



MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL-COMPLIANCE AUDIT

Department of Environmental Quality

For the Two Fiscal Years Ended June 30, 2010

SEPTEMBER 2010

10-16

REPORT SUMMARY

The Department of Environmental Quality (department) administers environmental and natural resource functions of the state of Montana. The department monitors environmental conditions, issues permits and assesses permit compliance for activities affecting Montana’s environment. The department also enforces the state’s environmental laws and works to ensure the remediation of environmental damage in the state.

Context

DEQ has organized the promotion of environmental quality into four functional programs. The Planning Prevention and Assistance program develops air, water, waste management, and energy plans to protect Montana’s resources. The Permitting and Compliance Program administers permitting and compliance related to state and federal environmental statutes. To enforce laws and the terms of permits granted, DEQ operates a small Enforcement Program, which has less than 8 percent of the FTE budgeted to permitting and compliance activities. The Remediation program oversees investigation and cleanup at state and federal Superfund sites, reclamation of abandoned mine lands, regulation of underground storage tanks, and remediation at sites where industrial and chemical spills have caused groundwater contamination.

on competitive bidding by a local government, which resulted in \$418,072 of questioned federal costs on an SRF loan, and inconsistent federal revenue recognition in the SRF program.

The report discloses an instance where the department has not reimbursed \$1.42 million of remediation costs paid by the state’s General Fund prior to a settlement, from the proceeds of the subsequent settlement, as required by state law.

Results

The report discusses improvement of documentation for monitoring of State Revolving Fund (SRF) funded projects, an instance of non-compliance with state law

Recommendation Concurrence	
Concur	3
Partially Concur	0
Do Not Concur	1

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.