



STATE OF OKLAHOMA
OFFICE OF THE STATE AUDITOR & INSPECTOR

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**DEPARTMENT OF
LABOR**

JULY 1, 2003 THROUGH JUNE 30, 2004



JEFF A. MCMAHAN, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

Department of Labor
Statutory Examination Report
For the Period July 1, 2003 to June 30, 2004

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

October 24, 2005

TO THE COMMISSIONER OF THE DEPARTMENT OF LABOR

Transmitted herewith is the Statutory Examination Report for the Department of Labor. The procedures we performed were conducted pursuant to 74 O.S. § 212.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and by issuing reports that serve as a management tool to the State. Our goal is to ensure a government that is accountable to the people of the State of Oklahoma.

We wish to take this opportunity to express our appreciation to the agency's staff for the assistance and cooperation extended to our office during the course of our engagement.

Sincerely,

A handwritten signature in blue ink that reads "Jeff A. McMahan". The signature is written in a cursive style with a large initial "J".

JEFF A. McMAHAN
State Auditor and Inspector

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Background

The mission of the Oklahoma Department of Labor is to help ensure fairness, equity and safety in Oklahoma workplaces through ethical behavior, conscientious guidance and loyal service to Oklahoma's employers and employees.

Agency Head

BRENDA RENEAUCOMMISSIONER

Key Staff

TREY DAVIS CHIEF OF STAFF
PATRICK B. MCGUIGANDEPUTY COMMISSIONER
LAURIE ALLEN ASBESTOS ABATEMENT DIRECTOR
DIANA JONES.....OSHA CONSULTATION/PEOSH DIRECTOR
MARION HOLLOWAY SAFETY STANDARDS DIRECTOR
BETTYE FINCH.....STATISTICAL RESEARCH & LICENSING DIRECTOR



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

TO THE COMMISSIONER OF THE DEPARTMENT OF LABOR

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures for the fiscal year 2004:

1. We reviewed internal controls over cash, receipts, and disbursements.
2. We tested a sample of deposits to determine they were properly posted to the financial records and had adequate supporting documentation.
3. We tested a sample of disbursements to determine they were properly posted to the financial records and had adequate supporting documentation.
4. We performed analytical procedures to test the reasonableness of payroll disbursements;

We also prepared a Schedule of Receipts, Disbursements and Changes in Cash from information obtained from the statewide CORE accounting system. This schedule has been included for informational purposes only.

Our procedures were limited to those defined above and were less in scope than would be necessary to express an opinion on any of the items referred to above or to express an opinion on the effectiveness of the Department of Labor's internal control or any part thereof. Accordingly, we do not express such opinions. Alternatively, we have identified the procedures we performed and there were no findings resulting from those procedures.

Sincerely,

JEFF A. McMAHAN
State Auditor and Inspector

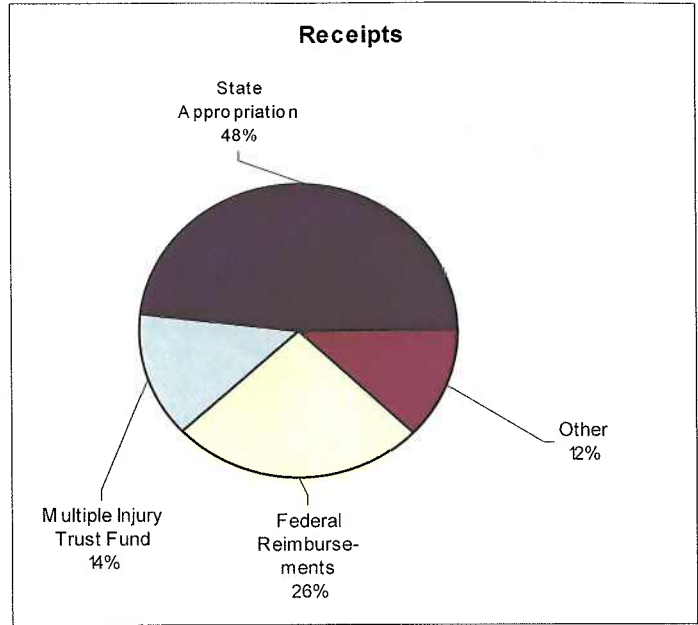
September 15, 2005

OKLAHOMA DEPARTMENT OF LABOR

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FOR THE YEAR ENDED JUNE 30, 2004

