

State of Washington
 Status of Audit Resolution
 December 2016

Department of Commerce

Agency 103

Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	005	<p>Finding: The Department of Commerce did not have adequate internal controls to ensure HOME Investment Partnerships program income was used before requesting federal cash draws.</p> <p>Corrective Action: The Department conducted a Lean process improvement event for the program and accounting staff. The process involved documenting the current process and created a new process to ensure available program income is used prior to requesting federal cash drawdowns. The new process includes the following improvements designed to increase efficiency and strengthen internal controls to meet federal requirements:</p> <ul style="list-style-type: none"> • As required by federal regulations, the Integrated Disbursement Information System (IDIS) is now updated at least once per week to include all program income received to date prior to any Federal drawdowns. Payments vouchers are created weekly after IDIS is updated to ensure all available program income is expended prior to creating federal draws. • Roles and responsibilities of program and accounting staff are now clearly defined and documented in procedures and in a process flow diagram that is prominently displayed. • Weekly meetings are held between program and accounting staff to coordinate and discuss the week’s planned cash draws. • A checklist was developed to monitor each week’s voucher payments, program income, and federal cash drawdowns. The checklist will be retained as supporting documentation for federal cash draws. • Backup documentation for federal cash drawdowns are now standardized and include documentation showing a review has been done to ensure there is no available program income before requesting federal cash draws. <p>In addition, the Department determined interest earnings during the audit period were less than \$100, so no reimbursement to the U.S. Department of Housing and Urban Development is required.</p> <p>Completion Date: October 2016, subject to audit follow-up</p> <p>Agency Contact: Shanna-Mae Cullen-Oden Internal Audit & Risk Manager PO Box 42525 Olympia, WA 98504-2525 (360) 725-4030 Shanna-Mae.Cullen-Oden@commerce.wa.gov</p>