

FINANCIAL-COMPLIANCE AUDIT

Department of Justice

For the Two Fiscal Years Ended June 30, 2016

FEBRUARY 2017

16-18

REPORT SUMMARY

The Department of Justice, under the direction of the Attorney General, has responsibilities that include statewide legal services and counsel, law enforcement, motor vehicles, and public safety. This report contains recommendations to improve controls for access to the information system used by the Motor Vehicle Division and address inconsistent laws for funding of Montana Highway Patrol Officers' state retirement contributions.

Context

The Department of Justice (department) is comprised of the following eight divisions: Legal Services, Gambling Control, Motor Vehicle, Montana Highway Patrol, Criminal Investigations, Central Services, Information Technology, and Forensic Sciences.

The table below shows the Motor Vehicle and Gambling Control Divisions' revenue collections in fiscal years 2015 and 2016 out of the total revenue of \$245 million and \$269 million, respectively, for the department as shown on the department's consolidated Schedules of Revenues and Transfers-In.

	FY2015	FY2016
Motor Vehicle	\$138 million	\$139 million
Gambling Control	\$60 million	\$61 million
Sub-total	\$198 million	\$200 million

The Motor Vehicle and Gambling Control revenue is approximately 81 percent and 74 percent, respectively for fiscal years 2015 and 2016 of total revenue and transfers-in.

Expenditures for the department total \$128 million and \$141 million, respectively,

in fiscal years 2015 and 2016 as shown on the department's consolidated Schedules of Expenditures and Transfer-Out. See the table below for more details on the primary types of expenditures.

	FY2015	FY2016
Personal Services-All Division	\$63 million	\$65 million
Legal Services Division-Other Services	\$14 million	\$21 million
Motor Vehicle Division-Other Services	\$8 million	\$8 million
Sub-total	\$85 million	\$94 million

The majority of the Legal Services Operating Expenditures relate to the Natural Resource Damage Program contracts for restoration work required by settlement agreements. The majority of the Motor Vehicle Division Other Services expenditures relate to contracts for services for their information system. Sub-totals of these expenditures are approximately 66 percent of the total expenditures and transfers-out for both fiscal years.

Results

This audit report includes two recommendations to the department. The first issue relates to improvements needed in controls over the information system used by the Motor Vehicle Division. The other recommendation addresses legal compliance with two contradictory laws regarding how the department funds state employer retirement contributions for Highway Patrol Officers.

As part of the audit, we also followed up on the recommendations from the prior audit report. We found the department fully implemented three of the four recommendations and one recommendation was partially implemented. The partially implemented recommendation is pending legislative action and the rule making process. We will follow-up on this issue in the next financial-compliance audit.

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

For a complete copy of the report (16-18) 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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