

Status of Resolution of Audit Findings

December 2012

Office of State Auditor (SAO)

Agency: 095

Audit Report: 2009-2011 Independent Audit Report

Finding Number: 001

Finding: We noted several instances where local governments were not audited at least once in every three years as required by RCW 43.09.260.

Resolution: This finding was partially corrected as noted in the audit report. Most of the audits not completed within three years were due to a lack of response to audit assessments from entities with less than \$300,000 in annual revenues. In 2010 the State Auditor's Office centralized the audit assessment process and, at the end of 2010, started issuing disclaimer letters to those entities not responding. All entities will be contacted by the end of 2013.

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Status of Resolution of Audit Findings

December 2012

Office of State Auditor (SAO)

Agency: 095

Audit Report: 2009-2011 Independent Audit Report

Finding Number: 002

Finding: We noted that the allocation of the State-wide Single Audit (SWSA) billings to various state agencies did not conform with SAO's billing allocation plan. This finding is limited to the billings related to the SWSA for the year ended June 30, 2010.

Resolution: This issue was limited to the first and second quarters of fiscal year 2010. The State Auditor's Office (SAO) had a change in personnel responsible for the allocation and verification of each quarter's billings. In March 2010, a formal process was put into place to ensure the allocation is updated at least annually based on the most current Schedule of Expenditures of Federal Awards (SEFA) available. The audit report contained five recommendations:

- Base the current SWSA allocation on the most recent SEFA published.
- Evaluate impact of changes to the audit plan based on the most current SEFA as soon as the new SEFA is available.
- Update the SWSA allocation if the SEFA changes the audit plan significantly.
- Accounting should ensure the allocation is updated in the billing system.
- Accounting should recalculate the invoiced amounts quarterly and verify those amounts reflect the current allocation.

With the exception of the second bullet, all of the above recommendations had been implemented by SAO more than two years prior to the finding being written. In the past, the current SEFA was only reviewed when it was needed to calculate the current allocation. This final recommendation was put into place during the current (2011-2013) biennium.

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