



Washington State Auditor's Office

Troy Kelley

Independence • Respect • Integrity

State of Washington Single Audit Fiscal Year 2014

May 04, 2015

The Single Audit is an independent audit of systems and internal controls over federally funded programs to ensure compliance with federal regulations. The audit is required as a condition of grants the state receives. It is intended to assess how well the state ensures the federal dollars it receives are spent properly.

The State Auditor's Office conducts the audit in accordance with the provisions of the federal Office of Management and Budget's (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and in accordance with U.S. Government Auditing Standards. The full, 958-page report is available online at the Washington State Office of Financial Management website (<http://www.ofm.wa.gov/singleaudit/2014/default.asp>).



Table of Contents

State of Washington Single Audit	3
Appendix A: Programs Audited in Fiscal Year 2014	11
Appendix B: Summary of Federal Findings by State Agency	13

The mission of the Washington State Auditor's Office

The State Auditor's Office holds state and local governments accountable for the use of public resources.

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

For more information about the State Auditor's Office, visit www.sao.wa.gov.

Americans with Disabilities

In accordance with the Americans with Disabilities Act, this document will be made available in alternative formats. Please email Communications@sao.wa.gov for more information.

State Auditor's Office contacts

State Auditor Troy Kelley

360-902-0360, Auditor@sao.wa.gov

Chuck Pfeil, CPA :: Director of State & Performance Audit

360-902-0366, Chuck.Pfeil@sao.wa.gov

Troy W. Niemeyer :: Deputy Director of State Audit

360-725-5363, Troy.Niemeyer@sao.wa.gov

Jim Brownell :: Audit Manager

360-725-5352, Jim.Brownell@sao.wa.gov

Thomas Shapley :: Deputy Director of Communications

360-902-0367, Thomas.Shapley@sao.wa.gov

To request public records

Public Records Officer

360-725-5617, PublicRecords@sao.wa.gov

State of Washington Single Audit

Background

Federal assistance can take many forms including grants, loans and non-cash awards such as supplies and equipment. Recipients of federal assistance must comply with requirements that govern the allowable uses of the funding and many administrative areas such as cash management, matching, supplanting, procurement, and reporting. Recipients of federal assistance must prepare a Schedule of Expenditures of Federal Awards and arrange for an audit of their federal assistance under OMB Circular A-133 when they spend \$500,000 or more in federal awards in a year.

The purpose of a single audit

The purpose of the single audit is to provide a format for non-federal entities to receive: (1) an audit of their federal award expenditures and (2) an audit of their financial statements. The audit of federal expenditures focuses on both compliance with federal requirements and internal controls over compliance. The auditing requirements, passed by Congress as part of the Single Audit Act of 1984 (as amended in 1996) and administered by the federal Office of Management and Budget (OMB), are recognized by federal agencies as the framework for monitoring the use of federal money.

The value of a single audit

As with local and state dollars, government officials are responsible for oversight of expenditures of federal resources on federally-funded projects. Single audits evaluate the ability of non-federal entities to ensure that federal guidelines will be followed, as well as demonstrating the extent to which those entities actually did follow the guidelines when spending federal-source money.

What happens after a finding is issued?

State agencies must respond to audit findings by preparing a corrective action plan. This action plan is submitted to the grantor – the federal entity issuing the grant funds – with our audit report.

Grantors must issue a decision on audit findings within six months after they receive the audit report and action plan, and ensure the agency takes appropriate and timely corrective action. We have found this does not always occur. As the auditor, we must follow up on the status of that corrective action during the next audit and may again report any uncorrected issues as audit findings. Grantors also determine whether states are required to pay back questioned costs.

