

**State of Washington
Corrective Action Plan**

*OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014*

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Table of Contents

Finding Number	State Agency	Corrective Action Plan Page Number	Single Audit Page Number
2014-001	Department of Agriculture	G-5	E-15
2014-002	Department of Agriculture	G-6	E-22
2014-003	Recreation and Conservation Funding Board	G-7	E-26
2014-004	Military Department	G-8	E-31
2014-005	Department of Commerce	G-9	E-36
2014-006	Department of Commerce	G-11	E-42
2014-007	Department of Commerce	G-13	E-47
2014-008	Employment Security Department	G-14	E-51
2014-009	Employment Security Department	G-15	E-57
2014-010	Department of Transportation	G-16	E-62
2014-011	Department of Health	G-17	E-67
2014-012	Workforce Training and Education Coordinating Board	G-18	E-72
2014-013	Workforce Training and Education Coordinating Board	G-19	E-76
2014-014	Department of Early Learning	G-20	E-80
2014-015	Department of Early Learning	G-21	E-85

**State of Washington
Corrective Action Plan**

*OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014*

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Table of Contents

Finding Number	State Agency	Corrective Action Plan Page Number	Single Audit Page Number
2014-016	Department of Health	G-22	E-90
2014-017	Department of Health	G-23	E-95
2014-018	Department of Social and Health Services	G-25	E-100
2014-019	Department of Social and Health Services	G-26	E-104
2014-020	Department of Social and Health Services	G-27	E-110
2014-021	Department of Social and Health Services	G-28	E-114
2014-022	Department of Social and Health Services	G-30	E-121
2014-023	Department of Early Learning	G-31	E-127
2014-024	Department of Early Learning	G-34	E-132
2014-025	Department of Early Learning	G-35	E-137
2014-026	Department of Social and Health Services	G-36	E-142
2014-027	Department of Social and Health Services	G-39	E-149
2014-028	Department of Health	G-41	E-155
2014-029	State Health Care Authority	G-43	E-163
2014-030	State Health Care Authority	G-44	E-167

**State of Washington
Corrective Action Plan**

*OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014*

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Table of Contents

Finding Number	State Agency	Corrective Action Plan Page Number	Single Audit Page Number
2014-031	State Health Care Authority	G-45	E-176
2014-032	State Health Care Authority	G-46	E-181
2014-033	State Health Care Authority	G-47	E-187
2014-034	State Health Care Authority	G-48	E-198
2014-035	State Health Care Authority	G-49	E-207
2014-036	State Health Care Authority	G-50	E-212
2014-037	State Health Care Authority	G-51	E-216
2014-038	State Health Care Authority	G-52	E-221
2014-039	State Health Care Authority	G-53	E-229
2014-040	Department of Social and Health Services	G-54	E-235
2014-041	Department of Social and Health Services	G-56	E-241
2014-042	Department of Social and Health Services	G-58	E-247
2014-043	Department of Social and Health Services	G-60	E-255
2014-044	Department of Social and Health Services	G-61	E-260
2014-045	Department of Social and Health Services	G-63	E-272

**State of Washington
Corrective Action Plan**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014***

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Table of Contents

Finding Number	State Agency	Corrective Action Plan Page Number	Single Audit Page Number
2014-046	Department of Social and Health Services	G-65	E-280
2014-047	Department of Social and Health Services	G-66	E-287
2014-048	Department of Social and Health Services	G-67	E-293
2014-049	Department of Social and Health Services	G-68	E-304
2014-050	Department of Social and Health Services	G-70	E-312
2014-051	Department of Social and Health Services	G-72	E-323
2014-052	Department of Health	G-73	E-328
2014-053	Department of Social and Health Services	G-74	E-332
2014-054	Department of Social and Health Services	G-75	E-337
2014-055	Military Department	G-76	E-342

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Agriculture

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	001	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Agriculture does not have adequate internal controls to ensure compliance with federal suspension and debarment requirements for the Food Distribution cluster.</p> <table border="0"> <tr> <td data-bbox="609 682 755 709"><u>CFDA#</u></td> <td data-bbox="1047 682 1144 709"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 709 755 737">10.565</td> <td data-bbox="1047 709 1144 737">\$0</td> </tr> <tr> <td data-bbox="609 737 755 764">10.568</td> <td></td> </tr> <tr> <td data-bbox="609 764 755 791">10.569</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>Effective with the new biennial contract period (July 1, 2015 – June 30, 2017) the federal suspension and debarment language will be added to each contract. In addition, program staff will check the federal Excluded Parties List system prior to the contract execution date. The contractor verification documentation will be maintained in each contract file.</p> <p>Staff will require each contractor to include suspension and debarment language in all lower tier agreements.</p> <p>All Food Assistance program staff will receive training and written instructions on federal suspension and debarment requirements by June 30, 2015.</p> <p>Estimated June 2015</p> <p>Mark Johnson Department of Agriculture P.O. Box 42560 Olympia, WA 98504-2560 (360) 902-1986 mjohnson@agr.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	10.565	\$0	10.568		10.569	
<u>CFDA#</u>	<u>Amount</u>										
10.565	\$0										
10.568											
10.569											

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Agriculture

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	002	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Agriculture does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Food Distribution Cluster are filed correctly.</p> <table border="0"> <tr> <td data-bbox="602 680 699 709"><u>CFDA#</u></td> <td data-bbox="1052 680 1141 709"><u>Amount</u></td> </tr> <tr> <td data-bbox="602 709 699 739">10.565</td> <td data-bbox="1052 709 1141 739">\$0</td> </tr> <tr> <td data-bbox="602 739 699 768">10.568</td> <td></td> </tr> <tr> <td data-bbox="602 768 699 798">10.569</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>By March 16, 2015, all Federal Funding Accountability and Transparency Act (FFATA) reportable amounts will be entered into the federal reporting system by the Food Assistance program staff. The program will submit all future FFATA reportable amounts within the established FFATA timeframes.</p> <p>By June 30, 2015, the Department will develop written reporting procedures that include a secondary review prior to reports being submitted. Applicable Food Assistance program staff will be trained on the new procedures</p> <p>Estimated June 2015</p> <p>Mark Johnson Department of Agriculture P.O. Box 42560 Olympia, WA 98504-2560 (360) 902-1986 mjohnson@agr.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	10.565	\$0	10.568		10.569	
<u>CFDA#</u>	<u>Amount</u>										
10.565	\$0										
10.568											
10.569											

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Recreation and Conservation Funding Board

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	003	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Recreation and Conservation Office does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Pacific Coast Salmon Recovery Program are filed accurately.</p> <table border="0"> <tr> <td data-bbox="609 709 698 741"><u>CFDA#</u></td> <td data-bbox="1052 709 1141 741"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 741 698 772">11.438</td> <td data-bbox="1052 741 1141 772">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>As of January 2015, the Office ceased including amounts passed through to other Washington state agencies in Accountability Act reports. Additionally, the policies and procedures have been updated to ensure Accountability Act reports are submitted accurately.</p> <p>Furthermore, the Office now contacts the Washington state agencies receiving grant funds from the Office to identify amounts passed through to subrecipients. If any amounts are passed through by any Washington state agencies to non-state agency subrecipients, the Office will include those subawards on the Accountability Act reports. This new process will impact reported awards as of January 2015.</p> <p>The condition noted in this finding was previously reported in finding 12-06. The original reported condition of not completing the reports has been corrected.</p> <p>March 2015</p> <p>Mark Jarasitis Recreation and Conservation Funding Board PO Box 40917 Olympia, WA 98504-0917 (360) 902-3006 Mark.Jarasitis@rco.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	11.438	\$0
<u>CFDA#</u>	<u>Amount</u>						
11.438	\$0						

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Military Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	004	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Military Department did not maintain required documentation for payroll costs charged to the National Guard Program.</p> <table border="0" data-bbox="602 646 1474 716"> <tr> <td data-bbox="602 646 699 674"><u>CFDA#</u></td> <td data-bbox="1040 646 1474 674"><u>Amount</u></td> </tr> <tr> <td data-bbox="602 674 699 701">12.401</td> <td data-bbox="1040 674 1474 701">\$66,924</td> </tr> </table> <p>Corrective action complete</p> <p>The manager identified in the finding revised all timesheets previously submitted to reflect the actual time worked on the grant. The manager continues to prepare timesheets for each pay period per agency policy, which are reviewed by the supervisor. This process will continue as long as the manager works on the grant.</p> <p>The current policy is very clear on when employees are to submit timesheets and the supervisors' responsibility to ensure timesheets are accurate and submitted timely. The Payroll Administrator reviews payroll reports on a quarterly basis to ensure timesheets or certificates are being submitted.</p> <p>The Department contacted the United States Property and Finance Office to determine if the state will be required to repay the questioned costs. It was determined that the federal government received the benefits of the time charged by the manager and that repayment of funds would not be required.</p> <p>June 2014</p> <p>Rich Shimizu Military Department Building #1: Headquarters Mailstop: TA-20 Tacoma, WA 98430-5032 (253) 512-7596 rich.shimizu@mil.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	12.401	\$66,924
<u>CFDA#</u>	<u>Amount</u>						
12.401	\$66,924						

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Commerce

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	005	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Commerce does not have adequate internal controls to ensure HOME Investment Partnership program income is used before requesting federal cash draws.</p> <table border="0" data-bbox="609 682 1136 745"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">14.239</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department concurs with the finding. The current process has been evaluated and new procedures identified. The new process will be accomplished by having the Department's Accounting Office:</p> <ul style="list-style-type: none"> • Develop and maintain a register showing the deposits made to the HOME program income account. • Identify the balance in the HOME program income account at a minimum of twice a month which will coincide with performing the federal draws. • Draw program income prior to drawing federal funds. • Require the approval of the federal draw and the HOME program income payment by the supervisor who oversees banking authorizations. • Require approval of the HOME program income account bank reconciliation by the accounting manager. • Update the desk manual for HOME program income and federal draws to include the process identified above. <p>The Department has determined the interest earned on this account for fiscal year 2014 was \$101 and will work with the Federal granting agency with regard to its disposition.</p> <p>The conditions noted in this finding were previously reported in finding 2013-004 and 12-08.</p> <p>Estimated April 2015</p>	<u>CFDA#</u>	<u>Amount</u>	14.239	\$0
<u>CFDA#</u>	<u>Amount</u>						
14.239	\$0						

**State of Washington
Corrective Action Plan**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014***

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Commerce

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	005 (Cont'd)	Agency Contact: Shanna-Mae Cullen-Oden Department of Commerce PO Box 42525 Olympia, WA 98504-2525 (360) 725-4030 Shanna-Mae.Cullen-Oden@commerce.wa.gov

