

**State of Illinois**  
**ILLINOIS DEPARTMENT OF LABOR**  
**COMPLIANCE EXAMINATION**  
**For the Two Years Ended June 30, 2013**

**Performed as Special Assistant Auditors**  
**for the Auditor General, State of Illinois**



**CliftonLarsonAllen**

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2013

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STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR

**AGENCY OFFICIALS**

Director	Mr. Joseph Costigan
Assistant Director (6/1/13 to Current)	Tumia Romero
Assistant Director (7/1/11 to 5/31/13)	Vacant
Legal Counsel (3/1/12 to Current)	Mr. Ronald Willis
Legal Counsel (7/1/11 to 2/29/12)	Ms. Katherine Anthony
Fiscal Officer (2/1/12 to Current)	Ms. Tammy Miner
Fiscal Officer (7/1/11 to 1/31/12)	Dr. Joan Small

Department offices are located at:

900 South Spring Street (fiscal records location)  
Springfield, IL 62704

160 North LaSalle Street, Suite C-1300  
Chicago, IL 60601

State Regional Office  
2309 West Main  
Marion, IL 62959



ILLINOIS DEPARTMENT OF LABOR

Pat Quinn  
GOVERNOR

Joseph Costigan  
DIRECTOR

CliftonLarsonAllen LLP  
301 SW Adams, Suite 900  
Peoria, IL 61656-1835

March 13, 2014

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Department of Labor (the "Agency"). We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2013. Based on this evaluation, we assert that during the years ended June 30, 2013 and June 30, 2012, the Agency has materially complied with the assertions below.

- A. The Agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Agency has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Department are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Agency on behalf of the State or held in trust by the Department have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Illinois Department of Labor

Joseph Costigan, Director

Tammy Miner, Chief Fiscal Officer

Ronald Willis, Chief Legal Counsel

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160 North LaSalle, Suite C-1300  
Chicago, Illinois 60601-3150  
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STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2013

**COMPLIANCE REPORT**

**SUMMARY**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

**ACCOUNTANT'S REPORTS**

The Independent Accountant's Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations or disclaimers, but does contain a qualified opinion on compliance and material weaknesses over internal control.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	9	10
Repeated findings	9	9
Prior recommendations implemented or not repeated	1	2

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2013-001	8	Inadequate controls over revenues	Material Weakness and Material Noncompliance
2013-002	12	Inadequate controls over accounts receivable records and reporting	Material Weakness and Material Noncompliance
2013-003	15	State Property control weaknesses	Material Weakness and Material Noncompliance
2013-004	19	Inadequate controls over Special State Trust Fund	Material Weakness and Material Noncompliance

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2013-005	21	Inadequate controls over voucher processing	Material Weakness and Material Noncompliance
2013-006	24	Inadequate maintenance and reconciliation of expenditure records	Material Weakness and Material Noncompliance
2013-007	26	Inadequate controls over travel expenditures	Significant Deficiency and Noncompliance
2013-008	29	Performance evaluations not completed	Significant Deficiency and Noncompliance
2013-009	31	Nonpayment of revolving funds	Significant Deficiency And Noncompliance

PRIOR FINDINGS NOT REPEATED

A	33	Inadequate control over contracts
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**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on March 4, 2014. Attending were:

Department of Labor  
Joseph Costigan, Director  
Tammy Miner, Fiscal Officer  
Ronald Willis, Legal Counsel

Office of the Auditor General  
Max Paller, Audit Manager

CliftonLarsonAllen LLP  
Jeff Bonick, Principal  
Thomas Andrews, Director  
Daniel Kirby, Senior Associate

Responses to the recommendations were provided by Tammy L. Miner, Fiscal Officer in a correspondence dated March 6, 2014.



INDEPENDENT ACCOUNTANT’S REPORT ON STATE COMPLIANCE,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Department of Labor’s compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2013. The management of the State of Illinois, Department of Labor is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Labor’s compliance based on our examination.

- A. The State of Illinois, Department of Labor has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Department of Labor has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Department of Labor has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois, Department of Labor are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Department of Labor on behalf of the State or held in trust by the State of Illinois, Department of Labor have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Department of Labor’s compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Department of Labor’s compliance with specified requirements.

As described in items 2013-001 and 2013-002 in the accompanying schedule of findings, the State of Illinois, Illinois Department of Labor did not comply with the requirements regarding the State revenues and receipts collected in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law. As described in items 2013-003 through 2013-006 in the accompanying schedule of findings, the State of Illinois, Illinois Department of Labor did not comply with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Illinois Department of Labor to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois, Department of Labor complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2013. However, the results of our procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 2013-007, 2013-008, and 2013-009.

### **Internal Control**

Management of the State of Illinois, Department of Labor is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Department of Labor's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Department of Labor's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Labor's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2013-001, 2013-002, 2013-003, 2013-004, 2013-005, and 2013-006 to be material weaknesses.



A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2013-007, 2013-008, and 2013-009 to be significant deficiencies.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter to your office.

The State of Illinois, Department of Labor's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois, Department of Labor's responses and, accordingly, we express no opinion on the responses.

**Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2013 and June 30, 2012 in Schedules 1 through 10 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2013 and June 30, 2012 accompanying supplementary information in Schedules 1 through 10, except for information on the Schedule of Changes in State Property and Analysis of Accounts Receivable, on which we did not perform any procedures. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2011 accompanying supplementary information in Schedules 3 through 8, Schedule 10, and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and agency management and is not intended to be and should not be used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

Peoria, Illinois  
March 13, 2014

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2013

2013-001. FINDING (Inadequate controls over revenues)

The Illinois Department of Labor (Department) did not exercise adequate controls over revenues and related reporting. We noted the following weaknesses in the Department's processing of receipts:

- Four of 60 (7%) receipts tested, totaling \$903, were deposited between 1 and 11 days late (after 10 day extension period).

The State Officers and Employees Money Disposition Act (Act) (30 ILCS 230/2 (a)) requires each State agency to deposit into the State Treasury receipts valued between \$500 and \$10,000 within 48 hours, and cumulative receipts valued up to \$500 on the next first or fifteenth day of the month after receipt. The Department received extensions for the periods April 23, 2011 through April 23, 2013 and April 23, 2013 through April 23, 2015 from the State Treasurer. These extensions allow 10 days for the deposit of all agency receipts.

- Timeliness of deposit could not be determined for 3 of 60 (5%) receipts tested, totaling \$1,119, because the Department did not maintain documentation of the date received.
- The Department deposited, but did not complete a Receipt Deposit Transmittal Form, for 1 of 60 (2%) receipts tested, totaling \$4,000.

The Act also requires each State agency to keep a detailed, itemized account of moneys received, including the date of receipt.

- The Department completed, but did not retain copies of, the Receipt Deposit Transmittal Forms, deposit slips, and/or a Treasurer's Draft for 1 of 60 (2%) receipts tested, totaling \$250.
- For 5 of 60 (8%) receipts tested, totaling \$1,729, we noted Treasurer's Drafts were not submitted to the Office of the Comptroller (Comptroller) within 30 days, which is considered a reasonable time frame. The Treasurer's Drafts were submitted between 3 and 40 days late.

Statewide Accounting Management System (SAMS) (Procedure 25.10.30) requires Treasurer's Drafts to be remitted to the Comptroller. Good internal controls require deposits to be processed timely to increase the balance of funds available for expenditure.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2013

- Sixty-five of 168 (39%) receipt reconciliations for the General Revenue Fund (Fund 001), Special State Trust Fund (Fund 251), Child Labor Law Enforcement Fund (Fund 357), Employee Classification Fund (Fund 446), and Department of Labor Federal Projects Fund (Fund 724), Federal Industrial Service Fund (Fund 726), and Wage Theft Enforcement Fund (Fund 885) contained errors when compared to the underlying supporting documentation. In addition, we were unable to test the timeliness of 168 of 168 (100%) reconciliations for both fiscal years as the documentation provided by Department personnel did not include the date the reconciliation was prepared.

Statewide Accounting Management System (SAMS) (Procedure 25.40.20) requires each agency to reconcile its receipt records to Comptroller reports on a monthly basis and to notify the Comptroller of any un-reconcilable differences noted so necessary corrective action can be taken to locate the differences and correct the accounting records. Good internal controls require reconciliations to be correct and agree to Comptroller records, and to be done at least monthly so that differences are investigated and corrected in a timely fashion.

- The Department did not maintain sufficient documentation to support amounts reported on their Agency Fee Imposition Reports prepared for Fiscal Year 2012 and Fiscal Year 2013. The Department misclassified 1 of 11 (9%) fees collected on the Fiscal Year 2012 report. These errors did not have a material effect on the total amount of fees reported, resulting in a \$1,500 understatement between the Comptroller's numbers and the amounts listed on the report. The Department misclassified 4 of 12 (33%) fees collected on the Fiscal Year 2013 report. These errors had a material effect on the total amount of fees reported, resulting in a \$116,494 understatement between the Comptroller's numbers and the amounts listed on the report. In addition, the Fiscal Year 2013 report was submitted to the Comptroller 6 days late.

The State Comptroller Act (Act) (15 ILCS 405/16.2(a)) requires those agencies that impose fees to file the report with the Comptroller. SAMS (Procedure 33.16.20) states that the report must be filed with the Comptroller by August 1 of each year. In addition, good internal controls require the information submitted in the Agency Fee Imposition Report to be accurate.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2013

- For 9 of 14 (64%) returned checks tested, totaling \$34,348, the Department did not appear to be making adequate collection attempts.

Statewide Accounting Management System (SAMS) (Procedure 26.40.10) requires agencies to document collection efforts on past-due amounts owed to the State. Good business practices state a proper internal control structure should be established to help ensure the collection of revenues.

Department personnel stated that the Department's goal is to perform all functions in a timely and effective manner. However, the Department had a turnover of its entire Fiscal Division staff in Fiscal Year 2013 and is currently experiencing additional turnover. As a result of these staffing shortages, especially in the Fiscal Division, there are times when other competing critical projects take precedence over this goal.

