

FINANCIAL-COMPLIANCE AUDIT

Montana Arts Council

For the Two Fiscal Years Ended June 30, 2015

APRIL 2016

15-24

REPORT SUMMARY

The Montana Arts Council is charged with governance, management, and control of the agency. The agency's mission is to develop the creative potential of all Montanans through involvement in the arts. The council performs this mission by distributing funds made available by the National Endowment for the Arts, Cultural Trust interest earnings, General Fund moneys, and funds appropriated by the legislature.

Context

The Montana Arts Council (council) is an agency of state government established to develop the creative potential of all Montanans, advance education, spur economic vibrancy, and revitalize communities through involvement in the arts. The council consists of 15 members appointed by the governor to serve five-year terms. The council has seven full-time equivalent positions to conduct their operations.

The council receives an annual grant from the National Endowment for the Arts (NEA) to fund its State Arts Plan, Arts Education, and Arts in the Underserved Communities programs. Federal funds awarded to the council totaled \$721,000 and \$757,200 in fiscal years 2014 and 2015, respectively.

The council is appropriated interest earnings of the Cultural Trust fund to award grants for cultural and aesthetic projects. The council was appropriated \$758,650 for the biennium ending June 30, 2015. Grants of approximately \$300,000 and \$255,000 were made to counties, cities, local agencies, state agencies, and universities in fiscal years 2014 and 2015, respectively.

Additional funding was received through transfers from other state agencies in fiscal year 2015. A transfer of \$250,000 was made to the council for the Percent for Art program from the Department of Administration. The council also received a transfer of approximately \$47,000 from the Office of Public Instruction for the Art Standards Revision project. The council also receives general fund appropriations to fund its operations.

Our audit efforts focused on the review of Cultural Trust fund investment earnings and transfers-out, NEA federal grant funds, cultural and aesthetic grants, and council personal services. We reviewed and tested the council's internal controls and determined compliance with selected state and federal laws and regulations.

Results

Our current audit report contains one recommendation related to compliance with state procurement requirements. We issued unmodified opinions on the financial schedules for each of the two fiscal years ended June 30, 2015.

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 (15-24) 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>
Report Fraud, Waste, and Abuse to the Legislative Auditor's FRAUD HOTLINE
Call toll-free 1-800-222-4446, or e-mail ladhotline@mt.gov.