

FEDERAL SINGLE AUDIT
Montana Single Audit Report
For the Two Fiscal Years Ended June 30, 2011

MARCH 2012

10-02

REPORT SUMMARY

The state of Montana spent approximately \$2.9 billion in federal funds in fiscal year 2009-10 and \$3.1 billion in fiscal year 2010-11. Both years combined, this is an increase from the prior Single Audit biennium of approximately \$1.7 billion. This increase is largely due to the American Recovery and Reinvestment Act (ARRA) funds for programs such as Medicaid, Unemployment Insurance, Stabilization, Highway Construction and the Supplemental Nutrition Assistance Program.

Context

The Montana Single Audit report is compiled from the Montana Statewide Audit (10-01 and 11-01A) reports 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 audit of each state agency includes determining compliance with these requirements when the federal grant is determined to be a major federal program under federal audit guidelines. Programs with expenditures totaling at least \$19,892,405 during the audit period were identified as major federal programs residing at 10 different state agencies. The state of Montana had 32 major federal programs during the audit period.

Results

Audits at state agencies resulted in 21 recommendations related to major programs or otherwise required to be reported by federal audit guidelines. Of these recommendations, nine reported questioned costs totaling over \$4.6 million.

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 auditor's report identifies seven major programs that did not comply with all the federal requirements applicable to those programs.

Federal audit requirements also define 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 11 significant deficiencies and one material weakness.

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

*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 (10-02) or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to lad@mt.gov; or check the web site at <http://leg.mt.gov/audit>
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