

FINANCIAL-RELATED AUDIT

University of Montana

For the Two Fiscal Years Ended June 30, 2013

OCTOBER 2013

13-12

REPORT SUMMARY

During fiscal years 2012 and 2013, the University of Montana (university) offered certificate, one-year associate, two-year associate, four-year undergraduate bachelor, master, and doctoral degree programs to approximately 18,000 students each year; 77 percent were residents of Montana.

**Context**

The university consists of four primary campuses: University of Montana-Missoula, Montana Tech of University of Montana, University of Montana-Western, and the Helena College University of Montana. The four campuses provide a diversity of undergraduate and graduate academic degrees. The university also includes several two-year colleges: the Missoula College, Bitterroot College, and Highlands College.

The university receives federal funding for a variety of reasons such as to conduct research and development projects and provide financial assistance to eligible students attending institutions of postsecondary education. During the audit, we examined the university’s compliance with federal regulations over the Student Financial Assistance (SFA) and Research and Development (R&D) programs. The university expended over \$70 million of federal funds in support of research and development projects during the past two fiscal years, primarily at the Missoula campus. The university distributed approximately \$117 million and \$108 million in financial aid such as loans, grants, and work study to qualified students in fiscal years 2011-12 and 2012-13, respectively.

In addition, we tested compliance with selected state laws and Board of Regent polices at each campus affiliated with the University of Montana.

**Results**

Our audit resulted in five recommendations. These recommendations relate to access to Banner, the university’s main computer system, lack of internal controls over federal financial aid reporting requirements, internal control deficiencies over compliance with federal grant agreements, inadequate segregation of duties at the Bitterroot College, and noncompliance with nonresident fee waiver limitations.

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

For a complete copy of the report (13-12) or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to [lad@mt.gov](mailto: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 [ladhotline@mt.gov](mailto:ladhotline@mt.gov).