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Commerce

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2014	006	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Commerce does not have adequate internal controls to ensure subrecipients spending \$500,000 or more in total federal dollars obtain audits as required.</p> <table border="0"> <tr> <td><u>CFDA#</u></td> <td><u>Amount</u></td> </tr> <tr> <td>14.239</td> <td>\$0</td> </tr> <tr> <td>16.575</td> <td></td> </tr> <tr> <td>66.468</td> <td></td> </tr> <tr> <td>93.568</td> <td></td> </tr> <tr> <td>93.569</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department concurs with the finding. The fiscal year 2014 audit recommends the Department ensure that its existing audit policy and procedures are clearly communicated, understood, and followed by staff. The Department is currently drafting new policies and procedures to articulate roles and responsibilities for the processes. After new policies and procedures are finalized, the Department will communicate to all levels of the agency.</p> <p>During fiscal year 2014, the Department began a process of identifying and contacting subrecipients that received less than \$500,000 from the Department and may have received federal funding from other sources. At the time of this audit, the process was not fully implemented. The Department will continue to enhance and implement a process to help ensure the Department identifies and obtains the required audit reports. Specifically, the Internal Auditor will work with program areas to identify a proactive approach to identify subrecipients that received less than \$500,000 from the Department and may have received federal funding from other sources. Once identified, the Internal Auditor and program areas will follow-up with subrecipients to ensure they submit their required audits to the Department. Audits will be filed using the Department's Contract Management System.</p> <p>The conditions noted in this finding were previously reported in finding 2013-003, 12-09 and 11-10.</p> <p>Estimated April 2015</p>	<u>CFDA#</u>	<u>Amount</u>	14.239	\$0	16.575		66.468		93.568		93.569	
<u>CFDA#</u>	<u>Amount</u>														
14.239	\$0														
16.575															
66.468															
93.568															
93.569															

**State of Washington
Corrective Action Plan**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014***

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Commerce

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	006 (Cont'd)	Agency Contact: Shanna-Mae Cullen-Oden Department of Commerce PO Box 42525 Olympia, WA 98504-2525 (360) 725-4030 Shanna-Mae.Cullen-Oden@commerce.wa.gov

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Commerce

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	007	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Commerce does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Crime Victim Assistance Program are filed accurately.</p> <table border="0"> <tr> <td data-bbox="602 680 699 709"><u>CFDA#</u></td> <td data-bbox="1052 680 1143 709"><u>Amount</u></td> </tr> <tr> <td data-bbox="602 709 699 739">16.575</td> <td data-bbox="1052 709 1143 739">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department concurs with the finding. The Department is drafting new policies and procedures to ensure all Federal Funding Accountability and Transparency Act reports are submitted properly and timely.</p> <p>The program has established a new process to include a secondary review. Administrative support staff enters the information into the Federal Funding Accountability and Transparency Subaward Reporting System and the program manager reviews and submits the report. In addition, the ability to enter the information in a timely manner is dependent on the grant being entered into the system by the federal grantor. When the program is unable to enter the information before the deadline, the program will document the inability to enter it with screen shots of the system and email correspondence with the federal program manager.</p> <p>The Department will also ensure that subawards made by other Washington state agencies are reported.</p> <p>Estimated May 2015</p> <p>Shanna-Mae Cullen-Oden Department of Commerce PO Box 42525 Olympia, WA 98504-2525 (360) 725-4030 Shanna-Mae.Cullen-Oden@commerce.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	16.575	\$0
<u>CFDA#</u>	<u>Amount</u>						
16.575	\$0						

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Employment Security Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	008	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Employment Security Department does not have adequate internal controls to ensure transportation reimbursement payments to Trade Adjustment Assistance program participants are allowable and accurate.</p> <table border="0"> <tr> <td data-bbox="602 674 699 705"><u>CFDA#</u></td> <td data-bbox="1052 674 1138 705"><u>Amount</u></td> </tr> <tr> <td data-bbox="602 705 699 737">17.245</td> <td data-bbox="1052 705 1138 737">\$1,544</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department has made and continues to make the necessary improvements to ensure that the Trade Adjustment Assistance (TAA) program complies with federal program requirements, and that transportation payments to participants are accurate and allowable.</p> <p>As of February 2015, the Department:</p> <ul style="list-style-type: none"> • Implemented segregation of duties over the transportation payment process. Specifically, one individual enters the payment information and another individual reviews prior to providing it to the vendor payment unit. • Scans and maintains all payment supporting documentation in accordance with federal and state record retention guidelines. <p>By April 2015, the Department will:</p> <ul style="list-style-type: none"> • Establish written policies and procedures to address TAA program requirements, and state and federal laws and regulations related to retention requirements. • Create new internal control procedures that will be reviewed and monitored by management on an ongoing basis. • Contact the federal awarding agency, U.S. Department of Labor, to determine if the questioned costs need to be repaid. <p>Estimated April 2015</p> <p>Laura Scheel Employment Security Department PO Box 46000 Olympia, WA 98504-6000 (360) 902-9276 lscheel@esd.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	17.245	\$1,544
<u>CFDA#</u>	<u>Amount</u>						
17.245	\$1,544						

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Employment Security Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	009	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Employment Security Department does not have adequate internal controls to ensure only eligible participants of the Trade Adjustment Assistance program receive services and benefits.</p> <table border="0"> <tr> <td data-bbox="609 682 755 709"><u>CFDA#</u></td> <td data-bbox="1047 682 1144 709"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 709 755 737">17.245</td> <td data-bbox="1047 709 1144 737">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department has made and continues to make the necessary improvements to ensure that the Trade Adjustment Assistance (TAA) program complies with federal program requirements, and that only eligible recipients receive services and benefits.</p> <p>As of February 2015, the Department:</p> <ul style="list-style-type: none"> • Implemented separation of duties over eligibility. Specifically, one employee determines the eligibility for benefits using the General Unemployment Insurance Design Effort system and a second employee enters the information into the participant management system. • Increased managerial oversight, including a secondary review of information entered into the system, to ensure program compliance. <p>By April 2015, the Department will:</p> <ul style="list-style-type: none"> • Develop new policies and procedures to include the TAA program eligibility requirements to ensure only eligible participants receive services and benefits. • Create new internal control procedures that will be reviewed and monitored by management on an ongoing basis. <p>Estimated April 2015</p> <p>Laura Scheel Employment Security Department PO Box 46000 Olympia, WA 98504-6000 (360) 902-9276 lscheel@esd.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	17.245	\$0
<u>CFDA#</u>	<u>Amount</u>						
17.245	\$0						

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Transportation

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2014	010	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Transportation does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Highway Planning and Construction grant program are filed accurately.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>20.205</td> <td>\$0</td> </tr> <tr> <td>20.205A</td> <td></td> </tr> <tr> <td>20.219</td> <td></td> </tr> <tr> <td>23.003</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>As indicated in the finding, the Department reported 455 Federal-aid contracts which should not have been reported under the Federal Funding Accountability and Transparency Act (FFATA). Since being informed of this situation, the Department has discontinued reporting these Federal-aid contracts not sub-awarded to other local governments or entities. In addition, the Department's office responsible for tracking these Federal-aid contracts will confer with the grantor and document the decisions should questions on proper FFATA reporting arise. Given the lack of clarity in FFATA reporting requirements when they first took effect, the Department chose to report all Federal-aid contracts presuming reporting would serve the taxpayers better than having not reported these contracts.</p> <p>Given the method that Federal-aid sub-award contracts must be entered into the Federal Sub-Award Reporting System (FSRS), a secondary review is not practical; however, the Department has put a compensating control in place to ensure the accuracy of FFATA reports.</p> <p>December 2014</p> <p>Jesse Daniels Department of Transportation PO Box 47320 Olympia, WA 98504-7320 (360) 705-7035 jesse.daniels@wsdot.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	20.205	\$0	20.205A		20.219		23.003	
<u>CFDA#</u>	<u>Amount</u>												
20.205	\$0												
20.205A													
20.219													
23.003													

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	011	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Drinking Water State Revolving Fund are filed correctly.</p> <table border="0"> <tr> <td><u>CFDA#</u></td> <td><u>Amount</u></td> </tr> <tr> <td>66.468</td> <td>\$0</td> </tr> <tr> <td>66.483</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>In January 2015, the Department amended the Federal Funding Accountability and Transparency Act (FFATA) reporting for grant award #FS99083913, adding \$1,213,090 in sub-awards.</p> <p>Additionally, the Department revised its written FFATA reporting procedures for the Drinking Water State Revolving Fund grants. These revised procedures include a secondary review conducted by the Finance Director after receiving the information from the Department of Commerce.</p> <p>Once the secondary review is complete, the reports are forwarded to the Central Administration Grants Unit for input into the Federal FFATA reporting system.</p> <p>The FFATA input is reviewed and approved by a Grants Unit Supervisor prior to submittal to the Federal FFATA reporting system.</p> <p>January 2015</p> <p>Lynda Karseboom Department of Health PO Box 47890 Olympia, WA 98504-7890 (360) 236-4536 lynda.karseboom@doh.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	66.468	\$0	66.483	
<u>CFDA#</u>	<u>Amount</u>								
66.468	\$0								
66.483									

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Workforce Training and Education Coordination Board

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2014	012	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Workforce Training and Education Coordinating Board did not have adequate internal controls to ensure it meets federal level of effort requirements for the Career and Technical Education Grant.</p> <p><u>CFDA#</u> 84.048</p> <p><u>Amount</u> \$0</p> <p>Corrective action in progress</p> <p>The Board in coordination with the State Board for Community and Technical Colleges (SBCTC) and the Office of the Superintendent for Public Instruction (OSPI) will establish an attainable administrative level of effort tracking process that leaves ample time for corrective action if needed. The expected review will be no less than twice a year. Written policies and procedures documenting this process will be developed in consultation with SBCTC and OSPI.</p> <p>Estimated June 2015</p> <p>Glena Red Elk Workforce Training & Education Coordinating Board PO Box 43105 Olympia, WA 98504-3105 (360) 709-4620 glena.redelk@wtb.wa.gov</p>

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Workforce Training and Education Coordination Board

