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ESD Audits: What They Are, How to Prepare, and Best Practices for Employers

The Washington State Employment Security Department audits records of employers located in Washington to confirm that wages and hours are accurately reported and to ensure compliance with the state's unemployment insurance laws and rules. During the audit, ESD auditors will perform a wide variety of functions, including looking for evidence of unreported employees, casual labor, independent contractors, and other workers who provide personal labor; sampling payroll and time records to compare them to wages and hours reported to ESD; and reviewing the type of business activity and whether a new employer is assigned the correct tax rate. [Click here to read the update.](#)

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