## State of Washington

Audit	Finding	Finding and Corrective Action Status	
Report	Number		
1031679	2022-001	Finding:	The State lacked adequate internal controls over financial reporting to ensure accurate recording and monitoring of financial activity in its financial statements.
		Corrective Action:	The Office of Financial Management, with the collaboration of state agencies, strives for the highest standards in the preparation of the state's financial statements. Responses from each agency are listed below:
			State Board for Community and Technical Colleges (State Board)
			The State Board completed the conversion of all schools to the new ERP system in fiscal year 2022. The following actions were taken to improve the process of reconciling college financial data timely and accurately with amounts recorded in the state's accounting system (AFRS):
			• Revamped and streamlined the program and process that is utilized to crosswalk data from the new ERP system to AFRS. Updates will continue to be done as needed.
			• Completed the reconciliation program that will compare AFRS reports to actual real-time data from the ERP system.
			• Performed monthly reconciliation of automated data uploads for the State Board and all 34 colleges from the ERP system to AFRS.
			• Created an "in process" report to identify errors during the ERP system uploads to AFRS.
			• Began creating and modifying rules in the ERP system that will help reduce data upload errors.
			The State Board has built and enhanced programming tools to help identify and reconcile variances between the two systems. While current monthly data is being reconciled in a timely manner from the ERP system to AFRS, the State Board continues to work on reconciling historical data from the beginning of system deployment and is currently working with the Office of Financial Management to make necessary adjusting entries.
			In addition, the State Board began the conversion and crosswalk of data from ctcLink to the new system that the One Washington project is undertaking to replace AFRS. While this is new and additional work that was not part of the scope of this corrective action plan, it is an integral part of the effort to ensure accurate financial reporting in the long run.
			Completion: Estimated June 2024

## State of Washington

Audit	Finding		Finding and
Report	Number		<b>Corrective Action Status</b>
1031679	2022-001 (cont'd)		Employment Security Department
			To ensure adequate monitoring and accurate reporting of financial activities for the financial statements, the Department is currently participating in programmatic discussions between the Unemployment Insurance (UI) Program and the Finance Division to gain an understanding of the activities that may require reporting on the financial statements.
			The Department implemented the following corrective actions:
			• As of July 2023, the Finance Division developed procedures to ensure that all programmatic processes that need to be reflected in the financial statements are included and based on appropriate accounting practices.
			• As of August 2023, the Finance Division ensures practices are in place to review all fiscal year entries for accuracy before and after posting.
			• Developed additional tools that will help with allowing more staff time to analyze financial data.
			Completion: August 2023
		Completion Date:	Corrective action is expected to be complete by June 2024
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