



Office of the Washington State Auditor

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A look at how Washington spends federal funds

2019 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, 1,238-page report is available online at the state's [Office of Financial Management website](#).

So why is it called a Single Audit? Federal granting agencies used to be responsible for doing their own audits, but in 1984 the federal government standardized the audits of federal funds from grants for local, state and tribal governments, and called the standardized audit the "Single Audit."



almost \$18 billion

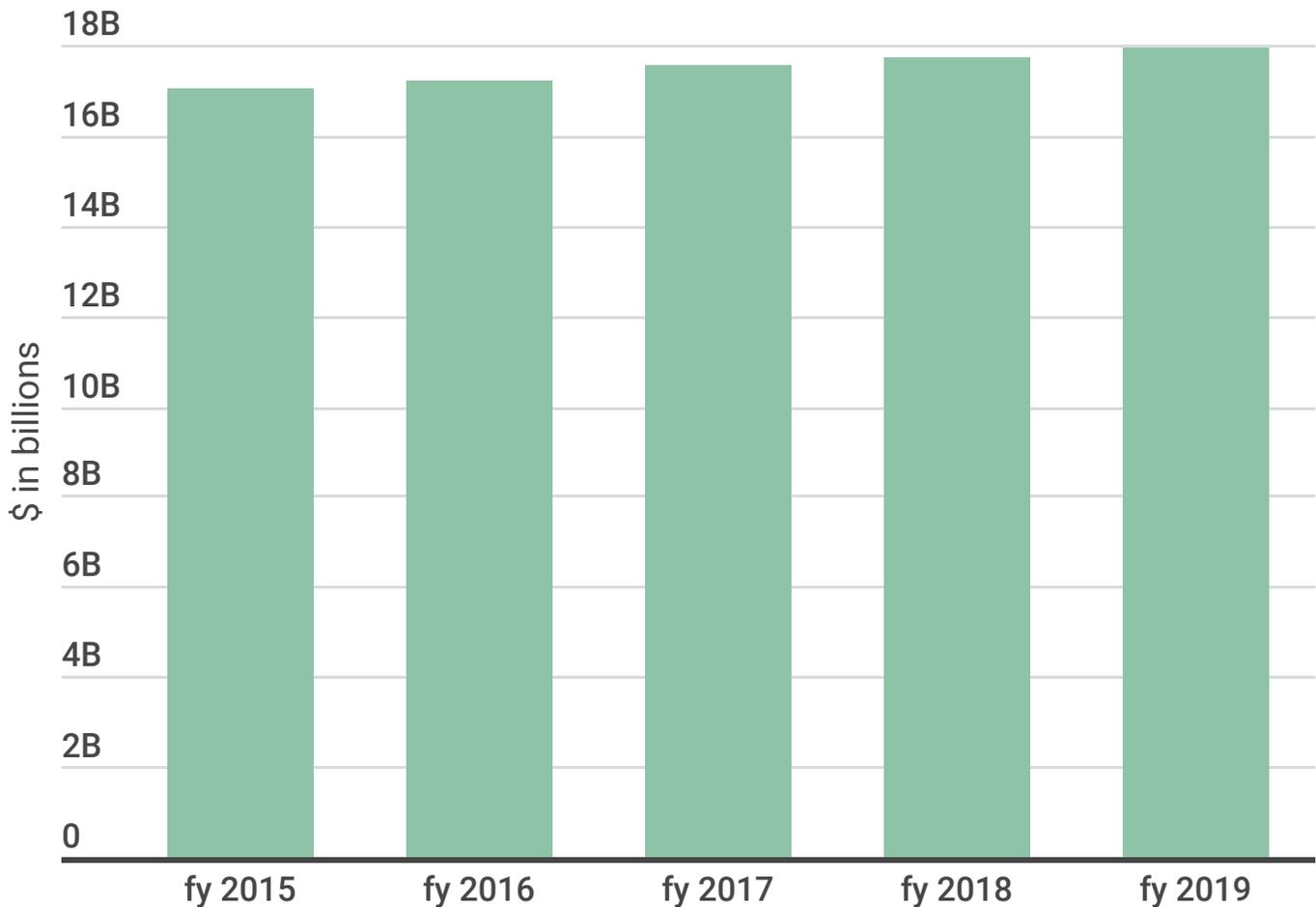
Total federal money spent by state agencies



\$12.3 billion

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

Federal money spent



BACKGROUND

Who receives a single audit?

Governments that spend \$750,000 or more in federal awards in a year must prepare a Schedule of Expenditures of Federal Awards and arrange for an audit of their federal assistance. This audit is known as a Single Audit.

What happens if a finding is issued?

