

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### State of Washington July 1, 2020 through June 30, 2021

#### SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the State of Washington are summarized below in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### Financial Statements

We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and remaining fund information and the aggregate discretely presented component units in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the State.

#### Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We identified deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the State’s compliance with requirements applicable to each of its major federal programs, with the following exceptions:

We issued a disclaimer of opinion on the State’s compliance with requirements applicable to the Child Care and Development Fund Cluster (93.575 Child Care and Development Block Grant and 93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund).

We issued an adverse opinion on the State’s compliance with requirements applicable to the 21.019 Coronavirus Relief Fund, 21.027 Coronavirus State and Local Fiscal Recovery Funds, and 93.558 Temporary Assistance for Needy Families programs.

We also issued a qualified opinion on the State’s compliance with requirements applicable to the 93.959 Block Grants for Prevention and Treatment of Substance Abuse.

We reported findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

## **Identification of Major Federal Programs**

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<b><u>CFDA No.</u></b>	<b><u>Program or Cluster Title</u></b>
10.542	COVID-19 – Pandemic EBT Food Benefits
10.553	Child Nutrition Cluster – School Breakfast Program
10.553	Child Nutrition Cluster – COVID-19 – School Breakfast Program
10.555	Child Nutrition Cluster – National School Lunch Program
10.555	Child Nutrition Cluster – COVID-19 – National School Lunch Program
10.556	Child Nutrition Cluster – Special Milk Program for Children
10.556	Child Nutrition Cluster – COVID-19 – Special Milk Program for Children
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
10.557	COVID-19 – WIC Special Supplemental Nutrition Program for Women, Infants, and Children
10.559	Child Nutrition Cluster – Summer Food Service Program for Children
10.559	Child Nutrition Cluster – COVID-19 – Summer Food Service Program for Children
10.579	Child Nutrition Cluster – Child Nutrition Discretionary Grants
17.225	Unemployment Insurance
17.225	COVID-19 – Unemployment Insurance
17.258	WIOA Cluster – WIOA Adult Program
17.259	WIOA Cluster – WIOA Youth Activities
17.278	WIOA Cluster – WIOA Dislocated Worker Formula Grants

<b><u>CFDA No.</u></b>	<b><u>Program or Cluster Title</u></b>
20.205	Highway Planning and Construction Cluster – Highway Planning and Construction
20.205	Highway Planning and Construction Cluster – COVID-19 – Highway Planning and Construction
20.219	Highway Planning and Construction Cluster – Recreational Trails Program
20.224	Highway Planning and Construction Cluster – Federal Lands Access Program
20.500	Federal Transit Cluster – Federal Transit Capital Investment Grants
20.507	Federal Transit Cluster – Federal Transit Formula Grants
20.507	Federal Transit Cluster – COVID-19 – Federal Transit Formula Grants
20.525	Federal Transit Cluster – State of Good Repair Grants Program
20.526	Federal Transit Cluster – Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs
21.019	COVID-19 – Coronavirus Relief Fund
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds
84.007	Student Financial Assistance Cluster – Federal Supplemental Educational Opportunity Grants
84.010	Title I Grants to Local Educational Agencies
84.027	Special Education Cluster (IDEA) – Special Education Grants to States
84.033	Student Financial Assistance Cluster – Federal Work-Study Program
84.038	Student Financial Assistance Cluster – Federal Perkins Loan Program
84.063	Student Financial Assistance Cluster – Federal Pell Grant Program
84.173	Special Education Cluster (IDEA) – Special Education Preschool Grants
84.268	Student Financial Assistance Cluster – Federal Direct Student Loans
84.379	Student Financial Assistance Cluster – Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)
84.408	Student Financial Assistance Cluster – Postsecondary Education Scholarships for Veteran's Dependents
84.425	COVID-19 – Education Stabilization Fund
93.264	Student Financial Assistance Cluster – Nurse Faculty Loan Program (NFLP)

<b><u>CFDA No.</u></b>	<b><u>Program or Cluster Title</u></b>
93.342	Student Financial Assistance Cluster – Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students
93.364	Student Financial Assistance Cluster – Nursing Student Loans
93.498	COVID-19 – Provider Relief Fund
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.568	Low-Income Home Energy Assistance
93.568	COVID-19 – Low-Income Home Energy Assistance
93.575	CCDF Cluster – Child Care and Development Block Grant
93.575	CCDF Cluster – COVID-19 – Child Care and Development Block Grant
93.596	CCDF Cluster – Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.658	Foster Care Title IV-E
93.658	COVID-19 – Foster Care Title IV-E
93.659	Adoption Assistance
93.659	COVID-19 – Adoption Assistance
93.767	Children's Health Insurance Program
93.767	COVID-19 – Children's Health Insurance Program
93.775	Medicaid Cluster – State Medicaid Fraud Control Units
93.777	Medicaid Cluster – State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778	Medicaid Cluster – Medical Assistance Program
93.778	Medicaid Cluster – COVID-19 – Medical Assistance Program
93.925	Student Financial Assistance Cluster – Scholarships for Health Professions Students from Disadvantaged Backgrounds
93.959	Block Grants for Prevention and Treatment of Substance Abuse
97.036	COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.050	COVID-19 – Presidential Declared Disaster Assistance to Individuals and Households – Other Needs

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$55,262,335.

The State did not qualify as a low-risk auditee under the Uniform Guidance.

## SECTION II – FINANCIAL STATEMENT FINDINGS

Finding Number	Finding Title
2021-001	The State lacked adequate internal controls over financial reporting for ensuring accurate recording and monitoring of financial activity in its financial statements.

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding Number	Finding Title
2021-002	The Office of Superintendent of Public Instruction did not have adequate internal controls over and did not comply with suspension and debarment requirements for the Child Nutrition Cluster program.
2021-003	The Office of Superintendent of Public Instruction did not have adequate internal controls over accountability of USDA-donated foods.
2021-004	The Department of Health did not have adequate internal controls over and did not comply with requirements to ensure provider payments were allowable and met cost principles for the Special Supplemental Nutrition Program for Women, Infants and Children.
2021-005	The Employment Security Department did not have adequate internal controls over and did not comply with federal requirements to conduct case reviews for the Benefit Accuracy Measurement program of the Unemployment Insurance program in a timely manner.
2021-006	The Employment Security Department did not have adequate internal controls over fiscal monitoring requirements to ensure subrecipients of the Workforce Innovation and Opportunity Act program only used funds for allowable purposes.
2021-007	The Employment Security Department did not have adequate internal controls over and did not comply with requirements to ensure it submitted complete and accurate quarterly performance reports for the Workforce Innovation and Opportunity grant.