



Washington State Auditor's Office

Troy Kelley

Independence • Respect • Integrity

State of Washington Single Audit, 2013

June 10, 2014

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.



Table of Contents

State of Washington Single Audit	3
Appendix A: Programs Audited in Fiscal Year 2013	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

Jan Jutte, CPA :: Deputy Director of State Audit

360-902-0363, Jan.Jutte@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

Mary Leider :: 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 (1) an audit of expenditures of federal awards by non-federal entities 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

Qualified opinion – A program can receive a qualified opinion if we find its internal controls will not reasonably prevent or detect significant noncompliance in a timely manner.

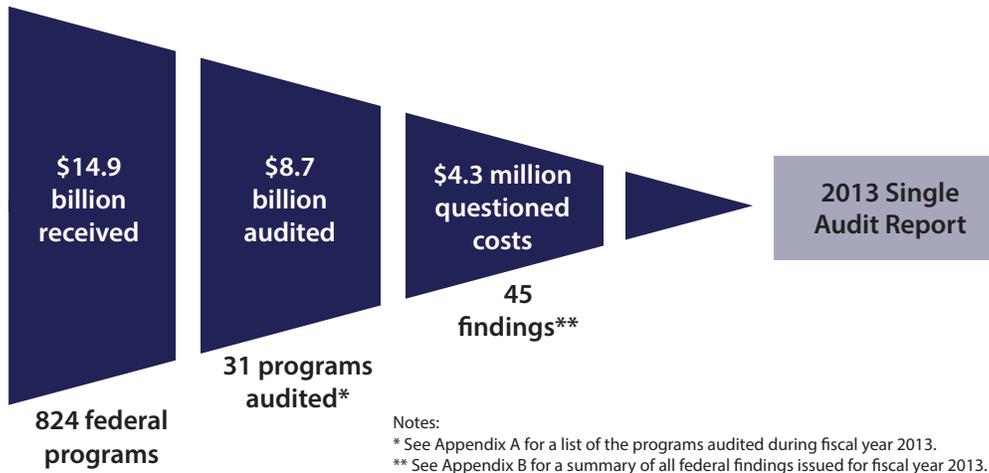
Questioned costs – Costs are questioned when an agency does not comply with grant regulations and/or cannot provide adequate documentation to support expenditures.

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 2013 State of Washington Single Audit

Fifty state agencies received federal assistance during fiscal year 2013. The state received nearly \$14.9 billion in federal funding for 824 programs, such as those that provide meals for school children or vaccines for at-risk or low-income people.

We audited 31 of these federal programs and \$8.7 billion in federal assistance, or 58 percent of the federal dollars. We reported 45 findings and identified nearly \$4.3 million in questioned costs.



As shown in the table below, 50 state agencies spent a total of \$14.9 billion in federal assistance during state fiscal year 2013.

2013 Federal expenditures by state agency

Agency	Total dollars
Social & Health Service	\$4.3 billion
Health Care Authority	\$2.6 billion
Employment Security	\$2.2 billion
University of Washington	\$1.4 billion
Office of the Superintendent of Public Instruction	\$930 million
Transportation	\$924 million
Community & Technical College System	\$581 million
Health	\$359 million
Washington State University	\$359 million
Early Learning	\$144 million
Commerce	\$130 million
Military	\$118 million
Eastern Washington University	\$101 million
All Others	\$658 million
Total (rounded)	\$14.9 billion

Fewer audit findings in 2013 than in 2012

We reported 45 audit findings in 2013, significantly fewer compared to the 63 reported in 2012. The decrease is largely a result of agencies resolving findings from earlier years. For example:

- We audited the Public Health Emergency Preparedness Program and the National Bioterrorism Hospital Preparedness programs at the Department of Health for the past four years. During fiscal years 2010 through 2012, we qualified our opinion on these two programs due to the limited amount of subrecipient monitoring performed. We issued five findings for the two programs in fiscal year 2012. Because of the Department's efforts to improve subrecipient monitoring, we issued only two findings for the programs in the fiscal year 2013 audit.
- We repeated an audit finding at the Department of Employment Security related to the Unemployment Insurance program for fiscal years 2009 through 2012. We reported the Department did not ensure its methods for verifying the accuracy of client reported information such as job search contacts were performed in accordance with federal requirements. In this year's audit we found the Department had made improvements in this area and the finding was resolved.
- We audited the Vocational Rehabilitation program at the Department of Services for the Blind for the past four fiscal years. The 2012 audit included four findings related to different areas of the program, such as determining eligibility in a timely manner, accurately reporting to the federal grantor, and charging indirect costs without grantor approval. During the 2013 audit, we found the Department had corrected most of the issues reported in the previous findings, leaving a single repeat finding for indirect costs.

