



STATE OF WASHINGTON  
**OFFICE OF FINANCIAL MANAGEMENT**

*Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555*

June 7, 2023

Washington State Auditor's Office  
ATTN: Cavan Busch, Audit Manager  
3200 Sunset Way S.E.  
Olympia, WA 98504-0031

To the Washington State Auditor's Office:

Enclosed with this letter is the state of Washington's corrective action plan for the following audit findings in the fiscal year 2022 single audit report.

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Plans Page Number</b>	<b>Schedule of Findings Page Number</b>
2022-001	State of Washington	G - 8	E - 20
2022-002	University of Washington	G - 10	E - 25
2022-003	Office of Superintendent of Public Instruction	G - 11	E - 29
2022-004	Department of Health	G - 12	E - 33
2022-005	Employment Security Department	G - 13	E - 38
2022-006	Employment Security Department	G - 14	E - 43
2022-007	Employment Security Department	G - 15	E - 49
2022-008	Washington State Department of Transportation	G - 16	E - 56
2022-009	Washington State Department of Transportation	G - 17	E - 60

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Plans Page Number</b>	<b>Schedule of Findings Page Number</b>
2022-010	Washington State Department of Transportation	G - 19	E - 67
2022-011	Washington State Department of Transportation	G - 20	E - 71
2022-012	Washington State Department of Transportation	G - 22	E - 80
2022-013	Department of Corrections	G - 23	E - 84
2022-014	Department of Social and Health Services	G - 24	E - 87
2022-015	Office of Financial Management	G - 25	E - 90
2022-016	Department of Commerce	G - 26	E - 96
2022-017	Department of Commerce	G - 27	E - 101
2022-018	Office of Financial Management	G - 28	E - 106
2022-019	Department of Commerce	G - 29	E - 112
2022-020	Office of Financial Management	G - 30	E - 117
2022-021	Department of Commerce	G - 32	E - 123
2022-022	Washington State University	G - 33	E - 127
2022-023	Office of Superintendent of Public Instruction	G - 34	E - 133
2022-024	Washington Charter School Commission	G - 35	E - 139
2022-025	Office of Superintendent of Public Instruction	G - 36	E - 145
2022-026	Office of Superintendent of Public Instruction	G - 37	E - 150
2022-027	Office of Financial Management	G - 38	E - 154
2022-028	University of Washington	G - 39	E - 159
2022-029	University of Washington	G - 41	E - 166

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Plans Page Number</b>	<b>Schedule of Findings Page Number</b>
2022-030	University of Washington	G - 42	E - 170
2022-031	Department of Health	G - 43	E - 178
2022-032	Department of Health	G - 44	E - 187
2022-033	Department of Health	G - 45	E - 191
2022-034	Department of Health	G - 47	E - 201
2022-035	Department of Children, Youth, and Families	G - 48	E - 206
2022-036	Department of Children, Youth, and Families	G - 50	E - 211
2022-037	Department of Social and Health Services	G - 52	E - 220
2022-038	Department of Commerce	G - 54	E - 227
2022-039	Department of Commerce	G - 56	E - 232
2022-040	Department of Commerce	G - 58	E - 238
2022-041	Department of Children, Youth, and Families	G - 59	E - 244
2022-042	Department of Children, Youth, and Families	G - 61	E - 250
2022-043	Department of Children, Youth, and Families	G - 63	E - 255
2022-044	Department of Children, Youth, and Families	G - 65	E - 261
2022-045	Department of Children, Youth, and Families	G - 67	E - 266
2022-046	Department of Social and Health Services	G - 69	E - 278
2022-047	Department of Children, Youth, and Families	G - 70	E - 283
2022-048	Department of Children, Youth, and Families	G - 71	E - 286
2022-049	Department of Children, Youth, and Families	G - 72	E - 289
2022-050	Department of Children, Youth, and Families	G - 74	E - 294

<b>Finding Number</b>	<b>State Agency</b>	<b>Corrective Action Plans Page Number</b>	<b>Schedule of Findings Page Number</b>
2022-051	Department of Children, Youth, and Families	G - 76	E - 300
2022-052	Department of Children, Youth, and Families	G - 77	E - 304
2022-053	Health Care Authority	G - 78	E - 309
2022-054	Health Care Authority	G - 79	E - 318
2022-055	Health Care Authority	G - 80	E - 323
2022-056	Department of Social and Health Services	G - 81	E - 338
2022-057	Department of Social and Health Services	G - 83	E - 356
2022-058	Department of Social and Health Services	G - 85	E - 363
2022-059	Department of Social and Health Services	G - 86	E - 368
2022-060	Health Care Authority	G - 87	E - 375
2022-061	Health Care Authority	G - 88	E - 380
2022-062	Health Care Authority	G - 89	E - 388
2022-063	Health Care Authority	G - 90	E - 396
2022-064	Health Care Authority	G - 91	E - 403
2022-065	Health Care Authority	G - 92	E - 407
2022-066	Health Care Authority	G - 93	E - 411
2022-067	Health Care Authority	G - 94	E - 417
2022-068	Health Care Authority	G - 96	E - 424
2022-069	Health Care Authority	G - 97	E - 428
2022-070	Health Care Authority	G - 98	E - 432

The state's corrective action plan is a compilation of the corrective action plan information provided to us by the applicable state agencies. The corrective action plan document is prepared in conjunction with the 2022 single audit.

We appreciate the efforts of the Washington State Auditor's Office in completing the Single Audit for the state for fiscal year 2022. If you have any questions regarding the corrective action plans, please do not hesitate to contact our office.

Sincerely,

Brian Tinney  
Statewide Accounting Director

State of Washington

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	001	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The State lacked adequate internal controls over financial reporting to ensure accurate recording and monitoring of financial activity in its financial statements.</p> <table border="0" data-bbox="665 546 1104 619"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td></td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Office of Financial Management, with the collaboration of state agencies, strives for the highest standards in the preparation of the state’s financial statements. Responses from each agency are listed below:</p> <p><b><i>State Board for Community and Technical Colleges (State Board)</i></b></p> <p>The State Board completed the conversion of all schools to the new ERP system in fiscal year 2022. The following actions were taken to improve the process of reconciling college financial data timely and accurately with amounts recorded in the state’s accounting system (AFRS):</p> <ul style="list-style-type: none"> <li>• Revamped and streamlined the program and process that is utilized to crosswalk data from the new ERP system to AFRS. Updates will continue to be done as needed.</li> <li>• Completed the reconciliation program that will compare AFRS reports to actual real-time data from the ERP system.</li> <li>• Performed monthly reconciliation of automated data uploads for the State Board and all 34 colleges from the ERP system to AFRS.</li> <li>• Created an “in process” report to identify errors during the ERP system uploads to AFRS.</li> <li>• Began creating and modifying rules in the ERP system that will help reduce data upload errors.</li> </ul> <p>The State Board will continue to build and enhance programming tools to help identify and reconcile variances between the two systems. While current monthly data is being reconciled in a timely manner from the ERP system to AFRS, the State Board continues to work on reconciling historical data from the beginning of system deployment and is currently working with the Office of Financial Management to make necessary adjusting entries.</p> <p>In addition, the State Board began the conversion and crosswalk of data from ctcLink to the new system that the One Washington project is undertaking to replace AFRS. While this is new and additional work that was not part of the scope of this corrective action plan, it is an integral part of the effort to ensure accurate financial reporting in the long run.</p> <p><i>Completion: Estimated March 2024</i></p>		<u>Assistance Listing #</u>	<u>Amount</u>		N/A	\$0
	<u>Assistance Listing #</u>	<u>Amount</u>							
	N/A	\$0							

State of Washington

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	001 (cont'd)	<p data-bbox="673 422 1047 453"><i>Employment Security Department</i></p> <p data-bbox="673 485 1469 642">To ensure adequate monitoring and accurate reporting of financial activities for the financial statements, the Department is currently participating in programmatic discussions between the Unemployment Insurance (UI) Program and the Finance Division to gain an understanding of the activities that may require reporting on the financial statements.</p> <p data-bbox="673 684 1365 716">The Department will implement the following corrective actions:</p> <ul data-bbox="691 726 1469 1020" style="list-style-type: none"> <li>• By July 2023, the Finance Division will develop procedures to ensure that all programmatic processes that need to be reflected in the financial statements are included and based on appropriate accounting practices.</li> <li>• By August 2023, the Finance Division will ensure practices are in place to review all fiscal year entries for accuracy before and after posting.</li> <li>• Develop additional tools that will help with allowing more staff time to analyze financial data.</li> </ul> <p data-bbox="673 1062 1057 1094"><i>Completion: Estimated August 2023</i></p> <p data-bbox="488 1125 919 1188">Completion Date: Estimated March 2024</p> <p data-bbox="488 1220 1003 1409">Agency Contact: Brian Tinney                      Statewide Accounting Director                      PO Box 43127                      Olympia, WA 98504-3127                      (564) 999-1781  <a href="mailto:Brian.tinney@ofm.wa.gov">Brian.tinney@ofm.wa.gov</a></p>

University of Washington

Agency 360

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2022	002	Finding:  Questioned Costs:  Status:  Corrective Action:          Completion Date:  Agency Contact:	The University of Washington did not have adequate internal controls to ensure key personnel commitments specified in grant proposals or awards were met.  <table border="0" data-bbox="670 548 1096 611"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">Various</td> <td style="text-align: right;">\$0</td> </tr> </table> Corrective action in progress  The University has established internal controls to ensure compliance with key personnel program requirement through time and effort certifications, project reporting processes, and budget reconciliation requirements. Additionally, the University offers multiple training courses to research administrators and principal investigators (PI) on management of sponsored awards.  The University agrees there are areas for improvement over staff and PI training, and resources available to monitor contribution and documentation of committed levels of time and effort.  The University will implement the following improvements: <ul style="list-style-type: none"> <li>• Update training materials and provide additional training to PIs and key personnel on:                             <ul style="list-style-type: none"> <li>○ Documentation of time and effort.</li> <li>○ Prior approval requirements for reductions in time and effort.</li> </ul> </li> <li>• Update guidance and instructions for time and effort certifications to ensure all personnel involvement in various grant programs is properly accounted for during the certification process.</li> <li>• Develop exception reports to provide additional oversight to monitor deviations from committed time and effort for PIs and key personnel.</li> </ul> Estimated February 2024  Erick Winger Controller 4300 Roosevelt Way NE Seattle, WA 98195 (206) 543-5322 <a href="mailto:erickw@uw.edu">erickw@uw.edu</a>	<u>Assistance Listing #</u>	<u>Amount</u>	Various	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
Various	\$0						



Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Plan															
2022	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 Office of Superintendent of Public Instruction did not have adequate internal controls over accountability for USDA-donated foods.</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: left;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>10.553</td> <td>\$0</td> </tr> <tr> <td>10.555</td> <td></td> </tr> <tr> <td>10.555 COVID-19</td> <td></td> </tr> <tr> <td>10.556</td> <td></td> </tr> <tr> <td>10.559</td> <td></td> </tr> <tr> <td>10.582</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Office has taken the following corrective action to strengthen internal controls over accounting for USDA-donated foods:</p> <ul style="list-style-type: none"> <li>• Reviewed current process for monthly inventory.</li> <li>• Reviewed process for inventory discrepancies follow up.</li> <li>• Implemented a process for documenting follow-up efforts.</li> </ul> <p>The Office is following the USDA requirements for conducting annual inventory and reconciliation in June of each year.</p> <p>In addition, the Office has contracted with a vendor for a new and updated Food Distribution Management System. The current timeline for system launch is as follows:</p> <ul style="list-style-type: none"> <li>• November 2023 – Data migration and system set up</li> <li>• February 2024 – Survey period</li> <li>• August 2024 – Ordering of food, receiving, and inventory management</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2021-003, 2020-004 and 2019-005.</p> <p>Estimated July 2023</p> <p>Leanne Eko                      Chief Nutrition Officer                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 725-0410  <a href="mailto:leanne.eko@k12.wa.us">leanne.eko@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	10.553	\$0	10.555		10.555 COVID-19		10.556		10.559		10.582	
<u>Assistance Listing #</u>	<u>Amount</u>																
10.553	\$0																
10.555																	
10.555 COVID-19																	
10.556																	
10.559																	
10.582																	

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	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 Department of Health did not have adequate internal controls to ensure payments to providers were allowable, met cost principles, and were within the period of performance for the Special Supplemental Nutrition Program for Women, Infants, and Children.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>10.557</td> <td>\$0</td> </tr> <tr> <td colspan="2">10.557 COVID-19</td> </tr> </table> <p>Corrective action not taken</p> <p>The Department disagrees with the auditor’s assessment of a significant deficiency in internal controls over the consolidated contract provider payment process for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).</p> <p>The Department has established processes in place to ensure payments are allowable, meet cost principles, and comply with period of performance requirements for the WIC program. These include:</p> <ul style="list-style-type: none"> <li>• Perform annual review and approval of detailed subrecipient budgets.</li> <li>• Compare invoice amounts to budgeted amounts for reasonableness before payment approval.</li> <li>• Provide subrecipients regular technical assistance and training on applicable policies related to fiscal and programmatic processes.</li> <li>• Conduct biennial program and fiscal monitoring visits to subrecipients as part of the Department’s monitoring procedures.</li> </ul> <p>In addition, the WIC program has monitoring controls in place and evidence of review at the program level. The quality assurance program staff maintain a detailed payment log that documents review and approval and details any amounts that need to be withheld until issues with invoice support are resolved. These reviews are to be completed within the 10-day period before payment is released.</p> <p>Similar conditions noted in this finding were previously reported in finding 2021-004.</p> <p>Not applicable</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	10.557	\$0	10.557 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
10.557	\$0								
10.557 COVID-19									

Employment Security Department

Agency 540

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	005	Finding:  Questioned Costs:  Status:  Corrective Action:  Completion Date:  Agency Contact:	The Employment Security Department did not have adequate internal controls to ensure it submitted accurate monthly reports for the Unemployment Insurance program.  <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">17.225</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">17.225 COVID-19</td> <td></td> </tr> </table> Corrective action complete  The Department implemented a secondary review of the monthly ETA 9055 performance report to verify the data pulled from source documentation is accurately represented prior to submitting to the federal reporting system.  May 2023  Jay Summers External Audit Manager PO Box 9046 Olympia, WA 98507-9046 (360) 529-6718 <a href="mailto:Joshua.Summers@esd.wa.gov">Joshua.Summers@esd.wa.gov</a>	<u>Assistance Listing #</u>	<u>Amount</u>	17.225	\$0	17.225 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
17.225	\$0								
17.225 COVID-19									

Employment Security Department

Agency 540

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	006	<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 did not have adequate internal controls over and did not comply with federal requirements to conduct case reviews for the Benefit Accuracy Measurement program of the Unemployment Insurance program in a timely manner.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>17.225</td> <td>\$0</td> </tr> <tr> <td>17.225 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>Historically, the Benefit Accuracy Measurement (BAM) unit has been challenged to maintain full levels of staffing. Staff turnover, long training requirements, and unique skill sets make these positions difficult to maintain.</p> <p>The BAM Unit currently has one vacancy and is expected to have more with upcoming retirements. The Department is currently in a hiring freeze for Unemployment Insurance administrative funding, furthering the challenge to fully staff the unit and meet program requirements. Once the hiring freeze is lifted, the unit will fill the vacant position. The Department anticipates the unit will meet federally mandated timelines for case reviews when the unit is fully staffed and trained.</p> <p>The Department continues to partner and frequently communicate with the U.S. Department of Labor (USDOL) Regional Offices to discuss staffing and training models. The Quality Assurance Manager and the Case Review Supervisor are committed to routinely monitor caseload, workload, and the overall assurance of meeting the BAM operations performance goals and measures as set forth by USDOL.</p> <p>The conditions noted in this finding were previously reported in findings 2021-005 and 2020-011.</p> <p>Estimated June 2024</p> <p>Jay Summers                      External Audit Manager                      PO Box 9046                      Olympia, WA 98507-9046                      (360) 529-6718  <a href="mailto:Joshua.Summers@esd.wa.gov">Joshua.Summers@esd.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	17.225	\$0	17.225 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
17.225	\$0								
17.225 COVID-19									

