

FINANCIAL-COMPLIANCE AUDIT
Department of Labor and Industry
For the Two Fiscal Years Ended June 30, 2015

JANUARY 2016

15-15

REPORT SUMMARY

The Department of Labor and Industry promotes and protects the well-being of Montana’s workers and employers. Unemployment Insurance benefits is one means of promoting and protecting Montana workers and employers. In fiscal year 2014 and 2015, respectively, approximately \$134 million and \$111 million was spent for Unemployment Insurance benefits.

Context

The Department of Labor and Industry’s (department) responsibilities include administration of the unemployment insurance program; enforcement of state and federal labor, state wage and hour, workers’ compensation, discrimination, and state and federal health and safety laws. In addition, the department establishes and enforces minimum building codes; conducts research and collects employment statistics; provides job training to individuals; provides administrative support to the 36 professional and occupational licensing boards and programs; and oversees federal and state training and apprenticeship programs.

The prior financial-compliance audit report included eight recommendations to the department. We found the department fully implemented four and partially implemented three of the recommendations. The other recommendation relates to Professional Licensing Boards (POL) fees. Because new legislation regarding POL fees became effective July 1, 2015, we have deferred audit work on this recommendation until the next audit. This will allow the department time to implement.

Results

This report includes three recommendations related to federal and state compliance requirements of the Unemployment Insurance Program. These issues relate to tax rate setting process, federal reporting, and cash management.

Recommendation Concurrence	
Concur	3
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	