The Catholic University of America	408300 Sub1	UAA	59,535	
47.RD		The Regents of the University of California	201601952-01, 9382	ASA	68,844	
47.RD		Tucson Microwave Innovations LLC	IIP-1648969	UAA	30,818	
47.RD		U.S. Geoscience Information Network	Agreement Signed 090216	UAA	28,204	
47.RD		Union College	46905-2	ASA	4,832	
47.RD		University Corporation for Atmospheric Research (UCAR)	Z17-25965	ASA	46,219	
47.RD		University of Alaska, Fairbanks	UAF-15-0020	NAA	172,281	
47.RD		University of Arizona	124046, 296482	ASA	162,775	
47.RD		University of California, Berkeley	8326, 8646, 8445	ASA	54,223	
47.RD		University of California, Berkeley	7926, 8860, 00009141/1558035	UAA	29,559	
47.RD		University of California, Riverside	S-000819	UAA	34,993	
47.RD		University of California, San Diego	77296432	UAA	30,261	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
47.RD		University of California, Santa Cruz	S0184224/DRL-1316834	UAA	84,375	
47.RD		University of Chicago	FP048906	UAA	37,671	
47.RD		University of Colorado, Boulder	1554388	ASA	42,502	
47.RD		University of Florida	UFDSP00010738	ASA	50,852	
47.RD		University of Georgia	RR167-627/S000816	UAA	28,097	
47.RD		University of Illinois at Urbana-Champaign	2012-01600-01, 2014-05426-01, 15833	ASA	107,513	
47.RD		University of Illinois at Urbana-Champaign	15842	UAA	94,153	
47.RD		University of Iowa	15230300 01	ASA	5,551	
47.RD		University of Kansas	FY2016-130	UAA	20,949	
47.RD		University of Maryland	15299-Z4327002, Z4571002	UAA	38,417	
47.RD		University of Massachusetts, Amherst	17-009589 A	ASA	210,101	
47.RD		University of Massachusetts, Boston	B000462681	UAA	38,898	
47.RD		University of Minnesota	A003921501, A004521702	ASA	3,680	
47.RD		University of Missouri	C00041922-1	UAA	331,478	
47.RD		University of Nevada, Las Vegas	OISE-0968421	NAA	30,957	
47.RD		University of Nevada, Las Vegas	15-784G-01/SES-1418923	UAA	42,527	
47.RD		University of Nevada, Reno	UNR-16-24	ASA	108,179	
47.RD		University of Nevada, Reno	113GC000078	UAA	34,886	
47.RD		University of New Hampshire	16.056	NAA	76,802	
47.RD		University of New Hampshire	12029	UAA	19,457	
47.RD		University of New Mexico	133623-8705	ASA	114,257	
47.RD		University of New Mexico	3RK06. 707789-873W/PHY-1521016	UAA	90,050	
47.RD		University of North Carolina at Chapel Hill	5-37141	ASA	27,124	
47.RD		University of North Carolina at Chapel Hill	5037145/OCI-0940841	UAA	72,076	
47.RD		University of Pennsylvania	570191	ASA	59,454	
47.RD		University of Pennsylvania	566839/10046907/15224, 569423/IOS-1444490	UAA	272,199	
47.RD		University of Pittsburgh	0049672 (0011790)	ASA	9,628	
47.RD		University of Rochester	416753G, 416793G	UAA	130,126	
47.RD		University of South Florida	2105-1097-00-C	ASA	27,901	
47.RD		University of Southern California	50709031, 74525982, Y83120	ASA	97,346	
47.RD		University of Southern California	63786856	UAA	1,832	
47.RD		University of Southern Maine	6490016	UAA	10,042	
47.RD		University of Texas, Austin	UTA15-000881	ASA	103,718	
47.RD		University of Virginia	GA10951 143381, GA11032 147225	ASA	143,766	
47.RD		University of Virginia	GA11147 151693/1553109	UAA	18,075	
47.RD		University of Washington	759474, UWSC9162	ASA	23,178	
47.RD		University of Washington	UWSC8681/BPO9922	UAA	5,132	
47.RD		University of Wisconsin	553K626	ASA	6,012	
47.RD		University of Wisconsin, Madison	491K831, 576K413, 690K233	ASA	186,928	
47.RD		Utah State University	140343-00002-109	UAA	60,275	
47.RD		Vanderbilt University	2253-016732	ASA	35,466	
47.RD		Vanderbilt University	3831-019899/CNS-1521617	UAA	32,524	
47.RD		Virginia Polytechnic Institute and State University	479498-19007	ASA	48,707	
47.RD		Woods Hole Oceanographic Institution	A101284/80426200	UAA	64,334	
	National Science Foundation Subtotal				<u>131,237,867</u>	<u>15,498,890</u>
	Smithsonian Institution					
60.RD	Smithsonian Astrophysical Observatory			UAA	1,244,818	
	Smithsonian Institution Subtotal				<u>1,244,818</u>	<u>-</u>
	Department of Veterans Affairs					
64.RD	Department of Veterans Affairs			ASA	416,327	
64.RD	Department of Veterans Affairs			UAA	435,984	
	Department of Veterans Affairs Subtotal				<u>852,311</u>	<u>-</u>
	Environmental Protection Agency					
66.RD	Office of Research and Development			ASA	914,064	651,658
66.RD	United States Environmental Protection Agency			UAA	351,020	85,152
66.RD		Border Environmental Cooperation Commission	TAA15-034	ASA	68,244	32,829
66.RD		Sonora Environmental Research Institute, Incorporated	TAA15-035	UAA	5,510	
66.RD		Universtify of Arizona	93615101	NAA	92,726	
66.RD		University of Colorado, Boulder	1552026	ASA	63,777	
	Environmental Protection Agency Subtotal				<u>1,495,341</u>	<u>769,639</u>
	Department of Energy					
81.RD	Advanced Research Projects Agency - Energy			UAA	486,418	183,548
81.RD	Department of Energy			ASA	13,930,802	3,762,805
81.RD	Department of Energy			NAA	1,087,496	189,362
81.RD	National Nuclear Security Administration			UAA	443,561	129,224
81.RD	United States Department of Energy			UAA	5,709,050	1,122,831
81.RD	Western Area Power Administration			UAA	987	
81.RD		AECOM	RES1505244	ASA	35,599	
81.RD		Aerodyne Research Inc.	ARI 11129-1	ASA	84,956	
81.RD		Allegheny Science And Technology	DOE0638-1022-05	ASA	327,044	131,853
81.RD		Applied Materials	ASU20131001	ASA	76,368	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
81.RD		Argonne National Laboratory	7F-30061/DE-AC02-06CH1135	UAA	10,539	
81.RD		Arizona State University	14551, 16989	UAA	344,226	
81.RD		Battelle Memorial Institute	278049, 321865, 326890	ASA	193,826	
81.RD		Brookhaven National Laboratory	101340, 107946, 270278, 270595, 281864, 307405, 307422, 310880, 310882, 313343, 74201	UAA	1,100,347	
81.RD		Burge Environmental	FP00006297	ASA	82,743	
81.RD		Colorado School of Mines	400612, 401011-5802	ASA	394,452	
81.RD		Consolidated Nuclear Security, LLC	45300096451	UAA	56,757	
81.RD		Electric Power Research Institute	10006129	ASA	60,377	
81.RD		Fermi National Accelerator Laboratory	625615	UAA	18,348	
81.RD		Harvard University	167895-5086585	ASA	35,335	
81.RD		Intel Corporation	CW 20006804	ASA	16,576	
81.RD		Lawrence Berkeley National Laboratory	7076948, 7308213/DE-AC02-05CH11231, 7329734	UAA	236,855	
81.RD		Lawrence Livermore National Laboratory	B608929, B619796, B621762	UAA	106,259	
81.RD		Lawrence Livermore National Security, LLC	B163250	UAA	50,451	
81.RD		Massachusetts Institute of Technology (MIT)	5710004025	ASA	100,016	
81.RD		Michigan State University	RC102649-ASU	ASA	57,062	
81.RD		Mississippi State University	03881436296401	UAA	45,802	
81.RD		Montana State University	G138-15-W5072	ASA	194,415	
81.RD		National Renewable Energy Laboratory	AFC-3-23003-01, AEV-5-52055-01, XEJ-6-62196-01	NAA	57,401	
81.RD		National Security Technologies, LLC	180963	UAA	64,837	
81.RD		Navarro Inc.	LMCP5920	UAA	24,500	
81.RD		nLiten Energy Corporation	DE-EE0007369ASU	ASA	84,080	
81.RD		North Carolina State University	2014-0654-61	ASA	196,973	
81.RD		NP Photonics, Incorporated	DE-SC0015250	UAA	26,760	
81.RD		Ohio State University	60055729	UAA	45,556	
81.RD		Physics, Materials and Applied Mathematics Research, L.L.C.	8042-S1/DE-SC0004311	UAA	13,690	
81.RD		Radiation Detection and Imaging Technologies	RDI-ASU 1 2016	ASA	48,779	
81.RD		Sandia National Laboratories	1163638/1399016, 1246768, 1448875, 1597057	UAA	109,624	
81.RD		Sandia National Laboratory	1111357, 1438126, 1508186, 1600215, 1746189, 1767647	ASA	131,603	
81.RD		Sharp Laboratories of America, Incorporated	SLA465UA/DE-AR0000465, SLA630UA/DE-AR0000630	UAA	102,760	
81.RD		SLAC National Accelerator Laboratory	168085	UAA	2,981,398	1,098,828
81.RD		Smithsonian Institute	16SUBC4400000359417	NAA	36,445	
81.RD		SolarReserve, LLC	UA-2016-1/DE-EE0007113	UAA	21,398	
81.RD		SolarWorld Americas Inc	AGMT 04/01/15	ASA	88,227	
81.RD		Stanford University	60220588-51077-N, 60220589-51077-O, 60962302-51077, 60962304-51077, Unknown	ASA	67,984	
81.RD		Structured Materials Industries, Inc.	42040-022216-01	ASA	21,707	
81.RD		Technic Inc	1	ASA	183,335	
81.RD		The Donald Danforth Plant Science Center	22815-A	UAA	319,196	
81.RD		University of California, Berkeley	00009291	UAA	98,271	
81.RD		University of California, Los Angeles	0159 G TA069	ASA	36,267	
81.RD		University of California, Riverside	S-000683	ASA	162,377	
81.RD		University of California, Santa Barbara	KK1423	ASA	67,701	
81.RD		University of Florida	UFOER00010112	ASA	127,649	
81.RD		University of Illinois, Champaign/Urbana	082394-15846, 078620-15703 (formerly 2015-06605-09)	ASA	136,267	
81.RD		University of Maryland, Baltimore	0000017959	UAA	24,047	
81.RD		University of Maryland, College Park	33812-Z7218001, 35155-Q0665001	ASA	286,071	
81.RD		University of Michigan	3002937712	UAA	107,867	
81.RD		University of Nebraska, Lincoln	25-1123-0033-003	ASA	10,094	
81.RD		University of Oklahoma	2015-46	NAA	64,442	
81.RD		Virginia Tech	429357-19007	ASA	19,915	
81.RD		Western Research Institute	ASU14-628	ASA	71,082	
	Department of Energy Subtotal				<u>31,124,970</u>	<u>6,618,451</u>
	Department of Education					
84.RD	Institute of Education Sciences			ASA	1,418,847	
84.RD	Institute of Education Sciences			UAA	142,227	
84.RD	Office of Innovation and Improvement			ASA	296,981	23,245
84.RD	Office of Postsecondary Education			ASA	22,977	
84.RD	Office of Special Education and Rehabilitative Services			ASA	1,070,021	147,080
84.RD	United States Department of Education			NAA	513,299	114,686
84.RD	United States Department of Education			UAA	997,974	
84.RD	Arizona Department of Education		16-02-ED	ASA	142,999	
84.RD	Blackwater Community School		14040921	ASA	50,172	
84.RD	Center for Applied Special Technology		AZ080115-20, AZ081612-16	ASA	224,005	
84.RD	Educational Testing Service		LTR 06/23/2016	ASA	42,921	
84.RD	Florida State University		R01582	ASA	1,409	
84.RD	Georgia State University		SP00010919-04, SP00012139-01	ASA	179,823	
84.RD	Georgia State University		SP00010919-01	UAA	347,951	
84.RD	Gila River Indian Community		C5854	ASA	1,316	
84.RD	Northern Arizona University		LOU 1002479-01	ASA	127,555	
84.RD	Northern Arizona University		1002362-02/ITQ014	UAA	42,660	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
84.RD		Ohio State University	60023887	ASA	10,386	
84.RD		Phoenix Indian Center	AGR 09/27/16	ASA	12,655	
84.RD		Rutgers University	5428	ASA	37,276	
84.RD		Salus University	UA 88403 17-18/H325H140002	UAA	162,229	
84.RD		Tucson Unified School District	LTR DTD 100416	UAA	67,579	
84.RD		University of California, Berkeley	9184	ASA	115,767	
84.RD		University of California, Los Angeles	0875 G TB882	ASA	21,853	
84.RD		University of Florida	UFDSP00011297/R324A160154	UAA	167,693	
84.RD		University of Kansas	FY2015-107	ASA	24,030	
84.RD		University of Oregon	224061A	ASA	561,821	
84.RD		University of Texas, El Paso	226150813A-01/2014054634	ASA	45,364	
84.RD		University of Virginia	GM10152 153233	ASA	24,202	
	Department of Education Subtotal				<u>6,873,992</u>	<u>285,011</u>
<u>National Archives & Records Administration</u>						
89.RD		Pacific Northwest National Laboratory	275925	UAA	48,711	
	National Archives & Records Administration Subtotal				<u>48,711</u>	<u>-</u>
<u>Department of Health and Human Services</u>						
93.RD	Administration for Children and Families			ASA	294,033	
93.RD	Administration for Children and Families			UAA	40,437	8,955
93.RD	Administration for Community Living			UAA	571,713	
93.RD	Agency for Healthcare Research and Quality			ASA	222,567	48,872
93.RD	Agency for Healthcare Research and Quality			UAA	300,555	8,313
93.RD	Centers for Disease Control and Prevention			ASA	1,014,439	264,786
93.RD	Centers for Disease Control and Prevention			NAA	159,240	
93.RD	Centers for Disease Control and Prevention			UAA	476,909	
93.RD	Department of Health and Human Services			ASA	5,122,847	3,003,795
93.RD	Eunice Kennedy Shriver National Institute of Child Health and Human Development			UAA	1,813,582	106,081
93.RD	Food and Drug Administration			UAA	419,559	
93.RD	Health Resources and Services Administration			ASA	52,565	1,768
93.RD	Health Resources and Services Administration			UAA	1,428,317	501,892
93.RD	National Cancer Institute			UAA	16,930,220	2,056,604
93.RD	National Center for Chronic Disease Prevention and Health Promotion			UAA	1,084,870	246,129
93.RD	National Center for Complementary and Integrative Health			UAA	378,858	22,509
93.RD	National Eye Institute			UAA	1,039,028	27,879
93.RD	National Heart, Lung, and Blood Institute			UAA	20,180,953	3,527,335
93.RD	National Institute for Occupational Safety and Health			UAA	59,856	
93.RD	National Institute of Allergy and Infectious Disease			UAA	6,147,889	1,001,415
93.RD	National Institute of Arthritis and Musculoskeletal and Skin Diseases			UAA	2,465,804	939,692
93.RD	National Institute of Biomedical Imaging and Bioengineering			UAA	3,019,187	244,961
93.RD	National Institute of Dental and Craniofacial Research			UAA	425,652	185,053
93.RD	National Institute of Diabetes and Digestive and Kidney Diseases			UAA	5,561,318	286,695
93.RD	National Institute of Environmental Health Sciences			UAA	5,008,637	135,453
93.RD	National Institute of General Medical Sciences			UAA	7,298,408	205,915
93.RD	National Institute of Mental Health			UAA	1,182,882	26,250
93.RD	National Institute of Neurological Disorders and Stroke			UAA	5,312,743	125,200
93.RD	National Institute of Nursing Research			UAA	140,495	
93.RD	National Institute on Aging			UAA	4,618,186	1,220,733
93.RD	National Institute on Deafness and Other Communication Disorders			UAA	1,862,336	85,611
93.RD	National Institute on Drug Abuse			UAA	2,213,241	179,387
93.RD	National Institute on Minority Health and Health Disparities			UAA	951,021	115,404
93.RD	National Institutes of Health			ASA	39,231,476	5,568,712
93.RD	National Institutes of Health			NAA	2,458,101	754,909
93.RD	National Institutes of Health			UAA	2,593,239	151,138
93.RD	National Library of Medicine			UAA	373,784	62,710
93.RD	Office of the Secretary			ASA	408,680	
93.RD	Substance Abuse and Mental Health Services Administration			ASA	390,537	
93.RD	United States Department of Health and Human Services			NAA	1,063,623	
93.RD	United States Department of Health and Human Services			UAA	426,283	
93.RD		Alaska Community Action	NIEHS ROL NAU	NAA	16,833	
93.RD		Albert Einstein College of Medicine	31610F, 31610I, Setup on Backstop	UAA	640,132	
93.RD		Aneuvus Technologies LLC	N/A	NAA	13,026	
93.RD		Arizona Cancer Therapeutics LLC	1R41CA203353	UAA	45,460	
93.RD		Arizona Department of Economic Security	ADDP-02-2015, DS16-003086	ASA	272,250	96,600
93.RD		Arizona Department of Health Services	ADHS14-071013, ADHS17-152166, 15-077418	ASA	72,289	
93.RD		Arizona Department of Health Services	ADHS13-033569, ADHS16-105306, ADHS16-117348, ADHS16-122850, ADHS16-129264, ADHS16-130922/1UE2EH001316-, ADHS16-133480	UAA	327,697	
93.RD		Arizona State University	15600, 15-748, 16-918, 16-990, 17-171, LOU 13-141, LOU no. 17 061	UAA	119,472	
93.RD		Association of Public Health Labs	16-019	NAA	2,030	
93.RD		Attometrics LLC	FP1231	ASA	55,605	
93.RD		Avery Therapeutics	LTR DTD 030817	UAA	44,315	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.RD		Banner Health System	4350244244, LMS 432-02-29905, LMS#0432-02-29907, SUB-37/2P30AG019610-17, SUB39	UAA	215,294	
93.RD		Banner Research Institute	LMS 0432-02-45527	ASA	30,324	
93.RD		Banner Sun Health Research Institute	5U24NS072026-05ASUWalker, FP00005583	ASA	7,389	
93.RD		Barrow Neurological Institute of St. Joseph's Hospital	1032238-ASU	ASA	184,384	
93.RD		Battelle Memorial Institute	US001-0000550547	ASA	112,787	
93.RD		Baylor College of Medicine	102156086, 102177061 / 5601178247, 5601178247	ASA	106,259	
93.RD		Baylor College of Medicine	102125536, 102159790, 700000042	UAA	11,459	
93.RD		Biosensics, LLC	LTR DTD 021616, LTR DTD 032216	UAA	74,012	
93.RD		Biosensing Instrument	FP00001155	ASA	66,741	
93.RD		Biospyder Technologies, Inc	R43CA187787	UAA	11,301	
93.RD		Bmseed LLC	FP00005099	ASA	43,844	
93.RD		Boston Children's Hospital	0001155117/0000710294, GENFD0001158625	UAA	197,493	
93.RD		Brigham and Women's Hospital	110009	UAA	38,329	
93.RD		Butler Hospital	9256-8303, 9275-8303	ASA	27,656	
93.RD		Cedars-Sinai	1266099	UAA	571,337	
93.RD		Children's Hospital Los Angeles	P2012-0029	UAA	540	
93.RD		Children's Hospital of Philadelphia	/FP00015221_SUB19_01/U10CA 1, FP00013087_SUB193_01/ 9500, FP00013087 SUB193_01/950008, FP13087_SUB193_01/FP13560_S	UAA	45,503	
93.RD		Cincinnati Children's Hospital Medical Center	109363, 134377, 135878, 138511	UAA	326,779	
93.RD		Clemson University	1731-209-2010186	UAA	181,388	
93.RD		Cleveland Clinic	770-SUB	UAA	93,116	
93.RD		Cleveland Clinic Foundation	742-SUB	UAA	15,926	
93.RD		Collaborative Ventures Network	LTR DTD 042817	UAA	13,052	
93.RD		Colorado School of Public Health	FY16.001.014	ASA	52,035	
93.RD		Columbia University	GG007541	ASA	241,949	
93.RD		Columbia University	1 (GG011896-07), 1(GG012754-02) / G11757, 3GG012144, GG011896-19	UAA	557,627	
93.RD		Cornell University	7382910473	UAA	28,717	
93.RD		County of Pima	CT-PCA-17-260	ASA	10,939	
93.RD		Dartmouth College	R803	ASA	101,902	
93.RD		Dignity Health Medical Foundation	LTR DTD 101315	UAA	21,636	
93.RD		Duke University	2034100	ASA	53,107	
93.RD		Duke University	2031897, 2032594, 2033407, 2034698, 2034829, 3035292	UAA	389,863	
93.RD		Eden Medical, Incorporated	5R4308372-03, R43DK102244	UAA	23,825	
93.RD		Emory University	T186690, T459374	ASA	87,439	
93.RD		Emory University	T237846, T573541 (T108311), T662106 / T472566	UAA	69,604	
93.RD		Engineering Arts	11028738-01	ASA	1,257	
93.RD		Florida Atlantic University	RJ87	NAA	18,921	
93.RD		Florida State University	R01741, R01783	ASA	2,210	
93.RD		Florida State University	R01887	NAA	6,519	
93.RD		Fox Chase Chemical Diversity Center, Incorporated	1R43AI104121-UAZ	UAA	35,951	
93.RD		Fred Hutchinson Cancer Research	834509	ASA	51,352	
93.RD		George Washington University	16-M42	NAA	16,624	
93.RD		George Washington University	17-M41	UAA	156,083	
93.RD		Georgetown University	410049_GR409744-ASU AWD-4422-010	ASA	28,777	
93.RD		Georgetown University	410701_GR409442-UA/P60MD006	UAA	93,963	
93.RD		Georgia Regents University	30841-1	UAA	148,437	
93.RD		Georgia State University	SP00011274-01	ASA	112,612	
93.RD		Giner, Incorporated	GI 2089, GI 2095, R44DK070400 (GI2063)	UAA	133,731	12,269
93.RD		Group Health Research Institute	2016136154, 2017110690	ASA	23,951	
93.RD		H. Lee Moffitt Cancer Center and Research Institute	10-16830-01-G2, 10-16830-99-G2	ASA	45,536	
93.RD		Hawaii Pacific University	ASU-232710	ASA	64,468	
93.RD		Health Research, Incorporated	4760-03, 5194-01, 5194-02, 5557 01	UAA	62,521	
93.RD		Illinois Institute of Technology	SA619-0614-10011	ASA	4,106	
93.RD		Indiana University	BL4624905UA, IN4684772UA, IN4686318UA, IN4687713UA, IN4687771JL/IN4687741UA	UAA	296,906	
93.RD		Inovasc, LLC	LTR DTD 012717	UAA	9,074	
93.RD		Inter Tribal Council of Arizona, Incorporated	U261IHS0077	UAA	131,512	
93.RD		Jaeb Center for Health Research	278/U10EY14231, U10EY11751	UAA	29,638	
93.RD		Johns Hopkins University	2000945897, 2002168219, 2002818820	ASA	231,243	
93.RD		Johns Hopkins University	2002901275, 2003252048	UAA	53,325	
93.RD		Kaiser Permanente	KR100302/NW14Lind-01	ASA	105,164	
93.RD		Kaiser Permanente	1474-01, OOS100263-AZ	UAA	46,949	
93.RD		Kitware Inc.	K000786-00-S01	ASA	20,242	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.RD		Leidos	16X118101	ASA	50,175	
93.RD		March of Dimes National Foundation	LTR DTD 061616	UAA	137,719	
93.RD		Maricopa County Department of Public Health	C-86-16-013-3-01	ASA	71,548	
93.RD		Massachusetts General Hospital	228609	ASA	53,801	
93.RD		Mayo Clinic Arizona	ARI-216755, 63551916, 63062245, 63226610, ARI-216105/PO 64785804	ASA	227,264	
93.RD		Mayo Foundation for Medical Education and Research (Mayo Clinic)	63384145/1U01EB017185-01, ARI-193301-1	UAA	40,310	
93.RD		Medical University of South Carolina	MUSC15-054	UAA	61,156	
93.RD		Mercy Health	FD005476-1220-03	ASA	45,313	
93.RD		Michigan State University	RC100146ASU	ASA	7,441	
93.RD		Michigan State University	RC102514UAZ, RC105782UAZ	UAA	151,175	
93.RD		Midwestern University	31-1009-7116-5674	UAA	856	
93.RD		Modulated Imaging, Inc	R44DK094625	UAA	17,424	
93.RD		MRI Global	708-110998-2	ASA	48,830	
93.RD		MS Technologies	STTR_ASU01	ASA	58,904	
93.RD		National Jewish Health	20102201	UAA	16,827	
93.RD		National Marrow Donor Program	TC85/BMT CTN 0702/1 U01 HL6	UAA	887	
93.RD		Native American Connections Administration	14092525	ASA	90,700	
93.RD		Native Americans for Community Action	N/A	NAA	73,171	
93.RD		NeuroEm Therapeutics, Inc	AGR 03/07/17	ASA	4,122	
93.RD		New Jersey Institute of Technology	(NP) 996287/PO P1608204	ASA	3,600	
93.RD		Northern Arizona University	1002020-01, 1002447-01, 1002796-01, 1003043-01	UAA	288,521	
93.RD		Northwestern University	60036404UA, 60042208 UAZ	UAA	25,415	
93.RD		NRG Oncology	Alberts-NCORP-03, CA21661, GOG225-03	UAA	174,231	
93.RD		Ohio State University	60045178, 60054856	UAA	197,686	
93.RD		Omnicient LLC	LTR DTD 070516	UAA	76,180	
93.RD		Oregon Health and Science University	1002195_UArizona/R01A102164, 1002304_UAZ, 1005019_UAZ, CA-32102	UAA	165,525	
93.RD		Oregon Research Institute	R01DA033422	UAA	84,550	
93.RD		Palo Alto Veterans Institute for Research	KRA0018-01/KRA067827	UAA	26,181	
93.RD		Pennsylvania State University	4125-ASU-DHHS-2336, 4899-ASU-DHHS-9245, 5291-ASU-DHHS-3210, 5332-ASU-DHHS-6799, 5473-ASU-DHHS-0659, 5517-ASU-DHHS-2498, 5554-ASU-DHHS-9245	ASA	596,801	151,200
93.RD		Pennsylvania State University	UAZHL098115, UAZHL098115-IFIH1	UAA	194,986	
93.RD		Peptide Logic, LLC	R43DA042634	UAA	74,114	
93.RD		Pima County Health Department	CT-HD-1600000000000000142/	UAA	15,582	
93.RD		Profectus BioSciences, Inc	16-439	ASA	68,192	
93.RD		Profusa, Inc.	LTR DTD 062317	UAA	6,362	
93.RD		Purdue University	4102-75949	UAA	27,918	
93.RD		Radiation Monitoring Devices, Incorporated	C17-20	UAA	18,388	
93.RD		RAND	9920150101	ASA	31,204	
93.RD		Research Foundation of CUNY	41893-A	ASA	14,909	
93.RD		Results Group LLC.	LTR DTD 112816	UAA	15,271	
93.RD		Rhode Island Hospital	7137063, 7137207, 7137222-UA	UAA	338,105	
93.RD		RTI International	14312021340552125L, 888151629/1312021525152512L	UAA	515,094	
93.RD		Rutgers University	4699, 6039	ASA	129,046	
93.RD		Salish Kootenai College	24-185-NRH14-NAU	NAA	172,009	18,240
93.RD		Scripps Research Institute	5-52452	UAA	195,707	
93.RD		Sonoran Biosciences	FP00001197, FP00006538	ASA	82,225	
93.RD		Southern Research Institute	S15-110	UAA	137,088	
93.RD		SRI International	157-000022	UAA	69,798	
93.RD		Stanford University	61409349-47273	NAA	23,537	
93.RD		Stanford University	61123652-118332	UAA	226,538	
93.RD		State of Nevada, Aging and Disability Services Division	18-040-45-AX-15	ASA	5,454	
93.RD		State University of New York Research Foundation	69131, 77340	UAA	114,041	
93.RD		Stony Brook University	1124940-3-71475	UAA	317,338	
93.RD		Symic Biomedical, Inc	LTR DTD 052716	UAA	146,737	
93.RD		Techshot Incorporated	LTR DTD 022514	UAA	153,622	
93.RD		Temple University	255781, 527537ASU	ASA	26,447	
93.RD		Temple University	P0142554/2518430201	UAA	23,796	
93.RD		TERROS, Inc.	Agr 1.22.2014	ASA	765	
93.RD		Texas A and M University	S130230	ASA	54,979	
93.RD		TF Health Corp	13043798, 13043968, 14010042, FP00003452	ASA	71,911	
93.RD		The Center for Comprehensive Care and Diagnosis of Inherited Blood Disorders	CIBDIX2014HRSA-AZHSC	UAA	32,878	
93.RD		Tohono O'odham	14-009	UAA	188	
93.RD		Translational Genomics Research Institute	HUENTELMAN-14-01/R01 AG0489	UAA	163,218	
93.RD		Tulane University	TULHSC51713/14	UAA	14,607	
93.RD		University of Alabama, Birmingham	000504344-001	ASA	2,347	
93.RD		University of Arizona	300664, PO 152300, PO 263928, PO 294145, Unknown, Y553673	ASA	416,221	13,368