Employment Security Department

Agency 540

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2022	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 Employment Security Department did not have adequate internal controls over and did not comply with requirements to ensure it submitted complete and accurate quarterly performance reports for the Workforce Innovation and Opportunity grant.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>17.258</td> <td>\$0</td> </tr> <tr> <td>17.259</td> <td></td> </tr> <tr> <td>17.278</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>In response to the finding, the Department is in the process of developing a comprehensive system and set of protocols to strengthen internal controls over the completion and submission of quarterly performance reports for the Workforce Innovation and Opportunity Act (WIOA) grant.</p> <p>The Department:</p> <ul style="list-style-type: none"> <li>Executed a Workforce Integrated Technology Replacement Project that focuses on improving case management and data management internal controls. The Department estimates the project will be completed by December 2024.</li> <li>Initiated and is in the process of a statewide implementation of the U.S. Department of Labor (DOL) Quarterly Report Analysis data integrity and data quality internal controls system.</li> </ul> <p>The Department will:</p> <ul style="list-style-type: none"> <li>Continue to execute the Data Element Validation policy update for the Participant Individual Record Layout (PIRL) report per DOL expectations.</li> <li>Continue to provide technical assistance, training, and one-on-one coaching for the local areas, which cover WIOA Title I and WIOA Title III, PIRL reporting, data management, validation, quality, and integrity systems and processes.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2021-007 and 2020-012.</p> <p>Estimated December 2024</p> <p>Jay Summers                      External Audit Manager                      PO Box 9046                      Olympia, WA 98507-9046                      (360) 529-6718  <a href="mailto:Joshua.Summers@esd.wa.gov">Joshua.Summers@esd.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	17.258	\$0	17.259		17.278	
<u>Assistance Listing #</u>	<u>Amount</u>										
17.258	\$0										
17.259											
17.278											

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2022	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 Washington State Department of Transportation did not have adequate internal controls to ensure supervisors reviewed and approved payroll journals for the Highway Planning and Construction Cluster.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>20.205</td> <td>\$0</td> </tr> <tr> <td>20.205 COVID-19</td> <td></td> </tr> <tr> <td>20.219</td> <td></td> </tr> <tr> <td>20.224</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Department is committed to ensuring adequate internal controls are established for processing payroll journals. Currently, the Department:</p> <ul style="list-style-type: none"> <li>• Sends payroll journals electronically via Adobe Acrobat Sign on day four of payroll processing.</li> <li>• Generates system automated emails, which are sent to the reviewer each day the journal is unsigned.</li> <li>• Reconciles unsigned payroll journals and will follow up with responsible staff.</li> </ul> <p>To further improve controls over timely approval and return of payroll journals, the Department will:</p> <ul style="list-style-type: none"> <li>• Continue to review existing internal controls to assess their effectiveness and make improvements as needed.</li> <li>• Review the Payroll Manual to ensure directions, guidelines, and expectations around the payroll journal approval are clearly defined.</li> <li>• Evaluate the appropriateness of establishing a timeline for returning signed payroll journals for incorporation into the Payroll Manual.</li> </ul> <p>Estimated June 2024</p> <p>Jesse Daniels                      External Audit Liaison                      PO Box 47320                      Olympia, WA 98504-7320                      (360) 705-7035  <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	20.205	\$0	20.205 COVID-19		20.219		20.224	
<u>Assistance Listing #</u>	<u>Amount</u>												
20.205	\$0												
20.205 COVID-19													
20.219													
20.224													

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2022	009	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Washington State Department of Transportation did not have adequate internal controls over and did not comply with requirements to conduct program monitoring of subrecipients of the Highway Planning and Construction Cluster.</p> <table border="0"> <thead> <tr> <th data-bbox="672 583 971 611"><u>Assistance Listing #</u></th> <th data-bbox="1003 583 1094 611"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="672 615 971 642">20.205</td> <td data-bbox="1003 615 1094 642">\$0</td> </tr> <tr> <td data-bbox="672 646 971 674">20.205 COVID-19</td> <td></td> </tr> <tr> <td data-bbox="672 678 971 705">20.219</td> <td></td> </tr> <tr> <td data-bbox="672 709 971 737">20.224</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Department is committed to ensuring that our grant programs comply with federal regulations related to subrecipient monitoring.</p> <p>In July 2022, the Department executed a memo agreement with the Federal Highway Administration (FHWA) to update the risk-based review process to a leading practice. This new process will improve the effectiveness of subrecipient monitoring efforts which will focus reviews and resources on the high-risk agencies or projects rather than a three-year review cycle.</p> <p>However, FHWA is reluctant to formally open the Stewardship and Oversight (S&amp;O) Agreement for revisions, as a new nationwide “template” is under development. Based on the existing language in the S&amp;O Agreement with FHWA, the finding was issued for fiscal year 2022.</p> <p>With FHWA’s approval to implement the risk-based approach, the Department will:</p> <ul style="list-style-type: none"> <li>• Conduct baseline Project Management Reviews (PMR) for each Certification Acceptance (CA) agency. This process began in September 2022, with 13 PMRs completed, 22 near completion, and 9 in process.</li> <li>• Analyze CA PMRs and assign a risk rating, which will be used in the PMR selection process.</li> <li>• Update risk-based approach policies to complete PMRs, as needed.</li> <li>• Update the Local Agency Guidelines Manual to reflect the risk-based approach to complete PMRs, as needed.</li> <li>• Communicate changes to policies and procedures to Local Program staff and stakeholders, as needed.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2021-008, 2020-016 and 2019-015.</p> <p>Estimated September 2023</p>	<u>Assistance Listing #</u>	<u>Amount</u>	20.205	\$0	20.205 COVID-19		20.219		20.224	
<u>Assistance Listing #</u>	<u>Amount</u>												
20.205	\$0												
20.205 COVID-19													
20.219													
20.224													

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2022	009 (cont'd)	Agency Contact:	Jesse Daniels External Audit Liaison PO Box 47320 Olympia, WA 98504-7320 (360) 705-7035 <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a>



Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2022	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 Washington State Department of Transportation did not have adequate internal controls over and did not comply with requirements to issue management decisions for audit findings to subrecipients of the Highway Planning and Construction Cluster.</p> <table border="0"> <thead> <tr> <th data-bbox="672 583 812 611"><u>Assistance Listing #</u></th> <th data-bbox="1003 583 1094 611"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="672 615 748 642">20.205</td> <td data-bbox="1003 615 1032 642">\$0</td> </tr> <tr> <td data-bbox="672 646 873 674">20.205 COVID-19</td> <td></td> </tr> <tr> <td data-bbox="672 678 748 705">20.219</td> <td></td> </tr> <tr> <td data-bbox="672 709 748 737">20.224</td> <td></td> </tr> </tbody> </table> <p>Corrective action complete</p> <p>The Department is committed to ensuring our programs comply with federal regulations related to subrecipient monitoring.</p> <p>The Department’s Local Programs Division typically issues Management Decision Letters (Decision Letters) to all subrecipients that receive single audit findings related to WSDOT federal grant awards. For the subrecipient in question, the subrecipient had contacted the Division upon realizing a discrepancy in their advertisement practices, which was prior to the auditors issuing the single audit finding. The Division reviewed the subrecipient’s advertisement practices, evaluated and approved the corrective action plan, and implemented a training plan with the subrecipient. Since these activities preceded the issuance of the subrecipient’s single audit finding and resolved the deficiency, the Department elected to forgo a formal Decision Letter.</p> <p>Based on the audit recommendations, the Department will continue to review all single audit findings issued for subrecipients and send Decision Letters.</p> <p>The conditions noted in this finding were previously reported in findings 2021-010, 2020-015 and 2019-017.</p> <p>December 2022</p> <p>Jesse Daniels                      External Audit Liaison                      PO Box 47320                      Olympia, WA 98504-7320                      (360) 705-7035  <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	20.205	\$0	20.205 COVID-19		20.219		20.224	
<u>Assistance Listing #</u>	<u>Amount</u>												
20.205	\$0												
20.205 COVID-19													
20.219													
20.224													

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2022	011	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Washington State Department of Transportation did not have adequate internal controls over and did not comply with quality assurance program requirements to ensure materials conformed to approved plans and specifications, and that only qualified personnel performed testing for projects funded by the Highway Planning and Construction Cluster.</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>20.205 COVID-19</td> <td></td> </tr> <tr> <td>20.219</td> <td></td> </tr> <tr> <td>20.224</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department is committed to ensuring that our grant programs comply with federal regulations related to quality assurance (QA) requirements and safeguarding that materials and workmanship conform to approved plans and specifications through testing, inspections, or certifications.</p> <p>The Department continues to work closely with the Federal Highway Administration (FHWA) on the QA program and has received positive feedback on the strength of the program. In addition, the Department is currently investing in the Unifier software to replace separate QA legacy systems, which will allow shared data and provide built-in controls to help prevent the issues identified in the audit. Depending on funding and programming times, the Department estimates Unifier to be online for the QA program within five years.</p> <p>To address the audit recommendations, the Department’s Construction Division will examine current policies and procedures/practices related to the audit issues.</p> <p>The Department will:</p> <ul style="list-style-type: none"> <li>• Update policies and procedures, including the Department’s Construction Manual (M46-01), as needed to ensure staff practices meet federal regulations. Updates will also include other clarifications to address documentation and evidence of compliance, and a reasonable level of controls regarding materials testing, inspections, certification, acceptance, and tester certifications.</li> <li>• Obtain approval of updates to the Construction Manual from the FHWA.</li> <li>• Communicate changes in policies and procedures to division staff and stakeholders.</li> <li>• Provide training to Project Engineering Office staff to emphasize QA program requirements.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2021-011, 2020-017 and 2019-019.</p>	<u>CFDA #</u>	<u>Amount</u>	20.205	\$0	20.205 COVID-19		20.219		20.224	
<u>CFDA #</u>	<u>Amount</u>												
20.205	\$0												
20.205 COVID-19													
20.219													
20.224													

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	011 (cont'd)	Completion Date: Estimated June 2024  Agency Contact: Jesse Daniels External Audit Liaison PO Box 47320 Olympia, WA 98504-7320 (360) 705-7035 <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a>

Department of Transportation

Agency 405

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	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 Washington State Department of Transportation did not have adequate controls over and did not comply with requirements to perform risk assessments for subrecipients of the Formula Grants for Rural Areas program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">20.509</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">20.509 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Washington State Department of Transportation (WSDOT) concurs with the finding and is in the process of implementing the audit recommendations. Specifically, the Department’s Public Transportation Division will ensure it performs risk assessments for all subrecipients receiving federal subawards regardless of when WSDOT executes the related contract.</p> <p>As of February 2023, the Public Transportation Division updated its risk assessment process and plans to complete all risk assessments by July 1, 2023.</p> <p>Estimated July 2023</p> <p>Jesse Daniels                      External Audit Liaison                      PO Box 47320                      Olympia, WA 98504-7320                      (360) 705-7035  <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	20.509	\$0	20.509 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
20.509	\$0								
20.509 COVID-19									

Department of Corrections

Agency 310

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2022	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 Department of Corrections improperly charged \$37,392 to the Coronavirus Relief Fund.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.019 COVID-19</td> <td>\$37,392</td> </tr> </table> <p>Corrective action complete</p> <p>The Department concurs that the questioned costs identified by the auditors resulted from an employee’s overpayment inappropriately charged to the Coronavirus Relief Fund (CRF).</p> <p>The Department is committed to ensuring compliance with federal grant requirements. In response to this audit finding, the Department:</p> <ul style="list-style-type: none"> <li>• Reviewed controls around payroll overpayments and developed a process to ensure they are not included in any future federal funding transfers.</li> <li>• Reviewed and identified allowable costs that were not initially charged to the grant which would compensate for the questioned costs identified. The identified costs have been filed with the original transfer journal voucher and will be provided to the Office of Financial Management (OFM).</li> </ul> <p>Since the Department received CRF funding through legislative appropriation, resolution of the questioned costs with the grantor will be managed by the OFM.</p> <p>June 2023</p> <p>Anita Kendall                      Senior Director, Business Services                      PO Box 41106                      Olympia, WA 98504-1106                      (360) 480-7915  <a href="mailto:Anita.kendall@doc1.wa.gov">Anita.kendall@doc1.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.019 COVID-19	\$37,392
<u>Assistance Listing #</u>	<u>Amount</u>						
21.019 COVID-19	\$37,392						

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2022	014	Finding:  Questioned Costs:  Status:  Corrective Action:  Completion Date:  Agency Contact:	The Department of Social and Health Services improperly charged \$390 to the Coronavirus Relief Fund.  <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.019 COVID-19</td> <td>\$390</td> </tr> </table> Corrective action in progress  The Department concurs with the finding.  Since the Department received CRF funding through legislative appropriation, resolution of the questioned costs with the grantor will be managed by the Office of Financial Management.  Estimated October 2023  Richard Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a>	<u>Assistance Listing #</u>	<u>Amount</u>	21.019 COVID-19	\$390
<u>Assistance Listing #</u>	<u>Amount</u>						
21.019 COVID-19	\$390						

Office of Financial Management

Agency 105

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2022	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 Office of Financial Management did not have adequate internal controls over and did not comply with reporting requirements for the Coronavirus Relief Fund.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.019 COVID-19</td> <td>\$0</td> </tr> </table> <p>Corrective action complete</p> <p>The Office had controls in place for the Coronavirus Relief Fund (CRF) reporting requirements to ensure reported amounts, including corrections or adjustments made during the reporting period, were properly tracked and documented for subsequent reporting cycles. The Office performed continual monitoring of CRF expenditures to ensure the total grant expenditures reported were complete and accurate.</p> <p>The Office’s Statewide Accounting staff took over the responsibility for reviewing and certifying cycle 8 to 10 reports. Each report was reviewed prior to submission and documentation of the review was adequately maintained. The review ensured amounts submitted on the reports reconciled to supporting documentation provided by agencies at the time the reports were prepared. However, system issues in the federal reporting system created challenges in documenting changes to the templates as errors appeared and were subsequently corrected for the reporting cycle.</p> <p>For the final cycle 10 report, the Office ensured the cumulative amounts on the CRF report were supported by the underlying accounting records and performed a complete reconciliation of expenditures to the totals reported for each expenditure category. All revisions and resubmissions of the final report were completed in cycle 10. No additional revisions are required at this time.</p> <p>The final report was submitted in January 2023 and the grant is in its closeout phase. The Office considers this issued resolved.</p> <p>The conditions noted in this finding were previously reported in finding 2021-014.</p> <p>January 2023</p> <p>Brian Tinney                      Statewide Accounting Director                      PO Box 43127                      Olympia, WA 98504-3127                      (564) 999-1781  <a href="mailto:brian.tinney@ofm.wa.gov">brian.tinney@ofm.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.019 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.019 COVID-19	\$0						

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2022	016	<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 did not have adequate internal controls over and did not comply with requirements to ensure payments to subrecipients of the Emergency Rental Assistance program were allowable and properly supported.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.023 COVID-19</td> <td>\$255,642,551</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department implemented procedures to strengthen internal controls to ensure Emergency Rental Assistance program expenditures are allowable, properly supported, and in compliance with the subrecipient fiscal monitoring requirements.</p> <p>The Homelessness Assistance Unit managing director completed the following corrective actions in September 2022:</p> <ul style="list-style-type: none"> <li>• Updated unit reimbursement procedures to include a requirement for specific supporting documentation to accompany payment requests from all subrecipients.</li> <li>• Provided training to staff on reviewing supporting documentation to ensure expenditures reconcile with reimbursement requests and to verify expenditures are within the period of performance.</li> <li>• Reviewed 2 CFR 200.332 and updated procedures to include additional requirements for pass-through entities.</li> <li>• Worked with the Department’s internal control officer for review and feedback of the updated procedures.</li> </ul> <p>The managing director will perform a review of the reimbursement process during the next fiscal year, which begins July 1, 2023, to ensure procedures are followed.</p> <p>The Department will consult with the federal grantor to discuss the audit results.</p> <p>Estimated September 2023</p> <p>Gena Allen                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.023 COVID-19	\$255,642,551
<u>Assistance Listing #</u>	<u>Amount</u>						
21.023 COVID-19	\$255,642,551						



Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2022	017	<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 did not have adequate internal controls over and did not comply with reporting requirements for the Emergency Rental Assistance program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.023 COVID-19</td> <td>\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department implemented procedures to strengthen internal controls to ensure compliance with reporting and special test compliance requirements.</p> <p>In December 2021, the Department contracted with a vendor skilled in performing data analytics. The vendor:</p> <ul style="list-style-type: none"> <li>• Helped aggregate the data required in the monthly and quarterly reports submitted to Treasury.</li> <li>• Worked with the Department to create a report form, with embedded data validation checks, to ensure data quality and accuracy.</li> </ul> <p>The Department updated its process to document review of the aggregated report form data prior to submission to Treasury. Additionally, bi-monthly meetings are held with the vendor staff to ensure understanding of any updated Emergency Rental Assistance reporting requirements and discuss potential impact to the data aggregation process.</p> <p>Funding for this program ends June 30, 2023. The Department will follow these updated procedures until final reporting is completed.</p> <p>Estimated July 2023</p> <p>Gena Allen                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.023 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.023 COVID-19	\$0						

Office of Financial Management

Agency 105

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2022	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 Office of Financial Management did not have adequate internal controls over and did not comply with requirements to ensure Coronavirus State and Local Fiscal Recovery Funds were used only for allowable activities.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.027 COVID-19</td> <td>\$300,000,000</td> </tr> </table> <p>Corrective action not taken</p> <p>The Office does not concur with the audit finding.</p> <p>The state of Washington created a separate fund to track the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) expenditures. The state, through legislation, approved the transfer from the CSLFRF account to various state transportation accounts. The Office reaffirms that all expenditures from the transportation accounts that received the CSLFRF funds were used to maintain government services.</p> <p>The <i>State Administrative and Accounting Manual</i> requires all state agencies to establish internal controls over payments for goods and services, including ensuring payments are lawful and for proper purposes, reviewing payments to ensure they are supported, as well as documenting the review of all payments. State agencies continued to follow their established internal controls to ensure expenditures from the transportation accounts were proper and allowable for both non-CSLFRF and CSLFRF funds.</p> <p>The Office will continue to:</p> <ul style="list-style-type: none"> <li>• Work with the U.S. Treasury through upcoming desk audits to ensure no questioned costs are required to be repaid.</li> <li>• Document all correspondences with the grantor during the audit resolution process.</li> </ul> <p>Not applicable</p> <p>Brian Tinney                      Statewide Accounting Director                      PO Box 43127                      Olympia, WA 98504-3127                      (564) 999-1781  <a href="mailto:brian.tinney@ofm.wa.gov">brian.tinney@ofm.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$300,000,000
<u>Assistance Listing #</u>	<u>Amount</u>						
21.027 COVID-19	\$300,000,000						

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2022	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 Commerce did not have adequate internal controls over and did not comply with requirements for monitoring subrecipients to ensure payments were allowable, properly supported, and met period of performance requirements for the Coronavirus State and Local Fiscal Recovery Funds.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.027 COVID-19</td> <td>\$28,886,606</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department implemented procedures to strengthen internal controls to ensure program expenditures are allowable, properly supported, and in compliance with the subrecipient fiscal monitoring requirements.</p> <p>The Homelessness Assistance Unit managing director completed the following corrective actions in July 2022:</p> <ul style="list-style-type: none"> <li>• Updated unit reimbursement procedures to include a requirement for specific supporting documentation to accompany payment requests from all subrecipients.</li> <li>• Provided training to staff on reviewing supporting documentation to ensure expenditures reconcile with reimbursement requests and to verify expenditures are within the period of performance.</li> <li>• Reviewed 2 CFR 200.332 and updated procedures to include additional requirements for pass-through entities.</li> <li>• Worked with the Department’s internal control officer for review and feedback of the updated procedures.</li> </ul> <p>The managing director will perform a review of the reimbursement process during the next fiscal year which begins July 1, 2023, to ensure procedures are followed.</p> <p>The Department increased the number of client files reviewed during program monitoring. The client file review included verifying household assistance expenses were allowable and incurred within the period of performance.</p> <p>Since the Department received the Coronavirus State and Local Fiscal Recovery Funds through legislative appropriation, resolution of the questioned costs with the grantor will be managed by the Office of Financial Management.</p> <p>Estimated September 2023</p> <p>Gena Allen                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$28,886,606
<u>Assistance Listing #</u>	<u>Amount</u>						
21.027 COVID-19	\$28,886,606						

Office of Financial Management

Agency 105

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2022	020	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Office of Financial Management did not have adequate internal controls over and did not comply with reporting requirements for the Coronavirus State and Local Fiscal Recovery Funds.</p> <table border="0"> <tr> <td data-bbox="672 552 971 579"><u>Assistance Listing #</u></td> <td data-bbox="1003 552 1094 579"><u>Amount</u></td> </tr> <tr> <td data-bbox="672 579 971 609">21.027 COVID-19</td> <td data-bbox="1003 579 1094 609">\$0</td> </tr> </table> <p>Corrective action complete</p> <p>The Office has continued to strengthen internal controls for the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) reporting to ensure compliance with the federal requirements.</p> <p>As of May 2022, the Office:</p> <ul style="list-style-type: none"> <li>• Transitioned the primary responsibility for centralized CSLFRF reporting to the Statewide Accounting Division.</li> <li>• Hired a Budget and Grants Coordinator with experience in federal reporting to oversee the reporting process.</li> </ul> <p>The Office will continue to:</p> <ul style="list-style-type: none"> <li>• Monitor updates to the U.S Treasury’s Project and Expenditure Report User Guide.</li> <li>• Improve the quarterly reporting template and assist state agencies during the reporting process.</li> <li>• Ensure reported amounts, including corrections or adjustments made during the reporting period, are properly tracked and documented for the subsequent reporting cycles.</li> <li>• Perform reconciliations of reported expenditures to ensure agency expenditures are accurately reported, allowing for adjustments/corrections required due to issues with the reporting system.</li> <li>• Ensure reported expenditures are accurate and adequately supported by accounting records before the information is uploaded to the federal reporting system.</li> <li>• Document correspondences with the U.S. Treasury when system errors are identified and resolutions recommended by the grantor, if received.</li> </ul> <p>Internal procedures have been developed to formally document the reporting process.</p> <p>May 2023</p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.027 COVID-19	\$0						

Office of Financial Management

Agency 105

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2022	020 (cont'd)	Agency Contact:	Brian Tinney Statewide Accounting Director PO Box 43127 Olympia, WA 98504-3127 (564) 999-1781 <a href="mailto:brian.tinney@ofm.wa.gov">brian.tinney@ofm.wa.gov</a>

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2022	021	<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 did not have adequate internal controls over and did not comply with requirements to perform risk assessments for subrecipients of the Coronavirus State and Local Fiscal Recovery Funds.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>21.027 COVID-19</td> <td>\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department implemented procedures to strengthen internal controls to ensure the program complies with the subrecipient monitoring risk assessment requirements.</p> <p>The Homelessness Assistance Unit managing director completed the following corrective actions:</p> <ul style="list-style-type: none"> <li>• Updated the unit risk assessment procedures to require risk assessment forms to be completed prior to contract execution for all subawards.</li> <li>• Reviewed 2 CFR 200.332 to ensure procedures are updated to comply with all requirements for pass-through entities.</li> <li>• Reviewed the updated procedures and risk assessment form with the Department's central contract office.</li> </ul> <p>The federal team managers provided training to current staff and new hires on the updated procedures and are responsible for reviewing completed risk assessments.</p> <p>The Homelessness Assistance Unit managing director will perform a review of the process at the end of the current fiscal year to ensure procedures have been followed and the form is adequate to capture all required elements.</p> <p>Estimated September 2023</p> <p>Gena Allen                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	21.027 COVID-19	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
21.027 COVID-19	\$0						

Washington State University

Agency 365

Fiscal Year	Finding Number	Finding and Corrective Action Plan															
2022	022	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>Washington State University did not ensure that returns of Title IV funds were accurate for the Student Financial Assistance programs.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>84.007</td> <td>\$2,582</td> </tr> <tr> <td>84.033</td> <td></td> </tr> <tr> <td>84.038</td> <td></td> </tr> <tr> <td>84.063</td> <td></td> </tr> <tr> <td>84.268</td> <td></td> </tr> <tr> <td>84.379</td> <td></td> </tr> </tbody> </table> <p>Corrective action complete</p> <p>The University has improved processes for the return of Title IV funds. The University:</p> <ul style="list-style-type: none"> <li>• Included a standard calculation in workbooks to quickly identify whether amounts to be returned for withdrawn students will exceed the amounts disbursed.</li> <li>• Implemented a quality check to review these exceptions, and to investigate and correct as necessary.</li> </ul> <p>The University has returned all questioned costs to the sponsors.</p> <p>May 2023</p> <p>Heather Lopez                      Chief Audit Executive                      PO Box 641221                      Pullman, WA 99164-1221                      (509) 335-2001  <a href="mailto:hlopez@wsu.edu">hlopez@wsu.edu</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.007	\$2,582	84.033		84.038		84.063		84.268		84.379	
<u>Assistance Listing #</u>	<u>Amount</u>																
84.007	\$2,582																
84.033																	
84.038																	
84.063																	
84.268																	
84.379																	

Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2022	023	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with federal requirements to ensure Local Education Agencies implemented testing security measures.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">84.010</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Office monitors and ensures all Local Education Agencies (LEA) implement school testing security measures. All LEAs are required to submit a District Administration and Security Report (DASR) at the conclusion of the testing cycle to document the security training and that protocols have been followed.</p> <p>The Office will continue to communicate with LEAs to ensure they provide the DASR for all tests administered in the spring, as follows:</p> <ul style="list-style-type: none"> <li>• Once per week for four weeks leading up to the end of the test administration window.</li> <li>• Once per week for three weeks after the end of the test administration window.</li> </ul> <p>In August, the Office will receive the annual final list of all tests administered by each LEA and will be able to narrow its focus for sending out weekly reminders. If the Office has not received completed DASRs by mid-September, a management decision letter will be sent to the LEA's Superintendent to inform them of the non-compliance and potential consequences as outlined in federal regulations.</p> <p>The conditions noted in this finding were previously reported in findings 2021-021 and 2020-026.</p> <p>Estimated October 2023</p> <p>Christopher Hanczrik                      Director, Assessment Operations and Select Assessments                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 485-3580  <a href="mailto:Christopher.Hanczrik@k12.wa.us">Christopher.Hanczrik@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.010	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
84.010	\$0						



Washington Charter School Commission

Agency 359

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2022	024	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Charter School Commission did not have adequate internal controls over and did not comply with requirements to ensure charter schools with relationships to charter management organizations were monitored for conflicts of interest.</p> <table border="0" data-bbox="670 583 1096 646"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">84.010</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Corrective action complete</p> <p>Although the Commission believes that a finding was not warranted, the Commission has begun implementing additional oversight requirements identified in the audit.</p> <p>As of May 2023, the Commission:</p> <ul style="list-style-type: none"> <li>• Implemented a process to review all charter public school board members’ F-1 Personal Financial Affairs Disclosure forms for potential conflict of interest using the Public Disclosure Commission (PDC) website.</li> <li>• Required all charter public schools to submit each board member’s F-1 form to the Commission directly via the compliance software, Epicenter, as follows:                         <ul style="list-style-type: none"> <li>○ By April 15 of each year for current board members in alignment with the PDC’s annual submission deadline.</li> <li>○ Within two weeks of appointment for new board members in alignment with PDC submission guidelines.</li> </ul> </li> </ul> <p>The Commission created and will maintain a conflict-of-interest tracker, including dates forms are received, to ensure each board member’s potential conflict of interest is actively reviewed.</p> <p>The Commission will continue to work with the Office of Superintendent of Public Instruction (OSPI) on federal funding administered by OSPI and be informed of matters that may require additional actions by the Commission.</p> <p>May 2023</p> <p>Jessica de Barros                      Executive Director                      PO Box 40996                      Olympia, WA 98501-0996                      360-725-5511  <a href="mailto:charterschoolinfo@k12.wa.us">charterschoolinfo@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.010	\$0
<u>Assistance Listing #</u>	<u>Amount</u>						
84.010	\$0						

Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2022	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 Office of Superintendent of Public Instruction did not have adequate controls over and did not comply with requirements to ensure it met the earmarking requirements for the Special Education program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>84.027</td> <td>\$188,873</td> </tr> <tr> <td>84.027 COVID-19</td> <td></td> </tr> <tr> <td>84.173</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>When the Special Education program underwent a fiscal leadership transition in 2021, the incoming director identified necessary changes in agency procedures for closing out the fiscal year for the program. Since that time, the Office has fully implemented internal controls to ensure spending plans do not exceed the maximum allowable amounts earmarked for administration and other state-level activities.</p> <p>The updated procedures require the director of Operations and the budget analyst to perform the following:</p> <ul style="list-style-type: none"> <li>• Review criteria for spending plans at the beginning of the fiscal year.</li> <li>• Review the Grant Award Notice and Grants to States Summary Table and Preschool Grants to States Summary Table.</li> <li>• Review spending plans and update the maximum allowable amounts earmarked for administration and other state-level activities in the spending plan throughout the fiscal year.</li> <li>• Meet weekly to review spending plans and update plans as requests are received.</li> <li>• Review monthly expenditure reports during weekly meetings.</li> </ul> <p>These updated procedures have contributed to increased communication and partnership between the director of Operations and the budget analyst. These internal controls provide assurance that maximum allowable amounts earmarked for administration and other state-level activities will be in compliance with federal rules.</p> <p>The Office will consult with the federal grantor to discuss whether the questioned costs identified in the audit should be repaid.</p> <p>March 2023</p> <p>Tania May                      Assistant Superintendent, Special Education                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 725-6075  <a href="mailto:tania.may@k12.wa.us">tania.may@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.027	\$188,873	84.027 COVID-19		84.173	
<u>Assistance Listing #</u>	<u>Amount</u>										
84.027	\$188,873										
84.027 COVID-19											
84.173											

Office of Superintendent of Public Instruction

Agency 350

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2022	026	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Superintendent of Public Instruction did not have adequate internal controls to ensure it performed risk assessments for subrecipients of the Special Education program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>84.027</td> <td>\$0</td> </tr> <tr> <td>84.027 COVID-19</td> <td></td> </tr> <tr> <td>84.173</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>In April 2022, the Office’s Special Education division revised and expanded the form package that Educational Service Districts (ESDs) need to submit as part of year-end reporting. Additionally, ESDs are required to respond to a series of questions and provide applicable documentation for contracts and procurement, time and effort process and reports, documentation for professional development expenditures, and year-end expenditure reports.</p> <p>Based on the results from monitoring activities over year-end reporting, ESDs will be selected for additional monitoring and may be subject to an onsite visit if deemed necessary.</p> <p>In March 2023, the Office finalized the Fiscal Monitoring Procedures Handbook for ESDs. The following timeline has been developed for full implementation of the corrective actions:</p> <ul style="list-style-type: none"> <li>• ESDs are required to upload documentation by February 1, 2024.</li> <li>• The Office will complete review of submitted documents and issue reports to ESDs by February 29, 2024. Reports will identify any required or recommended corrective actions.</li> <li>• The Office will issue final reports to ESDs within 60 calendar days after documentation review, by March 29, 2024.</li> </ul> <p>The conditions noted in this finding were previously reported in finding 2021-023.</p> <p>Estimated March 2024</p> <p>Tania May                      Assistant Superintendent, Special Education                      PO Box 47200                      Olympia, WA 98504-7200                      (360) 725-6075  <a href="mailto:tania.may@k12.wa.us">tania.may@k12.wa.us</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.027	\$0	84.027 COVID-19		84.173	
<u>Assistance Listing #</u>	<u>Amount</u>										
84.027	\$0										
84.027 COVID-19											
84.173											

