
Employment Security Department (ESD)

Agency: 540

Audit Report: 2014 F

Finding Number: 008

Finding: The Employment Security Department does not have adequate internal controls to ensure transportation reimbursement payments to Trade Adjustment Assistance program participants are allowable and accurate.

Resolution: The Department made and continues to make the necessary improvements to ensure that the Trade Adjustment Assistance (TAA) program complies with federal program requirements, and that transportation payments to participants are accurate and allowable.

As of February 2015, the Department implemented procedures to include scanning and maintaining all payment supporting documentation in accordance with federal and state record retention guidelines.

As of June 2015, the Department:

- Established written policies and procedures to address TAA program requirements, and state and federal laws and regulations related to retention requirements.
- Created new internal control procedures that will be reviewed and monitored by management on an ongoing basis.
- Contacted the federal awarding agency, U.S. Department of Labor. It was determined that the questioned costs will not be required to be repaid.

By January 2016, the Department will implement segregation of duties over the transportation payment process. Specifically, one individual will enter the payment information and another individual will review prior to providing it to the vendor payment unit.

Completion Date: Corrective action is expected to be complete by January 2016.

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Employment Security Department (ESD)

Agency: 540

Audit Report: 2014 F

Finding Number: 009

Finding: The Employment Security Department does not have adequate internal controls to ensure only eligible participants of the Trade Adjustment Assistance program receive services and benefits.

Resolution: The Department made and continues to make the necessary improvements to ensure that the Trade Adjustment Assistance (TAA) program complies with federal program requirements, and that only eligible recipients receive services and benefits.

As of February 2015, the Department increased managerial oversight, including a secondary review of information entered into the system, to ensure program compliance.

As of June 2015, the Department:

- Developed new policies and procedures to include the TAA program eligibility requirements to ensure only eligible participants receive services and benefits.
- Created new internal control procedures that will be reviewed and monitored by management on an ongoing basis.

By January 2016, the Department will implement separation of duties over eligibility. Specifically, one employee will determine the eligibility for benefits using the General Unemployment Insurance Design Effort system and a second employee will enter the information into the participant management system.

Completion Date: Corrective action is expected to be complete by January 2016.

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Status of Audit Resolution

December 2015

Employment Security Department (ESD)

Agency: 540

Audit Report: 1014506

Finding Number: 001

Finding: The Employment Security Department does not have adequate internal controls to ensure only eligible participants for Trade Readjustment Allowance receives services and benefits.

Resolution: The Department made and continues to make the necessary improvements to ensure adequate internal controls are in place to ensure only eligible participants received Trade Readjustment Allowance.

As of June 2015, the Department:

- Updated written policies and procedures to address program requirements.
- Increased managerial oversight, including a secondary review of information entered into the system, to ensure program compliance.

By January 2016, the Department will:

- Implement separation of duties by establishing one individual to determine eligibility for benefits and a second individual to review and enter information into the Case Management System.

Completion Date: Corrective action is expected to be complete by January 2016.

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