



Follow-Up Report

Collection of Delinquent Unemployment Taxes and Reimbursements Unemployment Insurance Agency (UIA) Talent Investment Agency Department of Talent and Economic Development

Report Number:
641-0316-11F

Released:
January 2017

We conducted this follow-up to determine whether UIA had taken appropriate corrective measures in response to the four material conditions noted in our January 2012 audit report.

Effective March 15, 2015, Executive Order No. 2014-12 transferred UIA from the Department of Licensing and Regulatory Affairs to the Talent Investment Agency, Department of Talent and Economic Development.

Prior Audit Information	Follow-Up Results		
	Conclusion	Finding	Agency Preliminary Response
<p>Finding #1 - Material condition</p> <p>UIA's Collections Unit (CU) and Tax Enforcement Unit need to initiate sufficient and timely collection efforts for delinquent State Unemployment Tax Act (SUTA) taxes.</p> <p>Agency agreed.</p>	Partially complied	Reportable condition exists. See <u>Finding #1</u> .	Agrees
<p>Finding #2 - Material condition</p> <p>UIA's CU filed real property liens against delinquent contributing employers that did not own real property. Also, CU did not have controls to verify that the county register of deeds offices recorded the liens and lien discharges and that CU documented the lien recording and discharge information in UIA's records.</p> <p>Agency agreed.</p>	Partially complied	Reportable condition exists. See <u>Finding #2</u> .	Agrees

Prior Audit Information
<p>Finding #3 - Material condition</p> <p>UIA did not use information to identify and investigate employers potentially involved in SUTA dumping or misclassifying employees as independent contractors, in bankruptcy, or not registered with UIA.</p> <p>Agency agreed.</p>
<p>Finding #4 - Material condition</p> <p>UIA's Tax Office did not timely initiate actions affecting contributing employers' SUTA tax accounts. Also, the Tax Office did not ensure that the master employer files contained up-to-date information.</p> <p>Agency agreed.</p>

Follow-Up Results		
Conclusion	Finding	Agency Preliminary Response
Partially complied	Reportable condition exists. See <u>Finding #3</u> .	Agrees
Partially complied	Reportable condition exists. See <u>Finding #4</u> .	Agrees

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: www.audgen.michigan.gov

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