Office of Financial Management

Agency 105

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2022	027	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Financial Management did not have adequate internal controls over and did not comply with federal level of effort requirements for the Education Stabilization Fund program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>84.425D COVID-19</td> <td>\$0</td> </tr> <tr> <td>84.425R COVID-19</td> <td></td> </tr> <tr> <td>94.425U COVID-19</td> <td></td> </tr> <tr> <td>84.425V COVID-19</td> <td></td> </tr> </table> <p>Corrective action not taken</p> <p>The Office does not concur with the finding.</p> <p>The Office performed the maintenance of effort (MOE) calculations in accordance with the guidance provided by the U.S. Department of Education (ED). Based on appropriations and past funding, it was determined that the fiscal year 2022 expenditure level did not meet the MOE requirement. The Office followed the federal guidance and directions from a legislative proviso in the enacted state budget (Chapter 334, Laws of 2021, Sec. 954) and submitted a waiver request for fiscal years 2022 and 2023. The waiver was submitted before ED’s stipulated deadline of December 31, 2021. ED’s website confirmed an MOE waiver request was received from Washington state and the status of the request is currently listed as “under review.”</p> <p>The Office maintains adequate internal controls and has followed all federal and state requirements with due diligence in requesting the MOE waiver. The approval process rests with the federal grantor, and the waiver has not been disapproved.</p> <p>In addition, the Office has been meeting with ED on a monthly basis and is already consulting with the grantor regarding the pending waiver request. The Office will also continue to work with the Legislature, which is the state-level authority for state appropriations, to monitor any updates to federal requirements.</p> <p>Not applicable</p> <p>Brian Tinney                      Statewide Accounting Director                      PO Box 43127                      Olympia, WA 98504-3127                      (564) 999-1781  <a href="mailto:brian.tinney@ofm.wa.gov">brian.tinney@ofm.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	84.425D COVID-19	\$0	84.425R COVID-19		94.425U COVID-19		84.425V COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>												
84.425D COVID-19	\$0												
84.425R COVID-19													
94.425U COVID-19													
84.425V COVID-19													

University of Washington

Agency 360

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2022	028	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The University of Washington did not establish adequate internal controls to ensure payments to contractors and subrecipients for the Global AIDS program were allowable, properly supported and within the period of performance.</p> <table border="0"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td></td> <td style="text-align: center;">93.067</td> <td style="text-align: center;">\$0</td> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;">93.067 COVID-19</td> </tr> </table> <p>Corrective action complete</p> <p>The University partially concurs with the finding.</p> <p>The University disagrees with the auditors' assertion that internal controls were inadequate to ensure payments to contractors and subrecipients of the Global AIDS program were allowable, properly supported, and within the period of performance.</p> <p><b>Payments to country offices</b></p> <p>The University administers the program through its International Training and Education Center for Health (I-TECH), a center in the University's Department of Global Health, with staff in various locations worldwide. I-TECH country offices are not contractors but are an extension of the University. The audit identified one of 58 payments in the test sample (1.7 percent) that did not meet the approval requirements set forth in I-TECH's standard operating procedures. Based on the error percentage, the University disagrees with this part of the finding.</p> <p><b>Payments to contractors</b></p> <p>The University's current payment process to contractors has multiple approval requirements. Upon receipt, program/budget manager reviews and approves individual invoices prior to input into the University's procurement system by the I-TECH accounts payable administrator. The system requires compliance approval from the account payable supervisor or other manager, as well as funding approval from the budget manager prior to payment. Approvals of Budget Activity Reports (BARS) are not part of the approval process for contractor payments, but are post-payment reviews by budget managers of monthly expenses posted to the budget to ensure they are within expectations.</p> <p>The University disagrees with the exceptions identified in the finding related to payments to contractors. The exceptions noted were payments made to country offices instead of contractors, the supporting approvals of which were provided to the auditors on April 26, 2023, prior to the completion of fieldwork.</p> <p><b>Subrecipient reimbursements</b></p> <p>Contract managers review each subrecipient invoice for reasonableness,</p>		<u>Assistance Listing #</u>	<u>Amount</u>		93.067	\$0		93.067 COVID-19	
	<u>Assistance Listing #</u>	<u>Amount</u>										
	93.067	\$0										
	93.067 COVID-19											

University of Washington

Agency 360

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	028 (cont'd)	<p>allowability and allocability, and require approval by both budget managers and principal investigators (PI) prior to payment in the University's procurement system. The auditors reviewed and verified PI approvals for each selected subrecipient with no exception identified. It should be noted that approvals of BARS are also not part of the approval process for payments to subrecipients.</p> <p>The University acknowledges that documentation related to BARS reviews by budget managers was not available for 52 of the transactions tested and agrees that improvement is needed for retaining documentation of monthly reviews. In response to the finding, the University has started saving BARS review documentation on the server to ensure the documents are readily available.</p> <p>Completion Date: April 2023</p> <p>Agency Contact: Erick Winger                      Controller                      4300 Roosevelt Way NE                      Seattle, WA 98195                      (206) 543-5322  <a href="mailto:erickw@uw.edu">erickw@uw.edu</a></p>

University of Washington

Agency 360

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	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 University of Washington did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.067</td> <td>\$0</td> </tr> <tr> <td colspan="2">93.067 COVID-19</td> </tr> </table> <p>Corrective action in progress</p> <p>The University acknowledges that one report related to the Global AIDS program subaward modification was not submitted during the audit period in accordance with Federal Funding Accountability and Transparency Act (FFATA) requirements.</p> <p>The University:</p> <ul style="list-style-type: none"> <li>Submitted the required report as of May 2023.</li> <li>Reviewed all subaward actions (new subawards and modifications) for the program active during fiscal year 2022 and verified that no additional reports were missed.</li> </ul> <p>The University maintains that solid and effective controls are already in place related to FFATA reporting, but acknowledges that the current process can be enhanced through better use of the data in the Sponsored Projects Administration and Electronic Research Compliance (SPAERC) system. The University will:</p> <ul style="list-style-type: none"> <li>Strengthen management monitoring process to ensure compliance with FFATA reporting requirements.</li> <li>Design a report to assist in the identification and review of FFATA-reportable actions. Implementation of this process is expected to occur in fiscal year 2024.</li> </ul> <p>Estimated December 2023</p> <p>Erick Winger                      Controller                      4300 Roosevelt Way NE                      Seattle, WA 98195                      (206) 543-5322  <a href="mailto:erickw@uw.edu">erickw@uw.edu</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.067	\$0	93.067 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.067	\$0								
93.067 COVID-19									

University of Washington

Agency 360

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	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 University of Washington did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of the Global AIDS program received required single or program-specific audits, and that it followed up on findings and issued management decisions.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.067</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.067 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The University maintains that there are adequate internal controls to ensure the Global AIDS program complies with the requirements for pass-through entities as outlined in Uniform Guidance 2 CFR § 200.332 and the university policy incorporated in Grants Information Memorandum 8.</p> <p>As noted in the finding, the University uses a certification process to obtain information and documentation needed, such as audited financial statements, from each subrecipient and perform a risk assessment using standard risk criteria. For the one exception identified by the auditors, the University misinterpreted the response provided by the subrecipient regarding whether it expended \$750,000 or more in federal awards during the fiscal year. Although the single or program specific audit report was not obtained and reviewed, a risk assessment was performed on the subrecipient. With a medium risk rating, the subrecipient was subject to monitoring at the program level throughout the project during the period in question, in accordance with University policy.</p> <p>The University will:</p> <ul style="list-style-type: none"> <li>• Update the certification process with all subrecipients to confirm if federal expenditures during a fiscal year exceed the \$750,000 threshold to require a single or program-specific audit.</li> <li>• Issue written management decisions for all applicable audit findings.</li> <li>• Ensure subrecipients develop and perform acceptable corrective actions to address all audit recommendations, if applicable.</li> </ul> <p>Estimated September 2023</p> <p>Erick Winger                      Controller                      4300 Roosevelt Way NE                      Seattle, WA 98195                      (206) 543-5322  <a href="mailto:erickw@uw.edu">erickw@uw.edu</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.067	\$0	93.067 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.067	\$0								
93.067 COVID-19									



Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	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 Department of Health did not have adequate internal controls over and did not comply with requirements to ensure payments to providers were allowable, met cost principles, and were within the period of performance for the Immunization Cooperative Agreements program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.268</td> <td style="text-align: right;">\$4,287,159</td> </tr> <tr> <td style="text-align: right;">93.268 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department partially agrees with the finding.</p> <p>The Department agrees that internal controls can be strengthened over provider payments to ensure funds are allowable and spent within the period of performance. The following actions were taken:</p> <ul style="list-style-type: none"> <li>• Required payments to providers contain adequate support in line with the A19 matrix and subrecipients' risk assessments.</li> <li>• Provided additional training to staff in the immunization unit responsible for reviewing invoices.</li> <li>• Developed tracking sheets which enable staff to record details from backup documentation reviews and payment approvals.</li> </ul> <p>The Department will review the control weaknesses identified in the audit related to the consolidated contract payment process and will determine if changes need to be made.</p> <p>The Department disagrees with the audit exceptions and questioned costs identified in the finding. The Department will work with the federal grantor to resolve any questioned costs.</p> <p>Estimated December 2023</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.268	\$4,287,159	93.268 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.268	\$4,287,159								
93.268 COVID-19									

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	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 Department of Health did not have adequate internal controls to ensure it filed accurate and timely reports required by the Federal Funding Accountability and Transparency Act for the Immunization Cooperative Agreements program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.268</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.268 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department agrees with the finding.</p> <p>The Department will review internal processes and determine when a review is most effective to ensure accuracy and completeness of the Federal Funding Accountability and Transparency Act reporting submissions. Management has already addressed the obligation dates to ensure the execution date of the award or amendment is reported.</p> <p>Estimated July 2024</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.268	\$0	93.268 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.268	\$0								
93.268 COVID-19									

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2022	033	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Health did not have adequate internal controls over and did not comply with fiscal monitoring requirements to ensure subrecipients of the Epidemiology and Laboratory Capacity for Infectious Diseases program only used funds for allowable activities and met cost principles.</p> <table border="0" data-bbox="673 577 1128 672"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.323</td> <td></td> <td style="text-align: right;">\$1,644,873</td> </tr> <tr> <td>93.323 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department partially concurs with the finding.</p> <p>The Department agrees with the auditors' recommendation over subrecipient monitoring to require transactions that were previously coded as "COVID" to be recorded with the specific revenue source and will do so in future monitoring visits. The Department does not agree with the auditors' assessment of a material weakness in internal controls over subrecipient monitoring. When staff conduct fiscal monitoring site visits, key control systems including payroll and disbursements are reviewed and documented. These monitoring activities ensure internal controls are operating effectively and providing assurance that reimbursements are allowable and accurate.</p> <p>The Department acknowledges that internal controls can be strengthened over provider payments and will take the following actions:</p> <ul style="list-style-type: none"> <li>• Require payments to providers be adequately supported by the appropriate backup documentation and subrecipient risk assessments.</li> <li>• Update the documentation requirements to align with the identified risk levels and federal guidance.</li> <li>• Develop tracking sheets, which enable staff to record details from backup documentation reviews and payment approvals.</li> <li>• Provide additional training to staff in the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program responsible for reviewing invoices.</li> </ul> <p>The Department disagrees with the SAO's assessment of a material weakness in internal controls over the consolidated contract provider payment process for the ELC program. The Department has established processes in place to ensure payments are allowable and meet cost principles for the program. These include:</p> <ul style="list-style-type: none"> <li>• Perform annual review and approval of detailed subrecipient budgets.</li> <li>• Compare invoice amounts to budgeted amounts for reasonableness before payment approval.</li> <li>• Provide subrecipients regular technical assistance and training on applicable policies related to fiscal and programmatic processes.</li> </ul>		<u>Assistance Listing #</u>	<u>Amount</u>	93.323		\$1,644,873	93.323 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.323		\$1,644,873										
93.323 COVID-19												

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	033 (cont'd)	<ul style="list-style-type: none"> <li>• Conduct biennial program and fiscal monitoring visits to subrecipients as part of the Department’s monitoring procedures.</li> </ul> <p>In addition, the ELC program has monitoring controls in place and evidence of review at the program level. Program staff maintain a detailed spreadsheet that documents review and approval and includes any amounts that need to be withheld until issues with invoice support are resolved. These reviews are to be completed within the 10-day period before payment is released.</p> <p>The Department is planning on meeting with federal grantors to work through the exceptions and questioned costs identified in the finding.</p> <p>Completion Date: Estimated March 2024</p> <p>Agency Contact: Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>

Department of Health

Agency 303

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	034	<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 did not have adequate internal controls over and did not comply with reporting requirements for the Epidemiology and Laboratory Capacity for Infectious Diseases program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.323</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.323 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department partially agrees with the finding.</p> <p>For the two reports on which the auditors took exceptions, the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program did discover the errors after the original reports were submitted. The Department notified the Centers for Disease Control and Prevention (CDC) about the reporting errors in February 2022, which was within the reporting period. However, due to a technical issue, the federal reporting system would not allow ELC program staff to input edits to the reports for the months of July through October 2021. After a discussion with CDC, program staff were advised to submit the corrected data of the previous reports via email, which was subsequently accepted by the grantor and the issue was resolved.</p> <p>The Department agrees there needs to be evidence of documented reviews of reports and is implementing steps to ensure review and approval of reports are well documented and retained before final submission to the federal grantor.</p> <p>Estimated December 2023</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.323	\$0	93.323 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.323	\$0								
93.323 COVID-19									

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	035	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure payments to child care providers paid with Temporary Assistance for Needy Families funds were allowable and properly supported.</p> <table border="0" data-bbox="667 583 1477 646"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td></td> <td style="text-align: center;">93.558</td> <td style="text-align: center;">\$67,699,429</td> </tr> </table> <p>Corrective action in progress</p> <p>The Working Connections Child Care (WCCC) program was previously managed by the Department of Social and Health Services (DSHS) and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other grant requirements.</p> <p>The Department implemented grant-level management of all federal funds, including the Temporary Assistance for Needy Families (TANF) grant. The Department allocated the TANF grant to eligible clients and allowable activities in compliance with 45 CFR 98.67.</p> <p>For the fiscal year 2021 program audit, the State Auditor’s Office (SAO) issued a finding with \$32 questioned costs for non-compliance with the CCDF eligibility requirement. No other findings, management letters, or exit items were reported in this compliance area or the cost allocation of funds based on eligibility for the CCDF or TANF grants. Given that eligibility or cost allocation has not been an area of concern, and transfers were processed between TANF and CCDF source of funds with the same eligibility criteria, the Department is assured that TANF funding was spent appropriately within federal regulations.</p> <p>The Department is committed to improving internal controls. The Department does not currently have the resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance recommended by SAO. In response to prior year’s audit recommendations, the Department has submitted a budget request to the Legislature in the 2023-2025 biennial budget for additional resources to process adjustments to include transaction-level data.</p> <p>As part of the audit resolution process, the Department of Health and Human Services (HHS), which oversees the CCDF program at the federal level, reviews all SAO findings and issues management decision letters. The letters will reflect the grantor’s determination of whether an audit finding is sustained, the reasons for the decision, and the required actions by the auditee. When a management decision is issued for the fiscal year 2021 finding, the Department will work with HHS and follow the audit resolution process.</p>		<u>Assistance Listing #</u>	<u>Amount</u>		93.558	\$67,699,429
	<u>Assistance Listing #</u>	<u>Amount</u>							
	93.558	\$67,699,429							

