

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

***OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015***

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects the agency corrective action status as of June 30, 2015.)

Finding Number	State Agency	CFDA Number	Page Number	Audit Status
2014-001	Department of Agriculture	10.565, 10.568, 10.569	H-8	Complete
2014-002	Department of Agriculture	10.565, 10.568, 10.569	H-9	Complete
2014-003	Recreation and Conservation Funding Board	11.438	H-10	Complete
2014-004	Military Department	12.401	H-11	Complete
2014-005	Department of Commerce	14.239	H-12	Repeat Finding 2015-005
2014-006	Department of Commerce	14.239, 16.575, 66.468, 66.483, 93.568, 93.569	H-14	Complete
2014-007	Department of Commerce	16.575	H-16	Unresolved, no finding issued
2014-008	Employment Security Department	17.245	H-17	Repeat Finding 2015-010
2014-009	Employment Security Department	17.245	H-18	Repeat Finding 2015-009
2014-010	Department of Transportation	20.205A, 20.205, 20.219, 23.003	H-19	Complete
2014-011	Department of Health	66.468, 66.483	H-20	Complete
2014-012	Workforce Training and Education Coordinating Board	84.048	H-21	Unresolved, no finding issued
2014-013	Workforce Training and Education Coordinating Board	84.048	H-22	Unresolved, no finding issued
2014-014	Department of Early Learning	84.412	H-23	Unresolved, no finding issued
2014-015	Department of Early Learning	84.412, 93.505	H-24	Complete

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***OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015***

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Finding Number	State Agency	CFDA Number	Page Number	Audit Status
2014-016	Department of Health	93.069, 93.889	H-26	Repeat Finding 2015-015
2014-017	Department of Health	93.069, 93.889	H-27	Complete
2014-018	Department of Social and Health Services	93.243	H-29	Unresolved, no finding issued
2014-019	Department of Social and Health Services	93.243, 93.959	H-30	Repeat Finding 2015-016
2014-020	Department of Social and Health Services	93.243, 93.959	H-31	Repeat Finding 2015-017
2014-021	Department of Social and Health Services	93.566	H-32	Repeat Finding 2015-022
2014-022	Department of Social and Health Services	93.556	H-34	Repeat Finding 2015-003
2014-023	Department of Early Learning	93.575, 93.596	H-35	Repeat Finding 2015-023
2014-024	Department of Early Learning	93.575, 93.596	H-38	Complete
2014-025	Department of Early Learning	93.575, 93.596	H-39	Complete
2014-026	Department of Social and Health Services	93.575, 93.596	H-40	Repeat Finding 2015-026
2014-027	Department of Social and Health Services	93.658	H-43	Repeat Finding 2015-028
2014-028	Department of Health	93.775, 93.777, 93.778A, 93.778	H-45	Repeat Finding 2015-029
2014-029	State Health Care Authority	93.775, 93.777, 93.778A, 93.778	H-47	Repeat Finding 2015-036
2014-030	State Health Care Authority	93.775, 93.777, 93.778A, 93.778	H-48	Repeat Finding 2015-035, 2015-036

**State of Washington
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 For the Fiscal Year Ended
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Finding Number	State Agency	CFDA Number	Page Number	Audit Status
2014-031	State Health Care Authority	93.775, 93.777, 93.778A, 93.778	H-49	Repeat Finding 2015-034
2014-032	State Health Care Authority	93.775, 93.777, 93.778A, 93.778	H-50	Repeat Finding 2015-038
2014-033	State Health Care Authority	93.775, 93.777, 93.778A, 93.778	H-51	Repeat Finding 2015-037
2014-034	State Health Care Authority	93.775, 93.777, 93.778A, 93.778	H-52	Repeat Finding 2015-030
2014-035	State Health Care Authority	93.775, 93.777, 93.778A, 93.778	H-53	Complete
2014-036	State Health Care Authority	93.775, 93.777, 93.778A, 93.778	H-54	Repeat Finding 2015-033
2014-037	State Health Care Authority	93.775, 93.777, 93.778A, 93.778	H-55	Repeat Finding 2015-039
2014-038	State Health Care Authority	93.775, 93.777, 93.778A, 93.778	H-56	Complete
2014-039	State Health Care Authority	93.775, 93.777, 93.778A, 93.778	H-57	Repeat Finding 2015-032
2014-040	Department of Social and Health Services	93.775, 93.777, 93.778A, 93.778	H-58	Unresolved, no finding issued
2014-041	Department of Social and Health Services	93.775, 93.777, 93.778A, 93.778	H-60	Repeat Finding 2015-052
2014-042	Department of Social and Health Services	93.775, 93.777, 93.778A, 93.778	H-62	Repeat Finding 2015-049
2014-043	Department of Social and Health Services	93.775, 93.777, 93.778A, 93.778	H-64	Repeat Finding 2015-049
2014-044	Department of Social and Health Services	93.775, 93.777, 93.778A, 93.778	H-65	Repeat Finding 2015-050
2014-045	Department of Social and Health Services	93.775, 93.777, 93.778A, 93.778	H-67	Repeat Finding 2015-047

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015***

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Finding Number	State Agency	CFDA Number	Page Number	Audit Status
2014-046	Department of Social and Health Services	93.775, 93.777, 93.778A, 93.778	H-69	Repeat Finding 2015-044, 2015-045
2014-047	Department of Social and Health Services	93.775, 93.777, 93.778A, 93.778	H-70	Complete
2014-048	Department of Social and Health Services	93.775, 93.777, 93.778A, 93.778	H-71	Repeat Finding 2015-051
2014-049	Department of Social and Health Services	93.775, 93.777, 93.778A, 93.778	H-72	Repeat Finding 2015-040
2014-050	Department of Social and Health Services	93.775, 93.777, 93.778A, 93.778	H-74	Repeat Finding 2015-041, 2015-048
2014-051	Department of Social and Health Services	93.959	H-77	Repeat Finding 2015-053
2014-052	Department of Health	93.994	H-78	Complete
2014-053	Department of Social and Health Services	96.001, 96.006	H-79	Complete
2014-054	Department of Social and Health Services	96.001, 96.006	H-80	Complete
2014-055	Military Department	97.046, 97.067	H-81	Complete
2013-003	Department of Commerce	14.239, 66.468, 66.468A, 93.568, 93.569	Refer to finding 2014-006 at H-14	Repeat Finding 2014-006
2013-004	Department of Commerce	14.239	Refer to finding 2014-005 at H-12	Repeat Finding 2015-005, 2014-005
2013-012	Department of Health	93.069, 93.889	Refer to finding 2014-016 at H-26	Repeat Finding 2015-015, 2014-016
2013-013	Department of Health	93.069, 93.889	Refer to finding 2014-017 at H-27	Repeat Finding 2014-017
2013-015	Department of Early Learning	93.575, 93.596	Refer to finding 2014-025 at H-39	Repeat Finding 2014-025

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

***OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015***

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Finding Number	State Agency	CFDA Number	Page Number	Audit Status
2013-016	Department of Early Learning	93.575, 93.596	Refer to finding 2014-023 at H-35	Repeat Finding 2015-023, 2014-023
2013-017	Department of Social and Health Services	93.575, 93.596	Refer to finding 2014-026 at H-40	Repeat Finding 2015-026, 2014-026
2013-019	Department of Health	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-028 at H-45	Repeat Finding 2015-029, 2014-028
2013-020	State Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-034 at H-52	Repeat Finding 2015-030, 2014-034
2013-021	State Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-038 at H-56	Repeat Finding 2014-038
2013-023	State Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-032 at H-50	Repeat Finding 2015-038, 2014-032
2013-026	State Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-036 at H-54	Repeat Finding 2015-033, 2014-036
2013-027	State Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-033 at H-51	Repeat Finding 2015-037, 2014-033
2013-031	State Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-039 at H-57	Repeat Finding 2015-032, 2014-039
2013-033	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-045 at H-67	Repeat Finding 2015-047, 2014-045
2013-034	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-044 at H-65	Repeat Finding 2015-050, 2014-044
2013-036	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-042 at H-62	Repeat Finding 2015-049, 2014-042
2013-037	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-048 at H-71	Repeat Finding 2015-051, 2014-048
2013-038	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-041 at H-60	Repeat Finding 2015-052, 2014-041
2013-039	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-040 at H-58	Repeat Finding 2014-040

**State of Washington
Summary Schedule of Prior Audit Findings
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**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

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Finding Number	State Agency	CFDA Number	Page Number	Audit Status
2013-040	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-049 at H-72	Repeat Finding 2015-040, 2014-049
12-06	Recreation and Conservation Funding Board	11.438	Refer to finding 2014-003 at H-10	Repeat Finding 2014-003
12-08	Department of Commerce	14.239	Refer to finding 2014-005 at H-12	Repeat Finding 2015-005, 2014-005, 2013-004
12-09	Department of Commerce	14.239, 66.468, 66.468A, 81.042, 93.568, 93.569	Refer to finding 2014-006 at H-14	Repeat Finding 2014-006, 2013-003
12-21	Department of Health	93.069, 93.889	Refer to finding 2014-016 at H-26	Repeat Finding 2015-015, 2014-016, 2013-012
12-28	Department of Early Learning	93.575, 93.596, 93.713A	Refer to finding 2014-023 at H-35	Repeat Finding 2015-023, 2014-023, 2013-016
12-30	Department of Social and Health Services	93.575, 93.596, 93.713A	Refer to finding 2014-026 at H-40	Repeat Finding 2015-026, 2014-026, 2013-017
12-33	Department of Health	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-028 at H-45	Repeat Finding 2015-029, 2014-028, 2013-019
12-39	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-042 at H-62	Repeat Finding 2015-049, 2014-042, 2013-036
12-41	Department of Social and Health Services	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-049 at H-72	Repeat Finding 2015-040, 2014-049, 2013-040
12-45	State Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-036 at H-54	Repeat Finding 2015-033, 2014-036, 2013-026
12-49	State Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-034 at H-52	Repeat Finding 2015-030, 2014-034, 2013-020
12-53	State Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-033 at H-51	Repeat Finding 2015-037, 2014-033, 2013-027
12-54	State Health Care Authority	93.720A, 93.775, 93.777, 93.778, 93.778A	Refer to finding 2014-039 at H-57	Repeat Finding 2015-032, 2014-039, 2013-031
11-10	Department of Commerce	66.468, 66.468A, 81.042, 81.042A, 93.659, 93.710A	Refer to finding 2014-006 at H-14	Repeat Finding 2014-006, 2013-003, 12-09

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

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Finding Number	State Agency	CFDA Number	Page Number	Audit Status
11-20	Department of Health	93.069, 93.889	Refer to finding 2014-016 at H-26	Repeat Finding 2015-015, 2014-016, 2013-012, 12-21
11-23	Department of Early Learning / Department of Social and Health Services	93.575, 93.596, 93.713A	Refer to finding 2014-023 at H-35	Repeat Finding 2015-023, 2014-023, 2013-016, 12-28
11-25	Department of Health	93.720, 93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2014-028 at H-45	Repeat Finding 2015-029, 2014-028, 2013-019, 12-33
11-34	Department of Social and Health Services	93.720, 93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2014-049 at H-72	Repeat Finding 2015-040, 2014-049, 2013-040, 12-41
11-38	State Health Care Authority	93.720, 93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2014-034 at H-52	Repeat Finding 2015-030, 2014-034, 2013-020, 12-49
11-39	State Health Care Authority	93.720, 93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2014-039 at H-57	Repeat Finding 2015-032, 2014-039, 2013-031, 12-54
10-31	Department of Early Learning / Department of Social and Health Services	93.575, 93.596, 93.713A	Refer to finding 2014-023 at H-35	Repeat Finding 2015-023, 2014-023, 2013-016, 12-28, 11-23
10-40	Department of Social and Health Services	93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2014-034 at H-52	Repeat Finding 2015-030, 2014-034, 2013-020, 12-49, 11-38
09-12	Department of Early Learning / Department of Social and Health Services	93.575, 93.596, 93.713A	Refer to finding 2014-023 at H-35	Repeat Finding 2015-023, 2014-023, 2013-016, 12-28, 11-23, 10-31
09-19	Department of Social and Health Services	93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2014-034 at H-52	Repeat Finding 2015-030, 2014-034, 2013-020, 12-49, 11-38, 10-40
08-13	Department of Early Learning / Department of Social and Health Services	93.575, 93.596, 93.713	Refer to finding 2014-023 at H-35	Repeat Finding 2015-023, 2014-023, 2013-016, 12-28, 11-23, 10-31, 09-12
08-25	Department of Social and Health Services	93.775, 93.776, 93.777, 93.778, 93.778A	Refer to finding 2014-034 at H-52	Repeat Finding 2015-030, 2014-034, 2013-020, 12-49, 11-38, 10-40, 09-19

