State of Washington

Audit	Finding	Finding and	
Report	Number	Corrective Action Status	
1033735	2023-001	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:
			Health Care Authority
			The Authority recognizes the significance and priority of internal controls over recording and reporting financial transactions.
			Currently, the ProviderOne vendor provides an independent service organization control (SOC2) audit every other year. The estimated additional cost to purchase an annual SOC2 audit report is \$470,000 each biennium.
			In 2023, the Authority requested funding from the legislature for fiscal year 2025, to contract for the additional SOC2 audit report to resolve the audit finding. The decision package was not funded. The Authority will again submit a decision package for fiscal year 2026. If the decision package is approved, the contract would be amended in July 2025 and audits would begin on a yearly basis.
			Completion: Estimated July 2025
			Employment Security Department
			During fiscal year 2024, the Department provided additional accounting training to staff specifically for financial statement reporting. The increase in knowledge and skills will allow for proper calculation and detection of errors in the allowance for uncollectable receivables related to claimant overpayments.
			Completion: May 2024
		Completion Date:	Corrective action is expected to be complete by July 2025
		Agency Contact:	Sara Rupe Deputy Statewide Accounting Director PO Box 43127 Olympia, WA 98504-3127 (360) 974-9252 sara.rupe@ofm.wa.gov