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	035 (cont'd)	<p>The conditions noted in this finding were previously reported in finding 2021-028.</p> <p>Completion Date: Estimated December 2024</p> <p>Agency Contact: Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2022	036	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with client eligibility requirements for child care services paid with the Child Care and Development Fund and Temporary Assistance for Needy Families funds.</p> <table border="0"> <thead> <tr> <th data-bbox="673 583 812 613"><u>Assistance Listing #</u></th> <th data-bbox="1003 583 1096 613"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="673 613 812 642">93.558</td> <td data-bbox="1003 613 1096 642">\$5,689</td> </tr> <tr> <td data-bbox="673 642 812 672">93.575</td> <td data-bbox="1003 642 1096 672">\$5,078</td> </tr> <tr> <td data-bbox="673 672 812 701">93.575 COVID-19</td> <td></td> </tr> <tr> <td data-bbox="673 701 812 730">93.596</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Child Care and Development Fund (CCDF) program was previously managed by the Department of Social and Health Services and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other CCDF grant requirements.</p> <p>In response to the finding, the Department established overpayments and referred them to the Office of Financial Recovery for collection.</p> <p>As part of process and internal control improvements, the Department implemented the Fair Start for Kids Act (FSKA) on October 1, 2021, to simplify rules and expand eligibility. The FSKA:</p> <ul style="list-style-type: none"> <li>• Raises the State Median Income threshold, increasing the number of eligible two-parent households.</li> <li>• Caps copayments at \$115 for applicants and \$215 for reapplicants, reducing the copay amounts for two-parent households.</li> <li>• Acts as disincentives for fraud as families are less likely to report the non-custodial parent who is not a household member.</li> </ul> <p>The Department continues to review cases for accuracy following these new rules and policies.</p> <p>In September 2022, the Office of Child Care (OCC) released a document to help CCDF lead agencies simplify the format and content of child care assistance applications, which includes guidance on defining, collecting, and verifying eligibility information. The Department continues to follow guidance from OCC to update policies and procedures within the authority under the Revised Code of Washington and Washington Administrative Code. This includes:</p> <ul style="list-style-type: none"> <li>• Updating policies and procedures for cases with simplified eligibility such as families experiencing homelessness or families with children receiving protective services. Public Benefit Specialist (PBS) staff received training in the winter of 2022, which included the use of systems data to establish household composition.</li> </ul>	<u>Assistance Listing #</u>	<u>Amount</u>	93.558	\$5,689	93.575	\$5,078	93.575 COVID-19		93.596	
<u>Assistance Listing #</u>	<u>Amount</u>												
93.558	\$5,689												
93.575	\$5,078												
93.575 COVID-19													
93.596													



Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	036 (cont'd)	<ul style="list-style-type: none"> <li>Developing a guide for staff to more effectively use the Employment Security Department (ESD) quarterly reported data for eligibility determinations. The ESD data is directly reported by the employer, secured, and reduces delays in benefits by eliminating the wait for employment verification. It is also simple to use for the PBS staff and the auditors, thereby reducing income calculation errors and removing the need for consumers to provide documentation to support the eligibility determination. This procedural change and training are expected to be completed by the summer of 2023.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2021-035, 2020-039, 2019-032, 2018-030, 2017-026, 2016-023, 2015-026, 2014-026, 2013-017 and 2012-30.</p> <p>Completion Date: Estimated October 2023</p> <p>Agency Contact: Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	037	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Social and Health Services did not have adequate internal controls over and did not comply with requirements to ensure staff properly considered the income information obtained from data matching when determining client eligibility and benefits for the Temporary Assistance for Needy Families program.</p> <table border="0" data-bbox="673 609 1104 682"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.558</td> <td></td> <td style="text-align: center;">\$0</td> </tr> </table> <p>Corrective action not taken</p> <p>The Department does not concur with the finding.</p> <p>The Department has established processes in place to ensure income information is properly considered during client eligibility and benefits determination for the Temporary Assistance for Needy Families (TANF) Program. During eligibility determination at application intake, the eligibility worker:</p> <ul style="list-style-type: none"> <li>• Interviews the client to determine income.</li> <li>• Compares client reported information and cross matches against the Income Eligibility and Verification System (IEVS) per the Code of Federal Regulations (CFR).</li> <li>• Resolves discrepancies for all new or previously unverified information received.</li> <li>• Uses the information to determine if the client income is below the maximum earned income limits for TANF per WAC 388-478-0035.</li> <li>• Verifies all circumstances as required in WAC 388-490-0005 and follows requirements when discrepancies exist, which include taking appropriate actions if the information is questionable, confusing, or outdated.</li> </ul> <p>The Department utilizes Spider, which is a tool that combines several different data matches including IEVS. In addition, the Department uses templates to appropriately and comprehensively document the eligibility determination to ensure consistency, accuracy, and that lean processes are followed.</p> <ul style="list-style-type: none"> <li>• The <i>Earned Income Template</i> <ul style="list-style-type: none"> <li>○ Addresses income received within 30 days of the application date and any discrepancies found between the case record, online verification systems, previously projected income, and income type.</li> <li>○ Does not require documentation if there is no income reported and when no discrepancy is found in cross matches.</li> </ul> </li> <li>• The <i>Final Narrative Template</i> <ul style="list-style-type: none"> <li>○ Includes completing check boxes to document types of cross matches reviewed during application intake and a summary of the transactions that occurred.</li> </ul> </li> </ul>		<u>Assistance Listing #</u>	<u>Amount</u>	93.558		\$0
	<u>Assistance Listing #</u>	<u>Amount</u>							
93.558		\$0							

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	037 (cont'd)	<p>In all seven exceptions identified by the auditors, the client’s situation did not require the eligibility workers to use the <i>Earned Income Templates</i> due to:</p> <ul style="list-style-type: none"> <li>• No income reported.</li> <li>• No income found in IEVS and other cross matches.</li> <li>• No discrepancies.</li> <li>• No changes within 30 days.</li> </ul> <p>The eligibility workers did create documentation using the <i>Final Narrative Template</i> for all seven cases with notation stating: “Reviewed the following system(s): Spider.” All these actions were consistent and aligned with the Department’s "Standard Remarks and Narrative Documentation" procedures.</p> <p>Alerts are not generated for all income fluctuations but as appropriate when a review and potential action is required. This is to minimize creating unnecessary alerts which would take staff time away from other required and mission-critical actions. The Department asserts that the system is working as designed, which is evidenced by the fact that the Department accurately determined eligibility in all seven cases identified as exceptions by the auditors.</p> <p>The Department will continue to:</p> <ul style="list-style-type: none"> <li>• Review IEVS information at application intake and verify and document any discrepancies between what is reported by the household and what is shown in the cross matches.</li> <li>• Use templates to ensure documentation supports the eligibility decisions.</li> <li>• Generate alerts when an applicant is budgeted with zero income, but the IEVS data match shows income.</li> <li>• Use the final narrative documentation template, that includes check boxes, to notate cross matches reviewed during application intake.</li> </ul> <p>Completion Date: Not applicable</p> <p>Agency Contact: Rick Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2022	038	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Commerce did not have adequate internal controls over and did not comply with requirements to ensure it filed reports required by the Federal Funding Accountability and Transparency Act.</p> <table border="0" data-bbox="673 546 1104 640"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.568</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.568 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department has two programs that administer the two different program funding activities. Corrective actions are listed separately for each program to reflect slightly different implementation timelines.</p> <p><b>Low-Income Home Energy Assistance Program (LIHEAP)</b></p> <p>The program added all current awards to the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System and data entry for the sub-awardees was completed as of April 15, 2022.</p> <p>In April 2022, the program implemented the following procedures to strengthen internal controls and to ensure compliance with the reporting requirements:</p> <ul style="list-style-type: none"> <li>• Designated the LIHEAP program manager to be responsible for performing the FFATA reporting duties.</li> <li>• Established a procedure to monitor subawards upon receiving an award letter from the federal grantor, including reviewing incoming amendments and determining if the threshold for FFATA reporting has been reached.</li> <li>• Stipulated the due date of report submission to be 30 days after the assistant director signs the obligation memo to ensure that the program meets FFATA reporting deadlines.</li> <li>• Required each award and amendment to be entered separately into the FFATA Subaward Reporting System.</li> </ul> <p>The program provided and will continue to provide training to program staff before the annual technical assistance and training conference for sub-grantees. The training consists of the FFATA requirement overview and walkthrough of the Department’s internal FFATA reporting procedures.</p> <p>The program will continue to review the FFATA procedures on an annual basis to ensure compliance with current federal requirements.</p> <p>Corrective action was completed for the Low-Income Home Energy Assistance Program in April 2022.</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.568		\$0	93.568 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.568		\$0										
93.568 COVID-19												

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	038 (cont'd)	<p><b>Low-Income Weatherization Program</b></p> <p>The Low-Income Weatherization Program added all current awards to the FFATA Subaward Reporting System and data entry of the awards was completed as of January 15, 2023.</p> <p>In response to the finding, the program implemented the following procedures to strengthen internal controls and to ensure compliance with the reporting requirements:</p> <ul style="list-style-type: none"> <li>• Award letters and funding allocations will be reviewed by the budget team and assistant director before issuing subawards to the weatherization network.</li> <li>• Added FFATA reporting requirements to the obligation process for contracting funds, which includes an obligation memo that outlines the amounts the program intends to pass through to subrecipients and contractors.</li> <li>• Designated the Weatherization Program coordinator to be responsible for performing the FFATA reporting duties.</li> <li>• Established a procedure to monitor subawards upon receiving an award letter from the federal grantor, including reviewing incoming amendments and determining if the threshold for FFATA reporting has been reached.</li> <li>• Stipulated the due date of report submission to be 30 days after the assistant director signs the obligation memo to ensure that the program meets FFATA reporting deadlines.</li> </ul> <p>The program will provide training to all relevant current staff and future staff at the time of onboarding, including supervisors, program managers, and program coordinators. The training will consist of a FFATA requirement overview and walkthrough of the Department’s internal FFATA reporting procedures.</p> <p>The Department will review the FFATA procedures on an annual basis to ensure compliance with current federal requirements.</p> <p>Corrective action was completed for the Low-Income Weatherization Program in January 2023.</p> <p>The conditions noted in this finding were previously reported in finding 2021-031.</p> <p>Completion Date: January 2023</p> <p>Agency Contact: Gena Allen                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	039	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Commerce did not have adequate internal controls over and did not comply with reporting requirements for the Low-Income Home Energy Assistance Program.</p> <table border="0"> <tr> <td data-bbox="673 556 966 583"><u>Assistance Listing #</u></td> <td data-bbox="998 556 1096 583"><u>Amount</u></td> </tr> <tr> <td data-bbox="673 583 966 611">93.568</td> <td data-bbox="998 583 1096 611">\$0</td> </tr> <tr> <td colspan="2" data-bbox="673 611 1096 638">93.568 COVID-19</td> </tr> </table> <p>Corrective action complete</p> <p>The Low-Income Home Energy Assistance Program (LIHEAP) receives awards from one funding source in a typical program year. During fiscal year 2022, the Department received additional COVID Pandemic funds from additional sources. The Department was instructed to keep and track all funds separately.</p> <p>The U.S. Department of Health and Human Services (HHS) issued the Action Transmittal LIHEAP-AT-2022-02 Performance Data Form for Fiscal Year 2021 on March 14, 2022. The Action Transmittal states that the first page of the federal report was to include all Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan Act funds as combined and separated out in subsequent pages of the report.</p> <p>To meet reporting requirements, the Department tracked and reported all funds separately for regular LIHEAP funding and additional LIHEAP funding. The reports were reviewed and accepted by HHS and APPRISE, a contractor of HHS.</p> <p>The Department follows the reporting process outlined below:</p> <ul style="list-style-type: none"> <li>• Program manager pulls the necessary reports.</li> <li>• Managing director (MD) reviews reports before submittal.</li> <li>• Program manager submits reports once MD approval is received.</li> <li>• Program manager receives notice that the report has been accepted by the funder.</li> <li>• Program manager saves a copy of the report, documentation, and acceptance.</li> </ul> <p>The program manager is working with the HHS contractor, APPRISE, to revise the reporting submission.</p> <p>The conditions noted in this finding were previously reported in finding 2021-032.</p> <p>March 2023</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.568	\$0	93.568 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.568	\$0								
93.568 COVID-19									

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2022	039 (cont'd)	Agency Contact:	Gena Allen Internal Control Officer PO Box 42525 Olympia, WA 98504-2525 (360) 480-5149 <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a>

Department of Commerce

Agency 103

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	040	<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 did not have adequate internal controls over and did not comply with requirements to issue management decisions for audit findings to subrecipients of the Low-Income Home Energy Assistance Program.</p> <table border="0" data-bbox="672 583 1096 674"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: left;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.568</td> <td>\$0</td> </tr> <tr> <td>93.568 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action complete</p> <p>The Department’s internal control officer is responsible for completing the monitoring of federal reporting and issuing management decisions for subrecipients who receive federal audit findings for programs funded with the Department’s federal pass-through funding.</p> <p>Beginning in December 2021, the internal control officer documented all findings, corrective action plans, and communication with subrecipients in a monitoring spreadsheet. This enabled the Department to ensure all efforts in monitoring subrecipients were taken. In May 2022, all management decisions were added to the monitoring spreadsheet which documented the Department’s management decisions.</p> <p>To ensure compliance with federal requirements for subrecipient monitoring, the Department has implemented the following process:</p> <ul style="list-style-type: none"> <li>• Review all audit findings issued to Department subrecipients.</li> <li>• Review each subrecipient’s corrective action plan.</li> <li>• Review and discuss all findings and corrective action plans with subrecipients to identify and understand the basis for the deficiency and planned corrections.</li> <li>• Create a management decision for each subrecipient finding, receive leadership approval, and formally communicate the decision to our subrecipient.</li> <li>• All management decisions will be formally communicated to our pass-through subrecipients within the six-month federal deadline.</li> </ul> <p>September 2022</p> <p>Gena Allen                      Internal Control Officer                      PO Box 42525                      Olympia, WA 98504-2525                      (360) 480-5149  <a href="mailto:Gena.Allen@Commerce.wa.gov">Gena.Allen@Commerce.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.568	\$0	93.568 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.568	\$0								
93.568 COVID-19									



Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2022	041	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with requirements to ensure payments to child care providers for the Child Care and Development Fund Cluster programs were allowable and properly supported.</p> <table border="0" data-bbox="667 583 1477 709"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: right;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.575</td> <td style="text-align: right;">\$260,552,979</td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> </tr> <tr> <td>93.596</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Child Care and Development Fund (CCDF) program was previously managed by the Department of Social and Health Services and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other CCDF grant requirements.</p> <p>The Department implemented grant-level management of all federal funds, including the CCDF grant. The Department allocated the CCDF grant to eligible clients and allowable activities in compliance with 45 CFR 98.67.</p> <p>For the fiscal year 2021 program audit, the State Auditor’s Office (SAO) issued a finding with \$32 questioned costs for non-compliance with the CCDF eligibility requirement. No other findings, management letters, or exit items were reported in this compliance area or the cost allocation of funds based on eligibility. Given that eligibility or cost allocation has not been an area of concern, and transfers were processed between CCDF source of funds with the same eligibility criteria, the Department is assured that CCDF funding was spent appropriately within federal regulations.</p> <p>The Department is committed to improving internal controls. The Department does not currently have the resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance recommended by SAO. In response to prior year’s audit recommendations, the Department has submitted a budget request to the Legislature in the 2023-2025 biennial budget for additional resources to process adjustments to include transaction-level data.</p> <p>As part of the audit resolution process, the Department of Health and Human Services (HHS), which oversees the CCDF program at the federal level, reviews all SAO findings and issues management decision letters. The letters will reflect the grantor’s determination of whether an audit finding is sustained, the reasons for the decision, and the required actions by the auditee. When a management decision is issued for the fiscal year 2021 finding, the Department will work with HHS and follow the audit resolution process.</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.575	\$260,552,979	93.575 COVID-19		93.596	
<u>Assistance Listing #</u>	<u>Amount</u>										
93.575	\$260,552,979										
93.575 COVID-19											
93.596											