Some terms used in this report

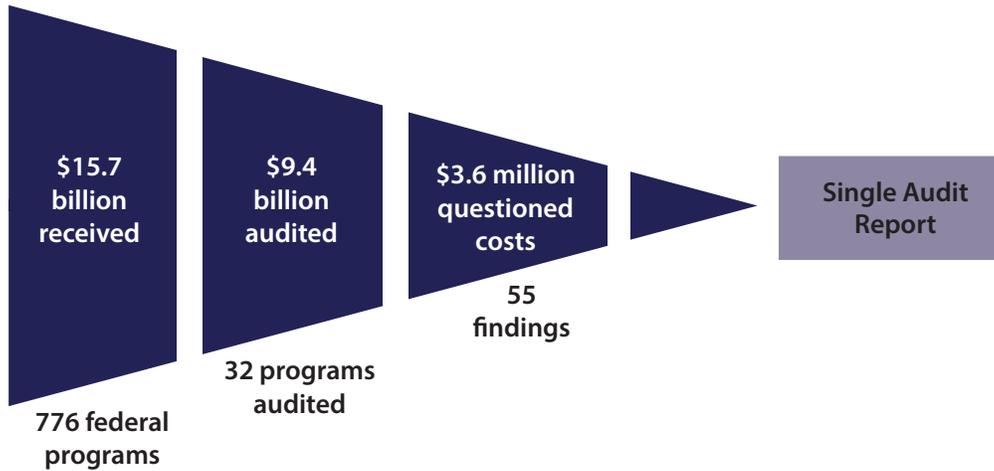
Questioned costs – Costs are questioned when an agency does not comply with grant regulations and/or cannot provide adequate documentation to support expenditures.

Subrecipient – An entity that expends awards received from a pass-through entity to carry out a program. The agency passing through these funds is expected to monitor how the subrecipient is managing the funds they receive.

About the 2014 State of Washington Single Audit

Fifty state agencies received federal assistance in fiscal year 2014. The state received more than \$15.7 billion in federal dollars for 776 federal programs that range from those providing meals for school age children or vaccines for at-risk or low-income people.

We audited 32 of these federal programs, administered by 21 state agencies, and almost \$9.4 billion in federal assistance, 59 percent of the federal dollars received. We reported 55 findings and identified about \$3.6 million in questioned costs.



See [Appendix A](#) for a list of the programs audited during state fiscal year 2014, and [Appendix B](#) for a summary of all federal findings issued for that year.

The table below shows how much each state agency spent in federal assistance.

Federal expenditures by state agency

Fiscal year 2014

Agency	Total dollars
Social & Health Service	\$4.4 billion
Health Care Authority	\$4.0 billion
Employment Security	\$1.6 billion
University of Washington	\$1.4 billion
Transportation	\$1.0 billion
Superintendent of Public Instruction	\$938 million
All others	\$739 million
Community & Technical College System	\$514 million
Health	\$397 million
Washington State University	\$351 million
Early Learning	\$148 million
Commerce	\$122 million
Military	\$107 million
Total (rounded)	\$15.7 billion

We found that 12 programs at 12 agencies complied with federal requirements

The table below shows 12 programs for which we found state agencies had established adequate internal controls over, and complied with, federal requirements.

Agency	Program	Federal grantor	Program dollars by agency
Superintendent of Public Instruction	Title I Grants to Local Education Agencies (Title I, Part A of the ESEA)	U.S. Department of Education	\$205,144,880
	Migrant Education – State Grant Program (Title I, Part C of ESEA)	U.S. Department of Education	\$14,648,523
	Special Education Cluster (IDEA)	U.S. Department of Education	\$221,761,350
	Twenty-First Century Community Learning Centers	U.S. Department of Education	\$15,161,163
University of Washington	Student Financial Assistance Cluster	U.S. Department of Education and U.S. Department of Health and Human Services	\$415,426,234
	Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment under the President’s Emergency Plan for AIDS Relief	U.S. Department of Health and Human Services	\$49,381,269
	Head Start	U.S. Department of Health and Human Services	\$10,528,208
Community Colleges of Spokane	Student Financial Assistance Cluster	U.S. Department of Education	\$62,871,069
	Head Start	U.S. Department of Health and Human Services	\$8,276,868
Employment Security	Employment Service Cluster	U.S. Department of Labor	\$21,147,043
Health Care Authority	Children’s Health Insurance Program (CHIP)	U.S. Department of Health and Human Services	\$67,549,908
Natural Resources	Cooperative Forestry Assistance	U.S. Department of Agriculture	\$6,243,804
Veterans Affairs	Veterans State Nursing Home Care	U.S. Department of Veterans Affairs	\$20,995,918
Ecology	Clean Water State Revolving Fund Cluster	U.S. Environmental Protection Agency	\$32,020,672
Washington State University	Student Financial Assistance Cluster	U.S. Department of Education and U.S. Department of Health and Human Services	\$217,151,416
Tacoma Community College	Student Financial Assistance Cluster	U.S. Department of Education	\$28,746,309
Edmonds Community College	Head Start	U.S. Department of Health and Human Services	\$5,128,251
Skagit Valley College	Head Start	U.S. Department of Health and Human Services	\$3,808,489

