



MONTANA DEPARTMENT OF ADMINISTRATION

**State Financial
Services Division**
Cheryl Grey, Administrator

Statewide Accounting & Financial Systems • 406.444.3092
Local Government Services • 406.444.9101
sfsd.mt.gov

TO: County Clerk and Recorder and Board of County Commissioners

RE: Requirements Regarding:
Audit Report Publishing Requirements
Responses to Audit Report Findings and Recommendations

Audit Report Publishing Requirements

The Montana Single Audit Act (Title 2, Chapter 7, Part 5, MCA) requires each audited County to send a copy of each audit report to a local newspaper of general circulation along with a Summary of Significant Findings regarding the audit report. The independent auditor must prepare the summary in 800 words or less, and state that it is only a summary and not intended to be used as an audit report. County officials should request an additional copy of the audit report from their independent auditor.

The newspaper is required to publish the summary, along with a statement to the effect that the audit report is on file with the County and open to public inspection.

Publication is required 30 days after the County receives its audit report. The cost of publication is the County's responsibility.

Enclosed is a sample letter to the newspaper, and a sample publication.

Responses to Audit Report Findings and Recommendations

Entities are required to notify the Department of Administration (DOA) in writing as to the planned actions regarding any deficiencies or recommendations contained in their audit report. This response, or corrective action plan, is required to be submitted to the DOA within 30 days of receipt of the audit report.

If you have any questions on the response requirements, please contact the Local Government Services Bureau help desk at 406-444-9101, or via email at LGSBHelp@mt.gov.

Enclosures: Sample Letter to Newspaper Regarding Audit Publication
Sample Publication
Section 2-7-521, MCA
Section 2-7-515, MCA



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SAMPLE

AUDIT PUBLICATION

An audit of the [Name of County] has been conducted by [Name of Auditor]. The audit covered the fiscal year(s) ended June 30, 20__ [and 20__]. Section 2-7-521, MCA, requires the publication of the following summary of significant findings.

Summary of Significant Findings

The audit report for [Name of County] for the fiscal year(s) ended June 30, 20__ [and 20__], contains an Independent Auditor's Report on the [County's] basic financial statements. The report issued for the fiscal year(s) ended June 30, 20__ [and 20__] contains [unqualified][qualified][adverse] opinion(s).

The audit report also contains several other auditor's reports. A listing of the reports and a summary of the findings included in each one noted below. This is only a summary and is not intended to be used as an audit report.

1. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* - This report contains the following findings: (OR This report contains no findings.)
2. [If applicable] Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with "Uniform Guidance" - This report contains the following findings: (OR This report contains no findings.)
3. [If applicable] Management letter to County officials or Report on Other Matters – this letter/report contains the following other matters not included in the above two reports:
4. Report on Prior Audit Report Recommendations - This report summarizes the findings from the prior audit report (and management letter, if applicable), and the status of those findings.

Public Inspection of Audit Report

The complete audit report is on file in its entirety and is open to public inspection at the County's office.

Sincerely,

[NAME AND TITLE OF COUNTY OFFICIAL OR REPRESENTATIVE]



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SAMPLE

DATE

Name of Newspaper

Address

City, MT 59---

RE: Audit Report Publication

Montana Code Annotated (MCA) Section 2-7-521, MCA, provides that thirty days after a County audit report is forwarded to the County officials, the County shall send to the official newspaper of the County for publication:

1. A summary of significant findings, including a statement indicating that it is only a summary and is not intended to be used as an audit report, and
2. A statement that the audit report is on file in its entirety and open to public inspection.

Please publish the enclosed Audit Publication for the fiscal year(s) ended [month, day, and year(s)] and send the bill to the address, below.

Enclosed for your information, as required by statute, is a complete copy of the audit report. The audit report is not required by law to be published. Only the Summary of Significant Findings should be published.

Thank you for your cooperation.

Sincerely,

[Name and title of County Official/Representative]

Pages enclosed to be published - ____ page(s)

Billing Address: [name of County and mailing address]



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2-7-521. Publication. (1) (a) After the expiration of the 30-day period provided for in 2-7-515(1), the local government entity shall send a copy of each audit report to a newspaper of general circulation in the area of the local government entity. However, each county audit report must be sent to the official newspaper of the county.

(b) For an audit report of a county or an incorporated city or town, the county, city, or town shall send to the appropriate newspaper a copy of a summary of significant findings regarding the audit report. The summary, which may not exceed 800 words, must be prepared by the independent auditor and contain a statement indicating that it is only a summary and is not intended to be used as an audit report.

(2) For an audit report of a county or incorporated city or town, a newspaper is required to publish only:

(a) the summary of significant findings provided for in subsection (1)(b); and

(b) a statement to the effect that the audit report is on file in its entirety and open to public inspection.

(3) For an audit report of a local government entity other than a county or incorporated city or town, the newspaper is required to publish only the statement provided for in subsection (2)(b) and a statement providing that the audited local government entity will send a copy of the audit report to any interested person upon request.

(4) Publication costs must be borne by the audited local government entity.

History: En. 82-4523 by Sec. 9, Ch. 380, L. 1975; R.C.M. 1947, 82-4523; amd. Sec. 1, Ch. 386, L. 1983; amd. Sec. 3, Ch. 140, L. 1989; amd. Sec. 1, Ch. 607, L. 1989; amd. Sec. 17, Ch. 489, L. 1991.

2-7-515. Actions by governing bodies. (1) Upon receipt of the audit report, the governing bodies of each audited local government entity shall review the contents and within 30 days shall notify the department in writing as to what action they plan to take on any deficiencies or recommendations contained in the audit report. If no deficiencies or recommendations appear in the audit report, notification is not required.

(2) Notification to the department shall include a statement by the governing bodies that noted deficiencies or recommendations for improvement have been acted upon by adoption as recommended, adoption with modification, or rejection.

(3) The local government entity shall adopt measures to correct the report findings and submit a copy of the corrective action plan to the department and, if the local government entity is a school district, shall also send a copy to the superintendent of public instruction. The department shall notify the entity of the acceptance of the corrective measures. If the department and the local government entity fail to agree, a conference between the parties must be held. Failure to resolve findings or implement corrective measures shall result in the withholding of financial assistance in accordance with rules adopted by the department pending resolution or compliance.

(4) In cases where a violation of law or nonperformance of duty is found on the part of an officer, employee, or board, the officer, employee, or board must be proceeded against by the attorney general or county, city, or town attorney as provided by law. If a written request to do so is received from the department, the county, city, or town attorney shall report the proceedings instituted or to be instituted, relating to the violations of law and nonperformance of duty, to the department within 30 days after receiving the request. If the county, city, or town attorney fails or refuses to prosecute the case, the department may refer the case to the attorney general to prosecute the case at the expense of the local government entity.

History: En. 82-4521, 82-4522 by Secs. 7, 8, Ch. 380, L. 1975; R.C.M. 1947, 82-4521(2), 82-4522; amd. Sec. 1, Ch. 128, L. 1991; amd. Sec. 13, Ch. 489, L. 1991.