



MONTANA LEGISLATIVE AUDIT DIVISION

Office of the Commissioner of
Political Practices

FOR THE TWO FISCAL YEARS ENDED JUNE 30, 2020

BACKGROUND

The Office of the Commissioner of Political Practices (office) is responsible for enforcing campaign and lobbying disclosure laws and code of ethics laws for state officials and employees. The office reviews campaign and political committee expenditure reports, investigates campaign finance and disclosure cases, registers lobbyists, tracks principal expenditures, and handles formal ethics complaint proceedings.

Commissioner: Jeff Mangan

The office made significant improvements in operations to address prior audit recommendations. However, the recommendations in this report indicate the office needs to continue to make improvements in a couple areas. This report contains four recommendations to the office related to internal controls, multi-year permits revenue, expenditure accruals, and notes to the financial schedules.

AUDITOR'S OPINION (page A-1): UNMODIFIED

We found the office's financial schedules and note disclosures presented fairly the activity of the office in all material respects and issued an unmodified opinion. This means a reader can rely on the information presented and the underlying financial records.

For the full context of the office's financial activity, see the financial schedules and notes beginning on page A-4.

RECOMMENDATIONS:

In this report, we issued the following recommendations:

To the office: 4

To the legislature: 0

In this report, we determined the implementation status of recommendations in the prior audit:

Fully Implemented: 1

Partially Implemented: 2

Not Implemented: 2

Not Applicable During Audit Period: 1

RECOMMENDATION #1 (page 6):

Internal Controls

The office needs to develop internal controls to ensure all transactions are entered, and processes performed, as required by state accounting policy.

Office response: **Concur**

RECOMMENDATION #2 (page 7):

Misstatement

The office needs to record multi-year permits revenue in accordance with state accounting policy.

Office response: **Concur**

For the full report or more information, contact the Legislative Audit Division.

leg.mt.gov/lad

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RECOMMENDATION #3 (page 8):

Misstatement

The office needs to record expenditure accruals in accordance with state accounting policy.

Office response: Concur

RECOMMENDATION #4 (page 10):

Internal Controls

The office needs to develop controls over the notes to the financial schedules to ensure they are complete, accurate, and understandable.

Office response: Concur

REPORT ON INTERNAL CONTROL AND COMPLIANCE (page B-1):

In this report, we identified the following:

Material Weaknesses in Internal Control: 3

Significant Deficiencies in Internal Control: 0

Material Non-Compliance: 0

Other Matters: 0

For the full context of this information, including the distinction between the types of items reported, see the report beginning on page B-1.