Delayed deposit of cash receipts reduces the amount of funds available for expenditure. Inaccurate reconciliations could result in inaccurate Statewide financial statement reporting. Filing an inaccurate Agency Fee Imposition Report reduces the reliability of Statewide fee information. Failure to exercise adequate control over revenues is noncompliance with the State Officers and Employees Money Disposition Act and could result in inaccurate Statewide financial statement reporting. Failure to retain documentation to support reported amounts is noncompliance with the State Records Act. (Finding Code No. 2013-001, 11-1, 09-1, 07-1, 05-3, 05-5)

**RECOMMENDATION**

We recommend the Department comply with the State Officers and Employees Money Disposition Act by making timely deposits into the State Treasury and documenting the date that receipts are received. Internal controls over receipts should also be enforced by the Department to ensure collection of revenue and adequate documentation is maintained and readily available for all transactions. Also, the monthly reconciliations should be reviewed for accuracy and all differences investigated by the Department. Further, the Department should maintain accurate documentation to support amounts reported on their Agency Fee Imposition Reports and carefully review reports to ensure all fees collected are reported and to ensure accuracy of the Agency Fee Imposition Report before submission to the Comptroller. In addition, the Department should document collection efforts on past-due amounts owed to the State and follow up on past-due amounts more timely.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2013

**DEPARTMENT RESPONSE**

The Department is in the process of hiring two Account Tech II positions to increase the Fiscal Division to three employees. The procedures for processing checks have been changed, and all checks are now submitted to the Fiscal Division which will expedite processing and allow for better controls.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2013

2013-002. FINDING (Inadequate controls over accounts receivable records and reporting)

The Illinois Department of Labor (Department) did not exercise adequate controls over accounts receivable records and reporting. We noted the following:

- The Department did not maintain adequate accounts receivable records to facilitate the proper reporting of accounts receivable. Of the 4 accounts receivable balances selected for testing, we found differences in 2 (50%) of these balances, for a total difference of \$3,104. In addition, the aging schedule as of June 30, 2013 was missing information needed to properly age accounts receivable.

Statewide Accounting Management System (SAMS) (Procedure 26.20.10) requires agencies to maintain detailed information related to each receivable in order to support the recognition and tracking of receivables.

SAMS (Procedure 26.20.20) states agencies must age each outstanding receivable relative to its formal due date in order to effectively estimate the collectability of its receivables and properly focus collection efforts. Good business practices require that detailed accounting information be accurate.

- For 3 of the 8 (38%) quarters selected for testing, the Department did not complete a Collections Activity for Accounts Over 180 Days Past Due report (C-99).
- For 3 of the 8 (38%) quarters selected for testing, the Department did not complete a Quarterly Reporting of Accounts Receivable Activity Concerning the Collection of Accounts Over 180 Days Past Due and Accounts Over \$15,000 report (C-99A).
- One of the 16 (6%) Quarterly Summary of Accounts Receivable, Accounts Receivable Activity reports (C-97) prepared by the Department did not agree to the Quarterly Summary of Accounts Receivable, Aging of Total Gross Receivables report (C-98) prepared by the Department for the same quarter by \$1,000.
- One of the 16 (6%) Quarterly Summary of Accounts Receivable, Accounts Receivable Activity (C-97) reports prepared by the Department contained a footing error totaling \$200.
- Two of the 2 (100%) Quarterly Summary of Accounts Receivable, Aging of Total Gross Receivables reports (C-98) prepared by the Department selected for testing were not properly supported by a Department prepared aging schedule.

STATE OF ILLINOIS  
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For the Two Years Ended June 30, 2013

- Four of 16 (25%) Quarterly Summary of Accounts Receivable (C-97) reports prepared by the Department were submitted to the Office of the Comptroller (Comptroller) between 28 and 106 days late.

SAMS (Procedure 26.30.10) states the reports must be received by the Comptroller no later than the last day of the month following the end of the quarter. In addition to SAMS procedures, good business practices require sufficient and properly designed accounting records be maintained to adequately control fiscal operations and provide reliable data for necessary management reports. Good business practices also require that detailed accounting records be accurate and thorough, and that a careful review of source documentation and prepared reports is done before submission.

The Department reported gross receivables totaling \$35,000 and \$1,819,000 on its June 30, 2013 and June 30, 2012 C-97s, respectively.

Department personnel stated that the Department's goal is to perform all functions in a timely and effective manner. However, the Department had a turnover of its entire Fiscal Division staff in Fiscal Year 2013 and is currently experiencing additional turnover. As a result of these staffing shortages, especially in the Fiscal Division, there are times when other competing critical projects take precedence over this goal.

Failure to maintain adequate documentation for accounts receivable increases the chances of undetected errors occurring in reporting the amounts receivable and the likelihood of accounts receivable not being adequately monitored for collection. In addition, failure to monitor accounts receivable on a regular basis, identify delinquent accounts receivable, and report accurate amounts, can result in lost revenues for the State and inaccuracies in Statewide financial reporting. Failure to submit accounts receivable reports timely can cause delays in Statewide financial reporting. (Finding Code No. 2013-002, 11-2, 09-2, 07-2, 05-4)

**RECOMMENDATION**

We recommend the Department review all C-97, C-98, C-99 and C-99A reports before timely submission to the Comptroller to ensure accuracy. Also, the Department should maintain detailed records and supporting documentation of all billings and collections to support accounts receivable balances reported.

STATE OF ILLINOIS  
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SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2013

**DEPARTMENT RESPONSE**

The Department is in the process of hiring two Account Tech II positions to increase the Fiscal Division to three employees. The procedures for processing accounts receivable information have been changed, and all such information is now submitted to the Fiscal Division which will expedite processing and allow for better controls.



STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2013

2013-003. FINDING (State property control weaknesses)

The Illinois Department of Labor (Department) did not exercise adequate control over the accuracy and timeliness of reporting State property.

We noted 8 of 8 (100%) Quarterly Reports of State Property (C-15s) prepared by the Department and submitted to the Office of the Comptroller (Comptroller) did not accurately reflect Department equipment transactions. We noted differences between the addition, transfer, deletions, and ending balance amounts reported on the C-15s and the Department's quarterly transaction spreadsheet as follows:

<u>Quarter</u>	<u>Asset Class</u>	<u>Amount Reported to Comptroller</u>	<u>Amount Per Quarterly Transaction Spreadsheet</u>	<u>Difference</u>
9/30/2011	Additions	\$2,186	\$82,423	\$(80,237)
9/30/2011	Transfers	\$0	\$(51,538)	\$51,538
12/31/2011	Additions	\$154,686	\$7,113	\$147,573
12/31/2011	Transfers	\$0	\$(300)	\$300
3/31/2012	Additions	\$0	\$66,248	\$(66,248)
3/31/2012	Transfers	\$66,440	\$0	\$66,440
6/30/2012	Additions	\$78,466	\$0	\$78,466
6/30/2012	Deletions	\$(4,679)	\$0	\$(4,679)
9/30/2012	Additions	\$15,761	\$7,789	\$7,972
12/31/2012	Additions	\$0	\$5,604	\$(5,604)
3/31/2013	Deletions	\$(52,217)	\$0	\$(52,217)

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SCHEDULE OF FINDINGS  
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3/31/2013	Transfers	\$0	\$(52,265)	\$52,265
6/30/2013	Additions	\$200	\$129	\$71
6/30/2013	Deletions	\$(52,216)	\$0	\$(52,216)

Total net difference – C-15s to Department records \$143,424

In addition, 1 of 8 (13%) C-15s was submitted 2 days late.

Statewide Accounting Management System (SAMS) (Procedure 29.10.30) states the C-15 report should present the total cost of State property, by category, reflected on the agency’s records as of the reporting date. In addition to SAMS procedures, good business practices require an agency to review all reported information for accuracy before submission. SAMS (Procedure 29.20.10) also states that the C-15 is to be filed on a quarterly basis and should be submitted to the Comptroller no later than the last day of the month following the last day of the quarter.

Further, the Department did not exercise adequate control over the recording of State property. We noted the following:

- We were unable to trace \$208,411 of property additions to the Department’s property inventory register.
- We noted for 4 of 15 (27%) vouchers tested, totaling \$83,779 in property additions, did not agree to the dollar amounts per the Department’s property inventory register.
- We were unable to locate 6 of 40 (15%) transferred out items tested on the “Surplus Property Delivery Form”, and therefore unable to determine if they were transferred to Central Management Services (CMS).
- For 33 of 40 (83%) transferred out items tested, the Department did not provide the purchase price to the receiving agency.
- Two of 40 (5%) transferred out items tested had a different description on the “Surplus Property Delivery Form” than what was on the disposal listing.
- Fifteen of 40 (38%) items tested, totaling \$3,665, appeared on the Department’s property inventory register but could not be located within the Department.

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For the Two Years Ended June 30, 2013

- The Department's property inventory register did not include a purchase date for 10 out of 40 items tested (25%), totaling \$580.
- The Department's property inventory register did not include a purchase price for 9 of 40 (23%) items tested.
- One of 40 (3%) items tested, totaling \$223, had a description on the listing that did not match the physical observation.
- One of 40 (3%) items tested, totaling \$307, did not have a Department asset tag on it, but was entered on the Department's property inventory register.
- Seventeen of 80 (21%) items tested, totaling \$4,848, were found in another location other than the proper location according to the Department's property inventory register.
- Thirteen of 40 (33%) items tested, totaling \$1,525, were valued at \$0 cost on the inventory listing.
- Four of 40 (10%) items tested could not be found on the inventory registry.

SAMS (Procedure 29.10.10) requires an agency to report all additions, deletions, and net transfers affecting each asset class that occurred during the quarter being reported and to maintain property information at a summary level, which includes a description of each asset, its location, its purchase date, and its tag number. SAMS (Procedure 29.10.10) also states that the objective of fixed asset reporting is to ensure that agencies are updating property records to reflect the current balance of fixed assets and to enhance the accuracy of information reported. In addition to SAMS procedures, good business practices require an agency to review all reported information for accuracy before submission and require proper internal controls to be established to ensure the accuracy and reliability of accounting data. The State Records Act (5 ILCS 160/8) requires the head of each agency to cause to be made and preserved records containing adequate and proper documentation of the decisions and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities. The Illinois Administrative Code (44 Ill. Adm. Code 5010.400) states that agencies shall adjust property records within 30 days of acquisition, change or deletion of equipment items.

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The Code (44 Ill. Adm. Code 5010.210) also requires agencies to be responsible for marking each piece of State-owned equipment with a unique six-digit identification number to be assigned by the agency holding the property. The Code (44 Ill. Adm. Code 5010.500) requires agencies to report the theft of State property immediately to the Property Control Division and the Department of State Police. In addition, SAMS (Procedure 29.10.25) states that the objective of property control is to minimize the burden placed on State government to replace lost, stolen, or damaged property. SAMS (Procedure 29.10.25) also states that property control procedures are generally designed to prevent or, at least, promptly detect loss or damage to property.

Department personnel stated that the errors were because many of the items being referenced were not purchased, but were acquired from Central Management Services (CMS) salvage many years ago when older inventory acquired from salvage did not always contain the level of detail now required, including purchase date and purchase price. These items were other agencies' "scrap" items that had no book value.