RECEIPTS:

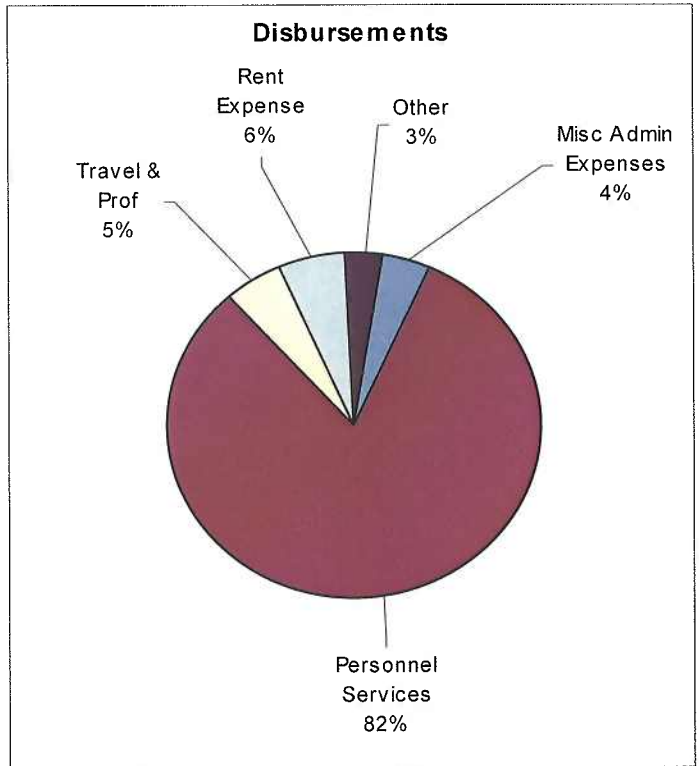
State Appropriations	2,984,514
Federal Reimbursements	1,588,750
Multiple Injury Trust Fund	850,000
CNC Fees/Work Comp Fines	688,187
Other	64,770
Total Receipts	6,176,221



DISBURSEMENTS:

Personnel Services	5,036,450
Rent Expense	359,649
Misc. Administrative Expenses	252,891
Travel	175,627
Professional Services	150,339
Office Furniture and Equipment	77,989
General Operating Expenses	39,622
Maintenance and Repair Expense	38,429
Refunds, Idemnities, Restitution	23,771
Other	24,338

Total Disbursements 6,179,105



RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,884)
CASH - Beginning of year	924,123
CASH - End of year	921,239

Other Information

Clearing Account

The Department of Labor maintains a clearing account to deposit revenues collected on a daily basis. All items deposited into the clearing account are held there until such items have been honored by the paying entity. Once these items have been honored, the revenues are transferred for deposit into the agency's operating fund(s) or the State of Oklahoma General Revenue Fund. The agency's clearing account had a cash balance of \$133,840 at June 30, 2004. As of June 30, 2004, this amount had not yet been deposited into the agency's operating fund(s) or the State's General Revenue Fund and is not considered to be available to fund the agency's general operations or to the State until it has been transferred in the following fiscal year. As a result, the clearing account's cash balance, revenues, and disbursements are not included in the accompanying Schedule of Receipts, Disbursements, and Changes in Cash Balance.

Payments to the State General Revenue Fund

In accordance with Oklahoma Statutes, the Department of Labor shall account for and transfer various license and fee revenues received to the State of Oklahoma General Revenue Fund. During fiscal year 2004, the agency submitted \$728,071 to the State's General Revenue Fund. As previously discussed, the agency maintains a clearing account in which receipts are deposited. When the required deposit of monies is made to the State's General Revenue Fund, it is made directly from the agency's clearing account. As a result, these receipts and disbursements are not included in the accompanying Schedule of Receipts, Disbursements, and Changes in Cash since the funds were not available for use by the agency.



Office of the State Auditor and Inspector

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