

**Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2010**

**Summary of Financial Statement Findings**

<b>Finding Number</b>	<b>Finding</b>
10-01	The State's internal controls are inadequate to ensure the Schedule of Expenditures of Federal Awards is accurately prepared, placing the state at risk of incomplete and inaccurate reporting to the federal government. This could affect the amount of federal funding the state receives in the future.

**Summary of Federal Findings**

<b>Finding Number</b>	<b>Finding</b>
10-02	The Department of Social and Health Services, Economic Services Administration, did not comply with federal regulations regarding support of salaries and wages paid to employees.
10-03	The Department of Social and Health Services did not issue retroactive food assistance payments in accordance with federal law.
10-04	The Recreation and Conservation Office did not comply with federal cash management requirements.
10-05	The Department of Commerce, Local Government and Infrastructure Division, does not have controls to ensure it complies with reporting requirements for the Community Development Block Grant program.
10-06	The Department of Social and Health Services, Division of Behavioral and Health Services, does not ensure Justice Assistance Grant subrecipients are registered in the Central Contractor Registration database as required by federal regulation.
10-07	The Department of Social and Health Services did not provide adequate information to its Justice Assistance Grant subrecipients, nor did it monitor subrecipients' use of those funds.
10-08	The Employment Security Department did not comply with U.S. Department of Labor requirements for determining the accuracy of benefit payments.
10-09	The Employment Security Department did not comply with federal cash management requirements.
10-10	The Employment Security Department did not adequately review job search logs to ensure unemployment insurance claimants are eligible for benefits.
10-11	The Department of Transportation does not have adequate controls to ensure that information the American Recovery and Reinvestment Act requires to be reported for its Highway Planning and Construction program is accurate.
10-12	The Department of Transportation did not ensure highway construction contractor invoices were supported and approved before payment.
10-13	The Department of Transportation did not support over \$759,000 in payroll costs in accordance with federal regulations for the Formula Grants for Other Than Urbanized Areas.
10-14	The Department of Ecology does not have adequate internal controls to ensure it complies with suspension and debarment requirements.
10-15	The Department of Health did not comply with time and effort requirements for the Capitalization Grants for Drinking Water State Revolving Fund program.
10-16	The Energy Office of the Department of Commerce does not have controls to ensure it complies with Davis-Bacon (prevailing wage) requirements.
10-17	The Energy Office at the Department of Commerce does not have controls to ensure it complies with reporting requirements for the State Energy Program.
10-18	The Energy Office at the Department of Commerce did not adequately monitor grantees and loan recipients and paid for unallowable costs under the State Energy Program.