

FINANCIAL-COMPLIANCE AUDIT

Board of Public Education

For the Two Fiscal Years Ended June 30, 2014

NOVEMBER 2014

14-22A

REPORT SUMMARY

The Board of Public Education was created by the Montana Constitution to supervise, serve, maintain, and strengthen the public school system, which is comprised of more than 400 school districts and includes the Montana School for the Deaf and Blind.

Context

As part of providing supervision over the public school system, the Board of Public Education (board) is responsible for establishing policies for:

- ◆ School accreditation
- ◆ Teacher certification
- ◆ Teacher and administrator training
- ◆ State equalization aid
- ◆ Special education
- ◆ School bus standards
- ◆ Various other education related activities

The board is supported by General Fund appropriations and the yearly teacher license fee of \$6 collected and deposited by the Office of Public Instruction. The teacher license fee is used to support the activities of the board and the Certification Standards and Practices Advisory Council. The board had approximately \$283,000 and \$286,000 of expenditures in fiscal years 2013 and 2014, respectively.

We focused our audit effort on the review of travel and personal services expenditures. Throughout the audit, the board’s control

systems were reviewed and we evaluated compliance with selected state laws and regulations.

Results

The current audit report contains two recommendations. We identified several transactions that were not recorded in accordance with state accounting policy. These errors are attributed to a lack of understanding of how to appropriately record the transactions. We determined that the board is spending General Fund money before appropriated Non-General Fund money contrary to state law. This is a prior audit recommendation that was not implemented by the board.

Recommendation Concurrence	
Concur	2
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	