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

Findings and questioned costs, 2007–2013					
Audit year	Total federal assistance received	Number of programs audited	Number of audit findings	Questioned costs	Percent of total costs questioned
2013	\$14,892,685,569	31	45	\$4,275,906	.029%
2012	\$15,764,520,777	30	63	\$3,950,901	.025%
2011	\$17,308,755,010	32	51	\$3,511,932	.020%
2010	\$18,280,120,745	31	57	\$8,224,226	.045%
2009	\$13,790,569,864	29	32	\$8,784,536	.064%
2008	\$10,328,237,085	30	37	\$2,812,311	.027%
2007	\$9,731,695,192	31	18	\$697,591	.007%

Key conclusions

Several agencies and/or key programs they manage represent a significant number of the findings we issued in the course of the 2013 audit. The graph on page 8 shows additional results for all agencies with findings.

We found control and compliance issues in the Medicaid Program

Three state agencies are involved in the management of Washington's Medicaid program: the Department of Social and Health Services, the Health Care Authority, and the Department of Health. The state made \$4.2 billion in federal Medicaid expenditures in 2013 and contributed an additional \$3.5 billion in state funds. 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 more than 28 percent, or \$4.2 billion, of its federal grant funds on Medicaid. An additional \$3.5 billion was provided by the state's required match.

Nine of the findings and approximately \$1.36 million of the questioned costs were at the Department of Social and Health Services, 14 findings and \$746,635 in questioned costs were at the Health Care Authority, one finding was at the Department of Health. While approximately \$2.1 million in questioned costs is significant by federal standards, it represents only 0.05 percent of total state Medicaid expenditures.

We issued 24 audit findings regarding unallowable expenditures, control deficiencies, or noncompliance related to Medicaid. We also questioned \$2,108,845 in payments related to:

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

Several of the findings and other issues are discussed in more detail below.

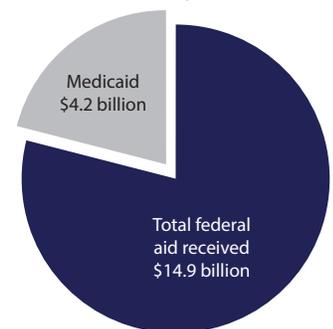
We found significant control weaknesses at the Health Care Authority

Adequate internal controls were not established over the Medicaid Management Information System called ProviderOne. This increases the risk of loss of Medicaid program assets and jeopardizes Medicaid program integrity.

The ProviderOne system handles millions of dollars in Medicaid payments for dental services, prescriptions, and medical and nursing home care to thousands of health care providers, including doctors and pharmacies. During our testing we identified significant deficiencies and inadequate internal controls that could affect the state's ability to safeguard public assets while increasing the risk of misuse, loss, or misappropriation of public funds.

We found the Authority made more than \$810,791 in improper payments for dental services during fiscal year 2013. The claims should have been disallowed through well-designed prepayment edit checks in the ProviderOne system.

Medicaid accounts for 28% of the state's federal expenditures



We found significant control weaknesses at the Department of Social and Health Services

The Department of Social and Health Services does not have adequate internal controls to ensure payments made to supported living providers are adequately documented. Supported living is a primary home and community-based service program for persons with developmental disabilities. Employees of contracted supported-living providers assist clients in activities of daily living, such as maintaining the home, preparing meals and shopping, to help the client learn, improve, or retain the social and adaptive skills necessary to live in the community.

We noted that 49 percent of the payments we tested made to supported living providers were not fully documented, resulting in \$133,127 of unallowable payments. By projecting sample results to the entire Home and Community Based supported-living programs, we estimate the amount of potential unallowable payments made to providers could be more than \$29 million.

The Department of Social and Health Services does not have adequate internal controls to ensure that individuals who have access to vulnerable Medicaid clients have proper background checks. We found 48 in-home care providers with disqualifying criminal records provided services to the Medicaid clients. Forty-two providers were subsequently terminated.