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	013	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Workforce Training and Education Coordinating Board does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act are filed.</p> <table border="0"> <tr> <td data-bbox="609 682 698 709"><u>CFDA#</u></td> <td data-bbox="1047 682 1144 709"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 709 698 737">84.048</td> <td data-bbox="1047 709 1144 737">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>As of December 2014, the Board began coordinating the collection of Federal Funding Accountability and Transparency Act (FFATA) reportable data with its secondary award recipient the Office of the Superintendent of Public Instruction (OSPI). OSPI agreed to report all awards passed through to non-state agency subrecipients greater than \$25,000 to the Board. The Board will enter the data for each subrecipient award into the FFATA Subaward Reporting System (FSRS) as required under the terms and conditions of the grant as soon as an award reaches the \$25,000 threshold. Each grant and contract received by the Board will be reviewed by the Chief Financial Officer and the assigned Program Manager, prior to acceptance. Written policies and procedures to ensure all terms and conditions of each award and contract are met are currently being developed and are expected to be completed and implemented by June 30, 2015.</p> <p>Estimated June 2015</p> <p>Glena Red Elk Workforce Training & Education Coordinating Board PO Box 43105 Olympia, WA 98504-3105 (360) 709-4620 glena.redelk@wtb.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	84.048	\$0
<u>CFDA#</u>	<u>Amount</u>						
84.048	\$0						

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	014	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Early Learning did not have adequate internal controls to ensure subrecipients that spend \$500,000 or more in federal dollars obtain required audits.</p> <table border="0"> <tr> <td data-bbox="609 680 698 709"><u>CFDA#</u></td> <td data-bbox="1052 680 1141 709"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 709 698 739">84.412</td> <td data-bbox="1052 709 1141 739">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department continues to strengthen the subrecipient monitoring policies and procedures for identifying grantees who may meet the threshold for A-133 audit requirements. To address the finding the Department is working on adding additional functionality in the Integrated Contact Information System to assist in tracking subrecipients of federal funds who require an A-133 audit. In addition, the Department will also contact grantees whose level of funding from the Department falls under the threshold requiring an audit, but may receive federal funds from other sources. The Department will establish a process for communicating audit report due dates to subrecipients. All communications will be tracked by program staff and the federal grants manager in the finance division.</p> <p>The Department will provide training to all grants program staff and finance staff on the policies and procedures for subrecipient A-133 audit compliance. Any new requirements will be properly communicated with applicable agency staff. The federal grants manager is responsible for the A-133 audit compliance and will provide quarterly reports to the internal control officer updating the status of A-133 audit compliance and tracking, staff training, and any policy and procedure changes.</p> <p>Estimated June 2015</p> <p>Mike Steenhout Department of Early Learning PO Box 40970 Olympia, WA 98504-0970 (360) 725-4920 mike.steenhout@del.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	84.412	\$0
<u>CFDA#</u>	<u>Amount</u>						
84.412	\$0						

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	015	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Early Learning does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act are filed accurately for the Race to the Top-Early Learning Challenge and Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting programs.</p> <table border="0"> <tr> <td data-bbox="609 737 698 764"><u>CFDA#</u></td> <td data-bbox="1052 737 1141 764"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 764 698 791">84.412</td> <td data-bbox="1052 764 1141 791">\$0</td> </tr> <tr> <td data-bbox="609 791 698 819">93.505</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department continues to strengthen internal policies and procedures to ensure compliance with the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements. These policies and procedures include internal controls over proper reporting, accuracy of the data, and dual reviews of all reports before submission. Starting in January 2015, the Department updated the FFATA reporting process to include maintaining monthly Integrated Contact Information System reports of contracts and a PDF copy of the FFATA report filed for each grant.</p> <p>February 2015</p> <p>Mike Steenhout Department of Early Learning PO Box 40970 Olympia, WA 98504-0970 (360) 725-4920 mike.steenhout@del.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	84.412	\$0	93.505	
<u>CFDA#</u>	<u>Amount</u>								
84.412	\$0								
93.505									

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	016	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health does not have adequate internal controls to ensure it meets federal level of effort requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness Programs.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.069</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.889</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department concurs with the finding. The Department will establish and follow written policies and procedures for tracking, documenting, and reporting the level of effort.</p> <p>The Department will also consult with its federal grantor to determine the best method for how and when to provide notification in the event that the required level of effort will not be met.</p> <p>Once the Department has received guidance on this matter, it will also be included in the policies and procedures.</p> <p>The conditions noted in this finding were previously reported in finding 2013-012, 12-21, and 11-20.</p> <p>Estimated June 2015</p> <p>Lynda Karseboom Department of Health PO Box 47890 Olympia, WA 98504-7890 (360) 236-4536 lynda.karseboom@doh.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.069	\$0	93.889	
<u>CFDA#</u>	<u>Amount</u>								
93.069	\$0								
93.889									

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	017	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Health does not have adequate 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.</p> <table border="0"> <tr> <td data-bbox="607 716 699 743"><u>CFDA#</u></td> <td data-bbox="1052 716 1144 743"><u>Amount</u></td> </tr> <tr> <td data-bbox="607 743 699 770">93.069</td> <td data-bbox="1052 743 1105 770">\$0</td> </tr> <tr> <td data-bbox="607 770 699 798">93.889</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department began making improvements to FFATA reporting when this condition was identified in fiscal year 2013 Single Audit.</p> <p>Four subawards were not reported by the Department because the federal award did not appear in the Federal Funding Accountability and Transparency Act (FFATA) Subgrant Reporting System (FSRS). The federal awards have now been added to the FSRS by the federal awarding agency and the FFATA information submitted in FSRS.</p> <p>The one subaward over reported by \$591,000, was due to a data input error. An extra digit was inadvertently added to the subaward amount. This error was not identified prior to the report being submitted in FSRS.</p> <p>It is currently the practice of the Department for the Grants Unit Supervisor to review and approve FFATA data prior to submission in FSRS.</p> <p>The Department will continue making improvements by updating its written procedures for submitting FFATA reports by adding additional detail. The procedures will include the review and approval of FFATA data by the Grants Unit Supervisor prior to being submitted in FSRS and the necessary steps for ensuring all FFATA data is submitted in a timely manner.</p> <p>The conditions noted in this finding were previously reported in finding 2013-013.</p> <p>Estimated June 2015</p>	<u>CFDA#</u>	<u>Amount</u>	93.069	\$0	93.889	
<u>CFDA#</u>	<u>Amount</u>								
93.069	\$0								
93.889									

**State of Washington
Corrective Action Plan**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014***

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	017 (Cont'd)	Agency Contact: Lynda Karseboom Department of Health PO Box 47890 Olympia, WA 98504-7890 (360) 236-4536 lynda.karseboom@doh.wa.gov

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	018	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Substance Abuse and Mental Health Services Projects of Regional Significance programs are filed accurately.</p> <table border="0"> <tr> <td data-bbox="609 716 698 743"><u>CFDA#</u></td> <td data-bbox="1052 716 1141 743"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 743 698 770">93.243</td> <td data-bbox="1052 743 1141 770">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>By June 2015, the Department’s Budget and Finance Director for the Behavioral Health and Service Integration Administration will:</p> <ul style="list-style-type: none"> • Develop policies and procedures incorporating strong internal controls to collect information on each subaward or amendment of \$25,000 or more in federal funds and report in the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System. • Develop and maintain a tracking methodology and validation procedure to ensure reports are submitted timely and properly completed in accordance with FFATA requirements. <p>Estimated June 2015</p> <p>Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.243	\$0
<u>CFDA#</u>	<u>Amount</u>						
93.243	\$0						

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	019	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services does not have adequate internal controls in place to ensure subrecipients of the Block Grants for Prevention and Treatment of Substance Abuse and Substance Abuse and Mental Health Services Projects of Regional Significance programs receive required audits.</p> <table border="0"> <tr> <td data-bbox="609 716 698 743"><u>CFDA#</u></td> <td data-bbox="1052 716 1141 743"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 743 698 770">93.243</td> <td data-bbox="1052 743 1141 770">\$0</td> </tr> <tr> <td data-bbox="609 770 698 798">93.959</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>By June 2015, the Department will:</p> <ul style="list-style-type: none"> • Designate the appropriate staff to be responsible for the development and enforcement of a tracking system for subrecipient required audits and review of internal controls including findings if any. • Conduct follow-up telephone interviews or on-site visits with subrecipient contractors as appropriate when findings are reported to ensure corrective action plans are followed. Follow-up is documented in the subrecipient tracking system • Coordinate with the Department’s Office of Indian Policy to make sure the 25 tribal subrecipients comply with audit requirements and properly report the federal funds they received from the Department of Social and Health Services. <p>Estimated June 2015</p> <p>Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.243	\$0	93.959	
<u>CFDA#</u>	<u>Amount</u>								
93.243	\$0								
93.959									

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	020	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services did not have adequate internal controls over, and was not compliant with, it's required collection of Data Universal Numbering System (DUNS) numbers from subrecipients under the Block Grants for Prevention and Treatment of Substance Abuse and Mental Health Services Projects of Regional Significance programs.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.243</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.959</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>By April 2015, the Department will:</p> <ul style="list-style-type: none"> • Develop policy, procedures and internal controls to obtain Data Universal Numbering System (DUNS) numbers from subrecipients prior to making subawards in accordance with 2 CFR, Appendix A to Part 25. • Until a permanent change to the Department's contractor database is made, DUNS numbers will be recorded in the special terms and conditions of all applicable contracts. • Develop the appropriate training and checklists to ensure all employees responsible for collecting and documenting DUNS numbers are aware of and comply with the 2 CFR, Appendix A to Part 25 requirements. • Develop and maintain policies and procedures to monitor the collection of DUNS numbers and conduct random checks to ensure compliance. <p>Estimated April 2015</p> <p>Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.243	\$0	93.959	
<u>CFDA#</u>	<u>Amount</u>								
93.243	\$0								
93.959									

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	021	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Social and Health Services does not have adequate internal controls to ensure only eligible refugees receive Refugee Cash Assistance.</p> <table border="0" data-bbox="602 646 1474 716"> <tr> <td data-bbox="602 646 699 674"><u>CFDA#</u></td> <td data-bbox="1052 646 1143 674"><u>Amount</u></td> </tr> <tr> <td data-bbox="602 674 699 701">93.566</td> <td data-bbox="1052 674 1143 701">\$15,290</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department concurs with this finding. The Department has taken or will take the following actions.</p> <p>In January 2015, an automated system was implemented to track employment referrals, and work and training activities for clients applying for Refugee Cash Assistance (RCA).</p> <p>By March 2015, the following will take place:</p> <ul style="list-style-type: none"> • All staff who determine client eligibility for the RCA will be required to take annual refresher training. The training is meant to reinforce internal controls for proper enrollment in RCA. • Monthly, staff will receive a report listing new clients receiving RCA funds. Staff will be required to review the list to ensure eligibility was accurately determined for clients receiving assistance. Staff will be expected to take appropriate action if an error is discovered. • Staff who determine client eligibility will be trained on the new employment referral, and work and training activity tracking system. <p>By April 2015, the Department will begin generating a monthly report to track the enrollment and participation of RCA clients. The assigned Program Manager will work with their supervisor to ensure clients are registered for employment or training programs. If clients are not enrolled in required programs, action will be taken to correct the situation.</p> <p>By June 2015, the Department will review 100 percent of clients who received RCA during the audit period to identify any additional cases with children who are under the age of 18 years and would otherwise be eligible to receive Temporary Assistance for Needy Families benefits. All cases found in error will be corrected.</p> <p>If the Department of Health and Human Services contacts the Department regarding questioned costs that should be repaid, the Department will confirm these costs and will take appropriate action.</p>	<u>CFDA#</u>	<u>Amount</u>	93.566	\$15,290
<u>CFDA#</u>	<u>Amount</u>						
93.566	\$15,290						

