

<u>Section</u>	<u>Function</u>	<u>Report</u>	<u>Agency</u>	<u>Recommendation #</u>	<u>Recommendation Text</u>	<u>Explanation</u>	<u>Program</u>	<u>LAD Contact</u>
Section C	Financial	21-17	Department of Transportation	2	We recommend the Montana Department of Transportation: A. Enhance internal controls to ensure all procurement follow state policy to comply with federal requirements. B. Comply with state procurement policy for all vehicle purchases. Complete and submit the Post-Delivery certifications as required by department policy.			Courtney Johnson
Section C	Financial	21-17	Department of Transportation	4	We recommend the Montana Department of Transportation enhance internal control procedures to ensure timely recovery and remittance of identified questioned costs.			Courtney Johnson
Section C	Financial	21-17	Department of Transportation	5	We recommend the Montana Department of Transportation continue to complete additional Live Entertainment Grants reviews to ensure subrecipients complied with federal program requirements.			Courtney Johnson
Section C	Financial	20-16	Department of Environmental Quality	4	We recommend the Department of Environmental Quality implement internal controls to ensure transfer activity related to its Environmental Quality Protection Fund state special revenue account is recorded correctly on the state's accounting records.	Prior year activity is overstated on all three schedules in FY 2019 and the misstatements outlined in the report should be considered if prior year activity line items are reviewed.		Delsi Osmanson
Section C	Financial	21-22	Department of Livestock	1	We recommend the Department of Livestock enhance internal controls to ensure stock estray transactions required by law are recorded in accordance with state accounting policy.	Misclassification between expenditure accounts. If the budget is set up for the wrong accounts, it could require a budget change to the right accounts.		Jenny Erdahl
Section C	Financial	21-18	Department of Fish, Wildlife & Parks	3	We recommend the Department of Fish, Wildlife & Parks enforce its current control procedures to require review by a program supervisor of all expenditures.	Could have a budget impact if expenses are not accurate and allowable.		Mary Currin
Section C	Financial	21-21	Department of Agriculture	1	We recommend that the Department of Agriculture enhance internal controls related to its Wheat and Barley Account grants to ensure accruals are correctly recorded before fiscal year-end as required by state accounting policy.	In both FY20 and FY21, accruals were not reversed prior to FYE which caused Overstatements to Budgeted Expenditures and Transfers-Out and Understatements to Fund Equity.		Jeane Carstensen-Garrett
Section C	Financial	21-21	Department of Agriculture	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.	By not refunding customers for payments of services/products not received by the customer, the department is recording revenue that was not earned.	Licenses, Permits, and Registrations - pesticides, pesticide applicators and dealers, and special pesticide registrations	Jeane Carstensen-Garrett
Section C	Performance	20P-01	Department of Environmental Quality	1	We recommend the Petroleum Tank Release Compensation Board work with Department of Environmental Quality to collaborate during corrective action plan development to verify eligibility, assure fund availability, and provide any other relevant input for consideration prior to final plan approval by the department.	Collaboration during the corrective action planning process may lead to more efficient and accurate budgeting of cleanup projects and allow work to be done on a more aggressive timeline.	Remediation	John Harrington
Section C	Performance	20P-01	Department of Environmental Quality	2	We recommend the Montana Legislature clarify statute by making amendments as needed to clarify the Petroleum Tank Release Compensation Board does not have a role in approving or basing reimbursement on the specific methods prescribed within approved corrective action plans that bring an eligible petroleum release to closure.	Clarification of the roles of the regulating authority and the fiduciary may make planning, contracting, and completing remediation projects a more efficient and cost-effective process.	Remediation	John Harrington
Section C	Performance	20P-01	Department of Environmental Quality	3	We recommend the Petroleum Tank Release Compensation Board work with the Department of Environmental Quality to develop a process, seeking legislation if necessary, whereby remediation projects are competitively bid to bring releases to closure, in accordance with existing state procurement laws.	Competitive bidding is likely a more cost-effective method of contracting and completing underground storage tank cleanup and monitoring.	Remediation	John Harrington
Section C	Performance	20P-01	Department of Environmental Quality	4	We recommend the Petroleum Tank Release Compensation Board work with the Department of Environmental Quality to seek legislation that prepares the fund for the eventual closure of all historic underground storage tank release in Montana.	Meaningful planning for a day when the backlog of leaking/contaminated underground tank sites is cleaned up will help the legislature determine what if any role the taxpayer should have in providing insurance against future leaks.	Remediation	John Harrington