State agencies must respond to audit findings by preparing a corrective action plan. This plan is sent to the grantor – the federal agency issuing the funds – with our audit report. Grantors must issue a decision on audit findings within six months after receiving the audit report and action plan.

The grantor also must ensure the agency takes appropriate and timely corrective action. We have found this does not always occur. Grantors also decide whether states must pay back questioned costs.

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 findings. At the bottom of this infographic is a list showing the programs audited for state fiscal year 2019, and another list summarizing all federal findings issued.

Some terms used in this report

Questioned costs

Costs are questioned in a finding (a) that resulted from a violation or possible violation of a provisions of a law or other requirement, (b) for which the costs, at the time of the audit, were not supported by adequate documentation or (c) for which the costs incurred appear unreasonable and do not reflect the actions a prudent person would take under the circumstances.

Likely improper payments

These are calculated by projecting questioned costs identified in an audit sample to the entire population from which the sample was drawn, generally in a statistically valid method.

Subrecipient

This is an entity that spends awards received from a pass-through entity to carry out a program. The agency passing along these funds is expected to monitor how the subrecipient manages the funds it receives.

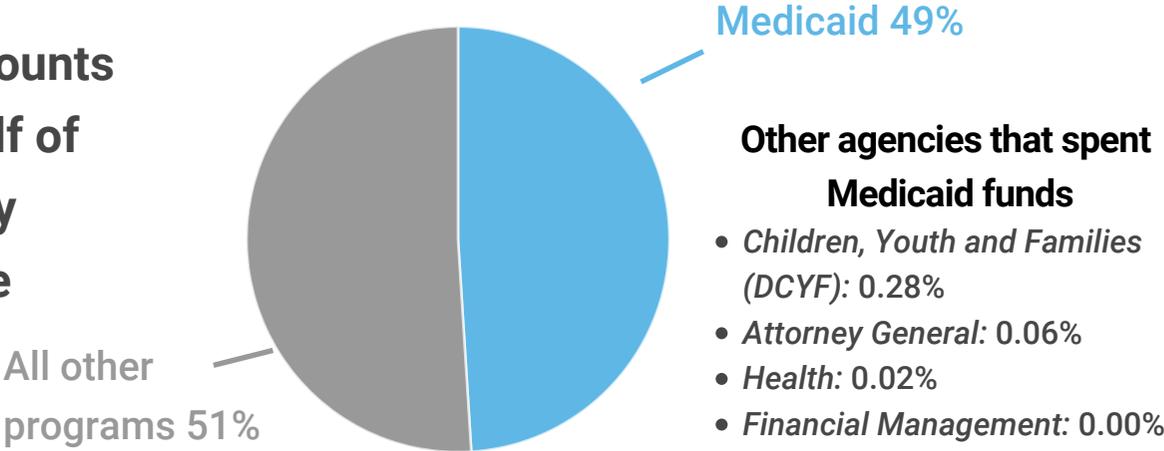
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8,854,299,620