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.RD		University of Arizona	311281, Y562157, 289030	NAA	195,242	
93.RD		University of California, Davis	201119895-02, 201300787-02, 201500037-01, 201600672-01	ASA	124,668	
93.RD		University of California, Davis	20122469302, 20130349501, 201303496-02/1R56A1107263, 20140020-03, 201504151-01, 201601862-03	UAA	189,177	
93.RD		University of California, Irvine	2014-3042, 2015-3292	ASA	81,812	
93.RD		University of California, Los Angeles	1920 G TA046, 2105 G NA285, 2105 G TA231	ASA	268,928	
93.RD		University of California, Los Angeles	1568 G TA550, 1930 G TA355, 2000GPM600, 5415 G UA003	UAA	544,478	
93.RD		University of California, San Diego	35792869, 46752897, 48948979	ASA	49,976	
93.RD		University of California, San Francisco	9193sc	ASA	165,333	
93.RD		University of California, San Francisco	7760sc, 7853SC, 79633916, 8736SC, 8841sc	UAA	166,560	
93.RD		University of Chicago	FP059782	UAA	24,628	
93.RD		University of Cincinnati	006883/5U01NS069763-04, 006883-012	UAA	7,848	
93.RD		University of Colorado	FY17.583.001	UAA	41,436	
93.RD		University of Colorado, Boulder	1554230/1000702738	UAA	112,514	
93.RD		University of Colorado, Colorado Springs	16098001	UAA	60,973	
93.RD		University of Colorado Denver	FY16.003.008/ATHN2015001-VI, FY16.784.005	UAA	170,368	
93.RD		University of Florida	UFDSP00010733, UFDSP00011482	UAA	106,602	
93.RD		University of Georgia	RR093-398/S000823	UAA	40,330	
93.RD		University of Houston	R-13-0079, R-14-0021	ASA	144,680	
93.RD		University of Illinois, Champaign/Urbana	2013-01309-01 (AA438), 2013-03955-01	ASA	41,910	
93.RD		University of Illinois at Chicago	16151	ASA	6,704	
93.RD		University of Illinois at Chicago	16014/1R01HS024850-01, 2010-07207-03-00/5P01HL09, 2016-05307-03-00	UAA	196,088	
93.RD		University of Iowa	W000820379	ASA	72,137	
93.RD		University of Kansas	FY2016-012	ASA	38,635	
93.RD		University of Massachusetts	17009744 A00, WA00445050/OSP2017011	UAA	51,724	
93.RD		University of Massachusetts Medical School	WA00461501/OSP2017022	UAA	12,863	
93.RD		University of Miami	668414/665563	UAA	39,595	
93.RD		University of Michigan	3004052125	ASA	102,591	
93.RD		University of Michigan	5000002949/3001413084-PNT, 5000002949/3002111999-SHN, 50000029493001300049PIII, SUBK00002379-ATACHII	UAA	16,323	7,738
93.RD		University of Minnesota	P005498901	UAA	24,452	
93.RD		University of Mississippi Medical Center	66102700414-04UAZ, 66550021116	UAA	42,098	
93.RD		University of Missouri - Columbia	C00041867-1/1R01DE23342-01A	UAA	121,246	
93.RD		University of Nebraska	36-5360-2141-110	UAA	24,654	
93.RD		University of New Mexico	3RJ33	ASA	144,121	
93.RD		University of North Carolina at Chapel Hill	5039052, 5-32406	ASA	4,937	
93.RD		University of North Carolina at Chapel Hill	5106331	UAA	51,012	
93.RD		University of North Texas, Health Science Center	RN0127-2015-0147	ASA	184,052	
93.RD		University of Pennsylvania	556407/10026872/14419/00	ASA	58,808	
93.RD		University of Pittsburgh	0024527 (120649-1), 0030277 (122728-2), 0032637 (124146-1), 0039039 (124354-1)	ASA	1,229,744	520,097
93.RD		University of Pittsburgh	0029465-1, 0036811 (123875-1), 0040478 (124095-1), 0053738 (128991-2), 9012438 (127100-1), 9013520 (128999-2)	UAA	202,018	
93.RD		University of Puerto Rico	2017-000356	ASA	58,783	
93.RD		University of South Carolina	13-2384, 14-2557	ASA	858	
93.RD		University of South Florida	6405-1056-10-A, 5830-1514-00-A	NAA	27,400	
93.RD		University of Southern California	65320775	ASA	83,116	
93.RD		University of Southern California	75775879, 75836590, P2015-0084	UAA	196,294	
93.RD		University of Texas at Austin	UTA12-000966, UTA13-000382	ASA	107,963	
93.RD		University of Texas at Austin	UTA16001167	UAA	9,676	
93.RD		University of Texas at Dallas	1402244/R01GM102575, 1603441	UAA	293,773	
93.RD		University of Texas at El Paso	226141170-02, 226141198B	ASA	48,655	
93.RD		University of Texas at El Paso	22614117006	UAA	47,236	
93.RD		University of Texas Health Science Center at Houston	0010667A/UWSC8078	UAA	14,038	
93.RD		University of Texas, Southwestern Medical Center	GMO-171211	ASA	7,309	
93.RD		University of Washington	UWSC9288	ASA	32,823	
93.RD		University of Washington	BPO4344/UWSC7538, UWSC7322/T570202, UWSC8146/5R01HD080670-02/B	UAA	468,501	

