

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

Department of Ecology

Agency 461

Audit Report	Finding Number	Finding and Corrective Action Status	
1026907	2019-001	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Ecology did not have adequate controls to ensure funds paid to the United States Forest Service to restore the Monte Cristo Mining Area were allowable and properly supported.</p> <p>As of September 2020, the Department requested the missing invoice documentation from the United States Forest Service (USFS). The Department is currently working on reconciling costs with the USFS. Upon receiving a response from the USFS, the Department will review the documents to ensure costs were allowable under the agreement.</p> <p>To strengthen internal controls related to contract monitoring, the Department will take the following actions:</p> <ul style="list-style-type: none"> • Improve internal processes and procedures to ensure supporting documentation for agency contracts are properly retained. • Ensure staff have the training and information to understand their responsibilities for contract monitoring and hold all contractors to the monitoring stipulations outlined in contracts. • Communicate and reinforce the requirements in the Department’s Managing Bids and Contracts for Goods and Services policy. <p>By October 2020, the Department will:</p> <ul style="list-style-type: none"> • Provide the policy to each manager, supervisor, and employee responsible for contract management. • Incorporate training expectations in the 2020 performance reviews for contract management staff to include the following relevant trainings, at a minimum: <ul style="list-style-type: none"> ○ The Department of Enterprise Services’ WA State Contract Management training. ○ The Department of Ecology’s Project Management training. • Compile a list of staff who needs the required trainings and provide to supervisors and managers. <p>The Department will review training completion status in the quarters ending April and September 2021.</p> <p>Corrective action is expected to be complete by December 2020</p> <p>Lisa Darnell Fiscal Manager PO Box 47615 Olympia, WA 98504-7615 (360) 407-7052 lisa.darnell@ecy.wa.gov</p>

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1026907	2019-002	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Ecology did not have adequate controls to ensure state Volkswagen penalty funds paid to recipients were properly supported.</p> <p>The Department concurs with the finding.</p> <p>To improve internal control processes and procedures to ensure supporting documentation for Air Quality Program (AQP) grants are properly retained, the Department will take the following actions:</p> <ul style="list-style-type: none"> • By December 2020, update agency policy <i>Managing Grant and Loan Records</i> to address agreements managed within the Department’s Administration of Grants and Loans system (EAGL). • Ensure progress reports are submitted in EAGL at least quarterly on all AQP grants. • Before approving any payments, ensure: <ul style="list-style-type: none"> ○ Required supporting documents such as destruction documents, purchase orders, and invoices are uploaded to EAGL. ○ Equipment Purchase Reports are submitted in EAGL for all equipment purchases greater than \$5,000 on all AQP grants. • Provide training to grant program project managers, financial managers, and supervisors on the updated policies and procedures. <p>Corrective action is expected to be complete by June 2021</p> <p>Lisa Darnell Fiscal Manager PO Box 47615 Olympia, WA 98504-7615 (360) 407-7052 lisa.darnell@ecy.wa.gov</p>