

State of Washington  
 Status of Audit Resolution  
 December 2016

Consolidated Technology Services

Agency 163

Audit Report	Finding Number	Finding and Corrective Action Plan
1016159	2015-001	<p><b>Finding:</b> Consolidated Technology Services has not established adequate controls over setting and adjusting billing rates in order to ensure compliance with state law.</p> <p><b>Corrective Action:</b> The Agency was created on July 1, 2015, with no initial financial management or analytical staff. Towards the end of the year, the Agency has dedicated staff and resources within the Agency’s Finance Office to ensure compliance on an ongoing basis.</p> <p>The Agency developed an agency-wide approach to rate setting and submitted the first rate plan for the 2017-2019 biennium to the Office of Financial Management (OFM) on March 31, 2016. The Agency will continue to submit rate plans on March 31 of each year.</p> <p>A process has been implemented for developing the annual rate plans, which includes:</p> <ul style="list-style-type: none"> <li>• Review and assessment of risk areas to determine the services where rates are not sustainable or where rates exceed current competitive market rates.</li> <li>• Provide recommendations based on the outcome of the review, and work with OFM Budget staff in implementing rate adjustments to correspond with the biennial/annual budget cycle.</li> <li>• Provide adequate notification to client agencies of any rate changes, especially when increases may be necessary.</li> </ul> <p><b>Completion Date:</b> March 2016, subject to audit follow-up</p> <p><b>Agency Contact:</b> Wendi Gunther            Chief Financial Officer            Mail Stop 41454            Olympia, WA 98504-1454            (360) 407-8779  <a href="mailto:wendi.gunther@watech.wa.gov">wendi.gunther@watech.wa.gov</a></p>