State of Arizona
 Schedule of expenditures of federal awards
 Year ended June 30, 2017

CFDA/Identifying Number	Federal Grantor/Program Title/Cluster Title	Pass-Through Grantor	Pass-Through Grantor Identifying Number	Grantee (Appendix)	Expenditures	Provided to Subrecipients
93.RD		University of Wisconsin-Madison	552K672, 708K120	UAA	71,142	
93.RD		Valle del Sol	LTR 12/19/16	ASA	44,361	
93.RD		Valley Fever Solutions, Incorporated	U01AI112406	UAA	36,407	
93.RD		Viamet Pharmaceuticals, Incorporated	LTR DTD 80614	UAA	47,121	
93.RD		Washington University in St Louis	WU-14-388	ASA	208,357	
93.RD		Washington University in St. Louis	WU-15-404	UAA	13,841	
93.RD		Wayne State University	WSU16074	UAA	20,880	
93.RD		Yale University	M17A12633(A09264), R01HL125918	UAA	20,961	
93.RD		Yeshiva University, Albert Einstein College of Medicine	311057	ASA	21,672	
93.RD		Zero To Three	2015040073A01	ASA	13,868	
	Department of Health and Human Services Subtotal				<u>166,051,042</u>	<u>21,933,668</u>
	Corporation for National and Community Service					
94.RD		Corporation for National and Community Service		ASA	130,985	
	Corporation for National and Community Service Subtotal				<u>130,985</u>	<u>-</u>
	Social Security Administration					
96.RD		Boston College	5002099-51	ASA	3,510	3,191
	Social Security Administration Subtotal				<u>3,510</u>	<u>3,191</u>
	Department of Homeland Security					
97.RD		Department of Homeland Security		ASA	820,429	
97.RD		Department of Homeland Security		NAA	536,823	
97.RD		Federal Emergency Management Agency		UAA	1,158,940	156,500
97.RD		United States Department of Homeland Security		UAA	535,757	177,360
97.RD		Arizona Division of Emergency Management	PDMCPL09AZ2014003	UAA	22,751	
97.RD		JE Fuller Hydrology and Geomorphology, Incorporated	Agreement Signed 071916	UAA	31,840	
97.RD		MITRE Corporation	113667/3-118633	UAA	85,662	
97.RD		National Development and Research Institutes, Incorporation	653A	UAA	19,475	
97.RD		Purdue University	4112-52886	ASA	68,449	
97.RD		Stanford University	60187534-103160-A/HSHQDC-	UAA	22,048	
97.RD		SureScan Corporation	HSHQDC-16-C-B0014	UAA	145,961	
97.RD		TGEN	HSHQDC-16C-B0031	NAA	260,341	
97.RD		University of Houston	R160008	UAA	35,539	
97.RD		University of Maryland	Z9373009	UAA	50,000	
97.RD		University of North Carolina at Chapel Hill	5104248	UAA	98,112	
	Department of Homeland Security Subtotal				<u>3,892,127</u>	<u>333,860</u>
	Agency for International Development					
98.RD		United States Agency for International Development		ASA	3,703,975	803,497
98.RD		United States Agency for International Development		UAA	544,749	112,983
98.RD		Auburn University	14-AGR-368044-UA	UAA	8,780	
98.RD		Chemonics International Inc	AID 521-TO-16-00005, NAT013-1	ASA	77,100	
98.RD		CNFA	EEM-A-00-04-00002-ASU-01	ASA	100,041	
98.RD		Deloitte Limited	AGR 08/14/15	ASA	467	
98.RD		Fundacion Empresarial para el Desarrollo Educativo	13115632	ASA	1,033	
98.RD		Fundacion Salvadoreña para el Desarrollo Economico y Social	14092336	ASA	3,109	
98.RD		National University of Sciences and Technology	MOA 8/31/15	ASA	120,578	
98.RD		Purdue University	8000072731, 8000075677, 8000079395	UAA	41,637	
98.RD		Regional Security System	14082223	ASA	134	
98.RD		RTI International	AID-492-A-13-00011	UAA	1,393	
98.RD		University of California, Davis	016258-131	UAA	9,529	
98.RD		University of Denver	CA3750501/P0146441	UAA	6,963	
98.RD		University of Engineering and Technology Peshawar	MOA 8/31/15	ASA	109,273	
	Agency for International Development Subtotal				<u>4,728,761</u>	<u>916,480</u>
	Miscellaneous Federal Agencies					
99.RD		Orbital ATK	3021600044	ASA	61,713	
	Miscellaneous Federal Agencies Subtotal				<u>\$ 61,713</u>	<u>\$ -</u>
	Total Research and Development Cluster				<u>513,023,500</u>	<u>75,745,442</u>
	Total Expenditures of Federal Awards				<u>\$ 16,469,715,781</u>	<u>\$ 1,774,872,605</u>

State of Arizona

Notes to schedule of expenditures of federal awards

Year ended June 30, 2017

Note 1 - Significant accounting policies

Basis of Presentation—The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Reporting Entity—The schedule includes all federal awards activity administered by the State of Arizona and its component units, except for Thunderbird School of Global Management and the ASU Preparatory Academy, Inc.

Basis of Accounting—The federal awards reported in the schedule were presented in the State's governmental and business-type activities; governmental and proprietary funds; and discretely presented component units on the basic financial statements of the State of Arizona for the year ended June 30, 2017; and were accounted for using the modified accrual and full accrual basis of accounting, as applicable, in conformity with generally accepted accounting principles.

Expenditures—Certain transactions relating to expenditures of federal awards may appear in the records of more than one state grantee agency. To avoid duplication and the overstatement of the aggregate level of federal awards expended by the State of Arizona, the following policies have been adopted:

1. When monies are received by one state grantee agency and distributed to another state grantee agency, the federal monies are reported in the accounts of the state grantee agency that expends the monies.
2. Purchases of services between state grantee agencies using federal monies are recorded as expenditures on the purchasing agency's records and as revenues for services rendered on the providing agency's records. Therefore, the receipt of federal awards is attributed to the purchasing agency, which is the primary receiving/expending state grantee agency.

Indirect Costs—State agencies negotiate and manage their own indirect cost rates. State of Arizona agencies that use the 10 percent de minimis cost rate are the Arizona Cotton Research and Protection Council, the Arizona Early Childhood Development and Health Board, the Department of Veteran's Services, and the Arizona Secretary of State.

Note 2 - Catalog of Federal Domestic Assistance (CFDA)/Identifying Number

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the *2017 Catalog of Federal Domestic Assistance*. When a CFDA number was unknown, the first two digits applicable to the federal agency, if known, were used; followed by the federal contract number. If the federal contract number was also unknown, the identifying number was composed of the first two digits applicable to the federal agency followed by the word "unknown". For programs within the Research and Development Cluster, the first two digits applicable to the federal agency followed by the letters "RD" were used.

Note 3 - Research and Development Cluster

As provided by Uniform Guidance, the research and development cluster of programs is summarized by federal agency subdivision or pass-through entity.

State of Arizona
Notes to schedule of expenditures of federal awards
Year ended June 30, 2017

Note 4 - Loan programs

Student Loan Programs

The Universities administer the following seven federal student loan programs. The balances of loans outstanding at year-end are shown below:

Loan Program	CFDA Number	Loan balances outstanding at June 30, 2017
Education and Human Resources	47.076	\$ 286,026
ARRA—Trans-NSF Recovery Act Research Support	47.082	252,050
Federal Perkins Loan Program—Federal Capital Contributions	84.038	25,558,472
Nursing Faculty Loan Program (NFLP)	93.264	7,596,262
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	93.342	2,560,529
Nursing Student Loans	93.364	743,788
ARRA—Nurse Faculty Loan Program	93.408	271,181

Note 5 - Donation of Federal Surplus Personal Property

The value of the Donation of Federal Surplus Personal Property (CFDA number 39.003) program reported in the schedule is based on a “market basket formula” developed by the U.S. General Services Administration. This market basket formula represents 23.68 percent of the original federal acquisition cost, totaling \$8,261,718 for the year ended June 30, 2017.

Note 6 - Unemployment insurance (CFDA No. 17.225)

The unemployment compensation system is a unique federal-state partnership, founded upon federal law, but implemented through state law. As prescribed by the U.S. Department of Labor in consultation with the Office of Management and Budget, certain state monies, in addition to federal monies, were considered federal awards for determining Type A programs, and were included in the Schedule of Expenditures of Federal Awards.

The amount presented in the schedule consists of the following:

Regular unemployment compensation benefits	\$269,175,272
Federal Additional Compensation (FAC) Recoupment	(1,008,142)
Unemployment compensation for federal employees	2,203,104
Unemployment compensation for ex-service members	1,148,885
Administrative costs	<u>38,092,370</u>
Total expenditures	<u>\$309,611,489</u>

State of Arizona
Notes to schedule of expenditures of federal awards
Year ended June 30, 2017

Note 7 - Contingent liabilities

Although the Schedule of Expenditures of Federal Awards is prepared to the best of our knowledge and belief, amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims, including the amount already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor, if any, cannot be determined at this time.

