



LEGISLATIVE AUDIT COMMITTEE

68th Montana Legislature

SENATE MEMBERS

Jason Ellsworth
Pat Flowers
Chris Friedel
Denise Hayman
Kathy Kelker
Forrest Mandeville

HOUSE MEMBERS

Lyn Hellegaard
SJ Howell
Emma Kerr-Carpenter
Fiona Nave
Jerry Schillinger
Laura Smith

COMMITTEE STAFF

Angus Maciver - Legislative Auditor
Candace Radovich - Secretary
Ken Varns - Attorney

MINUTES LOG

June 17, 2024
Room 172
Helena, Montana

Please note: This document is a Minutes Log and provides annotation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video recording of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of the meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

Access to an electronic copy of these minutes and the audio or video recording is provided from the Legislative Branch home page at <https://leg.mt.gov>. From the home page, select the "Committees" drop down menu at the top, then select Administrative or Interim, and the appropriate committee. The written minutes log can be located by expanding the accordion menu for the date of the meeting. Links to the audio/video files can be located by selecting the Video/Audio button on the same page, then the "past/current recordings" button. From there, use the calendar to select the date of the meeting you wish to view/listen to. The written Minutes Log, along with links to the audio and video recordings, is listed by meeting date on the interim committee's web page. Each of the Exhibits is linked and can be viewed by clicking on the Exhibit of interest. All Exhibits are public information and may be printed. Please contact the Legislative Audit Division at 406-444-3122 for more information.

MEMBERS PRESENT:

Sen. Jason Ellsworth, Chair (R)
Rep. Laura Smith, Vice Chair (D)
Sen. Pat Flowers (D)
Sen. Chris Friedel (R)
Sen. Denise Hayman (D)
Rep. Lyn Hellegaard (R)
Rep. SJ Howell (D)
Rep. Emma Kerr-Carpenter (D)
Sen. Forrest Mandeville (R)
Rep. Fiona Nave (R)
Rep. Jerry Schillinger (R)

MEMBERS EXCUSED:

Sen. Kathy Kelker (D)

STAFF PRESENT:

Angus Maciver, Legislative Auditor
Candace Radovich, Secretary
Ken Varns, Attorney

AGENDA ([Attachment 1](#))

VISITORS' LIST ([Attachment 2](#))

CALL TO ORDER/ROLL CALL

12:35:38 Chair Ellsworth called the meeting to order at 12:35 p.m. noting the presence of a quorum. The committee secretary took roll. ([Attachment 3](#))

MINUTES APPROVAL

Motion

12:36:50 Sen. Mandeville moved the committee approve the previous minutes.

12:36:50 **Vote:** Carried unanimously by voice vote.

12:37:28 Chair Ellsworth made some agenda changes and moved the re-appointment to June 28, 2024, via zoom.

Motion

12:38:07 Vice Chair Smith had concerns about the agenda change and asked for a motion to keep the re-appointment as originally scheduled.

Motion denied.

12:38:50 Chair Ellsworth discussed public notice requirements.

12:39:19 Sen. Flowers noted legal counsel involvement.

12:39:55 Discussion about firming up the date and time.

12:42:13 Vice Chair Smith follow-up on legal counsel involvement.

NEW STAFF

12:44:50 Cindy Jorgenson, Deputy Legislative Auditor, introduced Sophia McAdam the divisions newest financial-compliance audit intern.

12:46:08 Eric Seidle, Digital Content Editor, introduced Josephine Howlett, Publications Layout Specialist.

12:47:07 Mr. Seidle announced Denise Rowans retirement after her years of service to the state.

SUPPORTING LOW-INCOME HOUSING: THE MONTANA BOARD OF HOUSING AND ITS ROLE IN AWARDING HOUSING TAX CREDITS (23P-04)

12:49:53 *Presented by Amber Robbins, Research & Evaluation Methodologist*
(EXHIBIT 1) power point

12:49:54 Department of Commerce
Mandy Rambo, Deputy Director
Board of Housing
Cheryl Cohen, Executive Director
Bruce Posey, Board Chair
Jackson Murdo & Grant PC
Greg Gould, Legal Counsel
Nathan Bilyeu, Legal Counsel

Committee Questions of Staff

13:13:14 Sen. Mandeville asked Ms. Robbins about local government stakeholder inclusion.

- 13:13:45 Sen. Mandeville asked Ms. Robbins about locally available information.
- 13:15:25 Rep. Nave asked Ms. Robbins questions about the individual state tax credits.
- 13:21:12 Sen. Flowers asked Ms. Robbins about the response from the agency.
- 13:22:51 Legislative Auditor Maciver spoke on the agency response.
- 13:24:22 Sen. Hayman asked about a list broke out by projects.
- 13:25:40 Chair Ellsworth asked Ms. Robbins to explain the process of a tax credit.

Agency Response

- 13:28:43 Presented by Director Cohen.

Committee Questions of Agency

- 13:39:06 Rep. Hellegaard asked Director Cohen about stakeholders.
- 13:40:07 Sen. Mandeville asked Director Cohen about rural vs urban funding.
- 13:42:41 Sen. Hayman asked Director Cohen about unit management.
- 13:44:50 Sen. Hayman asked Director Cohen about a contact person for tenant/management issues.
- 13:45:27 Sen. Flowers asked Director Cohen about evaluating allocations.
- 13:48:10 Rep. Nave asked Director Cohen to explain process for nonprofit developers
- 13:50:18 **Committee Request:** Chair Ellsworth asked Director Cohen to provide examples of who/where awards were given on a nonprofit basis. Director Cohen stated she would get that information. (received)
- 13:51:51 Chair Ellsworth asked Director Cohen for the dollar amount overseen annually by the board.
- 13:56:18 Chair Ellsworth asked Director Cohen about board member pay.
- 14:01:13 Chair Ellsworth advised Director Cohen and board members.

