



A look at how Washington spends federal funds

2018 State of Washington Single Audit summary

The Single Audit examines whether Washington's state agencies complied with federal grant requirements. This report provides a summary of Washington's Single Audit. The full, 1,152-page report is available online at the state's [Office of Financial Management website](#).



\$17,688,563,290

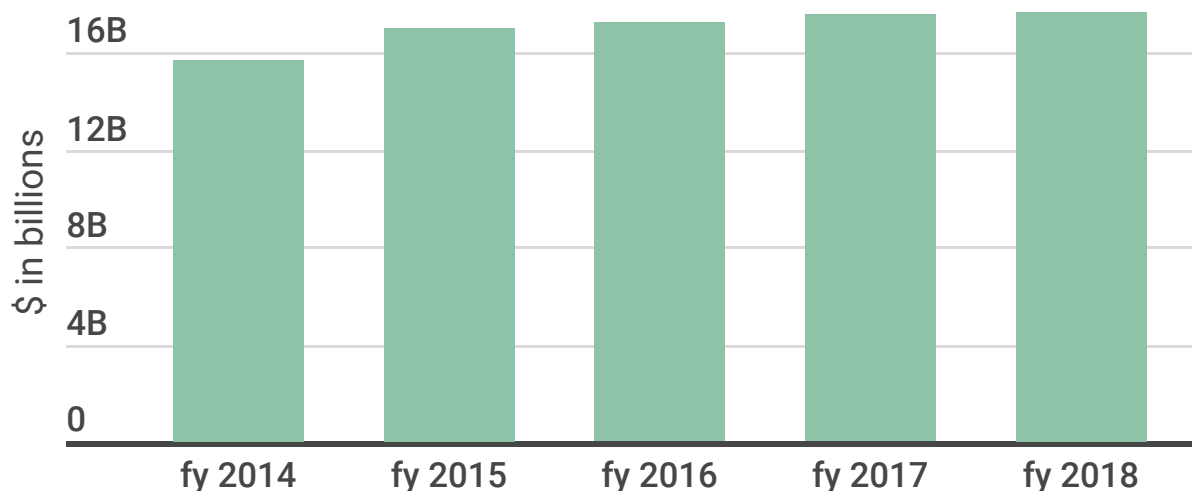
Total federal money spent by state agencies



\$13,189,721,922 (75%)

Federal money spent by agencies selected for audit (including Medicaid)

**Federal
money
spent**



BACKGROUND



Who receives a single audit?

(hover for answer)

What happens if a finding is issued?

(hover for answer)

Some terms used in this report

(hover over them for definitions)