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Appendix

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State of Arizona
State of Arizona agency codes
Year Ended June 30, 2017

Agency Code

ADA
 AEA
 AGA
 AHA
 ASA
 BNA
 BRA
 CAA
 CCA
 CDA
 CHA
 CRA
 DCA
 DEA
 DJA
 DTA
 EDA
 EOA
 EVA
 FAA
 FOA
 GFA
 GHA
 GSA
 GVA
 HCA
 HDA
 HLA
 HSA
 ICA
 IDA
 JCA
 LLA
 MAA
 MIA
 NAA
 PRA
 PSA
 SBA
 SDA

Agency

Arizona Department of Administration
 Arizona Radiation Regulatory Agency
 Arizona Attorney General
 Arizona Department of Agriculture
 Arizona State University
 Arizona State Board of Nursing
 Arizona Board of Regents
 Arizona Commerce Authority
 Arizona Corporation Commission
 Arizona Early Childhood Development and Health Board
 Arizona Department of Child Safety
 Arizona Cotton Research and Protection Council
 Arizona Department of Corrections
 Arizona Department of Economic Security
 Arizona Department of Juvenile Corrections
 Arizona Department of Transportation
 Arizona Department of Education
 Office of Economic Opportunity
 Arizona Department of Environmental Quality
 Arizona Finance Authority
 Arizona Department of Forestry and Fire Management
 Arizona Game and Fish Department
 Arizona Governor's Office of Highway Safety
 The Arizona Geological Survey
 Office of the Arizona Governor
 Arizona Health Care Cost Containment System
 Arizona Department of Housing
 Arizona Department of Homeland Security
 Arizona Department of Health Services
 Industrial Commission of Arizona
 Arizona Department of Insurance
 Arizona Criminal Justice Commission
 Arizona Department of Liquor Licenses and Control
 Arizona Department of Emergency and Military Affairs
 Arizona State Mine Inspector
 Northern Arizona University
 Arizona State Parks
 Arizona Department of Public Safety
 State of Arizona Office of Pest Management
 Arizona State Schools for the Deaf and the Blind

State of Arizona
State of Arizona agency codes
Year Ended June 30, 2017

Agency Code

SPA
STA
UAA
VSA
WCA

Agency

Arizona Supreme Court
Arizona Secretary of State
University of Arizona
Arizona Department of Veterans' Services
Arizona Department of Water Resources

STATE RESPONSE



Douglas A. Ducey
Governor

Gilbert Davidson
Chief Operating Officer and
Interim Director

ARIZONA DEPARTMENT OF ADMINISTRATION

GENERAL ACCOUNTING OFFICE

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March 30, 2018

Jay Zsorey
Financial Audit Director
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Mr. Zsorey:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by 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*. Specifically, for each finding we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

D. Clark Partridge
State Comptroller

cc: Nicole Franjevic
Amanda Compton

State of Arizona
Corrective action plan
Year ended June 30, 2017

Financial statement findings

2017-01

The four state agencies should improve their risk-assessment process to include information technology security

Agency: Department of Administration

Name of contact person and title: Clark Partridge, State Comptroller

Anticipated completion date: Unknown

Agency's response: Concur

The State is actively working to correct all issues related to the access of its IT resources. State-wide risk-assessment processes will be expanded to include IT security. Each agency has developed a detailed corrective action plan to address this finding.

2017-02

The four state agencies should improve access controls over their information technology resources

Agency: Department of Administration

Name of contact person and title: Clark Partridge, State Comptroller

Anticipated completion date: Unknown

Agency's response: Concur

The State is actively working to correct all issues related to the access of its IT resources. IT systems access is of the utmost importance to the State. Policy and procedures have been developed or are being developed to address any gaps and assure only appropriate access is granted to accounts. Each agency has developed a detailed corrective action plan to address this finding.

2017-03

The four state agencies should improve their configuration management processes over their information technology resources

Agency: Department of Administration

Name of contact person and title: Clark Partridge, State Comptroller

Anticipated completion date: Unknown

Agency's response: Concur

The State is actively working to correct all issues related to the access of its IT resources. Policy and procedures have been developed or are being developed to address any gaps in the States' IT configuration management processes. Each agency has developed a detailed corrective action plan to address this finding.

State of Arizona
Corrective action plan
Year ended June 30, 2017

2017-04

The four state agencies should improve security over their information technology resources

Agency: Department of Administration

Name of contact person and title: Clark Partridge, State Comptroller

Anticipated completion date: Unknown

Agency's response: Concur

The State is actively working to correct all issues related to the access of its IT resources. Policy and procedures have been developed or are being developed to address any lingering gaps related to IT security. Each agency has developed a detailed corrective action plan to address this finding.

2017-05

The four state agencies should improve their contingency planning procedures for their information technology resources

Agency: Department of Administration

Name of contact person and title: Clark Partridge, State Comptroller

Anticipated completion date: Unknown

Agency's response: Concur

The State corrected some of these issues and continues to pursue appropriate corrective actions on the remaining gaps. Each agency has developed a detailed corrective action plan to address this finding.

2017-06

The Department of Administration's Data Center should strengthen its contracts with state agencies

Agency: Department of Administration

Name of contact person and title: Ed Yeargain, Sr. Information Security Engineer

Anticipated completion date: October 1, 2018

Agency's response: Concur

ADOA-ASET will work to delineate responsibilities between ADOA and state agency responsibilities and then strengthen contracts.

2017-07

The Department of Administration's State Procurement Office should strengthen its policies and procedures over monitoring its contract with its ProcureAZ vendor

Agency: Department of Administration

Name of contact person and title: Mike Hladik, IT Procurement Manager

Anticipated completion date: March 31, 2019

Agency's response: Concur

State of Arizona

Corrective action plan

Year ended June 30, 2017

Procedures and documentation for monitoring the ProcureAZ SLAs attached to the contract were implemented during the 2017 fiscal year. As part of the implementation of the new eprocurement system, SPO will clearly define roles and responsibilities for monitoring vendor performance to the contract, including who monitors performance to the SLAs and associated deliverables (such as any system and/or disaster recovery testing as included in the SLAs), and who monitors performance to contract terms and conditions outside of the SLAs and associated deliverables (such as any external audits and reporting). Ivalua provides for vendor performance events within the application to facilitate and track performance to contract terms.

2017-08

The Department of Education should reconcile its internal information system to the State's general ledger accounting system

Agency: Department of Education

Name of contact person and title: Tammy Seilheimer, Chief Auditor

Anticipated completion date: December 2018

Agency's response: Concur

The Arizona Department of Education (ADE) agrees with this finding and will implement the recommendation. Each of the School Finance department's payment systems will be reconciled by the Fiscal Operations Director to system generated payment reports (where applicable) and the Arizona Financial Information System (AFIS) on a monthly basis, with each reconciliation being digitally saved. Apportionment (APOR) and Charter State Aid Apportionment (CHAR) do not have system generated reports for payment purposes. Reports submitted for payment are created with Access and Excel, while Classroom Site Fund (CSF) and Instructional Improvement Fund (IIF) systems generate detailed monthly payment reports. ADE's systems will be updated to facilitate the reconciliation process and ensure accuracy.

2017-09

The Department of Insurance should improve its worker's compensation claim management process over insolvent insurance carriers

Agency: Department of Insurance

Name of contact persons and titles: Keith Schraad, Interim Director of Insurance

Scott Greenberg, Assistant Deputy Director

Michael Surguine, Guaranty Funds Executive Director

Anticipated completion date: December 31, 2018

Agency's response: Concur

The Department of Insurance (Department) concurs that the Department did not maintain adequate independent records to enable it to review and reconcile claims.

In addition to continuing to review payments issued by the administrator as presented on check registers,

- Effective January 1, 2018, the Department contracted with a third-party administrator that provides access to its claims system, so that Guaranty Fund staff will be able to monitor the status of all claims assigned to the third-party administrator. Further, Guaranty Fund staff will obtain a daily register of all payments made by the third-party administrator with respect to the assigned claims, so a reasonable sample of the payments may be tested for accuracy and propriety.

State of Arizona

Corrective action plan

Year ended June 30, 2017

- By June 30, 2018, the Department will engage an auditor to perform a financial field audit on the claim administrator, which will include transaction testing, an internal controls evaluation of the administrator's policies and procedures, and an evaluation of whether the policies and procedures are consistently applied and followed.
- By August 31, 2018, the auditor will present the Department a report of its findings and opinion concerning the quality of the internal controls the administrator has in place, and the quality of the administrator's application of those controls.
- By September 30, 2018, the Department will confer with the administrator concerning any deficiencies the auditor found, and will expect the administrator to provide a plan to resolve the deficiencies by December 31, 2018.

2017-10

The Department of Revenue should continue to strengthen its procedures for processing income tax revenues

Agency: Department of Revenue

Name of contact person and title: Nicole LaPella, Chief Internal Auditor

Anticipated completion date: Unknown

Agency's response: Concur

The Department of Revenue continues to explore various methodologies to strengthen its procedures for processing income tax revenues.

2017-11

The Department of Revenue should have effective policies and procedures in place to ensure unclaimed and abandoned tax refunds are reported to the Department's Unclaimed Property Unit and are properly reported in the State's financial statements

Agency: Department of Revenue

Name of contact person and title: Nicole LaPella, Chief Internal Auditor

Anticipated completion date: Unknown

Agency's response: Concur

The Department of Revenue is looking into various solutions to take appropriate actions to remediate this finding and comply with Arizona Revised Statutes including updating and implementing policies and procedures to ensure unclaimed and abandoned tax refunds are reported to the Department's Unclaimed Property Unit.

See the Universities Responses section at the end of this report for the corrective action plans for findings 2017-12 through 2017-21.

State of Arizona
Corrective action plan
Year ended June 30, 2017

Other auditors' finding

The other auditor who audited the Arizona Department of Transportation reported the following corrective action plan:

2017-22

Significant Audit Adjustment

Agency: Arizona Department of Transportation

Name of contact person and title: Tim Newton, Controller

Anticipated completion date: September 30, 2018

Agency's response: Concur

The Arizona Department of Transportation (ADOT) concurs with the finding and will address concerns by September 30, 2018 by developing policies and procedures that will provide reasonable, but not absolute, assurance that material unrecorded receivables, liabilities, and related revenues and expenditures are accrued in the proper accounting period, subject to the State's 60 day availability criteria for reporting liabilities in the governmental fund financial statements. These policies and procedures will also include detailed procedures to ensure proper accrual of material unrecorded receivables, liabilities, and related revenues and expenditures on the full-accrual basis of accounting.

Federal award findings and questioned costs

2017-101

CFDA number and program name: Various

Agency: Department of Administration

Name of contact person and title: Clark Partridge, State Comptroller

Anticipated completion date: Unknown

Agency's response: Concur

We have an established process in place for monitoring legislation. On multiple occasions, we have advised that these transfers were, in our opinion, not consistent with established Federal cost principles and would probably result in an obligation to the Federal government. Until the State changes its approach to the transfer of monies, there will likely continue to be disallowed costs which will require repayment with applicable interest.

This is a cross-cutting finding and is appropriately being addressed with the U.S. Department of Health and Human Services, Cost Allocation Services (DHHS-CAS) for the payment and appropriate resolution of the questioned costs. We agree and commit to continue to work with the DHHS-CAS and appropriate bodies within the State, to the best of our ability, to find an equitable resolution to this issue. It should be noted that the number of fund transfers required by legislation have diminished significantly.

State of Arizona
Corrective action plan
Year ended June 30, 2017

2017-102

Special Education Cluster (IDEA)

CFDA numbers and program names: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Agency: Department of Education

Name of contact person and title: Tammy Seilheimer, Chief Auditor

Anticipated completion date: March 2018

Agency's response: Concur

The Arizona Department of Education agrees with this finding and has implemented the recommendations. Exceptional Student Services (ESS) worked with the agency's Information Technology (IT) personnel to allow a mechanism to collect local funds to be added to the ESS Maintenance of Effort application. This allows an option for local education agencies to submit local only funds if this information is appropriate and relevant. ESS also created policies and procedures that implement these functions as it relates to Individuals with Disabilities Education Act Maintenance of Effort testing.

2017-103

Special Education Cluster (IDEA)

CFDA numbers and program names: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Agency: Department of Education

Name of contact person and title: Tammy Seilheimer, Chief Auditor

Anticipated completion date: September 2017

Agency's response: Concur

The Arizona Department of Education agrees with this finding and has implemented the recommendations. Exceptional Student Services (ESS) has implemented numerous policies and procedures for allocations related to the Individuals with Disabilities Education Act. These policies and procedures have been reviewed and approved by the Office of Special Education Programs (OSEP) and the finding was resolved per OSEP PDL Audit Control Number: 09-17-79534. This will resolve any ongoing issues to allocations for sequential fiscal years.

2017-104

Special Education Cluster (IDEA)

CFDA numbers and program names: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Agency: Department of Education

Name of contact person and title: Tammy Seilheimer, Chief Auditor

Anticipated completion date: April 2018

Agency's response: Concur

The Arizona Department of Education agrees with this finding and will implement the recommendations. Exceptional Student Services (ESS) is currently in the process of validating and implementing new policies and procedures as it relates to State Maintenance of Financial Support (MFS) for the Individuals with

State of Arizona

Corrective action plan

Year ended June 30, 2017

Disabilities Education Act. This item will be completed by the beginning of April 2018 and MFS may be recalculated for fiscal year 2017 if necessary. The Deputy Associate Superintendent and Director of Operations of ESS will work with the Office of Special Education Programs to determine if that is necessary for the IDEA federal award submission for the upcoming fiscal year 2019 application.

2017-105

Special Education Cluster (IDEA)

CFDA numbers and program names: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Agency: Department of Education

Name of contact person and title: Tammy Seilheimer, Chief Auditor

Anticipated completion date: June 2018

Agency's response: Concur

The Arizona Department of Education agrees with this finding and will implement the recommendations. The Deputy Associate Superintendent and Director of Operations of Exceptional Student Services (ESS) is currently modifying all budgeting and expenditures tracking policies and procedures. This is to ensure funds are spent in a timely fashion, expended to accurate accounting codes, and applied appropriately using first in, first out funding sources. These policies and procedures are targeted to be done by June of 2018. The policies and procedures created will ensure ESS does not significantly overspend funds in the future and indicate timely journal entry adjustments when necessary.

2017-106

Special Education Cluster (IDEA)

CFDA numbers and program names: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Agency: Department of Education

Name of contact person and title: Tammy Seilheimer, Chief Auditor

Anticipated completion date: June 2018

Agency's response: Concur

The Arizona Department of Education agrees with the finding and will implement the recommendation. The Deputy Associate Superintendent and Director of Operations of Exceptional Student Services (ESS) will begin creating policies and procedures to interact with the agency finance department to ensure that special education federal awards are only charged for costs specifically incurred for that program. Additionally, this should ensure that ESS only requests program monies for only special education program disbursements from the federal grantor.

