

FINANCIAL-COMPLIANCE AUDIT  
 Montana State Library Commission  
 For the Two Fiscal Years Ended June 30, 2015

APRIL 2016

15-23

REPORT SUMMARY

The Montana State Library Commission administers state and federal funding to operate the state library; provides assistance and advice to all tax-supported libraries throughout the state; maintains a library of reading material for Montanans unable to utilize printed materials; and maintains a centralized clearinghouse for Montana's natural resources information and land data, a depository system for state government publications, and digital library services to Montana residents via the internet.

**Context**

During the audit of the Montana State Library Commission (Library) for fiscal years 2014 and 2015, we focused our efforts primarily on the Library's activity related to charges for services revenues, federal revenues, and grant expenditures. In fiscal years 2014 and 2015, the Library received \$850,926 and \$953,226, respectively, in charges for services revenue, and \$971,440 and \$1,105,858, respectively, in federal revenues. Our audit work included, but was not limited to, evaluating the accuracy and completeness of these revenue amounts by completing a sample of transactions, reviewing collection reports, and investigating results of analytical procedures that were not within the limits of our initial expectations.

Additionally of note, the Library distributed \$830,415 and \$863,205 in grant expenditures to various recipients in fiscal years 2014 and 2015, respectively. Audit work completed over grants included determining the accuracy of the grant allocation amounts calculated by the Library, and evaluating whether the intended grant recipients received the correct amount.

Additional audit procedures included developing an understanding of, and testing

various control procedures used by the Library, as well as reviewing and testing compliance with selected state laws and regulations.

**Results**

This report contains one recommendation to the Montana State Library Commission related to internal controls over financial recording. The Library did not have adequate controls in place to ensure the accuracy and completeness of charges for services revenues for fiscal years 2014 and 2015.

The prior audit report did not contain any recommendations.

Recommendation Concurrence	
Concur	1
Partially Concur	0
Do Not Concur	0
<b>Source: Agency audit response included in final report.</b>	