We found significant control weaknesses at the Military Department

The Military Department did not have adequate internal controls and was not in material compliance with federal requirements related to sub-recipient monitoring, earmarking – specific requirements for portions of funding – and reporting for the Homeland Security Grant program. We issued a qualified opinion on this program.

Other issues at other agencies

We also found issues with payroll/time and effort reporting, program income, subrecipient monitoring, client eligibility and reporting at the various other agencies we audited.

Audit findings by topic areas

In 2013 we again tested state agencies to confirm their compliance with the Federal Funding Accountability and Transparency Act. This act requires agencies to collect and report information on each federal sub-award of \$25,000 or more. This requirement, which began in 2011, resulted in a number of findings in both this year's audit and the previous year's audit because agencies did not report as required.

We reported findings in these federal grant areas:

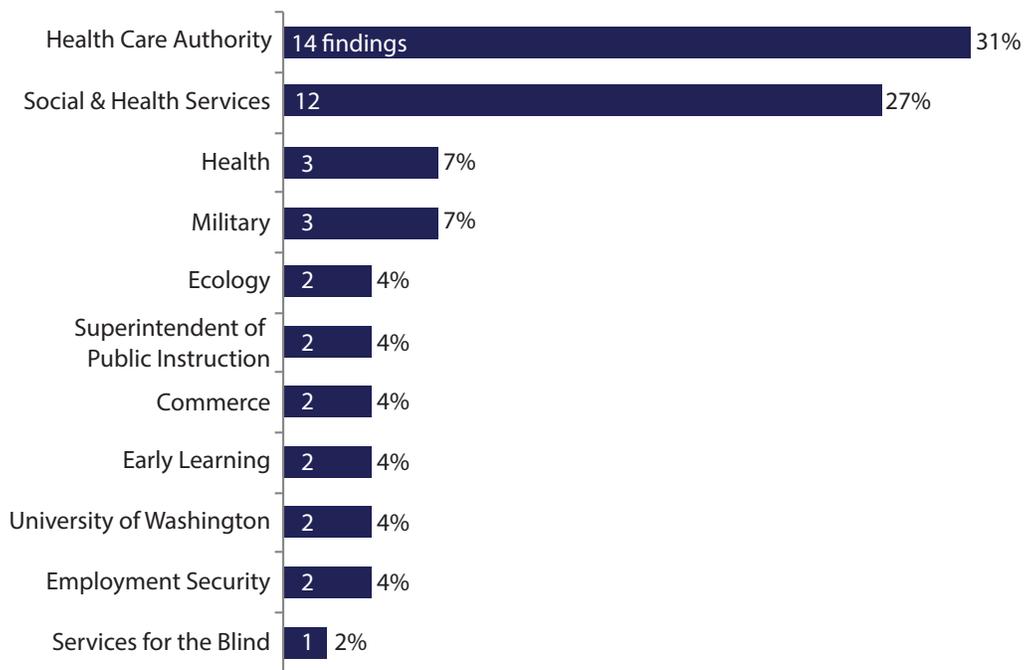
- Activities allowed
- Allowable costs
- Cash management
- Indirect rates
- Level of effort
- Payroll/time and effort reporting
- Program Income
- Provider/client eligibility
- Reporting
- Special tests and provisions
- Subrecipient monitoring

Findings by state agency fiscal year 2013

We audited 19 state agencies and 31 programs in fiscal year 2013. Eleven of the 19 state agencies received findings. We issued 45 findings. 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/2013/default.asp>

The following chart shows the 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.

The table below sets out questioned costs compared to total program expenditures.

Agency and program	Questioned costs	Total agency program dollars
Social and Health Services		
Money Follows the Person Rebalancing Demonstration	\$106,274	\$19,499,377
Adoption Assistance	\$6,044	\$46,135,983
Medicaid	\$1,362,210	\$1,683,233,131
Agency total	\$1,474,528	
Health Care Authority		
Medicaid	\$746,635	\$2,549,509,599
Agency total	\$746,635	
Employment Security		
Unemployment insurance	\$881,375	\$2,118,959,052
Agency total	\$881,375	
Services for the Blind		
Vocational Rehabilitation Grants to States	\$1,119,396	\$8,611,351
Agency total	\$1,119,396	
Ecology		
Performance Partnership Grant	\$53,971	\$10,522,449
Agency total	\$53,971	
Total questioned costs	\$4,275,905	

We found that 19 programs at 11 agencies complied with federal requirements

The table below shows 19 programs for which we found state agencies had established adequate internal controls to ensure they complied with federal requirements.