More audit findings in 2014 than in 2013

We reported 55 audit findings in 2014, a significant increase compared to the 45 reported in 2013. The increase can be attributed largely to the following circumstances.

Problems meeting subaward reporting requirements. We found that agencies continue to have problems properly submitting reports around subawards called for under the Federal Funding and Accountability Transparency Act. Some of these problems can be attributed to poor understanding of reporting requirements on the part of agency staff, but some difficulties are related to the functionality of the federal reporting system itself.

Reporting requirements under the Federal Funding Accountability and Transparency Act (FFATA) were introduced in 2010.

- We reported 12 findings, up from six in 2013, related to improper reporting of subawards.

Small programs with infrequent audits and less oversight. We audited 17 federal programs that spent less than \$30 million in 2014 – five more than were audited in 2013. Smaller federal programs are reviewed less frequently by our Office and generally have less direct oversight by the federal grantor. These two issues make it more likely that such programs will have internal control weaknesses or not comply with federal requirements.

- We reported 18 findings for the 17 programs we audited that spent less than \$30 million in 2014. Fifteen of the findings were related to programs we did not audit the prior year. Three of the findings were repeated from the prior year.

Unresolved findings from earlier audits.

- We repeated 22 audit findings that had not been resolved from previous fiscal year audits (21 from fiscal year 2013 and one from fiscal year 2012).

The following table contains a summary of Single Audit findings and questioned costs reported over the past five years.

Findings and questioned costs, 2010–2014

Audit year	Total federal assistance received	Number of programs audited	Number of audit findings	Questioned costs
2010	\$18,280,120,745	31	57	\$8,224,226
2011	\$17,308,755,010	32	51	\$3,511,932
2012	\$15,764,520,777	30	63	\$3,950,901
2013	\$14,892,685,569	31	45	\$4,275,906
2014	\$15,730,569,572	32	55	\$3,625,781

Key conclusions

Several agencies and/or key programs they manage represent a significant number of the findings we issued in the course of the 2014 audits. The graph on page 10 shows additional results for all agencies with findings.

We continue to find internal control and compliance issues in the Medicaid Program

Three state agencies are involved in the management of Washington's Medicaid program: the Health Care Authority, the Department of Social and Health Services and the Department of Health. Most Medicaid expenditures are payments to providers of medical treatment, prescriptions, medical equipment, home health care, and other services. Due to the program's size, complexity, and the risk of fraud and abuse, we focus much of our Single Audit effort on the Medicaid program.

As shown in the chart to the right, the state spent approximately 37 percent, or nearly \$5.8 billion, of its federal grant funds on Medicaid. An additional \$3.8 billion was provided by the state's required match.

Medicaid expenditures increased by \$1.6 billion in fiscal year 2014 and its overall percentage of the state's federal expenditures increased from 27 percent to 37 percent.

