



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

JEFF DONOFRIO
DIRECTOR

September 15, 2020

Mr. Rick Lowe, Chief Internal Auditor
Office of Internal Audit Services
State Budget Office
George W. Romney Building
111 S. Capitol Avenue, 6th Floor
Lansing, Michigan 48913

Dear Mr. Lowe:

In accordance with State of Michigan, Financial Management Guide, Part VII, please see corrective action plans to address recommendations contained in the Andrews, Hooper and Pavlik, PLC report on Unemployment Insurance Agency, Unemployment Compensation Fund and Contingency Fund covering the audit period October 1, 2018 through September 30, 2019.

Should you have any questions regarding the attached information, please contact me directly at (517) 231-1720 or at WilliamsA6@michigan.gov.

Respectfully,

Signature Redacted

Allen Williams
LEO Chief Internal Control Officer

cc: Audit Distribution List

Unemployment Insurance Agency
Unemployment Compensation Fund and Contingency Fund
Michigan Department of Labor & Economic Opportunity
Audit Period October 1, 2018 through September 30, 2019

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Unemployment Insurance Agency
Unemployment Compensation Fund and Contingency Fund
Michigan Department of Labor & Economic Opportunity
Audit Period October 1, 2018 through September 30, 2019
Final Response

Finding 2019-001

Recommendation: *We recommend that the Agency add a parameter to the automated system to ensure adjustment to benefit offsets are only applied to the recovery of prior overpayment amounts.*

Status Update: The UIA's Agency Services reviewed the unapplied recoveries issue and a service request (SQR 29541) was submitted to address the problem. This SQR was expected to be completed this fiscal year; however due to the COVID-19 pandemic and subsequent historic high unemployment rate, all IT resources available to the agency have been dedicated to MiDAS programming for the new federal unemployment programs and the issuance of benefit payments.

Date of Completion: The UIA expects the automated solution, SQR 29541, to be completed by September 30, 2021.