State of Arizona
Corrective action plan
Year ended June 30, 2017

2017-107

CFDA number and program name: 84.011 Migrant Education—State Grant Program

Agency: Department of Education

Name of contact person and title: Tammy Seilheimer, Chief Auditor

Anticipated completion date: May 2018

Agency's response: Concur

The Arizona Department of Education agrees with the finding and will implement the recommendation. The Migrant Education Program has been utilizing the same funding formula since 2008. This formula does not adequately take into account the availability of funds from other federal, state, and local programs when determining subgrant amounts. ADE has contracted Afton to review the Migrant Education Program funding formula and to assist us in making appropriate changes in policies and practices. Afton is working in conjunction with ADE and the Office of Migrant Education in order to ensure that this finding is resolved and the new funding formula is in compliance with federal requirements.

2017-108

CFDA number and program name: 84.011 Migrant Education—State Grant Program

Agency: Department of Education

Name of contact person and title: Tammy Seilheimer, Chief Auditor

Anticipated completion date: March 2018

Agency's response: Concur

The Arizona Department of Education agrees with this finding and will implement the recommendation. Prior to 2017-2018, the Migrant Education Program contracted Statewide Services to manage all migrant data and to provide all reports and substantiate entries for the consolidated state performance report (CSPR). Statewide Services did not utilize appropriate policies and procedures in data management and the Migrant Education Program did not effectively monitor their practices. Due to this, the contract was ended on June 30, 2017 and all data management was moved internally to the State Migrant Education Program. Data management for the Migrant Education Program will be done by the Migrant Data Specialist, now an internal position, managed and monitored by the State Migrant Director. In addition, a new data vendor, Ms/EdD, was contracted, who has helped ADE to establish concrete policies and develop the appropriate reports for the CSPR data.

2017-109

CFDA number and program name: 84.011 Migrant Education—State Grant Program

Agency: Department of Education

Name of contact person and title: Tammy Seilheimer, Chief Auditor

Anticipated completion date: March 2018

Agency's response: Concur

The Arizona Department of Education (ADE) agrees with this finding and will implement the recommendation. The Migrant Education Program did not adequately monitor its contracts to ensure they were following appropriate procurement policies for purchasing and renewal. All contracts have been reviewed and for the services where an outside vendor was still appropriate, a Request for Quote (RFQ) or

State of Arizona

Corrective action plan

Year ended June 30, 2017

Request for Proposal (RFP) process was implemented. The State Migrant Director and the Deputy Associate Superintendent for the Migrant Education Program will continue to review all annual contracts in January and will work closely with ADE's Office of Procurement to ensure compliance.

Additionally, ADE's Office of Procurement has adopted a policy in which the determination and supporting information for competition impracticable contracts is included in the shared drive in both a folder for determinations, with the competition impracticable identified by number and service, and the folder for the contract, identified by number assigned in the electronic procurement system and vendor. Additionally, the signed copy of any determination and supporting information will be included in the contract folder, identified by the same contract number as the electronic version, containing the printed version of the contract. The signed determination will also be uploaded into the electronic procurement system, although they will not be made visible to vendors.

2017-110

CFDA number and program name: 10.558 Child and Adult Care Food Program

Agency: Department of Education

Name of contact person and title: Tammy Seilheimer, Chief Auditor

Anticipated completion date: March 2018

Agency's response: Concur

The Arizona Department of Education (ADE) agrees with this finding and has implemented the recommendation. Analysis of the budgeted administrative costs showed that the calculations were performed incorrectly and as soon as the program area was notified of the error, the spreadsheet used to perform the calculations was corrected. However, because of a timing issue, the error reoccurred during the time period covered by the current audit. The new application and renewal application is calculating costs correctly, and the internal reporting of the administrative costs has been updated with the new calculation. Additionally, subrecipients' written agreements with their sponsored day care homes must contain the required rights and responsibilities.

2017-111

CFDA number and program name: 10.558 Child and Adult Care Food Program

Agency: Department of Education

Name of contact person and title: Tammy Seilheimer, Chief Auditor

Anticipated completion date: March 2018

Agency's response: Concur

The Arizona Department of Education (ADE) agrees with this finding and has implemented the recommendation. During a time of transition of federal reporting to a department other than Health and Nutrition, policies were not appropriately followed. However, the reporting has been returned to the Health and Nutrition program area and staff have been trained to follow policies to ensure the proper submission and backup documentation occurs for the FNS-44 report.

State of Arizona
Corrective action plan
Year ended June 30, 2017

2017-112

CFDA number and program name: 10.558 Child and Adult Care Food Program

Agency: Department of Education

Name of contact person and title: Tammy Seilheimer, Chief Auditor

Anticipated completion date: March 2018

Agency's response: Concur

The Arizona Department of Education (ADE) agrees with this finding and has implemented the recommendation. This finding occurred during a time of transition of staff from Health and Nutrition internal financial oversight to ADE's financial department. During the transition, some duties were not clearly identified to staff. The transition is now final and duties are clearly identified with processes in place. The carry over funds will be clearly identified, obligated, and expended in the future, with policies followed.

2017-113

Student Financial Assistance Cluster

CFDA numbers and program names: 84.007 Federal Supplemental Educational Opportunity Grants

84.033 Federal Work-Study Program

84.038 Federal Perkins Loan Program—Federal Capital Contributions

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)

93.364 Nursing Student Loans

93.925 Scholarships for Health Professions Students from Disadvantaged Backgrounds

Agency: Northern Arizona University

Name of contact person and title: Jacque Buchanan, Assistant Director, Administration and Auditing

Anticipated completion date: May 1, 2018

Agency's response: Concur

Northern Arizona University will address, by the anticipated completion date of May 1, 2018, the Federal Direct Student Loan (DL) program monthly reconciliation issue noted by the auditors.

While most aspects of DL reconciliation have been performed monthly, we concur that documentation of those activities is lacking. We also concur that the reconciliation activities have not been as thorough as outlined in the Federal Student Aid Handbook. However, this has not resulted in any inappropriate federal expenditures, and each award year's DL ending cash balance has been zero, in both Department of Education records and institutional records, by the respective award year closeout date.

We are developing internal controls within the Office of Scholarships and Financial Aid (OSFA) to ensure monthly DL reconciliation is performed and documented according to federal requirements. Any and all cash differences will be explained each month. Review and explanation of student and cash differences will be evidenced by signature and review date of both the reviewer and a member of OSFA management.

State of Arizona
Corrective action plan
Year ended June 30, 2017

2017-114

CFDA number and program name: 93.658 Foster Care—Title IV-E
Agency: Department of Child Safety
Name of contact person and title: Thea Bish, Program Administrator
Anticipated completion date: FY 2019
Agency's response: Concur

The Department of Child Safety (Department) acknowledges the discrepancies in verification of completed background checks to Child Welfare Provider staff during the audit period. During the audit, the Department completed Central Registry checks on employees identified as missing a Central Registry check and no employees were known to the Central Registry system, meaning no employee had a substantiated child abuse or neglect report.

The Department will implement the following action items:

- Implement electronic database for group homes to submit background check requests. The Department has begun the implementation of an electronic database (Database) for group homes to enter all newly hired, rehired and current employees for requesting a Central Registry and Fingerprint background check. The Database communicates with the Department of Public Safety (DPS) on a daily basis to notify the Department of any incomplete, pending, denied or revoked fingerprint clearance cards. The Database will facilitate better recordkeeping on the part of the Department and the group home provider.
- Amend group home contract. The Department will issue a contract amendment to all contracted group home providers to require the submission of monthly rosters to the Department on the first of every month.
- Reconcile group home roster with electronic database on a monthly basis. The Department will receive and reconcile monthly group home rosters with the Database to ensure all reported employees/volunteers detailed on the roster have been entered into the Database. The Department will continue to reconcile and work with group home providers to ensure all staff providing direct care have valid background clearance checks completed.

2017-115

CFDA number and program name: 93.659 Adoption Assistance
Agency: Department of Child Safety
Name of contact person and title: Sandra Milosavljevic, Comptroller
Anticipated completion date: FY 2018
Agency's response: Concur

Following the FY 2016 Single Audit, the Department strengthened procedures and protocols for cash processing. The improvement in cash management is visible in the Department's performance for FY 2017. The Department's performance on provider EFT enrollment reduced Treasury State Agreement draw pattern from four to two days, which will significantly help in the future.

The Department will implement the following action items:

- Reconcile the Department's sub-funds.

State of Arizona

Corrective action plan

Year ended June 30, 2017

- Create a daily query for cash balances to monitor cash per grant and to accompany request for draw prior to approval.
- Cross train new team members on cash management process.
- Complete visual monitoring of fund balances (daily by the team and weekly on the management huddle board).
- Update desk procedure on Federal cash draw process to reflect new Treasury State Agreement.
- Update federal cash draw process flow charts to reflect new Treasury State Agreement.

2017-116

CFDA number and program name: 93.659 Adoption Assistance

Agency: Department of Child Safety

Name of contact person and title: Sandra Milosavljevic, Comptroller

Anticipated completion date: FY 2018

Agency's response: Concur

The Department developed a series of queries to monitor compliance with the matching requirements. The Department is also reconciling grants monthly to make sure it is compliant with this requirement. Identified discrepancies are corrected immediately.

- Develop queries for monitoring matching requirements per grant.
- Create a desk procedure for matching requirements monitoring.
- Create a check list and protocol for year-end close activities, for grants full reconciliation and closure.
- Complete monthly grant reconciliation.

2017-117

TANF Cluster

CFDA number and program name: 93.558 Temporary Assistance for Needy Families

CFDA numbers and program names: 93.658 Foster Care—Title IV-E

93.659 Adoption Assistance

93.667 Social Services Block Grant

Agency: Department of Child Safety

Name of contact person and title: Sandra Milosavljevic, DCS Comptroller

Anticipated completion date: FY 2018

Agency's response: Concur

The Department will ensure that internal controls over the cost allocation process are appropriate and in accordance with Federal regulations. Any discrepancies in allocation will be identified and corrected immediately.

The Department will implement the following action items:

- Correct the identified IV-E discrepancy on the CB-496 report inception to date.
- Develop a monthly reconciliation process for pool distribution.

State of Arizona

Corrective action plan

Year ended June 30, 2017

- Complete monthly post cost allocation run assurance that pools are cleared to zero.
- Create a desk procedure for cost allocation process.

2017-118

CFDA number and program name: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

TANF Cluster

CFDA number and program name: 93.558 Temporary Assistance for Needy Families

Agency: Department of Economic Security

Name of contact person and title: Rebecca Clayton, Business and Finance Manager

Anticipated completion date: July 2018

Agency's response: Concur

The Department of Economic Security concurs with finding; however, this is an issue that involves both federal and state agencies and is not within DES' sole control to rectify. The Department will be requesting a meeting with the State's General Accounting Office by the end of April 2018 to discuss what will need to occur at both the federal and state level to ensure the processes align.

2017-119

CFDA number and program name: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

Agency: Department of Economic Security

Name of contact person and title: Kristen Mackey, RSA Administrator

Anticipated completion date: December 31, 2018

Agency's response: Concur

In January 2018, the Department updated the policy chapter on Individualized Plan for Employment (IPE) to include a requirement to write an IPE Justification template describing the services planned and strengthened verbiage that requires the counselor to detail the requirement for the client to participate in services that contribute to the employment goal.

Additional activities planned:

- Reduce the IPE approval limit for counselors from \$25,000 to \$10,000. Any plan that exceeds \$10,000 will require a high cost justification narrative which details the anticipated outcomes and service needs as they relate to obtaining employment. Supervisors will review and approve or disapprove the IPE.
- An escalation threshold has been developed to elevate approvals up through the management levels with every subsequent \$10,000 of added services.
- Supervisors will conduct random sample reviews for each counselor on a quarterly basis to ensure that services provided are allowable and contribute to employment outcomes.

State of Arizona
Corrective action plan
Year ended June 30, 2017

2017-120

CFDA number and program name: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

Agency: Department of Economic Security

Name of contact person and title: Kristen Mackey, RSA Administrator

Anticipated completion date: August 31, 2018

Agency's response: Concur

During the last several months the Department has implemented all required actions to appropriately monitor IPE compliance.

Specifically, the Department:

- Is performing management reviews of eligibility compliance statistics on a weekly basis, effective June 2016.
- Developed an eligibility compliance data tool to accurately pull data for review of eligibility compliance at both a regional and office level.
- Provided mandatory Eligibility Compliance training to all newly hired supervisors and counselors. The course is followed by a mandatory Eligibility Compliance test with a requirement to pass the test with a 100 percent accuracy. Quarterly training was implemented on April 1, 2017
- Began measuring the supervisor and counselor performance through a performance management tool to track compliance and institute Performance Improvement Plans with supervisors and counselors who are not meeting the 60 day eligibility timeframe or have failed to execute a valid eligibility extension with the required client signature. Performance management evaluation was fully implemented on March 23, 2017.
- The Department will continue to monitor the compliance through weekly and monthly metric measurements to ensure compliance.
- The Department will review quality assurance and performance reviews monthly and will provide staff training to specific personnel as necessary.
- The Department will re-evaluate compliance performance in June 2018 to determine if additional actions are needed to ensure compliance.

2017-121

CFDA number and program name: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

Agency: Department of Economic Security

Name of contact person and title: Kristen Mackey, RSA Administrator

Anticipated completion date: September 2017

Agency's response: Concur

During the last several months the Department has fully implemented all required actions to ensure accurate earmarking.

Specifically, the Department:

- Created separate budgets in AFIS in October 2016, earmarking 15 percent of the State's VR allotment for each fiscal year for the provision of services under pre-employment transition services. This ensures

State of Arizona

Corrective action plan

Year ended June 30, 2017

that required funds are reserved and expenditures are identified and tracked separately to meet the threshold.

- Developed a monthly expenditure report in April 2017 to track the data pertaining to pre-employment transition services. This information is shared with DES leadership at monthly budget review meetings.
- Developed a workshop curriculum and trained VR staff to provide the curriculum to potentially eligible students, effective March 2017.

Going forward, the Department will:

- Implement monitoring of field staff time records in October 2017 to ensure appropriate time charging, with separate function codes for use when conducting pre-employment transition services for clients and potentially eligible clients.
- Develop a scope of work and solicit vendors in September 2017 to provide pre-employment transition services to eligible and potentially eligible students.

2017-122

CFDA number and program name: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

Agency: Department of Economic Security

Name of contact person and title: Kristen Mackey, RSA Administrator

Anticipated completion date: December 31, 2018

Agency's response: Concur

The Department has developed a Quality Assurance review team and tool and is conducting a random sample review of each counselor's cases every month. The Quality Assurance reviews began in February 2018. The Quality Assurance team conducts a review on accurate and timely record notation and data entry. Vocational Rehabilitation management receives a report indicating the Pass/Fail rate for each case reviewed. Staff will receive the outcome of the reviews and will receive counseling to improve accuracy as needed.

The Department updated the policy chapter on Individualized Plan for Employment (IPE) in January 2018 to strengthen language and describe how to update services and the requirement to monitor the IPE every 90 days.