We issued 23 audit findings regarding unallowable expenditures, control deficiencies or noncompliance related to Medicaid. We also questioned \$3.5 million in payments related to:

- In-home services
- Services not provided
- Ineligible individuals
- Services provided by ineligible providers
- Overpayments to providers

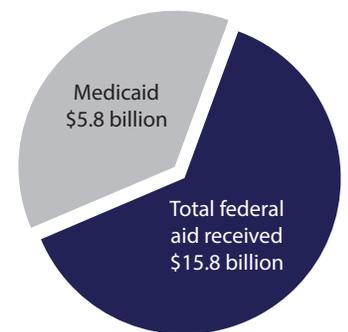
Eleven of the findings and \$2.2 million of the questioned costs were at the Department of Social and Health Services, 11 findings and \$1.2 million in questioned costs were at the Health Care Authority, and one finding was at the Department of Health. While the \$3.5 million in questioned costs is significant by federal standards, it represents only .0006 percent of total state Medicaid expenditures. Several of the findings and other issues are discussed in more detail below.

We found significant control weaknesses at the Health Care Authority

Additional action is needed to improve third party liability efforts

The Authority did not ensure that required data exchanges with health insurers were performed as required by state law. The purpose of the data exchanges is to determine whether clients have third-party medical insurance coverage, which could reduce the amount of Medicaid dollars spent. As of June 2014, no required data exchanges had occurred nor did any insurance carriers use the information made available by the Authority to identify joint beneficiaries.

Medicaid accounts for 37% of the state's federal expenditures



Drug rebates

The Authority did not account for all drug rebate-eligible claims when preparing invoices. We found the Authority failed to claim \$225,439 in owed drug rebates from drug manufacturers. We estimate the federal share amount of unclaimed drug rebates could be \$1,048,530.

Dental services

We found the Authority made \$336,999 in improper payments for dental services in fiscal year 2014. We noted inconsistencies between the state Code, the Authority's Medicaid Provider Guide and the State Plan for some dental services. We also found that some automated controls within the ProviderOne system did not operate effectively.

Significant control weaknesses at the Department of Social and Health Services

Payments to Supported Living providers

The Department of Social and Health Services did not have adequate internal controls to ensure payments to supported living providers are documented properly. The Department's Developmental Disabilities Administration manages the Home and Community Based Services program for people with developmental disabilities. Supported living is a core service offered through staff of contracted providers who help clients with the social and adaptive skills necessary to live in the community as well as activities of daily living.

We found the Department's internal controls were not effective to ensure Medicaid payments to supported living service providers were allowable. We selected a random sample of 173 monthly payments totaling \$1.3 million. We reconciled payments with individual provider timesheets to verify if payments were adequately supported.

We found \$50,054 was not supported with payroll records. By projecting sample results to the entire Home and Community Based Services supported living program, we estimate the amount of potential unallowable payments made to providers could be more than \$12 million.

Background checks

The Department of Social and Health Services made payments on behalf of clients to providers who had not renewed their background checks in a timely manner, had a potential disqualifying crime, or had not completed a required fingerprint check.

We found 348 caregivers who had provided services to Medicaid clients without having renewed their background checks in a timely manner. We identified \$1,399,005 in questioned costs associated with care provided to clients by these providers.

Payments for clients with no Social Security number

Additionally, we found both the Health Care Authority and the Department of Social and Health Services made payments to providers on behalf of clients without valid Social Security numbers, on behalf of deceased Medicaid clients, and for non-emergency services provided to nonqualified aliens. In total, we identified \$1.2 million in unallowable payments.

We continue to find significant control weaknesses over the Child Care Development Fund program

Two state agencies – the Department of Early Learning and the Department of Social and Health Services – are involved in the management of Washington’s Child Care and Development Fund program; Early Learning is the lead agency. Together, they spent \$217 million in federal funds in 2014. The Fund supports low-income working families by providing access to affordable, high-quality early care and after-school programs.

We found the Department of Early Learning has inadequate internal controls in place to ensure payments to providers are accurate and supported. We began reporting these weaknesses in 2005 when the program was administered by the Department of Social and Health Services, and have continued reporting them through 2014.

We also determined the Department had significant weaknesses regarding, and was not compliant with, cash management and reporting requirements.