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 For the Fiscal Year Ended
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Department of Agriculture

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	001	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Agriculture does not have adequate internal controls to ensure compliance with federal suspension and debarment requirements for the Food Distribution cluster.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">10.565</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">10.568</td> <td></td> </tr> <tr> <td style="text-align: right;">10.569</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>Effective July 1, 2015, federal suspension and debarment language has been added to each contract. In addition, program staff checks the federal Excluded Parties List system prior to the contract execution date. The contractor verification documentation is being maintained in each contract file.</p> <p>Staff requires each contractor to include suspension and debarment language in all lower tier agreements. This requirement has also been added in all lower tier agreement templates.</p> <p>All Food Assistance program staff have received training and written instructions on federal suspension and debarment requirements.</p> <p>June 2015</p> <p>Mark Johnson Department of Agriculture P.O. Box 42560 Olympia, WA 98504-2560 (360) 902-1986 mjohnson@agr.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	10.565	\$0	10.568		10.569	
<u>CFDA#</u>	<u>Amount</u>										
10.565	\$0										
10.568											
10.569											

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

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Department of Agriculture

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	002	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Agriculture does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Food Distribution Cluster are filed correctly.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>10.565</td> <td>\$0</td> </tr> <tr> <td>10.568</td> <td></td> </tr> <tr> <td>10.569</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>All Federal Funding Accountability and Transparency Act (FFATA) reportable amounts have been entered into the federal reporting system by the Food Assistance program staff. The program will submit all future FFATA reportable amounts within the established FFATA timeframes.</p> <p>The Department has developed written reporting procedures that include a secondary review prior to reports being submitted. Applicable Food Assistance program staff have been trained on the new procedures.</p> <p>June 2015</p> <p>Mark Johnson Department of Agriculture P.O. Box 42560 Olympia, WA 98504-2560 (360) 902-1986 mjohnson@agr.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	10.565	\$0	10.568		10.569	
<u>CFDA#</u>	<u>Amount</u>										
10.565	\$0										
10.568											
10.569											

**State of Washington
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Recreation and Conservation Funding Board

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	003	<p>Finding: The Recreation and Conservation Office does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Pacific Coast Salmon Recovery Program are filed accurately.</p> <p>Questioned <u>CFDA#</u> <u>Amount</u> Costs: 11.438 \$0</p> <p>Status: Corrective action complete</p> <p>Corrective Action: As of January 2015, the Office ceased including amounts passed through to other Washington state agencies in Accountability Act reports. Additionally, the policies and procedures have been updated to ensure Accountability Act reports are submitted accurately.</p> <p>Furthermore, the Office now contacts the Washington state agencies receiving grant funds from the Office to identify amounts passed through to subrecipients. If any amounts are passed through by any Washington state agencies to non-state agency subrecipients, the Office will include those subawards on the Accountability Act reports. This new process was effective for awards March 2015.</p> <p>The condition noted in this finding was previously reported in finding 12-06. The original reported condition of not completing the reports has been corrected.</p> <p>Completion Date: March 2015</p> <p>Agency Contact: Mark Jarasitis Recreation and Conservation Funding Board PO Box 40917 Olympia, WA 98504-0917 (360) 902-3006 Mark.Jarasitis@rco.wa.gov</p>

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 For the Fiscal Year Ended
 June 30, 2015**

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Military Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	004	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Military Department did not maintain required documentation for payroll costs charged to the National Guard Program.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">12.401</td> <td style="text-align: right;">\$66,924</td> </tr> </table> <p>Corrective action complete</p> <p>The manager identified in the finding revised all timesheets previously submitted to reflect the actual time worked on the grant. The manager continues to prepare timesheets for each pay period per agency policy, which are reviewed by the supervisor. This process will continue as long as the manager works on the grant.</p> <p>The current policy is very clear on when employees are to submit timesheets and the supervisors' responsibility to ensure timesheets are accurate and submitted timely. The Payroll Administrator reviews payroll reports on a quarterly basis to ensure timesheets or certificates are being submitted.</p> <p>The Department contacted the United States Property and Finance Office to determine if the state will be required to repay the questioned costs. It was determined that the federal government received the benefits of the time charged by the manager and that repayment of funds would not be required.</p> <p>June 2014</p> <p>Rich Shimizu Military Department Building #1: Headquarters Mailstop: TA-20 Tacoma, WA 98430-5032 (253) 512-7596 rich.shimizu@mil.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	12.401	\$66,924
<u>CFDA#</u>	<u>Amount</u>						
12.401	\$66,924						

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 For Years Prior to Fiscal Year 2015**

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 For the Fiscal Year Ended
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Department of Commerce

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2014	005	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Commerce does not have adequate internal controls to ensure HOME Investment Partnership program income is used before requesting federal cash draws.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">14.239</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Refer to finding 2015-005</p> <p>The Department concurs with the finding. The current process has been evaluated and new procedures implemented. Specifically, the Department's Accounting Office has:</p> <ul style="list-style-type: none"> • Updated the desk manual for HOME program income and federal draws to include the process identified below. • Developed and maintain a register showing the deposits made to the HOME program income account. <p>On an ongoing basis the Department's Accounting Office will:</p> <ul style="list-style-type: none"> • Identify the balance in the HOME program income account at a minimum of twice a month which coincides with performing the federal draws. • Draw program income prior to drawing federal funds. • Require approval of the federal draw and the HOME program income payment by the supervisor who oversees banking authorizations. • Require approval of the HOME program income account bank reconciliation by the accounting manager. <p>The Department has determined the interest earned on this account for fiscal year 2014 was \$101 and is working with the Federal granting agency with regard to its disposition.</p> <p>The conditions noted in this finding were previously reported in finding 2013-004 and 12-08.</p> <p>The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-005.</p>	<u>CFDA#</u>	<u>Amount</u>	14.239	\$0
<u>CFDA#</u>	<u>Amount</u>						
14.239	\$0						

State of Washington
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For Years Prior to Fiscal Year 2015

OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015

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Department of Commerce

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2014	005 (Cont'd)	Agency Contact:	Shanna-Mae Cullen-Oden Department of Commerce PO Box 42525 Olympia, WA 98504-2525 (360) 725-4030 Shanna-Mae.Cullen-Oden@commerce.wa.gov

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Commerce

Fiscal Year	Finding Number	Finding and Corrective Action Plan															
2014	006	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Commerce does not have adequate internal controls to ensure subrecipients spending \$500,000 or more in total federal dollars obtain audits as required.</p> <table border="0"> <thead> <tr> <th data-bbox="609 716 695 741"><u>CFDA#</u></th> <th data-bbox="1015 716 1105 741"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="609 747 695 772">14.239</td> <td data-bbox="1015 747 1105 772">\$0</td> </tr> <tr> <td data-bbox="609 779 695 804">16.575</td> <td></td> </tr> <tr> <td data-bbox="609 810 695 835">66.468</td> <td></td> </tr> <tr> <td data-bbox="609 842 695 867">66.483</td> <td></td> </tr> <tr> <td data-bbox="609 873 695 898">93.568</td> <td></td> </tr> <tr> <td data-bbox="609 905 695 930">93.569</td> <td></td> </tr> </tbody> </table> <p>Corrective action in progress</p> <p>The Department concurs with the finding. The fiscal year 2014 audit recommends the Department ensure that its existing audit policy and procedures are clearly communicated, understood, and followed by staff. The Department has drafted new policies and procedures to articulate roles and responsibilities for the processes. The new policies and procedures are currently being reviewed by the Department's policy committee. By August 2015 the new policies and procedures will be finalized and the Department will communicate them to all levels of the agency.</p> <p>During fiscal year 2014, the Department began a process of identifying and contacting subrecipients that received less than \$500,000 from the Department who may have also received federal funding from other sources which would cause them to exceed the \$500,000 that requires an A-133 audit. Specifically, the Internal Auditor runs a report through the Contract Management System to identify subrecipients that received less than \$500,000 from the Department. Once identified, the Internal Auditor requests grantees to either send their A-133 audit or an Audit Verification Form indicating they do not exceed the \$500,000 audit threshold. This process will be fully implemented by August 2015.</p> <p>The conditions noted in this finding were previously reported in finding 2013-003, 12-09 and 11-10.</p> <p>Estimated August 2015</p>	<u>CFDA#</u>	<u>Amount</u>	14.239	\$0	16.575		66.468		66.483		93.568		93.569	
<u>CFDA#</u>	<u>Amount</u>																
14.239	\$0																
16.575																	
66.468																	
66.483																	
93.568																	
93.569																	

State of Washington
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For Years Prior to Fiscal Year 2015

OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015

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Department of Commerce

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2014	006 (Cont'd)	Agency Contact:	Shanna-Mae Cullen-Oden Department of Commerce PO Box 42525 Olympia, WA 98504-2525 (360) 725-4030 Shanna-Mae.Cullen-Oden@commerce.wa.gov

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

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Department of Commerce

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	007	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Commerce does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Crime Victim Assistance Program are filed accurately.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">16.575</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Corrective action complete</p> <p>The Department concurs with the finding. The Department has streamlined the process and created a procedure to ensure all Federal Funding Accountability and Transparency Act (FFATA) reports are submitted properly and timely. In addition, FFATA training will be available to Department staff in August 2015.</p> <p>The program established a new process to include a secondary review. Administrative support staff enters the information into the FFATA Subaward Reporting System and the program manager reviews and submits the report. In addition, the ability to enter the information in a timely manner is dependent on the grant being entered into the system by the federal grantor. When the program is unable to enter the information before the deadline, the program documents the inability to enter it with screen shots of the system and email correspondence with the federal program manager.</p> <p>The Department has also ensured that subawards made by other Washington state agencies are reported.</p> <p>May 2015</p> <p>Shanna-Mae Cullen-Oden Department of Commerce PO Box 42525 Olympia, WA 98504-2525 (360) 725-4030 Shanna-Mae.Cullen-Oden@commerce.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	16.575	\$0
<u>CFDA#</u>	<u>Amount</u>						
16.575	\$0						