Failure to exercise adequate control over property and to maintain accurate property control records increases the potential for fraud and possible loss or theft of State property. In addition, inaccurate and untimely reporting on the C-15 reports could lead to inaccuracies and delays in Statewide financial information. (Finding Code No. 2013-003, 11-3, 09-3, 07-3, 05-7, 03-6)

**RECOMMENDATION**

We recommend the Department strengthen controls over the recording and reporting of State property by reviewing their inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements. Also, the Department should ensure all equipment is accurately and timely recorded on the Department's property records and are properly valued. Further, the Department should thoroughly review all reports prepared from internal records for accuracy before submission to the Comptroller and CMS.

**DEPARTMENT RESPONSE**

The Department is in the process of hiring two Account Tech II positions to increase the Fiscal Division to three employees. In addition, the Department has created a Chief Information Officer position. The Fiscal Division and the Chief Information Officer will work together in strengthening controls over state property held by the Department.

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2013-004. FINDING (Inadequate controls over Special State Trust Fund)

The Illinois Department of Labor (Department) did not exercise adequate controls over its Special State Trust Fund (Fund 251). We noted the following control weaknesses:

- For 5 of the 40 (13%) expenditures selected for testing in Fund 251, the Department's records for amounts due to a claimant did not agree to the underlying supporting documentation.
- The Department did not maintain a ledger of claimants and corresponding dollar amounts comprising the balance held in Fund 251. The Office of the Comptroller (Comptroller) records showed balances of \$2,189,159 and \$2,182,989 held in Fund 251 as of June 30, 2012 and June 30, 2013, respectively.
- The Department has not been transferring funds out of Fund 251 to the General Revenue Fund. Numerous checks totaling \$11,739, which have been held in Fund 251 for more than one year, have not been transferred into the General Revenue Fund as of the end of the examination period.

The Minimum Wage Law (820 ILCS 105/12(b)) states that for any sums which, more than one year after being recovered, the Director is unable to pay to an employee shall be deposited into the General Revenue Fund.

The Department operates Fund 251 as an agency fund in the State Treasury. The purpose of this fund is to hold wage claims collected from employers by the Department on behalf of Illinois workers (claimants) and hold those monies until the claimants can be located and properly paid.

The Department mails wage claim payments to claimants when addresses are provided. If the mail is returned undeliverable, and a social security number is available, the Department completes a search using various databases to see if a different address is available for the claimant. If that search does not yield any results, the Department works with the Secretary of State to locate the claimants. Minimum wage and overtime claimants' wage claims are held approximately 365 days at which point they are transferred to the General Revenue Fund. For other claimants, the wages are held until the claimant is found.

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Good business practices require sufficient and properly designed accounting records to be maintained to adequately control fiscal operations. The Illinois State Records Act (Act) (5 ILCS 160/8 and 9) requires agency heads to preserve records and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and to establish and maintain an active, continuing program for the economical and efficient management of the records.

Department personnel stated that the maintenance of such a ledger is very time consuming and the Department lacks the personnel to maintain such a ledger at this time. In addition Department personnel stated that the Department experienced a complete turnover in staff for the Fiscal Division. The Department is aware of the need to transfer funds and attempted to create a report to show the amounts that needed to be processed to the General Revenue Fund. An immaterial amount of funding was not picked up by the report, but will be transferred out with the next run of the report.

Failure to exercise adequate control over Fund 251 results in noncompliance with the Act and could result in inaccurate Statewide financial statement reporting. In addition, failure to transfer funds held in Fund 251 for more than one year after being recovered results in noncompliance with The Minimum Wage Law (820 ILCS 105/12(b)). (Finding Code No. 2013-004, 11-4, IM 11-7, 09-4, 07-4)

**RECOMMENDATION**

We recommend the Department maintain detailed records for all Fund 251 transactions. We also recommend that case files and proposed claimant expenditures are thoroughly reviewed for accuracy prior to authorization. Finally, we recommend the Department comply with The Minimum Wage Law (820 ILCS 105/12(b)) by transferring the required funds from Fund 251 to the General Revenue Fund.

**DEPARTMENT RESPONSE**

The Department began a ledger in Fiscal Year 2013. The Department is working diligently in Fiscal Year 2014 to ensure the ledger contains all necessary information regarding Fund 251 and the balance in Fund 251. The Department is also in the process of employing two Account Tech II positions which should allow enough staff to maintain the ledger. In addition, the Department has implemented new procedures for the accounting of funds and centralized fiscal responsibilities. The Department will continue in its efforts to comply with the State statutes.

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2013-005. FINDING (Inadequate controls over voucher processing)

The Illinois Department of Labor (Department) did not exercise adequate controls over voucher processing. We noted the following:

- Twenty-eight of 286 (10%) vouchers tested, totaling \$231,217, were approved for payment between 2 and 133 days late. Three of 286 (1%) vouchers tested, totaling \$4,516, contained no signature and/or date from the agency head. Forty of the 286 (14%) vouchers tested, totaling \$40,545, were not properly approved.

The Illinois Administrative Code (74 Ill. Adm. Code Section 900.70) requires an agency to review a bill and either deny the bill in whole or part, ask for more information necessary to review the bill, or approve the bill in whole or in part, within 30 days after physical receipt of bill.

- The Department could not locate 3 of 286 (1%) vouchers, totaling \$3,892, selected for testing.

The Illinois State Records Act (5 ILCS 160/9) requires the head of each agency establish and maintain an active, continuing program for the economical and efficient management of the records of the agency.

- Three of 286 (1%) vouchers tested, totaling \$764, were missing information and were therefore not properly completed, or the information on the voucher did not agree to Department records. One of 286 (1%) vouchers tested, totaling \$122, was not mathematically correct.

Statewide Accounting Management System (SAMS) (Procedure 17.20.20) requires that each State agency enter specific information on the top-third of the voucher. Good business practices require that this information be accurate and agree to the underlying accounting system.

- Three of 286 (1%) vouchers tested, totaling \$3,391, were not charged to the correct SAMS detail object code.

SAMS (Procedure 17.20.20) requires that each State agency enter the correct SAMS detail object code for which the expenditure should be expensed.

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- Fifteen of 286 (5%) vouchers tested, totaling \$25,422, were not signed and dated by the receiving officer.

SAMS (Procedure 17.20.20) states each invoice-voucher, upon receipt of goods or services must be signed by the receiving officer verifying goods or services meet the stated specifications.

- Five of 136 (4%) vouchers tested, totaling \$3,960, did not have required interest paid to the vendor in Fiscal Year 2012. Eight of 136 (6%) vouchers tested required interest to be paid to the vendor in Fiscal Year 2012.
- Five of 150 (3%) vouchers tested, totaling \$8,104, did not have required interest paid to the vendor for Fiscal Year 2013, as of October 31, 2013. Five of 150 (3%) vouchers tested required interest to be paid to the vendor in Fiscal Year 2013.

The State Prompt Payment Act (30 ILCS 540/) generally provides for a late payment interest penalty to be paid to a vendor under certain conditions. Any bill, except a bill submitted under Article V of the Illinois Public Aid Code, approved for payment under this Section must be paid or the payment issued to the payee within 90 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 90 days period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of this 90 day period, until final payment is made. Agencies are required to pay interest amounting to \$50 or more automatically. Interest due to a vendor amounting to greater than \$5 and less than \$50 shall not be paid but shall be accrued until all interest due the vendor for all similar warrants exceeds \$50, at which time the accrued interest shall be payable and interest will begin accruing again, except that interest accrued as of the end of the fiscal year that does not exceed \$50 shall be payable at that time.

- Six of 286 (2%) vouchers tested, totaling \$17,726, did not properly trace to supporting documentation.

SAMS (Procedure 17.10.20) requires that each State agency maintain all supporting documentation necessary to substantiate their expenditures.



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Department personnel stated that the Department's goal is to perform all functions in a timely and effective manner. However, the Department had a turnover of its entire Fiscal Division staff in Fiscal Year 2013 and is currently experiencing additional turnover. As a result of these staffing shortages, especially in the Fiscal Division, there are times when other competing critical projects take precedence over this goal.

Failure to approve vouchers timely could subject the State to unnecessary interest charges. The lack of adequate approval, including a signature by the Agency head and a receiving officer, reduces the overall control over expenditures and may lead to inappropriate expenditures. Failure to maintain vouchers results in noncompliance with the Illinois State Records Act. The failure to provide accurate information could result in inaccurate accounting information. The failure to use the correct SAMS account code and SAMS detail object code could cause inaccurate reporting. Failure to pay the required interest on vouchers results in noncompliance with the State Prompt Payment Act. The failure to maintain adequate supporting documentation for expenditures could result in incorrect accounting information and could cause unnecessary expenditures. (Finding Code No. 2013-005, 11-5, 09-11, 07-12, 05-9, 03-2, 01-1, 99-1)

**RECOMMENDATION**

We recommend the Department implement procedures to ensure all vouchers are approved timely in accordance with the Illinois Administrative Code and develop and implement procedures to identify all vouchers not paid within 90 days to ensure the proper amount of interest is paid in accordance with the State Prompt Payment Act. Also, the Department should comply with the Illinois State Records Act and ensure it maintains an adequate system of recordkeeping. Further, the Department should comply with SAMS procedures by having a receiving officer sign each voucher to indicate goods were received according to stated specifications. In addition, the Department should keep adequate supporting documentation for all vouchers and ensure the correct SAMS information and accurate general information is reported on all vouchers.

**DEPARTMENT RESPONSE**

The Department is in the process of hiring two Account Tech II positions to increase the Fiscal Division to three employees. All division managers must approve vouchers that are applicable to their division prior to the vouchers being processed. The Department is going to conduct training for all division managers regarding voucher processing in Fiscal Year 2014.

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2013-006. FINDING (Inadequate maintenance and reconciliation of expenditure records)

The Illinois Department of Labor (Department) did not perform adequate and/or accurate expenditure reconciliations during the examination period. The Department operated 7 funds during the examination period: the General Revenue Fund (Fund 001), Special State Trust Fund (Fund 251), Child Labor Law Enforcement Fund (Fund 357), Employee Classification Fund (Fund 446), the Department of Labor Federal Projects Fund (Fund 724), the Federal Industrial Services Fund (Fund 726), and the Wage Theft Enforcement Fund (Fund 885). There were no expenditures in Fiscal Year 2012 or 2013 in Fund 446 and Fund 885; therefore, no expenditure reconciliations were necessary for these Funds. We noted the following regarding the Department's reconciliations:

- For certain reconciliations performed, the supporting documentation provided by the Department did not agree to that which was used on the reconciliation. We noted errors in 7 of the 73 (10%) reconciliations performed for Fiscal Year 2012 and errors in 24 of the 70 (34%) reconciliations performed in Fiscal Year 2013.
- The Department was unable to locate documentation to support the reconciliations performed for 5 of the 70 (7%) reconciliations performed in Fiscal Year 2013.
- Certain monthly reconciliations performed in Fiscal Year 2012 were not signed off and dated by the preparer or reviewer of the reconciliations. As a result, we could not determine who prepared 2 of 73 (3%) reconciliations performed in Fiscal Year 2012 or how timely the reconciliations were performed.
- Certain monthly reconciliations performed in Fiscal Year 2012 were not signed off in a timely manner or the reconciliations had sign off dates prior to month end. We noted 10 of 73 (14%) reconciliations performed in Fiscal Year 2012 that were not prepared in a timely manner.

