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CITIZENS SUMMARY

Findings in the audit of the Department of Labor and Industrial Relations - Prevailing Wage Program

Background	The prevailing wage law requires not less than the prevailing hourly rate of wages to be paid to workers on public works projects. The law applies to all public works projects constructed by or on behalf of the state and local public bodies. The prevailing wage law does not apply to maintenance work consisting of the repair of existing facilities when the size, type, or extent of the existing facilities are not changed or increased. The Department of Labor and Industrial Relations (DOLIR) is responsible for determining the prevailing wage rates and enforcing the prevailing wage law. The DOLIR, Division of Labor Standards (DLS), Wage and Hour Section is responsible for the day-to-day operations of the prevailing wage program.
Complaint Investigations	DLS did not investigate all complaints, did not always perform investigations in accordance with procedures or state law, and did not maintain a database of all complaints received. DLS records indicate 219 complaints were received, 115 complaint investigations were completed, and 68 violations were found during the year ended June 30, 2016.
Compliance with the Prevailing Wage Law	We reviewed 22 public works projects and, although we found no instances of noncompliance with the wage rates paid according to the certified payroll documentation, we found 20 projects had at least one instance of noncompliance with a prevailing wage law requirement by the public body.
Project Notifications	The DLS does not actively identify state agencies and other public bodies who fail to submit project notifications to encourage compliance. As a result, the DLS does not receive project notifications from public bodies on a significant number of public works projects as required by state law. In addition, projects without a project notification appear to be more likely to have noncompliance with other prevailing wage law requirements.
Construction Safety Training	During our review of prevailing wage complaints, which included construction safety training complaints, we noted limitations in the law impair effective enforcement of the construction safety training requirement.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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