**State of Washington
Corrective Action Plan**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014***

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	021 (Cont'd)	Completion Date: Estimated June 2015 Agency Contact: Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	022	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services improperly charged grant expenditures prior to the start of the grant's period of availability.</p> <table border="0"> <tr> <td data-bbox="602 653 699 684"><u>CFDA#</u></td> <td data-bbox="1052 653 1143 684"><u>Amount</u></td> </tr> <tr> <td data-bbox="602 684 699 716">93.556</td> <td data-bbox="1052 684 1143 716">\$54,377</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department does not concur with this finding. The Department will work with the federal granting agency to obtain clarification on the issues identified in the finding.</p> <p>Estimated July 2015</p> <p>Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.556	\$54,377
<u>CFDA#</u>	<u>Amount</u>						
93.556	\$54,377						

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	023	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Early Learning does not have adequate internal controls over payments to child care providers for the Child Care and Development Fund program.</p> <table border="0" data-bbox="609 682 1474 766"> <tr> <td><u>CFDA#</u></td> <td><u>Amount</u></td> </tr> <tr> <td>93.575</td> <td>\$0</td> </tr> <tr> <td>93.596</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department of Early Learning (the Department) and the Department of Social and Health Services (DSHS) continue to make consistent progress in actively auditing and recovering overpayments.</p> <p>In January 2012, the Working Connection Child Care (WCCC) subsidy audit team was created within the Department to meet federal internal control requirements of the WCCC subsidy program. The team started with four Quality Assurance (QA) specialists and one lead worker. In December 2013, the team hired three new QA specialists. From February 2014 through May 2014, the Department had two QA specialists dedicated to the Federal Improper Payment Audit.</p> <p>Prior to the start of this audit, the DSHS Office of Financial Recovery (OFR), the DSHS Office of Fraud and Accountability (OFA), and the Department agreed to implement improved overpayment processes which focus on using an existing but underutilized vendor overpayment system. As of December 2014, the Department has completed all planned audits for audit months earlier than January 2014. Audit months January-September 2014 were completed by February 2015. Beginning in February 2015, the Department will select cases for audit based on a risk factor of cases older than 120 days where a provider has back billed.</p> <p>Starting in July 2014, the Department collaborated with DSHS on an interagency and interdivision Lean Six Sigma process improvement effort to address the high rate of overpayments the Department is currently experiencing. The effort includes mapping multiple related work processes to identify variables that may contribute to overpayments and identifying improvements that can be made to these processes that could help lower the rate of overpayments. As of December 2014, the Department is 80 percent finished with creating Lean process maps for all subsidy audit work processes and identifying areas for improvement.</p> <p>In 2012, the Washington State Legislature required the Department in</p>	<u>CFDA#</u>	<u>Amount</u>	93.575	\$0	93.596	
<u>CFDA#</u>	<u>Amount</u>								
93.575	\$0								
93.596									

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	023 (Cont'd)	<p>coordination with DSHS to contract with an independent consultant to evaluate and recommend the optimum system for the eligibility determination process. The evaluation was required to include an analysis of lean management processes that, if adopted, could improve the cost effectiveness and delivery of eligibility determination.</p> <p>The Department contracted with the Aclara Group to provide an evaluation of the Child Care Subsidy Programs (CCSP) and develop recommendations for business process improvements. Aclara’s final report was completed on October 31, 2012. The report identified 29 recommendations for improvement that span policy, business processes, and information technology supports. The Department is taking a structured project approach to address the report recommendations. The proposed project structure fosters a close partnership between the Department and DSHS to streamline and simplify CCSP policies and processes. The Department and DSHS formed 14 interagency workgroups to analyze these recommendations and implement those that would improve the program. As of December 2014, several recommendations have been implemented.</p> <p>In November 2014, the Department and DSHS formed a WCCC reframe workgroup designed to address the recent reauthorization of the Child Care Development Fund grant. Part of the scope of this work is to conduct a comprehensive analysis of billing and other child care provider requirements that have the potential to cause confusion or otherwise increase the risk of improper billing. The workgroup is slated to complete its work by the spring of 2015.</p> <p>In February 2015, the Department and DSHS formed a Child Care Audit Committee designed to address internal and external audit issues, and improve internal controls over client eligibility and direct payments to child care providers.</p> <p>In the most recent required Child Care Development Fund Program State Improper Payment Report submitted in July 2014, the Department reported that of 276 cases sampled, nine cases (3.3 percent of the total) had an improper payment error (overpayment or underpayment). The national improper payment error rate for this same time period was 5.7 percent, so the Department is well below this national average. The federal government requires a corrective action plan for state’s exceeding 10 percent.</p> <p>The Department continues to take steps to improve the integrity of payments in the program and will be implementing a new process of selecting records for review based upon payment date rather than service date. This will allow the</p>

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	023 (Cont'd)	<p>Department to review records within four months of payment and include all providers in the sample population. The Department will continue to audit records up to twelve months old in cases where providers back bill for a prior period. If the Department reviewed only very recent records as requested by the auditor, the population of records to review would be incomplete and providers could submit invoices for time periods that wouldn't be subject to audit, which would create a significant risk factor that could increase fraud. Also, the statute of limitations is three years for establishing an overpayment and the Department's reviews have historically been made within this timeframe.</p> <p>The condition noted in this finding was previously reported in finding 2013-016, 12-28, 11-23, 10-31, 09-12 and 08-13.</p> <p>Completion Date: Estimated December 2015</p> <p>Agency Contact: Mike Steenhout Department of Early Learning PO Box 40970 Olympia, WA 98504-0970 (360) 725-4920 mike.steenhout@del.wa.gov</p>

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	024	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Early Learning does not have adequate controls to ensure it draws Child Care and Development Fund program federal funds in accordance with the Cash Management Improvement Act.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.575</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.596</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department concurs with this finding. To address the weaknesses noted in the finding, the Department is taking the following steps to ensure draws of federal funds are in accordance with the Cash Management Improvement Act:</p> <ul style="list-style-type: none"> • Actively documenting cash draw reporting procedures for grants. • Creating a shared calendar for the finance staff noting all draw due dates. • Providing cross training to other finance staff. • Establishing internal policies and procedures. <p>These policies and procedures will include internal controls over draws including accuracy of data, and dual reviews before submission to the comptroller for approval.</p> <p>Estimated April 2015</p> <p>Mike Steenhout Department of Early Learning PO Box 40970 Olympia, WA 98504-0970 (360) 725-4920 mike.steenhout@del.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.575	\$0	93.596	
<u>CFDA#</u>	<u>Amount</u>								
93.575	\$0								
93.596									

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	025	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>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 and Development Fund program are filed accurately.</p> <table border="0"> <tr> <td data-bbox="609 709 698 741"><u>CFDA#</u></td> <td data-bbox="1052 709 1141 741"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 741 698 772">93.575</td> <td data-bbox="1052 741 1141 772">\$0</td> </tr> <tr> <td data-bbox="609 772 698 804">93.596</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The findings of this audit concluded that additional guidelines provided in OMB Circular A-133 indicate that transfers of federal awards to another component of the same awardee do not constitute a subrecipient or vendor relationship. Since this condition was raised by the auditor, the Department is no longer reporting the Department of Social and Health Services (DSHS) as a subrecipient.</p> <p>The Department continues to strengthen internal policies and procedures to ensure compliance with the Federal Funding Accountability and Transparency Act reporting requirements. These policies and procedures include internal controls over proper reporting, accuracy of the data, and dual reviews of all reports before submission.</p> <p>The condition noted in this finding was previously reported in finding 2013-015.</p> <p>December 2014</p> <p>Mike Steenhout Department of Early Learning PO Box 40970 Olympia, WA 98504-0970 (360) 725-4920 mike.steenhout@del.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.575	\$0	93.596	
<u>CFDA#</u>	<u>Amount</u>								
93.575	\$0								
93.596									

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	026	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Social and Health Services does not have adequate internal controls over client eligibility for the Child Care Development Fund.</p> <table border="0" data-bbox="602 646 1474 741"> <tr> <td data-bbox="602 646 699 678"><u>CFDA#</u></td> <td data-bbox="1052 646 1141 678"><u>Amount</u></td> </tr> <tr> <td data-bbox="602 678 699 709">93.575</td> <td data-bbox="1052 678 1141 709">\$0</td> </tr> <tr> <td data-bbox="602 709 699 741">93.596</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department of Social and Health Services (the Department) and the Department of Early Learning (DEL) have taken and completed the following actions:</p> <p>The Department implemented the following monitoring protocols to establish an appropriate separation of duties between staff who determine eligibility and staff who authorize payments, specifically:</p> <ul data-bbox="656 1045 1474 1381" style="list-style-type: none"> • Regional staff review an integrity report quarterly, which identifies cases where the same staff member has authorized four or more payments in a 15 month period without authorization activity from other staff. To date, the report has not identified any cases resulting in a finding of improper authorization activities. • A separation of duties protocol has been instituted that does not allow a staff member who activates a license-exempt provider to make any payment authorizations for that provider. In this situation another staff member must authorize the payment to the license-exempt provider. This electronic process reduces the potential for fraudulent payment authorizations. <p>DEL is working to build an electronic child care subsidy system for Working Connections Child Care and Seasonal Child Care subsidy attendance and billing that will interface with the eligibility system. This system will be called the Attendance, Billing and Child Care Subsidy System (ABCS). ABCS has two major components: the authorization interface (AI) and the attendance and payment (AP) function.</p> <p>The purpose of ABCS is to reduce errors in subsidy payments through a single cohesive subsidy system. Most child care providers currently keep attendance records on paper and dial in their invoice via phone. State child care eligibility workers use multiple systems to determine eligibility and make payments. The current way of doing business offers many chances for errors and overpayments.</p> <p>The AI component is currently under development and is expected to be</p>	<u>CFDA#</u>	<u>Amount</u>	93.575	\$0	93.596	
<u>CFDA#</u>	<u>Amount</u>								
93.575	\$0								
93.596									

