

Status of Resolution of Audit Findings

December 2012

Military Department (MIL)

Agency: 245

Audit Report: 2011 F

Finding Number: 005

Finding: The Military Department did not support \$155,647 in payroll costs in accordance with federal regulations for its National Guard Operations and Maintenance grant.

Resolution: The Department concurs with this finding. The following actions were completed by July 20, 2012:

- The Department changed its hiring procedures to include a notation on the Personnel Action Form to include whether or not the employee is required to submit quarterly certifications. This notation is noted by the program hiring authority.
- The Payroll Section maintains a listing of employees who are required to submit quarterly certifications.
- The Payroll Section is responsible for collecting the required certifications on each employee and maintaining appropriate records.

The U.S. Property and Fiscal Office (USPFO), the federal granting agency, was forwarded a copy of the draft finding. The USPFO performed an internal review of the situation in August 2012. They determined that sufficient internal controls were implemented as a result of the audit finding and are not requiring the Department to repay the \$155,647.

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Status of Resolution of Audit Findings

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Military Department (MIL)

Agency: 245

Audit Report: 2011 F

Finding Number: 006

Finding: The Military Department does not have controls to ensure it complies with Davis-Bacon (prevailing wage) requirements.

Resolution: The Department concurs with this finding. The following actions have been taken to correct this deficiency:

- The responsibility for monitoring compliance with Davis-Bacon (prevailing wage) requirements has been assigned to the Contracting section of the Department.
- The Contracting section staff is familiar with Davis-Bacon reporting requirements and has incorporated the submission and review of weekly certified payrolls into contracts requiring such reporting.
- The Contracting section is responsible for collecting certified payrolls and will monitor compliance.

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