

FINANCIAL-COMPLIANCE AUDIT

Department of Commerce

For the Two Fiscal Years Ended June 30, 2013

JANUARY 2014

13-16

REPORT SUMMARY

The Department of Commerce is the state agency with the responsibility for economic and community development to create, retain, and expand jobs. Statutorily, the Department of Commerce has other responsibilities including, but not limited to, housing programs, tourism promotion, and the Montana Heritage Program.

Context

During fiscal years 2012 and 2013, the Department of Commerce (department) granted funds from both state and federal sources totaling approximately \$65.4 million. Significant amounts of the grant funds go to communities for: development of affordable low-income housing, infrastructure for water and sewer systems, bridges, school facility improvements, and tourism-related infrastructure. In addition, during the audit period the department paid out over \$75 million, received from the U.S. Department of Housing and Urban Development, in benefits to address low-income housing needs.

recommendations focus on compliance with state laws concerning travel policy and payments, and membership requirements of the Montana Heritage Commission.

In addition, we reviewed the five recommendations that were made in the prior financial-compliance audit of the department for fiscal years 2010 and 2011. We found the department implemented four of the recommendations. One recommendation was not implemented because it is no longer applicable to the department.

Results

This report includes six recommendations to the department, four of which relate to internal controls. The control recommendations address payment authorizations, conflict of interests, federal administrative expenses, and procurement cards. The other two

Recommendation Concurrence	
Concur	6
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	

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