



MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL COMPLIANCE AUDIT

Board of Public Education

Two Years ended June 30, 2010

SEPTEMBER 2010

10-22B

REPORT SUMMARY

As mandated by the Montana State Constitution, the Board of Public Education, exercises general supervision over the public school system, which includes more than 400 school districts and as assigned by state law, the Montana School for the Deaf and Blind. The Board of Public Education and the Board of Regents are combined to function as the Board of Education, which provides long range planning, policy and program coordination, and a unified budget for state education programs.

Context

The Board of Public Education (board) is responsible for establishing policies for school accreditation, teacher certification, state equalization aid distribution, special education, school bus standards, and various other education related activities. The board is funded by General Fund appropriations and a \$6 yearly teacher license fee collected by the Office of Public Instruction and deposited in the State Special Revenue Fund. The teacher license fee revenue is for the exclusive purpose of funding the activities of the board and the attached Certification Standards and Practices Advisory Council (CSPAC).

The board had approximately \$400,000 of budgeted expenditures for each of the fiscal years 2008-09 and 2009-10.

Results

Our audit includes two recommendations related to the use of the board's General Fund appropriation and funding in the State Special Revenue Fund.

State law requires the use of non-General Fund money to be spent prior to the use of a General Fund appropriation. For fiscal year 2008-09, we found the board had used \$4,910 of its General Fund appropriation for expenditures that should have been applied to the funding available in the State Special Revenue Fund. Since fiscal year 2005-06, the board has inappropriately charged \$19,151 to General Fund appropriations.

The funding in the State Special Revenue Fund from the teacher license fees is statutorily restricted for the use by the board and CSPAC. We found the legislature appropriated \$12,000 of this State Special Revenue Fund funding to the Office of Public Instruction to pay for stipends awarded to teachers. This appropriation is in violation of the state law that restricts the use of this funding.

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.