**State of Washington
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 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
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Employment Security Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	008	Finding: Questioned Costs: Status: Corrective Action: Completion Date: Agency Contact:	<p>The Employment Security Department does not have adequate internal controls to ensure transportation reimbursement payments to Trade Adjustment Assistance program participants are allowable and accurate.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">17.245</td> <td style="text-align: right;">\$1,544</td> </tr> </table> <p>Refer to finding 2015-010</p> <p>The Department has made and continues to make the necessary improvements to ensure that the Trade Adjustment Assistance (TAA) program complies with federal program requirements, and that transportation payments to participants are accurate and allowable.</p> <p>As of February 2015, the Department:</p> <ul style="list-style-type: none"> • Implemented segregation of duties over the transportation payment process. Specifically, one individual enters the payment information and another individual reviews prior to providing it to the vendor payment unit. • Scans and maintains all payment supporting documentation in accordance with federal and state record retention guidelines. <p>As of June 2015, the Department:</p> <ul style="list-style-type: none"> • Established written policies and procedures to address TAA program requirements, and state and federal laws and regulations related to retention requirements. • Created new internal control procedures that will be reviewed and monitored by management on an ongoing basis. • Contacted the federal awarding agency, U.S. Department of Labor. It was determined that the questioned costs will not be required to be repaid. <p>The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-010.</p> <p>Laura Scheel Employment Security Department PO Box 46000 Olympia, WA 98504-6000 (360) 902-9276 lscheel@esd.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	17.245	\$1,544
<u>CFDA#</u>	<u>Amount</u>						
17.245	\$1,544						

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

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Employment Security Department

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	009	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Employment Security Department does not have adequate internal controls to ensure only eligible participants of the Trade Adjustment Assistance program receive services and benefits.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">17.245</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Refer to finding 2015-009</p> <p>The Department has made and continues to make the necessary improvements to ensure that the Trade Adjustment Assistance (TAA) program complies with federal program requirements, and that only eligible recipients receive services and benefits.</p> <p>As of February 2015, the Department:</p> <ul style="list-style-type: none"> • Implemented separation of duties over eligibility. Specifically, one employee determines the eligibility for benefits using the General Unemployment Insurance Design Effort system and a second employee enters the information into the participant management system. • Increased managerial oversight, including a secondary review of information entered into the system, to ensure program compliance. <p>As of June 2015, the Department:</p> <ul style="list-style-type: none"> • Developed new policies and procedures to include the TAA program eligibility requirements to ensure only eligible participants receive services and benefits. • Created new internal control procedures that will be reviewed and monitored by management on an ongoing basis. <p>The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-009.</p> <p>Laura Scheel Employment Security Department PO Box 46000 Olympia, WA 98504-6000 (360) 902-9276 lscheel@esd.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	17.245	\$0
<u>CFDA#</u>	<u>Amount</u>						
17.245	\$0						

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

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Department of Transportation

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	010	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Transportation does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Highway Planning and Construction grant program are filed accurately.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>20.205 ARRA and non-ARRA</td> <td>\$0</td> </tr> <tr> <td>20.219</td> <td></td> </tr> <tr> <td>23.003</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>As indicated in the finding, the Department reported 455 Federal-aid contracts which should not have been reported under the Federal Funding Accountability and Transparency Act (FFATA). Since being informed of this situation, the Department has discontinued reporting these Federal-aid contracts not sub-awarded to other local governments or entities. In addition, the Department's office responsible for tracking these Federal-aid contracts will confer with the grantor and document the decisions should questions on proper FFATA reporting arise. Given the lack of clarity in FFATA reporting requirements when they first took effect, the Department chose to report all Federal-aid contracts presuming reporting would serve the taxpayers better than having not reported these contracts.</p> <p>Given the method that Federal-aid subaward contracts must be entered into the Federal Subaward Reporting System (FSRS), a secondary review is not practical; however, the Department has put a compensating control in place to ensure the accuracy of FFATA reports.</p> <p>December 2014</p> <p>Jesse Daniels Department of Transportation PO Box 47320 Olympia, WA 98504-7320 (360) 705-7035 jesse.daniels@wsdot.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	20.205 ARRA and non-ARRA	\$0	20.219		23.003	
<u>CFDA#</u>	<u>Amount</u>										
20.205 ARRA and non-ARRA	\$0										
20.219											
23.003											

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	011	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Drinking Water State Revolving Fund are filed correctly.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">66.468</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">66.483</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>In January 2015, the Department amended the Federal Funding Accountability and Transparency Act (FFATA) reporting for grant award #FS99083913, adding \$1,213,090 in sub-awards.</p> <p>Additionally, the Department revised its written FFATA reporting procedures for the Drinking Water State Revolving Fund grants. These revised procedures include a secondary review conducted by the Finance Director after receiving the information from the Department of Commerce.</p> <p>Once the secondary review is complete, the reports are forwarded to the Central Administration Grants Unit for input into the FFATA subaward reporting system.</p> <p>The FFATA input is reviewed and approved by a Grants Unit Supervisor prior to submittal to the FFATA subaward reporting system.</p> <p>January 2015</p> <p>Lynda Karseboom Department of Health PO Box 47890 Olympia, WA 98504-7890 (360) 236-4536 lynda.karseboom@doh.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	66.468	\$0	66.483	
<u>CFDA#</u>	<u>Amount</u>								
66.468	\$0								
66.483									

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
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Workforce Training and Education Coordination Board

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	012	<p>Finding: The Workforce Training and Education Coordinating Board did not have adequate internal controls to ensure it meets federal level of effort requirements for the Career and Technical Education Grant.</p> <p>Questioned Costs: <u>CFDA#</u> 84.048 <u>Amount</u> \$0</p> <p>Status: Corrective action in progress</p> <p>Corrective Action: The Board in coordination with the State Board for Community and Technical Colleges (SBCTC) and the Office of the Superintendent for Public Instruction (OSPI) will establish an attainable administrative level of effort tracking process that leaves ample time for corrective action if needed. The expected review will be no less than twice a year. Written policies and procedures documenting this process will be developed in consultation with SBCTC and OSPI.</p> <p>Completion Date: Estimated October 2015</p> <p>Agency Contact: Glena Red Elk Workforce Training and Education Coordinating Board PO Box 43105 Olympia, WA 98504-3105 (360) 709-4620 glena.redelk@wtb.wa.gov</p>

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
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Workforce Training and Education Coordination Board

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	013	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Workforce Training and Education Coordinating Board does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act are filed.</p> <table border="0"> <tr> <td data-bbox="609 709 698 739"><u>CFDA#</u></td> <td data-bbox="1015 709 1104 739"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 739 698 768">84.048</td> <td data-bbox="1015 739 1104 768">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>As of December 2014, the Board began coordinating the collection of Federal Funding Accountability and Transparency Act (FFATA) reportable data with its secondary award recipient the Office of the Superintendent of Public Instruction (OSPI). OSPI agreed to report all awards passed through to non-state agency subrecipients greater than \$25,000 to the Board. The Board will enter the data for each subrecipient award into the FFATA Subaward Reporting System (FSRS) as required under the terms and conditions of the grant as soon as an award reaches the \$25,000 threshold. Each grant and contract received by the Board will be reviewed by the Chief Financial Officer and the assigned Program Manager, prior to acceptance. Written policies and procedures to ensure all terms and conditions of each award and contract are met are currently being developed.</p> <p>Estimated October 2015</p> <p>Glena Red Elk Workforce Training and Education Coordinating Board PO Box 43105 Olympia, WA 98504-3105 (360) 709-4620 glena.redelk@wtb.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	84.048	\$0
<u>CFDA#</u>	<u>Amount</u>						
84.048	\$0						

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

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Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	014	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Early Learning did not have adequate internal controls to ensure subrecipients that spend \$500,000 or more in federal dollars obtain required audits.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">84.412</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Corrective action in progress</p> <p>The Department continues to strengthen the subrecipient monitoring policies and procedures for identifying grantees who may meet the threshold for A-133 audit requirements. To address the finding the Department is working on adding additional functionality in the Integrated Contact Information System to assist in tracking subrecipients of federal funds who require an A-133 audit. In addition, the Department will also contact grantees whose level of funding from the Department falls under the threshold requiring an audit but may receive federal funds from other sources. The Department will establish a process for communicating audit report due dates to subrecipients. All communications will be tracked by program staff and the federal grants manager in the finance division.</p> <p>The Department will provide training to all grants program staff and finance staff on the policies and procedures for subrecipient A-133 audit compliance. Any new requirements will be properly communicated with applicable agency staff. The federal grants manager is responsible for the A-133 audit compliance and will provide quarterly reports to the internal control officer updating the status of A-133 audit compliance and tracking, staff training, and any policy and procedure changes.</p> <p>Estimated October 2015</p> <p>Mike Steenhout Department of Early Learning PO Box 40970 Olympia, WA 98504-0970 (360) 725-4920 mike.steenhout@del.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	84.412	\$0
<u>CFDA#</u>	<u>Amount</u>						
84.412	\$0						

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

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Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	015	<p>Finding: The Department of Early Learning does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act are filed accurately for the Race to the Top-Early Learning Challenge and Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting programs.</p> <p>Questioned <u>CFDA#</u> <u>Amount</u> Costs: 84.412 \$0 93.505</p> <p>Status: Corrective action complete</p> <p>Corrective Action: The Department continues to strengthen internal policies and procedures to ensure compliance with the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements. These policies and procedures include grant specific reporting requirements and internal controls to ensure accuracy of the data and include a secondary review of all reports before submission. The Department established a detailed written procedure to assist employees with FFATA reporting.</p> <p>Starting in January 2015, the Department updated the FFATA reporting process to include maintaining monthly Integrated Contract Information System (ICIS) reports of contracts and a PDF copy of the FFATA report filed for each grant. These monthly ICIS reports show all federal contracts including any changes such as amendments to the contracts, dollar amounts of the changes, and any new contracts. These change reports are then reconciled to the previous months ICIS report to ensure any required changes are captured in FFATA.</p> <p>The Department also assigned an additional employee to serve as FFATA reporting backup and implemented a review process by the Comptroller before any reports are released in the system to ensure information is reported accurately. The Department maintains a checklist of all federal grants to ensure that each grant is reported properly each month. In addition, the updated policies and procedures were added to the fiscal division monthly policy review process to ensure they are reviewed and updated when federal changes are made or at least annually.</p> <p>Completion Date: February 2015</p>

State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015

OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015

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Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2014	015 (Cont'd)	Agency Contact:	Mike Steenhout Department of Early Learning PO Box 40970 Olympia, WA 98504-0970 (360) 725-4920 mike.steenhout@del.wa.gov

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
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Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	016	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health does not have adequate internal controls to ensure it meets federal level of effort requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness Programs.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.069</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.889</td> <td></td> </tr> </table> <p>Refer to finding 2015-015</p> <p>The Department concurs with the finding. The Department has established, and now follows, written policies and procedures for tracking, documenting, and reporting the level of effort.</p> <p>The Department will provide notification to the federal grantor in the event that the required level of effort will not be met. Inability to meet the level of effort is now a required element in the subsequent year grant application and meets the federal grantors requirements for notification.</p> <p>The conditions noted in this finding were previously reported in finding 2013-012, 12-21, and 11-20.</p> <p>The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-015.</p> <p>Lynda Karseboom Department of Health PO Box 47890 Olympia, WA 98504-7890 (360) 236-4536 lynda.karseboom@doh.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.069	\$0	93.889	
<u>CFDA#</u>	<u>Amount</u>								
93.069	\$0								
93.889									

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 For Years Prior to Fiscal Year 2015**

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Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	017	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department of Health does not have adequate internal controls over, and did not comply with, the Federal Funding Accountability and Transparency Act reporting requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness Programs.</p> <table border="0"> <tr> <td style="padding-right: 20px;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td>93.069</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td>93.889</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department began making improvements to FFATA reporting when this condition was identified in fiscal year 2013 Single Audit.</p> <p>Four subawards were not reported by the Department because the federal award did not appear in the Federal Funding Accountability and Transparency Act (FFATA) Subgrant Reporting System (FSRS). The federal awards have now been added to the FSRS by the federal awarding agency and the FFATA information submitted in FSRS.</p> <p>It is currently the practice of the Department for the Grants Unit Supervisor to review and approve FFATA data prior to submission in FFATA Subgrant Reporting System (FSRS).</p> <p>The Department has updated its written procedures for submitting FFATA reports by adding additional detail. Specifically, the procedures have been modified to include the Grants Unit Supervisor's review process and the necessary steps for ensuring all FFATA data is submitted in a timely manner.</p> <p>The conditions noted in this finding were previously reported in finding 2013-013.</p> <p>June 2015</p>	<u>CFDA#</u>	<u>Amount</u>	93.069	\$0	93.889	
<u>CFDA#</u>	<u>Amount</u>								
93.069	\$0								
93.889									

