

Department of Agriculture

Agency 495

Audit Report	Finding Number	Finding and Corrective Action Status
1030978	2021-018	<p><b>Finding:</b> The Department of Agriculture did not have adequate internal controls over and did not comply with federal requirements for procurement or suspension and debarment.</p> <p><b>Corrective Action:</b> The Department is committed to ensuring grant programs comply with federal regulations regarding procurement and suspension and debarment.</p> <p>In response to the audit finding, the Department is taking the following corrective actions to address the audit recommendations:</p> <ul style="list-style-type: none"> <li>• Effective with the fiscal year 2023 contract period, the federal suspension and debarment language will be added to each contract and referenced in each amendment.</li> <li>• Contractors will be required to include suspension and debarment language in all lower tier agreements.</li> <li>• Program staff will check the federal System for Award Management (SAM.gov) prior to the contract execution date. The contractor verification documentation will be maintained in each contract file.</li> <li>• Review and update policies as needed to ensure procurement of goods and services comply with state and federal policies and procedures.</li> <li>• By June 30, 2023, develop agency policies and procedures for procurement and suspension and debarment, and provide training to staff on the federal requirements.</li> </ul> <p>Due to the audit finding being issued late in the fiscal year 2022 audit cycle, the Department was not able to fully implement corrective actions during the 2022 audit period. The Department anticipates full compliance with the procurement and suspension and debarment requirement by fiscal year 2023.</p> <p>Since the Department received Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) funding through legislative appropriation, resolution of the questioned costs with the grantor will be managed by the Office of Financial Management.</p> <p><b>Completion Date:</b> Corrective action is expected to be complete by June 2023</p> <p><b>Agency Contact:</b> Natasha Roberts                      Chief Financial Officer                      PO Box 42560                      Olympia, WA 98504-2560                      360-870-6217  <a href="mailto:nroberts@agr.wa.gov">nroberts@agr.wa.gov</a></p>

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1030978	2021-019	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Agriculture did not have adequate internal controls over and did not comply with federal requirements to ensure it issued all required subawards, included all required information in the subawards issued, and performed risk assessments for subrecipients of the Coronavirus State and Local Fiscal Recovery Funds.</p> <p>The Department is committed to ensuring grant programs comply with federal regulations regarding issuing subawards and performing risk assessments.</p> <p>In response to the audit finding, the Department is taking the following corrective actions to address the audit recommendations:</p> <ul style="list-style-type: none"> <li>• By February 28, 2023, update current federal contracts that will be active in fiscal year 2023 to include:                             <ul style="list-style-type: none"> <li>○ The 14 federal subaward elements as referenced in 2 CFR 200.332.</li> <li>○ Subrecipient or contractor designation.</li> <li>○ A link to the 2022 Compliance Supplement for the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF).</li> </ul> </li> <li>• For fiscal year 2023 contracts, perform risk assessments for each contractor by February 28, 2023. All future contracts will have a risk assessment completed when reviewing the application and/or prior to contracting and establishing risk-based monitoring processes.</li> <li>• By June 2023:                             <ul style="list-style-type: none"> <li>○ Develop agency policies and procedures for subawards and risk assessments and provide training to staff on the requirements.</li> <li>○ Implement process to perform risk assessments of subrecipients and evaluate the results to determine the required level of monitoring for each subrecipient in accordance with federal requirements, policies, and processes.</li> </ul> </li> </ul> <p>Due to the audit finding being issued late in the fiscal year 2022 audit cycle, the Department was not able to fully implement corrective action during the 2022 audit period. The Department anticipates full compliance with all required internal controls on subawards, including risk assessments, by the end of fiscal year 2023.</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>Corrective action is expected to be complete by June 2023</p>

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

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1030978	2021-019 (cont'd)	Agency Contact:	Natasha Roberts Chief Financial Officer PO Box 42560 Olympia, WA 98504-2560 360-870-6217 <a href="mailto:nroberts@agr.wa.gov">nroberts@agr.wa.gov</a>