
Department of Commerce (COM)

Agency: 103

Audit Report: 2014 F

Finding Number: 005

Finding: The Department of Commerce does not have adequate internal controls to ensure HOME Investment Partnership program income is used before requesting federal cash draws.

Resolution: The Department concurs with the finding. On an ongoing basis, the Department's Accounting Office will:

- Identify the balance in the HOME program income account at a minimum of twice a month which coincides with performing the federal draws.
- Draw program income prior to drawing federal funds.
- Require approval of the federal draw and the HOME program income payment by the supervisor who oversees banking authorizations.
- Require approval of the HOME program income account bank reconciliation by the accounting manager.

The Department evaluated the current process and implemented new procedures. Specifically, the Department's Accounting Office:

- Updated the desk manual for HOME program income and federal draws to include the process identified above.
- Developed and maintains a register showing the deposits made to the HOME program income account.

The Department determined the interest earned on this account for fiscal year 2014 was \$101 and is working with the Federal granting agency with regard to its disposition.

Completion Date: June 2015, subject to audit follow-up

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Status of Audit Resolution

December 2015

Department of Commerce (COM)

Agency: 103

Audit Report: 2014 F

Finding Number: 006

Finding: The Department of Commerce does not have adequate internal controls to ensure subrecipients spending \$500,000 or more in total federal dollars obtain audits as required.

Resolution: The Department concurs with the finding. The fiscal year 2014 audit recommends the Department ensure that its existing audit policy and procedures are clearly communicated, understood, and followed by staff.

During fiscal year 2014, the Internal Auditor began running reports through the Contract Management System to identify subrecipients that received less than \$500,000 from the Department and may have received federal funding from other sources. Once identified, the Internal Auditor emails grantees. Grantees are required to send either their federal audit or an Audit Verification Form indicating they do not exceed the threshold requiring an audit.

The Department drafted new policies and procedures to articulate roles and responsibilities for the new process. The Department's policy committee reviewed the new policies and procedures, and communicated to all levels of the agency.

Completion Date: August 2015, subject to audit follow-up

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Status of Audit Resolution

December 2015

Department of Commerce (COM)

Agency: 103

Audit Report: 2014 F

Finding Number: 007

Finding: The Department of Commerce does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Crime Victim Assistance Program are filed accurately.

Resolution: The Department concurs with the finding. The Department streamlined the process and created a procedure to ensure all Federal Funding Accountability and Transparency Act (FFATA) reports are submitted properly and timely. In August 2015, FFATA training was provided to Department staff.

The Department established a new process to include a secondary review. Administrative support staff enters the information into the FFATA Subaward Reporting System and a program manager reviews and submits the report. In addition, the federal grantor must enter the grant into the system before the Department is able to enter the necessary information. When the Department is unable to enter the information before the deadline, the program documents the inability to enter it with screen shots of the system and email correspondence with the federal program manager.

The Department also ensures that it reports subawards made by other Washington state agencies.

Completion Date: May 2015, subject to audit follow-up

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