

FINANCIAL-COMPLIANCE AUDIT  
 Department of Labor and Industry

For the Two Fiscal Years Ended June 30, 2017

OCTOBER 2017

17-15

REPORT SUMMARY

The Montana Department of Labor and Industry promotes and protects the well-being of Montana’s workers, employers, and citizens. The department administers various programs to accomplish this. Our review of the department found two instances of noncompliance related to federal requirements over Unemployment Insurance cash management and reporting. The department also recorded a loan to a fund that has no resources to repay it.

**Context**

The Montana Department of Labor and Industry (department) is tasked with administration of Unemployment Insurance (UI), state wage and hour unit, workers’ compensation, discrimination, state and federal health and safety laws, and enforcement of state and federal labor law. Additionally, the department establishes minimum building codes, completes research on employment statistics, offers job training, provides oversight of federal and state training and apprenticeship programs and administers 33 professional/occupational licensing boards. The department accomplishes this through multiple job service offices across the state, a UI claim processing center, as well as a Helena office housing all other department activities. The department generates around \$700 million in revenue and spends around \$660 million.

understanding of the department’s controls and the many state and federal laws and regulations by which the department must abide. Our work also included testing over the benefits and premium information systems used to administer the UI program. The ensuing audit report includes three recommendations to the department related to federal and state compliance requirements, including cash management and reporting required by the federal UI program and a loan to the Athletic Licensing Program account. The prior financial audit report contained three recommendations for the department, of which two were fully implemented and one was partially implemented.

**Results**

Our audit reviewed premium revenue and benefit expenditures, federal revenues, personal services, and the overall reasonableness of the financial schedules. During our review, we obtained an

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

For a complete copy of the report (17-15) or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to [lad@mt.gov](mailto:lad@mt.gov); or check the web site at <http://leg.mt.gov/audit>  
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