

MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL-COMPLIANCE AUDIT Office of the Commissioner of Political Practices

For the Two Fiscal Years Ended June 30, 2014

OCTOBER 2014

14-21

REPORT SUMMARY

The Office of the Commissioner of Political Practices reported issuing 75 formal decisions resolving 95 complaints in the period from June 10, 2013, to June 30, 2014. Of the 75, 53 had sufficient facts to continue investigating. Of those 53, 20 have negotiated settlements, 14 are in active district court enforcement proceedings, and 19 are in continued negotiation.

Context

The Office of the Commissioner of Political Practices (office) is responsible for enforcing campaign and lobbying disclosure laws, and code of ethics laws for state officials and employees. It performs these duties through review of campaign and political committee expenditure reports, investigations of campaign finance and disclosure cases, registration of lobbyists and principal expenditure tracking, and formal ethics complaint proceedings.

The office is funded through General Fund appropriation and a small amount of lobbyist license revenue. Office expenditures total \$910,000 and \$493,000 in fiscal year 2014, and 2013, respectively. In 2014, the office expended \$343,000 related to the development of an online reporting system to improve reporting for political candidates and committees.

Our audit work included review of lobbyist registration fees, office expenditures, and compliance with state law and state accounting policy. It also included reviewing the overall reasonableness of the financial schedule presentation and note disclosures.

Results

The office continues to experience difficulty in recording multi-year license revenue, which ultimately affects fund equity balances. This report contains one recommendation to the office to improve internal controls over recording revenue and other financial transactions.

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 (14-21) 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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