

FINANCIAL-COMPLIANCE AUDIT

Department of Natural Resources and Conservation
For the Two Fiscal Years Ended June 30, 2014

OCTOBER 2014

14-17

REPORT SUMMARY

Our audit identified areas where the Department of Natural Resources and Conservation can improve compliance with state accounting policy for expenditure abatements.

Context

For fiscal years 2013-14 and 2012-13, the Department of Natural Resources and Conservation (department) generated distributable revenues of \$130,088,600 through its management of state lands for 12 separate land trusts, of which \$117,452,368 benefited the Common Schools Trust.

We tested 75 laws related to department operations, statutes authorizing the issuance of renewable resource bonds, and selected laws governing the State Revolving Fund programs.

We focused audit effort on personal services; other expenses; transfers-out; transfers-in; investment earnings; rentals; leases and royalties; timber sales; and federal revenue to support our opinion on the financial schedules.

The department has \$20,437,142 in accounts receivable from federal agencies at June 30, 2014, for fire-fighting costs incurred in previous years. In the Fire Suppression account in the state special revenue fund, the department had a fund equity balance of \$42,502,103 at June 30, 2014.

Results

The current report contains a recommendation concerning improper reductions in expenditures when receipts occur rather than recording revenue as required by state policy.

The readers can rely on the financial schedules presented for fiscal years 2013-14 and 2012-13.

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

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 (14-17) 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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