

Office of Financial Management

Agency 105

Audit Report	Finding Number	Finding and Corrective Action Status	
1034932	2023-026	<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 requirements to ensure Coronavirus State and Local Fiscal Recovery Funds were used for only allowable activities.</p> <p>The Office does not concur with the audit finding.</p> <p>The state of Washington implemented internal controls and created Fund 706 to track the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) expenditures. The state, through legislation, approved the transfer of \$300 million from the SLFRF account to various state transportation accounts under the revenue loss provision. The Office reaffirms that all expenditures from the transportation accounts that received the SLFRF funds were used to maintain government services.</p> <p>The <i>State Administrative and Accounting Manual</i> requires all state agencies to establish internal controls over payments for goods and services, including ensuring payments are lawful and for proper purposes, reviewing payments to ensure they are supported, as well as documenting the review of all payments. State agencies continued to follow their established internal controls to ensure expenditures from the transportation accounts were proper and allowable for both non-SLFRF and SLFRF funds.</p> <p>The Office will continue to:</p> <ul style="list-style-type: none"> <li>• Work with the U.S. Treasury, through the audit resolution and management decision process, to ensure no questioned costs are required to be repaid.</li> <li>• Document all correspondence with the grantor during the audit resolution process.</li> </ul> <p>The conditions noted in this finding were previously reported in finding 2022-018.</p> <p>Not applicable</p> <p>Sara Rupe                      Deputy Statewide Accounting Director                      PO Box 43127                      Olympia, WA 98504-3127                      (360) 974-9252  <a href="mailto:sara.rupe@ofm.wa.gov">sara.rupe@ofm.wa.gov</a></p>

Office of Financial Management

Agency 105

Audit Report	Finding Number	Finding and Corrective Action Status	
1034932	2023-030	<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 (SLFRF) reporting to ensure compliance with the federal requirements.</p> <p>The Office will continue to:</p> <ul style="list-style-type: none"> <li>• Monitor updates to the U.S Treasury’s Project and Expenditure Report User Guide.</li> <li>• Improve the quarterly reporting template and assist state agencies during the reporting process.</li> <li>• Communicate with agencies to remind them of the requirement to maintain adequate supporting documentation for all reports, including quarterly reported obligations.</li> <li>• Ensure reported amounts, including corrections or adjustments made during the reporting period, are properly tracked and documented for the subsequent reporting cycles.</li> <li>• Perform reconciliations of reported expenditures to ensure agency expenditures are accurately reported, allowing for adjustments/ corrections required due to issues with the reporting system.</li> <li>• Ensure reported expenditures and supporting accounting records are adequately reviewed by management before the information is uploaded to the federal reporting system.</li> <li>• Document correspondences with the U.S. Treasury when system errors are identified and resolutions recommended by the grantor, if received.</li> </ul> <p>The conditions noted in this finding were previously reported in finding 2022-020.</p> <p>January 2024, subject to audit follow-up</p> <p>Sara Rupe                      Deputy Statewide Accounting Director                      PO Box 43127                      Olympia, WA 98504-3127                      (360) 974-9252  <a href="mailto:sara.rupe@ofm.wa.gov">sara.rupe@ofm.wa.gov</a></p>

Office of Financial Management

Agency 105

Audit Report	Finding Number	Finding and Corrective Action Status	
1034932	2023-037	<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 audit finding.</p> <p>The Office maintains monthly monitoring details on agency expenditures. The expenditure data has not changed since the close of the fiscal year. The finding was based on preliminary information and data that the auditors obtained in November 2023.</p> <p>In December 2023, the Office submitted updated expenditure data to the Office of Elementary and Secondary Education (OESE) in accordance with OESE guidance to correctly include every budgeted funding source in the maintenance of effort (MOE) calculations. The Office met the MOE requirement for fiscal year 2023; therefore, there is no need for a waiver request.</p> <p>The Office will also continue to work with the Legislature, which is the state-level authority for state appropriations, to ensure the state maintains the MOE requirements.</p> <p>Not applicable</p> <p>Sara Rupe          Deputy Statewide Accounting Director          PO Box 43127          Olympia, WA 98504-3127          (360) 974-9252  <a href="mailto:sara.rupe@ofm.wa.gov">sara.rupe@ofm.wa.gov</a></p>