

**REPORT DIGEST**

**ILLINOIS DEPARTMENT OF LABOR  
FINANCIAL AND COMPLIANCE AUDIT  
FOR THE TWO YEARS ENDED JUNE 30, 1993**

{Expenditures and Activity Measures are summarized on the reverse page.}

## **FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

### **FAILURE TO MAINTAIN ADEQUATE RECEIVABLES' RECORDS**

During our fieldwork we noted that department personnel were not maintaining adequate records in support of amounts being reported as accounts receivable for the General Revenue Fund and that no calculation had been made to estimate doubtful accounts. (Finding 1, page 8)

We recommended that the Department establish a system for the management of accounts receivable and Department management concurred.

### **FAILURE TO MAKE TIMELY DEPOSITS INTO THE STATE TREASURY**

During our audit we tested 93 receipts and noted that 36 (38.7%) receipts totalling \$103,088 were not deposited into the State Treasury in accordance with the time limits established by statute (30 ILCS 230/2). Of those late receipts, 31 were one to five days late, while the remaining 5 were six to ten days late. Deposits should be made on time to avoid lost interest income to the State. (Finding 2, page 10)

We recommended the Department process receipts in a more timely fashion and the Department concurred.

### **LACK OF PROPER MONITORING OF DISPLACED HOMEMAKERS ASSISTANCE FUNDS**

During our audit, we noted that displaced homemakers assistance funds provided to qualified recipients, through service centers, were not being properly monitored by the Department. The service centers filed approximately only half of the required quarterly reports and filed none of the required annual reports. The Department did not follow-up on these reporting deficiencies, nor did it obtain audit reports on the use of funds or perform any on-site inspections.

We recommended that the Department implement an effective monitoring program, and the Department concurred, stating that it had hired a full-time coordinator for this program.

### **MATTERS FOR CONSIDERATION BY THE GENERAL ASSEMBLY**

During the course of our audit, we noted numerous statutory provisions which are not being complied with by the Department. The lack of compliance is due to various reasons as cited below. The General Assembly may wish to repeal outdated or unnecessary mandates or clarify the statutory requirements that the Department should actually follow.

#### **Unenforced Mandates**

- 20 ILCS 1505/43.10 to collect, collate, and report statistical details related to all departments of labor. The Department feels this is applicable to the Department of Employment Security.

- 20 ILCS 1505/43.15(a) to study the labor and employment problems of migrant agricultural labor. The Department feels this is more properly a duty of the Department of Employment Security.
- 20 ILCS 1505/43.19 to transfer jurisdiction of realty held by the Department to any other Department of the State. The Department feels this is more properly applicable to the Department of Employment Security.
- 20 ILCS 1505/43.01 is no longer applicable as Department has no "Commissioners of Labor" as described in the statute.
- 20 ILCS 1505/43.03 is no longer applicable as the Department of Labor has no "Inspectors of Private Employment" as described in the statute.
- 30 ILCS 560 (Public Works Preference Act). This statute was ruled unconstitutional and superseded by the Employment of Illinois Workers on Public Works Act 30 ILCS 570.
- 225 ILCS 505 (Illinois Farm Labor Contractor Certification Act). The Department states it has not complied because this area has very little activity and the statute is very difficult to enforce.
- 430 ILCS 60 (Safety Glazing Materials Act). The Department has not acted because this area is also covered under Life Safety Codes or building codes.
- 820 ILCS 125/1 to 17 (Minimum Wage Standards for Women and Minors). This statute was ruled unconstitutional. Coverage now exists under the Minimum Wage Act.
- 820 ILCS 220/2(d)7B (Safety Inspection and Education Act). This Act requires assessing penalties on local units of government. The Department feels that it gets adequate compliance through simple notification so penalties are not needed.
- 820 ILCS 240/4 is not enforced since the Department discontinued pre-licensing inspections of premises for industrial home work 20 years ago due to a lack of funding.
- 820 ILCS 245/3 to 8 (Work Under Compressed Air Act). This Act is not enforced because this method is no longer used and no complaints have been filed in at least 15 years.

As noted above, the General Assembly may wish to consider providing the Department of Labor with clarification of, or relief from, some or all of the above mandates.

### **OTHER FINDINGS**

The remaining findings, including one that was repeated, are less significant due to the attention given them during the audit period by Department management. We will review the Department's progress in implementing our recommendations during our next audit.

### **AUDITORS' OPINION**

Our auditors report that the financial statements of the Illinois Department of Labor for the years ended June 30, 1992 and 1993 are fairly presented.

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WILLIAM G. HOLLAND, Auditor General

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**SUMMARY OF AUDIT FINDINGS**

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	7	10
Repeated findings	1	4
Recommendations implemented or not repeated	9	9

**SPECIAL ASSISTANT AUDITORS**

Our special assistant auditors for this audit were Dunbar, Breitweiser & Co.

**DEPARTMENT OF LABOR**  
**COMPLIANCE AUDIT**  
**For The Two Years Ended June 30, 1993**

<b>EXPENDITURE STATISTICS</b>	<b>FY 1993</b>	<b>FY 1992</b>	<b>FY 1991</b>
<b>●Total Expenditures (All Funds)</b>	<b>\$4,639,447</b>	<b>\$4,287,036</b>	<b>\$4,527,888</b>
<u>OPERATIONS TOTAL</u>	\$4,639,447	\$4,287,036	\$4,527,888
% of <b>Total</b> Expenditures	100%	100%	100%
Personal Services	\$2,397,298	\$2,751,334	\$2,907,411
% of Operations Expenditures	51.7%	64.2%	64.2%
Average No. of Employees	92	104	116
Other Payroll Costs (FICA, Retirement)(2)			
% of Operations Expenditures	\$382,090 8.2%	\$365,143 8.5%	\$337,653 7.5%
Contractual Services	\$381,346	\$679,512	\$724,828
% of Operations Expenditures	8.2%	15.9%	16.0%
All Other Operations Items*	\$1,478,713	\$491,047	\$557,996
% of Operations Expenditures	31.9%	11.4%	12.3%
* Includes \$718,254 in grants to Displaced Homemakers Centers			
<u>GRANTS TOTAL</u>	\$0	\$0	\$0
% of <b>Total</b> Expenditures	0%	0%	0%
<b>●Cost of Property and Equipment</b>	<b>\$838,689</b>	<b>\$861,908</b>	<b>\$717,300</b>

<b>SELECTED ACTIVITY MEASURES</b>	<b>FY 1993</b>	<b>FY 1992</b>	<b>FY 1991</b>
<b>●Child Labor Violations</b>	19,907	6,796	21,832
<b>●Child Labor Penalties</b>	\$214,608	\$217,262	\$189,562
<b>●Wage Claims Filed</b>	8,136	12,226	11,675
<b>●Wage Claims Settled</b>	13,113	14,333	15,990
<b>●Original Value of Claims Settled</b>	\$23,777,014	\$21,492,078	\$21,605,018

<b>AGENCY DIRECTOR(S)</b>
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