State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015

OMB Circular A-133 Audit
For the Fiscal Year Ended
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Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2014	017 (Cont'd)	Agency Contact:	Lynda Karseboom Department of Health PO Box 47890 Olympia, WA 98504-7890 (360) 236-4536 lynda.karseboom@doh.wa.gov

**State of Washington
 Summary Schedule of Prior Audit Findings
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 For the Fiscal Year Ended
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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	018	<p>Finding: The Department of Social and Health Services does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Substance Abuse and Mental Health Services Projects of Regional Significance programs are filed accurately.</p> <p>Questioned Costs: <u>CFDA#</u> 93.243 <u>Amount</u> \$0</p> <p>Status: Corrective action in progress</p> <p>Corrective Action: By December 2015, the Department’s Budget and Finance Director for the Behavioral Health and Service Integration Administration will: <ul style="list-style-type: none"> • Develop policies and procedures incorporating strong internal controls to collect information on each subaward or amendment of \$25,000 or more in federal funds and report in the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System. • Develop and maintain a tracking methodology and validation procedure to ensure reports are submitted timely and properly completed in accordance with FFATA requirements. </p> <p>Completion Date: Estimated December 2015</p> <p>Agency Contact: Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov</p>

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	019	<p>Finding: The Department of Social and Health Services does not have adequate internal controls in place to ensure subrecipients of the Block Grants for Prevention and Treatment of Substance Abuse and Substance Abuse and Mental Health Services Projects of Regional Significance programs receive required audits.</p> <p>Questioned <u>CFDA#</u> <u>Amount</u> Costs: 93.243 \$0 93.959</p> <p>Status: Refer to finding 2015-016</p> <p>Corrective Action: In April 2015, the Department’s Behavioral Health and Services Integration Administration’s (BHSIA) accounting section began tracking subrecipients requiring audits including tribal subrecipients.</p> <p>By December 2015, the Department will:</p> <ul style="list-style-type: none"> • Conduct follow-up telephone interviews or on-site visits with subrecipient contractors as appropriate when findings are reported to ensure corrective action plans are followed. Follow-up is documented in the subrecipient tracking system. • Coordinate with the Department’s Office of Indian Policy to make sure the 25 tribal subrecipients comply with audit requirements and properly report the federal funds received from the Department. <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-016.</p> <p>Agency Contact: Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov</p>

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	020	<p data-bbox="440 590 1430 737">Finding: The Department of Social and Health Services did not have adequate internal controls over, and was not compliant with, it's required collection of Data Universal Numbering System (DUNS) numbers from subrecipients under the Block Grants for Prevention and Treatment of Substance Abuse and Mental Health Services Projects of Regional Significance programs.</p> <table data-bbox="440 768 1105 856"> <tr> <td data-bbox="440 768 565 800">Questioned</td> <td data-bbox="607 768 695 800"><u>CFDA#</u></td> <td data-bbox="1013 768 1105 800"><u>Amount</u></td> </tr> <tr> <td data-bbox="440 800 565 831">Costs:</td> <td data-bbox="607 800 695 831">93.243</td> <td data-bbox="1013 800 1105 831">\$0</td> </tr> <tr> <td></td> <td data-bbox="607 831 695 856">93.959</td> <td></td> </tr> </table> <p data-bbox="440 894 889 919">Status: Refer to finding 2015-017</p> <p data-bbox="440 953 1442 1129">Corrective Action: In February 2015, the Department developed policies, procedures and internal controls to obtain Data Universal Numbering System (DUNS) numbers from subrecipients prior to making subawards in order to comply with 2 CFR, Appendix A to Part 25. Until a permanent change to the Department's contractor database is made, DUNS numbers will be recorded in the special terms and conditions of all applicable contracts.</p> <p data-bbox="607 1167 1458 1283">In April 2015, the Department developed the appropriate training and checklists to ensure all employees responsible for collecting and documenting DUNS numbers are aware of and comply with the 2 CFR, Appendix A to Part 25 requirements.</p> <p data-bbox="607 1320 1425 1409">By September 2015, the Department will develop and maintain policies and procedures to monitor the collection of DUNS numbers and conduct random checks to ensure compliance.</p> <p data-bbox="440 1446 1338 1499">Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-017.</p> <p data-bbox="440 1537 1057 1713">Agency Contact: Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov</p>	Questioned	<u>CFDA#</u>	<u>Amount</u>	Costs:	93.243	\$0		93.959	
Questioned	<u>CFDA#</u>	<u>Amount</u>									
Costs:	93.243	\$0									
	93.959										

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	021	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Social and Health Services does not have adequate internal controls to ensure only eligible refugees receive Refugee Cash Assistance.</p> <table border="0" data-bbox="607 716 1105 772"> <tr> <td data-bbox="607 716 699 743"><u>CFDA#</u></td> <td data-bbox="1016 716 1105 743"><u>Amount</u></td> </tr> <tr> <td data-bbox="607 743 699 772">93.566</td> <td data-bbox="1016 743 1105 772">\$15,290</td> </tr> </table> <p>Refer to finding 2015-022</p> <p>The Department concurs with this finding. The Department has taken or will take the following actions.</p> <p>In January 2015, an automated system was implemented to track employment referrals, and work and training activities for clients applying for Refugee Cash Assistance (RCA).</p> <p>In February 2015 the Department began providing staff with a listing of new clients receiving RCA funds. Staff use the list to ensure eligibility was accurately determined for clients receiving assistance. Since being implemented this has become an ongoing task.</p> <p>In March 2015, the Department:</p> <ul style="list-style-type: none"> • Provided annual refresher training to all staff who determine client eligibility for the RCA. The training is meant to reinforce internal controls for proper enrollment in RCA. • Reviewed all clients who received RCA during the audit period to ensure eligibility was accurately determined. All errors were corrected. <p>In May 2015, the Department:</p> <ul style="list-style-type: none"> • Began generating a monthly report to track the enrollment and participation of RCA clients. Program Managers will use the report to work with their supervisor to ensure clients are registered for employment or training programs. If clients are not enrolled in required programs, action will be taken to correct the situation. • Trained staff on the new employment referral, and work and training activity tracking system. <p>If the Department of Health and Human Services contacts the Department regarding questioned costs that should be repaid, the Department will confirm these costs and will take appropriate action.</p>	<u>CFDA#</u>	<u>Amount</u>	93.566	\$15,290
<u>CFDA#</u>	<u>Amount</u>						
93.566	\$15,290						

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

***OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015***

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2014	021 (Cont'd)	Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-022.
		Agency Contact:	Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	022	Finding:	The Department of Social and Health Services improperly charged grant expenditures prior to the start of the grant's period of availability.				
		Questioned Costs:	<table border="0"> <tr> <td data-bbox="609 682 698 714"><u>CFDA#</u></td> <td data-bbox="1015 682 1104 714"><u>Amount</u></td> </tr> <tr> <td data-bbox="609 714 698 745">93.556</td> <td data-bbox="1015 714 1104 745">\$54,377</td> </tr> </table>	<u>CFDA#</u>	<u>Amount</u>	93.556	\$54,377
<u>CFDA#</u>	<u>Amount</u>						
93.556	\$54,377						
		Status:	Refer to finding 2015-003				
		Corrective Action:	The Department contacted the federal granting agency and had additional discussions about this finding. The Department now concurs with this finding and has corrected the issue. The program posted a correction to move the improperly charged grants expenditures back to the 2013 grant. The program will ensure that the federal fiscal year rollover process is modified so that accruals associated with the prior year can be liquidated against the correct cost allocation plan.				
		Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-003.				
		Agency Contact:	Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov				

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

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Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan										
2014	023	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Early Learning does not have adequate internal controls over payments to child care providers for the Child Care and Development Fund program.</p> <table border="0" data-bbox="602 709 1105 800"> <tr> <td></td> <td style="text-align: center;"><u>CFDA#</u></td> <td style="text-align: center;"><u>Amount</u></td> </tr> <tr> <td>93.575</td> <td></td> <td style="text-align: center;">\$0</td> </tr> <tr> <td>93.596</td> <td></td> <td></td> </tr> </table> <p>Refer to finding 2015-023</p> <p>The Department of Early Learning (the Department) and the Department of Social and Health Services (DSHS) continue to make consistent progress in actively auditing and recovering overpayments.</p> <p>In January 2012, the Working Connection Child Care (WCCC) subsidy audit team was created within the Department to meet federal internal control requirements of the WCCC subsidy program. The team started with four Quality Assurance (QA) specialists and one lead worker. In December 2013, the team hired three new QA specialists. From February 2014 through May 2014, the Department had two QA specialists dedicated to the Federal Improper Payment Audit.</p> <p>Prior to the start of this audit, the DSHS Office of Financial Recovery (OFR), the DSHS Office of Fraud and Accountability (OFA), and the Department agreed to implement improved overpayment processes which focus on using an existing but underutilized vendor overpayment system. As of December 2014, the Department has completed all planned audits for audit months earlier than January 2014. Audit months January-September 2014 were completed by February 2015. Beginning in February 2015, the Department will select cases for audit based on a risk factor of cases older than 120 days where a provider has back billed.</p> <p>Starting in July 2014, the Department collaborated with DSHS on an interagency and interdivision Lean Six Sigma process improvement effort to address the high rate of overpayments the Department is currently experiencing. The effort includes mapping multiple related work processes to identify variables that may contribute to overpayments and identifying improvements that can be made to these processes that could help lower the rate of overpayments. As of July 2015, the Department completed Lean process maps for all subsidy audit work processes and identifying areas for improvement. Work is ongoing many areas to implement improvements.</p>		<u>CFDA#</u>	<u>Amount</u>	93.575		\$0	93.596		
	<u>CFDA#</u>	<u>Amount</u>										
93.575		\$0										
93.596												

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

***OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015***

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Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	023 (Cont'd)	<p>In 2012, the Washington State Legislature required the Department in coordination with DSHS to contract with an independent consultant to evaluate and recommend the optimum system for the eligibility determination process. The evaluation was required to include an analysis of lean management processes that, if adopted, could improve the cost effectiveness and delivery of eligibility determination.</p> <p>The Department contracted with the Aclara Group to provide an evaluation of the Child Care Subsidy Programs (CCSP) and develop recommendations for business process improvements. Aclara's final report was completed on October 31, 2012. The report identified 29 recommendations for improvement that span policy, business processes, and information technology supports. The Department is taking a structured project approach to address the report recommendations. The proposed project structure fosters a close partnership between the Department and DSHS to streamline and simplify CCSP policies and processes. The Department and DSHS formed 14 interagency workgroups to analyze these recommendations and implement those that would improve the program. This project is scheduled to be completed in July 2015.</p> <p>In November 2014, the Department and DSHS formed a WCCC reframe workgroup designed to address the recent reauthorization of the Child Care Development Fund grant. Part of the scope of this work is to conduct a comprehensive analysis of billing and other child care provider requirements that have the potential to cause confusion or otherwise increase the risk of improper billing. The workgroup is slated to complete its work by the summer of 2015.</p> <p>In February 2015, the Department and DSHS formed a Child Care Audit Committee designed to address internal and external audit issues, and improve internal controls over client eligibility and direct payments to child care providers. This group continues to meet and collaborate on process improvements.</p> <p>In the most recent required Child Care Development Fund Program State Improper Payment Report submitted in July 2014, the Department reported that of 276 cases sampled, nine cases (3.3 percent of the total) had an improper payment error (overpayment or underpayment). The national improper payment error rate for this same time period was 5.7 percent, so the Department is well below this national average. The federal government requires a corrective action plan for state's exceeding 10 percent.</p>

