

Employment Security Department

Agency 540

Audit Report	Finding Number	Finding and Corrective Action Status	
1030978	2021-005	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Employment Security Department did not have adequate internal controls over and did not comply with federal requirements to conduct case reviews for the Benefit Accuracy Measurement program of the Unemployment Insurance program in a timely manner.</p> <p>The Department has addressed the staffing shortages in the Benefit Accuracy Measurement (BAM) program and the unit is currently fully staffed.</p> <p>The Department anticipates the new staff will complete internal training and the National Association of State Workforce Agencies training within twelve months after their hire date.</p> <p>Historically, the BAM unit has been challenged to maintain full levels of staffing. Staff turnover, long training requirements, and unique skill sets make these positions difficult to maintain. While fully staffed, the Department will have sufficient resources to ensure case reviews are conducted in a timely manner in accordance with federally mandated timelines.</p> <p>The conditions noted in this finding were previously reported in finding 2020-011.</p> <p>April 2022, subject to audit follow-up</p> <p>Jay Summers External Audit Manager PO Box 9046 Olympia, WA 98507-9046 (360) 529-6718 Joshua.Summers@esd.wa.gov</p>

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1030978	2021-006	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Employment Security Department did not have adequate internal controls over fiscal monitoring requirements to ensure subrecipients of the Workforce Innovation and Opportunity Act program only used funds for allowable purposes.</p> <p>Employment Security Department (ESD) does not concur with this finding.</p> <p>The State Auditor’s Office recommended the Department strengthen its monitoring of Local Workforce Development Boards (LWDBs) to ensure they are using federal funds only for allowable purposes. The Department believes it has established strong procedures for monitoring LWDBs, which include mandatory annual onsite monitoring and a risk-based assessment process.</p> <p>During monitoring visits of the Department, the U.S. Department of Labor also cited the Department’s practices in subrecipient monitoring as promising. In March 2022, prior to this finding being issued, the Department received the Final Determination Letter for the fiscal year 2020 audit findings. The grantor confirmed that the Department provided adequate supporting documentation of the monitoring and risk assessments process for LWDBs and determined that finding 2020-013 was resolved.</p> <p>The conditions noted in this finding were previously reported in findings 2020-013 and 2019-012.</p> <p>Not applicable</p> <p>Jay Summers External Audit Manager PO Box 9046 Olympia, WA 98507-9046 (360) 529-6718 Joshua.Summers@esd.wa.gov</p>

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1030978	2021-007	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Employment Security Department did not have adequate internal controls over and did not comply with requirements to ensure it submitted complete and accurate quarterly performance reports for the Workforce Innovation and Opportunity grant.</p> <p>In response to the finding, the Department is in the process of developing a comprehensive system and set of protocols to strengthen internal controls over the completion and submission of quarterly performance reports for the Workforce Innovation and Opportunity Act (WIOA) grant.</p> <p>The Department:</p> <ul style="list-style-type: none"> • Updated the scripts in the Participant Individual Record Layout (PIRL) reporting system to reflect zero blank elements and only allowable values. • Executed a Workforce Integrated Technology Replacement Project that focuses on improving case management and data management internal controls. The Department estimates the project will be completed by December 2024. • Initiated and is in the process of a statewide implementation of the U.S. Department of Labor (DOL) Quarterly Report Analysis data integrity and data quality internal controls system. <p>The Department will:</p> <ul style="list-style-type: none"> • Continue to execute the Data Element Validation policy update for the PIRL report per DOL expectations. • Continue to provide technical assistance, training, and one-on-one coaching for the local areas, which cover WIOA Title I and WIOA Title III, PIRL reporting, data management, validation, quality, and integrity systems and processes. <p>The conditions noted in this finding were previously reported in finding 2020-012.</p> <p>Corrective action is expected to be complete by December 2024</p> <p>Jay Summers External Audit Manager PO Box 9046 Olympia, WA 98507-9046 (360) 529-6718 Joshua.Summers@esd.wa.gov</p>

State of Washington - Office of Financial Management
 Status of Audit Resolution
 December 2022

Employment Security Department

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1030978	2021-062	<p>Finding:</p> <p>Corrective Action:</p> <p>Completion Date:</p> <p>Agency Contact:</p>	<p>The Employment Security Department did not have adequate internal controls to ensure it submitted accurate weekly reports for the Presidential Declared Disaster Assistance to Individuals and Households program.</p> <p>The Department agrees the State Auditor’s Office recommendation would improve internal controls. However, the weekly program status report is no longer required as the grant is in its closeout phase. We consider this issue resolved.</p> <p>Not applicable</p> <p>Jay Summers External Audit Manager PO Box 9046 Olympia, WA 98507-9046 (360) 529-6718 Joshua.Summers@esd.wa.gov</p>