

FINANCIAL-COMPLIANCE AUDIT
 Montana Department of Transportation
 For the Two Fiscal Years Ended June 30, 2011

OCTOBER 2011

11-17

REPORT SUMMARY

The Montana Department of Transportation (department) spent approximately \$206.6 million in American Recovery & Reinvestment Act funds in fiscal years 2010-11 and 2009-10 for planning, designing, building, and maintaining approximately 25,000 miles of highways, without hiring additional staff. The department is one of the largest employing agencies in state government with 2,242 authorized positions in fiscal years 2010-11 and 2009-10. Our audit identified several areas for improvement, including the recruitment and selection of employees and controls over conflicts of interest.

Context

The department’s primary funding sources are federal highway planning and construction and state motor fuel tax revenues. In fiscal year 2009-10 the department received approximately \$828 million in total revenues. Federal special revenues were approximately \$486 million and state special revenues were approximately \$292 million.

The Highways and Engineering Program, and Maintenance Program account for approximately \$668 million of the \$793 million total expenditures in fiscal year 2009-10. The single largest expenditure is approximately \$518 million, which represents the network of highways completed during fiscal year 2009-10.

internal controls over federal program requirements, and infrastructure transactions. The report includes unqualified opinions on each of the financial schedules for fiscal years 2010-11 and 2009-10.

The prior audit report for the two fiscal years ended June 30, 2009, contained four recommendations to the department. Two of the prior audit recommendations were fully implemented, one was partially implemented, and the fourth relates to the fuel purchasing cards and will be followed up on as part of our performance audit (10P-02).

Results

The current audit report contains ten recommendations. Recommendations included in the report relate to improper recruitment and selection of employees, controls over conflicts of interest, deficient

Recommendation Concurrence	
Concur	9
Partially Concur	1
Do Not Concur	0
Source: Agency audit response included in final report.	

For a complete copy of the report (11-17) 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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