

Status of Audit Resolution

December 2013

Department of Health (DOH)

Agency: 303

Audit Report: 2012 F

Finding Number: 002

Finding: The Department of Health did not obtain subaward information or file reports required by the Federal Funding Accountability and Transparency Act for the Special Supplemental Nutrition Program for Women, Infants, and Children.

Resolution: Effective October 1, 2012, the Department requires all subgrantees to complete a Federal Funding Accountability and Transparency Act (FFATA) data collection form which includes the required subaward information. In addition, the FFATA Subaward Reporting System (FSRS) is reviewed monthly for current and new grant awards available to report on for the Department. Available and reportable subaward information is entered monthly by grants staff into the FSRS. The grants supervisor reviews and submits the reports monthly to FSRS and retains a system print out for audit verification.

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Status of Audit Resolution

December 2013

Department of Health (DOH)

Agency: 303

Audit Report: 2012 F

Finding Number: 003

Finding: The Department of Health does not adequately monitor subrecipients of the Special Supplemental Nutrition Program for Women, Infants, and Children.

Resolution: The Department will conduct an internal review of its subrecipient monitoring processes to determine an appropriate level of activity to address the risks and ensure federal requirements are met. This may include development of a risk model to help inform the type and frequency of monitoring for each subrecipient. The Department will develop agency-level policies and training addressing subrecipient monitoring.

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Status of Audit Resolution

December 2013

Department of Health (DOH)

Agency: 303

Audit Report: 2012 F

Finding Number: 004

Finding: The Department of Health did not obtain a Data Universal Numbering System (DUNS) number from subrecipients prior to awarding federal dollars under the Special Supplemental Nutrition Program for Women, Infants, and Children.

Resolution: Prior to awarding federal dollars, the Department now requires all subgrantees to complete a Federal Funding Accountability and Transparency Act data collection form which includes the required subaward information, including the Data Universal Numbering System number.

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Status of Audit Resolution

December 2013

Department of Health (DOH)

Agency: 303

Audit Report: 2012 F

Finding Number: 005

Finding: The Department of Health does not have sufficient internal controls to ensure all of its subrecipients receive audits when required.

Resolution: Beginning in December 2012, the Department initiated additional telephone contact with subgrantees who did not provide a response to the original post card inquiry and/or who did not provide a copy of their single audit to the Department and/or the federal Single Audit Clearinghouse. These subgrantees are called (sometimes weekly) until a response is received. As of September 2013, the Department has achieved 100 percent audit determination compliance.

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Department of Health (DOH)

Agency: 303

Audit Report: 2012 F

Finding Number: 013

Finding: The Department of Health did not file reports required by the Federal Funding Accountability and Transparency Act for the Drinking Water Program.

Resolution: The Federal Funding Accountability and Transparency Act (FFATA) reporting for the award identified in the finding is now complete. Clarification has also been received from the federal Environmental Protection Agency (EPA) regarding how to report FFATA on future grants. The Department's Drinking Water Program will ensure this is completed annually at the time of contract execution.

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Department of Health (DOH)

Agency: 303

Audit Report: 2012 F

Finding Number: 019

Finding: The Department of Health paid unreasonable indirect cost rates to a subrecipient of the Public Health Emergency Preparedness grant.

Resolution: The subrecipient in question did not have an indirect rate but rather a cost allocation plan. The Department reviewed the cost allocation plan and worked with the subrecipient to make some adjustments. In addition, as of June 2013, the amount paid for indirect costs to this subrecipient are capped at the lower of actual costs or an effective rate of 40 percent of direct expenditures. It was the auditor's opinion that the effective rate for the months tested was unreasonable, however, the charges themselves were not unallowable. The Department will work with grantors to determine what, if any, costs are to be repaid.

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Department of Health (DOH)

Agency: 303

Audit Report: 2012 F

Finding Number: 020

Finding: The Department of Health does not adequately monitor subrecipients of the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness programs.