***Questioned
costs***

***Likely
improper
payments***

Subrecipient

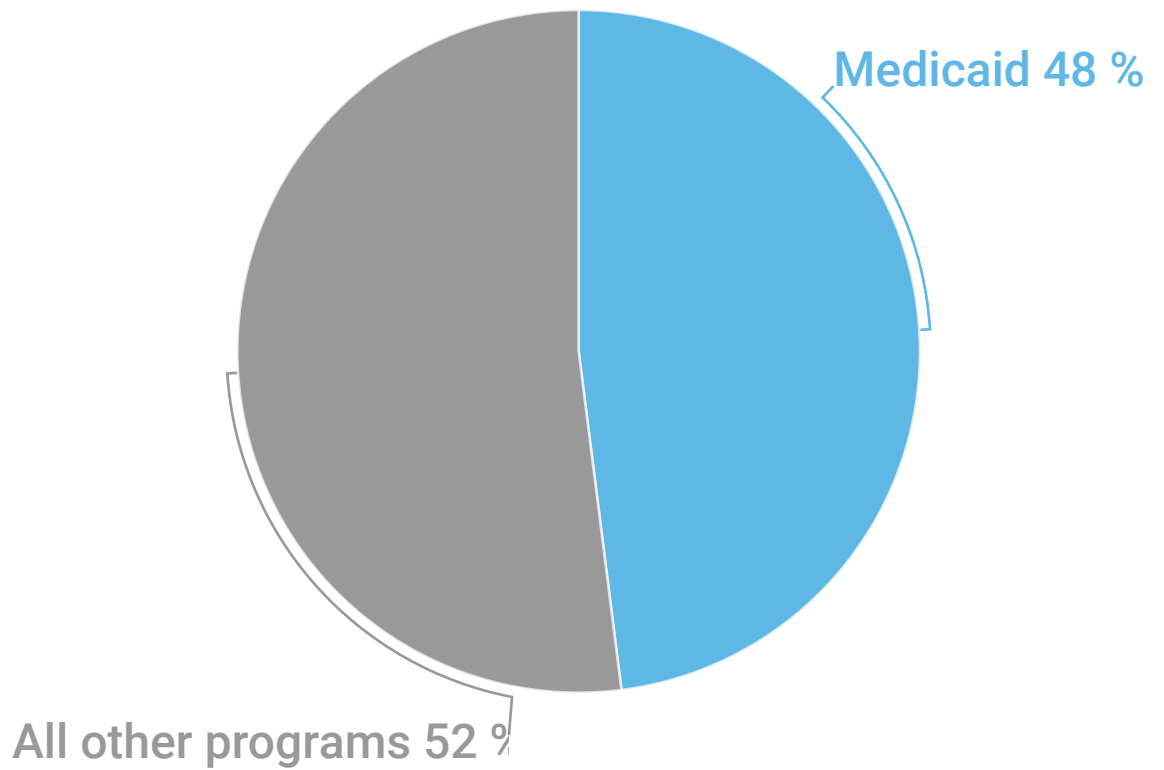
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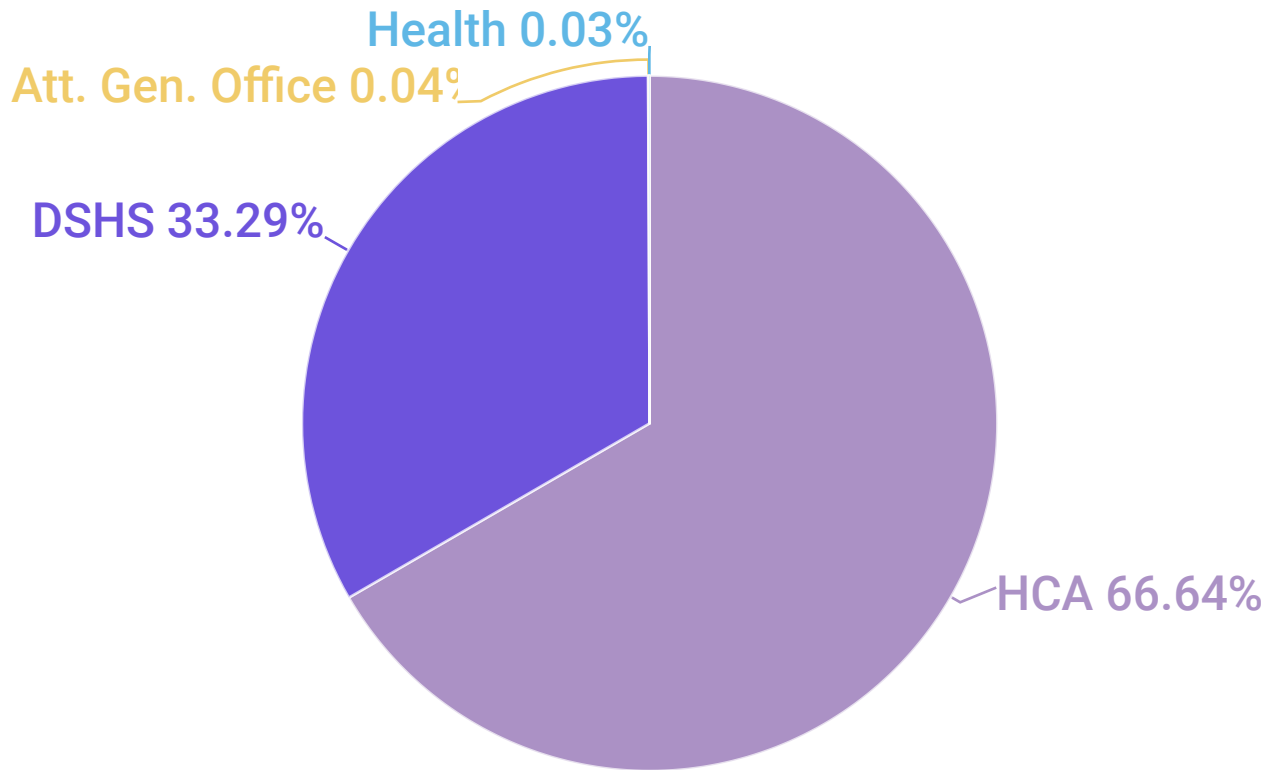
8,552,971,504