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	041 (cont'd)	<p>The conditions noted in this finding were previously reported in findings 2021-033, 2020-038, 2019-035, 2018-034, 2017-024, 2016-021, 2015-023, 2014-023, 2013-016, 12-28, 11-23, 10-31, 9-12 and 8-13.</p> <p>Completion Date: Estimated December 2024</p> <p>Agency Contact: Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2022	042	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with matching, level of effort, and earmarking requirements for the Child Care and Development Fund Cluster.</p> <table border="0" data-bbox="673 577 1096 703"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: left;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.575</td> <td>\$0</td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> </tr> <tr> <td>93.596</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Child Care and Development Fund (CCDF) program was previously managed by the Department of Social and Health Services and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other CCDF grant requirements.</p> <p>The Department implemented grant-level management of all federal funds, including the CCDF grant. The Department allocated the CCDF grant to eligible clients and allowable activities in compliance with 45 CFR 98.67.</p> <p>For the fiscal year 2021 program audit, the State Auditor’s Office (SAO) issued a finding with \$32 questioned costs for non-compliance with the CCDF eligibility requirement. No other findings, management letters, or exit items were reported in this compliance area or the cost allocation of funds based on eligibility. Given that eligibility or cost allocation has not been an area of concern, and transfers were processed between CCDF source of funds with the same eligibility criteria, the Department is assured that CCDF funding was spent appropriately within federal regulations.</p> <p>The Department is committed to improving internal controls. The Department does not currently have the resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance recommended by SAO. In response to prior year’s audit recommendations, the Department has submitted a budget request to the Legislature in the 2023-2025 biennial budget for additional resources to process adjustments to include transaction-level data.</p> <p>As part of the audit resolution process, the Department of Health and Human Services (HHS), which oversees the CCDF program at the federal level, reviews all SAO findings and issues management decision letters. The letters will reflect the grantor’s determination of whether an audit finding is sustained, the reasons for the decision, and the required actions by the auditee. When a management decision is issued for the fiscal year 2021 finding, the Department will work with HHS and follow the audit resolution process.</p> <p>The conditions noted in this finding were previously reported in findings 2021-036 and 2020-040.</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.575	\$0	93.575 COVID-19		93.596	
<u>Assistance Listing #</u>	<u>Amount</u>										
93.575	\$0										
93.575 COVID-19											
93.596											

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	042 (cont'd)	Completion Date: Estimated December 2024  Agency Contact: Stefanie Niemela Audit Liaison PO Box 40970 Olympia, WA 98504-0970 (360) 725-4402 <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a>

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2022	043	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with period of performance requirements for the Child Care and Development Fund.</p> <table border="0" data-bbox="667 546 1096 672"> <thead> <tr> <th data-bbox="667 546 828 577"></th> <th data-bbox="667 546 966 577"><u>Assistance Listing #</u></th> <th data-bbox="667 546 1096 577"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="667 577 828 609">93.575</td> <td data-bbox="667 577 966 609">93.575 COVID-19</td> <td data-bbox="667 577 1096 609">\$0</td> </tr> <tr> <td data-bbox="667 609 828 640">93.596</td> <td data-bbox="667 609 966 640"></td> <td data-bbox="667 609 1096 640"></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Child Care and Development Fund (CCDF) program was previously managed by the Department of Social and Health Services and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other CCDF grant requirements.</p> <p>The Department implemented grant-level management of all federal funds, including the CCDF grant. The Department allocated the CCDF grant to eligible clients and allowable activities in compliance with 45 CFR 98.67.</p> <p>For the fiscal year 2021 program audit, the State Auditor’s Office (SAO) issued a finding with \$32 questioned costs for non-compliance with the CCDF eligibility requirement. No other findings, management letters, or exit items were reported in this compliance area or the cost allocation of funds based on eligibility. Given that eligibility or cost allocation has not been an area of concern, and transfers were processed between CCDF source of funds with the same eligibility criteria, the Department is assured that CCDF funding was spent appropriately within federal regulations.</p> <p>The Department is committed to improving internal controls. The Department does not currently have the resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance recommended by SAO. In response to prior year’s audit recommendations, the Department has submitted a budget request to the Legislature in the 2023-2025 biennial budget for additional resources to process adjustments to include transaction-level data.</p> <p>As part of the audit resolution process, the Department of Health and Human Services (HHS), which oversees the CCDF program at the federal level, reviews all SAO findings and issues management decision letters. The letters will reflect the grantor’s determination of whether an audit finding is sustained, the reasons for the decision, and the required actions by the auditee. When a management decision is issued for the fiscal year 2021 finding, the Department will work with HHS and follow the audit resolution process.</p> <p>The conditions noted in this finding were previously reported in finding 2021-037 and 2020-041.</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.575	93.575 COVID-19	\$0	93.596		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.575	93.575 COVID-19	\$0										
93.596												

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	043 (cont'd)	Completion Date: Estimated December 2024  Agency Contact: Stefanie Niemela Audit Liaison PO Box 40970 Olympia, WA 98504-0970 (360) 725-4402 <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a>

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2022	044	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with financial reporting requirements for the Child Care and Development Fund Cluster.</p> <table border="0" data-bbox="673 546 1104 672"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: right;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.575</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> </tr> <tr> <td>93.596</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Child Care and Development Fund (CCDF) program was previously managed by the Department of Social and Health Services and the Department of Early Learning. Since the program transitioned in 2019, the Department has been making efforts to strengthen internal controls over payments to child care providers and other CCDF grant requirements.</p> <p>The Department implemented grant-level management of all federal funds, including the CCDF grant. The Department allocated the CCDF grant to eligible clients and allowable activities in compliance with 45 CFR 98.67.</p> <p>For the fiscal year 2021 program audit, the State Auditor’s Office (SAO) issued a finding with \$32 questioned costs for non-compliance with the CCDF eligibility requirement. No other findings, management letters, or exit items were reported in this compliance area or the cost allocation of funds based on eligibility. Given that eligibility or cost allocation has not been an area of concern, and transfers were processed between CCDF source of funds with the same eligibility criteria, the Department is assured that CCDF funding was spent appropriately within federal regulations.</p> <p>The Department is committed to improving internal controls. The Department does not currently have the resources to develop and maintain the business process redesign, as well as the information technology initiatives necessary to meet the level of assurance recommended by SAO. In response to prior year’s audit recommendations, the Department has submitted a budget request to the Legislature in the 2023-2025 biennial budget for additional resources to process adjustments to include transaction-level data.</p> <p>As part of the audit resolution process, the Department of Health and Human Services (HHS), which oversees the CCDF program at the federal level, reviews all SAO findings and issues management decision letters. The letters will reflect the grantor’s determination of whether an audit finding is sustained, the reasons for the decision, and the required actions by the auditee. When a management decision is issued for the fiscal year 2021 finding, the Department will work with HHS and follow the audit resolution process.</p> <p>The conditions noted in this finding were previously reported in finding 2021-038.</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.575	\$0	93.575 COVID-19		93.596	
<u>Assistance Listing #</u>	<u>Amount</u>										
93.575	\$0										
93.575 COVID-19											
93.596											

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	044 (cont'd)	Completion Date: Estimated December 2024  Agency Contact: Stefanie Niemela Audit Liaison PO Box 40970 Olympia, WA 98504-0970 (360) 725-4402 <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a>



Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2022	045	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with health and safety requirements for the Child Care and Development Fund program.</p> <table border="0" data-bbox="667 546 1096 672"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.575</td> <td></td> <td style="text-align: center;">\$412</td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> <td></td> </tr> <tr> <td>93.596</td> <td></td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department is strongly committed to ensuring the health, safety, and well-being of all children in care.</p> <p>The Department concurs with the finding and has taken the following actions:</p> <ul style="list-style-type: none"> <li>• In September 2020, in response to the COVID-19 pandemic, the Department obtained grantor’s approval to revise the Child Care and Development Fund (CCDF) State Plan to waive the annual unannounced monitoring requirement and allowing for virtual monitoring, through September 30, 2021, but some providers were unable to participate in the virtual process resulting in monitoring visits not being conducted during state fiscal year 2022.</li> <li>• In the fall of 2022, to address staff turnover issues, the Department began recruiting new staff and providing training on child care licensing rules and regulations. This included adding a new position in November 2022 to assist supervisors with onboarding and training new staff hired during the audit period.</li> <li>• The Department implemented a data driven, phased in approach, to return staff to in-person field work after the COVID-19 pandemic:                         <ul style="list-style-type: none"> <li>○ In July 2022, began authorizing staff, subject to pandemic related restrictions, to visit providers on-site to provide assistance with meeting health and safety requirements.</li> <li>○ In the spring of 2023, prioritized monitoring visits to return to compliance with CCDF health and safety requirements.</li> </ul> </li> <li>• Established an overpayment for the questioned costs and referred to the Office of Financial Recovery for collection.</li> <li>• For license-exempt family, friend, and neighbor (FFN) providers, the Department:                         <ul style="list-style-type: none"> <li>○ Requested approval from the Office of Child Care for a hybrid monitoring approach (in-person and virtual visits).</li> <li>○ Dedicated staff resources to update WA Compass to include all health and safety requirements for FFNs and address data format issues.</li> </ul> </li> </ul> <p>The Department will continue to strengthen internal controls as follows:</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.575		\$412	93.575 COVID-19			93.596		
	<u>Assistance Listing #</u>	<u>Amount</u>													
93.575		\$412													
93.575 COVID-19															
93.596															

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	045 (cont'd)	<p>For licensed providers:</p> <ul style="list-style-type: none"> <li>• Continue to implement return to in-person field work by reducing pandemic level requirements.</li> <li>• Prioritize new staff training to first focus on monitoring visits and health and safety requirements.</li> <li>• Continue to track and monitor health and safety requirements with available tools until all WA Compass system development is completed.</li> <li>• Create an in-training licensing position to assist staff recruitment efforts and add additional lead worker positions to assist supervisors with training and caseload management.</li> <li>• Conduct a root cause analysis to determine other underlying causes for missed monitoring visits and untimely follow-ups, and how to address them.</li> <li>• Examine ways to secure resources to add additional full-time staff to support caseload needs.</li> </ul> <p>For FFN providers:</p> <ul style="list-style-type: none"> <li>• Continue to track and monitor FFN health and safety requirements with available tools until all WA Compass system development is completed.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2021-039, 2020-042, 2019-039, 2018-035, 2017-025, 2016-022 and 2015-024.</p> <p>Completion Date: Estimated July 2024</p> <p>Agency Contact: Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2022	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 did not have adequate internal controls over and did not comply with requirements to ensure potential child care fraud was correctly identified and reported for the Child Care and Development Fund Cluster.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.575</td> <td>\$0</td> </tr> <tr> <td>93.575 COVID-19</td> <td></td> </tr> <tr> <td>93.596</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department concurs with the finding.</p> <p>As of January 2023:</p> <ul style="list-style-type: none"> <li>The Department updated the Barcode system algorithm to fix the improper scoring of the Fraud Early Detection (FRED) referrals. Referrals are now being scored, per the details of the algorithm, to include the additional four points for FRED referrals received from hotline calls.</li> <li>The Office of Fraud and Accountability sent a request to store the information for the prioritization tool to the Economic Services Administration, who maintains the Barcode system and server space.</li> </ul> <p>The Department anticipates the Barcode system will be updated and service space will be created by December 2023.</p> <p>Estimated December 2023</p> <p>Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.575	\$0	93.575 COVID-19		93.596	
<u>Assistance Listing #</u>	<u>Amount</u>										
93.575	\$0										
93.575 COVID-19											
93.596											

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2022	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 Children, Youth, and Families did not have adequate controls over and did not comply with certain requirements of its Public Assistance Cost Allocation Plan.</p> <table border="0"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.658</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.658 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department concurs with the finding and is committed to improving internal controls.</p> <p>During July through September 2021, the first three months of the audit period, the Department did not have adequate staffing levels to maintain the business processes for the Public Assistance Cost Allocation Plan (PACAP) cost base for administrative charges. Available staff focused on grant reconciliations and close-out of the prior fiscal year financial transactions. In October 2021, the Department began updating the monthly workbooks in accordance with the approved PACAP.</p> <p>To address the finding and audit recommendations, the Department:</p> <ul style="list-style-type: none"> <li>• Reviewed the written base edit form procedures with staff.</li> <li>• Added reminders for base edit entries to the Cost Allocation and Grants Management Unit calendar.</li> </ul> <p>April 2023</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.658		\$0	93.658 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.658		\$0										
93.658 COVID-19												

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	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 Children, Youth, and Families did not have adequate internal controls to ensure payments to providers for travel and family visits were allowable and adequately supported for the Foster Care program.</p> <table border="0"> <tr> <td style="padding-right: 20px;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.658</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>93.658 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Department is committed to strengthening internal controls and complying with grant requirements.</p> <p>In response to the auditor’s recommendations, the Department will work with the Financial and Business Services Division and Foster Care Program to review the fiscal monitoring procedures to ensure payments to providers for travel and family visits are allowable and adequately supported.</p> <p>The conditions noted in this finding were previously reported in finding 2021-040.</p> <p>Estimated December 2023</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.658	\$0	93.658 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.658	\$0								
93.658 COVID-19									

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2022	049	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls over and did not comply with some Public Assistance Cost Allocation Plan requirements.</p> <table border="0" data-bbox="667 548 1096 701"> <thead> <tr> <th style="text-align: left;"><u>Assistance Listing #</u></th> <th style="text-align: left;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.658</td> <td>\$0</td> </tr> <tr> <td>93.658 COVID-19</td> <td></td> </tr> <tr> <td>93.659</td> <td></td> </tr> <tr> <td>93.659 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action complete</p> <p>The Random Moment Time Study (RMTS) is a federally approved cost allocation methodology to claim allowable federal funds. The Department’s use of the RMTS is included in its Public Assistance Cost Allocation Plan (PACAP) with the federal grantor. The Department maintains that the sampling universe is accurate and complete and complies with federal requirements. There is no known deficiency with the integrity of the RMTS, nor are unallowable costs allocated to federal programs.</p> <p>Effective October 2022, the Department contracted with the University of Massachusetts (UMass) for the design and implementation of the RMTS mechanism. UMass has updated the RMTS instructions for the new quarterly process, which remains in compliance with federal law while alleviating the department-imposed restrictions. It also addresses the auditor’s concerns regarding the internal controls applicable to the RMTS worker types included in the sampling universe.</p> <p>The Department has also taken additional actions to address system limitations caused by high staff turnover rates within the cost pools. These include:</p> <ul style="list-style-type: none"> <li>• The Headquarters (HQ) RMTS Coordinator pulls an InfoFamLink worker list report that shows all workers with access to the FamLink system. The list is then reviewed by job class to verify the accuracy of RMTS group assignment and to identify the workers that are eligible to be included in the sample.</li> <li>• The Cost Allocation and Grants Management Unit pulls a job classification report from the Human Resource Management System (HRMS) at the end of every pay cycle. The HQ RMTS Coordinator compares the HRMS report to the InfoFamLink worker list report to verify if they are eligible to be sampled and properly allocated in HRMS. The HRMS has additional information related to job class to assist in sample eligibility determination and strengthen the internal controls around RMTS samples pulled.</li> <li>• The HQ RMTS Coordinator pulls a workload report from InfoFamLink to view worker caseloads and primary assignments. This is an additional tool to determine if a worker is eligible and assigned to the correct RMTS sample pool.</li> </ul>	<u>Assistance Listing #</u>	<u>Amount</u>	93.658	\$0	93.658 COVID-19		93.659		93.659 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>												
93.658	\$0												
93.658 COVID-19													
93.659													
93.659 COVID-19													