Resolution: Effective January 2012, the Department requires all contractors to submit backup documentation for all invoices. The programs review the invoice and backup documentation for allowability, reasonableness of cost, and fulfillment of contract deliverables. If questions come up regarding the invoice or backup documentation, the program follows up with the contractor and/or consults with the Department's internal auditor or other staff as necessary.

The Department had a third party resume subrecipient fiscal monitoring effective September 2012. A Department employee works with programs to track and resolve fiscal monitoring issues that may arise. The program consults with the contractor to resolve issues and develop a corrective action plan. The Department has followed up on the contractors with questioned costs and has received pay back from those contractors on the unallowable costs identified. In the future, the Department will track issues identified in fiscal monitoring reports and follow up with contractors to resolve those issues, establish corrective action plans, and collect unallowable costs, if necessary, on a more timely basis.

As of October 2012, the Department requires all grant information, including Catalog of Federal Domestic Assistance (CFDA) number, CFDA title, federal grant award number, federal grant award name and federal agency name, be included in all subrecipient contracts. This information is included in the statement of work templates which are used for all subrecipient contracts.

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Department of Health (DOH)

Agency: 303

Audit Report: 2012 F

Finding Number: 021

Finding: The Department of Health does not have sufficient internal controls to ensure it meets federal level of effort requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness programs.

Resolution: The Department conferred with the federal grantors on this matter and obtained a clear understanding of how level of effort should be determined. Neither the Department nor the auditors had a correct interpretation. Once the Department fully understood the requirements, it put systems in place to monitor level of effort.

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Department of Health (DOH)

Agency: 303

Audit Report: 2012 F

Finding Number: 033

Finding: The Department of Health did not survey all hospitals and ambulatory surgical centers in accordance with the frequency stipulated by state and federal laws, which could increase the risk of Medicaid clients receiving substandard care.

Resolution: In June 2013, the Department hired a new hospital surveyor to help "right size" survey staff. In July the Department appointed a survey team manager who is now responsible for scheduling and managing performance of the hospital survey staff. The successful candidate was a current team member so the Department is now recruiting to replace the vacancy caused by the promotion. The Department expects to have that vacancy filled by December 15, 2013.

As of July 1, 2013, the survey team had completed 99 percent of Ambulatory Surgical Centers (ASC) surveys required in this federal fiscal year. The Department completed all ASC surveys that were required by the end of the September 2013.

The Department is now using the new survey processes and early results are very encouraging. The Department was able to accomplish five surveys in the month of August which has never been done before. The Department is on track to eliminate, or significantly reduce, the backlog of hospital surveys that are overdue by June 2014. The Department is also waiting for the new statement of work from the Centers for Medicare and Medicaid Services which may have an impact on the survey schedules. The Department received notice of two validation surveys that were to be completed in October 2013. These surveys were delayed due to the federal shutdown and will be rescheduled for the near future. This delay allowed the Department to do more state survey work.

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Department of Health (DOH)

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Audit Report: 2012 F

Finding Number: 057

Finding: The Department of Health did not maintain federally required documentation for \$140,468 in payroll costs charged to the National Bioterrorism Hospital Preparedness Program.

Resolution: Since July 2012, employees have been using positive time and attendance record keeping which reflects actual time worked in accordance with federal requirements. The Department will address the issue of the questioned costs with its federal grantor.

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December 2013

Department of Health (DOH)

Agency: 303

Audit Report: 2012 F

Finding Number: 058

Finding: The Department of Health did not obtain a Data Universal Numbering System (DUNS) number from subrecipients prior to awarding federal dollars under the HIV Care Formula Grant Program.

Resolution: The Department agrees with the finding and, upon notification of the issue, immediately collected Data Universal Numbering System (DUNS) numbers from all current subrecipients. In December 2012, the Department clarified the requirement with staff that the DUNS number will be collected for all subcontractors by using the Federal Funding Accountability and Transparency Act form. Management will not approve a contract for routing for approval if this form is not attached.

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