
Department of Ecology (ECY)

Agency: 461

Audit Report: 6650

Finding Number: 001

Finding: The Department of Ecology did not comply with federal requirements for payroll costs charged directly to its Capitalization Grants for Clean Water State Revolving Fund program.

Resolution: By August 2007, the Department completed the following corrective actions:

- The Water Quality Program management team reviewed the federal Office of Management and Budget Circular A-87 to gain an understanding of federal requirements for documentation of direct payroll charges to grants. A process was developed that will ensure payroll charges are adequately supported.
- All employees within the program were orientated on the proper requirements and expectations for documentation of direct payroll charges to federal grants.
- The Department consulted with the Environmental Protection Agency (EPA) Region 10 on the most appropriate method for charging the Water Quality Program's administrative staff payroll costs to the capitalization grant. A process was agreed upon that is acceptable to both the Department and the EPA.
- The Water Quality Program reconciled the payroll costs it charged to the capitalization grant to actual time worked on the grant. The Department and the EPA Region 10 reached an agreement on the most appropriate method for repaying the questioned costs. The transaction was completed on October 15, 2007. On November 14, 2007, Department staff met with EPA Region 10 staff to review the transaction, and all agreed it was completed properly.

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