



# MONTANA LEGISLATIVE AUDIT DIVISION

## FINANCIAL-COMPLIANCE AUDIT

### Montana Board of Public Education

For the Two Fiscal Years Ended June 30, 2016

MARCH 2017

16-22A

REPORT SUMMARY

The Montana Board of Public Education is supported by General Fund appropriations and yearly teacher license fees. These funds are collected and deposited by the Office of Public Instruction into a shared account with the board. The funding supports a significant portion of the expenditures and board activities which totaled approximately \$295,000 and \$308,000 in fiscal years 2015 and 2016, respectively. This report contains one recommendation to the board related to internal controls for monitoring cash collected for teacher license fee revenue.

### Context

The Montana Board of Public Education (board) was created by the Montana Constitution in 1972 to supervise, serve, maintain, and strengthen the public school system. The board presides over more than 400 school districts and the Montana School for the Deaf and Blind. The board is responsible for school accreditation standards and teacher certification, as well as adopting policies for various other education-related activities.

Collections associated with teacher license fees totaled approximately \$171,000 and \$169,000 in fiscal years 2015 and 2016, respectively. This funding does not result in revenue for the board because the revenue is already recognized by the Office of Public Instruction. Instead resources are provided to the board through direct entries to fund equity. Since the board has no activity on the Schedules of Total Revenues and Transfers-In, they are not included in this report.

We focused our audit effort on the review of expenditures related to other services, travel, and personal services. We also performed work

over budget authority and direct entries to fund equity, and evaluated compliance with selected state laws and regulations.

### Results

The current audit report contains one recommendation addressing the board's responsibility to monitor shared funds and establish internal controls to ensure its funding source is complete and accurate. We issued unmodified opinions on the financial schedules for each of the two fiscal years ended June 30, 2016. The prior audit report contained two recommendations which have been fully implemented.

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 (16-22A) or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to [lad@mt.gov](mailto:lad@mt.gov); or check the web site at <http://leg.mt.gov/audit>

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