Section C	Performance	20P-03	Department of Livestock	1	We recommend the Department of Livestock and the Board of Milk Control: A. Pursue changes to administrative rule to allow for decreases in the amount of quota owned by dairy producers, and B. Decrease the amount of quota to reflect current milk production and Montana dairy industry needs.	Improving administrative rules by including provisions to decrease the amount of quota could better position the Board of Milk Control to act on industry needs and changing markets.	Milk	Julia Connelley

Section C	Performance	21P-03	Department of Transportation	1	We recommend the Department of Transportation use a more formal, data-driven approach to improve its fleet management practices in the following ways: A. Provide both mileage and days-used information to agencies and to the Governor's Office annually for identifying underutilized Motor Pool leases. B. Adjust the size of the Motor Pool day fleet over time to meet 80 percent demand. C. Measure progress towards goals for adherence to preventative maintenance requirements.	With a more formal data-driven approach, the department can improve fleet management in a more cost effective manner.	Motor Pool	Amber Robbins
Section C	Performance	21P-05	Department of Transportation	1	We recommend the Department of Transportation and the Board of Aeronautics: A. Develop Administrative Rules requiring the Board of Aeronautics use a scoring system as the primary basis for awarding Airport Grants and Loans Program funding, and B. Document all departures from the scoring system by the board when approving funding.	A more structured basis for awarding grants and loans will increase award transparency and defensibility.	Aeronautics	Chelsea Rayfield
Section C	Performance	21P-05	Department of Transportation	2	We recommend the Department of Transportation: A. Require Airport Grants and Loans Program award recipients submit documentation supporting funding expenditures and actual project costs as part of the award closeout process, and B. Review the documentation to ensure the funding was spent appropriately and that the recipient does not need to reimburse any part of the award.	With the requirement of appropriate grant documentation, there is increased award transparency and defensibility.	Aeronautics	Chelsea Rayfield
Section C	Performance	21P-05	Department of Transportation	3	We recommend the Department of Transportation implement sufficient internal controls to ensure the Airport Grants and Loans Program information system data is complete and accurate.	With improved IS internal controls, there is increased assurance of grants being appropriately awarded.	Aeronautics	Chelsea Rayfield
Section C	Performance	21P-05	Department of Transportation	4	We recommend the Department of Transportation implement and maintain a written Standard Leasing Policy document to define and centralize Airport Lease Management Program policies, staff roles and their specific procedures, and program documentation.	A lack of complete and current leasing documentation can expose the state to risk, including liability for damages.	Aeronautics	Chelsea Rayfield
Section C	Performance	21P-01	Department of Natural Resources and Conservation	1	We recommend the Department of Natural Resources and Conservation establish and implement a data quality strategy for the Water Rights Information System that defines desired levels for data quality that are regularly evaluated.	With a defined data quality strategy, there will be better information to support the water right's adjudication process.	Water Rights	Austin Powell
Section C	Performance	21P-01	Department of Natural Resources and Conservation	2	We recommend the Department of Natural Resources and Conservation establish an ongoing process for outreach and education including: A. Developing professional relationships with title companies and realtors to facilitate greater understanding of water right processes and information, and B. Developing a system for owners to sign up for regular reminders regarding their water right information.	NA	Water Rights	Austin Powell
Section C	Performance	21P-01	Department of Natural Resources and Conservation	3	We recommend the Department of Natural Resources and Conservation establish the Water Rights Information System as the official record and transition to electronic processes by: A. Ensuring historical documents are scanned at acceptable quality. B. Creating an online submission option for all applications and updates. C. Tracking additional owner contact information electronically such as e-mail address, phone number, etc.	Establishing the WRIS as the official record will reduce physical storage costs for DNRC.	Water Rights	Austin Powell
Section C	Performance	21P-01	Department of Natural Resources and Conservation	4	We recommend the Department of Natural Resources and Conservation make scanned documents and their processes more functional by: A. Establishing an electronic means to transfer documents for upload, both internally and from the Water Court, and B. Attaching additional labelling and identifying information to uploaded documents.	A more efficient electronic process will lead to a reduction in paper-based process costs.	Water Rights	Austin Powell
Section C	Performance	21P-01	Department of Natural Resources and Conservation	5	We recommend the Department of Natural Resources and Conservation integrate GIS functionality for stakeholders by: A. Introducing a map interface for electronic applications and queries, and B. Using additional identifiers for the place of use and point of diversion.	With integrated GIS functionality, there will be greater efficiencies for DNRC's water right management processes.	Water Rights	Austin Powell