

FINANCIAL-COMPLIANCE AUDIT

Office of Public Instruction

For the Two Fiscal Years Ended June 30, 2015

JANUARY 2016

15-19

REPORT SUMMARY

The Office of Public Instruction distributes funds awarded to local school districts in support of K-12 education. The office is responsible for monitoring more than 400 school districts to ensure compliance with state and federal regulations. In fiscal years 2015 and 2014, the office distributed more than \$979 million and \$944 million, respectively, to school districts.

**Context**

The Office of Public Instruction (office) offers a wide variety of programs and services to support Montana’s students, families, educators, and community members. This includes career education, driver’s education programs, professional development, health and safety education and programs, services for students with special needs, and Indian education. The office also oversees educator preparation and licensure, school accreditation, school finance, and school law.

The office administers approximately 40 federal programs, expending over \$166 million in fiscal year 2015 and \$162 million in fiscal year 2014. The office also distributes BASE aid funding, which was approximately \$819 million and \$787 million in fiscal years 2015 and 2014, respectively.

**Results**

The prior audit contained five recommendations of which three were implemented, one was partially implemented, and one was not implemented.

The current audit contains three recommendations. The first relates to the prior audit recommendation regarding control deficiencies which resulted in errors in the allocations of Title IIA and IDEA B federal funds to local education agencies. During our current audit, we determined the control deficiencies were not remedied and resulted in allocation errors once again. The control deficiencies and resulting allocation errors also extended to the Title I program. The remaining recommendations relate to noncompliance with federal regulations over cash management and noncompliance with state law in regards to the office’s internal service fund.

Recommendation Concurrence	
Concur	3
Partially Concur	0
Do Not Concur	0
<b>Source: Agency audit response included in final report.</b>	