



MEMO

TO: Certified Public Accounting Firms Interested in Conducting Audits of Montana Local Government Entities

FROM: Local Government Services

DATE: July 23, 2018

RE: Audit finding and submission considerations

Roster Members:

This letter is meant to provide a number of reminders and considerations that we would like you all to keep in mind when performing audits or submitting the results of your audits to us:

- ✓ Remember the statutory requirements at 17-2-302, MCA and 2-7-505, MCA to test charges for services funds and agency funds.
- ✓ Do not follow audit findings with “No Response Required.” Responses are required for all findings. You may wish to add what the government is doing to mitigate the problem, however.
- ✓ When writing an audit recommendation, please do not recommend that the government “consider” something. If there is a recommendation to correct a deficiency, it should be clearly defined to the extent possible to assist the government in actually correcting the deficiency. When “consider” is recommended, the government’s corrective action quite often merely “considers” the issue, which does not necessarily correct the problem.
- ✓ If findings are included in a management letter, please know that we require responses to those findings. It would be helpful if you could remind your clients as well.
- ✓ When submitting electronic documents to us, please submit them in an unsecured, unencrypted, text-searchable format.

Thank you,

Local Government Services