Agency	Program	Federal grantor	Program dollars by agency
Superintendent of Public Instruction	State Fiscal Stabilization Fund Race to the Top	U.S. Department of Education	\$34,882,816
	Child Nutrition Cluster	U.S. Department of Agriculture	\$235,763,388
	School Improvement Grants Cluster	U.S. Department of Education	\$19,737,860
Social & Health Services	Child Support Enforcement	U.S. Department of Health and Human Services	\$85,602,323
	Social Services Block Grant	U.S. Department of Health and Human Services	\$43,146,309
	Vocational Rehabilitation Services Cluster	U.S. Department of Education	\$44,312,546
	Aging Cluster	U.S. Department of Health and Human Services	\$21,867,371
Transportation	High Speed Rail Corridors and Intercity Passenger Rail Service – Capital Assistance Grants	U.S. Department of Transportation	\$12,639,119
	ARRA Surface Transportation	U.S. Department of Transportation	\$20,190,737
Washington State University	Research and Development Cluster		\$838,293,680
Health	Capitalization Grants for Drinking Water State Revolving Funds	U.S. Environmental Protection Agency	\$28,631,738
	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	U.S. Department of Agriculture	\$147,925,630
	Immunization Cooperative Agreements	U.S. Department of Health and Human Services	\$86,635,787
Labor and Industries	Occupational Safety and Health State Program	U.S. Department of Labor	\$7,528,051
Washington Traffic Safety Commission	Minimum Penalties for Repeat Offenders	U.S. Department of Transportation	\$12,548,643
Skagit Community College	HeadStart Cluster	U.S. Department of Health and Human Services	\$4,076,516
State Treasurer	Schools and Roads – Grants to States	U.S. Department of Agriculture	\$20,094,768
Community Colleges of Spokane	HeadStart Cluster	U.S. Department of Health and Human Services	\$8,366,867
Edmonds Community College	HeadStart Cluster	U.S. Department of Health and Human Services	\$5,442,122

Appendix A: Programs Audited in Fiscal Year 2013

CFDA	Program
Child Nutrition Cluster	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
10.559	Summer Food Service Program for Children
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
10.665	Schools and Roads – Grants to States
17.225	Unemployment Insurance
17.225-ARRA	Unemployment Insurance, American Recovery and Reinvestment Act (ARRA)
Workforce Investment Act (WIA) Cluster	
17.258	Workforce Investment Act (WIA) Adult Program
17.258-ARRA	Workforce Investment Act (WIA) Adult Program, American Recovery and Reinvestment Act (ARRA)
17.259	Workforce Investment Act (WIA) Youth Activities
17.278	Workforce Investment Act (WIA) Dislocated Worker Formula Grants
17.225	Unemployment Insurance
17.225-ARRA	Unemployment Insurance, American Recovery and Reinvestment Act (ARRA)
17.503	Occupational Safety and Health State Program
20.319	High Speed Rail Corridors and Intercity Passenger Rail Service – Capital Assistance Grants
20.319-ARRA	High Speed Rail Corridors and Intercity Passenger Rail Service – Capital Assistance Grants, American Recovery and Reinvestment Act (ARRA)
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated
20.932-ARRA	Surface Transportation – Discretionary Grants for Capital Investment, American Recovery and Reinvestment Act (ARRA)
66.468	Capitalization Grants for Drinking Water State Revolving Funds
66.468-ARRA	Capitalization Grants for Drinking Water State Revolving Funds, American Recovery and Reinvestment Act (ARRA)
66.605	Performance Partnership Grants
84.011	Migrant Education – State Grant Program (Title I, Part C of ESEA)
84.126	Rehabilitation Services – Vocational Rehabilitation Grants to States
84.367	Improving Teacher Quality State Grants
School Improvement Grants Cluster	
84.377	School Improvement Grants
84.388-ARRA	School Improvement Grants, American Recovery and Reinvestment Act (ARRA)
84.395-ARRA	State Fiscal Stabilization Fund (SFSF) Race-to-the-Top Incentive Grants, American Recovery and Reinvestment Act (ARRA)