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	026 (cont'd)	<p>completed in December 2015, then connected to the AP component by July 2016.</p> <p>The Department and DEL will implement the following child care program reform initiatives*:</p> <ul style="list-style-type: none"> • By March 2015, the Department will simplify and streamline child care verification requirements at the time of application, through certification period, and at recertification. The Department will update the Child Care Subsidy Program Handbook and will notify Community Services Division staff regarding the changes. • By June 2015, the Working Connections Automated Program screens, which is part of the eligibility system, will be updated so they are more user friendly and provide more accuracy in the eligibility determination process. <p><i>*These child care program reform initiatives are part of the Aclara Reform Project. The Aclara Reform Project is co-sponsored by the Department and DEL in response to an external child care program review requested by the Legislature and performed by the Aclara Group.</i></p> <p>The Department is continuing to perform the following child care authorization audits:</p> <ul style="list-style-type: none"> • 1.6 percent of open authorizations are audited monthly. • 100 percent of exceptional payment authorizations are audited to ensure they are reviewed and approved by a supervisor before payments are made. An example of an exceptional payment is when a child requires, and is authorized for, more than 230 hours of care per month due to extenuating circumstances such as a parent with multiple approved activities (school and work, etc.). • 100 percent of preauthorization and post authorization work for all new child care workers are audited. • Data is provided monthly by the Health Care Authority which identifies error prone cases to audit for eligibility and areas where policy clarification, training, or systems support can increase accuracy. <p>DEL established a specialized child care audit team January 1, 2012. The audit team is tasked with reviewing time and attendance records and provider payments. DEL hired five additional auditors in January 2013, increasing the audit team to nine members. The audit team has increased the population of authorized payments reviewed for payment and billing accuracy.</p> <p>The conditions noted in this finding were previously reported in finding 2013-017, and 12-30.</p>

**State of Washington
Corrective Action Plan**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014***

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	026 (cont'd)	Completion Date: Estimated June 2015 Agency Contact: Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	027	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department does not have adequate internal controls over, and was not compliant with, foster care payment rate setting and application requirements for the Foster Care program.</p> <table border="0" data-bbox="602 682 1474 745"> <tr> <td data-bbox="602 682 698 745"><u>CFDA#</u></td> <td data-bbox="1047 682 1474 745"><u>Amount</u></td> </tr> <tr> <td data-bbox="602 709 698 745">93.658</td> <td data-bbox="1047 709 1474 745">\$0</td> </tr> </table> <p>The Department did not concur with this finding. No corrective action taken.</p> <p>The Department does not concur with this finding. The review of regular rate reviews and sufficiency required by the Office of Management and Budget (OMB) took place under guidance from the Administration for Children and Families (ACF) and is a new test as a part of the 2014 Statewide Single Audit. The Department's Children's Administration (CA) describes the approach to establish rates in its Title IV-E plan, which is approved every year by ACF. The mandate from ACF to review rates for sufficiency is very vague and no guidance regarding what constitutes is included. As a result, this audit represents the first time CA has received feedback that its approach is not compliant with federal regulations.</p> <p>CA's rate structure represents a child specific strategy that flexes with the needs of the child. Furthermore, the Department developed a process, adopted in the administrative code, for identifying the amount of time spent meeting the needs for care and supervision of each child. Combined, these steps work in tandem to create sufficient rates for each foster child. Therefore the required review of the rate is met every time the Department sets a rate for a child and provides additional ad hoc services.</p> <p>In addition, statewide processes and economic conditions hampered CA's ability to conduct system-wide reviews of the foster care maintenance rate. Specifically, the repeal of the Governor's Vendor Rate committee, deep economic recession, and the Foster Parent Association of Washington (FPAWS) lawsuit essentially eliminated what little discretion or authority CA had for the consideration of rates.</p> <p>CA has a potential resolution that may address the concern specifically identified by the audit related to a proposed negotiated settlement of the FPAWS case. Under the negotiated settlement, CA undertook an economic analysis of rates and negotiated new foster care rates and an accompanying methodology that gives structure to a potential process to update rates. However, again, due to lack of clarity of the federal requirement it is unclear whether this settlement would represent compliance from the federal</p>	<u>CFDA#</u>	<u>Amount</u>	93.658	\$0
<u>CFDA#</u>	<u>Amount</u>						
93.658	\$0						

**State of Washington
Corrective Action Plan**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014***

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	027 (cont'd)	<p>perspective. Nevertheless it does contain a potential mechanism for a "review" of foster care rates.</p> <p>Completion Date: N/A</p> <p>Agency Contact: Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov</p>

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	028	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Health did not ensure Medicaid hospital and home health agency surveys were performed in accordance with the frequency required by state and federal laws.</p> <table border="0"> <tr> <td data-bbox="609 682 698 714"><u>CFDA#</u></td> <td data-bbox="1047 682 1144 714"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 714 698 745">93.775</td> <td data-bbox="1047 714 1144 745">\$0</td> </tr> <tr> <td data-bbox="609 745 698 777">93.777</td> <td></td> </tr> <tr> <td data-bbox="609 777 698 808">93.778</td> <td></td> </tr> </table> <p>ARRA and non-ARRA</p> <p>Corrective action in progress</p> <p>The Department concurs with the finding. In an effort to meet federal requirements, the Department went through a hospital survey Lean process to help improve administrative processing and develop surveyor worksheets designed to create a more focused survey approach and concentrate on infection control, quality assurance, performance improvement and care continuity (transitions in care).</p> <p>Both the hospital and home health agency (HHA) programs implemented improved scheduling practices that assured each facility type adhered to their respective survey timelines.</p> <p>The workload for end stage renal dialysis (ESRD) was such that the Department determined the need to create a survey team specific for this facility type. Two nurse surveyors and a public health advisor were hired to focus on the ESRD work and remove the impact that this workload had on the hospital survey schedule. This allowed the hospital team to work exclusively with hospitals.</p> <p>The Department will also be hiring a manager to work specifically with the HHA surveyors to maintain current progress and push toward 100 percent compliance. Both the hospital and HHA survey managers will work with the accrediting organization to ensure continued coordination and ensure surveys are completed within prescribed timelines.</p> <p>All efforts described above are ongoing and have led to improvements in compliance over last fiscal year. The Facilities Survey and Inspection Executive Director will ensure all activities described above continue.</p> <p>The condition noted in this finding was previously reported in finding 2013-019, 12-33 and 11-25.</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$0	93.777		93.778	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$0										
93.777											
93.778											

**State of Washington
Corrective Action Plan**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014***

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	028 (Cont'd)	Completion Date: Estimated December 2017 Agency Contact: Lynda Karseboom Department of Health PO Box 47890 Olympia, WA 98504-7890 (360) 236-4536 lynda.karseboom@doh.wa.gov

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	029	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers.</p> <table border="0"> <tr> <td data-bbox="602 653 699 680"><u>CFDA#</u></td> <td data-bbox="1045 653 1143 680"><u>Amount</u></td> </tr> <tr> <td data-bbox="602 680 699 707">93.775</td> <td data-bbox="1045 680 1143 707">\$66,503</td> </tr> <tr> <td data-bbox="602 707 699 735">93.777</td> <td></td> </tr> <tr> <td data-bbox="602 735 938 762">93.778 ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>As of February 2014, the Authority has followed up on all 183 clients and has either closed their coverage or updated the case with the correct Social Security number.</p> <p>As of February 2014, staff follow the Authority’s verification process that aligns with Center for Medicare and Medicaid Services guidance and also ensures follow-up on missing or unmatched Social Security numbers.</p> <p>The Authority will ensure that the U.S. Department of Health and Human Services receives a copy of this finding as soon as it is published so that they may begin their process to recover questioned costs.</p> <p>March 2015</p> <p>Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$66,503	93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$66,503										
93.777											
93.778 ARRA and non-ARRA											

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	030	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority improperly claimed federal reimbursement for non-emergency services provided to nonqualified aliens and for payments made on behalf of deceased Medicaid clients.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$417,979</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778</td> <td></td> </tr> </table> <p>ARRA and non-ARRA</p> <p>Corrective action complete</p> <p>As of February 2015, the Authority reviewed all payments identified by the auditor as paid on behalf of deceased persons, and is proceeding with recoupment of those claims.</p> <p>The Authority will continue regular matches to the Department of Health death data and will continue to refine the processes to capture this information for timely recoveries.</p> <p>The Authority has reviewed and corrected the services improperly rendered for nonqualified aliens which were identified by the auditor. The Authority has refined processes to avoid these approvals, and implemented processes to review alien emergency medical claims timely to ensure all cases of inappropriate payment are corrected. These processes were completed February 2015.</p> <p>The Authority will ensure that the U.S. Department of Health and Human Services receives a copy of this finding as soon as it is published so that they may begin their process to recover questioned costs.</p> <p>March 2015</p> <p>Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$417,979	93.777		93.778	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$417,979										
93.777											
93.778											

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	031	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not seek reimbursement for all eligible Medicaid outpatient drug rebate claims.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$225,439</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778</td> <td></td> </tr> </table> <p>ARRA and non-ARRA</p> <p>Corrective action in progress</p> <p>Staff have identified the steps necessary to include Medicare crossover claims which are eligible for Medicaid drug rebate invoicing. The work is on schedule to begin testing in March 2015, with a target implementation date of May 2015.</p> <p>Currently, family planning providers' claims for certain family planning drugs are excluded from drug rebate due to past system limitations. The Authority is developing an action plan to reverse the exclusion and notify impacted providers. The first phase of the reconfiguration will be implemented by May 2015, with final completion by December 2015.</p> <p>The exception noted related to other eligible professional and outpatient claims that were excluded. These were corrected by changing the timing of certain vendor claim payment interfaces.</p> <p>The Authority will ensure that the U.S. Department of Health and Human Services receives a copy of this finding as soon as it is published so that they may begin their process to recover questioned costs.</p> <p>Estimated December 2015</p> <p>Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$225,439	93.777		93.778	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$225,439										
93.777											
93.778											

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	032	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority made improper Medicaid inpatient high outlier payments to hospitals.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$78,049</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778</td> <td></td> </tr> </table> <p>ARRA and non-ARRA</p> <p>Corrective action in progress</p> <p>The Authority has changed WAC 182-550-3700 (1)(b) and the payment system to align with the auditor’s calculation methodology. Changes were effective July 1, 2014.</p> <p>The Authority has initiated action to correct the four high outlier payments identified by the auditor that were paid with an incorrect Diagnosis-Related Group conversion factor. This correction is expected to be completed by May 1, 2015.</p> <p>The Authority has reallocated the inpatient program workload in order to allow additional capacity for monitoring system and rate changes. All changes are now reviewed by Authority staff for accuracy.</p> <p>The Authority will ensure that the U.S. Department of Health and Human Services receives a copy of this finding as soon as it is published so that they may begin their process to recover any questioned costs.</p> <p>The conditions noted in this finding were previously reported in finding 2013-023.</p> <p>Estimated May 2015</p> <p>Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$78,049	93.777		93.778	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$78,049										
93.777											
93.778											