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	049 (cont'd)	<p>The Department will continue to maintain internal controls over the monthly update process to ensure the RMTS sampling populations are complete. The Department will also work with the federal partners to ensure continued compliance with the PACAP.</p> <p>The conditions noted in this finding were previously reported in finding 2021-042, 2020-044 and 2019-044.</p> <p>Completion Date: October 2022</p> <p>Agency Contact: Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2022	050	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Children, Youth, and Families did not have adequate internal controls to ensure group care facility employees had cleared background checks before having unsupervised access to children.</p> <table border="0" data-bbox="667 548 1096 640"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.658</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.658 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department partially concurs with the finding.</p> <p>The Department is committed to ensuring the health, safety, and well-being of all children in our care. As stated in the <i>Effect of Condition</i> on the audit finding, the auditors found all group care facility staff sampled during the audit had a cleared background check prior to working in the facility. While the Department agrees the use of definitions such as “effective date” and “start date” in FamLink could be misleading, the Department does not concur internal controls were not adequate to ensure group care facility employees had cleared background checks before having unsupervised access to children. The Department is confident that all staff who work with children and youth have cleared background checks.</p> <p>Effective April 1, 2023, the Department implemented a new process for processing background checks for group care facilities to strengthen internal controls, documentation, and clarification on the “effective date.” The updated process is outlined below:</p> <ul style="list-style-type: none"> <li>• A new form was created with clear instructions for the group care facilities to provide the applicant/employee information, including the background check confirmation code, directly to the Department’s Background Check Unit (BCU).</li> <li>• The BCU works with the applicant/employee through the fingerprint background check process.</li> <li>• The results are sent directly to the BCU at which time they complete a child abuse/neglect history check and, if needed, a suitability assessment. The BCU documents the results in FamLink with the date the background check is completed.</li> <li>• The BCU emails the results to the group care facility and the Department’s Licensing Division (LD) group. If the applicant/employee is cleared and is not a renewal, LD staff adds the applicant/employee to the group care facility in FamLink with the clearance information attached.</li> </ul> <p>April 2023</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.658		\$0	93.658 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.658		\$0										
93.658 COVID-19												



Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	050 (cont'd)	Agency Contact: Stefanie Niemela Audit Liaison PO Box 40970 Olympia, WA 98504-0970 (360) 725-4402 <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a>

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	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 Children, Youth, and Families did not have adequate internal controls over and did not comply with reporting requirements for the Foster Care program.</p> <table border="0"> <tr> <td style="padding-right: 20px;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.658</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>93.658 COVID-19</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department acknowledges that errors were made in the quarterly reports submitted during the audit period. The errors were identified by the Department and corrected in October 2022.</p> <p>The Department understands accuracy in reporting is vital. To address the audit finding and recommendations, the Department took the following corrective actions:</p> <ul style="list-style-type: none"> <li>• The lead worker established three meetings each quarter with the Cost Allocation and Grants Director for processing the quarterly reports:                         <ul style="list-style-type: none"> <li>○ A pre-meeting to discuss the reporting requirements,</li> <li>○ A meeting during the reporting process to review the final report prior to submission, and</li> <li>○ A post reporting meeting to discuss any concerns encountered during the reporting process.</li> </ul> </li> <li>• Implemented a data verification process by management prior to submission of the quarterly reports.</li> </ul> <p>The Department is committed to improving internal controls over grant management activities and will continue to properly follow the grantor's published instructions when completing the quarterly reports.</p> <p>October 2022</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.658	\$0	93.658 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.658	\$0								
93.658 COVID-19									

Department of Children, Youth, and Families

Agency 307

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2022	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 Children, Youth, and Families did not have adequate internal controls over level of effort requirements for the Adoption Assistance program.</p> <table border="0" data-bbox="673 546 1096 640"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.659</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.659 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>When the auditors issued the prior year finding, the Department had taken the following actions:</p> <ul style="list-style-type: none"> <li>• In February 2022, hired a new position to manage the adoption savings program.</li> <li>• In May 2022:                         <ul style="list-style-type: none"> <li>○ Reviewed federal grantor’s reporting instructions and guidance with staff involved in the preparation and submission of the financial report.</li> <li>○ Reviewed written procedures for tracking and monitoring adoption savings expenditures to ensure compliance with level of effort requirements.</li> <li>○ Established monthly meetings between the Child Welfare Program and Cost Allocation and Grant Management Unit staff to review expenditures and level of effort requirements prior to report submission. These meetings help to improve processes for monitoring and verifying adoption savings expenditures.</li> </ul> </li> </ul> <p>The auditors issued the fiscal year 2021 finding in May 2022, which was 11 months after fiscal year 2022 began. The delay did not allow corrective actions to be developed and implemented timely for fiscal year 2022 and resulted in a repeat finding.</p> <p>The conditions noted in this finding were previously reported in finding 2021-045.</p> <p>May 2022</p> <p>Stefanie Niemela                      Audit Liaison                      PO Box 40970                      Olympia, WA 98504-0970                      (360) 725-4402  <a href="mailto:stefanie.niemela@dcyf.wa.gov">stefanie.niemela@dcyf.wa.gov</a></p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.659		\$0	93.659 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.659		\$0										
93.659 COVID-19												

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	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 Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure clients were eligible for the Children’s Health Insurance Program.</p> <table border="0"> <tr> <td data-bbox="673 548 971 575"><u>Assistance Listing #</u></td> <td data-bbox="1003 548 1094 575"><u>Amount</u></td> </tr> <tr> <td data-bbox="673 579 971 606">93.767</td> <td data-bbox="1003 579 1122 606">\$3,036,657</td> </tr> <tr> <td data-bbox="673 611 971 638">93.767 COVID-19</td> <td></td> </tr> </table> <p>Corrective action not required</p> <p>The Authority does not concur with the finding.</p> <p>The Authority pursued and was notified of approval for the 1115 disaster waiver from the Centers for Medicare &amp; Medicaid Services (CMS). The waiver will approve Children’s Health Insurance Program (CHIP) funding for clients aged 19 and over during the public health emergency, retroactive to March 18, 2020. Once the official approval letter is received from CMS, the issue will be resolved, and the approval letter will be provided to CMS Audit Resolution.</p> <p>The Children’s Health Insurance Program Reauthorization Act (CHIPRA) postpartum period is state-funded and the Authority processes manual journal vouchers to move federal funding to state funding each quarter. For this audit, the auditors did not allow sufficient time for accounting staff to provide the journal vouchers for inclusion in the audit results. The Authority will work with CMS during the audit resolution process and provide the journal vouchers as needed to demonstrate that state funds were used for the postpartum expenditures.</p> <p>Effective July 1, 2022, the Authority added coding to ProviderOne which automates the accounting process for CHIPRA postpartum client funding.</p> <p>The conditions noted in this finding were previously reported in finding 2021-046.</p> <p>Not applicable</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:Kari.Summerour@hca.wa.gov">Kari.Summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.767	\$3,036,657	93.767 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.767	\$3,036,657								
93.767 COVID-19									

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan																	
2022	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 Health Care Authority did not have adequate internal controls over and did not comply with managed care financial audit requirements.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.767</td> <td>\$0</td> </tr> <tr> <td>93.767 COVID-19</td> <td></td> </tr> <tr> <td>93.775</td> <td></td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action complete</p> <p>The Authority implemented policies and procedures and established a process to:</p> <ul style="list-style-type: none"> <li>• Collect audited financial reports annually from managed care organizations.</li> <li>• Conduct audits of encounter and financial data no less than once every three years.</li> </ul> <p>Additionally, the Authority amended managed care contract language to include the following:</p> <ul style="list-style-type: none"> <li>• Required managed care organizations to submit audited financial reports annually beginning in fiscal year 2023.</li> <li>• Directed managed care organizations to follow the required timing and procedures for submitting audited financial reports.</li> <li>• Clarified that failure to submit reports is sanctionable.</li> </ul> <p>The Authority also conducted an encounter validation audit and is conducting a financial report validation audit. These audits are completed in a frequency outlined in federal regulations.</p> <p>The conditions noted in this finding were previously reported in finding 2021-048.</p> <p>May 2022</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:Kari.Summerour@hca.wa.gov">Kari.Summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.767	\$0	93.767 COVID-19		93.775		93.777		93.777 COVID-19		93.778		93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>																		
93.767	\$0																		
93.767 COVID-19																			
93.775																			
93.777																			
93.777 COVID-19																			
93.778																			
93.778 COVID-19																			

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan																	
2022	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 Health Care Authority did not have adequate internal controls over and did not comply with federal provider eligibility requirements for the Medicaid and Children’s Health Insurance Program.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.767</td> <td>\$612,277</td> </tr> <tr> <td>93.767 COVID-19</td> <td></td> </tr> <tr> <td>93.775</td> <td></td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Authority partially concurs with the finding.</p> <p>The Authority agrees that ProviderOne sends revalidation notifications one day after the due date rather than before the due date. A system revision to correct this issue is expected to be in place by the beginning of 2024.</p> <p>The Authority does not concur with the remainder of the audit finding as stated in the description of condition. The auditor did not provide sufficient information for the Authority to review the identified exceptions and associated questioned costs. Due to the lack of information provided, the Authority is unable to agree or disagree with the results of the audit.</p> <p>The Authority will work with the auditor to obtain sufficient supporting information to review the exceptions and questioned costs. Once this process is completed, the Authority will work with the Centers for Medicare &amp; Medicaid Services on finding resolution.</p> <p>The conditions noted in this finding were previously reported in findings 2021-047, 2020-046, 2019-048, 2018-042, 2017-033, and 2016-035. The auditors determined 2016-035 as resolved.</p> <p>Estimated March 2024</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5337  <a href="mailto:Kari.Summerour@hca.wa.gov">Kari.Summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.767	\$612,277	93.767 COVID-19		93.775		93.777		93.777 COVID-19		93.778		93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>																		
93.767	\$612,277																		
93.767 COVID-19																			
93.775																			
93.777																			
93.777 COVID-19																			
93.778																			
93.778 COVID-19																			

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2022	056	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Social and Health Services, Developmental Disabilities Administration, did not have adequate internal controls over and did not comply with requirements to ensure Medicaid payments to supported living providers were allowable and adequately supported.</p> <table border="0" data-bbox="673 577 1153 766"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td>\$237,404,150</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action not taken</p> <p>The Department does not concur with the finding.</p> <p>The Department performed payment reconciliations, cost report reviews, and settlement assessments for all 140 cost reports received during the first half of fiscal year 2022 (July 1, 2021, through December 31, 2021). Of the cost reports received, 66 providers (47 percent) were subject to the Developmental Disabilities Administration (DDA) payroll verification review. The State Auditor’s Office (SAO) did not question any of the costs that were associated with the 66 providers. However, SAO is questioning all payments made to the 74 providers who did not receive a payroll verification review in the first half of the fiscal year.</p> <p>For the second half of the fiscal year (January 1, 2022, through June 30, 2022), even though the Department had the same internal controls in place, SAO asserted that every payment during this time frame was a questioned cost because the cost reports for calendar year 2022 had not yet been submitted for department review.</p> <p>The Department strongly disagrees that all these costs should be questioned. The Department reconciles payments on a calendar year basis, while SAO audits on a fiscal year basis and does not consider activities that fall outside of the audit period.</p> <p>The Developmental Disabilities Administration has numerous internal controls in place which provide sufficient assurance that the services paid for were provided. These include:</p> <ul style="list-style-type: none"> <li>• Medicaid service verifications,</li> <li>• Allowable costs payment reconciliations,</li> <li>• Payroll verification processes,</li> <li>• Review of rate payments and increases,</li> <li>• Quality assurance reviews,</li> <li>• Duplicate payment reports,</li> <li>• Residential Care Services certification processes,</li> <li>• Contract monitoring,</li> <li>• Reconciliation processes for rates, cost reports, and settlements,</li> <li>• Segregation of duties and other verification and approval processes.</li> </ul>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$237,404,150	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>														
93.775	\$237,404,150														
93.777															
93.777 COVID-19															
93.778															
93.778 COVID-19															

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	056 (cont'd)	<p>The Department strongly believes that its current oversight and monitoring procedures adequately confirm that services received by clients meet the certification standards for supported living providers. The Department continues its efforts to bring quality services to clients who receive habilitative residential support while following all program requirements, including reconciling the settlement amounts that were issued to providers in the cost report settlement process.</p> <p>Based on the information provided above, the Department maintains that the questioned costs for this audit finding are not substantiated. Unfortunately, SAO did not choose a more collaborative approach aimed at supporting the Department in its continuing quality improvement efforts. The Department continues to adjust its processes openly and appropriately as needed and remains open to partnering with SAO to resolve disagreements in this audit area and find common ground.</p> <p>The Department intends to send a request to the Centers for Medicare &amp; Medicaid Services, through the audit resolution process, requesting the questioned costs reported by the SAO be rescinded.</p> <p>The conditions noted in this finding were previously reported in findings 2021-049, 2020-051, 2019-054, 2018-058, 2017-044, 2016-041, 2016-045, 2015-049, 2015-052, 2014-041, 2014-042, 2013-036, 2013-038 and 2012-039. The auditors determined findings 2016-041, 2015-052, 2014-041 and 2013-038 were resolved in fiscal year 2018.</p> <p>Completion Date: Not applicable</p> <p>Agency Contact: Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>



Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2022	057	<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 have adequate internal controls over and did not comply with requirements to ensure timely investigation of complaints of client abuse and neglect at Medicaid residential facilities.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td>\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Department partially agrees with the finding.</p> <p>The Department agrees that not all complaint investigations were initiated within the required timeframes. However, the Department does not agree that noncompliance was due to inadequate internal controls. Residential Care Services (RCS) has effectively used current internal controls since fiscal year 2017 when we received the State Auditor's Office Stewardship Award related to this audit area.</p> <p>Compliance with required complaint investigation timeframes decreased due to an increase in complaints from the previous fiscal year that were assigned for investigation. In addition, the effects of the COVID-19 pandemic increased staff vacancy rates to 24% due to exposure, illness, and staff resignation caused by vaccination mandates.</p> <p>By December 2023, the Department will:</p> <ul style="list-style-type: none"> <li>Extend the contract with Health Care Management Solutions to assist with surveys. This will allow RCS staff to return the focus to complaint investigations, complaint backlog, and compliance with required investigation timeframes.</li> <li>Condense and streamline Nursing Home Surveyor Training to enable staff to complete survey training faster than previous timeframes.</li> <li>Provide training to staff that were recently hired to fill the vacant positions to ensure compliance with investigation timeframes.</li> </ul> <p>The conditions noted in this finding were previously reported in finding 2021-054.</p> <p>Estimated December 2023</p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>														
93.775	\$0														
93.777															
93.777 COVID-19															
93.778															
93.778 COVID-19															

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2022	057 (cont'd)	Agency Contact:	Richard Meyer External Audit Compliance Manager PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a>

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2022	058	<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 False Claims Act requirements.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td>\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Department concurs with the finding.</p> <p>As of April 2023, the Department:</p> <ul style="list-style-type: none"> <li>Generated and tested a new internal report that will include all Aging and Long-Term Support Administration and Developmental Disabilities Administration Medicaid providers.</li> <li>Mailed correspondence to the one provider who was missing documentation to request the False Claims Act (FCA) attestation, policy, and procedures.</li> <li>Updated process to include follow up with providers monthly until the FCA attestations and other documents are received.</li> </ul> <p>By October 2023, the Department will ensure all outstanding FCA attestations and documents are returned to ensure compliance with the FCA requirement.</p> <p>Estimated October 2023</p> <p>Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>														
93.775	\$0														
93.777															
93.777 COVID-19															
93.778															
93.778 COVID-19															