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

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Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	023 (Cont'd)	<p>The Department continues to take steps to improve the integrity of payments in the program and will be implementing a new process of selecting records for review based upon payment date rather than service date. This will allow the Department to review records within four to six months of payment and include all providers in the sample population. The Department will continue to audit records up to twelve months old in cases where providers back bill for a prior period. If the Department reviewed only very recent records as requested by the auditor, the population of records to review would be incomplete and providers could submit invoices for time periods that wouldn't be subject to audit, which would create a significant risk factor that could increase fraud. Also, the statute of limitations is three years for establishing an overpayment and the Department's reviews have historically been made within this timeframe.</p> <p>The condition noted in this finding was previously reported in finding 2013-016, 12-28, 11-23, 10-31, 09-12 and 08-13.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-023.</p> <p>Agency Contact: Mike Steenhout Department of Early Learning PO Box 40970 Olympia, WA 98504-0970 (360) 725-4920 mike.steenhout@del.wa.gov</p>

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

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Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	024	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Early Learning does not have adequate controls to ensure it draws Child Care and Development Fund program federal funds in accordance with the Cash Management Improvement Act.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.575</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.596</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The Department concurs with this finding. To address the weaknesses noted in the finding, the Department has taken the following steps to ensure draws of federal funds are in accordance with the Cash Management Improvement Act:</p> <ul style="list-style-type: none"> • Documented the cash draw reporting procedures for grants. • Created a shared calendar for the finance staff noting all draw due dates. • Provided cross training to other finance staff. • Established internal policies and procedures. <p>These policies and procedures include internal controls over draws including accuracy of data and dual reviews before submission to the comptroller for approval.</p> <p>May 2015</p> <p>Mike Steenhout Department of Early Learning PO Box 40970 Olympia, WA 98504-0970 (360) 725-4920 mike.steenhout@del.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.575	\$0	93.596	
<u>CFDA#</u>	<u>Amount</u>								
93.575	\$0								
93.596									

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

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 For the Fiscal Year Ended
 June 30, 2015**

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Department of Early Learning

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	025	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Early Learning does not have sufficient internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Child Care and Development Fund program are filed accurately.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.575</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.596</td> <td></td> </tr> </table> <p>Corrective action complete</p> <p>The findings of this audit concluded that additional guidelines provided in OMB Circular A-133 indicate that transfers of federal awards to another component of the same awardee do not constitute a subrecipient or vendor relationship. Since this condition was raised by the auditor, the Department is no longer reporting the Department of Social and Health Services (DSHS) as a subrecipient.</p> <p>The Department continues to strengthen internal policies and procedures to ensure compliance with the Federal Funding Accountability and Transparency Act reporting requirements. These policies and procedures include internal controls over proper reporting, accuracy of the data, and dual reviews of all reports before submission.</p> <p>The condition noted in this finding was previously reported in finding 2013-015.</p> <p>December 2014</p> <p>Mike Steenhout Department of Early Learning PO Box 40970 Olympia, WA 98504-0970 (360) 725-4920 mike.steenhout@del.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.575	\$0	93.596	
<u>CFDA#</u>	<u>Amount</u>								
93.575	\$0								
93.596									

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan							
2014	026	Finding: Questioned Costs: Status: Corrective Action:	<p>The Department of Social and Health Services does not have adequate internal controls over client eligibility for the Child Care Development Fund.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.575</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.596</td> <td></td> </tr> </table> <p>Refer to finding 2015-026</p> <p>The Department of Social and Health Services (the Department) and the Department of Early Learning (DEL) have taken and completed the following actions:</p> <p>The Department implemented the following monitoring protocols to establish an appropriate separation of duties between staff who determine eligibility and staff who authorize payments, specifically:</p> <ul style="list-style-type: none"> • Regional staff review an integrity report quarterly, which identifies cases where the same staff member has authorized four or more payments in a 15-month period without authorization activity from other staff. To date, the report has not identified any cases resulting in a finding of improper authorization activities. • A separation of duties protocol has been instituted that does not allow a staff member who activates a license-exempt provider to make any payment authorizations for that provider. In this situation another staff member must authorize the payment to the license-exempt provider. This electronic process reduces the potential for fraudulent payment authorizations. <p>DEL is working to build an electronic child care subsidy system for Working Connections Child Care and Seasonal Child Care subsidy attendance and billing that will interface with the eligibility system. This system will be called the Attendance, Billing and Child Care Subsidy System (ABCS). ABCS has two major components: the authorization interface (AI) and the attendance and payment (AP) function.</p> <p>The purpose of ABCS is to reduce errors in subsidy payments through a single cohesive subsidy system. Most child care providers currently keep attendance records on paper and dial in their invoice via phone. State child care eligibility workers use multiple systems to determine eligibility and make payments. The current way of doing business offers many chances for errors and overpayments.</p>	<u>CFDA#</u>	<u>Amount</u>	93.575	\$0	93.596	
<u>CFDA#</u>	<u>Amount</u>								
93.575	\$0								
93.596									

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	026 (cont'd)	<p>The AI component is currently under development and is expected to be completed in December 2015 and then connected to the AP component by July 2016.</p> <p>The Department and DEL are addressing the following child care program reformations as noted below.*</p> <ul style="list-style-type: none"> • In May 2015 the Department implemented child care verification requirements at the time of application, through certification period, and at recertification. Also, the Child Care Subsidy Program Handbook was updated. A memo was sent to staff informing them of the changes which were implemented on May 15, 2015. • By October 2015 the Working Connections Automated Program screens, which is part of the eligibility system, will be updated so they are more user friendly and provide more accuracy in the eligibility determination process. <p><i>*These child care program reform initiatives are part of the Aclara Reform Project. The Aclara Reform Project is co-sponsored by the Department and DEL in response to an external child care program review requested by the Legislature and performed by the Aclara Group.</i></p> <p>The Department is continuing to perform the following child care authorization audits:</p> <ul style="list-style-type: none"> • 1.6 percent of open authorizations are audited monthly. • 100 percent of exceptional payment authorizations are audited to ensure they are reviewed and approved by a supervisor before payments are made. An example of an exceptional payment is when a child requires, and is authorized for, more than 230 hours of care per month due to extenuating circumstances such as a parent with multiple approved activities (school and work, etc.). • 100 percent of preauthorization and post authorization work for all new child care workers are audited. • Data is provided monthly by the Health Care Authority which identifies error prone cases to audit for eligibility and areas where policy clarification, training, or systems support can increase accuracy. <p>DEL established a specialized child care audit team January 1, 2012. The audit team is tasked with reviewing time and attendance records and provider payments. DEL hired five additional auditors in January 2013, increasing the audit team to nine members. The audit team has increased the population of authorized payments reviewed for payment and billing accuracy.</p>

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

***OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015***

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	026 (cont'd)	<p>The conditions noted in this finding were previously reported in finding 2013-017 and 12-30.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-026.</p> <p>Agency Contact: Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov</p>

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

***OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015***

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	027	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department does not have adequate internal controls over, and was not compliant with, foster care payment rate setting and application requirements for the Foster Care program.</p> <table border="0" data-bbox="602 709 1104 772"> <tr> <td data-bbox="602 709 698 772"><u>CFDA#</u></td> <td data-bbox="1015 709 1104 772"><u>Amount</u></td> </tr> <tr> <td data-bbox="602 737 698 772">93.658</td> <td data-bbox="1015 737 1104 772">\$0</td> </tr> </table> <p>Refer to finding 2015-028</p> <p>The Department does not concur with this finding. The review of regular rate reviews and sufficiency required by the Office of Management and Budget (OMB) took place under guidance from the Administration for Children and Families (ACF) and is a new test as a part of the 2014 Statewide Single Audit. The Department's Children's Administration (CA) describes the approach to establish rates in its Title IV-E plan, which is approved every year by ACF. The mandate from ACF to review rates for sufficiency is very vague and no guidance regarding what constitutes is included. As a result, this audit represents the first time CA has received feedback that its approach is not compliant with federal regulations.</p> <p>CA's rate structure represents a child specific strategy that flexes with the needs of the child. Furthermore, the Department developed a process, adopted in the administrative code, for identifying the amount of time spent meeting the needs for care and supervision of each child. Combined, these steps work in tandem to create sufficient rates for each foster child. Therefore the required review of the rate is met every time the Department sets a rate for a child and provides additional ad hoc services.</p> <p>In addition, statewide processes and economic conditions hampered CA's ability to conduct system-wide reviews of the foster care maintenance rate. Specifically, the repeal of the Governor's Vendor Rate committee, deep economic recession, and the Foster Parent Association of Washington (FPAWS) lawsuit essentially eliminated what little discretion or authority CA had for the consideration of rates.</p> <p>CA has a potential resolution that may address the concern specifically identified by the audit related to a proposed negotiated settlement of the FPAWS case. Under the negotiated settlement, CA undertook an economic analysis of rates and negotiated new foster care rates and an accompanying methodology that gives structure to a potential process to update rates. However, again, due to lack of clarity of the federal requirement it is unclear whether this settlement would represent compliance from the federal</p>	<u>CFDA#</u>	<u>Amount</u>	93.658	\$0
<u>CFDA#</u>	<u>Amount</u>						
93.658	\$0						

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

***OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015***

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	027 (cont'd)	<p>perspective. Nevertheless it does contain a potential mechanism for a "review" of foster care rates.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-028.</p> <p>Agency Contact: Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov</p>

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	028	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p>	<p>The Department of Health did not ensure Medicaid hospital and home health agency surveys were performed in accordance with the frequency required by state and federal laws.</p> <table border="0" data-bbox="602 709 1105 829"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$0</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778</td> <td></td> </tr> </table> <p>ARRA and non-ARRA</p> <p>Refer to finding 2015-029</p> <p>The Department concurs with the finding. In an effort to meet federal requirements, the Department went through a hospital survey Lean process to help improve administrative processing and develop surveyor worksheets designed to create a more focused survey approach and concentrate on infection control, quality assurance, performance improvement and care continuity (transitions in care).</p> <p>Both the hospital and home health agency (HHA) programs implemented improved scheduling practices that assured each facility type adhered to their respective survey timelines.</p> <p>The workload for end stage renal dialysis (ESRD) was such that the Department determined the need to create a survey team specific for this facility type. Two nurse surveyors and a public health advisor were hired to focus on the ESRD work and remove the impact that this workload had on the hospital survey schedule. This allowed the hospital team to work exclusively with hospitals.</p> <p>The Department has hired a manager to work specifically with the HHA surveyors to maintain current progress and push toward 100 percent compliance. Both the hospital and HHA survey managers will work with the accrediting organization to ensure continued coordination and ensure surveys are completed within prescribed timelines.</p> <p>All efforts described above are ongoing and have led to improvements in compliance over last fiscal year. The Facilities Survey and Inspection Executive Director will ensure all activities described above continue.</p> <p>The condition noted in this finding was previously reported in finding 2013-019, 12-33 and 11-25.</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$0	93.777		93.778	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$0										
93.777											
93.778											

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

***OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015***

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2014	028 (Cont'd)	Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-029.
		Agency Contact:	Lynda Karseboom Department of Health PO Box 47890 Olympia, WA 98504-7890 (360) 236-4536 lynda.karseboom@doh.wa.gov

