



# MONTANA LEGISLATIVE AUDIT DIVISION

## FINANCIAL-COMPLIANCE AUDIT

### Office of Public Instruction

For the Two Fiscal Years Ended June 30, 2009

DECEMBER 2009

09-19

REPORT SUMMARY

The Office of Public Instruction (office) distributed \$709.8 million and \$130 million in state and federal funds, respectively, to local school districts for support of K-12 education during fiscal year 2008-09, of which \$645.5 million was paid from the General Fund.

#### Context

The office has approximately 180 FTE who provide services to schools, teachers, and children, in over 430 school districts in the state. The office assists in planning, implementing, and evaluating educational programs. The office also oversees teacher preparation and certification, school accreditation, finance, and law. The office also administers numerous federal grants under the United States Departments of Agriculture and Education.

While reviewing the special education program, we found the office should improve controls to ensure all districts and cooperatives, who receive special education funding, are properly monitored.

We noted that OPI management has documented internal controls over its financial operations, but has not designed procedures for monitoring and testing these controls to provide assurance that those controls are operating as intended.

#### Results

Our prior audit contained two recommendations which were implemented by June 30, 2009. In the current audit, we made six recommendations pertaining to internal controls and compliance with state law.

In the federal school nutrition program, we noted changes in disbursement amounts reported by school districts where the authorization for OPI to make the change was not documented. We also found internal controls did not detect errors in reporting and eligibility requirements for the federal School Lunch Program.

Recommendation Concurrence	
Concur	6
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	