

State of Washington  
 Status of Audit Resolution  
 December 2019

Military Department

Agency 245

Audit Report	Finding Number	Finding and Corrective Action Status
2018 F	008	<p>Finding: The Military Department charged payroll costs to the Military Operations and Maintenance program that were not properly supported.</p> <p>Corrective Action: The Department concurs with the finding.</p> <p>Department policy requires:</p> <ul style="list-style-type: none"> <li>• Employees who are permanently assigned to activities directly benefiting a single federal program to submit a Certification of Time and Effort (certification) on a quarterly basis.</li> <li>• Supervisors to review certifications for accuracy before submitting to the Payroll Office.</li> </ul> <p>In some cases, despite efforts made by the Payroll Office to send reminders to employees and their supervisors, the certifications were never submitted to the Payroll Office.</p> <p>The Department initiated the following actions to ensure payroll costs charged to a federal grant are supported by required documentation:</p> <ul style="list-style-type: none"> <li>• Updated time and effort reporting policy to provide timekeeping guidance and clarify requirements.</li> <li>• Provided copies of the policy to overtime-exempt employees and supervisors who are subject to the certification requirement.</li> <li>• Provided training to employees and supervisors on the Department's procedures regarding time and effort certification.</li> <li>• Required Payroll Office to follow up with the designated supervisor for any employee's past due certifications. Continued non-compliance with Department policy will lead to escalated actions as necessary until required documentation is received.</li> </ul> <p>The Department consulted with the grantor and confirmed that the questioned costs identified in the audit did not have to be repaid.</p> <p>Completion Date: August 2019, subject to audit follow-up</p> <p>Agency Contact: TJ Rajcevich          Deputy Finance Director          Building #1: Headquarters          Mailstop: TA-20          Tacoma, WA 98430-5032          (253) 512-7596  <a href="mailto:timothy.rajcevich@mil.wa.gov">timothy.rajcevich@mil.wa.gov</a></p>

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Audit Report	Finding Number	Finding and Corrective Action Status
2018 F	061	<p>Finding: The Military Department did not have adequate internal controls over and did not comply with federal requirements to ensure subrecipients of Disaster Grants-Public Assistance received required audits.</p> <p>Corrective Action: In response to prior year’s finding, the Department implemented process changes as outlined in the corrective action plan.</p> <p>As of November 2018, the Department updated the existing subrecipient monitoring policy to clearly outline roles and responsibilities for divisions and grant programs.</p> <p>The Finance Division maintains the Department’s Audit Tracker system and is responsible for collecting audit data from subrecipients across the Department. As of October 2019, the division completed documenting all relevant audits for subrecipients that received grant funds in 2017 and 2018.</p> <p>In collaboration with the Public Assistance and other grant programs, the Finance Division also completed the following activities:</p> <ul style="list-style-type: none"> <li>• Verified all required audits occurred.</li> <li>• Ensured all subrecipient audit findings related to the program were followed up on.</li> <li>• Ensured management decision letters were issued promptly where necessary.</li> <li>• Continued to add new subrecipients to the Audit Tracker system as new grants are awarded in 2019 and beyond.</li> <li>• Monitored audit status in the system and followed up as required.</li> </ul> <p>The program will continue to perform program monitoring activities. Upon receipt of an audit finding notification, the program performs an extensive review of the finding and issues management decision letters as needed.</p> <p>The conditions noted in this finding were previously reported in finding 2017-052.</p> <p>Completion Date: October 2019, subject to audit follow-up</p> <p>Agency Contact: TJ Rajcevich          Deputy Finance Director          Building #1: Headquarters          Mailstop: TA-20          Tacoma, WA 98430-5032          (253) 512-7596  <a href="mailto:timothy.rajcevich@mil.wa.gov">timothy.rajcevich@mil.wa.gov</a></p>