



FINANCIAL-COMPLIANCE AUDIT

Montana Department of Revenue

For the Two Fiscal Years Ended June 30, 2010

OCTOBER 2010

10-14

REPORT SUMMARY

The Montana Department of Revenue administers state tax laws, enforcing regulations for more than 30 state taxes and fees. Revenues collected by the department include, but are not limited to, individual income, natural resource, corporation, accommodation, property, alcohol, and tobacco taxes. In fiscal year 2009-10, the department collected approximately 18 percent of the state's total revenues.

Context

In addition to tax administration, the department oversees liquor distribution and licensing operations in the state and administers the one-stop licensing program and bad debt collections on behalf of state agencies. The department also manages unclaimed property, returning property to its rightful owners. For fiscal year 2009-10, the department had 667 authorized full-time equivalent employees.

The audit report contains a disclosure issue on duplicate and missing revenue estimates. No accounting policy, and minimal budget policy, is available to the department for processing revenue estimates. The report also contains a disclosure issue on improving internal control documentation for recording the October distribution of oil and gas tax receipts.

Results

The previous audit report contained seven recommendations. Of these, the department implemented six and did not implement one. This report contains two recommendations. We address the requirement to report corporate license tax nonfilers and delinquent filers to the Secretary of State. This is the third report addressing that issue. We also address changes to coal tax distributions in fiscal year 2009-10.

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.