

**Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012**

Summary of Financial Statement Findings

Finding Number	Finding
12-01	The State's internal controls over Medicaid payments processed by ProviderOne are inadequate to ensure those payments are properly processed and recorded.

Summary of Federal Findings

Finding Number	Finding
12-02	The Department of Health did not obtain sub-award information or file reports required by the Federal Funding Accountability and Transparency Act for the Special Supplemental Nutrition Program for Women, Infants, and Children.
12-03	The Department of Health does not adequately monitor subrecipients of the Special Supplemental Nutrition Program for Women, Infants, and Children.
12-04	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.
12-05	The Department of Health does not have sufficient internal controls to ensure all of its subrecipients receive audits when required.
12-06	The Recreation and Conservation Office did not file reports required by the Federal Funding Accountability and Transparency Act for the Pacific Coast Salmon Recovery Program.
12-07	The Department of Commerce does not adequately monitor subrecipients of the HOME Investment Partnership Program to ensure subrecipients use federal grant money for authorized purposes and in compliance with laws, regulations, and grant and contract provisions.
12-08	The Department of Commerce does not have internal controls to ensure the Department pays out HOME Investment Partnership program income before requesting federal cash draws and interest earned on federal cash advances is returned to the federal government.
12-09	The Department of Commerce does not have sufficient internal controls to ensure all of its subrecipients receive audits as required.
12-10	The Employment Security Department did not attempt to collect \$440,925 overpaid to claimants for Federal Additional Compensation Unemployment Insurance.
12-11	The Employment Security Department does not have controls to ensure compliance with U.S. Department of Labor requirements for determining the accuracy of Unemployment Insurance benefit payments.
12-12	The Department of Transportation did not have sufficient internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act are filed.
12-13	The Department of Health did not file reports required by the Federal Funding Accountability and Transparency Act for the Drinking Water Program.
12-14	The Department of Services for the Blind did not determine eligibility for all Vocational Rehabilitation program applicants within the allowed period of time.
12-15	The Department of Services for the Blind did not have adequate internal controls to ensure compliance with federal suspension and debarment requirements for its federal Vocational Rehabilitation program.
12-16	The Department of Services for the Blind did not comply with federal requirements for reporting Vocational Rehabilitation program expenditures.

12-17	The Department of Services for the Blind charged indirect costs related to the Vocational Rehabilitation program to its federal grant without an approved indirect cost rate.
12-18	The Office of Superintendent of Public Instruction's internal controls over subrecipient monitoring are not adequate to ensure only proper and allowable costs are charged to the School Improvement Grants program.
12-19	The Department of Health paid unreasonable indirect cost rates to a subrecipient of the Public Health Emergency Preparedness grant.
12-20	The Department of Health does not adequately monitor subrecipients of the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness programs.
12-21	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.
12-22	The University of Washington does not have monitoring controls to ensure subrecipients receiving less than \$500,000 from the University obtain audits when required.
12-23	The Department of Social and Health Services does not have internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Child Support Enforcement grant are filed.
12-24	The Department of Social and Health Services did not obtain a Data Universal Numbering System (DUNS) number from subrecipients prior to awarding federal dollars under the Child Support Enforcement grant.
12-25	The Department of Commerce does not have adequate controls to ensure it draws Low-Income Home Energy Assistance Program federal funds in accordance with the Cash Management Improvement Act Agreement.
12-26	The Department of Commerce does not have internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act are filed for the Low-Income Home Energy Assistance Program.
12-27	The Department of Commerce, Community Services and Housing Division, did not comply with period of availability requirements for its Low-Income Home Energy Assistance program.
12-28	The Department of Early Learning does not have adequate internal controls over direct payments to child care providers.
12-29	The Department of Early Learning did not maintain federally required documentation for \$21,328.61 in payroll costs charged to the Child Care Development Fund.
12-30	The Department of Social and Health Services does not have adequate internal controls over client eligibility for the Child Care Development Fund, resulting in the payment of child care services for ineligible clients.
12-31	Edmonds Community College did not comply with time and effort requirements for its Head Start Program.
12-32	The Department of Social and Health Services, Children's Administration, is not ensuring the eligibility of clients receiving Adoption Assistance payments.
12-33	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.
12-34	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.
12-35	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 clients receiving home and community based services.
12-36	The Department of Social and Health Services does not have an adequate process to identify ineligible Medicaid expenditures for nonqualified aliens, resulting in \$77,352.13 in questioned costs.
12-37	The Department of Social and Health Services does not have adequate internal controls to ensure daily rates paid to supported living providers for Medicaid clients are accurate and properly authorized.

