



LEGISLATIVE AUDIT COMMITTEE

68th Montana Legislature

SENATE MEMBERS

Jason Ellsworth
Pat Flowers
Chris Friedel
Denise Hayman
Kathy Kelker
Forrest Mandeville

HOUSE MEMBERS

Lyn Hellegaard
SJ Howell
Emma Kerr-Carpenter
Fiona Nave
Jerry Schillinger
Laura Smith

COMMITTEE STAFF

Kenneth E. Varns - Attorney
Angus Maciver - Legislative Auditor
Candace Radovich - Secretary

MINUTES LOG

January 23, 2024
Room 172
Helena, Montana

Please note: This document is a Minutes Log and provides annotation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video recording of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of the meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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MEMBERS PRESENT:

Sen. Jason Ellsworth, Chair (R)
Rep. Laura Smith, Vice Chair (D)
Sen. Pat Flowers (D)
Sen. Chris Friedel (R)
Sen. Denise Hayman (D)
Rep. Lyn Hellegaard (R)
Rep. SJ Howell (D)
Rep. Emma Kerr-Carpenter (D)
Sen. Forrest Mandeville (R)
Rep. Fiona Nave (R)

MEMBERS EXCUSED:

Sen. Kathy Kelker (D)
Rep. Jerry Schillinger (R)

STAFF PRESENT:

Kenneth E. Varns, Attorney
Angus Maciver, Legislative Auditor
Candace Radovich, Secretary

AGENDA ([Attachment 1](#))
Visitor's List ([Attachment 2](#))

CALL TO ORDER/ROLL CALL

13:20:20 Chair Jason Ellsworth called the meeting to order at 1:02 p.m. noting the presence of a quorum. The committee secretary took roll ([Attachment 3](#)). Rep. Schillinger left his proxy with Rep. Hellegaard ([Attachment 4](#)).

MINUTES APPROVAL

Motion

13:02:01 Rep. Hellegaard moved the committee approve the October minutes.

13:16:57 **Vote:** Carried unanimously by voice vote.

NEW STAFF INTRODUCTIONS

13:03:38 Ms. Jorgenson introduced Zachary Cook for the financial-compliance function.

13:06:07 Legislative Auditor Maciver introduced Kenneth E. Varns, Legal Counsel.

COMMITTEE EDUCATION

13:08:24 Presented by William Soller, Deputy Legislative Auditor. ([EXHIBIT 1](#))

13:25:52 Chair Ellsworth asked Mr. Soller about the previous bill brought by Sen. McGillvray.

13:31:42 Presentation by Ms. Jorgenson.

13:52:26 Legislative Auditor Maciver noted available yellow book copies.

13:55:33 Chair Ellsworth asked how often there was a peer review, and who those people were.

STATE AUDITOR'S OFFICE (22-20)

14:00:02 Presented by Alexa O'Dell, CPA, Financial-Compliance Audit Manager ([EXHIBIT 2](#)) power point

14:00:46 Present from the agency:
Frank Cote, Governmental Affairs Director
Amber Long-Thorvilson, Chief Financial Officer (effective July 2024)

Committee Questions of Staff

14:17:39 Sen. Hayman asked Ms. O'Dell for clarification on pension impact or those alike.

14:19:01 Chair Ellsworth asked Ms. O'Dell if findings were related to misclassifications.

14:19:58 Rep. Nave asked Ms. O'Dell about recording mistakes.

14:22:47 Rep. Hellegaard asked Ms. O'Dell about misdirection via the Department of Administration.

Agency Response

14:24:26 Presented by Mr. Cote ([EXHIBIT 3](#))

14:26:33 Rep. Smith asked Mr. Cote for details on training. The question was deferred to Ms. Long-Thorvilson.

Public Comment

14:29:54 none

Motion

- 14:30:13 Sen. Flowers moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.
- 14:30:26 **Vote:** Carried unanimously by voice vote.

