

Status of Audit Resolution

December 2009

Military Department (MIL)

Agency: 245

Audit Report: 1000335

Finding Number: 001

Finding: The Military Department is not accurately calculating survivor death benefit compensations.

Resolution: The Department's risk manager, who has experience in the calculation of death benefits, reviewed the calculations for all death benefits going back to the start of each claim. The review resulted in benefit amounts different than originally calculated and being paid. Because of the complexity of the calculations, the Department consulted with the Department of Labor and Industries Insurance Services staff that have the expertise to calculate benefit payments. They examined the risk manager's review and agreed with the recalculations.

The Department completed a detailed comparison between the recalculated death benefits and original benefits. As a result, the Department adjusted or is in the process of adjusting monthly benefits.

The Department is also in the process of drafting policy and procedures for processing death benefit claims and for maintaining the related records and files.

Agency Contact: Rick Woodruff
Military Department
Bldg # 1: Headquarters
Mail Stop TA-20
Camp Murray WA 98430-5032
(253) 512-7878
rick.woodruff@mil.wa.gov

Status of Audit Resolution

December 2009

Military Department (MIL)

Agency: 245

Audit Report: 1000335

Finding Number: 002

Finding: The Military Department's internal controls over fixed assets are not sufficient to safeguard public assets.

Resolution: A complete physical inventory was conducted by the end of fiscal year 2009. All data discrepancies that were uncovered by the audit as well as those found during the physical inventory were researched and corrected.

The procedure for assigning state identification numbers was changed so that an identification number is issued when an asset is ordered as opposed to when it is received. A monthly review process was implemented to ensure all tag numbers that were issued were entered into the Capital Asset Management System. Exceptions are investigated and resolved.

The Department has reviewed the current procedures and identified all training issues related to noncompliance with the adopted policy. Procedures are being revised where necessary and training was developed and provided to the appropriate individuals to help them understand their role in the inventory control process and how to appropriately follow the procedures.

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