

# LEGISLATIVE AUDIT DIVISION

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## MEMORANDUM

**TO:** Angus Maciver, Legislative Auditor  
**FROM:** Austin Powell, Associate Management and Program Analyst  
**DATE:** January 2024  
**RE:** Legislative Audit Committee Meeting  
**SUBJECT:** Legislative Audit Committee request regarding the number of hotline submissions for agencies by agency size.

The following memo is a response to the Legislative Audit Committee's request for further information and context regarding submissions to the Accountability, Compliance, and Transparency hotline (ACT hotline) managed by the Legislative Audit Division. The committee requested that we provide the ratio of hotline submissions about an agency per the size of that agency over time. For this request, we calculated the ratio for each of the previous three biennia (2019, 2021, and 2023) using the number of hotline submissions and the agency employee counts from our biennial fraud, waste, and abuse survey.

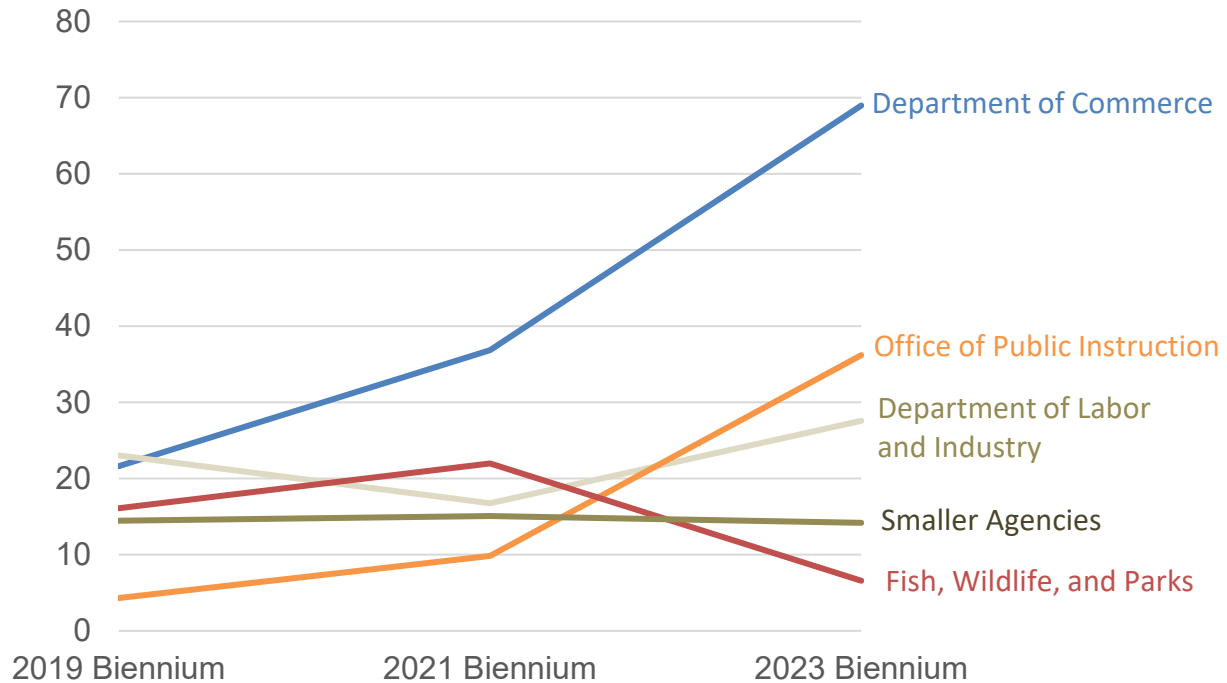
### Analysis

We calculated each agency's ratio to be the number of hotline submissions regarding that agency in each biennium per 1,000 employees at the agency. We used all hotline submissions, including submissions that were substantiated, unsubstantiated, or inconclusive. The ratios presented in this memo do not represent the instances of *substantiated* fraud, waste, or abuse at an agency. To determine the size of an agency, we used the state active directory and counted employee emails. This is the same method we've used for our previous fraud, waste, and abuse surveys. For agencies not in the active directory or that we did not have previous population data for, we estimated the number of employees based on emails, employee directories, or from recent audit work. Smaller agencies often yielded skewed or unstable ratios, where a single hotline submission would yield an unreasonably large ratio in only one biennium. Therefore, we combined all agencies with fewer than 100 employees into a single group for our analysis. We also combined all Montana State University campuses into a single group and all University of Montana campuses into a single group.

