



MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL-COMPLIANCE AUDIT

Department of Livestock

For the Two Fiscal Years Ended June 30, 2009

NOVEMBER 2009

09-22

REPORT SUMMARY

The Department of Livestock (department) is established by state law and is administered by a seven-member Board of Livestock whose members are appointed by the Governor and confirmed by the Senate to serve six-year terms. The department spends approximately \$11 million annually to administer these programs.

Context

Programs administered by the department are primarily funded through the collection of livestock licenses & permits, livestock taxes, and charges for services. In the event of large animal disease outbreaks, the Governor may issue an executive order declaring a state of emergency. Costs incurred under a state of emergency for the control and eradication of animal diseases are partially funded through federal reimbursement. In the 2009 biennium the department received \$3,612,980 in federal funds.

The department provides for the control and eradication of animal diseases and the prevention and transmission of animal diseases to humans through the Animal Health Division. This division is supported by the diagnostic laboratory which operates on the Montana State University-Bozeman campus.

The Brands Enforcement Division is responsible for brand inspections, recording livestock brands, dealer licensing, and livestock theft investigations. This program has employees in 13 market centers and 18 districts throughout the state. There are 557 deputy state livestock inspectors.

Results

Sections within our audit report discuss areas where the department should improve controls over its accounting to ensure proper recognition of revenues, expenditure coding, revenue estimates, and balances of federal monies. The audit report also discusses areas where the department should comply with state laws regarding deposits of market inspection fees and forfeiture of excess annual leave balances.

Recommendation Concurrence	
Concur	2
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	

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; 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.