

# LEGISLATIVE AUDIT DIVISION

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## MEMORANDUM

**TO:** Legislative Audit Committee Members  
**FROM:** Joe Murray, Performance Auditor Manager  
**CC:** Janet Kelly, Director, Department of Administration  
David Ewer, Budget Director, Governor's Office of Budget and Program Planning  
Jim Lynch, Director, Montana Department of Transportation  
**DATE:** June 2011  
**RE:** Performance Audit Follow-up 11SP-27: State Printing of Public Documents (09P-14)  
**ATTACHMENT:** Original Performance Audit Summary

### Introduction

In February 2010, we presented our performance audit of State Printing of Public Documents. The audit made two recommendations to the Publishing Policy Committee, which consists of the Director of the Department of Administration (DOA), the Director of the Department of Transportation, and the Governor's Budget Director. This memo summarizes the results of our follow-up work, in addition to presenting background information.

### **Overview**

The State Printing Control Act designates the Publishing Policy Committee as the entity responsible in overseeing state printing of public documents. Audit work determined the Publishing Policy Committee was not complying with statutory responsibilities outlined in the State Printing Control Act. Audit work also identified public documents did not comply with cost disclosure requirements outlined in the State Printing Control Act. In the 2011 Legislative Session, legislation was passed and signed into law to clarify sections of the State Printing Control Act.

### Background

In order to better control the cost of state agency printing of public documents, the legislature enacted the Publishing Policy Committee in 1979. The committee's statutory responsibilities are outlined in §18-7-302, MCA, and include the following:

- ▶ Adopt standards for the efficient and economical publication of public documents.
- ▶ Review proposals for publishing of all public documents prior to the publication to determine if the publication is necessary, and meets the standards of efficient and economical publication.
- ▶ At its discretion, prepare a report to the legislature, detailing the savings to state government.

Audit work determined the Publishing Policy Committee has not met for 28 years. As a result, the committee has not fulfilled their responsibilities for overseeing printing of public documents. However, our audit found compensating controls exist over the publishing of public documents. For example, state printing of public documents was centralized in 1982, and as a result DOA adopted some of the responsibilities outlined in the committee's duties. DOA has also developed recommended standards for state printing and contracting services, and offers cost savings suggestions to agencies when they receive state print requests. During our audit work, we also determined management officials at state agencies review documents before submitting print requests to state print shops.

During our audit, we identified an issue related to statutory requirements regarding cost disclosures. According to §18-7-306, MCA, all public documents printed by a state agency must contain a cost disclosure that estimates the cost of each document copy and the distribution cost of the document. The cost disclosure must be included on the back cover of the document. A sample review of state agency public documents indicated only 48 percent of the documents had cost disclosures on the back covers. Additionally, only 18 percent of the documents included distribution estimates in the cost disclosures. While §18-7-306, MCA, requires cost disclosures on all public documents, the statute does not specify whether the Publishing Policy Committee, DOA, or state agencies are responsible for ensuring cost disclosures are included on documents.

### **Follow-up audit findings**

The performance audit report included two recommendations to the department. These recommendations focus on clarifying statutory responsibilities over state printing of public documents. The following summarizes information relating to the implementation status of the recommendations.

#### **RECOMMENDATION #1**

**We recommend the Publishing Policy Committee seek legislation to clarify responsibility for ensuring cost disclosures, including circulation estimates, are included on all public documents as provided in §18-7-306, MCA.**

#### **Implementation Status – Implemented**

This recommendation was implemented through legislation proposed by DOA. During the 2011 Legislative Session, House Bill 77 was enacted which clarified responsibility for ensuring cost disclosures are on all public documents. Section 18-7-306, MCA, now requires agencies include a cost disclosure on all public documents prior to printing.

#### **RECOMMENDATION #2**

**We recommend the Publishing Policy Committee re-evaluate their responsibilities over the printing of public documents, and if necessary, seek legislation to clarify the State Printing Control Act.**

**Implementation Status – Implemented**

This recommendation was implemented through legislation proposed by DOA. During the 2011 Legislative Session, House Bill 77 was enacted which repealed the sections of the State Printing Control Act which designate the Publishing Policy Committee as the entity responsible for printing of public documents. Our audit work found responsibilities in ensuring efficient and economical printing are already completed by DOA and state agencies.

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