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	033	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority made overpayments to providers for Medicaid dental services.</p> <table border="0"> <tr> <td style="text-align: left;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td style="text-align: right;">\$336,999</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.778 ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Authority has revised Washington Administrative Code (WAC) 182-535-1082 to clarify when fluoride treatments will be covered, and has also revised WAC 182-535-1080 to clarify when comprehensive and periodic oral evaluations are covered. These changes were effective May 1, 2014. The WACs are now consistent with the State Plan and the Medicaid Provider Guide.</p> <p>The Authority has updated the automated controls in the ProviderOne payment system to incorporate edits needed to ensure payments are made consistent with state rules and the Medicaid State Plan. These system edits will prevent payments when the allowable number of comprehensive or periodic oral evaluations has been exceeded.</p> <p>The Authority will ensure that the U.S. Department of Health and Human Services receives a copy of this finding as soon as it is published so that they may begin their process to recover questioned costs.</p> <p>The conditions noted in this finding were previously reported in finding 2013-027.</p> <p>February 2015</p> <p>Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$336,999	93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$336,999										
93.777											
93.778 ARRA and non-ARRA											

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	034	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>State law requiring Medicaid data exchanges with health insurers is not being followed.</p> <table border="0"> <tr> <td style="padding-right: 20px;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.778 ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>Since February 2011, the Authority has contracted with Health Management System Inc. (HMS) to provide supplemental identification of third party liability (TPL) insurers not previously identified. HMS leverages their expansive carrier network to match Medicaid data with third party coverage; their National Eligibility Database contains over one billion health insurance coverage records, including more than 5.4 million, or 89 percent, of Washington residents. The contract with HMS supplements the Authority’s data matching capabilities and further ensures compliance with applicable state law.</p> <p>The Authority implemented the Payer Initiate Eligibility/Benefit Transaction in July 2013, and is actively working with three major insurers in Washington to participate in electronic sharing of TPL data.</p> <p>The Authority will contact the Office of Insurance Commissioner and the Office of Financial Management to discuss options for enhancing direct insurer participation.</p> <p>The conditions noted in this finding were previously reported in finding 2013-020, 12-49, 11-38, 10-40, 09-19 and 08-25.</p> <p>Estimated December 2015</p> <p>Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$0	93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$0										
93.777											
93.778 ARRA and non-ARRA											

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	035	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not properly calculate a Medicaid Electronic Health Record incentive payment.</p> <table border="0"> <tr> <td><u>CFDA#</u></td> <td><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td>\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.778</td> <td>ARRA and non-ARRA</td> </tr> </table> <p>Corrective action complete</p> <p>Hospital payouts occur over a four year period. When this issue was identified by the auditors, the hospital identified in the finding had not yet received its final payment. The calculation was revised and the correct payment to the hospital was made in February 2015, when the final payment of the four year period was due.</p> <p>February 2015</p> <p>Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$0	93.777		93.778	ARRA and non-ARRA
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$0										
93.777											
93.778	ARRA and non-ARRA										

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	036	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority made improper payments to Medicaid Federally Qualified Health Center providers.</p> <table border="0"> <tr> <td><u>CFDA#</u></td> <td><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td>\$104,488</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.778</td> <td>ARRA and non-ARRA</td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority's Office of Medicaid Systems and Data is finalizing system updates that will help prevent overpayments. The system edits are complex but, once implemented, will eliminate paying fee-for-service claims in addition to encounter payments, and paying for ineligible encounter claims. The Authority anticipates that the system changes will take effect in June 2015.</p> <p>The third exception noted in the finding, paying for more than one encounter payment for the same client, was an isolated issue not related to a system-wide defect. That issue has also been corrected, and as of February 2015 the associated overpayment of \$4,188.07 has been collected.</p> <p>By June 2015, the Authority will initiate action through the Office of Payment Integrity to recoup the remaining payments made in error that were discovered in this audit.</p> <p>The Authority will ensure that the U.S. Department of Health and Human Services receives a copy of this finding as soon as it is published so that they may begin their process to recover questioned costs.</p> <p>The conditions noted in this finding were previously reported in finding 2013-026 and 12-45.</p> <p>Estimated June 2015</p> <p>Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$104,488	93.777		93.778	ARRA and non-ARRA
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$104,488										
93.777											
93.778	ARRA and non-ARRA										

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	037	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority improperly claimed Children’s Health Insurance Program federal funds for eligible Medicaid expenditures.</p> <table border="0"> <tr> <td data-bbox="609 646 698 678"><u>CFDA#</u></td> <td data-bbox="1047 646 1144 678"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 678 698 709">93.775</td> <td data-bbox="1047 678 1144 709">\$17,397</td> </tr> <tr> <td data-bbox="609 709 698 741">93.777</td> <td></td> </tr> <tr> <td data-bbox="609 741 933 772">93.778 ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>With the implementation of the Affordable Care Act (ACA) in October 2014, Children’s Health Insurance Program eligibility is now determined in accordance with ACA rules. Specifically, the Authority has a new eligibility service which corrected the issue identified in the finding by no longer rounding down income determinations.</p> <p>The Authority will ensure that the U.S. Department of Health and Human Services receives a copy of this finding as soon as it is published so that they may begin their process to recover the remaining \$10,969 in questioned costs.</p> <p>The Authority has returned the \$6,428 in overdrawn funds noted in the finding to the federal government.</p> <p>March 2014</p> <p>Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$17,397	93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$17,397										
93.777											
93.778 ARRA and non-ARRA											

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	038	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate controls in place to ensure all Medicaid critical access hospitals were paid accurately.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778</td> <td></td> </tr> </table> <p>ARRA and non-ARRA</p> <p>Corrective action complete</p> <p>In May 2014, the Authority hired an employee to work on final settlements. All 98 settlements identified in this audit were completed before December 31, 2014. In addition, 23 hospitals not identified in this audit had final settlements completed by December 31, 2014.</p> <p>The Authority also took the following actions to strengthen internal controls to ensure all Critical Access Hospitals' (CAH) costs are settled timely:</p> <ul style="list-style-type: none"> • CAH program staff now review the federal Hospital Cost Report Information System for finalized cost reports on a monthly basis and initiate the reports for final settlement. • The CAH settlement process was revamped to ensure efficient and accurate final settlements. <p>The conditions noted in this finding were previously reported in finding 2013-021.</p> <p>December 2014</p> <p>Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$0	93.777		93.778	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$0										
93.777											
93.778											

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	039	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority did not have adequate controls in place to investigate Medicaid services verification surveys returned in a foreign language.</p> <table border="0"> <tr> <td><u>CFDA#</u></td> <td><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td>\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.778</td> <td>ARRA and non-ARRA</td> </tr> </table> <p>Corrective action complete</p> <p>The Authority acknowledges the lack of oversight of following up on returned medical surveys written in a foreign language, and has now made arrangements to use professional translation services to follow up on negative survey responses written in a foreign language.</p> <p>The conditions noted in this finding were previously reported in finding 2013-031, 12-54 and 11-39.</p> <p>February 2015</p> <p>Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$0	93.777		93.778	ARRA and non-ARRA
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$0										
93.777											
93.778	ARRA and non-ARRA										

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	040	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Social and Health Services, Developmental Disabilities Administration, did not pay Medicaid supported living providers at authorized daily rates.</p> <table border="0"> <tr> <td style="padding-right: 20px;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td style="text-align: right;">\$147</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.778 ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department concurs with this finding. The Department has taken action or put processes in place to ensure supported living providers are paid at authorized rates.</p> <p>Beginning in July 2014, the Department strengthened its reconciliation process by adding more frequent reviews of provider payments by rate analysts.</p> <p>In January 2015, the Department converted to the ProviderOne payment system from the Social Service Payment System for processing payments to providers. This new process and payment system does not allow payment of two authorizations for the same client/provider location combination. The payment error that was made and discovered during this audit will not be possible with the new payment system.</p> <p>Overpayments are established for incorrect rate payments that are identified. Overpayments are referred to the Office of Financial Recovery. This was the case with the overpayment identified during the audit. Should the Department of Health and Human Services contact the Department about the overpayment in this audit, the Department will take the action requested.</p> <p>The condition noted in this finding was previously reported in finding 2013-039.</p> <p>January 2015</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$147	93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$147										
93.777											
93.778 ARRA and non-ARRA											

**State of Washington
Corrective Action Plan**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014***

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	040 (cont'd)	Agency Contact: Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2014	041	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Social and Health Services, Developmental Disabilities Administration, does not have adequate internal controls to ensure cost of care adjustments paid to Medicaid supported living service providers are authorized, supported and reasonable.</p> <table border="0" data-bbox="602 709 1136 829"> <tr> <td></td> <td style="text-align: center;"><u>CFDA#</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.777</td> <td></td> <td></td> </tr> <tr> <td>93.778</td> <td>ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department has developed several corrective actions in response to this finding.</p> <p>In April 2014, the Department:</p> <ul style="list-style-type: none"> • Updated the cost of care adjustment (COCA) form. It now incorporates guidelines to ensure COCAs are accurate, supported and reasonable. For example, the form was modified to include a section for justifying the need for the COCA. This new addition to the form helps provide staff additional information for making the decision to approve or deny payment. • Informed staff and providers about the updated guidelines. <p>In June 2014, the Department:</p> <ul style="list-style-type: none"> • Trained the residential resource managers on the updated guidelines for processing COCAs. • Reviewed updated information with contracted providers at the regional quarterly provider meetings. <p>In October 2014, the updated COCA form was implemented. Additionally, the Department’s Resource Manager Administrator will continue to provide training on COCA justification and decision making in addition to providing training to agency providers as needed.</p> <p>The conditions noted in this finding were previously reported in finding 2013-038.</p> <p>February 2015</p>		<u>CFDA#</u>	<u>Amount</u>	93.775		\$0	93.777			93.778	ARRA and non-ARRA	
	<u>CFDA#</u>	<u>Amount</u>													
93.775		\$0													
93.777															
93.778	ARRA and non-ARRA														

