

**Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2011**

**Summary of Federal Findings**

<b>Finding Number</b>	<b>Finding</b>
11-01	The Department of Social and Health Services, Economic Services Administration did not have controls in place to comply with federal regulations regarding costs of salaries charged to federal grants.
11-02	The Department of Social and Health Services, Economic Services Administration did not issue retroactive food assistance payments in accordance with federal law.
11-03	The Recreation and Conservation Office did not support more than \$220,000 in payroll costs as required by federal regulations for the Pacific Coast Salmon Recovery-Pacific Salmon Treaty Program.
11-04	The Recreation and Conservation Office did not support more than \$62,000 in administrative costs as required by federal regulations for the Pacific Coast Salmon Recovery Pacific Salmon Treaty Program.
11-05	The Military Department did not support \$155,647 in payroll costs in accordance with federal regulations for its National Guard Operations and Maintenance grant.
11-06	The Military Department does not have controls to ensure it complies with Davis-Bacon (prevailing wage) requirements.
11-07	The Washington Housing Finance Commission did not ensure funding it provided to sub-recipients of the Tax Credit Assistance Program was reported and audited in accordance with federal regulations.
11-08	The Employment Security Department did not comply with U.S. Department of Labor requirements for determining the accuracy of Unemployment Insurance benefit payments.
11-09	The Department of Transportation did not support over \$768,000 in payroll costs in accordance with federal regulations for the Formula Grants for Other Than Urbanized Areas.
11-10	The Department of Commerce does not ensure the funding it provides to sub-recipients is reported and audited in accordance with federal regulations.
11-11	The Office of Superintendent of Public Instruction's internal controls over sub-recipient monitoring is not adequate to ensure only proper and allocable costs are charged to the Title I program.
11-12	The University of Washington did not comply with the eligibility requirements of federal student financial aid programs.
11-13	The Department of Social and Health Services is not complying with federal requirements for suspension and debarment for its federal Vocational Rehabilitation Program.
11-14	The Department of Services for the Blind is not complying with federal requirements for suspension and debarment for its federal Vocational Rehabilitation Program.
11-15	The Department of Services for the Blind did not comply with federal requirements regarding services charged to the Vocational Rehabilitation Program.
11-16	The Department of Early Learning did not comply with time and effort requirements for its Special Education Grants for Infants and Families for the Early Support for Infants and Toddlers Program.
11-17	The Department of Health does not monitor sub-recipients of the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness programs.
11-18	The Department of Health did not comply with federal reporting requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness Programs.
11-19	The Department of Health did not maintain the federally required documentation for \$189,000 in payroll costs charged to the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness Programs.

Finding Number	Finding
11-20	The Department of Health does not have sufficient internal controls to ensure federal requirements for matching and level of effort are met for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness programs.
11-21	The Department of Social and Health Services, Division of Child Support, did not comply with federal regulations on documentation for employee salaries and wages charged to the Child Support Enforcement Program.
11-22	The Department of Commerce, Community Services and Housing Division, did not comply with period of availability requirements for its Community Services Block Grant program.
11-23	The Department of Early Learning and the Department of Social and Health Services do not have adequate internal controls over direct payments to child care providers.
11-24	The Department of Social and Health Services, Children's Administration, is not ensuring the eligibility of clients receiving Adoption Assistance payments.
11-25	The Department of Health did not survey hospitals in accordance with state law, which could increase the risk of Medicaid clients receiving substandard care services.
11-26	The Department of Social and Health Services paid Medicaid providers for services that were not provided to Medicaid beneficiaries.
11-27	The Department of Social and Health Services, Office of Financial Recovery, did not have adequate controls to ensure the federal share of overpayments made to Medicaid providers is refunded to the federal government in an accurate and timely manner.
11-28	The Department of Social and Health Services did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers.
11-29	The Department of Social and Health Services does not have adequate internal controls to ensure Medicaid payments to in-home service providers are allowable and supported.
11-30	The Department of Social and Health Services, Aging and Disability Services Administration, did not ensure the level of in-home care services is appropriate and clients are still eligible for assistance at least annually.
11-31	The Department of Social and Health Services, Aging and Disability Services Administration, charged approximately \$36,000 to the Medicaid program for services provided to ineligible individuals.
11-32	The Department of Social and Health Services does not have an adequate process to identify ineligible Medicaid expenditures for nonqualified aliens at the time of payment, resulting in \$52,104 in questionable costs.
11-33	The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls to ensure the accuracy of financial eligibility determinations for Medicaid clients receiving home and community based services.
11-34	The Department of Social and Health Services, Aging and Disability Services Administration, did not perform background checks for some in-home care individual providers in accordance with state law.
11-35	The Department of Social and Health Services, Aging and Disability Services Administration does not have adequate controls to ensure Medicaid recipients have received the services for which Medicaid is billed.
11-36	The Department of Social and Health Services, Aging and Disability Services Administration, does not have adequate controls in place to ensure all applicant-owned assets are counted when Medicaid eligibility is determined.
11-37	The Health Care Authority and the Department of Social and Health Services do not have adequate controls to correctly report all Medicaid expenditures that are eligible for additional Children Health Insurance Program (CHIP) funds.
11-38	The Health Care Authority does not comply with state law and the federal Deficit Reduction Act of 2005, increasing the likelihood that the state is paying claims that should have been paid by liable third parties.
11-39	The Health Care Authority did not investigate information on potential Medicaid fraud or abuse in accordance with federal law, risking the loss of Medicaid resources.

<b>Finding Number</b>	<b>Finding</b>
11-40	The Health Care Authority's internal controls are insufficient to ensure payment rates for its Healthy Options managed care program are accurate.
11-41	The Health Care Authority does not perform a retrospective drug use review of pharmaceutical claims data to identify patterns of fraud or abuse as required by federal law.
11-42	The Health Care Authority did not adequately monitor sub-recipients to ensure Medicaid expenditures are allowable and supported.
11-43	The Health Care Authority does not have adequate controls to ensure Medicaid is the payer of last resort.
11-44	The Health Care Authority improperly claimed \$111,108.98 in federal reimbursement for the Medicaid program.
11-45	The Health Care Authority does not have adequate controls to ensure controlled substances prescribed for Medicaid clients are authorized and allowable.
11-46	The Health Care Authority did not have adequate controls to ensure violations of Medicaid laws and regulations by providers are identified and are referred to the Medicaid Fraud Control Unit (MFCU), risking the loss of public resources.
11-47	The Health Care Authority's internal controls are inadequate to ensure non-emergency medical transportation expenditures are allowable and adequately supported.
11-48	The Health Care Authority does not have adequate controls to ensure providers meet initial and ongoing eligibility requirements to participate in the Medicaid program.
11-49	The Department of Health charged the National Bioterrorism Hospital Preparedness Program for activities that occurred after the grant period had ended.
11-50	The Washington Commission for National and Community Service at the Office of Financial Management does not properly monitor subgrantees to ensure expenditures of AmeriCorps grant funding are allowable and adequately supported.
11-51	The Employment Security Department did not ensure all background checks were performed for AmeriCorps members as required by federal regulations.