

Department of Corrections

Agency 310

Audit Report	Finding Number	Finding and Corrective Action Status	
1030978	2021-017	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Corrections did not have adequate internal controls over and did not comply with requirements to ensure it used State and Local Fiscal Recovery Funds for allowable purposes and for costs incurred within the period of performance.</p> <p>The Department concurs that the questioned costs identified by the auditors occurred prior to the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) start date of March 3, 2021.</p> <p>The Department has processes in place to ensure there is accurate documentation to support costs charged to federal grants. However, the Department was not aware that the period of performance of the grant was specified in the US Treasury Interim Final Rule which was issued on May 17, 2021.</p> <p>In May 2022, when the State Auditor’s Office shared the period of performance exceptions for the audit, the Department realized costs incurred from July 1, 2020, through March 2, 2021, were outside the grant’s period of performance. The Department immediately reviewed active grants to ensure costs charged to the grant were incurred within the grant period.</p> <p>The Department is committed to ensuring compliance with federal grant requirements. In response to this audit finding, the Department will:</p> <ul style="list-style-type: none"> • Review internal processes that identify eligible costs and ensure all applicable federal guidance is reviewed and documented in the grant files. • Review documentation requirements for each grant and ensure only eligible costs that occur within the period of performance are transferred. • Review record retention practices to improve organization of grant documentation for more effective responses to audit requests. <p>The review will result in a more robust planning and documentation process for federal grants. Since the Department has had insignificant federal grant funding prior to the Coronavirus Relief Funds and the CSLFRF, this work will strengthen our systems of internal control and compliance with federal regulations.</p> <p>Since the Department received CSLFRF funding through legislative appropriation, resolution of the questioned costs with the grantor will be managed by the Office of Financial Management.</p> <p>October 2022, subject to audit follow-up</p>

State of Washington - Office of Financial Management
 Status of Audit Resolution
 December 2022

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1030978	2021-017 (cont'd)	Agency Contact:	Anita Kendall Senior Director, Business Services PO Box 41106 Olympia, WA 98504-1106 (360) 480-7915 Anita.kendall@doc.wa.gov