**State of Washington
Corrective Action Plan**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014***

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	041 (cont'd)	Agency Contact: Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	042	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>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.</p> <table border="0"> <tr> <td data-bbox="609 680 695 709"><u>CFDA#</u></td> <td data-bbox="1052 680 1138 709"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 709 695 739">93.775</td> <td data-bbox="1052 709 1138 739">\$50,054</td> </tr> <tr> <td data-bbox="609 739 695 768">93.777</td> <td></td> </tr> <tr> <td data-bbox="609 768 938 798">93.778 ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department does not concur with this finding. However, the following actions have been or will be taken to strengthen internal controls.</p> <p>An audit and review process began in October 2013 when the Department’s Developmental Disabilities Administration dedicated one full time employee to conducting audits of selected residential providers. The scope of these audits includes reconciling instruction and support service (ISS) hours provided by households to amounts billed and providing consultation and training to service providers related to the tracking / documenting of ISS hours. Twenty percent of the supported living providers are audited per year. Audits are scheduled to continue for the next two years.</p> <p>As of 2014, additional schedules were added to the cost report submitted by supported living providers to include ISS hours in a format reconcilable to payroll records.</p> <p>By July 2015, the Department will revise policies to clarify provider documentation requirements regarding payroll activities.</p> <p>By August 2015, the Department will reconcile the fiscal year 2014 cost reports from providers. Overpayments will be written if discovered during the cost report reconciliations. All overpayments are referred to the Department’s Office of Financial Recovery for processing. Any federal funds due are refunded to the Centers for Medicare & Medicaid Services (CMS) through the Medicaid overpayment process and included on the CMS-64 report.</p> <p>By December 2015, the Department will train all supported living providers on the revised policies.</p> <p>The conditions noted in this finding were previously reported in finding 2013-036, and 12-39.</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$50,054	93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$50,054										
93.777											
93.778 ARRA and non-ARRA											

**State of Washington
Corrective Action Plan**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014***

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	042 (Cont'd)	Completion Date: Estimated December 2015 Agency Contact: Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	043	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services, Developmental Disabilities Administration made overpayments to Medicaid supported living providers.</p> <table border="0"> <tr> <td style="padding-right: 20px;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td style="text-align: right;">\$75,818</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> </table> <p>ARRA and non-ARRA</p> <p>Corrective action in progress</p> <p>The Department issued overpayments for all exceptions identified in this audit. All overpayments were referred to the Department’s Office of Financial Recovery (OFR) for processing. Any federal funds due are refunded to the Centers for Medicare & Medicaid Services (CMS) through the Medicaid overpayment process and included on the CMS-64 report.</p> <p>During the spring of 2015 the state fiscal year end settlement process will take place. Any provider overpayments that are discovered during this process will be referred to OFR. The settlement process is scheduled to be completed by August 2015.</p> <p>The Department will consult with the U.S. Department of Health and Human Services regarding resolution of questioned costs.</p> <p>Estimated August 2015</p> <p>Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$75,818	93.777		93.778	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$75,818										
93.777											
93.778											

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2014	044	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Social and Health Services, Developmental Disabilities Administration made overpayments to Medicaid support living providers who did not ensure all staff with access to developmentally disabled clients receive a proper background check and are authorized to have access to vulnerable supported living clients.</p> <table border="0" data-bbox="609 743 1144 863"> <tr> <td></td> <td style="text-align: center;"><u>CFDA#</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td></td> <td style="text-align: right;">\$58,917</td> </tr> <tr> <td>93.777</td> <td></td> <td></td> </tr> <tr> <td>93.778</td> <td>ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>In response to the fiscal year 2013 audit the Department implemented the following corrective actions which continue to be utilized:</p> <ul style="list-style-type: none"> • Providing ongoing training to Department employees and providers. • Dedicating a position in the Headquarters' office to provide direct support and consultation to providers on the interpretation of background check result letters. • Monitoring background check compliance through reviews conducted by the Enterprise Risk Management Office and Residential Care Services certification reviews. • Partnering with the background check unit to simplify result letters sent to providers and background check processes. <p>By April 2015, the Department will resolve the outstanding exceptions identified during the course of the fiscal year 2014 audit.</p> <p>By July 2015, the Department will repay questioned costs for exceptions that could not be resolved.</p> <p>The conditions noted in this finding were previously reported in finding 2013-034.</p> <p>Estimated July 2015</p>		<u>CFDA#</u>	<u>Amount</u>	93.775		\$58,917	93.777			93.778	ARRA and non-ARRA	
	<u>CFDA#</u>	<u>Amount</u>													
93.775		\$58,917													
93.777															
93.778	ARRA and non-ARRA														

**State of Washington
Corrective Action Plan**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014***

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	044 (cont'd)	Agency Contact: Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	045	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Social and Health Services, Aging and Long-Term Support Administration, did not respond in a timely manner to complaints/allegations of abuse, neglect, exploitation, inadequate care or supervision in Medicaid residential facilities.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778</td> <td></td> </tr> </table> <p>ARRA and non-ARRA</p> <p>Corrective action in progress</p> <p>The Department concurs with this finding. The Department has taken or will take the following actions to strengthen internal controls to ensure that all complaints are accounted for and responded to in a timely manner.</p> <p>In July 2014, the Department revised intake priorities to reflect federal and state timelines. In addition, registered nurses in the Complaint Resolution Unit (CRU) began reviewing all nursing home intakes. This is an ongoing process.</p> <p>In October 2014, the Department put in a request to update the automated system for Tracking Incidents of Vulnerable Adults to allow for a manual update of dates intakes are reviewed and referred to field staff. The Department anticipates this being implemented in July 2015.</p> <p>In January 2015, the CRU registered nurses began reviewing all intakes for Intermediate Care Facility for Individuals with Intellectual Disabilities.</p> <p>By June 2015, the Department will complete its review of existing procedures with the goal of developing procedures that streamline the complaint resolution process. Included in this review was a LEAN Value Stream Mapping that occurred in February 2015.</p> <p>By September 2015, the Department will within two working days respond to and initiate investigation of all complaints involving clients who are in immediate jeopardy of harm.</p> <p>The conditions noted in this finding were previously reported in finding 2013-033.</p> <p>Estimated September 2015</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$0	93.777		93.778	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$0										
93.777											
93.778											

**State of Washington
Corrective Action Plan**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014***

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	045 (cont'd)	Agency Contact: Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	046	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services, Aging and Long-Term Support Administration, did not complete surveys for Medicaid nursing home and intermediate care facilities for individuals with intellectual disabilities in a timely manner.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778</td> <td></td> </tr> </table> <p>ARRA and non-ARRA</p> <p>Corrective action in progress</p> <p>The Department will schedule and monitor nursing home and intermediate care facilities for individuals with intellectual disabilities surveys to meet required standards. Delays in timely completion of nursing home surveys are due to staffing limitations. Steps have been taken to recruit additional staff. The request for additional staff has been included in the proposed budget. It is anticipated the staffing issue will be resolved in September 2015.</p> <p>By September 2015, the Department will implement a formal tracking process allowing for improved monitoring of statements of deficiencies and plans of corrections that result from surveys.</p> <p>Estimated September 2015</p> <p>Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$0	93.777		93.778	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$0										
93.777											
93.778											

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	047	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services, Aging and Long-Term Support Administration, did not adequately document inspections of Medicaid Adult Family Home providers.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778</td> <td></td> </tr> </table> <p>ARRA and non-ARRA</p> <p>Corrective action in progress</p> <p>By September 2015, the Department will:</p> <ul style="list-style-type: none"> • Revise standard operating procedures to require inspection forms to be consistently used to document observations and findings during adult family home inspections. • Establish a policy and train adult family home licensors on inspection standard operating procedures including documentation requirements that support adult family home inspections. • Require field operators to conduct periodic quality assurance checks on required documentation and forms to verify that the process is being consistently adhered to. • Ensure adult family home quality assurance staff do a periodic review of a sample of provider files from each region to determine if required documentation was completed according to standard operating procedures. <p>Estimated September 2015</p> <p>Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$0	93.777		93.778	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$0										
93.777											
93.778											

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2014	048	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services, Aging and Long-Term Support Administration, did not adequately monitor Medicaid Adult Family Home providers to ensure all providers, caregivers and resident managers who are employed directly or by contract have proper background checks.</p> <table border="0" data-bbox="609 709 1161 835"> <tr> <td></td> <td style="text-align: center;"><u>CFDA#</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td></td> <td style="text-align: right;">\$1,082,213</td> </tr> <tr> <td>93.777</td> <td></td> <td></td> </tr> <tr> <td>93.778</td> <td>ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>In response to the fiscal year 2013 audit the Department implemented several processes that continued through the fiscal year 2014 audit and remain ongoing.</p> <p>The Department is providing training to staff on standard operating procedures for inspections which includes reviewing background checks on all caregivers, representatives and resident managers who are employed directly or by contract.</p> <p>Additionally, the Department is continuing to strengthen its monitoring of Adult Family Home (AFH) staff background checks through the Department's standard facility licensing, annual facility survey and investigatory business protocols. During AFH inspections, the Department reviews background checks for all employees working at the facility to ensure disqualified caregivers do not have access to vulnerable adults.</p> <p>The Department will take action on questioned costs as requested by Center for Medicare and Medicaid Services.</p> <p>The conditions noted in this finding were previously reported in finding 2013-037.</p> <p>February 2015</p> <p>Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov</p>		<u>CFDA#</u>	<u>Amount</u>	93.775		\$1,082,213	93.777			93.778	ARRA and non-ARRA	
	<u>CFDA#</u>	<u>Amount</u>													
93.775		\$1,082,213													
93.777															
93.778	ARRA and non-ARRA														

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2014	049	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Social and Health Services, Aging and Long-Term Support Administration, made unallowable payments to Medicaid providers who did not meet background check requirements for in home care providers.</p> <table border="0" data-bbox="609 682 1153 808"> <tr> <td></td> <td style="text-align: center;"><u>CFDA#</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td></td> <td style="text-align: right;">\$257,875</td> </tr> <tr> <td>93.777</td> <td></td> <td></td> </tr> <tr> <td>93.778</td> <td>ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>Although a finding was issued for providers not having current background checks the Department has made significant progress ensuring providers have current background checks. The finding states, “The Department has improved the overall communication of Departmental policies and procedures to unit managers at AAA’s that oversee provider contracts.”</p> <p>The Department will continue in its efforts to ensure providers have current background checks. Specifically:</p> <p>By March 2015, the Department will:</p> <ul style="list-style-type: none"> • Conduct a LEAN value stream map to identify improvements in the individual provider qualification process. This will include communication of background check results to providers. • Terminate payments to providers that do not have current background checks. <p>By June 2015, the Department will:</p> <ul style="list-style-type: none"> • Terminate contracts with providers who fail to comply with requests to have current background checks completed. • Consult with the Department of Health and Human Services regarding resolution of questioned costs. <p>By January 2016, the Department’s Home and Community Services Division will complete the work with the Department’s Background Checks Central Unit on background check process improvements. Policies and procedures will be updated accordingly and communicated with the field offices.</p> <p>The conditions noted in this finding were previously reported in finding 2013-040, 12-41 and 11-34.</p>		<u>CFDA#</u>	<u>Amount</u>	93.775		\$257,875	93.777			93.778	ARRA and non-ARRA	
	<u>CFDA#</u>	<u>Amount</u>													
93.775		\$257,875													
93.777															
93.778	ARRA and non-ARRA														