In addition, the Department was unable to locate documentation to support the "Ending Balance of Available Cash per IDOL" amounts on 144 of 144 (100%) of fund reconciliations for Fund 251, Fund 357, Fund 446, Fund 724, Fund 726 and Fund 885 for the audit period.

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Statewide Accounting Management System (SAMS) (Procedure 11.40.20) requires each agency to reconcile appropriation expenditures monthly and notify the Office of the Comptroller (Comptroller) of irreconcilable differences. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls. Good internal controls require sufficient and properly designed accounting records be maintained to adequately control fiscal operations and provide reliable data for necessary management reports. The Illinois State Records Act (5 ILCS 160/9) requires the head of each agency establish and maintain an active, continuing program for the economical and efficient management of the records of the agency. Good internal controls require agencies administering funds to reconcile all fund activity, including expenditures, revenues, and fund balance, to protect the integrity of the fund and those owed monies currently being held in the fund.

Department personnel stated that the Department's goal is to perform all functions in a timely and effective manner. However, the Department had a turnover of its entire Fiscal Division staff in Fiscal Year 2013 and is currently experiencing additional turnover. As a result of these staffing shortages, especially in the Fiscal Division, there are times when other competing critical projects take precedence over this goal.

Failure to maintain accurate and complete expenditure records could result in expenditures made in excess of available appropriations. Failure to perform adequate monthly reconciliations of expenditures and fund balances between Department records and Comptroller records that actually reconcile and identify differences, impairs the Department's and the Comptroller's ability to identify possible errors and take corrective action to ensure accurate accounting for Department expenditures. (Finding Code No. 2013-006, 11-7, 09-5, 07-6)

**RECOMMENDATION**

We recommend the Department implement procedures to ensure the completeness and accuracy of expenditure records maintained. The Department should also perform and document the results of all monthly reconciliations of Department expenditure and fund balance records to Comptroller records and promptly notify the Comptroller of any irreconcilable differences noted.

**DEPARTMENT RESPONSE**

The Department is in the process of increasing the Fiscal Division personnel to three by employing two additional Account Tech II positions. With the additional staff, the Department should be able to perform accurate and timely expenditure reconciliations.

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2013-007. FINDING (Inadequate controls over travel expenditures)

The Illinois Department of Labor (Department) did not exercise adequate internal controls over its travel expenditures. We noted the following:

- One of 40 (3%) travel vouchers tested, totaling \$638, contained excess reimbursements totaling \$56, for expenses incurred between the employee's home and headquarters.

The Travel Regulation Council Rules (80 Ill. Adm. Code Section 3000.220) states expenses incurred by employees in commuting from their residence to their headquarters are not reimbursable.

- Two of 40 (5%) travel vouchers tested, totaling \$2,525, had rates claimed for lodging/meals that were not in accordance with the travel allowances. In one instance, an employee stayed at a hotel exceeding the approved State rate. The employee stayed out of the state for \$137 per night, and the out-of-state rate should not exceed \$110 per night. The other instance involved an employee who charged \$5.50 for per diem for breakfast, then another \$28 the same day. Total in-state per diem should not exceed \$28 per day.

The Travel Regulation Council Rules (80 Ill. Adm. Code Section 3000.500) states that per diem will be paid to travelers who have overnight lodging or 18 or more continuous hours. The Travel Regulation Council Rules (80 Ill. Adm. Code Section 3000, Appendix A) also states in-state per diem for each quarter is \$7.00 or \$28 per day. The Travel Regulation Council Rules states the out-of-state rate for hotels to be reimbursed is \$110, and hotels listed on the Preferred Hotel Listing must always be contacted first when seeking overnight accommodations.

- Six of 40 (15%) travel vouchers tested, totaling \$3,770, were submitted late (over 60 days after the expenses were paid or incurred). Vouchers were submitted between 2 and 99 days late. These travel reimbursements were paid to the employee in full.

The Department of Labor Policy Manual states that vouchers must be submitted within 60 days after the expenses were paid or incurred. If submitted later the Department must process the payment on payroll with taxes deducted. If a travel voucher does not meet the 60 day requirement the employee can submit an exception letter along with their travel voucher. The Department did not follow this procedure and reimbursed the employee in full.

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- Four of 40 (10%) travel vouchers tested, totaling \$1,905, contained a discrepancy in the reported headquarters for the traveler between the travel voucher and the Travel Headquarters (TA-2) reports. Two of 40 (5%) travel vouchers tested, totaling \$1,111, contained a traveler who was not reported on the TA-2 report in the year the expense was incurred. One of 4 (25%) TA-2 reports were filed with the Legislative Audit Commission 8 days late.

The State Finance Act (30 ILCS 105/12-3) requires each State agency to file reports for all of its officers and employees for whom official headquarters have been designated at any location other than that at which their official duties require them to spend the largest part of their working time. The reports are required to be filed with the Legislative Audit Commission by January 15 and July 15 of each year for the preceding six month periods ended December 31 and June 30. The report shall list, for each officer or employee, the place designated as his or her official headquarters and the reason for that designation. Agencies with no officers or employees in this status shall file a negative report. In addition, good business practices require a careful review of source documentation and prepared reports before submission.

Department personnel stated that the Department's goal is to process travel expenditures in a timely manner. However, current staffing shortages make this an on-going challenge.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Good internal controls require a thorough review of all travel vouchers to ensure accurate and timely information and to prevent improper expenses from being reimbursed. Failure to file reports in a timely manner reduces effective government oversight and is noncompliant with a statutory mandate. Improper designation of headquarters could allow the employee to receive reimbursement for commuting costs and other travel expenses not otherwise allowed. (Finding Code No. 2013-007, 11-8, 09-6, 07-11)

**RECOMMENDATION**

We recommend the Department carefully and timely review travel vouchers to ensure accuracy of reported information and to ensure accuracy and reasonableness of travel claims prior to payment. In addition, we recommend the Department periodically remind all employees of the allowable per diem rates set forth in the travel regulations.

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Lastly, we recommend the Department obtain reimbursement from those employees overpaid.

**DEPARTMENT RESPONSE**

The Department is in the process of increasing the Fiscal Division personnel to three by employing two additional Account Tech II positions. With the additional staff, the Department should be able to strengthen controls over travel voucher processing. In addition, the Department will be conducting training for all division managers regarding travel guidelines in Fiscal Year 2014. Those division managers will be expected to conduct trainings with their individual staff members within a timely manner as well.

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2013-008. FINDING (Performance evaluations not completed)

The Illinois Department of Labor (Department) did not conduct employee performance evaluations timely. We tested 40 employee files, some of which required multiple (2 to 4) evaluations during the two year period. We noted the following:

- The Department did not perform annual employee performance evaluations in accordance with the Department's Policy Manual for 17 (43%) employees tested.
- Of the 40 employee files tested, 3 employees were required to have an additional evaluation completed for a 4 month probationary period due to an employee promotion. The Department did not perform such evaluations for 2 (67%) of these employees.
- Of the 40 employee files tested, 6 employees were newly hired during the audit period and were therefore required to have an additional evaluation completed 6 months after the effective date of their hire. The Department did not perform such evaluations for 5 (83%) of these employees.

The Illinois Department of Labor Policy Manual states that certified employees are to be evaluated at least once a year, employees serving a four-month probationary period shall be evaluated 3½ months after the probationary period begins, and employees serving a six-month probationary period shall be evaluated at the end of their third month and again at the end of 5½ months of employment, at which time a determination is made as to whether the employee should be certified in the position or be discharged. The Illinois Administration Code (80 Ill. Adm. Code 302.270) states performance records shall include an evaluation of employee performance, and that for every certified employee, each agency shall prepare such an evaluation not less often than annually. In addition, good business practices require agencies to ensure accurate and timely information flow to facilitate operational planning and guide employee actions.

Department personnel stated that some evaluations were not completed due to management turnover. Other evaluations were not completed due to the multitude of responsibilities and competing demands on the Department's supervisory and managerial staff. The Department experienced large turnover in the Fiscal and Personnel Divisions. Specifically, the personnel position remained unfilled for over 4 months.

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Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. (Finding Code No. 2013-008, 11-9, 09-7, 07-13, 05-10)

**RECOMMENDATION**

We recommend the Department implement internal controls to ensure required employee performance evaluations are completed in a timely manner and in accordance with the Department's policy.

**DEPARTMENT RESPONSE**

The new personnel manager is being trained and is becoming familiarized with the Department's policies. The Department will ensure senior managers are aware of the personnel review requirements for new employees, and a specific directive will be issued to all managers reminding them of those requirements. The Department will be having senior staff training during Fiscal Year 2014 to train the division managers on personnel requirements.



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2013-009. FINDING (Nonpayment of revolving funds)

The Department of Labor (Department) failed to pay \$11,716 to Central Management Services (CMS) as of June 30, 2013.

The Department purchases various goods and services from CMS and is billed for these through revolving funds, which are accounted for as Internal Service Funds. In our testing, we found the Department still owed CMS revolving funds totaling the following amount as of June 30, 2013:

Facilities Management Revolving Fund    \$11,716

The above amount is for building expenses due to CMS for Fiscal year 2013. As of October 10, 2013, no payment had been made.

CMS Administrative Rules (74 Ill. Adm. Code 1000.50) requires user agencies to process payments within 30 days after physical receipt of Internal Service Funds bills and to make reasonable efforts to review, approve, and pay all Internal Service Fund bills in the fiscal year in which the liability was incurred. User agencies are not to leave Internal Service Fund bills unpaid in order to circumvent fiscal year budgetary controls. In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems of internal fiscal and administrative controls which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the State's resources.

Department personnel stated the Department's goal is to process CMS invoices in a timely manner. In this instance, two invoices for June 2013 services were overlooked.

Failure to pay for the services provided by CMS represents noncompliance with the Illinois Administrative Code, indebts the State without authorization, and prevents the Department from abiding by the appropriation authority given to it by the General Assembly. (Finding Code No. 2013-009, 11-10, 09-9)

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**RECOMMENDATION**

We recommend the Department work with the Governor's Office of Management and Budget to determine a method by which to become current with its balance due from Fiscal Year 2013 to CMS and initiate reductions in other areas to ensure sufficient funds to pay for the services provided by CMS.

