

Department of Health

Agency 303

Audit Report	Finding Number	Finding and Corrective Action Status	
1032843	2022-004	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health did not have adequate internal controls to ensure payments to providers were allowable, met cost principles, and were within the period of performance for the Special Supplemental Nutrition Program for Women, Infants, and Children.</p> <p>The Department disagrees with the auditor’s assessment of a significant deficiency in internal controls over the consolidated contract provider payment process for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).</p> <p>The Department has established processes in place to ensure payments are allowable, meet cost principles, and comply with period of performance requirements for the WIC program. These include:</p> <ul style="list-style-type: none"> <li>• Perform annual review and approval of detailed subrecipient budgets.</li> <li>• Compare invoice amounts to budgeted amounts for reasonableness before payment approval.</li> <li>• Provide subrecipients with regular technical assistance and training on applicable policies related to fiscal and programmatic processes.</li> <li>• Conduct biennial program and fiscal monitoring visits to subrecipients as part of the Department’s monitoring procedures.</li> </ul> <p>In addition, the WIC program has monitoring controls in place and evidence of review at the program level. The quality assurance program staff maintain a detailed payment log that documents review and approval and details any amounts that need to be withheld until issues with invoice support are resolved. These reviews are to be completed within the 10-day period before payment is released.</p> <p>Similar conditions noted in this finding were previously reported in finding 2021-004.</p> <p>Not applicable</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>

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Audit Report	Finding Number	Finding and Corrective Action Status	
1032843	2022-031	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health did not have adequate internal controls over and did not comply with requirements to ensure payments to providers were allowable, met cost principles, and were within the period of performance for the Immunization Cooperative Agreements program.</p> <p>The Department partially agrees with the finding.</p> <p>The Department agrees that internal controls can be strengthened over provider payments to ensure funds are allowable and spent within the period of performance. The following actions were taken:</p> <ul style="list-style-type: none"> <li>• Required payments to providers contain adequate support in line with the A19 matrix and subrecipients' risk assessments.</li> <li>• Provided additional training to staff in the immunization unit responsible for reviewing invoices.</li> <li>• Developed tracking sheets which enable staff to record details from backup documentation reviews and payment approvals.</li> </ul> <p>The Department reviewed the control weaknesses identified in the audit related to the consolidated contract payment process and has made changes to the process to ensure compliance moving forward.</p> <p>The Department disagrees with the audit exceptions and questioned costs identified in the finding. The Department will work with the federal grantor to resolve any questioned costs.</p> <p>November 2023, subject to audit follow-up</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>

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1032843	2022-032	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health did not have adequate internal controls to ensure it filed accurate and timely reports required by the Federal Funding Accountability and Transparency Act for the Immunization Cooperative Agreements program.</p> <p>The Department agrees with the finding.</p> <p>The Department will review internal processes and determine when a review is most effective to ensure accuracy and completeness of the Federal Funding Accountability and Transparency Act reporting submissions. Management has already addressed the obligation dates to ensure the execution date of the award or amendment is reported.</p> <p>Corrective action is expected to be complete by July 2024</p> <p>Jeff Arbuckle            External Audit Manager            PO Box 47890            Olympia, WA 98504-7890            (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>



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1032843	2022-033 (cont'd)	<p>In addition, the ELC program has monitoring controls in place and evidence of review at the program level. Program staff maintain a detailed spreadsheet that documents review and approval and includes any amounts that need to be withheld until issues with invoice support are resolved. These reviews are to be completed within the 10-day period before payment is released.</p> <p>The Department is planning on meeting with federal grantors to work through the exceptions and questioned costs identified in the finding.</p> <p>Completion Date: Corrective action is expected to be complete by March 2024</p> <p>Agency Contact: Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>

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1032843	2022-034	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health did not have adequate internal controls over and did not comply with reporting requirements for the Epidemiology and Laboratory Capacity for Infectious Diseases program.</p> <p>The Department partially agrees with the finding.</p> <p>For the two reports on which the auditors took exceptions, the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program did discover the errors after the original reports were submitted. The Department notified the Centers for Disease Control and Prevention (CDC) about the reporting errors in February 2022, which was within the reporting period. However, due to a technical issue, the federal reporting system would not allow ELC program staff to input edits to the reports for the months of July through October 2021. After a discussion with CDC, program staff were advised to submit the corrected data of the previous reports via email, which was subsequently accepted by the grantor and the issue was resolved.</p> <p>The Department agrees there needs to be evidence of documented reviews of reports and has implemented steps to ensure review and approval of reports are well documented and retained before final submission to the federal grantor.</p> <p>November 2023, subject to audit follow-up</p> <p>Jeff Arbuckle                      External Audit Manager                      PO Box 47890                      Olympia, WA 98504-7890                      (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>

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1033388	2022-001	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Department of Health did not have adequate internal controls over and did not comply with state requirements and its own policies related to small and attractive assets.</p> <p>In October 2022, the Department drafted an updated policy and procedure that:</p> <ul style="list-style-type: none"> <li>• Clearly defines roles and responsibilities.</li> <li>• Designates agency inventory officers.</li> <li>• Provides a plan to conduct an inventory of all assets to meet State Administrative and Accounting Manual requirements.</li> </ul> <p>The Department will also strengthen controls to ensure that asset tags contain all required information and complete disposal documentation is retained. A periodic risk assessment will be conducted to assess the effectiveness of the updated process.</p> <p>In January 2023, the Department completed the first phase of a physical inventory in line with the approved policy. At the time of the audit, the Department was still in the process of completing the remaining phases of the physical inventory.</p> <p>Corrective action is expected to be complete by July 2024</p> <p>Jeff Arbuckle            External Audit Manager            PO Box 47890            Olympia, WA 98504-7890            (360) 701-0798  <a href="mailto:Jeff.Arbuckle@doh.wa.gov">Jeff.Arbuckle@doh.wa.gov</a></p>