CFDA	Program
	Aging Cluster
93.044	Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers
93.045	Special Programs for the Aging – Title III, Part C – Nutrition Services
93.053	Nutrition Services Incentive Program
93.069	Public Health Emergency Preparedness
93.044	Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers
93.045	Special Programs for the Aging – Title III, Part C – Nutrition Services
93.053	Nutrition Services Incentive Program
93.069	Public Health Emergency Preparedness
93.145	AIDS Education and Training Centers
93.266	Health Systems Strengthening and HIV/AIDS Prevention, Care and Treatment under the President’s Emergency Plan for AIDS Relief
93.268	Immunization Cooperative Agreements
93.563	Child Support Enforcement
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
93.659	Adoption Assistance
93.667	Social Services Block Grant
	Medicaid Cluster
93.720	State Survey and Certification Ambulatory Surgical Center Healthcare Associated Infection (ASC-HAI) Prevention Initiative, American Recovery and Reinvestment Act (ARRA)
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)
93.778-ARRA	Medical Assistance Program (Medicaid), American Recovery and Reinvestment Act (ARRA)
93.791	Money Follows the Person Rebalancing Demonstration
93.889	National Bioterrorism Hospital Preparedness Program
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 2013 Single Audit Report, starting on page E-11, at: <http://www.ofm.wa.gov/singleaudit/2013/default.asp>

Agency	Number	Finding
Health Care Authority	2013-001	State's internal controls over payroll payments processed by Human Resources Management System and Medicaid payments processed by ProviderOne are inadequate to ensure those payments are properly processed and recorded.
	2013-020	The Health Care Authority does not comply with the data-sharing requirements of State law and the federal Deficit Reduction Act of 2005, thereby increasing the likelihood that the state is paying claims that should have been paid by liable third parties.
	2013-021	The Health Care Authority did not have adequate controls in place to ensure all critical access hospitals were paid accurately.
	2013-022	The Health Care Authority did not ensure that all individuals who received Medicaid benefits had valid Social Security numbers.
	2013-023	The Health Care Authority does not have adequate controls to ensure inpatient high outlier payments to hospitals are accurate.
	2013-024	The Health Care Authority's internal controls are insufficient to ensure payment rates for its Healthy Options managed care program are accurate, resulting in over \$95,000 in potential overpayments on premium rates paid to the managed care organizations.
	2013-025	The Health Care Authority did not invoice Medicaid drug rebates to drug manufacturers in accordance with the time frame stipulated by state and federal laws.
	2013-026	The Health Care Authority's inadequate internal controls over claims from Federally Qualified Health Centers led to more than \$226,279.66 in improper payments to providers.
	2013-027	The Health Care Authority's inadequate internal controls over claims for dental services led to more than \$584,511.96 in overpayments to providers.
	2013-028	The Health Care Authority did not complete the required security reviews of ProviderOne, the new Medicaid Management Information System, risking the loss of Medicaid program assets and jeopardizing Medicaid program integrity.
	2013-029	The Health Care Authority improperly claimed \$73,788.62 in federal reimbursement for unallowable services provided to undocumented aliens and services that were not rendered to deceased Medicaid clients.
	2013-030	The Health Care Authority did not have adequate controls in place to ensure violations of Medicaid laws and regulations by providers are identified, investigated and referred to the Medicaid Fraud Control Unit, risking the loss of public resources.
	2013-031	The Health Care Authority did not have adequate controls in place to ensure services billed by providers were rendered to Medicaid beneficiaries, risking the loss of Medicaid resources.
2013-032	The Health Care Authority does not have adequate internal controls to ensure Medicaid drug rebate amounts are accurately reported in CMS 64 report.	

