
Employment Security Department (ESD)

Agency: 540

Audit Report: 1005008

Finding Number: 001

Finding: The Employment Security Department is not adequately verifying the on-going eligibility of some unemployment insurance claimants.

Resolution: In response to this finding, the Department has taken or will take the following actions:

In-person Review of Job Search Logs

Many of the issues identified by the auditor in this finding relate to the use of the internet by claimants to look for work. Job search regulations required information that was not available to these job seekers. As a result, the Department revised WAC 192-180-015 in June 2010. This WAC provides direction to unemployment insurance claimants on requirements for online job search efforts. As noted by the auditor, compliance with the revised WAC could not be verified during the fiscal year 2010 audit cycle.

In addition to the WAC change, the Department scheduled additional training for staff, supervisors and managers on how to properly conduct job search reviews, schedule follow-up reviews and handle noncompliant job search logs. These training efforts were completed by May 31, 2011.

Ongoing technical assistance is available to job search review staff, and all policy and training materials are available online for staff reference.

Central office program staff continues to perform regular monitoring of the job search review activity and provide timely feedback and technical assistance to field staff as needed.

Department monitoring efforts during fiscal year 2011 have determined these changes have significantly reduced job search review exceptions.

Job Search Log Verification

Revisions to WAC 192-180-015 also had an impact on the work search verification process. This WAC outlines the required documentation for job search activities where there is no direct contact between the employer and the claimant. Verification of claimant's work search efforts is difficult whether the work search is done in person, online or through the mail.

The Department's Work Search Verification staff will continue to review job search logs, attempt to verify work search and establish benefit eligibility issues for job search activities identified as unacceptable through the log verification process.

Benefit Accuracy Measurement Reviews

During the fiscal year 2010 audit period, staff in the unit was relatively new to their positions and the unit lacked a supervisor during much of that time. Staff in the unit have gained additional experience over the last year and have received additional training to

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ensure completeness and accuracy of the Benefit Accuracy Measurement (BAM) audits they perform.

In addition to the increase in the level of staff experience, the unit also hired a new supervisor with extensive BAM experience to oversee the function and perform the necessary quality assurance reviews. These reviews have been implemented to ensure audits are compliant with U.S. Department of Labor (USDOL) requirements.

The Department discussed the issue of in-person employer contacts with the USDOL and obtained clarification that these contacts are not required.

Audit results from fiscal year 2011 show significant progress on BAM reviews has been made. However, additional improvements are still needed, and the Department is continuing to improve BAM processes to resolve issues raised by the auditor.

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Employment Security Department (ESD)

Agency: 540

Audit Report: 2010 F

Finding Number: 008

Finding: The Employment Security Department did not comply with U.S. Department of Labor requirements for determining the accuracy of benefit payments.

Resolution: During the fiscal year 2010 audit period, staff in the unit was relatively new to their positions. In addition, the unit lacked a supervisor during much of the audit period.

Over the last year, staff in the unit have gained additional experience and have received additional training to ensure completeness and accuracy of the Benefit Accuracy Measurement (BAM) audits they perform. Unit management also implemented weekly peer review sessions to enhance staff knowledge and communication.

In addition to the increase in the level of staff experience, the unit also hired a new supervisor with extensive BAM experience to oversee the function and perform the necessary quality assurance reviews. These reviews have been implemented to ensure audits are compliant with U.S. Department of Labor (USDOL) requirements.

The Department obtained clarification from USDOL that in-person employer contacts are not required.

Audit results from fiscal year 2011 show significant progress has been made; however, additional improvements are still needed.

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Employment Security Department (ESD)

Agency: 540

Audit Report: 2010 F

Finding Number: 009

Finding: The Employment Security Department did not comply with federal cash management requirements.

Resolution: The Department requested and received approval to change the draw method used for the Unemployment Insurance (UI) program to a more appropriate method in January 2011. This change is in effect for fiscal year 2011.

The Department performed an analysis of cash draws for the UI administrative grant for the audit period and found there were no interest earnings due to the federal government. The Department has addressed this finding with the U.S. Department of Labor, and they consider the finding resolved.

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Status of Resolution of Audit Findings

December 2011

Employment Security Department (ESD)

Agency: 540

Audit Report: 2010 F

Finding Number: 010

Finding: The Employment Security Department did not adequately review job search logs to ensure unemployment insurance claimants are eligible for benefits.

Resolution: Many of the issues identified by the auditor in this finding related to the use of the internet by claimants to look for work. Regulations for job search required information that was not available to these job seekers. As a result, the Department revised WAC 192-180-015 in June 2010. This WAC provides direction to unemployment insurance claimants on requirements for online job search efforts. As noted by the auditor, compliance with the revised WAC could not be verified during the fiscal year 2010 audit cycle. Department monitoring efforts during fiscal year 2011 have determined these changes have significantly reduced job search review exceptions.

In addition to the WAC change, the Department scheduled additional training for staff, supervisors and managers on how to properly conduct job search reviews, schedule follow-up reviews and handle non-compliant job search logs. These training efforts were completed by May 31, 2011.

Ongoing technical assistance is available to job search review staff and all policy and training materials are available online for staff reference.

Central office program staff continues to perform regular monitoring of the job search review activity and provide timely feedback and technical assistance to field staff as needed.

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