

Department of Licensing

Agency 240

Audit Report	Finding Number	Finding and Corrective Action Status	
1032793	2022-001	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p>	<p>The Department did not have adequate internal controls over its accounts payable process and credit card programs.</p> <p>The Department agrees with the audit finding. While the control weaknesses identified by the auditors did not result in any financial losses, the Department is committed to improving internal controls to ensure that all purchases and disbursements are allowable, properly supported, and comply with applicable laws and policies.</p> <p>The Department will take the following actions:</p> <ol style="list-style-type: none"> 1. The Acting Comptroller and Chief Financial Officer will update policies and procedures for general disbursements to incorporate the State Administrative & Accounting Manual and the Department’s current purchasing requirements. Previous policy update efforts were halted due to the retirement of the Department’s policy manager. 2. Strengthen processes over disbursements to ensure compliance, which includes: <ul style="list-style-type: none"> • Provide training to accounts payable staff and have regular meetings to review desk manuals regarding authorization and documentation requirements in processing payments. • Require staff to use invoice numbers when processing each payment to ensure duplicate payments can be identified. The Department’s IT Division is also regularly updating the accounts payable database to assist the accounting unit in identifying duplicate payments. • Ensure all Amazon purchases are made from the state’s Amazon business account. 3. Improve internal controls related to purchase cards and travel cards: <ul style="list-style-type: none"> • Continue to review and update travel policies regularly. • Provide training to new and current accounting unit staff on the use of purchase and travel cards and related policies. Training will be recommended for all other units and divisions. • Ensure that exceptions for travel-related per diem have a documented approval on file prior to the date of travel. • Provide resources and guidance on the Department’s internal website regarding allowable and non-allowable purchases. • Formalize communication from the department’s Chief Financial Officer to all credit card users on all online purchases. • Establish card user agreements for purchase card users and ensure they are retained and updated regularly. <p>Corrective action is expected to be complete by August 2024</p>

**State of Washington - Office of Financial Management
Status of Audit Resolution
December 2023**

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