**DEPARTMENT RESPONSE**

The Department worked very diligently to identify as many previous year billings that were still outstanding as possible related to the Fiscal Year 2013 appropriation. This particular payment was an oversight and was paid immediately upon discovering that the invoice was not paid. The Department will continue to pay any previous year invoices that exist as appropriations allow. The Department will create a checklist for monthly expenditures to ensure payment in a prompt manner.

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PRIOR FINDINGS NOT REPEATED

A. **FINDING** (Inadequate controls over contracts)

During the prior examination, the Illinois Department of Labor (Department) did not exercise adequate controls over the contractual agreements.

During the current examination, our sample testing did not disclose any instances where the Department failed to exercise adequate controls over contractual agreements. (Finding Code No. 11-6)

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COMPLIANCE EXAMINATION  
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**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances – 2013
- Schedule of Appropriations, Expenditures and Lapsed Balances – 2012
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Schedule of Changes in State Property (Not Examined)
- Comparative Schedule of Cash Receipts
- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Variations in Receipts
- Analysis of Significant Lapse Period Spending
- Analysis of Accounts Receivable (Not Examined)

- Analysis of Operations (Not Examined):

- Agency Functions and Planning Program (Not Examined)
- Average Number of Employees (Not Examined)
- Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2013 and June 30, 2012 accompanying supplementary information in Schedules 1 through 10. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to Schedules 4 and 10 and the Analysis of Operations Section, accordingly, they do not express an opinion or provide any assurance on that information.

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SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2013

Fourteen Months Ended August 31, 2013

P.A. 97-0731	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01 - 8/31/13	Total Expenditures	Balances Lapsed
<b><u>APPROPRIATED FUNDS</u></b>					
<b>General Revenue Fund - 001</b>					
Personal Services	\$ 4,660,700	\$ 4,481,824	\$ 82,367	\$ 4,564,191	\$ 96,509
State Contributions to Social Security	358,100	327,330	6,182	333,512	24,588
Contractual Services	372,800	183,227	177,340	360,567	12,233
Travel	90,800	68,488	18,884	87,372	3,428
Commodities	28,800	7,698	3,388	11,086	17,714
Printing	10,900	5,938	4,552	10,490	410
Equipment	2,000	215	1,236	1,451	549
Electronic Data Processing	55,900	489	30,963	31,452	24,448
Telecommunications Services	125,300	42,214	82,521	124,735	565
Other Purposes	2,000	-	1,369	1,369	631
Employee Classification Act	609,200	311,150	795	311,945	297,255
Total General Revenue Fund	<u>\$ 6,316,500</u>	<u>\$ 5,428,573</u>	<u>\$ 409,597</u>	<u>\$ 5,838,170</u>	<u>\$ 478,330</u>

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2013

Fourteen Months Ended August 31, 2013

P.A. 97-0731	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01 - 8/31/13	Total Expenditures	Balances Lapsed
<b>Child Labor Enforcement Trust Fund - 357</b>					
Personal Services	\$ 292,300	\$ 247,187	\$ (25,333)	\$ 221,854	\$ 70,446
State Contributions to State Employees					
Retirement System	111,100	93,079	67	93,146	17,954
State Contributions to Social Security	22,400	18,142	(1,887)	16,255	6,145
Group Insurance	115,000	100,112	-	100,112	14,888
Contractual Services	7,900	3,728	361	4,089	3,811
Travel	17,000	4,841	1,304	6,145	10,855
Commodities	15,000	2,015	141	2,156	12,844
Printing	1,000	995	-	995	5
Equipment	2,000	156	-	156	1,844
Telecommunications Services	3,000	2,143	330	2,473	527
	<u>3,000</u>	<u>2,143</u>	<u>330</u>	<u>2,473</u>	<u>527</u>
Total Child Labor Enforcement Trust Fund	<u>\$ 586,700</u>	<u>\$ 472,398</u>	<u>\$ (25,017)</u>	<u>\$ 447,381</u>	<u>\$ 139,319</u>

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2013

Fourteen Months Ended August 31, 2013

P.A. 97-0731	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01 - 8/31/13	Total Expenditures	Balances Lapsed
<b>Employee Classification Fund - 446</b>					
Contractual Services	\$ 7,500	\$ -	\$ -	\$ -	\$ 7,500
Travel	11,500	-	-	-	11,500
Commodities	9,500	-	-	-	9,500
Printing	3,000	-	-	-	3,000
Equipment	7,500	-	-	-	7,500
For Electronic Data Processing	3,500	-	-	-	3,500
Telecommunications Services	5,500	-	-	-	5,500
	<u>48,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,000</u>
Total Employee Classification Fund	<u>\$ 48,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,000</u>
<b>Department of Labor Federal Projects Fund - 724</b>					
Administration of Federal Project	<u>\$ 1,590,100</u>	<u>\$ 1,514,302</u>	<u>\$ (30,893)</u>	<u>\$ 1,483,409</u>	<u>\$ 106,691</u>
Total Department of Labor Federal Trust Fund	<u>\$ 1,590,100</u>	<u>\$ 1,514,302</u>	<u>\$ (30,893)</u>	<u>\$ 1,483,409</u>	<u>\$ 106,691</u>
<b>Federal Industrial Services Fund - 726</b>					
Administration of Occupational Safety and Health Administration Program	<u>\$ 3,000,000</u>	<u>\$ 1,733,743</u>	<u>\$ 9,150</u>	<u>\$ 1,742,893</u>	<u>\$ 1,257,107</u>
Total Federal Industrial Services Fund	<u>\$ 3,000,000</u>	<u>\$ 1,733,743</u>	<u>\$ 9,150</u>	<u>\$ 1,742,893</u>	<u>\$ 1,257,107</u>

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2013

Fourteen Months Ended August 31, 2013

P.A. 97-0731	Appropriations (Net After Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01 - 8/31/13	Total Expenditures	Balances Lapsed
<b>Wage Theft Enforcement Fund - 885</b>					
Contractual Services	\$ 5,500	\$ -	\$ -	\$ -	\$ 5,500
Travel	6,000	-	-	-	6,000
Commodities	5,000	-	-	-	5,000
Printing	1,000	-	-	-	1,000
Equipment	1,000	-	-	-	1,000
For Electronic Data Processing	4,000	-	-	-	4,000
Telecommunications Services	7,500	-	-	-	7,500
	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
Total Wage Theft Enforcement Fund	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
	<u>\$ 11,571,300</u>	<u>\$ 9,149,016</u>	<u>\$ 362,837</u>	<u>\$ 9,511,853</u>	<u>\$ 2,059,447</u>
<b><u>NON-APPROPRIATED FUNDS</u></b>					
<b>Department of Labor Special State Trust Fund - 251</b>					
Grants and Awards		<u>\$ 2,138,727</u>	<u>\$ 31,824</u>	<u>\$ 2,170,551</u>	
		<u>\$ 2,138,727</u>	<u>\$ 31,824</u>	<u>\$ 2,170,551</u>	
		<u>\$ 11,287,743</u>	<u>\$ 394,661</u>	<u>\$ 11,682,404</u>	

Note 1: Appropriation, expenditures, and lapsed balances were obtained directly from the records of the State Comptroller, which have been reconciled to Department records, except as noted in Finding 2013-006.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payments to the vendor.



STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2012

Eighteen Months Ended December 31, 2012

P.A. 97-0063	Appropriations (Net After Transfers)	Expenditures Through 6/30/12	Lapse Period Expenditures 7/01 - 12/31/12	Total Expenditures	Balances Lapsed
<b><u>APPROPRIATED FUNDS</u></b>					
<b>General Revenue Fund - 001</b>					
Personal Services	\$ 4,314,400	\$ 3,935,949	\$ 187,161	\$ 4,123,110	\$ 191,290
State Contributions to Social Security	330,000	292,992	14,360	307,352	22,648
Contractual Services	287,350	27,118	236,744	263,862	23,488
Travel	107,600	80,084	23,575	103,659	3,941
Commodities	18,500	10,131	492	10,623	7,877
Printing	1,850	1,100	6	1,106	744
Equipment	2,662	461	1,700	2,161	501
Electronic Data Processing	14,220	8,686	5,177	13,863	357
Telecommunications Services	102,318	-	102,309	102,309	9
Employee Classification Act	609,200	322,221	17,542	339,763	269,437
 Total General Revenue Fund	 \$ 5,788,100	 \$ 4,678,742	 \$ 589,066	 \$ 5,267,808	 \$ 520,292

STATE OF ILLINOIS  
 ILLINOIS DEPARTMENT OF LABOR  
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
 Appropriations for Fiscal Year 2012

Eighteen Months Ended December 31, 2012

P.A. 97-0063	Appropriations (Net After Transfers)	Expenditures Through 6/30/12	Lapse Period Expenditures 7/01 - 12/31/12	Total Expenditures	Balances Lapsed
<b>Child Labor Enforcement Trust Fund - 357</b>					
Personal Services	\$ 311,200	\$ 219,449	\$ -	\$ 219,449	\$ 91,751
State Contributions to State Employees					
Retirement System	106,400	75,097	-	75,097	31,303
State Contributions to Social Security	23,800	16,128	-	16,128	7,672
Group Insurance	75,000	74,653	-	74,653	347
Contractual Services	7,900	6,078	352	6,430	1,470
Travel	17,000	5,189	-	5,189	11,811
Commodities	15,000	2,718	316	3,034	11,966
Printing	1,000	-	-	-	1,000
Equipment	2,000	-	-	-	2,000
Telecommunications Services	3,000	-	2,985	2,985	15
<b>Total Child Labor Enforcement Trust Fund</b>	<b>\$ 562,300</b>	<b>\$ 399,312</b>	<b>\$ 3,653</b>	<b>\$ 402,965</b>	<b>\$ 159,335</b>

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2012

Eighteen Months Ended December 31, 2012

P.A. 97-0063	Appropriations (Net After Transfers)	Expenditures Through 6/30/12	Lapse Period Expenditures 7/01 - 12/31/12	Total Expenditures	Balances Lapsed
<b>Employee Classification Fund - 446</b>					
Personal Services	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000
State Contributions to State Employees Retirement System	20,500	-	-	-	20,500
State Contributions to Social Security	4,600	-	-	-	4,600
Group Insurance	15,000	-	-	-	15,000
Contractual Services	15,900	-	-	-	15,900
Travel	6,000	-	-	-	6,000
Commodities	6,000	-	-	-	6,000
Printing	3,000	-	-	-	3,000
Equipment	5,000	-	-	-	5,000
Electronic Data Processing	4,500	-	-	-	4,500
Telecommunications Services	9,500	-	-	-	9,500
<b>Total Employee Classification Fund</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000</b>
<b>Department of Labor Federal Projects Fund - 724</b>					
Administration of Federal Project	\$ 1,934,500	\$ 1,099,583	\$ 86,111	\$ 1,185,694	\$ 748,806
<b>Total Department of Labor Federal Trust Fund</b>	<b>\$ 1,934,500</b>	<b>\$ 1,099,583</b>	<b>\$ 86,111</b>	<b>\$ 1,185,694</b>	<b>\$ 748,806</b>