Audit findings by topic areas

In 2014, we reported findings in these federal grant areas:

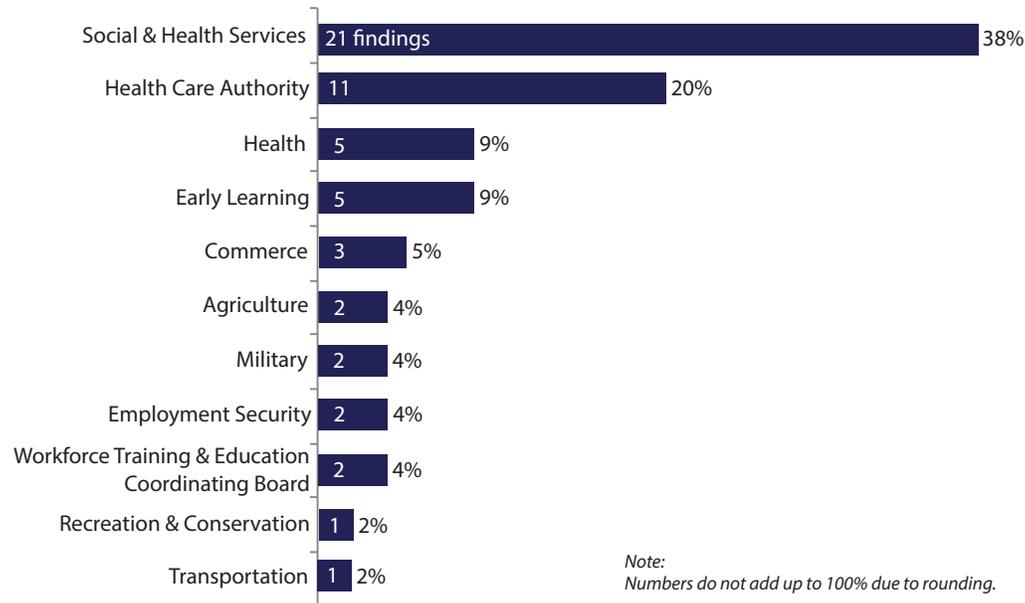
- Activities allowed or unallowed
- Allowable costs/cost principles
- Cash management
- Eligibility
- Level of effort
- Period of availability of federal funds
- Procurement
- Suspension and debarment
- Program Income
- Reporting
- Subrecipient monitoring
- Special tests and provisions

We also found some state agencies did not comply with the Federal Funding Accountability and Transparency Act. This act requires agencies to collect and report information on each federal subaward of \$25,000 or more. This requirement, which began in 2011, resulted in a number of findings in both the prior and current audits because agencies did not report as required.

Findings by state agency in fiscal year 2014

We audited 21 state agencies and 32 programs in fiscal year 2014. Eleven of the 21 state agencies received at least one finding. A summary of each finding is located in Appendix B, and the full text of each finding can be found at: <http://www.ofm.wa.gov/singleaudit/2014/default.asp>

Number and percentage of findings by state agency



Questioned costs by state agency and program

Costs are questioned when an agency does not comply with grant regulations and/or cannot provide adequate documentation to support expenditures. Agencies may be required to return this money.

State agency	Program	Questioned costs	Total agency program dollars
Social and Health Services	Refugee and Entrant Assistance	\$69,667	\$9,068,827
	Medicaid	\$2,240,792	\$1,868,576,565
	Agency Total	\$2,310,459	
Health Care Authority	Medicaid	\$1,246,854	\$3,886,870,630
	Agency Total	\$1,246,854	
Employment Security	Trade Adjustment Assistance Grant	\$1,544	\$9,333,895
	Agency Total	\$1,544	
Military	National Guard Operations and Maintenance Projects	\$66,924	\$ 18,988,086
	Agency Total	\$66,924	
Total Questioned Costs		\$3,625,781	

