





State of Washington - Office of Financial Management  
 Status of Audit Resolution  
 December 2024

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Department of Transportation

Agency 405

Audit Report	Finding Number	Finding and Corrective Action Status
1034932	2023-013 (cont'd)	Completion Date: December 2024, subject to audit follow-up  Agency Contact: Jesse Daniels External Audit Liaison PO Box 47320 Olympia, WA 98504-7320 (360) 705-7035 <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a>



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1034932	2023-014 (cont'd)	<ul style="list-style-type: none"> <li>• Communicated changes in policies and procedures to division staff and stakeholders.</li> <li>• Provided training to Project Engineering Office staff to emphasize QA program requirements. Training will continue to be on-going.</li> </ul> <p>The conditions noted in this finding were previously reported in findings 2022-011, 2021-011, 2020-017 and 2019-019.</p> <p>Completion Date: June 2024, subject to audit follow-up</p> <p>Agency Contact: Jesse Daniels                      External Audit Liaison                      PO Box 47320                      Olympia, WA 98504                      (360) 705-7035  <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a></p>

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1034932	2023-015	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Washington State Department of Transportation did not have adequate internal controls over and did not comply with cash management requirements for the Formula Grants for Rural Areas program.</p> <p>The audit identified a payment that was entered into the Electronic Clearing House Operation (ECHO) system with incorrect project information. The Department has since implemented additional controls to help ensure the draws of program funds are timely and accurate and are drawn for the correct program.</p> <p>To address the audit recommendations, the Department:</p> <ul style="list-style-type: none"> <li>• Assigned Project Support and Receivable (PS&amp;R) staff to submit Public Transportation ECHO draws. Two additional staff have been identified as backup in this process to ensure draws are processed timely.</li> <li>• Rescheduled the entry of draw information into the ECHO system to the morning to allow for timely corrections as needed.</li> <li>• Updated the ECHO system to allow automatic confirmation email for payments entered into the system.</li> </ul> <p>Additionally,</p> <ul style="list-style-type: none"> <li>• The PS&amp;R Manager will automatically receive draw confirmation emails and conduct a review and check as the draws are being submitted.</li> <li>• Additional checks and balances will be performed by the person entering information into the ECHO system.</li> <li>• The Public Transportation division has a validation process in place for staff to check the amounts with the project.</li> </ul> <p>The Department will continue to review procedures regularly and update as required to ensure compliance.</p> <p>The questioned costs identified in the audit have been reimbursed to the incorrectly charged federal program.</p> <p>October 2023, subject to audit follow-up</p> <p>Jesse Daniels                      External Audit Liaison                      PO Box 47320                      Olympia, WA 98504-7320                      (360) 705-7035  <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a></p>

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Audit Report	Finding Number	Finding and Corrective Action Status	
1034932	2023-016	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Washington State Department of Transportation did not have adequate internal controls over and did not comply with subrecipient monitoring requirements for the Formula Grants for Rural Areas program.</p> <p>The Washington State Department of Transportation concurs with the finding.</p> <p>As of October 2023, the Public Transportation Division (PTD) had conducted all five site visits identified in the condition of this finding.</p> <p>In addition, the PTD has updated the policies and procedures to document the risk-based site visit approach more accurately. This update clarified how an organization’s risk assessment score impacts the timing and number of administrative and financial site visits. This update did not impact capital reviews and drug and alcohol site visits because PTD staff conduct them every two years regardless of risk assessment scores.</p> <p>The PTD also implemented the auditor’s recommendations, specifically to evaluate new ways for management, supervisors, and staff to monitor site visit completion and established due dates more effectively. These processes were developed and management updated policies and/or procedures and communicated the new process to impacted staff.</p> <p>August 2024, subject to audit follow-up</p> <p>Jesse Daniels            External Audit Liaison            PO Box 47320            Olympia, WA 98504-7320            (360) 705-7035  <a href="mailto:danielje@wsdot.wa.gov">danielje@wsdot.wa.gov</a></p>