Medicaid funds spent by state agencies

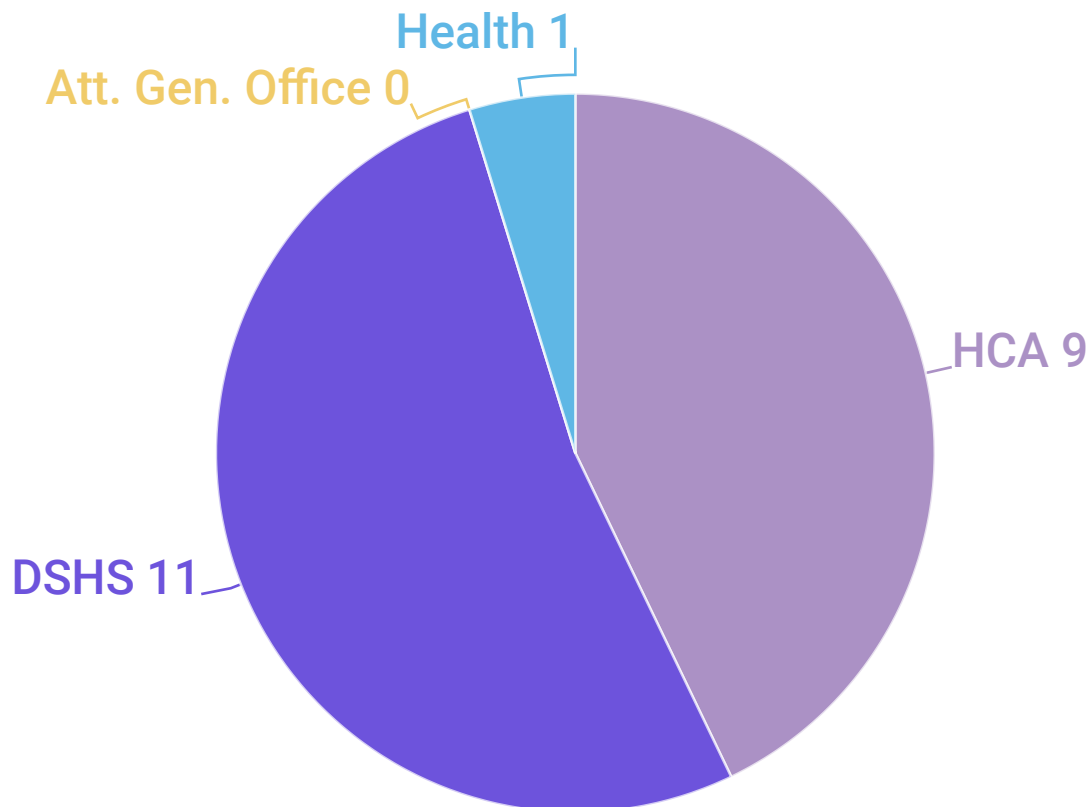
Medicaid accounts for almost half of federal money spent by state agencies



Percentage of federal Medicaid funding spent by state agencies



Audit findings issued, by state agency



Quick breakdown



21

Findings



11 million

Questioned costs



457 million

Likely improper payments

Key findings by program

Health Care Authority



Data sharing (reported since 2008)

Did not perform required data sharing with health insurers. This helps determine whether clients have third-party medical insurance coverage, which could reduce costs paid by Medicaid.



Revalidations & background checks (since 2008)

Did not ensure Medicaid providers were revalidated every 5 years or that screening and fingerprint-based criminal background check requirements were met.



Inadequate support

Did not have adequate internal controls to ensure it adequately supported its federal draws for the Medicaid Transformation Demonstration project for restructuring and improving the Apple Health (Medicaid) service delivery system.



Fraud cases

Did not adequately ensure its Office of Program Integrity, Data Analytics and Review Unit identified and investigated suspected fraud cases.



Managed-care payments

Made improper payments for Medicaid managed-care recipients who had Medicare insurance coverage.

- *Questioned costs: \$3,762,678*

Department of Social and Health Services



Client service plan approvals

Developmental Disabilities Administration did not have adequate internal controls and did not ensure Medicaid Community First Choice client service plans were properly approved.

- *Questioned costs: \$1,362,413*
- *Likely improper payments: \$297,743,259*



Client service plan approvals

Aging and Long-Term Support Administration did not have adequate internal controls and did not ensure Medicaid Community First Choice client service plans were properly approved.