2017-123

TANF Cluster

CFDA number and program name: 93.558 Temporary Assistance for Needy Families

Agency: Department of Economic Security

Name of contact person and title: Vanessa Figueora, Program Coordinator

Anticipated completion date: May 1, 2018

Agency's response: Concur

The Department will issue a policy notification to all staff. This notification will include a reminder of the programmatic requirements for all TANF eligibility decisions related to determining a child's relationship to the caretaker, which includes legal and blood relation. In the notification, it will also be stressed that the case

State of Arizona

Corrective action plan

Year ended June 30, 2017

record must include documentation that supports this requirement. All supervisors must review policy notifications with their staff during their team huddles/team meetings. This additional information will also be shared with the Training Unit and they will review their TANF training materials to ensure the documentation requirements include the details required to support the TANF eligibility determinations.

2017-124

TANF Cluster

CFDA number and program name: 93.558 Temporary Assistance for Needy Families

Agency: Department of Economic Security

Name of contact persons and titles: Tim Tucker, Deputy Workforce Administrator; Lucy Rubi, Policy Specialist; and Stacey Anderson, Quality Assurance Manager

Anticipated completion date: July 31, 2018

Agency's response: Concur

The Department has developed the following action plan to ensure non-compliance sanction policy is followed by JOBS providers and the sanction notice is sent timely to FAA:

1. Issue policy broadcast to TANF JOBS providers on Sanction Policy
2. Reinsert assessment of the sanction process within the audit tool. This action includes:
 - a. Training new Quality Assurance staff on policy;
 - b. Modify existing reports / tools; and
 - c. Communicate changes to the DERS contracts unit and JOBS providers.

2017-125

CFDA numbers and program names: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

84.181 Special Education—Grants for Infants and Families

93.558 Temporary Assistance for Needy Families

93.658 Foster Care—Title IV-E

93.659 Adoption Assistance

Agency: Department of Economic Security

Name of contact person and title: John Bautista, Information Security Audit & Compliance Supervisor

Anticipated completion date: July 1, 2018

Agency's response: Concur

The Department has developed a detailed corrective action plan to address this finding and is aggressively working to correct all issues related to its IT contingency planning process. During the last several months the Department has implemented all required policies and procedures and completed a significant portion of its action plan and expects to fully implement the plan by July 1, 2018.

The Department has an Information Systems Contingency Planning Policy that was published November 2, 2016. In addition, an Information Systems Contingency Planning Procedure was published on August 18, 2017. The procedure documents the process for producing contingency plans, contingency test plans, and contingency testing. The procedure requires plans for the common network and each critical system or

State of Arizona

Corrective action plan

Year ended June 30, 2017

application within the department. Development of contingency plans is in process and will include the following elements:

- Identification of essential missions and business functions
- Identification of the business impact during contingencies
- Recovery objectives and priorities
- Roles and responsibilities during the recovery process
- Security safeguards during the contingency and recovery
- Contingency communications and training plans
- Contingency training
- Contingency plan testing
- Alternate storage sites
- Alternate processing sites
- Telecommunications services during the contingency
- Information system backups
- Information system recovery

2017-126

CFDA number and program name: 93.092 Affordable Care Act (ACA) Personal Responsibility Education Program

Agency: Department of Health Services

Name of contact person and title: Kevin Guimond, Controller

Anticipated completion date: June 30, 2018

Agency's response: Concur

The Department of Health Services has already taken the following steps to ensure that subrecipient activities are properly monitored and that reimbursements are adequately supported and for authorized program purposes. A CQI project was initiated during FY 2017 titled "Sub-recipient Monitoring & Oversight". The project team came up with the following recommendations:

- All Contractor Expenditure Reports (CER's) submitted by subrecipients should include adequate supporting documentation to determine the allowability and allocability of all expenditures submitted for reimbursement. STATUS: Being rolled out initially to the Prevention Division, then to other divisions. Estimated Completion Date: 6/30/18
- The team provided procedures (Standard Work) for programs to follow in performing quarterly and/or annual monitoring activities to ensure that subrecipients are actually performing the work they are contracted to perform. STATUS: Being rolled out initially to the Prevention Division, then to other divisions. Estimated Completion Date: 6/30/18
- An Accountant 2 should be hired to centrally review all CER's prior to payment to ensure that all expenditures are allowable, allocable, follow all federal grant guidelines and state policies, and have adequate supporting documentation. STATUS: Hired 3/26/18
- All applicable program staff, along with their subrecipients, should be trained on federal grant requirements (SuperCircular) and applicable State of Arizona accounting policies. Status: Being rolled out initially to the Prevention Division, then to other divisions. Estimated Completion Date: Ongoing, for continuity of operations and to ensure no future gaps as employees/sub-recipients come and go.



Douglas A. Ducey
Governor

Gilbert Davidson
Chief Operating Officer and
Interim Director

ARIZONA DEPARTMENT OF ADMINISTRATION

GENERAL ACCOUNTING OFFICE

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March 30, 2018

Jay Zsorey
Financial Audit Director
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Mr. Zsorey:

We have prepared the accompanying summary schedule of prior audit findings as required by 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*. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not corrected.

Sincerely,

D. Clark Partridge
State Comptroller

cc: Nicole Franjevic
Amanda Compton

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2017

Status of financial statement findings

2016-01, 2015-01

The Arizona Department of Administration should prepare financial statements in a timely manner
Status: Fully corrected

2016-02

The Department of Insurance should improve its workers' compensation claim management process over insolvent insurance carriers

Status: Partially corrected; significantly different corrective action

- Partial correction: The Department obtained a review of the workers' compensation claim reserves by an independent actuarial firm as of December 31, 2015. The independent actuaries found that industry best practices for handling workers compensation claims were followed by the third-party administrator. The actuaries recommended that case reserves for indemnity, medical, and loss adjustment expense be increased to account for IBNR (Incurred But Not Reported). The Guaranty Fund reported the recommended increase in the notes to its financial statement.
- Significantly different corrective action; reason for recurrence: The Department determined the previously planned approach to addressing the finding was impracticable due to the required level of effort, concerns over the capacity of the Department's software system, and network storage requirements that would be involved in transferring claim file data and documents, and that a process of comparing every payment to a claim file would be inefficient and not wholly effective.

Correction Action Plan

- Effective January 1, 2018, the Department contracted with a third-party administrator that provides access to its claims system, so that Guaranty Fund staff will be able to monitor the status of all claims assigned to the third-party administrator. Further, Guaranty Fund staff will obtain a daily register of all payments made by the third-party administrator with respect to the assigned claims, so a reasonable sample of the payments may be tested for accuracy and propriety.
- By June 30, 2018, the Department will engage a financial auditor to perform a financial field audit on the claim administrator, which will include transaction testing, an internal controls evaluation of the administrator's policies and procedures, and an evaluation of whether the policies and procedures are consistently applied and followed.
- By August 31, 2018, the auditor will present the Department a report of its findings and opinion concerning the quality of the internal controls the administrator has in place, and the quality of the administrator's application of those controls.
- By September 30, 2018, the Department will confer with the administrator concerning any deficiencies the auditor found, and will expect the administrator to provide a plan to resolve the deficiencies by December 31, 2018.

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2017

2016-03, 2015-03, 2015-09

State agencies should improve their risk-assessment process to include information technology security
Status: Partially corrected

Due to the complexity of the finding, and the need to implement changes across multiple agencies, the State was unable to fully remediate the finding during the fiscal year. The State has developed additional policies and procedures and will be implementing them. Each agency has prepared detailed statuses for this finding.

2016-04, 2015-02, 2015-04, 2015-08

State agencies should improve access controls over their information technology resources
Status: Partially corrected

Due to the complexity of the finding, and the need to implement changes across multiple agencies, the State was unable to fully remediate the finding during the fiscal year. The State has developed additional policies and procedures and is working on implementing them. Additionally, new reports have been created to help address deficiencies. Each agency has prepared detailed statuses for this finding.

2016-05, 2015-03, 2015-09

State agencies should improve their configuration management processes over their information technology resources
Status: Partially corrected

Due to the complexity of the finding, and the need to implement changes across multiple agencies, the State was unable to fully remediate the finding during the fiscal year. The State has developed policies and procedures and is in the process of implementing them. In some instances configuration has been updated. Each agency has prepared detailed statuses for this finding.

2016-06, 2015-02, 2015-03, 2015-09

State agencies should improve security over their information technology resources
Status: Partially corrected

Due to the complexity of the finding, and the need to implement changes across multiple agencies, the State was unable to fully remediate the finding during the fiscal year. The State has developed policies and procedures and is in the process of implementing them. In some cases, this includes additional training. Each agency has prepared detailed statuses for this finding.

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2017

2016-07, 2015-11

State agencies should improve their contingency planning procedures for their information technology resources

Status: Partially corrected

Due to the complexity of the finding, and the need to implement changes across multiple agencies, the State was unable to fully remediate the finding during the fiscal year. The State has developed additional policies and procedures and will be implementing testing of those procedures. Each agency has prepared detailed statuses for this finding.

2016-08, 2015-05

The Arizona Department of Administration's Data Center should strengthen their contracts with state agencies

Status: Not corrected

Due to staff turnover and the need to rework contracts across multiple agencies, Arizona Department of Administration-Arizona Strategic Enterprise Technology Office (ADOA-ASET) was unable to remediate the finding during the fiscal year. ADOA-ASET will work to delineate responsibilities between ADOA and state agency responsibilities as appropriate and then strengthen contracts.

2016-09

The Department of Administration's State Procurement Office should strengthen its policies and procedures over monitoring its contract with its ProcureAZ vendor

Status: Partially corrected

It was not practical to devote resources to fully correct all of the deficiencies noted as the State Procurement Office (SPO) is in the process of developing and implementing a new e-procurement system. Procedures and documentation for monitoring the ProcureAZ service level agreements (SLAs) were implemented during the 2017 fiscal year. As part of the implementation of the new e-procurement system, SPO will clearly define roles and responsibilities for monitoring vendor performance to the contract, including who monitors performance to the SLAs and associated deliverables (such as any system and/or disaster recovery testing as included in the SLAs), and who monitors performance to contract terms and conditions outside of the SLAs and associated deliverables (such as any external audits and reporting). Ivalua provides for vendor performance events within the application to facilitate and track performance to contract terms.

2016-10, 2015-10

The Department of Revenue should continue to strengthen its procedures for processing income tax revenues

Status: Partially corrected

The Department of Revenue did not have the resources to fully remediate this finding. However, the Department has started a pilot project with a contractor to remediate the finding and strengthen its procedures for processing income tax revenues through various methodologies.

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2017

2015-07

The State of Arizona should strengthen its conflict-of-interest practices

Agency: Department of Administration

Status: Fully corrected

Status of federal award findings and questioned costs

2016-101, 2015-101

CFDA number and name: Not applicable

Agency: Department of Administration

Status: Fully corrected

2016-102

CFDA number and name: Not applicable

Agency: Department of Administration

Status: Fully corrected

2016-103, 2015-103, 2014-102, 2013-103, 12-103, 11-103

CFDA numbers and names: Various

Agency: Department of Administration

Status: Not corrected

We have an established process in place for monitoring legislation. On multiple occasions, we have advised that these transfers were, in our opinion, not consistent with established Federal cost principles and would probably result in an obligation to the Federal government. Until the State changes its approach to the transfer of monies, there will likely continue to be disallowed costs which will require repayment with applicable interest.

This is a cross-cutting finding and is appropriately being addressed with the U.S. Department of Health and Human Services, Cost Allocation Services (DHHS-CAS) for the payment and appropriate resolution of the questioned costs. We agree and commit to continue to work with the DHHS-CAS and appropriate bodies within the State, to the best of our ability, to find an equitable resolution to this issue. It should be noted that the number of fund transfers required by legislation have diminished significantly.

2016-104, 2015-117

CFDA number and name: 10.558 Child and Adult Care Food Program

Agency: Department of Education

Status: Partially corrected

The Child and Adult Care Food Program (CACFP) application has been updated to include site level information and has a multi-level approval to ensure all sites are eligible at the time of application. The CNP

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2017

Web System has edit checks to ensure all sites remain eligible on a monthly basis. The administrative costs for sponsors involved an incorrect calculation and that was immediately corrected once it was discovered. The administrative costs are analyzed on a quarterly basis. Additionally, related Policies and Procedures have been updated.

Staff continue to work with Daycare Home sponsors to ensure the agreements between the sponsor and providers have the correct regulatory language. The Arizona Department of Education staff has requested updated prototype agreements, but have found the sponsors do not always utilize the updated version. The sponsors have indicated that they want to use up the supply of printed documents and then implement the change. They have been told this practice cannot continue.

2016-105, 2015-118

CFDA numbers and names: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Agency: Department of Education
Status: Not corrected

The Exceptional Student Services Section (ESS) has undertaken the project of recalculating the base amount as far back as 2002 for all local educational agencies (LEAs) or public education agencies (PEAs) until present day. The process has been overseen by the Director of Operations for ESS with support from the ESS Lead Program Management specialist, an ADE/ESS IT liaison, an ADE/ESS IT Developer, and the ESS Deputy Associate Superintendent. The Director of Operations and the Deputy Associate Superintendent are responsible for ensuring that all procedures are followed appropriately and that the allocations are calculated correctly. Additionally, related Policies and Procedures have been updated.

2016-106

CFDA numbers and names: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Agency: Department of Education
Status: Not corrected

Policies and procedures are in the final phase of being revised in accordance with software system implementation to meet compliance with this finding. The Office of Special Education Programs has already closed this finding with the ADE based upon the changes that have already been implemented into the application to reflect compliance. These changes were overseen by the Director of Operations for Exceptional Student Services (ESS) in tandem with the ESS Deputy Associate Superintendent, the ADE/ESS IT team, and the ESS Lead Program Management Specialist. The ADE/ESS IT Team is responsible for the technical software changes with guidance from the ESS Section. While the new capture field of local funds has been added to the application, it required massive restricting of the user interface and scenario testing to ensure the application calculates appropriately.

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2017

2016-107

CFDA numbers and names: 10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program for Children

Agency: Department of Education

Status: Partially corrected

Partial correction occurred due to the timing of the audit and when the agency was notified of the findings. Corrective action was submitted and implemented as quickly as possible. Actions that will continue are multiple trainings for staff each year on proper eligibility determinations as well as additional review procedures in the second quarter of each program year to assure correct determinations were made.

