



MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL-COMPLIANCE Department of Commerce For the Two Fiscal Years Ended June 30, 2011

JANUARY 2012

11-16

REPORT SUMMARY

The Department of Commerce (Commerce) is charged statutorily with a variety of responsibilities including but not limited to: community development, housing programs, tourism promotion, Coal and Hardrock mining boards, Micro Business Loan Program, and the Montana Heritage Program. This audit report includes three recommendations directed to the department for improvements in its grant program controls.

Context

During fiscal years 2010 and 2011 the department granted funds from both state and federal sources totaling approximately \$190 million. The grant programs are primarily administered by four different divisions at the department: Business Resources, Community Development, Housing, and the Director's Office. Grant programs administered by the department include Community Development, Block Housing and Planning, Treasure State Endowment, and Coal Board.

should be improved. The report includes control recommendations related to payment and contract approvals and subrecipient monitoring.

Results

This report includes five recommendations to the department. We found the department made disbursements of approximately \$2.0 million without an appropriation which is contrary to requirements in the Constitution and state law. We also identified several aspects in which the department's control structure over the grants system

Recommendation Concurrence	
Concur	2
Partially Concur	1
Do Not Concur	2
Source: Agency audit response included in final report.	

For a complete copy of the report (11-16) 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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