



# MONTANA LEGISLATIVE AUDIT DIVISION

## FINANCIAL-COMPLIANCE AUDIT

### Montana Arts Council

For the Two Fiscal Years Ended June 30, 2009

OCTOBER 2009

09-24

REPORT SUMMARY

The mission of the Montana Arts Council (council) is to develop the creative potential of all Montanans, advance education, spur economic vibrancy and revitalize communities through involvement in the arts. The council offers a variety of services to artists such as professional development through workshops, consultation, and training on marketing and sales. The Promotion of the Arts grants funded through the General Appropriations Act includes five grants that are offered to schools, artists, and cultural organizations. The council also administers the Cultural and Aesthetic Project grants and makes recommendations to the legislature on arts related issues.

#### Context

The Montana Art Council (council) consists of 15 members appointed by the governor and confirmed by the Senate, who serve staggered five-year terms. In state fiscal years 2008 and 2009, the council received federal grants from the NEA totaling approximately \$1,300,000, investment earnings from the Cultural Trust Fund totaling approximately \$1,100,000, Percent for Arts allocations from appropriations for construction of state buildings totaling \$197,000, private grants, and General Fund appropriations to fund its operations. The council also has the authority to accept gifts and donations.

State policy requires agencies to develop internal control procedures, monitor and test its internal controls, and evaluate and report the results of its testing. The council could only produce documentation of limited monitoring or testing of its control procedures.

We tested nine out of approximately 104 Cultural Trust grants per fiscal year. The council did not have semiannual expenditure reports for any of the grants tested or the final financial reports within 30 days of project completion as required by state law.

#### Results

The report contains three recommendations pertaining to monitoring of internal controls, receiving expenditure reports from grantees, and recording current year revenue. We made no recommendations in the prior audit report.

Recommendation Concurrence	
Concur	3
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](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).