

**Status of Audit Resolution**

December 2005

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**Department of Community, Trade and Economic Development (CTED)**

**Agency: 103**

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**Audit Report:** 2004 Statewide Accountability Report

**Finding Number:** 04-12

**Finding:** The Department of Community, Trade and Economic Development, Office of International Trade, did not comply with state procurement regulations in a purchase of office furniture.

**Resolution:** CTED took action to strengthen awareness of and compliance with state procurement regulations. The CTED Administrative Division distributed applicable statutes, General Administration competitive procurement regulations and CTED purchasing guidelines to all employees involved in the procurement process.

**Agency Contact:** John C. Thomas  
Department of Community, Trade and Economic Development  
PO Box 42525  
Olympia, WA 98504  
(360) 725-4030  
[johnth@cted.wa.gov](mailto:johnth@cted.wa.gov)

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**Department of Community, Trade and Economic Development (CTED)**

**Agency: 103**

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**Audit Report:** 2004 Statewide Accountability Report

**Finding Number:** 04-29

**Finding:** The Department of Community, Trade and Economic Development's Housing Division is not complying with state regulations for managing past-due loans.

**Resolution:** CTED took action to strengthen awareness of and compliance with state regulations related to managing past due loans. The Housing Division began printing a hard copy of aging reports for the Assistant Director's review and filing the reports for documentation beginning in December 2004. The Housing Division revised written procedures to further define the aging of accounts and the collection of past-due accounts.

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Department of Community, Trade and Economic Development  
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Olympia, WA 98504  
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**Department of Community, Trade and Economic Development (CTED)**

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**Agency: 103**

**Audit Report:** 2004 Statewide Accountability Report

**Finding Number:** 04-33

**Finding:** The Department of Community, Trade and Economic Development did not comply with federal requirements for suspension and debarment.

**Resolution:** CTED disagrees with the finding.

The Housing Repairs and Rehabilitation Program refers in its contracts to Executive Order 12546, Debarment and Suspension, and requires contractors to certify that neither the organization nor its principals are suspended or debarred. Standard contract language in CTED federally funded subgrant awards also prohibits the contractor from entering into contracts with parties that are suspended or debarred. The contractors for the Tenant Based Rental Assistance program are responsible for the determination of low-income family eligibility to receive rental assistance and pay for the family's rent with vouchers directly to landlords. They do not deal with lower tier contractors. The Department of Housing and Urban Development (HUD) provided a management decision on this finding dated July 26, 2005. The decision was as follows:

- The auditor used the Health and Human Services Code of Federal Regulations (CFR) rather than the applicable HUD CFR. Because of the differences between the two, HUD could not sustain the finding.
- No further action by CTED is required.
- HUD considers the finding closed.

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**Department of Community, Trade and Economic Development (CTED)**

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**Audit Report:** 2004 Statewide Accountability Report

**Finding Number:** 04-34

**Finding:** The Department of Community, Trade and Economic Development did not comply with federal requirements for time and effort reporting.

**Resolution:** CTED is now in compliance with federal Office of Management and Budget (OMB) Circular A-87 requirements for time and effort reporting. Since December 2004, employees who work on more than one program have been charging their time based on actual time spent on various projects.

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