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

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State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	029	<p>Finding: The Health Care Authority did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers.</p> <p>Questioned <u>CFDA#</u> <u>Amount</u> Costs: 93.775 \$66,503 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Refer to finding 2015-036</p> <p>Corrective Action: As of February 2014, the Authority followed up on all 183 clients identified in the finding and either closed their coverage or updated the case with the correct Social Security number.</p> <p>As of February 2014, staff began following the Authority’s verification process that aligns with Center for Medicare and Medicaid Services guidance to ensure follow-up is performed on missing or unmatched Social Security numbers.</p> <p>The Authority is working with the U.S Department of Health and Human Services to determine if questioned cost should be repaid.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-036.</p> <p>Agency Contact: Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	030	<p>Finding:</p> <p>Questioned</p> <p>Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority improperly claimed federal reimbursement for non-emergency services provided to nonqualified aliens and for payments made on behalf of deceased Medicaid clients.</p> <table border="0"> <tr> <td><u>CFDA#</u></td> <td><u>Amount</u></td> </tr> <tr> <td>93.775</td> <td>\$417,979</td> </tr> <tr> <td>93.777</td> <td></td> </tr> <tr> <td>93.778 ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Refer to findings 2015-035 and 2015-036</p> <p>As of February 2015, the Authority reviewed all payments identified by the auditor as paid on behalf of deceased persons, and is proceeding with recoupment of those claims.</p> <p>The Authority will continue regular matches to the Department of Health death data and will continue to refine the processes to capture this information for timely recoveries.</p> <p>The Authority has reviewed and corrected the services improperly rendered for nonqualified aliens which were identified by the auditor. The Authority has refined processes to avoid these approvals, and implemented processes to review alien emergency medical claims timely to ensure all cases of inappropriate payment are corrected. These processes were completed February 2015.</p> <p>The Authority is working with the U.S Department of Health and Human Services to determine if questioned cost should be repaid.</p> <p>The conditions noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to findings 2015-035 and 2015-036.</p> <p>Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$417,979	93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$417,979										
93.777											
93.778 ARRA and non-ARRA											

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	031	<p>Finding: The Health Care Authority did not seek reimbursement for all eligible Medicaid outpatient drug rebate claims.</p> <p>Questioned Costs: <u>CFDA#</u> <u>Amount</u> 93.775 \$225,439 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Refer to finding 2015-034</p> <p>Corrective Action: Staff have identified the steps necessary to include Medicare crossover claims which are eligible for Medicaid drug rebate invoicing. Testing of the new invoicing process began in March 2015, with a target implementation date of August 30, 2015.</p> <p>Currently, family planning providers' claims for certain family planning drugs are excluded from drug rebate due to past system limitations. The Authority is developing an action plan to reverse the exclusion and notify impacted providers. The first phase of the reconfiguration was implemented in May 2015, with final completion by December 2015.</p> <p>The exception noted related to other eligible professional and outpatient claims that were excluded was corrected by changing the timing of certain vendor claim payment interfaces.</p> <p>The Authority is working with the U.S Department of Health and Human Services to determine if questioned cost should be repaid.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-034.</p> <p>Agency Contact: Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

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State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	032	<p>Finding: The Health Care Authority made improper Medicaid inpatient high outlier payments to hospitals.</p> <p>Questioned Costs: <u>CFDA#</u> <u>Amount</u> 93.775 \$78,049 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Refer to finding 2015-038</p> <p>Corrective Action: The Authority changed WAC 182-550-3700 (1) (b) and its payment system to align with the auditor's calculation methodology. Changes were effective July 1, 2014.</p> <p>The Authority corrected the four high outlier payments identified by the auditor that were paid with an incorrect Diagnosis-Related Group conversion factor. This correction was completed by May 1, 2015.</p> <p>The Authority reallocated the inpatient program workload in order to allow additional capacity for monitoring system and rate changes. All changes are now reviewed by Authority staff for accuracy.</p> <p>The Authority is working with the U.S Department of Health and Human Services to determine if questioned cost should be repaid.</p> <p>The conditions noted in this finding were previously reported in finding 2013-023.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-038.</p> <p>Agency Contact: Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	033	<p>Finding: The Health Care Authority made overpayments to providers for Medicaid dental services.</p> <p>Questioned Costs: <u>CFDA#</u> <u>Amount</u> 93.775 \$336,999 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Refer to finding 2015-037</p> <p>Corrective Action: The Authority revised Washington Administrative Code (WAC) 182-535-1082 to clarify when fluoride treatments will be covered, and has also revised WAC 182-535-1080 to clarify when comprehensive and periodic oral evaluations are covered. These changes were effective May 1, 2014. The WACs are now consistent with the State Plan and the Medicaid Provider Guide.</p> <p>The Authority updated the automated controls in the ProviderOne payment system to incorporate edits needed to ensure payments are made consistent with state rules and the Medicaid State Plan. These system edits will prevent payments when the allowable number of comprehensive or periodic oral evaluations has been exceeded.</p> <p>The Authority is working with the U.S Department of Health and Human Services to determine if questioned cost should be repaid.</p> <p>The conditions noted in this finding were previously reported in finding 2013-027 and 12-53.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-037.</p> <p>Agency Contact: Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan												
2014	034	<p>Finding: State law requiring Medicaid data exchanges with health insurers is not being followed.</p> <table border="0"> <tr> <td data-bbox="440 680 565 709">Questioned</td> <td data-bbox="607 680 695 709"><u>CFDA#</u></td> <td data-bbox="1016 680 1104 709"><u>Amount</u></td> </tr> <tr> <td data-bbox="440 709 509 739">Costs:</td> <td data-bbox="607 709 695 739">93.775</td> <td data-bbox="1016 709 1049 739">\$0</td> </tr> <tr> <td></td> <td data-bbox="607 739 695 768">93.777</td> <td></td> </tr> <tr> <td></td> <td data-bbox="607 768 935 798">93.778 ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Status: Refer to finding 2015-030</p> <p>Corrective Action: Since February 2011, the Authority has contracted with Health Management System Inc. (HMS) to provide supplemental identification of third party liability (TPL) insurers not previously identified. HMS leverages their expansive carrier network to match Medicaid data with third party coverage; their National Eligibility Database contains over one billion health insurance coverage records, including more than 5.4 million, or 89 percent, of Washington residents. The contract with HMS supplements the Authority's data matching capabilities and further ensures compliance with applicable state law.</p> <p>The Authority implemented the Payer Initiate Eligibility/Benefit Transaction in July 2013, and is actively working with three major insurers in Washington to participate in electronic sharing of TPL data.</p> <p>The Authority will contact the Office of Insurance Commissioner and the Office of Financial Management to discuss options for enhancing direct insurer participation.</p> <p>The conditions noted in this finding were previously reported in finding 2013-020, 12-49, 11-38, 10-40, 09-19 and 08-25.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-030.</p> <p>Agency Contact: Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>	Questioned	<u>CFDA#</u>	<u>Amount</u>	Costs:	93.775	\$0		93.777			93.778 ARRA and non-ARRA	
Questioned	<u>CFDA#</u>	<u>Amount</u>												
Costs:	93.775	\$0												
	93.777													
	93.778 ARRA and non-ARRA													

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

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State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan												
2014	035	<p>Finding: The Health Care Authority did not properly calculate a Medicaid Electronic Health Record incentive payment.</p> <table border="0"> <tr> <td data-bbox="440 709 565 737">Questioned</td> <td data-bbox="607 709 695 737"><u>CFDA#</u></td> <td data-bbox="1013 709 1105 737"><u>Amount</u></td> </tr> <tr> <td data-bbox="440 741 509 768">Costs:</td> <td data-bbox="607 741 683 768">93.775</td> <td data-bbox="1013 741 1045 768">\$0</td> </tr> <tr> <td></td> <td data-bbox="607 772 683 800">93.777</td> <td></td> </tr> <tr> <td></td> <td data-bbox="607 804 935 831">93.778 ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Status: Corrective action complete</p> <p>Corrective Action: Hospital payouts occur over a four year period. When this issue was identified by the auditors, the hospital identified in the finding had not yet received its final payment. The calculation was revised and the correct payment to the hospital was made in February 2015, when the final payment of the four year period was due.</p> <p>Completion Date: February 2015</p> <p>Agency Contact: Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>	Questioned	<u>CFDA#</u>	<u>Amount</u>	Costs:	93.775	\$0		93.777			93.778 ARRA and non-ARRA	
Questioned	<u>CFDA#</u>	<u>Amount</u>												
Costs:	93.775	\$0												
	93.777													
	93.778 ARRA and non-ARRA													

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

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State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan									
2014	036	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Health Care Authority made improper payments to Medicaid Federally Qualified Health Center providers.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.775</td> <td style="text-align: right;">\$104,488</td> </tr> <tr> <td style="text-align: right;">93.777</td> <td></td> </tr> <tr> <td style="text-align: right;">93.778 ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Refer to finding 2015-033</p> <p>The Authority's Office of Medicaid Systems and Data is finalizing system updates that will help prevent overpayments. The system edits are complex, but once implemented, will eliminate paying fee-for-service claims in addition to encounter payments, and paying for ineligible encounter claims. The Authority anticipates that the system changes will take effect in July 2015.</p> <p>The third exception noted in the finding, paying for more than one encounter payment for the same client, was an isolated issue not related to a system-wide defect. That issue has also been corrected, and as of February 2015 the associated overpayment of \$4,188.07 has been collected.</p> <p>The Authority has initiated action through the Office of Payment Integrity to recoup the remaining payments made in error that were discovered in this audit.</p> <p>The Authority is working with the U.S Department of Health and Human Services to determine if questioned cost should be repaid.</p> <p>The conditions noted in this finding were previously reported in finding 2013-026 and 12-45.</p> <p>The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-033.</p> <p>Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.775	\$104,488	93.777		93.778 ARRA and non-ARRA	
<u>CFDA#</u>	<u>Amount</u>										
93.775	\$104,488										
93.777											
93.778 ARRA and non-ARRA											

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

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State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	037	<p>Finding: The Health Care Authority improperly claimed Children’s Health Insurance Program federal funds for eligible Medicaid expenditures.</p> <p>Questioned <u>CFDA#</u> <u>Amount</u> Costs: 93.775 \$17,397 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Refer to finding 2015-039</p> <p>Corrective Action: With the implementation of the Affordable Care Act (ACA) in October 2014, Children’s Health Insurance Program eligibility is now determined in accordance with ACA rules. Specifically, the Authority has a new eligibility service which corrected the issue identified in the finding by no longer rounding down income determinations.</p> <p>The Authority returned the \$6,428 in overdrawn funds noted in the finding to the federal government.</p> <p>The Authority is working with the U.S Department of Health and Human Services to determine if the remainder of the questioned costs should be repaid.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-039.</p> <p>Agency Contact: Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

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State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	038	<p>Finding: The Health Care Authority did not have adequate controls in place to ensure all Medicaid critical access hospitals were paid accurately.</p> <p>Questioned Costs: <u>CFDA#</u> <u>Amount</u> 93.775 \$0 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Corrective action complete</p> <p>Corrective Action: In May 2014, the Authority hired an employee to work on final settlements. All 98 settlements identified in this audit were completed before December 31, 2014. In addition, 23 hospitals not identified in this audit had final settlements completed by December 31, 2014.</p> <p>The Authority also took the following actions to strengthen internal controls to ensure all Critical Access Hospitals’(CAH) costs are settled timely:</p> <ul style="list-style-type: none"> • CAH program staff now review the federal Hospital Cost Report Information System for finalized cost reports on a monthly basis and initiate the reports for final settlement. • The CAH settlement process was revamped to ensure efficient and accurate final settlements. <p>The conditions noted in this finding were previously reported in finding 2013-021.</p> <p>Completion Date: December 2014</p> <p>Agency Contact: Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

