

Financial-Compliance Audit

Montana Department of Corrections



For the two fiscal years ending June 30, 2022

Auditor's Opinion

2021 **Unmodified** and 2022 **Qualified**:

A qualified opinion means the reader can rely on all the information presented in the financial schedules except for certain activity. We qualified the opinion because the Department of Administration made a material error in processing pension related activity.

An unmodified opinion means the reader can rely on the information recorded on the state's accounting records and presented in the financial schedules.

For the full context of the department's financial activity, see the financial schedules and notes beginning on page A-5.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The Department of Administration recorded inaccurate pension information on behalf of the Department of Corrections when the books closed for fiscal year 2022. See the summary of errors in the table below.

Schedule	Program or Fund and Line Item	Overstated (Understated)
Schedule of Expenditures and Transfers-Out for the Fiscal Year Ended June 30, 2022	Rehabilitation and Programs, Employee Benefits	(\$4,650,838)
	Rehabilitation and Programs, Employer Pension Expense	\$36,233,156
Schedule of Changes in Fund Equity for the Fiscal Year Ended June 30, 2022	Enterprise Fund Nonbudgeted, Expenditures and Transfers-Out	\$23,407,275
	Internal Service Fund, Nonbudgeted Expenditures and Transfers-Out	\$8,175,045

Background

Board of Pardons and Parole (10 FTE) is established in §2-15-2305, MCA, and is allocated to the department for administrative purposes. The board is responsible for executive clemency and parole.

Director's Office CSD (105.81 FTE) includes the Director's Office and the Central Services Division. These two functions provide budgeting, accounting, payroll, legal, procurement, human resources, project management, policy-setting, and information technology services to the entire department.

Public Safety (989.36 FTE) includes all prison programs for felony adult males and females and juvenile males. The department also currently contracts with a facility in Idaho to house juvenile females. The Public Safety program also includes the department's Investigations, Public Safety Support Services, and Secure Contract Facilities Bureaus. Public Safety also includes probation and parole.

Rehabilitation and Programs (247.01 FTE) includes all other department services like the Montana Correctional Enterprises, the Community Corrections Facilities and Programs Bureau, Health Services Bureau, Victim Services Bureau, and Evidence-Based Practices and Programs.

Questions?