Appendix A: Programs Audited in Fiscal Year 2014

CFDA	Program
	Food Distribution Cluster
10.565	Commodity Supplemental Food Program
10.568	Emergency Food Assistance Program (Administrative Costs)
10.569	Emergency Food Assistance Program (Food Commodities)
10.664	Cooperative Forestry Assistance
12.401	National Guard Operations and Maintenance (O&M) Projects
16.575	Crime Victim Assistance
	Employment Service Cluster
17.207	Employment Service/Wagner-Peyser Funded Activities
17.801	Disabled Veterans' Outreach Program (DVOP)
17.804	Local Veterans' Employment Representative (LVER) Program
17.245	Trade Adjustment Assistance
	Highway Planning and Construction Cluster
20.205	Highway Planning and Construction (Federal-Aid Highway Program)
20.205A	Highway Planning and Construction (Federal-Aid Highway Program) - American Recovery and Reinvestment Act (ARRA)
20.219	Recreational Trails Program
23.003	Appalachian Development Highway System
64.015	Veterans State Nursing Home Care
	Clean Water Cluster State Revolving Fund Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.482	Disaster Relief Appropriations Act (DRAA) Hurricane Sandy Capitalization Grants for Clean Water State Revolving Funds
	Drinking Water State Revolving Fund Cluster
66.468	Capitalization Grants for Drinking Water State Revolving Funds
66.483	Disaster Relief Appropriations Act (DRAA) Hurricane Sandy Capitalization Grants for Drinking Water State Revolving Funds
	Student Financial Assistance Cluster
84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)
84.033	Federal Work-Study Program (FWS)
84.037	Perkins Loan Cancellations
84.038	Federal Perkins Loan (FPL) – Federal Capital Contributions
84.063	Federal Pell Grant Program (PELL)
84.268	Federal Direct Student Loans (Direct Loan)
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)
84.408	Postsecondary Education Scholarships for Veteran's Dependents (Iraq and Afghanistan Service Grants (IASG))
93.264	Nurse Facility Loan Program (NFLP)
93.342	Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students (HPSL/PCL/LDS)
93.364	Nursing Student Loans (NSL)
93.408	ARRA – Nurse Faculty Loan Program (ARRA-NFLP)
93.925	Scholarships for Disadvantaged Students (SDS)

CFDA	Program
84.01	Title I Grants to Local Education Agencies (Title I, Part A of the ESEA)
84.011	Migrant Education – State Grant Program (Title I, Part C of ESEA)
	Special Education Cluster (IDEA)
84.027	Special Education – Grants to States (IDEA, Part B)
84.173	Special Education – Preschool Grants (IDEA Preschool)
84.048	Career and Technical Education – Basic Grants to States (Perkins IV)
84.287	Twenty-First Century Community Learning Centers
84.412	Race to the Top – Early Learning Challenge
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance
93.266	Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment under the President’s Emergency Plan for AIDS Relief
93.505	Affordable Care Act – Maternal, Infant, and Early Childhood Home Visiting Program Formula, Expansion, and Development Grants to States
93.566	Refugee and Entrant Assistance – State-Administered Programs
93.568	Low-Income Home Energy Assistance
	Child Care and Development Fund Cluster
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.600	Head Start
93.658	Foster Care – Title IV-E
93.767	Children’s Health Insurance Program (CHIP)
	Medicaid Cluster
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778	Medical Assistance Program (Medicaid; Title XIX)
93.778A	Medical Assistance Program (Medicaid; Title XIX) - American Recovery and Reinvestment Act (ARRA)
93.959	Block Grants for Prevention and Treatment of Substance Abuse
93.994	Maternal and Child Health Services Block Grant to the States
	Disability Insurance /SSI Cluster
96.001	Social Security – Disability Insurance (DI)
96.006	Supplemental Security Income (SSI)
97.046	Fire Management Assistance Grant
97.067	Homeland Security Grant Program

Appendix B: Summary of Federal Findings by State Agency

The full text of the findings can be found online in the 2014 Single Audit Report, starting on page E-15, at: <http://www.ofm.wa.gov/singleaudit/2014/default.asp>

