



# MONTANA LEGISLATIVE AUDIT DIVISION

## FINANCIAL-COMPLIANCE AUDIT

### Department of Environmental Quality For the Two Fiscal Years Ended June 30, 2014

OCTOBER 2014

14-16

REPORT SUMMARY

The Department of Environmental Quality administers environmental protection and enforcement efforts of the state of Montana. The department ensures remediation of environmental damage in Montana and enforces the state's environmental laws. We determined accounts receivables in the Leaking Underground Storage Tanks cleanup program are overstated by \$5.4 million. In addition, we found the department did not comply with requirements of their relocation policy and state policy related to computer password security.

### Context

The Department of Environmental Quality (department) promotes environmental quality through programs to promote air quality; improve water supply, wastewater, and solid waste disposal infrastructure; regulate the discharge of pollutants; enforce the environmental laws of the state; and ensure remediation and reclamation at the sites of past natural resource damages.

### Results

During the course of the audit, we reviewed the internal control procedures and tested selected transactions related to the revenues generated from licensing and permitting and the State Revolving Fund. We also reviewed expenditures related to personal services, other services and transfers out. The report contains five recommendations. Two recommendations related to accounting misstatements involve accounts receivables

and account classification. Three other recommendations address noncompliance with the Federal Transparency Act, the moving and relocation policy, and the computer password security policy.

Our prior audit report for the two fiscal years ended June 30, 2012, contained four recommendations. The department implemented all four recommendations.

Recommendation Concurrence	
Concur	5
Partially Concur	0
Do Not Concur	0
<b>Source: Agency audit response included in final report.</b>	

For a complete copy of the report (14-16) 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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