



STATE OF WASHINGTON

# AUDIT RESOLUTION REPORT

December 2010

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**THIS REPORT SUMMARIZES** the status of corrective actions taken by state agencies, in conjunction with the Office of Financial Management (OFM), to resolve exceptions to specific expenditures or financial transactions reported in audits performed by the State Auditor's Office (SAO). It also provides an overview of two special SAO reports involving other practices related to financial transactions.

Washington State laws require post audits of every state agency. As part of the audit process, exceptions to specific expenditures or financial transactions become a matter of public record. OFM is required to ensure that corrective actions to address exceptions are taken and to annually report on the status of these audit resolutions.

This annual report is required by RCW 43.88.160 which states, "The director of financial management shall annually report by December 31<sup>st</sup> the status of audit resolution to the appropriate committees of the legislature, the state auditor, and the attorney general. The director of financial management shall include in the audit resolution report actions taken as a result of an audit including, but not limited to, types of personnel actions, costs and types of litigation, and value of recouped goods or services."

This report summarizes the status of resolution of audit exceptions related to regularly scheduled agency post audits, which were reported in individual audit reports, the statewide single audit report, and other special SAO reports. These reports were issued between November 1, 2009 and October 31, 2010. The audit reports issued during that period include 72 exceptions, 4 of which relate to fraud. SAO recommendations resulting from two special reports are also included in a separate section of this report.

Agencies are required to submit corrective action plans to OFM within thirty days of issuance of audit reports in which exceptions are taken. OFM participates in the corrective action process, which is subject to a follow-up review during the subsequent audit.

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