**State of Washington
Corrective Action Plan**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014***

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	049 (Cont'd)	Completion Date: Estimated January 2016 Agency Contact: Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	050	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Social and Health Services improperly claimed federal reimbursement for non-emergency services provided to nonqualified aliens and for payments made on behalf of deceased Medicaid clients.</p> <table border="0" data-bbox="602 682 1149 800"> <tr> <td data-bbox="602 682 699 709"><u>CFDA#</u></td> <td data-bbox="1040 682 1149 709"><u>Amount</u></td> </tr> <tr> <td data-bbox="602 709 699 737">93.775</td> <td data-bbox="1040 709 1149 737">\$715,768</td> </tr> <tr> <td data-bbox="602 737 699 764">93.777</td> <td></td> </tr> <tr> <td data-bbox="602 764 938 791">93.778 ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>This finding involved four administrations within the Department: the Aging and Long Term Support Administration-Home and Community Services (AL TSA/HCS), the Children’s Administration (CA), the Developmental Disabilities Administration (DDA) and the Economic Services Administration (ESA). Each administration has taken or will take corrective action.</p> <p><u>AL TSA/HCS:</u></p> <ul style="list-style-type: none"> • In 2013, the Recipient Aid Codes (RACS) for non-emergency services were corrected for DDA clients, but the correction was missed for the AL TSA nursing home clients. The RACS and account coding for nursing home clients was corrected in November 2014. • AL TSA/HCS repaid all questioned costs related to alien emergency medical services. • By June 2015, AL TSA/HCS will: <ul style="list-style-type: none"> ○ Resolve overpayments related to payments made after the client’s date of death. Overpayments for these costs (\$21,159) have been referred to the Department’s Office of Financial Recovery. Funds will be returned to Centers for Medicare and Medicaid Services (CMS) when the overpayment is recovered. Any overpayments not recovered within 365 days will be refunded to CMS through the Medicaid Overpayment Management System (MOMS) process. ○ Revise the invalid payment report so it provides a more accurate reporting of invalid payments. <p><u>CA:</u></p> <ul style="list-style-type: none"> • In September 2014, questioned costs for the three exceptions related to the CA were returned to the grantor. • By September 2015, CA will strengthen processes regarding review of cases related to nonqualified aliens receiving services. 	<u>CFDA#</u>	<u>Amount</u>	93.775	\$715,768	93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$715,768										
93.777											
93.778 ARRA and non-ARRA											

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	050 (Cont'd)	<p><u>DDA:</u></p> <ul style="list-style-type: none"> • The DDA Social Service Payment System (SSPS) Program Manager will continue to provide quarterly reports to regional management for review. These reports include payment authorizations after the date of death. Regions will report the level of compliance in their quarterly reviews. • DDA continues its partnership with the Health Care Authority and external audit agency Optum, to identify payments for services provided after the date of death using an algorithm. The algorithm will continue to be run quarterly. • DDA will continue to provide training and direction to staff to ensure authorizing staff understand the need to match end date authorizations to the date of death or earlier as soon as they learn of a client's passing. • Participate in the design of the ProviderOne payment system, to prevent payments for services provided after the death of the client. • Overpayments have been submitted to the Department's Office of Financial Recovery for the questioned costs of \$5,025.78. The recovery will be returned to CMS or if not recovered timely through the MOMS process. <p><u>ESA:</u></p> <ul style="list-style-type: none"> • In February 2015, ESA reviewed the one exception identified during the audit and corrected the inappropriate payment. Also, staff were informed by memo about the requirements for processing cases that involve non-qualified aliens. • ESA's share of the questioned costs is \$34.70. If the Department of Health and Human Services contacts DSHS/ESA regarding questioned costs that should be repaid, DSHS/ESA will confirm these costs with DHHS and will take appropriate action in the form of payment. <p>Completion Date: Estimated September 2015</p> <p>Agency Contact: Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov</p>

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	051	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services did not have adequate internal controls in place, and did not comply with, the level of effort requirements for the Block Grants for Prevention and Treatment of Substance Abuse.</p> <table border="0" data-bbox="609 682 1474 745"> <tr> <td data-bbox="609 682 755 714"><u>CFDA#</u></td> <td data-bbox="1047 682 1144 714"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 714 755 745">93.959</td> <td data-bbox="1047 714 1144 745">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department concurred with this finding.</p> <p>By May 2015 the Department will:</p> <ul style="list-style-type: none"> • Develop policies, procedures and internal controls to ensure monitoring and documentation of level of effort requirements are performed. • Actively monitor the state-funded spending. Specifically, the Department’s Accounting Section will produce monthly reports showing the status of the state-funded spending. The Department’s Budget Section will review the monthly reports in order to monitor the capability of meeting the minimum required amount each year. • Continue to remain in constant communication with the Federal grantors to keep them apprised of the Department’s ability to meet the annual minimum required state-funded spending. Also, the Department will work with the Federal grantors to determine an appropriate course of action if the requirement cannot be met. <p>Estimated May 2015</p> <p>Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.959	\$0
<u>CFDA#</u>	<u>Amount</u>						
93.959	\$0						

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	052	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health does not have adequate internal controls over, and did not comply with, the Federal Funding Accountability and Transparency Act reporting requirements for the Maternal and Child Health Services Block Grant.</p> <table border="0"> <tr> <td data-bbox="609 682 698 709"><u>CFDA#</u></td> <td data-bbox="1047 682 1144 709"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 709 698 737">93.994</td> <td data-bbox="1047 709 1144 737">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department agrees that five subawards totaling \$250,334 were not reported during the audit period.</p> <p>This was in part caused by the awards being omitted from the monthly Federal Funding Accountability and Transparency Act (FFATA) reporting list due to an error in the criteria used to extract the reporting data from the Department's financial system. This error was discovered and corrected in September 2013.</p> <p>It is currently the practice of the Department for the Grants Unit Supervisor to review and approve FFATA data prior to submission in FFATA Subgrant Reporting System (FSRS).</p> <p>The Department will update its written procedures for submitting FFATA reports by adding additional detail. The procedures will include the review and approval of FFATA data by the Grants Unit Supervisor prior to being submitted in FSRS and the necessary steps for ensuring all FFATA data is submitted in a timely manner.</p> <p>Estimated June 2015</p> <p>Lynda Karseboom Department of Health PO Box 47890 Olympia, WA 98504-7890 (360) 236-4536 lynda.karseboom@doh.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.994	\$0
<u>CFDA#</u>	<u>Amount</u>						
93.994	\$0						

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	053	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services did not have adequate internal controls to ensure contracts were procured in accordance with state law for the Disability Insurance and Supplemental Security Income programs.</p> <table border="0" data-bbox="609 682 1474 766"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">96.001</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">96.006</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>In August 2014, the Department’s division of Disability Determination Services (DDS), which is part of the Department’s Economic Services Administration, began working with the Department’s Central Contract Services unit to ensure state procurement laws are followed. Also in August 2014, DDS staff involved with contracts completed training provided by the Central Contract Services unit.</p> <p>In October 2014, the Department implemented a workgroup that will develop a Request for Qualifications (RFQ) for medical, psychological, and standard fee contracts. It is anticipated the RFQ will be posted to the Department’s procurement website by April 1, 2015. These steps will bring the Department into compliance with RCW 39.26.</p> <p>Estimated April 2015</p> <p>Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	96.001	\$0	96.006	
<u>CFDA#</u>	<u>Amount</u>								
96.001	\$0								
96.006									

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2014	054	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services does not have adequate internal controls to ensure providers were qualified to perform consultative examinations for the Disability Insurance and Supplemental Security Income programs.</p> <table border="0" data-bbox="602 709 1136 800"> <tr> <td></td> <td style="text-align: center;"><u>CFDA#</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>96.001</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>96.006</td> <td></td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>During the course of this audit the Department took steps to correct the deficiencies that were identified.</p> <p>The Department revised procedures regarding providers who perform consultative examinations. The Department is now reviewing the List of Excluded Individuals and Entities (LEIE) maintained by the Office of the Inspector General twice a year to ensure providers are qualified to perform consultative examinations. The LEIE is a federal list of individuals and entities that are excluded from participation in Medicare, Medicaid, and all other federal health care programs.</p> <p>The Department created a list of contracts and their license expiration date to ensure contractors renew their licenses timely. The Department also developed written procedures that require a manager or designee conduct a quarterly quality assurance (QA) review to ensure contractors renew their licenses as required. Finally, on a monthly basis 10 percent of contractor files are reviewed to ensure the accuracy of LEIE and license renewal checks. The results of the review show that all have submitted LEIE documentation timely and accurately. The Division of Disability Determination Services staff meets monthly to discuss how the QA process works and how to refine it and make it better.</p> <p>July 2014</p> <p>Alan Siegel Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 alan.siegel@dshs.wa.gov</p>		<u>CFDA#</u>	<u>Amount</u>	96.001		\$0	96.006		
	<u>CFDA#</u>	<u>Amount</u>										
96.001		\$0										
96.006												

**State of Washington
Corrective Action Plan**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2014**

(This plan only addresses findings reportable under the revised OMB Circular A-133.)

Military Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	055	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Military Department does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Homeland Security and Fire Management Assistance Grant Programs are filed accurately.</p> <table border="0"> <tr> <td data-bbox="602 709 699 739"><u>CFDA#</u></td> <td data-bbox="1052 709 1141 739"><u>Amount</u></td> </tr> <tr> <td data-bbox="602 739 699 768">97.046</td> <td data-bbox="1052 739 1141 768">\$0</td> </tr> <tr> <td data-bbox="602 768 699 798">97.067</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department concurs with the finding. Procedures have been modified and communicated to responsible individuals to ensure that proper reporting is being performed and that all subawards are reported. Federal Funding Accountability and Transparency Act reports are reviewed by the Contracts Office Supervisor, and the funding amount is confirmed by program managers.</p> <p>January 2015</p> <p>Rich Shimizu Military Department Building #1: Headquarters Mailstop: TA-20 Tacoma, WA 98430-5032 (253) 512-7596 rich.shimizu@mil.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	97.046	\$0	97.067	
<u>CFDA#</u>	<u>Amount</u>								
97.046	\$0								
97.067									