Agency	Number	Finding
Social and Health Services	2014-018	The Department of Social and Health Services does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Substance Abuse and Mental Health Services Projects of Regional Significance programs are filed accurately.
	2014-019	The Department of Social and Health Services does not have adequate internal controls in place to ensure subrecipients of the Block Grants for Prevention and Treatment of Substance Abuse and Substance Abuse and Mental Health Services Projects of Regional Significance programs receive required audits.
	2014-020	The Department of Social and Health Services did not have adequate internal controls over, and was not compliant with, its required collection of Data Universal Numbering System (DUNS) numbers from subrecipients under the Block Grants for Prevention and Treatment of Substance Abuse and Substance Abuse and Mental Health Services Projects of Regional Significance programs.
	2014-021	The Department of Social and Health Services does not have adequate internal controls to ensure only eligible refugees receive Refugee Cash Assistance.
	2014-022	The Department of Social and Health Services improperly charged grant expenditures prior to the start of the Refugee and Entrant Assistance grant's period of availability.
	2014-026	The Department of Social and Health Services does not have adequate internal controls over client eligibility for the Child Care Development Fund.
	2014-027	The Department of Social and Health Services does not have adequate internal controls over, and was not compliant with, foster care payment rate setting and application requirements for the Foster Care program.
	2014-040	The Department of Social and Health Services, Developmental Disabilities Administration, did not pay Medicaid supported living providers at authorized daily rates.
	2014-041	The Department of Social and Health Services, Developmental Disabilities Administration, does not have adequate internal controls to ensure cost of care adjustments paid to Medicaid supported living service providers are authorized, supported and reasonable.
	2014-042	The Department of Social and Health Services, Developmental Disabilities Administration, did not have adequate controls to ensure Medicaid payments to supported living service providers are allowable.
	2014-043	The Department of Social and Health Services, Developmental Disabilities Administration, made overpayments to Medicaid supported living providers.
	2014-044	The Department of Social and Health Services, Developmental Disabilities Administration, made overpayments to Medicaid supported living providers who did not ensure all staff with access to developmentally disabled clients receive a proper background check and are authorized to have access to vulnerable supported living clients.
	2014-045	The Department of Social and Health Services, Aging and Long-Term Support Administration, did not respond in a timely manner to complaints/allegations of abuse, neglect, exploitation, inadequate care or supervision in Medicaid residential facilities.

Agency	Number	Finding
Social and Health Services	2014-046	The Department of Social and Health Services, Aging and Long-Term Support Administration, did not complete surveys for Medicaid nursing home and intermediate care facilities for individuals with intellectual disabilities in a timely manner.
	2014-047	The Department of Social and Health Services, Aging and Long-Term Support Administration, did not adequately document inspections of Medicaid Adult Family Home providers.
	2014-048	The Department of Social and Health Services, Aging and Long-Term Support Administration, did not adequately monitor Medicaid Adult Family Home providers to ensure all providers, caregivers and resident managers who are employed directly or by contract have proper background checks.
	2014-049	The Department of Social and Health Services, Aging and Long-Term Support Administration, made unallowable payments to Medicaid providers who did not meet background check requirements for in home care providers.
	2014-050	The Department of Social and Health Services improperly claimed federal reimbursement for non-emergency services provided to nonqualified aliens and for payments made on behalf of deceased Medicaid clients.
	2014-051	The Department of Social and Health Services did not have adequate internal controls in place, and did not comply with, the level of effort requirements for the Block Grants for Prevention and Treatment of Substance Abuse.
	2014-053	The Department of Social and Health Services did not have adequate internal controls to ensure contracts were procured in accordance with state law for the Disability Insurance and Supplemental Security Income programs.
	2014-054	The Department of Social and Health Services does not have adequate internal controls to ensure providers were qualified to perform consultative examinations for the Disability Insurance and Supplemental Security Income programs.
Health Care Authority	2014-029	The Health Care Authority did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers.
	2014-030	The Health Care Authority improperly claimed federal reimbursement for non-emergency services provided to nonqualified aliens and for payments made on behalf of deceased Medicaid clients.
	2014-031	The Health Care Authority did not seek reimbursement for all eligible Medicaid outpatient drug rebate claims.
	2014-032	The Health Care Authority made improper Medicaid inpatient high outlier payments to hospitals.
	2014-033	The Health Care Authority made overpayments to providers for Medicaid dental services.
	2014-034	State law requiring Medicaid data exchanges with health insurers is not being followed.
	2014-035	The Health Care Authority did not properly calculate a Medicaid Electronic Health Record incentive payment.
	2014-036	The Health Care Authority made improper payments to Medicaid Federally Qualified Health Center providers.
	2014-037	The Health Care Authority improperly claimed Children's Health Insurance Program federal funds for eligible Medicaid expenditures.
	2014-038	The Health Care Authority did not have adequate controls in place to ensure all Medicaid critical access hospitals were paid accurately.
	2014-039	The Health Care Authority did not have adequate controls in place to investigate Medicaid service verification surveys returned in a foreign language.

