



MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL-COMPLIANCE AUDIT Office of the Governor and Lieutenant Governor For the Two Fiscal Years Ended June 30, 2012

NOVEMBER 2012

12-23

REPORT SUMMARY

The Small Business Jobs Act of 2010 was created to help increase credit availability for small businesses. Montana was awarded \$13.1 million for programs designed to increase access to credit for small businesses. The Governor's Office (office) subgranted these funds to the Department of Commerce. The recommendations in this audit report relate to the accounting errors related to recording this federal grant.

Context

The office spent \$5.9 million and \$10 million in fiscal years 2011 and 2012, respectively. Revenues also increased from \$179 thousand to \$8.9 million in fiscal year 2012. These increases were due to the federal award for the State Small Business Credit Initiative grant for \$13.1 million. The office was authorized 60.07 full-time equivalent (FTE) positions for each fiscal year.

The office is comprised of nine programs that oversee the activities of the executive branch of Montana state government, consistent with statutory and constitutional mandates.

Results

The office had five prior audit recommendations of which four were implemented. The prior audit recommendation not implemented was related to the office continuing to spend General Fund monies before the appropriated monies in the State Special Revenue Fund for Air Transportation expenditures. The current

audit report has one recommendation related to errors resulting from a lack of accounting procedures. The lack of procedures at the office resulted in fund and account misclassification of federal funds in the amounts of over \$4 million dollars in expenditures and over \$200,000 in revenue.

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

For a complete copy of the report (12-23) 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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