2016-108

CFDA numbers and names: 84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants

Agency: Department of Education

Status: Fully corrected

2016-109, 2015-123, 2014-122, 2013-110

CFDA numbers and names: 10.553 School Breakfast Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.559 Summer Food Service Program for Children
10.558 Child and Adult Care Food Program
10.560 State Administrative Expenses for Child Nutrition
84.027 Special Education—Grants to States
84.173 Special Education—Preschool Grants
84.391 ARRA—Special Education Grants to States, Recovery Act
84.010 Title I Grants to Local Educational Agencies
84.048 Career and Technical Education—Basic Grants to States
84.184 School Safety National Activities (formerly Safe and Drug-Free Schools and Communities—National Programs)
84.243 Tech-Prep Education
84.367 Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)
84.369 Grants for State Assessments and Related Activities

Agency: Department of Education

Status: Fully corrected

State of Arizona
Summary schedule of prior audit findings
Year ended June 30, 2017

2016-110

CFDA number and name: 10.557 Special Supplemental Nutrition Program for Women, Infants and Children
Agency: Department of Health Services
Status: Not corrected

During the fiscal year 2017 the agency laid the ground work including developing standard work for the new process that was implemented with the start of the Federal fiscal year 2018. The action included updating the subaward documents to be aligned with the requirements outlined in 2 CFR §200.331(a).

2016-111

CFDA numbers and names: 93.558 Temporary Assistance for Needy Families
Agency: Department of Child Safety
Status: Partially corrected

The current status is based on the start of fiscal year 2017. The finding will be considered fully corrected in fiscal year 2018. To date, the Department has implemented the action items and met the following target dates:

1. Utilize the SAM website to validate the suspension and debarment status of awardees, as part of the standard work for awarding contracts – target date 07/31/17.
2. Develop and deploy the standard contract award process and checklist within the Office of Procurement – target date 07/31/17.

2016-112

CFDA numbers and names: 93.658 Foster Care—Title IV-E
Agency: Department of Child Safety
Status: Not corrected

The current status is based on the start of fiscal year 2017. The finding will be considered fully corrected in fiscal year 2018. The Department has implemented the following action plan to address these matters:

1. Replace the manual process of submitting background checks for newly hired group home employees – target date 02/28/18.
2. Implement a process to review current records of all group home employees who provide direct care to children to ensure the information is up to date – target date 12/31/17.
3. Communicate with Payment Processing Unit any potential problems with maintenance payments – target date 12/31/17.

2016-113

CFDA numbers and names: 93.658 Foster Care—Title IV-E
93.659 Adoption Assistance
Agency: Department of Child Safety
Status: Fully corrected

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2017

2016-114

CFDA numbers and names: 93.659 Adoption Assistance

Agency: Department of Child Safety

Status: Partially corrected

The current status is based on the start of fiscal year 2017. The finding will be considered fully corrected in fiscal year 2018. To date, the Department has implemented the following action plan to address these matters:

1. Develop desk procedure on PMS Grant's inquiry for cash reconciliation purpose – target date 05/19/17.
2. Develop desk procedure on Federal cash draw process – target date 07/25/16, revised 04/18/17.
3. Develop federal cash draw process flow charts – target date 09/30/17.
4. Complete full cash to expenditure reconciliation inception to end of FY16 – target date 08/31/16.
5. Complete monthly cash/expenditure reconciliation – target date 01/31/17.
6. Complete state and federal fund balance monthly reporting – target date 07/31/17.
7. Implement AFIS System driven federal grants draw setup and processing – target date 07/01/17.

2016-115, 2015-105, 2014-104, 2013-104, 12-104, 11-106, 10-108

CFDA numbers and names: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
84.390 ARRA—Rehabilitation Services—Vocational Rehabilitation Grants to States, Recovery Act

Agency: Department of Economic Security

Status: Partially corrected

Reason for finding's recurrence: The Vocational Rehabilitation program has made continuous improvements in the area of eligibility determination over the last two years. Eligibility determination compliance is monitored weekly and reported as a part of metrics and weekly meetings. Reasons for recurrence of this finding can be attributed to staff turnover and inability to locate and contact clients within the prescribed timeframe.

Action taken to date:

- Established a process by which management staff review eligibility compliance statistics on a weekly basis.
- Developed an eligibility compliance data tool to review eligibility compliance at both the statewide and regional levels.
- Provided mandatory Eligibility Compliance training to all supervisors and counselors. The training is followed by a mandatory Eligibility Compliance test with a requirement to pass the test with a 100%.
- Included a performance measure on the supervisor and counselor performance management tool to track compliance. Performance Improvement Plans will be implemented with supervisors and counselors who are not meeting the 60 day eligibility timeframe or have failed to execute a valid eligibility extension with the required client signature.
- Revised the procedure for weekly leadership huddle meetings to include a review of reports related to eligibility compliance with weekly metrics.

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2017

- Implemented required eligibility training for all newly hired managers, supervisors, and counselors, to be followed by a mandatory post-test to check for understanding. Quarterly Training implemented in April 2017.
- Implemented a requirement for staff not meeting compliance standards to retake the eligibility training course. Training began April 2017.
- Developed an eligibility compliance data tool to review eligibility compliance to report at the office, supervisor, and counselor level. Bi-weekly reports generated and sent to management.

2016-116, 2015-107

CFDA numbers and names: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States

Agency: Department of Economic Security

Status: Partially corrected

Reason for finding's recurrence: The pre-employment transition services set aside criteria was included as a new requirement with the implementation of the Workforce Innovation and Opportunity Act (WIOA) in July 2014. Efforts to implement services and tracking mechanisms are ongoing. Reasons for recurrence of this finding can be attributed to implementing a new standard due to WIOA, which required the VR program to set aside 15 percent to serve students with disabilities. Prior to the implementation of WIOA the program was not required to set aside funds to serve this specific population. The program has worked to adjust case management and fiscal systems to assist in the tracking of pre-employment transition services and associated expenditures.

Action taken to date:

- Established separate budgets in AFIS, earmarking 15 percent of the State's VR allotment for each fiscal year for the provision of services under pre-employment transition services. This will ensure that required funds are reserved and expenditures identified and tracked separately to meet the threshold.
- Began receiving technical assistance through the Workforce Innovation Technical Assistance Center, a federally funded grant, to continue to develop allowable service provision and budget tracking techniques.
- Developed a monthly expenditure report to track the data pertaining to pre-employment transition services, and to provide this information to DES leadership at monthly budget review meetings. Reports provided monthly and on ad hoc basis, as needed.
- Established a process to monitor field staff time records to ensure appropriate time charging using a separate function code when conducting pre-employment transition services with clients and potentially eligible clients. Time charging reports provided to field management monthly for review and correction if needed.
- Developed a workshop curriculum and trained VR staff to provide the curriculum to potentially eligible students. Workshops are provided to field staff on an ongoing basis.
- Developed a scope of work and solicited vendors to provide pre-employment transition services to eligible and potentially eligible students. Contract awarded February 1, 2018.
- Developed a fiscal projection report for the utilization of funds on "required" and "authorized" pre-employment transition services. Report provided monthly and on an ad hoc basis, as needed.

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2017

2016-117, 2015-106

CFDA numbers and names: 84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
Agency: Department of Economic Security
Status: Fully corrected

2016-118, 2015-108

CFDA number and name: 17.225 Unemployment Insurance
Agency: Department of Economic Security
Status: Partially corrected

Reasons for finding's recurrence:

- ETA 227—The ETA 227 report is quite complex and the assigned analyst was not able to make much headway before leaving the agency.
- ETA 227 EUC—The investigation into the ETA 227 EUC report will begin after the ETA 227 report errors are identified and corrected.
- ETA 581—The Data Validation (DV) Tax Population 4 failed due to inaccurate Liquidated Receivable amounts in the categories of Contributory and Reimbursable. The receivables reports counted within the DV Tax Population 4 have employers with debts extinguished and untimely receivables being captured incorrectly thus creating a discrepancy with the quarterly ETA-581 (Contribution Operations) report.

Action taken to date:

- ETA 227—Management staff now review all ETA 227 reports and all documents prior to submission. A secondary review process for the ETA 227 report, prior to transmittal to DOL, was implemented effective January 1, 2016. The Department developed procedures to clearly identify compilation of the quarterly ETA 227 report by support staff and an independent review and approval process by upper management.
- ETA 227—A new analyst was hired during the third quarter of FFY 2017.
- ETA 227 EUC—No action has yet been taken on the ETA 227 EUC report. Investigation into the cause of the errors in this report will begin once issues with the regular ETA 227 report have been identified and corrected.
- ETA 581—The conditional issues that caused the ETA 581 report to be inaccurate have been identified. Specifically, it has been determined that accounts with timely payment(s) that contain an inaccurate receivable have liquidated quarterly wage report(s).
- ETA 191—Fully corrected
- TAPR—Fully corrected

Remaining planned action:

- ETA 227—The analyst is learning all the various UI systems and the intricacies of overpayments. Once training has been completed the analyst will begin the process of identifying and documenting the programming errors related to the ETS 227 report and working toward completing programming changes.
- ETA 227 EUC—The investigation for ETA 227 EUC report will begin once the ETA 227 report has been corrected.
- ETA 581—The two analysts will complete Tax Population 4 (Contributory & Reimbursing Receivable) training and data analysis by March 29, 2018. A system change request will be submitted for Tax Population 4 (Contributory & Reimbursing Receivable), to the programming department on March 29, 2018. The user acceptance testing and implementation is tentatively scheduled to occur by June 30, 2018.

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2017

2016-119, 2015-109

CFDA number and name: 17.225 Unemployment Insurance

Agency: Department of Economic Security

Status: Partially corrected

Reason for finding's recurrence: The BAM Unit was experiencing major difficulties in working the sampled cases pulled each week. This is due in part to being understaffed, a lack of experienced staff, and the additional efforts required in verifying claimant work search documentation.

In addition, the Department was experiencing a back log on coding the base period employer notices with the pattern of failure due to an increase in the workload.

Actions taken to date to correct BAM unit findings:

- In order to get the Unit back on track, in February 2016 two experienced former employees were reassigned to the Unit to assist in training staff and working assigned cases from September 2015 through June 2016.
- Overtime hours were made available to staff and the existing staff received additional training in GUIDE, the UI Program payment system, and adjudication training; this is especially important for staff without adjudication experience.
- The Unit obtained a temporary clerk typist who prepared the assigned case folders for each investigator which allowed staff to focus on conducting the audits.
- The backlog of untimely cases (from July 1, 2015 to June 30, 2016) was completed on October 21, 2016. Since, July 01, 2016 the BAM Unit has been timely in completing cases. To help ensure that the untimeliness of case completion does not re-occur the Supervisor reviews the weekly case aging report which identifies the number of days since the case has been sampled and will immediately address any case that is coming close to not meeting the 60 day timeliness requirement.
- In June 2017, three BAM auditors were authorized access the DOL State Menu (Sun System) to ensure requisite cases are pulled timely for review.

Actions taken to date to correct Pattern of Failure findings:

- The Department began tracking employers' twelve-month period pattern of failure in April, 2016. When a Determination of Deputy or an Appeal reversal creates an overpayment the pattern of failure is assessed at that time. The timeframe to determine if the pattern of failure should be applied is from the established date of the overpayment going back the prior twelve month period. During that time all notices (last and base period) that were sent to the employer are used to calculate if the employer has met the threshold of five percent or five instances of untimely or inadequate information. If they have met the threshold the employer is sent a notice advising them that they will be charged for the improper payments.
- In June 2016, the claimant and employer data screen in the Arizona Reemployment Rapid Access (ARRA) system was updated with a "Reminder: Complete A9 transaction in GUIDE to code the penalty indicator". This enhancement to the application will remind the adjudication staff that, as a requirement in completing a determination, they must also code the pattern of failure.
- The UIA Broadcast #131 was updated in August 2016, and distributed to staff.

Remaining planned action:

- In the BAM unit, the "Case Audit Checklist" will be revised in July 2017 to ensure that each case contains the necessary supporting documentation.

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2017

- Beginning in July 2017, the UI Base Period unit will receive a weekly report listing overpayments that are established as a result of appeal reversals and determination of deputies to determine if the pattern of failure criteria have been applied correctly. If it is determined, based on the review, that the criteria were not applied correctly, corrections will be made.
- A Desk Aide for Pattern of Failure will be updated in September 2017, and distributed to staff.

2016-120

CFDA numbers and names: 93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund

Agency: Department of Economic Security

Status: Fully corrected

2016-121, 2015-115, 2014-109

CFDA numbers and names: 10.551 Supplemental Nutrition Assistance Program
10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
17.225 Unemployment Insurance
17.258 WIA/WIOA Adult Program
17.259 WIA/WIOA Youth Activities
17.278 WIA/WIOA Dislocated Worker Formula Grants
84.126 Rehabilitation Services—Vocational Rehabilitation Grants to States
93.558 Temporary Assistance for Needy Families
93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.563 Child Support Enforcement
93.658 Foster Care—Title IV-E
93.659 Adoption Assistance
93.667 Social Services Block Grant
96.001 Social Security—Disability

Agency: Department of Economic Security

Status: Partially corrected

Reason for finding's recurrence: Since the department has not formally conducted business impact analysis and not yet fully documented and tested each component of its contingency strategy, it has received a similar finding this year with respect to contingency planning and disaster recovery. The agency has however made significant strides in implementing its contingency strategy and has dramatically reduced the risk that it will not be able to continue mission critical operations after undergoing a contingency.

Action taken to date: Contingency Planning is comprised of both a Continuity of Operations Plan (COOP) focused on process continuity and a Disaster Recovery Plan (DRP) focused on the supporting technology. This Corrective Action Plan addresses the disaster recovery findings of the OAG audit. The current DES Disaster Recovery Plan has been in place since 1999. There was a formal review of the Plan in 2006 and it was last updated in 2011. The last failover drill was completed in 2010 and included a failover to an IBM

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2017

mainframe located in Boulder, Colorado. Currently, encrypted data from the mainframe is simultaneously stored in a secondary secured location. Beginning in September 2015, the agency began the effort to move its servers, virtual infrastructure, firewalls, intrusion protection devices, mainframe computer, network devices, and internet connections into a Tier III data center operated by a third party; this migration is nearly complete, with less than 5 non-mission-critical devices left at the old data center. The facility risk of outages is anticipated to be greatly reduced by this move.

Division of Technology Services (DTS) has made significant strides in ensuring the reliability and availability of customers' data, notably due to several significant accomplishments:

- With the acquisition of new technology that addresses data stored on tape, DTS can now say that 100 percent of all mainframe data (both disk and tape [virtual]) is dynamically duplicated and encrypted at a remote secure site. Because of this, there can be no loss of mainframe data due to an incident (disaster) that occurs at the primary or backup datacenter.
- Along with the launching of this new data storage technology, DTS has executed three (3) Disaster Recovery drills during 2015 and one (1) in 2016 that take advantage of this new infrastructure. These drills were iterative in nature and designed to validate the availability of timely backup data, along with the ability to process and present this data in a manner that is identical to our current production environment. Validation and testing continues on a regular basis. The Disaster Recovery architecture being utilized during our drills eliminates the need to 'restore' data, traditionally a lengthy process requiring off-site tape being transported and loading of databases onto disk drives for access. Our mirrored mainframe data environment guarantees that user and program data is stored simultaneously and identically at two (2) separate physical locations, thus eliminating the need to restore.
- DES Disaster Recovery test plan with testing strategies, frequencies, and results has been published.
- All Exchange (email) is now duplicated both in data and in processing capabilities.
- All production data is currently mirrored within a four hour window.
- The alternate site or the Active Directory Servers (2) was established in the Azure Cloud on June 15, 2017.

