



MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL-COMPLIANCE AUDIT Office of the Governor and Lieutenant Governor For the Two Fiscal Years Ended June 30, 2016

DECEMBER 2016

#16-23

REPORT SUMMARY

The 2013 Montana Legislature authorized a General Fund transfer of \$7.5 million to the Office of the Governor and Lieutenant Governor to fund operations costs of nine specific state agencies. During fiscal year 2015, approximately \$4.75 million was allocated to and disbursed by two agencies not referenced in the law. We also disclose an instance where an agency received operating plan authority to transfer General Fund money to a state special revenue account at another agency.

Context

The Legislature appropriated funds to the Office of the Governor and Lieutenant Governor (office) in nine programs for fiscal years 2015 and 2016. In April 2016, the office reorganized its activity into seven programs. The office oversees the activities of the executive branch of Montana state government, consistent with constitutional and statutory mandates.

The office recorded \$4,953,601 and \$5,137,134 in personal services expenditures, 74.74 percent and 78.40 percent of total expenditures for fiscal years 2015 and 2016, respectively.

In obtaining evidence for our opinion on the financial schedules of the office, we assessed risk of material misstatements, documented internal controls, and performed tests related to personal services, operating expenses, direct entries to fund equity, and selected revenue transactions. We also tested compliance with several state laws.

Results

The prior audit report contained four recommendations. The office concurred with and implemented three recommendations. The office did not concur with or implement the recommendation to disburse the remaining Governor's Operations Account funds only to agencies authorized in state law. In fiscal year 2015, the office allocated \$4,749,975 of disbursements from this fund by two agencies that were not authorized in the statute to receive them.

We disclosed an instance where the Office of Budget and Program Planning approved a transfer amount in an operating plan amendment for the General Fund at an agency to transfer money to a state special revenue account at another agency.

For a complete copy of the report (16-23) 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
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