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2012

Eighteen Months Ended December 31, 2012

P.A. 97-0063	Appropriations (Net After Transfers)	Expenditures Through 6/30/12	Lapse Period Expenditures 7/01 - 12/31/12	Total Expenditures	Balances Lapsed
<b>Federal Industrial Services Fund - 726</b>					
Administration of Occupational Safety and Health Administration Program	\$ 3,000,000	\$ 1,439,655	\$ 92,000	\$ 1,531,655	\$ 1,468,345
Total Federal Industrial Services Fund	<u>\$ 3,000,000</u>	<u>\$ 1,439,655</u>	<u>\$ 92,000</u>	<u>\$ 1,531,655</u>	<u>\$ 1,468,345</u>
<b>Wage Theft Enforcement Fund - 885</b>					
Personal Services	\$ 290,000	\$ -	\$ -	\$ -	\$ 290,000
State Contributions to State Employees Retirement System	99,200	-	-	-	99,200
State Contributions to Social Security	22,300	-	-	-	22,300
Group Insurance	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Total Wage Theft Enforcement Fund	<u>\$ 471,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 471,500</u>
<b>Total - All Appropriated Funds</b>	<u><u>\$ 11,906,400</u></u>	<u><u>\$ 7,617,292</u></u>	<u><u>\$ 770,830</u></u>	<u><u>\$ 8,388,122</u></u>	<u><u>\$ 3,518,278</u></u>

STATE OF ILLINOIS  
 ILLINOIS DEPARTMENT OF LABOR  
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
 Appropriations for Fiscal Year 2012

Eighteen Months Ended December 31, 2012

P.A. 97-0063	Appropriations (Net After Transfers)	Expenditures Through 6/30/12	Lapse Period Expenditures 7/01 - 12/31/12	Total Expenditures	Balances Lapsed
<b><u>NON-APPROPRIATED FUNDS</u></b>					
<b>Department of Labor Special State Trust Fund - 251</b>					
Grants and Awards		\$ 1,599,540	\$ 201,835	\$ 1,801,375	
<b>Total All Non-Appropriated Funds</b>		<u>\$ 1,599,540</u>	<u>\$ 201,835</u>	<u>\$ 1,801,375</u>	
<b>GRAND TOTAL ALL FUNDS</b>		<u>\$ 9,216,832</u>	<u>\$ 972,665</u>	<u>\$ 10,189,497</u>	

Note 1: Appropriation, expenditures, and lapsed balances were obtained directly from the records of the State Comptroller, which have been reconciled to Department records, except as noted in Finding 2013-006.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payments to the vendor.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
For the Fiscal Years Ended June 30 2013, 2012, and 2011

	Fiscal Year		
	2013	2012	2011
	P.A. 97-0731	P.A. 97-0063	P.A. 96-0956
<b><u>APPROPRIATED FUNDS</u></b>			
<b>General Revenue Fund - 001</b>			
Appropriations (Net of Transfers)	\$ 6,316,500	\$ 5,788,100	\$ 5,406,800
Personal Services	\$ 4,564,191	\$ 4,123,110	\$ 4,340,104
State Contributions to Social Security	333,512	307,352	324,071
Contractual Services	360,567	263,862	211,352
Travel	87,372	103,659	113,452
Commodities	11,086	10,623	16,439
Printing	10,490	1,106	3,811
Equipment	1,451	2,161	2,563
Electronic Data Processing	31,452	13,863	8,969
Telecommunications	124,735	102,309	109,221
Other Purposes	1,369	-	1,355
Employee Classification Act	311,945	339,763	-
Total Expenditures	<u>\$ 5,838,170</u>	<u>\$ 5,267,808</u>	<u>\$ 5,131,337</u>
Lapsed Balances	<u>\$ 478,330</u>	<u>\$ 520,292</u>	<u>\$ 275,463</u>
<b>Child Labor Enforcement Trust Fund - 357</b>			
Appropriations (Net of Transfers)	\$ 586,700	\$ 562,300	\$ 500,000
Personal Services	\$ 221,854	\$ 219,449	\$ 249,336
State Contributions to State Retirement	93,146	75,097	72,364
State Contributions to Social Security	16,255	16,128	18,398
Group Insurance	100,112	74,653	71,527
Contractual Services	4,089	6,430	3,215
Travel	6,145	5,189	5,602
Commodities	2,156	3,034	533
Printing	995	-	-
Equipment	156	-	-
Telecommunications Services	2,473	2,985	-
Total Expenditures	<u>\$ 447,381</u>	<u>\$ 402,965</u>	<u>\$ 420,975</u>
Lapsed Balances	<u>\$ 139,319</u>	<u>\$ 159,335</u>	<u>\$ 79,025</u>

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
For the Fiscal Years Ended June 30 2013, 2012, and 2011

	Fiscal Year		
	2013	2012	2011
	P.A. 97-0731	P.A. 97-0063	P.A. 96-0956
<b>Employee Classification Fund - 446</b>			
Appropriations (Net of Transfers)	\$ 48,000	\$ 150,000	\$ -
Administration of Employee Classification Act	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 48,000</u>	<u>\$ 150,000</u>	<u>\$ -</u>
<b>Department of Labor Federal Projects Fund - 724</b>			
Appropriations (Net of Transfers)	\$ 1,590,100	\$ 1,934,500	\$ 1,500,000
Administration of Federal Project	\$ 1,483,409	\$ 1,185,694	\$ 1,146,765
Lapsed Balances	<u>\$ 106,691</u>	<u>\$ 748,806</u>	<u>\$ 353,235</u>
<b>Federal Industrial Services Fund - 726</b>			
Appropriations (Net of Transfers)	\$ 3,000,000	\$ 3,000,000	\$ -
Administration of Federal Project	\$ 1,742,893	\$ 1,531,655	\$ -
Lapsed Balances	<u>\$ 1,257,107</u>	<u>\$ 1,468,345</u>	<u>\$ -</u>
<b>Wage Theft Enforcement Fund - 885</b>			
Appropriations (Net of Transfers)	\$ 30,000	\$ 471,500	\$ -
Administration of Federal Project	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 30,000</u>	<u>\$ 471,500</u>	<u>\$ -</u>
<b>GRAND TOTAL - ALL APPROPRIATED FUNDS</b>			
Appropriations (Net of Transfers)	<u>\$ 11,571,300</u>	<u>\$ 11,906,400</u>	<u>\$ 7,406,800</u>
Total Expenditures	<u>\$ 9,511,853</u>	<u>\$ 8,388,122</u>	<u>\$ 6,699,077</u>
Lapsed Balances	<u>\$ 2,059,447</u>	<u>\$ 3,518,278</u>	<u>\$ 707,723</u>

**Schedule 3, Continued**

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
For the Fiscal Years Ended June 30 2013, 2012, and 2011

	Fiscal Year		
	2013	2012	2011
	P.A. 97-0731	P.A. 97-0063	P.A. 96-0956
<b><u>NON-APPROPRIATED FUNDS</u></b>			
<b>Department of Labor Special State Trust Fund - 251</b>			
Grants and Awards	\$ 2,170,551	\$ 1,801,375	\$ 1,351,192
<b>Total All Non-Appropriated Funds</b>	<b>\$ 2,170,551</b>	<b>\$ 1,801,375</b>	<b>\$ 1,351,192</b>
<b>GRAND TOTAL EXPENDITURES - ALL FUNDS</b>	<b>\$ 11,682,404</b>	<b>\$ 10,189,497</b>	<b>\$ 8,050,269</b>
<b>General Revenue Fund - 001 State Comptroller</b>			
<b>State Officers' Salaries</b>			
Appropriations (Net of Transfers)	\$ 346,900	\$ 346,900	\$ 346,900
Director	\$ 124,090	\$ 124,090	\$ 121,493
Assistant Director	9,428	-	89,949
Chief Factory Inspector	35,358	51,976	49,780
Superintendent of Safety Inspection Education	35,840	26,274	-
Total Expenditures	\$ 204,716	\$ 202,340	\$ 261,222
Lapsed Balances	\$ 142,184	\$ 144,560	\$ 85,678

Note 1: Fiscal Year 2011 expenditures and related lapsed balances do not reflect any interest payments approved for payment by the Department and submitted to the State Comptroller for payment after August.



STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
SCHEDULE OF CHANGES IN STATE PROPERTY (NOT EXAMINED)  
For the Two Years Ended June 30, 2013

	<u>Equipment</u>
Balance at July 1, 2011	\$ 650,927
Additions	235,338
Deletions	(4,679)
Net Transfers	<u>66,440</u>
Balance at June 30, 2012	<u>\$ 948,026</u>
Balance at July 1, 2012	\$ 948,026
Additions	16,176
Deletions	(104,433)
Net Transfers	<u>-</u>
Balance at June 30, 2013	<u>\$ 859,769</u>

Note: Data presented is considered not examined. The above schedule has been derived from property reports submitted to the Office of the Comptroller. We were unable to reconcile the property records submitted to the Office of the Comptroller to records maintained within the Department. See Finding Code No. 2013-003 and the Independent Accountant's Report on State Compliance, on Internal Control over Compliance, and on Supplementary Information for State Compliance Purposes.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
COMPARATIVE SCHEDULE OF CASH RECEIPTS  
For the Fiscal Years Ended June 30,