Remaining planned action:

- Perform annual test – Testing is on-going with the objective of establishing full annual DR testing.
- Implement technology appropriate to ensure continuity of operations – In FY 2018, DES will create a disaster recovery (DR) environment. Implementation and testing of this new environment will occur in FY 2018.
- The Contingency Planning Procedure will be published in August 2017.
- The Departments goal is to have the current Contingency Plan updated by June 2018.
- Another state agency, the Arizona Department of Administration (ADOA), hosts a logical partition (LPAR) on their mainframe which is a real-time replicate of the agency's mainframe. The agency's contingency protocol for the mainframe is to use that LPAR in the event that the agency's mainframe is unavailable. ADOA will move their mainframe from their own data center to a commercial Tier III data center during the 4th quarter of calendar year 2017. While that will not change the contingency protocol, it will provide a far more secure environment for their mainframe significantly decreasing the risk of downtime. The communications path to the replicate LPAR will be simplified with this move, reducing risk even further. The mainframe contingency protocol must pass testing in the new environment.
- The Department conducted the most recent DR test with IBM on April 5, 2017.

Contingency plans will be a part of the Department's new Risk Management Framework which will be rolled out in the first quarter 2018. The steps involved in this rollout are:

1. Documentation of the application and hardware inventory (distributed and mainframe) (complete)

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2017

2. Development of the Risk Management Framework Procedure – scheduled for January 2018 (on schedule).
3. Presentation of the RMF to the Agency Technology Partnering Council (February 2018) for approval.
4. Training of the RMF to the agency during March 2018.
5. Completion of RMF components will occur after that for the 10 mainframe and 110 distributed applications.
 - a. Data classification
 - b. Data flow documentation
 - c. Risk Assessment
 - d. Formal Risk Treatment
 - e. Risk registers and Plans of Action and Milestones
 - f. Security Plans
 - g. Contingency Plans
 - h. Contingency Training Plans

2015-104

CFDA numbers and names: 84.007 Federal Supplemental Educational Opportunity Grants
84.033 Federal Work-Study Program
84.038 Federal Perkins Loan Program—Federal Capital Contributions
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)
93.364 Nursing Student Loans
93.408 ARRA-Nurse Faculty Loan Program
93.925 Scholarships for Health Professions Students from Disadvantaged Backgrounds

Agency: Northern Arizona University
Status: Fully corrected

2015-114, 2014-108

CFDA number and name: Not applicable

2013-109

CFDA numbers and names: 93.044 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
93.053 Nutrition Services Incentive Program
93.558 Temporary Assistance for Needy Families
93.714 ARRA – Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Programs
93.563 Child Support Enforcement
93.667 Social Services Block Grant

Agency: Department of Economic Security
Status: Fully corrected

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2017

2015-124

CFDA number and name: 64.203 Veteran's Cemetery Grants Program

Agency: Department of Veterans' Services

Status: No longer valid

In accordance with 2 CFR 200.511 (b)(3), the audit finding is no longer valid.

2014-112

CFDA number and name: 84.010 Title I Grants to Local Educational Agencies

Agency: Department of Education

Status: Partially corrected

Recap of Finding: The Arizona Department of Education (ADE) received an FY14 audit finding regarding earmarking for school improvement activities via the School Improvement Fund Set-Aside. Auditors identified 23 LEAs with calculation errors, for a total questioned value of \$435,831. It was understood that this issue would have ramifications due to the "roll forward" to future year calculation files.

Overview of the process undertaken to address and resolve the finding: ADE has been committed to ensuring proper resolution of this finding and ensuring future errors do not occur. Accordingly, ADE engaged Education Finance specialists, Afton Partners. Afton reviewed the entire FY14 (SY13-14) process and documented preliminary solutions to address allocation issues, and calculated revised, appropriate FY14 allocations. The updated methodology was rolled forward through FY15 (SY14-15)-FY17 (SY16-17) for comprehensive correction to allocations. Calculation methodologies were reviewed and vetted by the US Department of Education Office of State Support (USED), adjustments were made to ensure appropriate methodology and compliance based on USED feedback. Once this was completed, ADE had a full understanding of the misallocation for each LEA, as well as the magnitude of incorrect earmarking for the School Improvement Fund. As an outcome of this work, the ADE has updated its processes to ensure the calculation errors do not occur again. A corrected calculation methodology is in place for Single Audit 18 and beyond, which has been reviewed by the US Department of Education Office of State Support.

Resolution and Improvement efforts: To resolve this finding and ensure these issues do not recur, ADE has implemented the following:

- A corrected template will be used for future years. The goal in creating this template was to make the process as efficient, effective, and error-proof as possible. This template has been reviewed and vetted by the US Department of Education Office of State Support. It will only need to be updated for any allocation policy updates post-FY18 for future year use.
- A new Standard Operating Procedure. The template is accompanied by a detailed Standard Operating Procedure (SOP), which thoroughly explains how to complete allocation procedures.
- A recorded webinar on proper calculation methodology. Along with an updated template and SOP, a webinar is being recorded to further explain and ensure proper methodology will be utilized going forward.
- Training and professional development. Title I leadership has been provided technical assistance and training regarding the allocations process and the application of the updated methodology and procedures. An all-staff training was held October 3, 2017 to inform ADE staff of the issues identified and the updated methodology to be applied in future years. Additionally, the field of LEA Title I

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2017

administrators will be informed of the errors, the review process, and improvements in place to prevent errors in the future at the statewide MEGA Conference for Title I Administrators on Wednesday, November 15, 2017. Breakout sessions will be provided for attendees to discuss these issues in detail, in addition to the plenary session overview.

2014-130

CFDA number and name: 97.042 Emergency Management Performance Grants
Agency: Department of Emergency and Military Affairs
Status: Partially corrected

Corrective actions have been implemented and as of FY 2018 this finding will be fully corrected. Because the execution of grant awards to subrecipients cross multiple Single Audit periods, the agency has further refined their process to include validating and documenting the posting of a subrecipients' Single Audit to the Federal Audit Clearinghouse prior to reimbursing them for any period for all awards.

Other auditors' findings

2016-122

CFDA numbers and names: 20.205 Highway Planning and Construction
20.219 Recreational Trails Program
Agency: Department of Transportation
Status: Partially corrected

The Arizona Department of Transportation has taken the following actions to correct this finding:

- Met with the contract awarding groups within the agency to discuss the unique identifier to be used. Each subrecipient now has a unique contract number when awarded.
- Established the language to be used in the contracts to ensure that all the elements of 2 CFR Part 200, Subpart D are addressed. The contract area has been informed that amendments need to be completed on any existing contracts that do not include the proper language.
- Had legal review and approve the contract changes.
- Implemented the new contract language in all new contracts.

2016-123

CFDA numbers and names: 20.205 Highway Planning and Construction
20.219 Recreational Trails Program
Agency: Department of Transportation
Status: Partially corrected

The Arizona Department of Transportation has taken the following actions to correct this finding:

- Established a new chart of account (COA) element for pass through payments .

State of Arizona

Summary schedule of prior audit findings

Year ended June 30, 2017

- Worked with entities to change the Purchase Order information to reflect the new COA and train AP on any necessary changes to watch for on those POs that cannot be changed.
- Identified the payments made in FY17 and recorded expenditure corrections on them.

2016-124

CFDA number and name: 93.767 Children's Health Insurance Program

Agency: Arizona Health Care Cost Containment System

Status: Partially corrected

Using eligibility data, there were 48 identified individuals enrolled in the Kidscare eligibility category who were not transferred timely out of the Kidcare eligibility category in the month after the participant turned 19 in fiscal year 2017.

To ensure individuals who turn 19 are transitioned out of the KidsCare category timely, AHCCCS has implemented two system enhancements to support the automatic transfer out of the KidsCare program and redetermination of eligibility in the month following the youth's 19th birthday . The initial enhancement implementing an automated age-out job was implemented at the end of 2014. A further enhancement was identified for scenarios when the age-out month and the renewal month coincide. A system change was implemented at the end of March 2016 that changed the order of the automated jobs and runs the age-out job before the renewal job to prevent a pending renewal from extending eligibility in the wrong category. To identify and correct records that were processed before this date or that failed to transition timely for any reason, an ad hoc report and manual reconciliation process was implemented in October 2016 to identify records with members in an age-limited category past the month they aged out. Once identified, the reported records are distributed to the appropriate staff at each agency to redetermine eligibility or make corrections to the date of birth as needed. Increasing the number of staff working the report will expedite the process and reduce backlogs. All corrective actions as identified have been implemented with the applicable refunds reported on the CMS-21 during federal fiscal year 2017 for the 2016 finding. For the 2017 issues noted above, AHCCCS will implement further corrective action and will report the applicable refunds on the CMS-21 during federal fiscal year 2018.

2016-125

CFDA number and name: 93.767 Children's Health Insurance Program

Agency: Arizona Health Care Cost Containment System

Status: Fully corrected

UNIVERSITIES RESPONSES

Dr. Steven Burrell
Chief Information Officer
PO Box 5100
Flagstaff, AZ 86011
Steven.Burrell@NAU.edu



November 15, 2017

Debbie Davenport
Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Davenport:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by 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*. Specifically, for each finding we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Steven C. Burrell

Financial Statement Findings

2017-01

The university should improve its risk-assessment process over information technology security

Contact Persons:

Steve Burrell, Chief Information Officer

Michael Zimmer, Associate Director of Information Security

Anticipated completion date: December 31, 2018

Correction Action: Concur. To help ensure the university has adequate policies and procedures to identify, analyze, and respond to risks that may affect IT resources, the university will improve its university-wide IT risk-assessment process and align it with NIST best practices.

2017-02

The university should improve access controls over its information technology resources

Contact Persons:

Steve Burrell, Chief Information Officer

Michael Zimmer, Associate Director of Information Security

Anticipated completion date: December 31, 2018

Correction Action: Concur. To help prevent and detect unauthorized access or use, manipulation, damage, or loss to IT resources, the university will implement effective logical access policies and procedures over its IT resources in alignment with NIST best practices and train faculty and staff on those policies and procedures. The university will utilize the NIST framework to continue enhancing existing access request policy and procedures for enterprise systems.

2017-03

The university should improve its configuration management processes over its information technology resources

Contact Persons:

Steve Burrell, Chief Information Officer

Michael Zimmer, Associate Director of Information Security

Anticipated completion date: December 31, 2018

Correction Action: Concur. To help prevent and detect unauthorized, inappropriate, and unintended changes to IT resources, the university will implement effective configuration management policies and procedures over its IT resources in alignment with NIST best practices and train faculty and staff

on those policies and procedures. The university will continue to enhance existing change management and configuration policy and procedures.

2017-04

The university should improve security over its information technology resources

Contact Persons:

Steve Burrell, Chief Information Officer

Michael Zimmer, Associate Director of Information Security

Anticipated completion date: December 31, 2018

Correction Action: Concur. Policies and procedures that align with NIST best practices and standards are being drafted by the university to improve security over its information technology resources. Existing policies and procedures will continue being enhanced to align with the latest NIST best practices and guidelines.

2017-05

The university should improve its contingency planning procedures for its information technology resources

Contact Persons:

Steve Burrell, Chief Information Officer

Michael Zimmer, Associate Director of Information Security

Anticipated completion date: December 31, 2018

Correction Action: Concur. To help ensure its operations continue in the event of a disaster, system or equipment failure, or other interruption, the university will further enhance its current contingency planning procedures in alignment with NIST best practices.



THE UNIVERSITY OF ARIZONA

Financial Services Office

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December 11, 2017

Debbie Davenport
Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

Dear Ms. Davenport:

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contained in *Government Auditing Standards* and by 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*. Specifically, for each finding we are providing you with our responsible officials' views, the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Sincerely,

Nicole Salazar
Comptroller

Cc: Lisa Rulney, Associate Vice President, Financial Services



Financial statement findings

2017-01

The University should strengthen oversight of its information technology controls

Summary Response: The University acknowledges that oversight of technical controls in our distributed computing environment needs improvement. To address this need, UA leadership appointed a Chief Information Security Officer to build a University security program, who will work with campus leadership to facilitate decentralized IT units' adherence to University IT policy. As part of this program, we are deploying monitoring tools on the UA network that can be leveraged by both central and distributed staff. We also will produce and distribute "playbooks" to assist distributed staff to appropriately and consistently handle security incidents.

University contact personnel:

Lanita Collette, Chief Information Security Officer - University of Arizona (520) 621-9192

Anticipated completion date: This will be a phased in plan, with initial work product being delivered in May 2018, and continued delivery of products through their inclusion into oversight and risk assessment processes that will be iterative and ongoing.

2017-02

The University should improve its risk-assessment process over information technology security

Summary Response: The University acknowledges that our IT risk assessment process needs additional work. To supplement our current product-specific risk assessments and our annual self-assessment process, we will engage professional services for comprehensive assessments mapped to appropriate compliance standards. We will then begin work on prioritized recommendations from the assessments, including identifying and classifying sensitive information. We will also conduct an evaluation of our disaster recovery plan to ensure that key business needs are prioritized and adequately addressed.

University contact personnel:

Lanita Collette, Chief Information Security Officer - University of Arizona (520) 621-9192

Anticipated completion date: This will be a phased in plan, with initial work product being delivered in May 2018, and continued delivery of products through their inclusion into oversight and risk assessment processes that will be iterative and ongoing.

2017-03

The University should improve access controls over its information technology resources

Summary Response: The University acknowledges a lack of logging and monitoring of elevated access to enterprise systems and will move forward to develop and implement effective logical access policies and procedures.

University contact personnel:

Lanita Collette, Chief Information Security Officer - University of Arizona (520) 621-9192

Anticipated completion date: December 2018

2017-04

The University should improve security over its information technology resources

Summary Response: The University acknowledges the need to improve our information security practices. The University currently plans to hire additional personnel to appropriately staff the Information Security Office. Once hiring and training is complete, we will have improved ability to handle monitoring, detection, response, contingency-planning, and recovery/lessons learned.

University contact personnel:

Lanita Collette, Chief Information Security Officer - University of Arizona (520) 621-9192

Anticipated completion date: May 2018

2017-05

The University should improve its contingency planning procedures for its information technology resources

Summary Response: We acknowledge that a backup testing plan is necessary as part of the contingency planning and will develop appropriate policies and procedures for testing to ensure successful recovery from backups.

University contact personnel:

Lanita Collette, Chief Information Security Officer - University of Arizona (520) 621-9192

Anticipated completion date: May 2018

