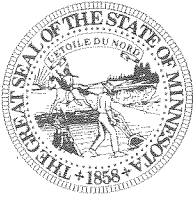


**DEPARTMENT OF LABOR AND INDUSTRY  
MANAGEMENT LETTER  
FISCAL YEAR 1986**

**NOVEMBER 1986**

Financial Audit Division  
Office of the Legislative Auditor  
State of Minnesota





STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

VETERANS SERVICE BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Mr. Stephen Keefe, Commissioner  
Department of Labor and Industry  
5th Floor Space Center Building  
444 Lafayette Road  
St. Paul, Minnesota 55101

Dear Commissioner Keefe:

We have reviewed certain accounting procedures and controls for your department, as part of our statewide audit of the State of Minnesota's fiscal year 1986 financial statements. The scope of our work was limited to:

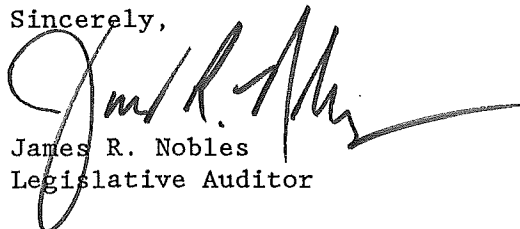
- those aspects of your department which have material impact on any of the state's various funds and account groups shown on the financial statements;
- your centralized function responsibilities for fixed assets; and
- the status of prior audit recommendations.

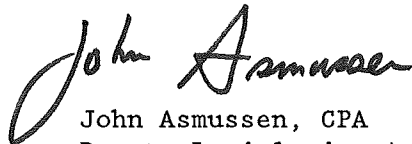
We emphasize that this has not been a complete financial and compliance audit of all programs within your department. The work conducted in your department is a part of our annual statewide financial and federal compliance audit. Even though no auditing of federal programs was done in your department during our fiscal year 1986 audit, the statewide single audit coverage satisfies the federal government's financial and compliance audit requirements for all federal programs administered by your department in fiscal year 1986.

Our review this year disclosed no weaknesses in accounting procedures or controls relating to the programs audited. Attached is a summary of the progress made on the audit recommendation developed during our fiscal year 1985 audit.

Thank you for the cooperation extended our staff during this audit.

Sincerely,

  
James R. Nobles  
Legislative Auditor

  
John Asmussen, CPA  
Deputy Legislative Auditor

Attachment

November 17, 1986

DEPARTMENT OF LABOR AND INDUSTRY

Attachment

STATUS OF PRIOR AUDIT RECOMMENDATIONS  
AND

PROGRESS TOWARD IMPLEMENTATION

The State Employees Revolving Fund is not reimbursed by state departments as provided for in Minn. Stat. 176.611.

1. Minn. Stat. 176.611 should be revised to provide for the current procedure of monthly payments to the SERF by state departments.

*Recommendation Implemented. The drafting of proposed statutory language was submitted for consideration during the 1986 legislative session.*