

Office of Financial Management

Agency 105

Audit Report	Finding Number	Finding and Corrective Action Status	
1032843	2022-015	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Financial Management did not have adequate internal controls over and did not comply with reporting requirements for the Coronavirus Relief Fund.</p> <p>The Office had controls in place for the Coronavirus Relief Fund (CRF) reporting requirements to ensure reported amounts, including corrections or adjustments made during the reporting period, were properly tracked and documented for subsequent reporting cycles. The Office performed continual monitoring of CRF expenditures to ensure the total grant expenditures reported were complete and accurate.</p> <p>The Office’s Statewide Accounting staff took over the responsibility for reviewing and certifying cycle 8 to 10 reports. Each report was reviewed prior to submission and documentation of the review was adequately maintained. The review ensured amounts submitted on the reports reconciled to supporting documentation provided by agencies at the time the reports were prepared. However, system issues in the federal reporting system created challenges in documenting changes to the templates as errors appeared and were subsequently corrected for the reporting cycle.</p> <p>For the final cycle 10 report, the Office ensured the cumulative amounts on the CRF report were supported by the underlying accounting records and performed a complete reconciliation of expenditures to the totals reported for each expenditure category. All revisions and resubmissions of the final report were completed in cycle 10. No additional revisions are required at this time.</p> <p>The final report was submitted in January 2023 and the grant is in its closeout phase. The Office considers this issued resolved.</p> <p>The conditions noted in this finding were previously reported in finding 2021-014.</p> <p>January 2023, subject to audit follow-up</p> <p>Brian Tinney Statewide Accounting Director PO Box 43127 Olympia, WA 98504-3127 (564) 999-1781 brian.tinney@ofm.wa.gov</p>

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1032843	2022-020	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Financial Management did not have adequate internal controls over and did not comply with reporting requirements for the Coronavirus State and Local Fiscal Recovery Funds.</p> <p>The Office has continued to strengthen internal controls for the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) reporting to ensure compliance with the federal requirements.</p> <p>As of May 2022, the Office:</p> <ul style="list-style-type: none"> • Transitioned the primary responsibility for centralized CSLFRF reporting to the Statewide Accounting Division. • Hired a Budget and Grants Coordinator with experience in federal reporting to oversee the reporting process. <p>The Office will continue to:</p> <ul style="list-style-type: none"> • Monitor updates to the U.S Treasury’s Project and Expenditure Report User Guide. • Improve the quarterly reporting template and assist state agencies during the reporting process. • Ensure reported amounts, including corrections or adjustments made during the reporting period, are properly tracked and documented for the subsequent reporting cycles. • Perform reconciliations of reported expenditures to ensure agency expenditures are accurately reported, allowing for adjustments/corrections required due to issues with the reporting system. • Ensure reported expenditures are accurate and adequately supported by accounting records before the information is uploaded to the federal reporting system. • Document correspondences with the U.S. Treasury when system errors are identified and resolutions recommended by the grantor, if received. <p>Internal procedures have been developed to formally document the reporting process.</p> <p>May 2023, subject to audit follow-up</p> <p>Brian Tinney Statewide Accounting Director PO Box 43127 Olympia, WA 98504-3127 (564) 999-1781 brian.tinney@ofm.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Status	
1032843	2022-027	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Office of Financial Management did not have adequate internal controls over and did not comply with federal level of effort requirements for the Education Stabilization Fund program.</p> <p>The Office does not concur with the finding.</p> <p>The Office performed the maintenance of effort (MOE) calculations in accordance with the guidance provided by the U.S. Department of Education (ED). Based on appropriations and past funding, it was determined that the fiscal year 2022 expenditure level did not meet the MOE requirement. The Office followed the federal guidance and directions from a legislative proviso in the enacted state budget (Chapter 334, Laws of 2021, Sec. 954) and submitted a waiver request for fiscal years 2022 and 2023. The Office submitted the waiver before ED’s stipulated deadline of December 31, 2021, and received an official approval from ED on July 31, 2023, to waive the MOE requirement for fiscal year 2022.</p> <p>The Office maintains adequate internal controls and has followed all federal and state requirements with due diligence to ensure compliance with federal level of effort requirements for the program. The Office will continue to work with the Legislature, which is the state-level authority for state appropriations, to monitor any updates to federal requirements.</p> <p>Not applicable</p> <p>Brian Tinney Statewide Accounting Director PO Box 43127 Olympia, WA 98504-3127 (564) 999-1781 brian.tinney@ofm.wa.gov</p>