

COMPLIANCE AUDIT
 Montana State University
 For the Two Fiscal Years Ended June 30, 2017

OCTOBER 2017

17-13

REPORT SUMMARY

We visited each of the four campuses that comprise Montana State University during our audit and followed up on the twelve prior audit recommendations at the appropriate campuses. MSU has implemented nine prior audit recommendations, two were partially implemented and one was not implemented. This report further discusses issues related to the Museum of the Rockies and the transferring of donations to the Foundation at Northern.

Context

The Montana State University (university) consists of campuses located in Bozeman (MSU–Bozeman), Billings (MSU–Billings), Havre (MSU–Northern), and Great Falls (Great Falls College–MSU). We performed procedures at each of these campuses as part of the audit.

Through the audit, we examined the university’s compliance with federal regulations governing the Student Financial Assistance (SFA) program. The university spent approximately \$245 million of SFA federal funds in fiscal years 2016 and 2017, of which 87 percent was for awards to students at MSU–Bozeman and MSU–Billings. As a result, our audit focused on compliance testing for the SFA programs at MSU–Bozeman and MSU–Billings. We also performed specific audit procedures, such as gaining an understanding of internal controls and data analytics, over SFA activity at each campus.

In addition, we reviewed certain aspects of the operations of the Museum of the Rockies, Health Centers on each campus, and Project Management (construction projects). We also tested selected state laws and policies at each of the four campuses.

Results

This report contains three recommendations to the university, two of which are related to the Museum of the Rockies and one related to compliance with Board of Regents’ policies. The two recommendations to the Museum relate to inventorying and valuing state-owned collections, which was partially implemented and to the operating agreement, which was not implemented. The other recommendation concerns MSU–Northern compliance with Board of Regents’ policy related to recording donations. This prior audit recommendation is also partially implemented and has been reported in the last two audits.

Recommendation Concurrence	
Concur	2
Conditionally Concur	1
Do Not Concur	0

Source: Agency audit response included in final report.

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