

Status of Audit Resolution

December 2014

Employment Security Department (ESD)

Agency: 540

Audit Report: 2013 F

Finding Number: 005

Finding: The Employment Security Department did not attempt to collect \$881,375 overpaid to claimants for Federal Additional Compensation unemployment and insurance.

Resolution: On September 7, 2012, the Department completed the necessary computer programming to bill, collect, and account for Federal Additional Compensation (FAC) overpayments. While the questioned costs are no longer collectible under state law, billing statements were mailed to claimants who had outstanding FAC overpayment balances. As of December 1, 2014, the Department successfully collected \$5,294,645 in FAC overpayments and currently has \$5,580,852 outstanding. Department collection efforts will continue as permitted by state and federal law.

During fiscal year 2013, outstanding questioned costs of \$440,925 for fiscal year 2012 were reviewed as part of the U.S. Department of Labor (USDOL) audit resolution process. Although the costs were not allowed, the federal grantor waived collection. The Department has addressed the fiscal year 2013 questioned costs with the USDOL and is waiting for the final response.

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Status of Audit Resolution

December 2014

Employment Security Department (ESD)

Agency: 540

Audit Report: 2013 F

Finding Number: 006

Finding: The Employment Security Department did not comply with the Federal Funding Accountability and Transparency Act reporting requirements for the Workforce Investment Act program.

Resolution: The Department developed internal controls including policies and procedures for ensuring subawards are properly reported on the Federal Funding Accountability Transparency Act Subaward Reporting System (FSRS). These controls include review and reconciliation of entries to the federal grant documents for accuracy. As of March 7, 2014, the Department was able to access the FSRS and start maintaining subaward information.

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