

FINANCIAL-COMPLIANCE AUDIT
Department of Labor and Industry
For the Two Fiscal Years Ended June 30, 2011

OCTOBER 2011

11-15

REPORT SUMMARY

The Department of Labor and Industry (department) works to promote the well being of Montana’s workers, employers, and citizens and to uphold their rights and responsibilities. At the end of the 2011 biennium, the department was supplementing its 820.83 permanent full-time equivalent employees (FTE) with 98 modified FTE, primarily to address increased workloads resulting from the economic downturn for paying unemployment insurance benefits and providing job location and training services.

Context

The department assists individuals in preparing for and finding jobs, assists employers in finding workers, and pays workers unemployment benefits if they are temporarily unemployed through no fault of their own. It enforces state and federal labor, state wage and hour, workers’ compensation, discrimination, and state and federal health and safety laws. The department conducts research, collects statistics, and provides rulings in labor management disputes. It also administers building codes enforcement, weights and measures, and professional and occupational licensing.

Significant activity levels and ending fund balances for the Unemployment Insurance Enterprise Fund for the past five fiscal years are shown on the chart on the next page.

Results

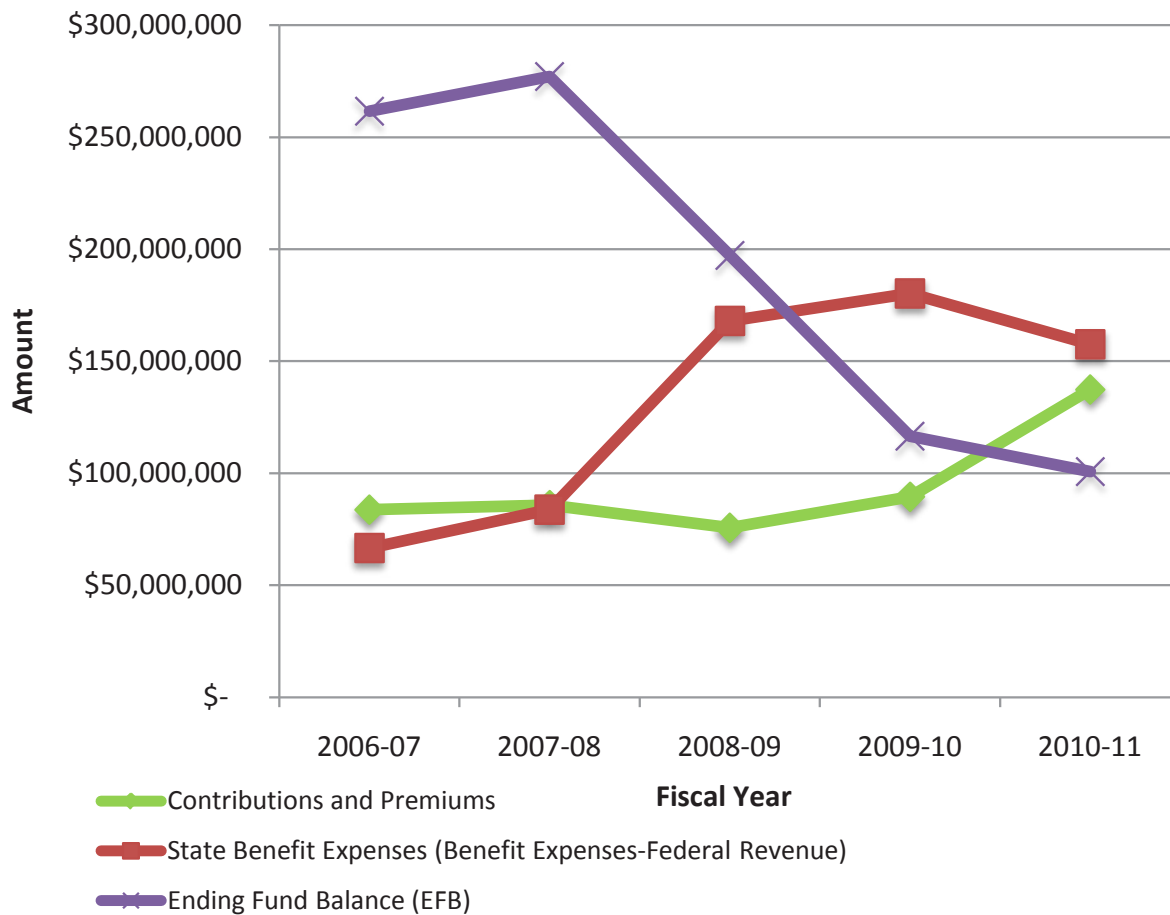
The report contains two federal compliance and control issues regarding the Workforce Investment Act (WIA) program. It identifies three state compliance issues related to the department’s Unemployment Insurance program. The report also discusses unapproved Internal Service Fund fees and recommends the department improve controls over preparation of its Schedule of Expenditures of Federal Awards.

We issued an unqualified opinion on the department’s financial schedules for each of the fiscal years ended June 30, 2011, and 2010.

Recommendation Concurrence	
Concur	7
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	

Unemployment Insurance Enterprise Fund

Contributions and Premiums, State Benefits Expenses, and Ending Fund Balances by Fiscal Year



Source: Compiled by the Legislative Audit Division from the Statewide Accounting, Budgeting, and Human Resource System (SABHRS).

For a complete copy of the report (11-15) or for further information, contact the
Legislative Audit Division at 406-444-3122; e-mail to lad@mt.gov; or check the web site at
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