Department of Social and Health Services

Agency 300

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2022	059	<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 did not comply with federal provider eligibility requirements for the Medicaid Program.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td>\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action complete</p> <p>The Department concurs with the finding.</p> <p>As of June 2022, individual providers are no longer contracted through the Department and now contract with Consumer Direct of Washington. As a result of this change, this type of error will not occur for individual providers moving forward.</p> <p>As of March 2023, the Department reviewed all providers in the monthly exclusion report.</p> <p>The Department verified that the provider identified in the finding for missing enrollment documentation was never employed and did not receive any payments.</p> <p>March 2023</p> <p>Richard Meyer                      External Audit Compliance Manager                      PO Box 45804                      Olympia, WA 98504-5804                      (360) 664-6027  <a href="mailto:Richard.Meyer@dshs.wa.gov">Richard.Meyer@dshs.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>														
93.775	\$0														
93.777															
93.777 COVID-19															
93.778															
93.778 COVID-19															

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan												
2022	060	<p>Finding: The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure it periodically audited cost report data for rate setting, hospital billings, and other financial and statistical records for inpatient hospital services.</p> <p>Questioned Costs:</p> <table border="0"> <thead> <tr> <th data-bbox="673 583 889 611"><u>Assistance Listing #</u></th> <th data-bbox="1003 583 1094 611"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="673 615 748 642">93.775</td> <td data-bbox="1003 615 1032 642">\$0</td> </tr> <tr> <td data-bbox="673 646 748 674">93.777</td> <td></td> </tr> <tr> <td data-bbox="673 678 873 705">93.777 COVID-19</td> <td></td> </tr> <tr> <td data-bbox="673 709 748 737">93.778</td> <td></td> </tr> <tr> <td data-bbox="673 741 873 768">93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Status: Corrective action in progress</p> <p>Corrective Action: The Authority partially concurs with the finding.</p> <p>The Authority does not agree it did not comply with federal requirements related to audits of inpatient hospitals. The Authority performs the following procedures:</p> <p>Cost report data for rate setting:</p> <ul style="list-style-type: none"> <li>• Audits Medicaid cost report schedules and supporting documentation used for the Certified Public Expenditure Program.</li> <li>• Audits critical access hospital data and uses final audited Medicare cost reports for settlement.</li> <li>• Reviews and audits hospital cost reports using the ratio of costs-to-charges payment method.</li> </ul> <p>Hospital billings:</p> <ul style="list-style-type: none"> <li>• Annual audits of hospital billings.</li> </ul> <p>Other financial and statistical records:</p> <ul style="list-style-type: none"> <li>• Audits disproportionate share hospital reimbursements.</li> </ul> <p>The Authority concurs that documentation of the different hospital audits performed could be more clearly defined and will formalize procedures related to the conduct of the required audits.</p> <p>The conditions noted in this finding were previously reported in findings 2021-051 and 2020-049.</p> <p>Completion Date: Estimated December 2023</p> <p>Agency Contact: Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:Kari.Summerour@hca.wa.gov">Kari.Summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>													
93.775	\$0													
93.777														
93.777 COVID-19														
93.778														
93.778 COVID-19														

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2022	061	<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 internal controls over and did not comply with requirements to ensure it performed procedures to safeguard against unnecessary utilization of care and services for the Medicaid program.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td>\$0</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778 COVID-19</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Authority partially concurs with the finding.</p> <p>The Authority has received guidance from the Centers for Medicare &amp; Medicaid Services (CMS) and will adjust the state plan based on CMS requirements. Per CMS guidance, this adjustment will not include separately listing the methods and procedures it uses to safeguard against unnecessary utilization of care and services.</p> <p>The Authority does not concur with the auditor’s conclusion regarding its statewide surveillance and utilization control program not meeting federal program integrity requirements. The Authority’s program meets CMS standards and requirements and provides reasonable oversight. The Authority will update its policies and procedures related to the program.</p> <p>The Authority concurs that the two providers of the Program of All-inclusive Care for the Elderly (PACE) were not monitored for their compliance with the False Claims Act (FCA) during the fiscal year. The Department of Social and Health Services (DSHS) manages the contracts for the PACE program, but payments to these providers are routed through the Authority’s ProviderOne system. The process for PACE provider monitoring has been clarified with DSHS who is responsible for providing FCA oversight for these contracts.</p> <p>The conditions noted in this finding were previously reported in findings 2021-050, 2020-047, 2020-048, 2019-052, 2019-053 and 2018-047.</p> <p>Estimated December 2023</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:Kari.Summerour@hca.wa.gov">Kari.Summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$0	93.777		93.777 COVID-19		93.778		93.778 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>														
93.775	\$0														
93.777															
93.777 COVID-19															
93.778															
93.778 COVID-19															

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan													
2022	062	<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 internal controls over and did not comply with requirements to report recoveries of fraudulent overpayments on the CMS-64 report.</p> <table border="0"> <thead> <tr> <th><u>Assistance Listing #</u></th> <th><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>93.775</td> <td>\$977,612</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.777 COVID-19</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> <tr> <td>93.778</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Authority partially concurs with the finding.</p> <p>The Authority has established a process to ensure information concerning the status of Medicaid Fraud Control Unit (MFCU) cases is communicated timely to the Authority from the Attorney General’s Office. The Authority has documented the process to ensure recoveries of fraudulent overpayments are reported on the CMS-64 report appropriately and any federal share is returned timely to the Centers for Medicaid &amp; Medicare Services (CMS).</p> <p>The Authority agrees that \$1,032 needs to be repaid to CMS and will initiate return of those funds.</p> <p>The Authority does not concur that the remaining \$976,580 needs to be returned to CMS. The state pursued assets through its available means and the court. The provider in question has been out of business since 2017 and a final court ruling was made in June 2022. In April 2023, the Attorney General’s Office certified the defaulted corporation had no identifiable assets. In accordance with 42 CFR 433.318(d), the provider is out of business and the Authority is not required to return the overpayment to CMS. The Authority will provide the court documentation and Attorney General’s certification to CMS Audit Resolution.</p> <p>The conditions noted in this finding were previously reported in findings 2021-052 and 2020-050.</p> <p>Estimated September 2023</p> <p>Kari Summerour, CPA                      External Audit Compliance Manager                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-9586  <a href="mailto:Kari.Summerour@hca.wa.gov">Kari.Summerour@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.775	\$977,612	93.777		93.777 COVID-19		93.778		93.778	
<u>Assistance Listing #</u>	<u>Amount</u>														
93.775	\$977,612														
93.777															
93.777 COVID-19															
93.778															
93.778															

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	063	<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 over and did not comply with requirements to ensure payments to providers for the Block Grants for Community Mental Health Services were allowable and met period of performance requirements.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.958</td> <td style="text-align: right;">\$8,668,982</td> </tr> <tr> <td style="text-align: right;">93.958 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority partially concurs with the audit recommendations.</p> <p>The Authority will:</p> <ul style="list-style-type: none"> <li>• Maintain all supporting documentation used to calculate the year-end accrual transactions.</li> <li>• Maintain a workbook to calculate estimated expenditures to be accrued for the fiscal year.</li> </ul> <p>The Authority will continue to review payments for allowability and ensure they occur within the grant period. The period of performance of the grant extends beyond the end of the state’s fiscal year. Invoices for the program continue to be received after fiscal year end and the cut-off date for reporting on the Schedule of Expenditures of Federal Awards.</p> <p>The Authority does not concur with the questioned costs and will verify with the grantor that questioned costs do not need to be repaid.</p> <p>Estimated September 2023</p> <p>William Sogge, CPA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.958	\$8,668,982	93.958 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.958	\$8,668,982								
93.958 COVID-19									



Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	064	<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 internal controls over level of effort requirements for the Block Grants for Community Mental Health Services program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.958</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.958 COVID-19</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Federal Financial Reporting unit updated procedures for preparing the quarterly level of effort tracking workbooks. The procedures were updated to include:</p> <ul style="list-style-type: none"> <li>• Accurate and complete expenditure criteria for generating the reports used to prepare the workbooks.</li> <li>• Required documented review and approval of the quarterly level of effort tracking workbooks.</li> </ul> <p>February 2023</p> <p>William Sogge, CPA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.958	\$0	93.958 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.958	\$0								
93.958 COVID-19									

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	065	<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 internal controls over and did not comply with requirements to ensure it filed accurate and timely reports required by the Federal Funding Accountability and Transparency Act for the Block Grants for Community Mental Health Services.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.958</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.958 COVID-19</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Authority finalized procedures across divisions to ensure there are established internal controls over the Federal Funding Accountability and Transparency Act (FFATA) reporting.</p> <p>A workgroup was established and finalized the criteria for when FFATA reports are required. The Authority initiated this process for all subawards beginning July 1, 2022.</p> <p>The Authority implemented the following procedures to ensure compliance with the reporting requirements:</p> <ul style="list-style-type: none"> <li>• Office of Contracts and Procurement includes a FFATA form as the last attachment in all subawards and ensures it is complete prior to forwarding it to Grants Accounting.</li> <li>• Grants Accounting staff have been assigned and received training to routinely monitor FFATA contracts forwarded by the Office of Contracts and Procurement and enter agency information into the FFATA Subaward Reporting System.</li> </ul> <p>The implemented procedures were designed to ensure compliance with FFATA reporting requirements. The Authority will continue to provide training to staff involved in the process.</p> <p>July 2022</p> <p>William Sogge, CPA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.958	\$0	93.958 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.958	\$0								
93.958 COVID-19									

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan											
2022	066	<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 internal controls over and did not comply with federal requirements to ensure subrecipients of the Block Grants for Community Mental Health Services program and the Block Grants for Prevention and Treatment of Substance Abuse program received required single audits, and that it appropriately followed up on findings and issued management decisions.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.958</td> <td>\$0</td> </tr> <tr> <td>93.958 COVID-19</td> <td></td> </tr> <tr> <td>93.959</td> <td></td> </tr> <tr> <td>93.959 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority concurs with the finding. The Authority will:</p> <ul style="list-style-type: none"> <li>• Follow established procedures related to the agency-wide monitoring of subrecipients' single audits.</li> <li>• Issue management decision letters for findings subrecipients received related to programs that are funded by the Authority's pass-through federal funding.</li> <li>• Evaluate corrective actions to ensure subrecipients adequately address audit recommendations.</li> </ul> <p>Estimated July 2023</p> <p>William Sogge, CPA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.958	\$0	93.958 COVID-19		93.959		93.959 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>												
93.958	\$0												
93.958 COVID-19													
93.959													
93.959 COVID-19													

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2022	067	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Health Care Authority did not have adequate internal controls over and did not comply with requirements to ensure payments to providers for the Block Grants for Prevention and Treatment of Substance Abuse program were allowable and met period of performance requirements.</p> <table border="0" data-bbox="667 577 1477 672"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.959</td> <td></td> <td style="text-align: right;">\$19,959,714</td> </tr> <tr> <td>93.959 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority partially concurs with the audit recommendations.</p> <p>The Authority concurs that expenditures for indirect charges were applied to the award, through the Authority’s cost allocation system, for activities that occurred after the period of performance. The Authority will develop written procedures to review allocation bases at the end of a grant period.</p> <p>The Authority does not concur with the audit exceptions related to two accruals recorded in the accounting system before the period of performance. As noted by the auditors, no payments were made on these accruals. The period of performance of the grant extends beyond the end of the state’s fiscal year. Invoices for the program continue to be received after fiscal year end and the cut-off date for reporting on the Schedule of Expenditures of Federal Awards. Staff review payments for grant allowability based on service month when invoices are received.</p> <p>The Authority does not concur with the questioned costs related to the year-end accruals and will verify with the grantor that questioned costs do not need to be repaid. The year-end accruals were solely recorded as estimates and were not used to make any program payments or draw funds from the grantor. While the year-end accruals may include some amounts beyond the state fiscal year, questioning the year-end accruals in their entirety is an overstatement of any potential error that was made.</p> <p>The Authority will update procedures for calculating year-end accruals to:</p> <ul style="list-style-type: none"> <li>• Maintain all supporting documentation used to calculate the year-end accrual transactions.</li> <li>• Maintain a workbook to calculate estimated expenditures to be accrued for the fiscal year.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2021-057 and 2020-059.</p> <p>Estimated September 2023</p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.959		\$19,959,714	93.959 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.959		\$19,959,714										
93.959 COVID-19												

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2022	067 (cont'd)	Agency Contact: William Sogge, CPA External Audit Liaison PO Box 45502 Olympia, WA 98504-5502 (360) 725-5110 <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a>

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	068	<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 internal controls over and did not comply with requirements to ensure it met the earmarking requirement for the Block Grants for Prevention and Treatment of Substance Abuse.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.959</td> <td style="text-align: right;">\$661</td> </tr> <tr> <td style="text-align: right;">93.959 COVID-19</td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Federal Financial Reporting unit will update procedures for preparing monthly earmarking tracking workbooks to ensure the Authority does not exceed the maximum allowable amount for administrative costs. The procedures will also include management review and approval of the earmarking tracking workbooks.</p> <p>The Authority processed subsequent adjustments reducing the administrative costs charged to the grant, which the auditors did not take into consideration. The Authority does not concur with the questioned costs identified in the audit and will confirm with the federal grantor that the questioned costs do not need to be repaid.</p> <p>The conditions noted in this finding were previously reported in finding 2021-056.</p> <p>Estimated September 2023</p> <p>William Sogge, CPA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.959	\$661	93.959 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.959	\$661								
93.959 COVID-19									

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2022	069	<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 internal controls over and did not comply with requirements to ensure it filed accurate and timely reports required by the Federal Funding Accountability and Transparency Act for the Block Grants for Prevention and Treatment of Substance Abuse.</p> <table border="0"> <tr> <td style="text-align: right;"><u>Assistance Listing #</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.959</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td colspan="2">93.959 COVID-19</td> </tr> </table> <p>Corrective action complete</p> <p>The Authority finalized procedures across divisions to ensure there are established internal controls over the Federal Funding Accountability and Transparency Act (FFATA) reporting.</p> <p>A workgroup was established and finalized the criteria for when FFATA reports are required. The Authority initiated this process for all subawards beginning July 1, 2022.</p> <p>The Authority implemented the following procedures to ensure compliance with the reporting requirements:</p> <ul style="list-style-type: none"> <li>• Office of Contracts and Procurement includes a FFATA form as the last attachment in all subawards and ensures it is complete prior to forwarding it to Grants Accounting.</li> <li>• Grants Accounting staff have been assigned and received training to routinely monitor FFATA contracts forwarded by the Office of Contracts and Procurement and enter agency information into the FFATA Subaward Reporting System.</li> </ul> <p>The implemented procedures were designed to ensure compliance with FFATA reporting requirements. The Authority will continue to provide training to staff involved in the process.</p> <p>The conditions noted in this finding were previously reported in finding 2021-058.</p> <p>July 2022</p> <p>William Sogge, CPA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>	<u>Assistance Listing #</u>	<u>Amount</u>	93.959	\$0	93.959 COVID-19	
<u>Assistance Listing #</u>	<u>Amount</u>								
93.959	\$0								
93.959 COVID-19									

Health Care Authority

Agency 107

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2022	070	<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 internal controls over and did not comply with federal requirements to ensure subrecipients of the Block Grants for Prevention and Treatment of Substance Abuse program received required risk assessments.</p> <table border="0"> <tr> <td></td> <td style="text-align: center;"><u>Assistance Listing #</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.959</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.959 COVID-19</td> <td></td> <td></td> </tr> </table> <p>Corrective action in progress</p> <p>The Authority concurs with the audit recommendations and is in the process of centralizing procedures related to subrecipient monitoring.</p> <p>The Authority will develop procedures related to the agency-wide risk assessment process and ensure the assessment results are used to determine the subrecipient monitoring work that will be performed.</p> <p>The conditions noted in this finding were previously reported in findings 2021-060 and 2020-064.</p> <p>Estimated December 2023</p> <p>William Sogge, CPA                      External Audit Liaison                      PO Box 45502                      Olympia, WA 98504-5502                      (360) 725-5110  <a href="mailto:william.sogge@hca.wa.gov">william.sogge@hca.wa.gov</a></p>		<u>Assistance Listing #</u>	<u>Amount</u>	93.959		\$0	93.959 COVID-19		
	<u>Assistance Listing #</u>	<u>Amount</u>										
93.959		\$0										
93.959 COVID-19												