OFFICE OF THE SECRETARY OF STATE (22-19)

- 14:35:57 Presented by Steven Althoff, Senior Financial-Compliance Auditor (**EXHIBIT 4**) power point
- 14:36:50 Present from agency:
Angela Nunn, Chief Deputy Secretary of State
Brandi Pierson, Chief Fiscal Officer
- 14:37:56 Chair Ellsworth spoke on what was expected as far as agency representation.

Committee Questions of Staff

- 14:52:43 Sen. Hayman asked Mr. Althoff about revenues and determination of fees.
- 14:54:59 Sen. Hayman asked Legislative Auditor Maciver to expand on the adverse opinion.
- 14:57:09 Sen. Mandeville asked Mr. Althoff about fees commensurate with cost.
- 14:58:45 Sen. Flowers noted the adverse opinion being out of the norm for this type of audit, and asked Legislative Auditor Maciver if follow-up was treated different. The question was deferred to Ms. Jorgenson.
- 15:02:32 Sen. Friedel asked Legislative Auditor Maciver about the subsequent audit.
- 15:05:04 Rep. Hellegaard noted this report also having incorrect information from the Department of Administration.
- 15:05:33 Rep. Smith noted Rep. Hellegaard's question needing answered by staff not agency.
- 15:07:52 Rep. Nave asked Mr. Althoff about the gap in reporting.
- 15:09:07 Legislative Auditor Maciver spoke about familiarity bias.

Agency Response

- 15:11:03 Presented by Ms. Nunn

Committee Questions of Agency

- 15:11:47 **Committee Request:** Sen. Hayman requested the agency come back in six months and provide an update. LAD will invite SOS to the June 2024 meeting.
- 15:12:47 Chair Ellsworth spoke about reverse vs discount.
- 15:13:57 Rep. Smith would also like a follow-up in six months.

Motion

- 15:15:07 Sen. Flowers moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.
- 15:15:13 **Vote:** Carried unanimously by voice vote.

Public Comment

none

Break

- 15:15:38

DEPARTMENT OF ENVIRONMENTAL QUALITY (22-16)

- 15:23:57 Presented by Jenna Stamper, Associate Financial Compliance Auditor

15:26:10 (EXHIBIT 5) power point
Present from agency:
Chris Dorrington, Director
James Fehr, Deputy Director
Denise Kelly, Chief Financial Officer.

Committee Questions of Staff

15:28:58 Chair Ellsworth asked for clarification on statute.

Agency Response

15:31:04 Presented by Director Dorrington

15:31:05 Chair Ellsworth asked Director Dorrington about the collapse regarding statute.

Committee Questions of Agency

15:32:42 Rep. Smith asked Director Dorrington about prior audit recommendations.

Public Comment

15:33:27 none

Motion

15:33:31 Rep. Nave moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

15:33:47 **Vote:** Carried unanimously by voice vote.

BITTERROOT VALLEY COMMUNITY COLLEGE 2022

15:38:25 Presented by Tanya J. Doyle, CPA, Doyle & Associates, P.C.

Agency Response

15:40:17 Presented by Carrie Guarino, Chair, Board of Trustees.

15:41:00 Sen. Hayman asked Ms. Guarino about the future of the college.

Public Comment

none

Motion

15:42:43 Sen. Flowers moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

15:43:00 **Vote:** Carried unanimously by voice vote.

FIRE ASSESMENT FEE - PERFORMANCE AUDIT SCOPE & OBJECTIVES

15:43:55 Presented by David W. Singer, Associate Management & Program Analyst
(EXHIBIT 6)

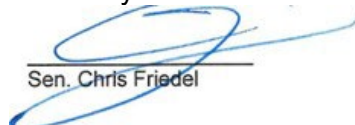
Committee Questions of Staff

15:46:56 Sen. Flowers asked Mr. Singer for the original request for the audit.

RECESS

15:55:46 With there being no further business, the committee was adjourned until June 8, 2023, at 9:00 a.m.

Secretary:


Sen. Chris Friedel