<b>General Revenue Fund - 001</b>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Private Employment Agencies Inspection Fees	\$ 94,024	\$ 100,553	\$ 95,720
Labor Standards Fees	-	-	2,260
Carnival-Amusement Ride Inspection Fees	264,214	256,598	273,510
Nurse Agencies	58,250	65,995	64,000
Miscellaneous	72,993	6,130	14,997
Civil Penalties	4,000	1,975	-
Fines and Penalties	256,977	244,038	271,243
Total Receipts	<u>\$ 750,458</u>	<u>\$ 675,289</u>	<u>\$ 721,730</u>
<b>Department of Labor Special State Trust Fund - 251</b>			
Collection of Labor Law Claims	<u>\$ 2,179,572</u>	<u>\$ 2,048,541</u>	<u>\$ 1,526,089</u>
<b>Child Labor Enforcement Trust Fund - 357</b>			
Civil Penalties	\$ 28,675	\$ 63,720	\$ 20,940
Day Labor Agencies Fees	479,075	390,375	390,750
Total Receipts	<u>\$ 507,750</u>	<u>\$ 454,095</u>	<u>\$ 411,690</u>
<b>Employee Classification Fund - 446</b>			
Miscellaneous	<u>\$ 153,896</u>	<u>\$ 76,752</u>	<u>\$ 21,917</u>
<b>Department of Labor Federal Projects Fund - 724</b>			
Administration of Federal Project	<u>\$ 1,571,710</u>	<u>\$ 1,152,000</u>	<u>\$ 1,212,000</u>
<b>Federal Industrial Services Fund - 726</b>			
Administration of Federal Project	<u>\$ 1,779,598</u>	<u>\$ 1,280,000</u>	<u>\$ -</u>
<b>Wage Theft Enforcement Fund - 885</b>			
Administrative Fees	<u>\$ 84,299</u>	<u>\$ 18,250</u>	<u>\$ -</u>

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS  
REMITTED TO THE STATE COMPTROLLER  
For the Fiscal Years Ended June 30,

<b>General Revenue Fund - 001</b>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Receipts per Department Records	\$ 750,458	\$ 675,289	\$ 721,730
Add: Deposits in Transit, Beginning of Year	-	*	*
Less: Deposits in Transit, End of Year	(51,784)	*	*
Adjustments			
Other Adjustments	(113)	*	*
Prior Year Refund	-	375	*
	<u>          </u>	<u>          </u>	<u>          </u>
Deposits Remitted to the Comptroller	<u>\$ 698,561</u>	<u>\$ 672,447</u>	<u>\$ 719,384</u>
<b>Department of Labor Special State Trust Fund - 251</b>			
Receipts per Department Records	\$ 2,179,572	\$ 2,048,541	\$ 1,526,089
Add: Deposits in Transit, Beginning of Year	-	*	*
Less: Deposits in Transit, End of Year	(15,588)	*	*
Adjustments			
Prior Year Warrant Voids	19,005	16,597	*
	<u>          </u>	<u>          </u>	<u>          </u>
Deposits Remitted to the Comptroller	<u>\$ 2,182,989</u>	<u>\$ 2,189,159</u>	<u>\$ 1,420,350</u>

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS  
REMITTED TO THE STATE COMPTROLLER  
For the Fiscal Years Ended June 30,

<b>Child Labor Enforcement Trust Fund - 357</b>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Receipts per Department Records	\$ 507,750	\$ 454,095	\$ 411,690
Add: Deposits in Transit, Beginning of Year	-	500	*
Less: Deposits in Transit, End of Year	-	*	*
Adjustments	-	*	*
Deposits Remitted to the Comptroller	<u>\$ 507,750</u>	<u>\$ 473,845</u>	<u>\$ 410,590</u>
<b>Employee Classification Fund - 446</b>			
Receipts per Department Records	\$ 153,896	\$ 76,752	\$ 21,917
Add: Deposits in Transit, Beginning of Year	-	-	-
Less: Deposits in Transit, End of Year	-	*	-
Adjustments			
Returned Checks	-	*	-
Other Adjustments	-	*	-
Deposits Remitted to the Comptroller	<u>\$ 153,896</u>	<u>\$ 75,919</u>	<u>\$ 21,917</u>

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS  
REMITTED TO THE STATE COMPTROLLER  
For the Fiscal Years Ended June 30,

<b>Department of Labor Federal Projects Fund - 724</b>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Receipts per Department Records	\$ 1,571,710	\$ 1,152,000	\$ 1,212,000
Add: Deposits in Transit, Beginning of Year	*	*	-
Less: Deposits in Transit, End of Year	*	*	-
Adjustments	*	*	-
Deposits Remitted to the Comptroller	<u>\$ 1,580,377</u>	<u>\$ 1,157,450</u>	<u>\$ 1,212,000</u>
<b>Federal Industrial Services Fund - 726</b>			
Receipts per Department Records	\$ 1,779,598	\$ 1,280,000	\$ -
Add: Deposits in Transit, Beginning of Year	-	-	-
Less: Deposits in Transit, End of Year	-	*	-
Adjustments	-	*	-
Deposits Remitted to the Comptroller	<u>\$ 1,779,598</u>	<u>\$ 1,474,999</u>	<u>\$ -</u>

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS  
REMITTED TO THE STATE COMPTROLLER  
For the Fiscal Years Ended June 30,

<b>Wage Theft Enforcement Fund - 885</b>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Receipts per Department Records	\$ 84,299	\$ 18,250	\$ -
Add: Deposits in Transit, Beginning of Year	-	-	-
Less: Deposits in Transit, End of Year	(250)	*	-
Adjustments	-	*	-
Deposits Remitted to the Comptroller	<u>\$ 84,049</u>	<u>\$ 19,250</u>	<u>\$ -</u>

\* Note: Fund was not properly reconciled by the Department, therefore amount could not be determined. See Finding Code No. 2013-001 and the Independent Accountant's Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2013

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2013 AND 2012**

Variations from the prior fiscal year amounting to \$5,000 and 20% were analyzed.

**General Revenue Fund (001)**

Contractual Services

Contractual services expenditures increased during Fiscal Year 2013 due to payments made to revolving funds. Department personnel stated that revolving fund payments were not made from Contractual services in the past.

Printing

Printing expenditures increased during Fiscal Year 2013 due to a switch in the location of where checks were processed. The processing of checks was switched to the Springfield office, so a large number of envelopes and letterhead were ordered for the office. The Department had not ordered letterhead for that office in over a year.

Electronic Data Processing

Electronic data processing expenditures increased during Fiscal Year 2013 due to an increase in the number of new computers purchased. Department personnel stated that such purchases were necessary due to the advanced age of computers previously being utilized.

**Child Labor Fund (357)**

State Contributions to Group Insurance and State Employees' Retirement System

State contributions to group insurance and state employees' retirement system expenditures increased during Fiscal Year 2013 due to increased contribution rates. Department personnel stated that such contribution rate increases ranged from 28% to 40%.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2013

**Department of Labor Federal Projects Fund (724)**

Administration of Federal Projects

The increase in the administration of Federal Projects in Fiscal Year 2013 was due to an increase in state contributions to group insurance and state employees' retirement system expenditure rates and a refund of Federal grant money resulting from Federal sequestration. Such increases were offset by a decrease in employee travel expenditures due to reduced travel and fewer telecommunications expenditures initially required as start-up purchases.

**Special State Trust Fund (251)**

Grants & Awards

The increase in grants and awards expenditures in Fiscal Year 2013 was due to an increase in the number of claims paid. The number of claims paid fluctuates due to the number of wage claim complaints filed and investigated.



STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2013

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2012 AND 2011**

Variations from the prior fiscal year amounting to \$5,000 and 20% were analyzed.

**General Revenue Fund (001)**

Contractual Services

Contractual services expenditures increased during Fiscal Year 2012 due to legal fees paid by the Department in addition to an increase in real property lease payments. Department personnel stated the Department paid a pro-rata share of the costs associated with a law suit in which the Department was involved. In addition, monthly real property lease payments increased by approximately 11%.

**Federal Industrial Services Fund (726)**

Administration of Occupational Safety and Health Administration Program

The Department received a grant in July of 2012 under a cooperative agreement with the Occupational Safety and Health Administration to provide occupational safety and health consultation services to smaller businesses in the State of Illinois. The Department paid employees and made various other expenditures to aid in achieving the purpose of this grant.

**Special State Trust Fund (251)**

Grants & Awards

The increase in grants and awards expenditures in Fiscal Year 2012 was due to an increase in the number of claims paid. The number of claims paid fluctuates due to the number of wage claim complaints filed and investigated.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS  
For the Two Years Ended June 30, 2013

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2013 AND 2012**

Variations from the prior fiscal year amounting to \$10,000 and 20% were analyzed.

**General Revenue Fund (001)**

Miscellaneous

The increase of \$66,863 was due to an increase in the number of prevailing wage and minimum wage cases handled by the Department.

**Child Labor Law Enforcement Fund (357)**

Civil Penalties

The decrease of \$35,045 is the result of a decrease in the number of child labor complaints resulting in fewer penalties received.

Day Labor Agency Fees

The increase of \$88,700 is the result of an increase in the number of companies who registered as day and temporary service agencies resulting in more registrations fees collected.

**Employee Classification Fund (446)**

Miscellaneous

The increase of \$77,144 is the result of an increase in the number of investigations classified under the Employee Classification Act resulting in more penalties received.

**Department of Labor Federal Projects Fund (724)**

Administration of Federal Project

The increase of \$419,710 was due to additional employees and additional expenditures that qualified for reimbursement under the grant.

**Federal Industrial Services Fund (726)**

Administration of Federal Project

The increase of \$499,598 was due to additional employees and additional expenditures that qualified for reimbursement under the grant.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS  
For the Two Years Ended June 30, 2013

**Wage Theft Enforcement Fund (885)**

Administrative Fees

The increase of \$66,049 was due to the fact that the Wage Theft Enforcement Fund was created to deposit the administrative fees that were initiated with the Wage Theft Enforcement Act, to be effective for cases being filed after January 1, 2011. It takes approximately 6 months to a year for a wage claim case to be processed. Therefore, the majority of cases were not filed until Fiscal Year 2013.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2012 AND 2011**

Variations from the prior fiscal year amounting to \$10,000 and 20% were analyzed.

**Special State Trust Fund (251)**

Collection of Labor Law Claims

The increase of \$522,452 was due to a statutory mandate related to the Wage Payment and Collection Act allowing a \$250 non-waivable fee to be assessed if the claim is not paid prior to the issuance of a demand or order. The Department has seen an increase in the number of claims settled due to this mandate. The agency also settled two cases of approximately \$350,000 and \$100,000 in Fiscal Year 2012.

**Child Labor Law Enforcement Fund (357)**

Civil Penalties

The increase of \$42,780 is the result of an increase in the number of child labor complaints resulting in more penalties received.

**Employee Classification Fund (446)**

Miscellaneous

The increase of \$54,835 is the result of an increase in the number of investigations classified under the Employee Classification Act resulting in more penalties received.

**Federal Industrial Services Fund (726)**

Administration of Federal Project

The increase of \$1,280,000 was due to a grant received in July of 2012 under a cooperative agreement with the Occupational Safety and Health Administration to provide occupational safety and health consultation services to smaller businesses in the State of Illinois.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS  
For the Two Years Ended June 30, 2013

**Wage Theft Enforcement Fund (885)**

Administrative Fees

The increase of \$18,250 was due to the fact that the Wage Theft Enforcement Fund was created to deposit the administrative fees that were initiated with the Wage Theft Enforcement Act, to be effective for cases being filed after January 1, 2011. It takes approximately 6 months to a year for a wage claim case to be processed. Therefore, Fiscal Year 2012 was the first year that deposits were made.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
For the Two Years Ended June 30, 2013

**FISCAL YEAR 2013**

Lapse period expenditures amounting to \$5,000 and representing 20% of total expenditures were analyzed.

