

2026-117 AUDIT SCOPE AND OBJECTIVES

Employment Development Department—Unemployment Insurance Claims

The audit by the California State Auditor will provide independently developed and verified information related to the Employment Development Department's (EDD) processing of unemployment insurance claims. The audit's scope will include, but not be limited to, the following activities:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Identify the procedural and technological changes that EDD has made to its unemployment insurance program since the COVID-19 pandemic, including changes it made because of recommendations from previous audits by the California State Auditor.
3. Evaluate EDD's processing of unemployment insurance claims to determine the cause or causes of backlogged claims, the effectiveness of the steps EDD has taken to reduce the backlog, and the estimated time frame for eliminating the backlog.
4. Summarize, for a period beginning in 2020, the total number of unemployment insurance claims and how many were approved, denied, or are pending an eligibility decision. Determine how many of these claims were backlogged and assess whether there are ways to improve the timeliness of claim payments.
5. Determine, for a period following the COVID-19 pandemic, the value of unemployment insurance payments that EDD did not deliver in a timely manner because they were backlogged. Also calculate the average amount of time it took claimants to receive those payments.
6. Identify any efforts that EDD has made to improve its contact center's performance, including but not limited to hiring, onboarding, training, and efforts to improve access to assistance in various languages. Evaluate the effectiveness of these efforts.
7. To the extent possible, determine the capacity of EDD's contact center, the trends in call volume and wait times since the pandemic, the percentage of callers who are connected to an EDD representative, and how often calls are prematurely disconnected.
8. Evaluate the technological infrastructure that EDD uses to operate the unemployment insurance program to determine where that infrastructure could be improved and what EDD has done to make such improvements.
9. Review and assess any other issues that are significant to the audit.