

State of Washington - Office of Financial Management
 Status of Audit Resolution
 December 2020

Department of Children, Youth and Families

Agency 307

Audit Report	Finding Number	Finding and Resolution	
1025172	001	<p>Finding:</p> <p>Fraud Amount: \$2,955</p> <p>Amount to be Recovered: \$9,256</p> <p>Recovery to date: \$0</p> <p>Resolution /Status:</p> <p>Personnel Action Taken:</p> <p>Criminal Action Taken:</p> <p>Agency Contact:</p>	<p>The Department of Children, Youth and Families did not have adequate internal controls over youth fund management at its community facilities, resulting in misappropriation of fund by an employee between August 1, 2016, and March 31, 2017.</p> <p>To strengthen internal controls over youth fund management, the Department has implemented the following processes:</p> <ul style="list-style-type: none"> • Conduct weekly deposits and withdrawals where two employees will verify funds prior to banking transactions. This frequency was approved under a deposit waiver from the Office of the State Treasurer. • Perform independent monthly local fund account reconciliations by the Regional Operations Center. <p>As of March 2018, the Department:</p> <ul style="list-style-type: none"> • Provided training to staff on the new procedures for local fund cash management. • Updated the request forms for depositing or withdrawing funds from local fund accounts. • Implemented additional internal controls on the use of money orders by: <ul style="list-style-type: none"> ○ Creating a new form for youth to complete when requesting funds. After the Department employee verifies that funds are available, a money order will be procured in the amount requested. ○ Requiring youths who request funds to verify the amount of money orders and sign for the receipt of the funds. <p>The employee resigned in August 2018.</p> <p>The Washington State Patrol recommended the former supervisor be charged with theft in the second-degree. The Pierce County Prosecutor declined to file charges due to poor record keeping at the facility.</p> <p>Stefanie Niemela Audit Liaison PO Box 40970 Olympia, WA 98504-40970 (360) 725-4402 stefanie.niemela@dcyf.wa.gov</p>