



MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL-COMPLIANCE AUDIT

Montana Arts Council

For the Two Fiscal Years Ended June 30, 2011

DECEMBER 2011

11-24

REPORT SUMMARY

Title 22, Chapter 2 of the Montana Code Annotated established the Montana Arts Council (council) as a state agency. Because the council is established by the Montana Code Annotated, unlike most state agencies established by the Montana Constitution, it is often the subject of Legislative scrutiny.

Context

The council's primary activity involves administering grants from state and federal sources of about \$1 million each fiscal year. Interest earnings on the \$12 million balance in the Cultural Trust provide continued funding of cultural and aesthetic project grants. During the audited biennium, interest earnings fell short of the amounts allocated by the 61st Legislature. While cultural trust earnings declined, federal funding received by the council increased by at least 20 percent for the biennium.

Recommendation Concurrence	
Concur	2
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	

Results

This report contains the audited financial schedules for the two fiscal years ended June 30, 2011. Due to an error in accounting, the 2010-11 grant expenditures are inaccurate. This report contains two recommendations regarding internal controls over financial reporting and noncompliance with state laws. The council implemented the three prior audit recommendations made in 2009.

For a complete copy of the report (11-24) 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.