



# MONTANA LEGISLATIVE AUDIT DIVISION

## FEDERAL SINGLE AUDIT

# Montana Single Audit

For the Two Fiscal Years Ended June 30, 2009

FEBRUARY 2010

08-02

REPORT SUMMARY

The state of Montana received approximately \$1.9 billion in federal funds in fiscal year 2007-08. The total federal funding increased in fiscal year 2008-09 to \$2.3 billion. This increase is largely due to the American Recovery and Reinvestment Act (ARRA) funds that did not exist in the first fiscal year of the audit period.

### Context

The Montana Single Audit report is compiled from the Montana Statewide Audit report and the audits performed at each state agency. The Montana Statewide Audit report is included in the Single Audit report without modification. Results from each state agency are included as recommendations in the Single Audit report as required by federal regulations.

The federal government provides extensive requirements for recipients of federal grants. The audits of each state agency includes determining compliance with these requirements when the federal grant is considered a major federal program under federal audit guidelines.

A major federal program was calculated to be those programs with expenditures totaling at least \$13,286,423 during the audit period. The state of Montana had 36 major federal programs during the audit period residing at 12 different state agencies.

### Results

Audits at each state entity resulted in 40 recommendations related to major programs or otherwise required to be reported by federal audit guidelines. Of these recommendations, 18 reported questions costs totaling over \$600,000.

Federal audit regulations specifically require the single audit to report on whether each major federal program complied with federal requirements applicable to the major programs as well as the internal controls over those major programs. The audit reports four major

programs which did not adequately comply with all the federal requirements applicable to those programs.

Federal audit requirements also include definitions of varying degrees of deficiencies in internal controls. These include a control deficiency, a significant deficiency, and a material weakness in order from least to most serious. The audit reported 24 significant deficiencies and seven material weaknesses.

The audit report includes each agency's plan for correcting the recommendation. However, whether the agency concurred or not with the recommendations would reside in the individual state agency audit report where the recommendation was originally reported.

Recommendation Concurrence	
Concur	*
Partially Concur	*
Do Not Concur	*
*This report is a compilation of audit findings reported in previously issued state agency audit reports. The status of concurrence with the recommendations contained in the Single Audit report can be found in the agency audit reports where the finding originated.	

For a complete copy of the report or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to [lad@mt.gov](mailto:lad@mt.gov); or check the website at <http://leg.mt.gov/audit>. Report Fraud, Waste, and Abuse to the Legislative Auditor's FRAUD HOTLINE Call toll-free 1-800-222-4446, or e-mail [lad@mt.gov](mailto:lad@mt.gov).