### Trends

The chart on the next page displays the trends over time for the agencies with the top 5 average ratios over the last three biennia.

The **Department of Commerce** had the largest ratio of hotline submissions per 1,000 employees in the 2023 biennium with the **Office of Public Instruction** steadily rising to second.



Source: compiled by Legislative Audit Division staff

Though FWP has one of the top 5 average ratios, the number of hotline submissions per 1,000 employees decreased significantly in the 2023 biennium. The remaining agencies had average ratios of about 10 or fewer submissions per 1,000 employees across the three biennia. The exact ratios for each agency are shown in the next section.

### **All Agency Ratios**

The table on the next page displays the ratios of hotline submissions per 1,000 employees over the past three biennia as well as the estimated employee count and the number of submissions for each group. These data are sorted by the ratios in the 2023 biennium.

| Agency Name                                      | Number of Employees |      |      | Number of Submissions |      |      | Ratio (per 1000 employees) |      |      |
|--|---------------------|------|------|-----------------------|------|------|----------------------------|------|------|
|  | 2019                | 2021 | 2023 | 2019                  | 2021 | 2023 | 2019                       | 2021 | 2023 |
| Department of Commerce                           | 185                 | 217  | 232  | 4                     | 8    | 16   | 21.6                       | 36.9 | 69.0 |
| Department of Labor and Industry                 | 738                 | 776  | 689  | 17                    | 13   | 19   | 23.0                       | 16.8 | 27.6 |
| Office of Public Instruction                     | 232                 | 203  | 221  | 1                     | 2    | 8    | 4.3                        | 9.9  | 36.2 |
| Department of Fish, Wildlife, & Parks            | 683                 | 728  | 760  | 11                    | 16   | 5    | 16.1                       | 22.0 | 6.6  |
| Small Agencies (<100 employees)                  | 829                 | 796  | 846  | 12                    | 12   | 12   | 14.5                       | 17.6 | 14.2 |
| Department of Public Health and Human Services   | 2578                | 2617 | 2510 | 11                    | 31   | 39   | 4.3                        | 11.8 | 15.5 |
| Legislative Branch                               | 196                 | 196  | 196  | 1                     | 2    | 3    | 5.1                        | 10.2 | 15.3 |
| Department of Revenue                            | 593                 | 622  | 631  | 4                     | 2    | 11   | 6.7                        | 3.2  | 17.4 |
| Department of Natural Resources and Conservation | 536                 | 587  | 621  | 8                     | 6    | 1    | 14.9                       | 10.2 | 1.6  |
| Department of Environmental Quality              | 384                 | 368  | 374  | 4                     | 2    | 4    | 10.4                       | 5.4  | 10.7 |
| Department of Administration                     | 849                 | 864  | 891  | 8                     | 10   | 4    | 10.6                       | 13.9 | 5.6  |
| Department of Corrections                        | 1240                | 1281 | 1194 | 14                    | 3    | 6    | 11.3                       | 2.3  | 5.0  |
| Department of Transportation                     | 2067                | 1975 | 2119 | 12                    | 17   | 5    | 5.8                        | 8.6  | 2.4  |
| MSU - All Campuses                               | 5360                | 5385 | 4574 | 13                    | 18   | 37   | 2.4                        | 3.5  | 8.1  |
| UM - All Campuses                                | 4236                | 3184 | 3400 | 11                    | 16   | 8    | 2.6                        | 5.0  | 2.4  |
| Department of Justice                            | 846                 | 864  | 915  | 1                     | 2    | 5    | 1.2                        | 2.3  | 5.5  |
| State Fund                                       | 289                 | 286  | 282  | 1                     | 1    | 0    | 3.5                        | 3.5  | 0.0  |
| Judicial Branch                                  | 450                 | 462  | 488  | 0                     | 0    | 3    | 0.0                        | 0.0  | 6.1  |