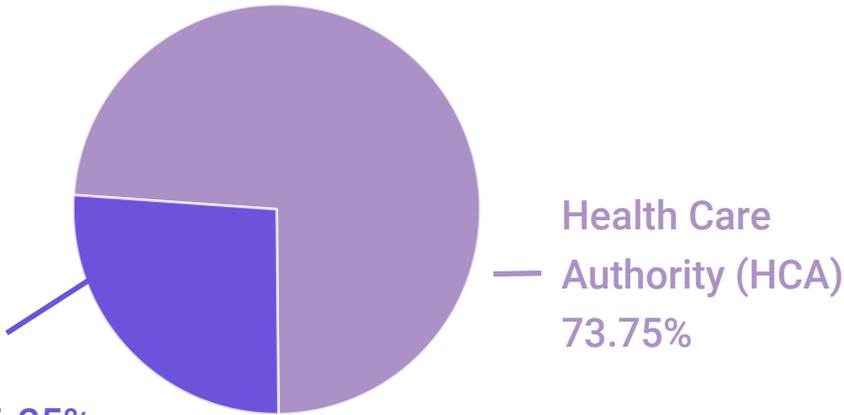
Medicaid funds spent by state agencies

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

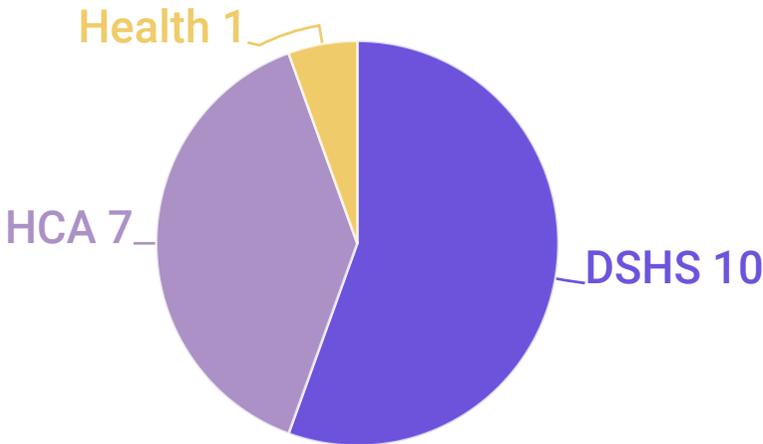


Percentage of federal Medicaid funding spent by state agencies

Department of Social and Health Services (DSHS) 26.25%



Audit findings issued, by state agency



Quick breakdown

 18
Findings

 119
million
Questioned costs

 715 million
Likely improper
payments

NON-MEDICAID

Quick breakdown

 20
Federal programs audited

 15
Programs that received at least 1 finding

 51
Total findings

 \$45.6 million
Known questioned costs

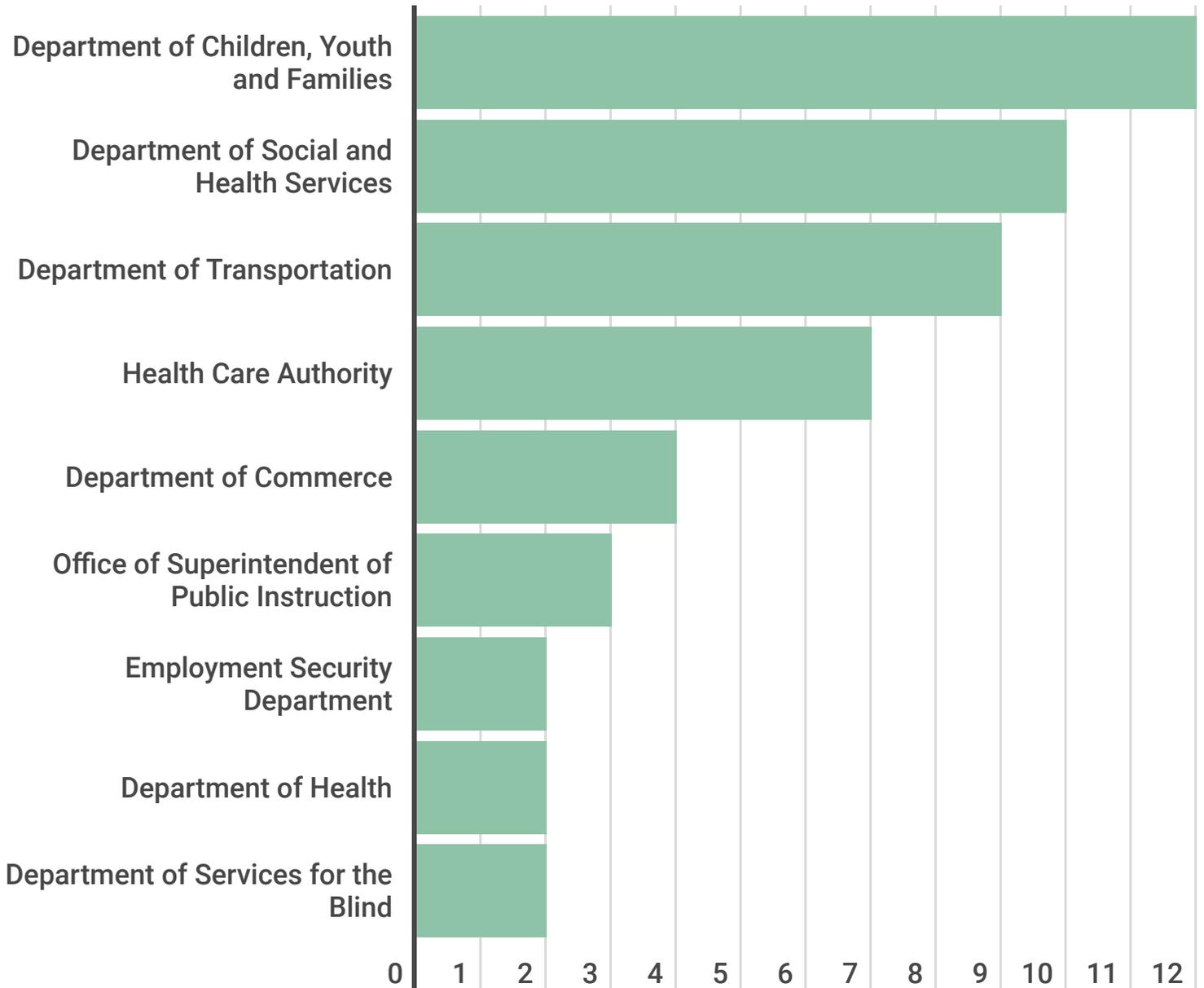
 \$71.5 million
Likely questioned costs



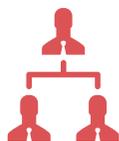
5 programs with no findings

- Child and Adult Food Program (Office of Superintendent of Public Instruction (OSPI))
- Supporting Effective Instruction State Grant (OSPI)
- Immunization Cooperative Agreements (Department of Health)
- Community Development Block Grant (Department of Commerce)
- Research and Development Cluster (University of Washington)

