

**Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2013**

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**Summary of Financial Statement Findings**

<b>Finding Number</b>	<b>Finding</b>
2013-001	State's internal controls over payroll payments processed by Human Resources Management System and Medicaid payments processed by ProviderOne are inadequate to ensure those payments are properly processed and recorded.

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**Summary of Federal Findings**

<b>Finding Number</b>	<b>Finding</b>
2013-002	The University of Washington did not have sufficient internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act (FFATA) are filed for the Research and Development cluster.
2013-003	The Department of Commerce does not have sufficient internal controls to ensure all of its subrecipients receive audits as required.
2013-004	The Department of Commerce does not have sufficient internal controls to ensure HOME Investment Partnership program income is used before requesting federal cash draws.
2013-005	The Employment Security Department did not attempt to collect \$881,375 overpaid to claimants for Federal Additional Compensation unemployment insurance.
2013-006	The Employment Security Department did not comply with the Federal Funding Accountability and Transparency Act reporting requirements for the Workforce Investment Act program.
2013-007	The Department of Ecology did not comply with the Federal Funding Accountability and Transparency Act reporting requirements for the Performance Partnership Grant program.
2013-008	The Department of Ecology improperly claimed \$53,971.49 in federal reimbursement for the Performance Partnership Grant program.
2013-009	The Office of the Superintendent of Public Instruction does not have sufficient internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Migrant Education AND Title IIA Improving Teacher Quality programs are filed.
2013-010	The Office of the Superintendent of Public Instruction does not have sufficient controls over, and was not compliant with, the requirements for determining subawards for each school district's share of Migrant Education funding.
2013-011	The Department of Services for the Blind charged indirect costs related to the Vocational Rehabilitation program to its federal grant without an approved indirect cost rate.
2013-012	The Department of Health does not have sufficient internal controls to ensure it meets federal level of effort requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness programs.
2013-013	The Department of Health does not have sufficient internal controls over, and did not comply with, the Federal Funding Accountability and Transparency Act reporting requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness Programs.
2013-014	The University of Washington does not have monitoring controls to ensure subrecipients expending \$500,000 or more in total federal dollars obtain an audit.

2013-015	<b>The Department of Early Learning does not have sufficient internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Child Care Development Fund program are filed.</b>
2013-016	<b>The Department of Early Learning does not have adequate internal controls over direct payments to child care providers.</b>
2013-017	<b>The Department of Social and Health Services does not have adequate internal controls over client eligibility for the Child Care Development Fund.</b>
2013-018	<b>The Department of Social and Health Services, Children's Administration, is not ensuring the eligibility of clients receiving Adoption Assistance payments.</b>
2013-019	<b>The Department of Health did not survey all hospitals and home health agencies in accordance with the frequency stipulated by state and federal laws, which could increase the risk of Medicaid clients receiving substandard care.</b>
2013-020	<b>The Health Care Authority does not comply with the data-sharing requirements of State law and the federal Deficit Reduction Act of 2005, thereby increasing the likelihood that the state is paying claims that should have been paid by liable third parties.</b>
2013-021	<b>The Health Care Authority did not have adequate controls in place to ensure all critical access hospitals were paid accurately.</b>
2013-022	<b>The Health Care Authority did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers.</b>
2013-023	<b>The Health Care Authority does not have adequate controls to ensure inpatient high outlier payments to hospitals are accurate.</b>
2013-024	<b>The Health Care Authority's internal controls are insufficient to ensure payment rates for its Healthy Options managed care program are accurate, resulting in over \$95,000 in potential overpayments on premium rates paid to the managed care organizations.</b>
2013-025	<b>The Health Care Authority did not invoice Medicaid drug rebates to drug manufacturers in accordance with the time frame stipulated by state and federal laws.</b>
2013-026	<b>The Health Care Authority's inadequate internal controls over claims from Federally Qualified Health Centers led to more than \$226,279.66 in improper payments to providers.</b>
2013-027	<b>The Health Care Authority's inadequate internal controls over claims for dental services led to more than \$584,511.96 in overpayments to providers.</b>
2013-028	<b>The Health Care Authority did not complete the required security reviews of ProviderOne, the new Medicaid Management Information System, risking the loss of Medicaid program assets and jeopardizing Medicaid program integrity.</b>
2013-029	<b>The Health Care Authority improperly claimed \$73,788.62 in federal reimbursement for unallowable services provided to undocumented aliens and services that were not rendered to deceased Medicaid clients.</b>
2013-030	<b>The Health Care Authority did not have adequate controls in place to ensure violations of Medicaid laws and regulations by providers are identified, investigated and referred to the Medicaid Fraud Control Unit, risking the loss of public resources.</b>
2013-031	<b>The Health Care Authority did not have adequate controls in place to ensure services billed by providers were rendered to Medicaid beneficiaries, risking the loss of Medicaid resources.</b>
2013-032	<b>The Health Care Authority does not have an adequate internal controls to ensure Medicaid drug rebate amounts are accurately reported in CMS 64 report.</b>
2013-033	<b>The Department of Social and Health Services, Aging and Disability Services Administration, did not respond to nursing home complaints in a timely manner, which could leave Medicaid clients residing in nursing homes vulnerable to serious injury or harm.</b>
2013-034	<b>The Department of Social and Health Services, Aging and Disability Services Administration, did not adequately monitor supported living service providers to ensure all staff with contact to Developmentally Disabled clients have a proper background check and are authorized to have access to vulnerable supported living clients.</b>

2013-035	<b>The Department of Social and Health Services, Developmental Disabilities Administration made overpayments to providers totaling \$236,892.73.</b>
2013-036	<b>The Department of Social and Health Services, Developmental Disabilities Administration did not have adequate controls to ensure Medicaid payments to supported living service providers are allowable and supported, resulting in unallowable payments of \$133,128.</b>
2013-037	<b>The Department of Social and Health Services, Aging and Long-Term Support Administration, did not adequately monitor adult family home providers to ensure all caregivers and resident managers who are employed directly or by contract have proper background checks.</b>
2013-038	<b>The Department of Social and Health Services, Developmental Disabilities Administration did not have adequate internal controls to ensure cost of care adjustments paid to supported living service providers are allowable and supported, resulting in unallowable payments of \$604,661.</b>
2013-039	<b>The Department of Social and Health Services, Developmental Disabilities Administration, did not consistently pay supported living providers at authorized daily rates.</b>
2013-040	<b>The Department of Social and Health Services, Aging and Long-Term Support Administration, did not perform background checks for some in-home care individual providers in accordance with state law.</b>
2013-041	<b>The Department of Social and Health Services improperly claimed \$691,869.10 in federal reimbursement for the Medicaid program.</b>
2013-042	<b>The Department of Social and Health Services, Aging and Long Term Support Administration, did not ensure that unallowable payroll costs charged to the Money Follows the Person Rebalancing Demonstration were refunded to the federal government in a timely manner.</b>
2013-043	<b>The Military Department does not have adequate internal controls to ensure all subrecipients of Homeland Security Grant Program funds receive audits when required and take timely and appropriate corrective action for any audit findings issued.</b>
2013-044	<b>The Military Department did not have internal controls over earmarking requirements to ensure administrative and management costs were accurately monitored for the Homeland Security grant.</b>
2013-045	<b>The Military Department did not have adequate internal controls over subrecipient monitoring and did not adequately monitor subrecipients of the Homeland Security Grant Program.</b>