12-38	The Department of Social and Health Services, Economic Services Administration, does not have adequate controls in place to ensure all individuals who receive Medicaid benefits are financially eligible.
12-39	The Department of Social and Health Services does not have adequate internal controls to ensure Medicaid payments to supported living providers are allowable and supported.
12-40	The Department of Social and Health Services did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers.
12-41	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.
12-42	The Health Care Authority does not have adequate controls to ensure Medicaid is the payer of last resort.
12-43	The Health Care Authority does not have adequate controls to ensure providers meet initial and ongoing eligibility requirements to participate in the Medicaid program.
12-44	The Health Care Authority did not have adequate controls to ensure violations of Medicaid laws and regulations by providers are identified and referred to the Medicaid Fraud Control Unit (MFCU), risking the loss of public resources.
12-45	The Health Care Authority's inadequate internal controls over claims from Federally Qualified Health Centers led to payments of more than \$1.4 million for charges improperly calculated and claimed.
12-46	The Health Care Authority improperly claimed \$48,365.31 in federal reimbursement for the Medicaid program.
12-47	The Health Care Authority's internal controls are insufficient to ensure payment rates for its Healthy Options managed care program are accurate.
12-48	The Health Care Authority did not complete the required automatic data processing (ADP) risk analysis and system security reviews of ProviderOne, the new Medicaid Management Information System, risking the loss of Medicaid program assets and jeopardizing Medicaid program integrity.
12-49	The Health Care Authority does not comply with the data-sharing requirements of State law and the federal Deficit Reduction Act of 2005, thereby increasing the likelihood that the state is paying claims that should have been paid by liable third parties.
12-50	The Health Care Authority did not adequately monitor subrecipients to ensure Medicaid Administrative Match expenditures are allowable and subrecipients obtained federal compliance audits.
12-51	The Health Care Authority does not perform the federally required retrospective drug use review of pharmaceutical claims data to identify patterns of fraud or abuse.
12-52	The Health Care Authority cannot be sure it is properly claiming Children's Health Insurance Program (CHIP) funds.
12-53	The Health Care Authority's inadequate internal controls over claims for dental services led to more than \$648,000 in overpayments to providers.
12-54	The Health Care Authority does not have adequate controls in place to verify services billed by providers with Medicaid beneficiaries in accordance with federal laws, risking the loss of Medicaid resources.
12-55	The Health Care Authority did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers.
12-56	The Health Care Authority did not have adequate controls to ensure the federal share of overpayments to Medicaid providers is refunded to the federal government in a timely manner.
12-57	The Department of Health did not maintain federally required documentation for \$140,468 in payroll costs charged to the National Bioterrorism Hospital Preparedness Program.
12-58	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.
12-59	The Military Department does not have sufficient internal controls to ensure all of its subrecipients receive audits for the Disaster Grants-Public Assistance program when required.

12-60	The Military Department did not file reports required by the Federal Funding Accountability and Transparency Act for the Disaster Grants-Public Assistance program.
12-61	The Military Department did not comply with the Federal Funding Accountability and Transparency Act reporting requirements for the Homeland Security Grant Program.
12-62	The Military Department does not have sufficient internal controls to ensure all of its subrecipients receive audits when required and that all subrecipients take timely and appropriate corrective actions for audit findings issued for the Homeland Security Grant Program.
12-63	The Military Department's internal controls over subrecipient monitoring are not working as designed and the Department does not adequately monitor sub-recipients of the Homeland Security Grant Program.