51 findings from 15 programs in 9 agencies



Most common kinds of significant problems



Insufficient monitoring of subrecipients

These included not performing risk assessments and not ensuring audits were performed (15)



Improper or unsupported payments

These primarily included payroll costs and payments on behalf of clients (13)



Not meeting special provisions

Not meeting special program provisions required by the federal government (5)



Inadequate reports

Reports to federal government that were not accurate, complete and adequately supported (4)

Programs audited in fiscal year 2019

Agency name	Program	Audited program federal dollars	Known questioned costs	Likely improper payments	Findings
Children, Youth, and Families	Child Care and Development Fund Cluster	\$ 163,329,401.00	\$ 30,536,512	\$ 25,984,166	5
Children, Youth, and Families	Foster Care - Title IV-E	\$ 124,950,325.00	\$ 12,580,803	-	6
Children, Youth, and Families	Maternal, Infant, and Early Childhood Home Visiting Program	\$ 11,196,211.00	\$ 274,287	\$ 374,805	1
Commerce	Community Development Block Grants	\$ 14,346,979	-	-	0
Commerce	Crime Victim Assistance	\$ 33,196,030.00	-	-	2
Commerce	Low-Income Home Energy Assistance program (LIHEAP)	\$ 55,787,478.00	-	-	3 (one double-counted with Crime Victim Assistance)

Programs audited in fiscal year 2019 (cont.)

Agency name	Program	Audited program federal dollars	Known questioned costs	Likely improper payments	Findings
DSHS	Child Care and Development Fund Cluster	\$ 108,884,475.00	\$ 59,223	\$ 26,994,629	1 (double-counted with TANF)
DSHS	Crime Victim Assistance	\$ 12,561,185.00	-	-	1
DSHS	Medicaid Cluster	\$ 2,315,944,832.00	\$ 119,270,917	\$ 715,207,088	10
DSHS	Rehabilitation Services Vocational Rehabilitation Grants to States	\$ 46,999,908.00	\$ 303,513	\$ 1,722,477	3
DSHS	Supplemental Nutrition Assistance Program (SNAP) Cluster	Not audited as a major program	\$ 717,011	-	1
DSHS	Temporary Assistance for Needy Families (TANF)	\$ 323,958,896.00	\$ 7,647	\$ 16,462,589	5

Programs audited in fiscal year 2019 (cont.)

Agency name	Program	Audited program federal dollars	Known questioned costs	Likely improper payments	Findings
Employment Security	Workforce Innovation and Opportunity Act Cluster	\$ 63,319,140.00	-	-	2
Health	Immunization Cooperative Agreements	\$ 101,423,112	-	-	0
Health	Medicaid Cluster	\$ 2,142,015.00	-	-	1
Health	Special Supplemental Nutrition Program for Woman, Infants and Children (WIC)	\$ 119,576,810.00	-	-	2
Health Care Authority	Block Grants for Prevention and Treatment of Substance Abuse	\$ 43,233,068.00	-	-	4
Health Care Authority	Medicaid Cluster	\$ 6,506,376,005.00	\$ 1,593	\$ 482,580	7
Health Care Authority	Opioid State Targeted Response (STR)	\$ 24,760,045.00	-	-	3

Programs audited in fiscal year 2019 (cont.)

Agency name	Program	Audited program federal dollars	Known questioned costs	Likely improper payments	Findings
OSPI	Child and Adult Care Food Program	\$ 45,963,444	-	-	0
OSPI	Child Nutrition Cluster	\$ 297,830,997.00	\$ 33,923	-	3
OSPI	Supporting Effective Instruction State Grants	\$ 34,333,191	-	-	0
Services for the Blind	Rehabilitation Services Vocational Rehabilitation Grants to States	\$ 9,741,554.00	-	-	2
Transportation	Federal Transit Cluster	\$ 67,708,849.00	\$ 1,093,061	-	3
Transportation	Highway Planning and Construction Cluster	\$ 776,039,371.00	-	-	6
University of Washington	Research and Development Cluster	\$ 845,422,594	-	-	0