- *Questioned costs: \$1,089,551*
- *Likely improper payments: \$96,633,509*



Payments to supported living providers

Developmental Disabilities Administration did not have adequate internal controls and did not ensure Medicaid payments to supported living providers were allowable.

- *Questioned costs: \$1,985,968*
- *Likely improper payments: \$28,572,284*



Background checks

Department did not have adequate internal controls in its Aging and Long-Term Support Administration and did not ensure all Medicaid Community First Choice individual providers had proper background checks.

- *Questioned costs: \$25,288*
- *Likely improper payments: \$3,355,753*

NON-MEDICAID

Quick breakdown



23

Federal programs audited



17

Programs that received at least 1 finding



39

Total findings



\$11 million

Known questioned costs



\$68 million

Likely questioned costs



**6 programs (non-Medicaid)
with no findings**

Administered by:

Employment Security Department

University of Washington

Department of Social and Health Services

Recreation and Conservation Office

Department of Fish and Wildlife

4 community colleges (Head Start program):

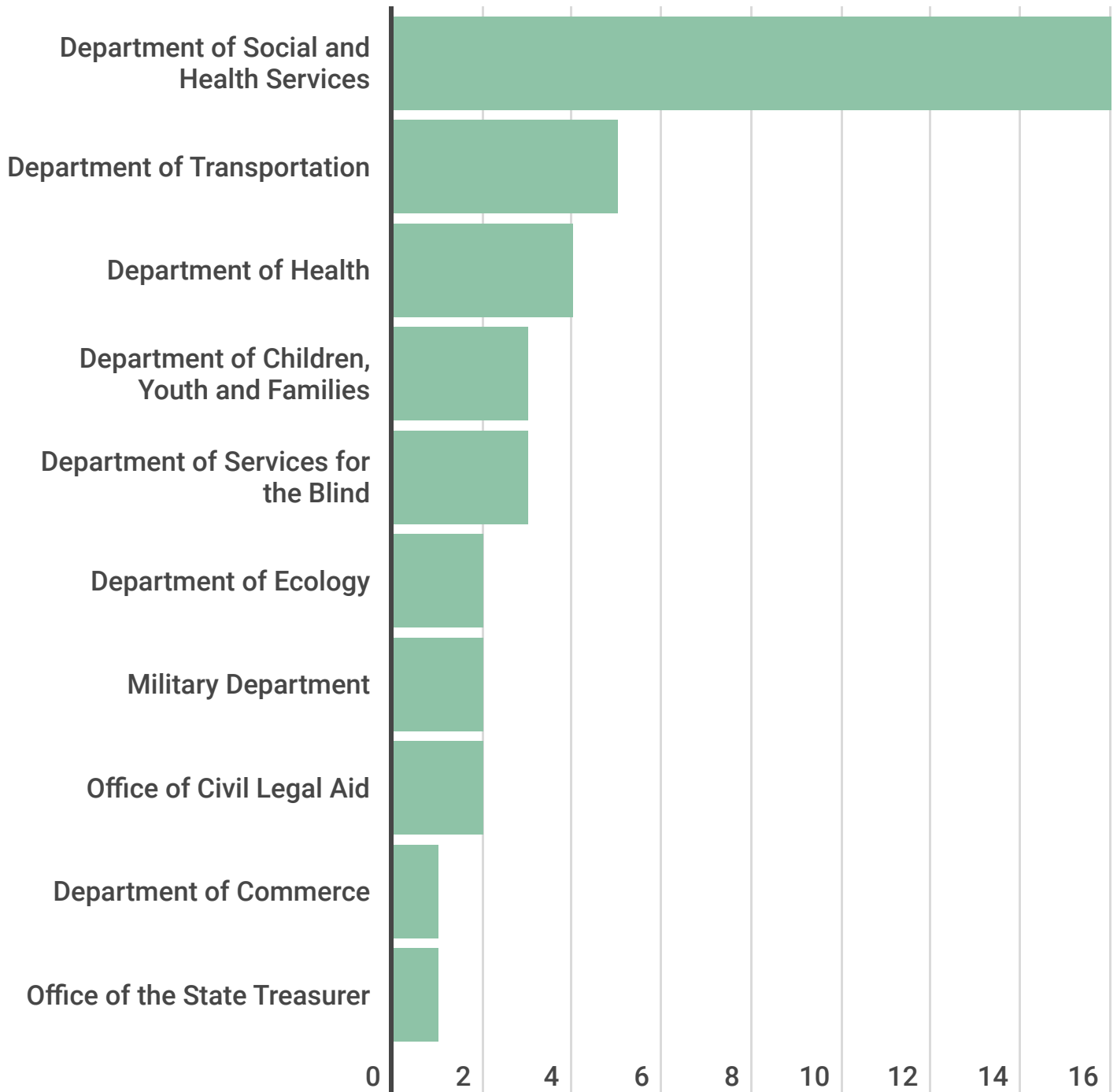
Edmonds Community College

Skagit Valley College

Lower Columbia College

Community Colleges of Spokane

39 findings across 10 agencies



Most common significant problems



Improper or unsupported payments

These mostly included payroll costs and payments on behalf of clients (9)



