

REPORT SUMMARY

Board of Investments

This report contains the results of our financial-compliance audit of the Board of Investments (Board) for the two fiscal years ended June 30, 2008. The financial audit of the Board for the fiscal year ended June 30, 2007, was issued in a separate report (07-04). This report along with our financial audit constitutes the financial-compliance audit report for the two fiscal years ended June 30, 2008. We issued an unqualified opinion on the fiscal year 2007-08 financial statements of the Board of Investments' Consolidated Unified Investment Program and Enterprise Fund.

This report contains two recommendations to the Board related to compliance with state law and state accounting policy. The prior financial audit report for the fiscal year ended June 30, 2007, contained no recommendations.

The listing below serves as a means of summarizing the recommendations contained in the report, the Board response thereto, and a reference to the supporting comments.

Recommendation #13

We recommend the Board:

- A. Work with the Montana State Fund to ensure the Board of Investment's involvement in the construction of the building is completed in accordance with state law, and
- B. Implement procedures to determine the intended future use of buildings when entering into real estate agreements to ensure compliance with state law.

Board Response: Concur C-3

Recommendation #24

We recommend the Board implement procedures to ensure it properly accounts for investments in default status in accordance with generally accepted accounting principles.

Board Response: Concur C-4