**General Revenue Fund (001)**Contractual Services and Travel

Contractual services and travel expenditures during the lapse period were mainly made due to payments on outstanding statistical service billings payable to Central Management Services.

Electronic Data Processing and Telecommunications

Electronic data processing and telecommunications expenditures during the lapse period were due to purchases of replacement computers for staff members not processed until the lapse period.

**FISCAL YEAR 2012**

Lapse period expenditures amounting to \$5,000 and representing 20% of total expenditures were analyzed.

**General Revenue Fund (001)**Contractual Services, Travel, and Electronic Data Processing

Contractual services, travel, and electronic data processing expenditures during the lapse period were mainly made due to changes in staffing during the fiscal year. The position of Account Clerk II was terminated in April 2012 and was not replaced. Due to there being only one person in the Fiscal Division at the end of the fiscal year, a large number of vouchers were processed during the lapse period.

Telecommunications

Telecommunications expenditures during the lapse period were the result of instructions communicated by the prior Chief Fiscal Officer, who was terminated in January of 2012, to the current Chief Fiscal Officer. The current Chief Fiscal Officer was instructed to make all telecommunications expenditures in the lapse period. That practice is no longer in use.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
ANALYSIS OF ACCOUNTS RECEIVABLE (NOT EXAMINED)  
For the Fiscal Years Ended June 30,  
(amounts expressed in thousands)

<u>General Revenue Fund (Fund 001)</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Age			
Current	\$ -	\$ 795	\$ 8
1-30 days	34	-	-
31-90 days	-	12	-
91-180 days	-	91	1,310
181 days to 1 year	-	516	131
Over 1 year	-	399	507
	<u>          </u>	<u>          </u>	<u>          </u>
Total	\$ 34	\$ 1,813	\$ 1,956
Less: Allowance for Doubtful Accounts	<u>          </u>	<u>          </u>	<u>          </u>
	-	-	262
Net Accounts Receivable	<u><u>\$ 34</u></u>	<u><u>\$ 1,813</u></u>	<u><u>\$ 1,694</u></u>
 <u>Child Labor Enforcement Fund (Fund 357)</u>			
Age			
Current	\$ -	\$ -	\$ -
1-30 days	-	-	-
31-90 days	-	-	-
91-180 days	-	-	1
181 days to 1 year	1	-	-
Over 1 year	3	6	6
	<u>          </u>	<u>          </u>	<u>          </u>
Total	\$ 4	\$ 6	\$ 7
Less: Allowance for Doubtful Accounts	<u>          </u>	<u>          </u>	<u>          </u>
	3	-	-
Net Accounts Receivable	<u><u>\$ 1</u></u>	<u><u>\$ 6</u></u>	<u><u>\$ 7</u></u>

Note: Data presented is considered not examined. The above schedule has been derived from Department records submitted to the Office of the Comptroller. We were unable to reconcile the records maintained within the Department. See Finding No. 2013-002 and the Independent Accountant's Report on State Compliance, on Internal Control over Compliance, and on Supplementary Information for State Compliance Purposes.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
ANALYSIS OF OPERATIONS (NOT EXAMINED)  
For the Two Years Ended June 30, 2013

**AGENCY FUNCTIONS AND PLANNING PROGRAM**

The Illinois Department of Labor (Department) was created in 1917 through the Civil Administrative Code. The Department administers and enforces various Illinois Labor Laws that regulate wages, hours, working conditions, minors in the workforce, and licensing of employers in certain businesses. Through the regulation of amusement rides, employment agencies, and nurse registries, the Department protects and serves the people of the State of Illinois.

The Department promotes and protects the rights, wages, welfare, working conditions, safety and health of Illinois workers through education and the enforcement of the State labor laws and standards, and safeguards the public through the regulation of amusement rides.

Departmental operations are carried out through the following seven divisions:

1. The Administration Division provides support services and overall administrative resources to the program divisions. These include fiscal/budget management, procurement, legal division, personnel, legislative liaison services, electronic data processing (EDP), and affirmative action.
2. The Legal Division was formed in 1997 as a separate group. The Division carefully maintains a strict separation between its hearing and advocacy functions. The administrative law judges convene informal hearings to determine if any laws administered and enforced by the Department have been violated, to attempt to resolve such matters equitably, and to decide whether there is sufficient evidence to recommend court action. This group also convenes formal administrative hearings to adjudicate a party's individual rights, duties, or privileges.

The Chief Legal Counsel and Assistant Legal Counsel prosecute on behalf of, or defends, the Director and the Department in formal administrative hearings; drafts and analyzes legislation; promulgates regulations; writes articles and issues opinion letters; oversees the Department's lawsuits handled by the Office of the Illinois Attorney General and various State's Attorneys offices; and provides advice and training for the Director and the Department's staff.

The Legal Division administers "Alternative Claims Resolution" (ACR). This program helps expedite the processing of wage claims filed with the Department. The Law Division also administers "Court Review." This program ensures that the Department only refers its strongest cases to the Office of the Illinois Attorney General and the various State's Attorneys offices for prosecution.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
ANALYSIS OF OPERATIONS (NOT EXAMINED)  
For the Two Years Ended June 30, 2013

**AGENCY FUNCTIONS AND PLANNING PROGRAM, continued**

3. The Equal Opportunity Workforce Division administers the Equal Pay Act, the Victims Economic Security and Safety Act (VESSA), the Private Employment Agencies Act, and the Nurse Agency Licensing Act.
4. The Fair Labor Standards Division is responsible for administering and enforcing nine statutes. These statutes include the Minimum Wage Law, Wage Payment and Collection Act, Day and Temporary Labor Services Act, Child Labor Law, One Day Rest in Seven Act, Farm Labor Contractor Certification Act, Industrial Homework Law, School Visitation Rights Act, and Street Trades Law.
5. The Conciliation and Mediation Division enforces prevailing wage standards for workers employed on public works projects. The Division also provides arbitration and mediation services and enforces certain “whistleblower” protection laws.
6. The Public Employee Safety Division is responsible for occupational safety and health regulations for an estimated 14,000 state and local governmental work sites. The Division’s jurisdiction extends protection to more than 727,000 employees working in State, township, county and municipal governments, including park, school and fire protection districts.
7. The Carnival and Amusement Ride Safety Division enforces safety standards through annual inspections and the issuance of permits for amusement rides, inflated attractions, ski lifts, rope tows, go-kart tracks, aerial trams, dry slides and some water amusements. In addition, bungee cords and other elastic devices came under jurisdiction of the Division in 1994. All amusement rides and amusement attractions open to the public are subject to regulation. The Carnival-Amusement Safety Board develops rules, which the Division enforces.



STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
ANALYSIS OF OPERATIONS (NOT EXAMINED)  
For the Two Years Ended June 30, 2013

**PLANNING PROGRAM**

The Department reviews and revises its fiscal year strategic plan annually. The Department's plan delineates priorities and initiatives on which the Department will be focusing its efforts. The plan also identifies five key priorities that provide the general framework for the Department's operations. They are as follows:

1. Administer all state labor laws effectively.
2. Assure minimum wage, overtime, and wage claims are properly paid.
3. Promote and enforce the Equal Pay Act.
4. Assure prevailing wage is paid, when required.
5. Inspect public buildings and amusement rides for health and safety violations.

**MONITORING**

The progress on individualized tasks identified in the plan is monitored through monthly reports. Each division prepares a monthly report, which reflects the division's activity during the month. These reports are especially useful for the divisions that have field inspectors and employees who work away from their Department's offices, as they show what the field inspectors have been working on and have accomplished during the reporting period.

Additionally, the Department uses the Governor's Office of Management and Budget Performance Reporting System and Process to develop and manage performance metrics to help assess the Department's performance and progress in specific areas. For each metric, a specific benchmark has been established to help assess the Department's performance. Management and Department staff members evaluate the Department's progress in each of these areas on a monthly or quarterly basis, depending on the nature of the metric.

**SPECIAL STATE TRUST FUND**

The Department operates the Special State Trust Fund (Fund 251) as an agency fund in the State Treasury. The purpose of Fund 251 is to hold wage claims collected from employers by the Department on behalf of Illinois workers (claimants) and hold those monies until the claimants can be located and properly paid. According to records maintained by the Office of the Comptroller, the balances in Fund 251 as of June 30, 2012 and June 30, 2013 were \$2,189,159 and \$2,182,989, respectively. We noted no sweeps or transfers out of Fund 251, as administered by the Governor's Office of Management and Budget, during Fiscal Years 2012 and 2013, respectively. See Finding IM 2013-004 for additional information.

STATE OF ILLINOIS  
 ILLINOIS DEPARTMENT OF LABOR  
 ANALYSIS OF OPERATIONS (NOT EXAMINED)  
 For the Two Years Ended June 30, 2013

**AVERAGE NUMBER OF EMPLOYEES**

The following table, prepared from Department records, presents the average number of employees, by division, for the Fiscal Years ended June 30,

<u>Division</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Office	17	17	17
Child Labor and Day and Temporary Labor Services Enforcement	4	4	2
Public Safety	29	29	32
Fair Labor Standards	40	40	39
Equal Pay Act and Victims Economic Security and Safety Act	4	4	4
Total Average Full-Time Employees	<u>94</u>	<u>94</u>	<u>94</u>

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF LABOR  
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)  
For the Fiscal Years Ended June 30

A summary of operating statistics, prepared from Department records, is presented below.

	Fiscal Year		
	2013	2012	2011
<u>PUBLIC EMPLOYEE SAFETY</u>			
Number of complaints received due to safety problems noted in public buildings	*	123	4
Number of days spent on investigations of safety problems noted in public buildings	*	3,660	425
Average number of days needed to investigate a safety problem in a public building	*	4.7	5.0
<u>CARNIVAL/AMUSEMENT RIDE SAFETY</u>			
Rides inspected	*	4,064	3,800
Number of amusement ride injuries due to mechanical failure per 10,000,000 riders	*	-	-
<u>CHILD LABOR LAW ENFORCEMENT</u>			
Number of child labor law complaints received	*	44	48
Percent of child labor complaints resolved	*	100%	100%
<u>ILLINOIS PREVAILING WAGE</u>			
Prevailing wage complaints completed	*	777	1,084
Percent of complaints investigated and closed within 180 days of receipt	*	65%	100%

\* The Fiscal Year 2013 information was not available as of the date the report was prepared.