



Audit and Internal Investigations

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Audit Performed by
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EXECUTIVE SUMMARY

Organization

Mission Statement: To help ensure fairness, equity, and safety in Oklahoma workplaces through ethical behavior, conscientious guidance, and loyal service to Oklahoma's employers and employees.

History and Overview: The Commissioner of Labor is a constitutional office defined by Article VI Section 20. The department is responsible for administration and enforcement of minimum wage; child labor laws; workers' compensation insurance compliance; regulation of private employment agencies; investigation and mediation of unpaid wages; inspection of welded steam lines, boiler and pressure vessels, elevators (other than Oklahoma City and Tulsa), amusement and water rides, and water heaters in public facilities; certification of welders and weld-testing laboratories; regulation and certification of asbestos workers; and enforcement of occupational safety and health for public employees

METHODOLOGY

- Procurement transactions were examined.
- Overall program compliance with the rules related to the audit objectives was evaluated.

Agency Information

The Agency is made up of 47 classified and 19 unclassified employees according to the [Oklahoma Agencies, Boards and Commissions Book](#) as of Sept. 1, 2014.

Key Staff

Mark Costello, Commissioner of Labor

Jim Marshall, Chief of Staff

Stacy Bonner, Deputy Commissioner/Finance Director

Don Wheeler, Accountant

AUDIT CONCLUSION

Based on our audit, we have determined the Department of Labor has significantly complied with the following audit objectives:

- Determine if the agency has implemented corrective actions regarding the finding from the FY 2007 audit, and;
- Determine if internal controls are present and operating effectively in relation to the agency's procurement program, and;
- Determine if the agency's procurement program is in compliance with the Agency's approved internal purchasing procedures, the Central Purchasing Rules, and the Oklahoma State Purchase Card Procedures.

AUDIT OVERVIEW

This project is a follow-up audit to the procurement compliance audit completed in fiscal year 2007. Based on the results of the procurement compliance audit, the agency's spending authority was reduced to \$10,000. The original audit report can be viewed at www.ok.gov/OSF under the Audit and Internal Investigations link. The procurement compliance report was published Dec. 19, 2008.

Follow-up Audit

The agency currently has an agreement with Agency Business Services (ABS) to perform their purchasing; therefore no purchasing is performed by the agency in relation to the original findings. We extracted two years of procurement transactions to verify the agency was not purchasing above their reduced threshold. No findings were noted during this review.

We have determined the Oklahoma Department of Labor is in compliance with the objectives of the follow-up audit.

RECOMMENDATION

We recommend to the state purchasing director the Oklahoma Department of Labor purchasing authority be fully restored.

TRANSMITTAL LETTER

TO MARK COSTELLO, COMMISSIONER AND THE DEPARTMENT OF LABOR

With this letter, we transmit the report of the Department of Labor Follow Up audit for the period Jan. 1, 2013 to Dec. 31, 2014.

We performed the audit to ensure the Department of Labor procurement program as administered by the Office of Management and Enterprise Services is compliant with laws and regulations.

The accompanying report presents our findings and recommendations, as well as management's responses and corrective action plans. This report is available to the public on the Office of Management and Enterprise Services website, <http://www.ok.gov/OSF/Audit>.

Respectfully,

Carol McFarland
Director, Performance and Efficiency Division