

FINANCIAL-COMPLIANCE AUDIT

Department of Livestock

For the Two Fiscal Years Ended June 30, 2011

DECEMBER 2011

11-22

REPORT SUMMARY

The Department of Livestock (department) is established by state law and governed by the Board of Livestock. As of June 30, 2011, the department collected approximately \$2,768,000 in brand re-record fees for the 2011 brand re-record year.

Context

State law tasks the department with controlling and eradicating animal disease, preventing the transmission of such diseases to humans, protecting livestock from predatory animals, performing meat, milk, and egg inspections, and regulating producer pricing of the milk industry. The department carries out these tasks through the Animal Health Division, the Brands Enforcement Division, the Diagnostic Laboratory, and the Meat, Milk, and Egg Inspection Division. Department-wide functions, such as budgeting, accounting, and payroll, are performed by the Centralized Services Division.

The department's operations are funded through brand license fees, per capita livestock taxes, and various charges for services. Every ten years, the department requires that brand holders re-record their brands. Brand holders are charged a fee of \$100 per brand re-recorded in exchange for the exclusive use of the brand for ten years. Calendar year 2011 is a re-record year. From January to June 2011, the department collected approximately \$2,768,000 in brand re-record fees. The department anticipates collecting a total of \$4,800,000 in re-record fees for the 2011 re-record.

Results

This report contains three recommendations to the department. The recommendations address areas where the department can improve accounting controls related to recording brand transactions, coding revenue transactions, and eliminating balances of federal moneys; enhance compliance with laws and regulations related to the Board of Horse Racing; and improve the timeliness of deposits to comply with state law and state accounting policy.

Recommendation Concurrence	
Concur	3
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	

For a complete copy of the report (11-22) 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>
 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.