

FINANCIAL-COMPLIANCE AUDIT

Department of Livestock

For the Two Fiscal Years Ended June 30, 2015

APRIL 2016

15-22

REPORT SUMMARY

The audit identified three instances of noncompliance with state law and accounting policy related to the proper recording of a termination settlement, unearned revenue, and moneys related to estray animals.

Context

State law tasks the Department of Livestock (department) with controlling and eradicating animal diseases, preventing the transmission of such diseases to humans, protecting livestock from predatory animals, regulating pricing of milk, and performing meat, milk, and egg inspections.

The department’s operations are funded primarily by collections made in the state special revenue fund, including brand license fees, per capita livestock fees, and various charges for services. The department also receives federal grant awards and general fund appropriations. The department expended approximately \$17.4 million through the state special revenue fund, \$3.8 million through the federal special revenue fund, and \$3.2 million through the general fund during fiscal years 2015 and 2014.

During our audit we focused our audit efforts on the department’s activity related to Personal Services, Other Services, Taxes and Charges for Services. Our audit procedures include gaining an understanding of the department’s internal control policies and procedures related to but not limited to, furloughs and settlements,

brand rerecord revenue recognition, new brands and transfers and per capita fees. We also tested compliance with selected state laws and federal regulations.

Results

The report contains three recommendations to the department related to compliance with state law and accounting policies. Recommendations relate to recording transactions related to a personal services settlement, properly calculating deferred revenue and recording the correct balance, and recording of revenues related to estray animals in the correct fund.

Recommendation Concurrence	
Concur	2
Partially Concur	0
Do Not Concur	1
Source: Agency audit response included in final report.	

For a complete copy of the report (15-22) 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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