Agency	Number	Finding
Social and Health Services	2013-017	The Department of Social and Health Services does not have adequate internal controls over client eligibility for the Child Care Development Fund.
	2013-018	The Department of Social and Health Services, Children's Administration, is not ensuring the eligibility of clients receiving Adoption Assistance payments.
	2013-033	The Department of Social and Health Services, Aging and Disability Services Administration, did not respond to nursing home complaints in a timely manner, which could leave Medicaid clients residing in nursing homes vulnerable to serious injury or harm.
	2013-034	The Department of Social and Health Services, Aging and Disability Services Administration, did not adequately monitor supported living service providers to ensure all staff with contact to Developmentally Disabled clients have a proper background check and are authorized to have access to vulnerable supported living clients.
	2013-035	The Department of Social and Health Services, Developmental Disabilities Administration made overpayments to providers totaling \$236,892.73.
	2013-036	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 and supported, resulting in unallowable payments of \$133,128.
	2013-037	The Department of Social and Health Services, Aging and Long-Term Support Administration, did not adequately monitor adult family home providers to ensure all caregivers and resident managers who are employed directly or by contract have proper background checks.
	2013-038	The Department of Social and Health Services, Developmental Disabilities Administration did not have adequate internal controls to ensure cost of care adjustments paid to supported living service providers are allowable and supported, resulting in unallowable payments of \$604,661.
	2013-039	The Department of Social and Health Services, Developmental Disabilities Administration, did not consistently pay supported living providers at authorized daily rates.
	2013-040	The Department of Social and Health Services, Aging and Long-Term Support Administration, did not perform background checks for some in-home care individual providers in accordance with state law.
2013-041	The Department of Social and Health Services improperly claimed \$691,869.10 in federal reimbursement for the Medicaid program.	
2013-042	The Department of Social and Health Services, Aging and Long Term Support Administration, did not ensure that unallowable payroll costs charged to the Money Follows the Person Rebalancing Demonstration were refunded to the federal government in a timely manner.	
Health	2013-012	The Department of Health does not have sufficient internal controls to ensure it meets federal level of effort requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness programs.
	2013-013	The Department of Health does not have sufficient 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.
	2013-019	The Department of Health did not survey all hospitals and home health agencies in accordance with the frequency stipulated by state and federal laws, which could increase the risk of Medicaid clients receiving substandard care.

Agency	Number	Finding
Military	2013-043	The Military Department does not have adequate internal controls to ensure all subrecipients of Homeland Security Grant Program funds receive audits when required and take timely and appropriate corrective action for any audit findings issued.
	2013-044	The Military Department did not have internal controls over earmarking requirements to ensure administrative and management costs were accurately monitored for the Homeland Security grant.
	2013-045	The Military Department did not have adequate internal controls over subrecipient monitoring and did not adequately monitor subrecipients of the Homeland Security Grant Program.
Ecology	2013-007	The Department of Ecology did not comply with the Federal Funding Accountability and Transparency Act reporting requirements for the Performance Partnership Grant program.
	2013-008	The Department of Ecology improperly claimed \$53,971.49 in federal reimbursement for the Performance Partnership Grant program.
Superintendent of Public Instruction	2013-009	The Office of the Superintendent of Public Instruction does not have sufficient internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act for the Migrant Education and Title IIA Improving Teacher Quality programs are filed.
	2013-010	The Office of the Superintendent of Public Instruction does not have sufficient controls over, and was not compliant with, the requirements for determining subawards for each school district's share of Migrant Education funding.
Commerce	2013-003	The Department of Commerce does not have sufficient internal controls to ensure all of its subrecipients receive audits as required.
	2013-004	The Department of Commerce does not have sufficient internal controls to ensure HOME Investment Partnership program income is used before requesting federal cash draws.
Early Learning	2013-015	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 Development Fund program are filed.
	2013-016	The Department of Early Learning does not have adequate internal controls over direct payments to child care providers.
University of Washington	2013-002	The University of Washington did not have sufficient internal controls to ensure reports required by the Federal Funding Accountability and Transparency Act (FFATA) are filed for the Research and Development cluster.
	2013-014	The University of Washington does not have monitoring controls to ensure subrecipients expending \$500,000 or more in total federal dollars obtain an audit.
Employment Security	2013-005	The Employment Security Department did not attempt to collect \$881,375 overpaid to claimants for Federal Additional Compensation unemployment insurance.
	2013-006	The Employment Security Department did not comply with the Federal Funding Accountability and Transparency Act reporting requirements for the Workforce Investment Act program.
Services for the Blind	2013-011	The Department of Services for the Blind charged indirect costs related to the Vocational Rehabilitation program to its federal grant without an approved indirect cost rate.