

FINANCIAL-COMPLIANCE AUDIT  
Office of the Commissioner of Higher  
Education  
For the Two Fiscal Years Ended June 30, 2013

DECEMBER 2013

13-20

REPORT SUMMARY

The Office of the Commissioner of Higher Education is the central administrative unit of the Montana University System and the Board of Regents (board). The office annually manages a budget of over \$361 million; over half is distributed to the universities, community, and tribal colleges.

### Context

The Montana Constitution extends governance authority over the Montana University System (MUS) to the board but leaves the power to appropriate state funds for the MUS to the legislature. The Constitution charges the board, made up of seven appointed and confirmed members plus three ex-officio members, with hiring a Commissioner of Higher Education who serves as its executive staff. All state funds appropriated by the legislature to the board for the support of the MUS are channeled through the office.

The MUS provides post-secondary education to over 44,000 students (resident and nonresident) at eight campus locations in Montana. There are 3,000 students (resident and nonresident) at three community colleges. Additionally, the state supports nontribal Montana resident students attending the seven tribal colleges.

In addition to distributions for the support of the MUS, the Office of the Commissioner of Higher Education (office) also administers the federal Guaranteed Student Loan Program, the MUS Group Insurance Program, and the Montana Family Education Savings Program.

### Results

During our audit, we focused our audit effort primarily on reviewing financial transactions related to premium payments and claims in the MUS Insurance Program; evaluating balances related to the College Savings Plan; determining whether funds were distributed to the universities as directed by legislative appropriations; and assessing the related control systems. We also tested compliance with federal regulations related to the Family Education Savings Act and various state laws and Board of Regents policies.

Our audit resulted in one recommendation to the office and an unmodified opinion.

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

For a complete copy of the report (13-20) 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>

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