



MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL-COMPLIANCE AUDIT

Department of Justice

For the Two Fiscal Years Ended June 30, 2010

DECEMBER 2010

10-18

REPORT SUMMARY

The largest source of revenue at the Department of Justice (department) is from the motor vehicle licensing and titling collections. Each year the department titles approximately 470,000 vehicles, registers one million vehicles, and licenses more than 162,000 drivers. The department has implemented the Montana Enhanced Registration and Licensing Information Network (MERLIN), which is a new computerized system to account for the motor vehicle licensing.

Context

The Attorney General is an elected official that heads the department. The department is primarily funded by the general fund (approximately 30%) and the state special revenue fund (approximately 60%) and is responsible for representation of the state’s interest in legal matters, law enforcement, and other public safety related functions. The department provides legal, investigative, and administrative services; operates the Montana Highway Patrol and the Montana Law Enforcement Academy; provides testing and examination services at the State Forensic Lab; provides for driver and vehicle licensing and registration; and provides auditing, oversight, and investigation related to video and other gambling within the state of Montana.

The Montana Board of Crime Control is administratively attached to the department and is the designated state agency that administers federal grants dedicated to preventing and addressing crime statewide.

Results

There are four recommendations in this report. The first recommendation addresses incomplete highway patrol ammunition disbursement records. Since ammunition is highly sought after, the potential for undetectable fraud or theft occurring is increased. Another recommendation is directed to the Gambling Control Division who did not fully implement prior recommendations related to segregation of duties and timely cash deposits. The other two recommendations are related to legal services rates and revenue and expenditures misclassifications.

Recommendation Concurrence	
Concur	4
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.