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State Health Care Authority

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	039	<p>Finding: The Health Care Authority did not have adequate controls in place to investigate Medicaid services verification surveys returned in a foreign language.</p> <p>Questioned <u>CFDA#</u> <u>Amount</u> Costs: 93.775 \$0 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Refer to finding 2015-032</p> <p>Corrective Action: The Authority acknowledges the lack of oversight of following up on returned medical surveys written in a foreign language, and has now made arrangements to use professional translation services to follow up on negative survey responses written in a foreign language.</p> <p>The conditions noted in this finding were previously reported in finding 2013-031, 12-54 and 11-39.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-032.</p> <p>Agency Contact: Kathy E. Smith State Health Care Authority PO Box 45502 Olympia, WA 98504-5502 (360) 725-0937 kathy.smith2@hca.wa.gov</p>

**State of Washington
 Summary Schedule of Prior Audit Findings
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 For the Fiscal Year Ended
 June 30, 2015**

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan												
2014	040	<p>Finding: The Department of Social and Health Services, Developmental Disabilities Administration, did not pay Medicaid supported living providers at authorized daily rates.</p> <table border="0"> <tr> <td data-bbox="440 709 565 737">Questioned</td> <td data-bbox="607 709 695 737"><u>CFDA#</u></td> <td data-bbox="1013 709 1105 737"><u>Amount</u></td> </tr> <tr> <td data-bbox="440 741 509 768">Costs:</td> <td data-bbox="607 741 683 768">93.775</td> <td data-bbox="1013 741 1073 768">\$147</td> </tr> <tr> <td></td> <td data-bbox="607 772 683 800">93.777</td> <td></td> </tr> <tr> <td></td> <td data-bbox="607 804 938 831">93.778 ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Status: Corrective action complete</p> <p>Corrective Action: The Department concurs with this finding. The Department has taken action or put processes in place to ensure supported living providers are paid at authorized rates.</p> <p>Beginning in July 2014, the Department strengthened its reconciliation process by adding more frequent reviews of provider payments by rate analysts.</p> <p>In January 2015, the Department converted to the ProviderOne payment system from the Social Service Payment System for processing payments to providers. This new process and payment system does not allow payment of two authorizations for the same client/provider location combination. The payment error that was made and discovered during this audit will not be possible with the new payment system.</p> <p>Overpayments are established for incorrect rate payments that are identified. Overpayments are referred to the Office of Financial Recovery. This was the case with the overpayment identified during the audit. Should the Department of Health and Human Services contact the Department about the overpayment in this audit, the Department will take the action requested.</p> <p>The condition noted in this finding was previously reported in finding 2013-039.</p> <p>Completion Date: January 2015</p>	Questioned	<u>CFDA#</u>	<u>Amount</u>	Costs:	93.775	\$147		93.777			93.778 ARRA and non-ARRA	
Questioned	<u>CFDA#</u>	<u>Amount</u>												
Costs:	93.775	\$147												
	93.777													
	93.778 ARRA and non-ARRA													

State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015

OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2014	040 (cont'd)	Agency Contact:	Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	041	<p>Finding: The Department of Social and Health Services, Developmental Disabilities Administration, does not have adequate internal controls to ensure cost of care adjustments paid to Medicaid supported living service providers are authorized, supported and reasonable.</p> <p>Questioned <u>CFDA#</u> <u>Amount</u> Costs: 93.775 \$0 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Refer to finding 2015-052</p> <p>Corrective Action: The Department has developed several corrective actions in response to this finding.</p> <p>In April 2014, the Department:</p> <ul style="list-style-type: none"> • Updated the cost of care adjustment (COCA) form. It now incorporates guidelines to ensure COCAs are accurate, supported and reasonable. For example, the form was modified to include a section for justifying the need for the COCA. This new addition to the form helps provide staff additional information for making the decision to approve or deny payment. • Informed staff and providers about the updated guidelines. <p>In June 2014, the Department:</p> <ul style="list-style-type: none"> • Trained the residential resource managers on the updated guidelines for processing COCAs. • Reviewed updated information with contracted providers at the regional quarterly provider meetings. <p>In October 2014, the updated COCA form was implemented. Additionally, the Department’s Resource Manager Administrator will continue to provide training on COCA justification and decision making in addition to providing training to agency providers as needed.</p> <p>The conditions noted in this finding were previously reported in finding 2013-038.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-052.</p>

State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015

OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2014	041 (cont'd)	Agency Contact:	Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	042	<p>Finding: The Department of Social and Health Services, Developmental Disabilities Administration did not have adequate controls to ensure Medicaid payments to supported living service providers are allowable.</p> <p>Questioned <u>CFDA#</u> <u>Amount</u> Costs: 93.775 \$50,054 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Refer to finding 2015-049</p> <p>Corrective Action: The Department does not concur with this finding. However, the following actions have been or will be taken to strengthen internal controls.</p> <p>As of October 2013, the Department’s Developmental Disabilities Administration began an audit and review process dedicating one full time employee to conducting audits of selected residential providers. The scope of these audits includes reconciling instruction and support service (ISS) hours provided by households to amounts billed and providing consultation and training to service providers related to the tracking documenting of ISS hours. Twenty percent of the supported living providers are audited per year. Audits are scheduled to continue for the next two years.</p> <p>As of 2014, additional schedules were added to the cost report submitted by supported living providers to include ISS hours in a format reconcilable to payroll records.</p> <p>By July 2015, the Department will revise policies to clarify provider documentation requirements regarding payroll activities.</p> <p>By August 2015, the Department will reconcile the fiscal year 2014 cost reports from providers. Overpayments will be written if discovered during the cost report reconciliations. All overpayments are referred to the Department’s Office of Financial Recovery for processing. Any federal funds due are refunded to the Centers for Medicare & Medicaid Services (CMS) through the Medicaid overpayment process and included on the CMS-64 report.</p> <p>By December 2015, the Department will train all supported living providers on the revised policies.</p> <p>The conditions noted in this finding were previously reported in finding 2013-036 and 12-39.</p>

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

***OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015***

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2014	042 (Cont'd)	Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-049.
		Agency Contact:	Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	043	<p>Finding: The Department of Social and Health Services, Developmental Disabilities Administration made overpayments to Medicaid supported living providers.</p> <p>Questioned <u>CFDA#</u> <u>Amount</u> Costs: 93.775 \$75,818 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Refer to finding 2015-049</p> <p>Corrective Action: The Department issued overpayments for all exceptions identified in this audit. All overpayments were referred to the Department’s Office of Financial Recovery (OFR) for processing. Any federal funds due are refunded to the Centers for Medicare & Medicaid Services (CMS) through the Medicaid overpayment process and included on the CMS-64 report.</p> <p>During March of 2015, the state fiscal year end settlement process began. Any provider overpayments that are discovered during this process will be referred to OFR. The settlement process is scheduled to be completed by September 2015.</p> <p>The Department will consult with the U.S. Department of Health and Human Services regarding resolution of questioned costs.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-049.</p> <p>Agency Contact: Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov</p>

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	044	<p>Finding: The Department of Social and Health Services, Developmental Disabilities Administration made overpayments to Medicaid support living providers who did not ensure all staff with access to developmentally disabled clients receive a proper background check and are authorized to have access to vulnerable supported living clients.</p> <p>Questioned <u>CFDA#</u> <u>Amount</u> Costs: 93.775 \$58,917 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Refer to finding 2015-050</p> <p>Corrective Action: In response to the fiscal year 2013 audit the Department implemented the following corrective actions which continue to be utilized:</p> <ul style="list-style-type: none"> • Providing ongoing training to Department employees and providers. • Dedicating a position in the Headquarters’ office to provide direct support and consultation to providers on the interpretation of background check result letters. • Monitoring background check compliance through reviews conducted by the Enterprise Risk Management Office and Residential Care Services certification reviews. • Partnering with the background check unit to simplify result letters sent to providers and background check processes. <p>In February 2015, the Department resolved the outstanding exceptions identified during the course of the fiscal year 2014 audit.</p> <p>By July 2015, the Department will repay questioned costs for exceptions that could not be resolved.</p> <p>The conditions noted in this finding were previously reported in finding 2013-034.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-050.</p>

State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015

OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2014	044 (cont'd)	Agency Contact:	Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

***OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015***

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2014	045 (cont'd)	Completion Date:	The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-047.
		Agency Contact:	Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan												
2014	046	<p>Finding: The Department of Social and Health Services, Aging and Long-Term Support Administration, did not complete surveys for Medicaid nursing home and intermediate care facilities for individuals with intellectual disabilities in a timely manner.</p> <table border="0" data-bbox="440 737 1105 856"> <tr> <td>Questioned</td> <td><u>CFDA#</u></td> <td><u>Amount</u></td> </tr> <tr> <td>Costs:</td> <td>93.775</td> <td>\$0</td> </tr> <tr> <td></td> <td>93.777</td> <td></td> </tr> <tr> <td></td> <td>93.778 ARRA and non-ARRA</td> <td></td> </tr> </table> <p>Status: Refer to findings 2015-044 and 2015-045</p> <p>Corrective Action: The Department will schedule and monitor nursing home and intermediate care facilities for individuals with intellectual disabilities surveys to meet required standards. Delays in timely completion of nursing home surveys are due to staffing limitations. The recently approved budget included approval for an additional six nursing home complaint investigators. The Department anticipates having these positions filled by December 2015.</p> <p>By September 2015, the Department will implement a formal tracking process allowing for improved monitoring of statements of deficiencies and plans of corrections that result from surveys.</p> <p>Completion Date: The conditions noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to findings 2015-044 and 2015-045.</p> <p>Agency Contact: Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov</p>	Questioned	<u>CFDA#</u>	<u>Amount</u>	Costs:	93.775	\$0		93.777			93.778 ARRA and non-ARRA	
Questioned	<u>CFDA#</u>	<u>Amount</u>												
Costs:	93.775	\$0												
	93.777													
	93.778 ARRA and non-ARRA													

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	047	<p>Finding: The Department of Social and Health Services, Aging and Long-Term Support Administration, did not adequately document inspections of Medicaid Adult Family Home providers.</p> <p>Questioned Costs: <u>CFDA#</u> <u>Amount</u> 93.775 \$0 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Corrective action in progress</p> <p>Corrective Action: By September 2015, the Department will:</p> <ul style="list-style-type: none"> • Revise standard operating procedures to require inspection forms to be consistently used to document observations and findings during adult family home inspections. • Establish a policy and train adult family home licensors on inspection standard operating procedures including documentation requirements that support adult family home inspections. • Require field operators to conduct periodic quality assurance checks on required documentation and forms to verify that the process is being consistently adhered to. • Ensure adult family home quality assurance staff do a periodic review of a sample of provider files from each region to determine if required documentation was completed according to standard operating procedures. <p>Completion Date: Estimated September 2015</p> <p>Agency Contact: Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov</p>

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	048	<p>Finding: The Department of Social and Health Services, Aging and Long-Term Support Administration, did not adequately monitor Medicaid Adult Family Home providers to ensure all providers, caregivers and resident managers who are employed directly or by contract have proper background checks.</p> <p>Questioned Costs: <u>CFDA#</u> <u>Amount</u> 93.775 \$1,082,213 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Refer to finding 2015-051</p> <p>Corrective Action: In response to the fiscal year 2013 audit the Department implemented several processes that continued through the fiscal year 2014 audit and remain ongoing.</p> <p>The Department is providing training to staff on standard operating procedures for inspections which includes reviewing background checks on all caregivers, representatives and resident managers who are employed directly or by contract.</p> <p>Additionally, the Department is continuing to strengthen its monitoring of Adult Family Home (AFH) staff background checks through the Department's standard facility licensing, annual facility survey and investigatory business protocols. During AFH inspections, the Department reviews background checks for all employees working at the facility to ensure disqualified caregivers do not have access to vulnerable adults.</p> <p>The Department will take action on questioned costs as requested by Center for Medicare and Medicaid Services.</p> <p>The conditions noted in this finding were previously reported in finding 2013-037.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-051.</p> <p>Agency Contact: Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov</p>