Insufficient monitoring of subrecipients

These included not performing risk assessments and not ensuring audits were performed (8).



Inadequate reports

Reports to federal government that were not accurate, complete and adequately supported (6).



Not meeting special provisions

Not meeting special program provisions required by federal government (6).

Key findings by program

Child Care and Development Fund



5

Findings for Child Care and Development Fund program at Department of Children, Youth and Families, including:

- Improper eligibility determinations
- Unallowable payments to providers
- Insufficient monitoring that providers met health and safety requirements
- A provider who was allowed to provide care for two children for nine days after DSHS learned a sex offender was living in the house.



2008

Year we started repeating the finding related to improper child care payments



2012

Year we started repeating the finding related to Improper eligibility determinations



Adverse opinion

Only program to receive adverse opinion during the audit

Vocational Rehabilitation



7

Findings issued, despite improvement at both agencies

Programs audited in fiscal year 2018

Agency name	Program	Audited program federal dollars	Known questioned costs	Likely improper payments	Findings
Children, Youth & Families	Child Care and Development Fund Cluster	\$ 143,326,046	\$ 9,552,098	\$28,391,108	3
Civil Legal Aid	Crime Victim Assistance	\$ 4,556,899	-	-	2
Commerce	Low-Income Home Energy Assistance program (LIHEAP)	\$ 57,237,175	-	-	1
DSHS	Block Grant for Prevention and Treatment of Substance Abuse	\$ 32,845,067	-	-	1
DSHS	Child Care and Development Fund Cluster	\$ 106,475,834	\$ 24,242	\$16,121,480	2 (one double counted with TANF)
DSHS	Child Support Enforcement	\$ 112,620,345	\$ 29,733	\$ 71,359	1
DSHS	Rehabilitation Services Vocational Rehabilitation Grants to States	\$ 55,618,549	\$ 10,553	\$ 2,965,496	4
DSHS	Supplemental Nutrition Assistance Program (SNAP) Cluster	\$ 1,403,498,665	\$ 454,838	-	1
DSHS	Temporary Assistance for Needy Families (TANF)	\$ 326,829,714	\$ 15,969	\$19,066,378	5

Programs audited in fiscal year 2018 (cont.)

Agency name	Program	Audited program federal dollars	Known questioned costs	Likely improper payments	Findings
DSHS	Adoption Assistance - Title IV-E	\$ 49,969,958	-	-	1
DSHS	Foster Care - Title IV-E	\$ 125,394,074	\$ 798,930	\$ 1,487,292	2
DSHS	Medicaid Cluster	\$ 2,846,782,231	\$ 5,068,591	\$445,361,389	11
Ecology	Capitalization Grants for Clean Water State Revolving Fund	\$ 49,660,806	-	-	2
HCA	Medicaid Cluster	\$ 5,699,625,941	\$ 5,862,754	\$ 12,053,321	9
Health	Medicaid Cluster	\$ 2,463,362	-	-	1
Health	Special Supplemental Nutrition Program for Woman, Infants and Children (WIC)	\$ 116,925,124	\$ 31,202	\$ 565,257	4
Military Dept.	Disaster Grants-Public Assistance	\$ 34,278,109	-	-	1
Military Dept.	National Guard Military Operations and Maintenance Projects	\$ 21,320,048	\$ 82,338	-	1

Programs audited in fiscal year 2018 (cont.)

Agency name	Program	Audited program federal dollars	Known questioned costs	Likely improper payments	Findings
Services for the Blind	Rehabilitation Services Vocational Rehabilitation Grants to States	\$ 9,906,518	-	-	3
Transportation	Highway Planning and Construction Cluster	\$ 716,589,586	-	-	3
Transportation	Federal Transit Cluster	\$ 69,664,771	-	-	2
Treasurer	Schools and Roads - Grants to States	\$ 16,133,259	-	-	1