

Montana Department of Agriculture



Presented by:

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Montana Department of Agriculture

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Brief Introduction

Some of the department's statutory functions include:

- Encouraging and promoting the interests of Montana agriculture.
- Assisting, encouraging, and promoting the organization of farmers' institutes, agricultural societies, fairs, and other exhibitions of agriculture.
- Adopting standards for grade and other classifications of farm products.
- Regulating and protecting Montana's agricultural activities through the administration of statutes related to agriculture.



Coronavirus Aid, Relief, and Economic Security (CARES) Act

Meat Processing Infrastructure Grant

- \$12.1 million expended as of June 30, 2021

Agriculture Innovation and Adaptability Grants

- \$3 million expended as of June 30, 2021

Department Funding

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	FY20	FY21
Licenses & Permits	\$ 5,262,871	\$ 5,469,126
Taxes	\$ 7,454,446	\$ 8,613,987
Charges for Services	\$ 3,514,399	\$ 3,531,197
Transfers-In	\$ 2,904,580	\$ 17,562,403
Federal	\$ 2,947,805	\$ 3,148,398
Other	\$ 1,581,199	\$ 619,078
Total Revenues & Transfers-In	\$ 23,665,300	\$ 38,944,189

Department Expenses

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	FY20	FY21
Personal Services	\$ 8,224,566	\$ 8,887,733
Operating Expenses	\$ 4,375,061	\$ 3,524,519
Grants	\$ 9,491,968	\$ 23,512,781
Transfers-Out	\$ 1,223,162	\$ 1,366,412
Other	\$ 859,434	\$ 620,560
Total Expenditures & Transfers-Out	\$ 24,174,191	\$ 37,912,005

Audit Areas of Focus

Charges for Services

Licenses & Permits

Taxes

Investments

Transfers-In

Grants

Opinion

- ❖ Unmodified

Internal Control & Compliance

- ❖ Significant Deficiency

Recommendations

- ❖ Three



Wheat and Barley Account Grant Accruals

Effect of Misstatements on State Special Revenue Fund

Fiscal Years 2020 and 2021

	2020 Over(Under) statement	2021 Over(Under) statement
Fund Equity, July 1		\$ (874,010)
Budgeted Expenditures & Transfers-Out	\$ 847,010	\$ 241,980
Prior Year Expenditures & Transfers-Out Adjustment		\$ (874,010)
Fund Equity, June 30	\$ (874,010)	\$ (241,980)

We recommend that the Department of Agriculture enhance internal controls related to its Wheat and Barley grants to ensure accruals are correctly recorded before fiscal year-end as required by state accounting policy.

Recommendation # 1

Licenses, Permits, and Registration Refunds

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Recommendation # 2

We recommend that the Department of Agriculture:

- A. Establish and maintain documented internal controls to ensure that customers are refunded when a credit balance is noted.
- B. Educate staff on the program's internal control policies and procedures to ensure continuity in program operations.
- C. Notify customers of any credit balances, giving them the option of a refund or applying the credit balance to future applications or renewals.



Reporting Actual or Suspected Theft

State law

- §5-13-309(3), MCA

October 2020

- \$344,271 obtained via an e-mail phishing attack.
- The legislative auditor was not notified.

April 2020

- \$1,000 in gift cards purchased in response to an e-mail phishing attack.
- The gift cards were returned for full credit.
- The attorney general and the legislative auditor were not notified.

Recommendation # 3

We recommend that the Department of Agriculture comply with state law by notifying the attorney general and legislative auditor in writing upon the discovery of any theft, actual or suspected, involving state money or property.



Questions?