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	049	<p>Finding: The Department of Social and Health Services, Aging and Long-Term Support Administration, made unallowable payments to Medicaid providers who did not meet background check requirements for in home care providers.</p> <p>Questioned Costs: <u>CFDA#</u> <u>Amount</u> 93.775 \$257,875 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Refer to finding 2015-040</p> <p>Corrective Action: Although a finding was issued for providers not having current background checks the Department has made significant progress ensuring providers have current background checks. The finding states, "The Department has improved the overall communication of Departmental policies and procedures to unit managers at AAA's that oversee provider contracts."</p> <p>The Department will continue in its efforts to ensure providers have current background checks. Specifically:</p> <p>In March 2015, the Department:</p> <ul style="list-style-type: none"> • Completed a LEAN value stream mapping that identified improvements in the individual provider qualification process. This included communication of background check results to providers. • Terminated payments to providers that did not have current background checks. <p>In June 2015, the Department:</p> <ul style="list-style-type: none"> • Terminated contracts with providers who failed to comply with requests to have current background checks completed. • Submitted overpayments to the Department's Office of Financial Recovery for the questioned costs. Funds will be returned to CMS as overpayments are received. Any overpayments not received within 365 days will be returned to CMS through the Medicaid Overpayment Management System process. <p>By January 2016, the Department's Home and Community Services Division will complete the work with the Department's Background Checks Central Unit on background check process improvements. Policies and procedures will be updated accordingly and communicated with the field offices.</p>

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

***OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015***

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	049 (Cont'd)	<p>The conditions noted in this finding were previously reported in finding 2013-040, 12-41 and 11-34.</p> <p>Completion Date: The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-040.</p> <p>Agency Contact: Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov</p>

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	050	<p>Finding: The Department of Social and Health Services improperly claimed federal reimbursement for non-emergency services provided to nonqualified aliens and for payments made on behalf of deceased Medicaid clients.</p> <p>Questioned Costs: <u>CFDA#</u> <u>Amount</u> 93.775 \$715,768 93.777 93.778 ARRA and non-ARRA</p> <p>Status: Refer to finding 2015-041 and 2015-048</p> <p>Corrective Action: This finding involved four administrations within the Department: the Aging and Long Term Support Administration-Home and Community Services (ALTSA/HCS), the Children’s Administration (CA), the Developmental Disabilities Administration (DDA) and the Economic Services Administration (ESA). Each administration has taken or will take corrective action.</p> <p><u>ALTSA/HCS:</u></p> <ul style="list-style-type: none"> • In 2013, the Recipient Aid Codes (RACS) for non-emergency services were corrected for DDA clients, but the correction was missed for the ALTSA nursing home clients. The RACS and account coding for nursing home clients was corrected in November 2014. • ALTSA/HCS repaid all questioned costs related to alien emergency medical services. • In June 2015, ALTSA/HCS: <ul style="list-style-type: none"> ○ Resolved overpayments related to payments made after the client’s date of death. Overpayments for these costs (\$21,159) have been referred to the Department’s Office of Financial Recovery. Funds will be returned to Centers for Medicare and Medicaid Services (CMS) when the overpayment is recovered. Any overpayments not recovered within 365 days will be refunded to CMS through the Medicaid Overpayment Management System (MOMS) process. • By August 2015 ALTSA/HCS will: <ul style="list-style-type: none"> ○ Revise the invalid payment report so it provides a more accurate reporting of invalid payments. • By September 2015 ALTSA/HCS will: <ul style="list-style-type: none"> ○ Review use and application of the invalid payment report to determine if frequency and process for utilization are sufficient to monitor for and correct invalid payments.

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	050 (Cont'd)	<p><u>CA:</u></p> <ul style="list-style-type: none"> • In September 2014, questioned costs for the three exceptions related to the CA were returned to the grantor. • By September 2015, CA will strengthen processes regarding review of cases related to nonqualified aliens receiving services. <p><u>DDA:</u></p> <ul style="list-style-type: none"> • The DDA Social Service Payment System (SSPS) Program Manager will continue to provide quarterly reports to regional management for review. These reports include payment authorizations after the date of death. Regions will report the level of compliance in their quarterly reviews. • DDA continues its partnership with the Health Care Authority and external audit agency Optum, to identify payments for services provided after the date of death using an algorithm. The algorithm will continue to be run quarterly. • DDA will continue to provide training and direction to staff to ensure authorizing staff understand the need to match end date authorizations to the date of death or earlier as soon as they learn of a client's passing. • Participate in the design of the ProviderOne payment system, to prevent payments for services provided after the death of the client. • Overpayments have been submitted to the Department's Office of Financial Recovery for the questioned costs of \$5,025.78. The recovery will be returned to CMS or if not recovered timely through the MOMS process. <p><u>ESA:</u></p> <ul style="list-style-type: none"> • In February 2015, ESA reviewed the one exception identified during the audit and corrected the inappropriate payment. Also, staff were informed by memo about the requirements for processing cases that involve non-qualified aliens. • ESA's share of the questioned costs is \$34.70. If the Department of Health and Human Services contacts DSHS/ESA regarding questioned costs that should be repaid, DSHS/ESA will confirm these costs with DHHS and will take appropriate action in the form of payment. <p>Completion Date: The conditions noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-041 and 2015-048.</p>

State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015

OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan	
2014	050 (Cont'd)	Agency Contact:	Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

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Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	051	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Social and Health Services did not have adequate internal controls in place, and did not comply with, the level of effort requirements for the Block Grants for Prevention and Treatment of Substance Abuse.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.959</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Refer to finding 2015-053</p> <p>The Department concurred with this finding.</p> <p>In April 2015, the Department:</p> <ul style="list-style-type: none"> • Developed policies, procedures and internal controls to ensure monitoring and documentation of level of effort requirements are performed. • Began active monitoring the state-funded spending. Specifically, the Department’s Accounting Section started producing monthly reports showing the status of the state-funded spending. The Department’s Budget Section is reviewing the monthly reports in order to monitor the capability of meeting the minimum required amount each year. <p>The Department continues to remain in contact with the Federal grantors to keep them apprised of the Department’s ability to meet the annual minimum required state-funded spending.</p> <p>The condition noted in this finding was repeated in Fiscal Year 2015 Washington Single Audit. Refer to finding 2015-053.</p> <p>Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.959	\$0
<u>CFDA#</u>	<u>Amount</u>						
93.959	\$0						

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Health

Fiscal Year	Finding Number	Finding and Corrective Action Plan					
2014	052	<p>Finding:</p> <p>Questioned Costs:</p> <p>Status:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health does not have adequate internal controls over, and did not comply with, the Federal Funding Accountability and Transparency Act reporting requirements for the Maternal and Child Health Services Block Grant.</p> <table border="0"> <tr> <td style="text-align: right;"><u>CFDA#</u></td> <td style="text-align: right;"><u>Amount</u></td> </tr> <tr> <td style="text-align: right;">93.994</td> <td style="text-align: right;">\$0</td> </tr> </table> <p>Corrective action complete</p> <p>The Department agrees that five subawards totaling \$250,334 were not reported during the audit period.</p> <p>This was in part caused by the awards being omitted from the monthly Federal Funding Accountability and Transparency Act (FFATA) reporting list due to an error in the criteria used to extract the reporting data from the Department's financial system. This error was discovered and corrected in September 2013.</p> <p>It is currently the practice of the Department for the Grants Unit Supervisor to review and approve FFATA data prior to submission in FFATA Subgrant Reporting System (FSRS).</p> <p>The Department has updated its written procedures for submitting FFATA reports by adding additional detail. Specifically, the procedures have been modified to include the Grants Unit Supervisor's review process and the necessary steps for ensuring all FFATA data is submitted in a timely manner.</p> <p>May 2015</p> <p>Lynda Karseboom Department of Health PO Box 47890 Olympia, WA 98504-7890 (360) 236-4536 lynda.karseboom@doh.wa.gov</p>	<u>CFDA#</u>	<u>Amount</u>	93.994	\$0
<u>CFDA#</u>	<u>Amount</u>						
93.994	\$0						

**State of Washington
 Summary Schedule of Prior Audit Findings
 For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
 For the Fiscal Year Ended
 June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	053	<p>Finding: The Department of Social and Health Services did not have adequate internal controls to ensure contracts were procured in accordance with state law for the Disability Insurance and Supplemental Security Income programs.</p> <p>Questioned <u>CFDA#</u> <u>Amount</u> Costs: 96.001 \$0 96.006</p> <p>Status: Corrective action complete</p> <p>Corrective Action: In August 2014, the Department’s division of Disability Determination Services (DDS), which is part of the Department’s Economic Services Administration (ESA), began working with the Department’s Central Contract Services unit to ensure state procurement laws are followed. Also in August 2014, DDS staff involved with contracts completed training provided by the Central Contract Services unit.</p> <p>In March 2015, an ESA Workgroup developed an administration-wide procurement process and universal Request For Qualification (RFQ) for medical and psychological services. The RFQ was posted to both the Department’s and the statewide procurement websites on March 3, 2015. These steps bring the Department into compliance with RCW 39.26.</p> <p>Completion Date: March 2015</p> <p>Agency Contact: Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov</p>

**State of Washington
Summary Schedule of Prior Audit Findings
For Years Prior to Fiscal Year 2015**

**OMB Circular A-133 Audit
For the Fiscal Year Ended
June 30, 2015**

(This schedule only addresses findings previously reported that would be reportable under the revised OMB Circular A-133. It reflects agency corrective action status as of June 30, 2015.)

Department of Social and Health Services

Fiscal Year	Finding Number	Finding and Corrective Action Plan
2014	054	<p>Finding: The Department of Social and Health Services does not have adequate internal controls to ensure providers were qualified to perform consultative examinations for the Disability Insurance and Supplemental Security Income programs.</p> <p>Questioned <u>CFDA#</u> <u>Amount</u> Costs: 96.001 \$0 96.006</p> <p>Status: Corrective action complete</p> <p>Corrective Action: During the course of this audit the Department took steps to correct the deficiencies that were identified.</p> <p>The Department revised procedures regarding providers who perform consultative examinations. The Department is now reviewing the List of Excluded Individuals and Entities (LEIE) maintained by the Office of the Inspector General twice a year to ensure providers are qualified to perform consultative examinations. The LEIE is a federal list of individuals and entities that are excluded from participation in Medicare, Medicaid, and all other federal health care programs.</p> <p>The Department created a list of contracts and their license expiration date to ensure contractors renew their licenses timely. The Department also developed written procedures that require a manager or designee conduct a quarterly quality assurance (QA) review to ensure contractors renew their licenses as required. Finally, on a monthly basis 10 percent of contractor files are reviewed to ensure the accuracy of LEIE and license renewal checks. The results of the review show that all have submitted LEIE documentation timely and accurately. The Division of Disability Determination Services staff meets monthly to discuss how the QA process works and how to refine it and make it better.</p> <p>Completion Date: July 2014</p> <p>Agency Contact: Rick Meyer Department of Social and Health Services PO Box 45804 Olympia, WA 98504-5804 (360) 664-6027 rmeyerRR@dshs.wa.gov</p>