Agency	Number	Finding
Health	2014-011	The Department of Health does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Drinking Water State Revolving Fund are filed correctly.
	2014-016	The Department of Health does not have adequate internal controls to ensure it meets federal level of effort requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness Programs.
	2014-017	The Department of Health does not have adequate internal controls over, and did not comply with, the Federal Funding Accountability and Transparency Act reporting requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness Programs.
	2014-028	The Department of Health did not ensure Medicaid hospital and home health agency surveys were performed in accordance with the frequency required by state and federal laws.
	2014-052	The Department of Health does not have adequate internal controls over, and did not comply with, the Federal Funding Accountability and Transparency Act reporting requirements for the Maternal and Child Health Services Block Grant.
Early Learning	2014-014	The Department of Early Learning did not have adequate internal controls to ensure subrecipients that spend \$500,000 or more in federal dollars obtain required audits.
	2014-015	The Department of Early Learning does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act are filed accurately for the Race to the Top-Early Learning Challenge and Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting programs.
	2014-023	The Department of Early Learning does not have adequate internal controls over payments to child care providers for the Child Care and Development Fund program.
	2014-024	The Department of Early Learning does not have adequate controls to ensure it draws Child Care and Development Fund program federal funds in accordance with the Cash Management Improvement Act.
	2014-025	The Department of Early Learning does not have sufficient internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Child Care and Development Fund program are filed accurately.
Commerce	2014-005	The Department of Commerce does not have adequate internal controls to ensure HOME Investment Partnership program income is used before requesting federal cash draws.
	2014-006	The Department of Commerce does not have adequate internal controls to ensure subrecipients spending \$500,000 or more in total federal dollars obtain audits as required.
	2014-007	The Department of Commerce does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Crime Victim Assistance Program are filed accurately.
Agriculture	2014-001	The Department of Agriculture does not have adequate internal controls to ensure compliance with federal suspension and debarment requirements for the Food Distribution cluster.
	2014-002	The Department of Agriculture does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Food Distribution Cluster are filed correctly.
Military	2014-004	The Military Department did not maintain required documentation for payroll costs charged to the National Guard program.
	2014-055	The Military Department does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Homeland Security and Fire Management Assistance Grant programs are filed accurately.

Agency	Number	Finding
Employment Security	2014-008	The Employment Security Department does not have adequate internal controls to ensure transportation reimbursement payments to Trade Adjustment Assistance program participants are allowable and accurate.
	2014-009	The Employment Security Department does not have adequate internal controls to ensure only eligible participants of the Trade Adjustment Assistance program receive services and benefits.
Workforce Training and Education Coordinating Board	2014-012	The Workforce Training and Education Coordinating Board did not have adequate internal controls to ensure it meets federal level of effort requirements for the Career and Technical Education Grant.
	2014-013	The Workforce Training and Education Coordinating Board does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act are filed.
Recreation and Conservation	2014-003	The Recreation and Conservation Office does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Pacific Coast Salmon Recovery Program are filed accurately.
Transportation	2014-010	The Department of Transportation does not have adequate internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Highway Planning and Construction grant program are filed accurately.