

Legislative Audit Division

Room 160, Capitol Building
444-3122

“Because the legislature is responsible for authorizing the expenditure of public money, designating the sources from which money may be collected, and shaping the administration to perform the work of state government and is held finally accountable for fiscal policy, **the legislature should also be responsible for the audit of books, accounts, activities, and records so that it may be assured that its directives have been carried out.** It is the intent of this chapter that each agency of state government be audited for the purpose of furnishing the legislature with factual information vital to the discharge of its legislative duties.” *Emphasis added.*

MCA 5-13-101(2) - the Legislative Audit Act



Legislative Audit Division

Program 28

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Miles City



MITCH TROPILA
Great Falls

2015-2016 LEGISLATIVE AUDIT COMMITTEE

Legislative Audit Committee

Article V, Section 10. Montana Constitution. The legislature shall establish a legislative post-audit committee.

5-13-202. Appointment and term of members.

5-13-203. Meetings: The committee shall meet as often as may be necessary during and between legislative sessions to *advise and consult with* the legislative auditor.

GAGAS (GAO). Audit organizations in government entities may be presumed to be free from organizational impairments if the head of the organization is appointed by a legislative body (5-13-302) and reports to and is accountable to a legislative body.

Powers and Duties of the Legislative Auditor:

- conduct a financial and compliance audit of every state agency *at least* every 2 years covering the 2-year period since the last audit,
- conduct an audit to meet the standards and accomplish the objectives required in 5-13-308 whenever the legislative auditor determines it necessary and shall advise the members of the legislative audit committee;
- make a complete written report of each audit.
 - ❖ Reports are available on the Legislative Branch web site under Audit
 - ❖ Report summaries are available on the spindles in the center of the first floor, and office
 - ❖ Statutory distribution of reports (include State Library, DofA, OBPP, LSD)
 - ❖ Legislator notification letters – following an Audit Committee hearing
- During sessions of the legislature, the legislative auditor and the audit staff, when requested, shall assist the legislature, its committees, and its members by gathering and analyzing information relating to the fiscal affairs of state government.
- Shall establish and maintain a toll-free telephone number for use by Montana residents for the reporting of fraud, waste, and abuse in state government.

MCA 5-13-304
MCA 5-13-306
MCA 5-13-311

Financial compliance, performance, and information system audits are conducted in accordance with generally accepted governmental auditing standards (GAGAS) to determine whether:

MCA 5-13-308.

- the agency is carrying out only those activities or programs *authorized* by the legislature and is conducting them efficiently, effectively, and in accordance with legislative intent;
- expenditures are made only in furtherance of *authorized* activities and in accordance with the requirements of applicable laws and regulations;
- the agency collects and accounts properly for all revenues and receipts arising from its activities;
- the assets, including information technology, of the agency or in its custody are adequately safeguarded and controlled and utilized in an efficient manner;
- reports and financial statements by the agency to the governor, the legislature, and central control agencies disclose fully the nature and scope of the activities conducted and provide a proper basis for evaluating the agency's operations.

Questions?