Public Comment

- 14:04:52 Melissa Shannon
- 14:07:36 via zoom Heather McMilin
- 14:11:56 via zoom Tyson O'Connell
- 14:16:10 via zoom Kaia Peterson

Motion

- 14:17:23 Sen. Mandeville moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.
- 14:17:38 **Vote:** Carried unanimously by voice vote.

STATE OF MONTANA (23-01)

- 14:17:45 *Presented by Jessica Curtis, CPA, Financial-Compliance Audit Manager*
(EXHIBIT 2) power point
- 14:24:45 Department of Administration
Misty Ann Giles, Director
Cheryl Grey, CPA, Administrator, State Financial Services Division
Jennifer Thompson, CPA, State Accountant, Statewide Accounting Bureau
Governor's Office of Budget & Program Planning
Sonia Powell, CPA, Single Audit Coordinator
Chet McLean, Internal Controls Coordinator
Department of Natural Resources and Conservation

Erin Weisgerber, Deputy Director
Meaghan Bjerke, Chief Financial Officer

Committee Questions of Staff

14:25:11 n/a

Department of Administration Response

14:35:02 Presented by Director Giles.

Office of Budget & Program Planning Response

14:37:10 Presented by Ms. Powell.

Department of Natural Resources and Conservation Response

14:38:50 Presented by Ms. Weisgerber.

Motion

14:40:24 Rep. Nave moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

14:40:35 **Vote:** Carried unanimously by voice vote.

Break

14:41:02

MILES COMMUNITY COLLEGE 2023

15:00:06 *Presented by Tony Gerharz, CPA, Senior Audit Manager, WIPFLI LLP*

College Response

15:02:44 Presented by President Slinger

15:04:23 Chair Ellsworth asked President Slinger to clarify student headcount.

Motion

15:06:07 Rep. Hellegaard moved the Committee acknowledge receipt of the audit report, that it was reviewed by the Committee, filed, and that copies of the audit report be distributed in accordance with law.

15:06:26 **Vote:** Carried unanimously by voice vote.

COMMITTEE EDUCATION

15:06:51 Introduction by Legislative Auditor Maciver.

15:07:58 *Presented by Cindy Jorgenson, Deputy Legislative Auditor (EXHIBIT 3)*

Committee Questions of Staff

15:25:35 *Presented by William Soller, Deputy Legislative Auditor*

15:40:37 Representative Kerr-Carpenter asked Mr. Soller about staff expertise.

15:42:24 Rep. Kerr-Carpenter asked Mr. Soller for examples of audits where pivoting was made.

15:43:01 Presented by Miki Cestnik, Deputy Legislative Auditor

PRIORITIZATION OF PERFORMANCE AUDITS FOR FISCAL YEAR 2025

15:50:57 *Presented by William Soller, Deputy Legislative Auditor (EXHIBIT 4)
(EXHIBIT 5) (EXHIBIT 6) (EXHIBIT 7)*

16:04:42 A new scoring sheet will be made to accommodate last minute entries.

16:07:00 Legislative Auditor Maciver referenced write in topics.

16:09:15 Chair Ellsworth expanded.

Public Comment

16:13:33 Jeri Croteau
16:23:23 Sen. Dunwell
16:27:15 Josh Butterfly

AGENCY UPDATES

16:28:36 Office of the Secretary of State (22-19) Presented by Angela Nunn, Chief Deputy Secretary of State

Committee Questions of Agency

16:30:58 n/a

AGENCY UPDATES

16:31:57 Fly the Big Sky: Division of Aeronautics and Yellowstone Airport Operations (24SP-09) [\(EXHIBIT 8\)](#)
16:36:52 Presented by Larry Flynn, Director, and Tim Robertson, Board Member.

Committee Questions of Agency

16:39:02 Sen. Flowers appreciated the response.
16:39:34 Chair Ellsworth appreciated the response but did have concerns about the makeup of the board.

FWP HUMAN RESOURCES FUNCTION - PERFORMANCE SCOPE & OBJECTIVES

16:43:29 *Presented by Sarah A. Carlson, Senior Management & Program Analyst* [\(EXHIBIT 9\)](#)

Committee Questions of Staff

16:47:17 n/a

FWP UNLOCKING PUBLIC LANDS - PERFORMANCE SCOPE & OBJECTIVES

16:47:40 *Presented by Alyssa Sorenson, Management & Program Analyst* [\(EXHIBIT 10\)](#)

Committee Questions of Staff

16:50:40 n/a

PERFORMANCE AUDIT FOLLOW-UP: DATA QUALITY IN THE MONANA WATER RIGHTS INFORMATION SYSTEM (24SP-17)

16:51:09 *Presented by Kenneth Noddings, Associate Management & Program Analyst*
Present from agency:
Trevor Watson, Deputy Division Administrator

Department of Natural Resources Response

16:59:10 Mr. Watson.
17:00:35 Rep. Nave asked Mr. Watson about IT projects.
17:02:19 Sen. Mandeville noted functionality is better.
17:02:48 Sen. Flowers asked Mr. Watson for money spent since 2019 on the system.
17:03:46 **Committee Request:** Sen. Flowers asked Mr. Watson for the number of claims examined prior to July 2025. (received)
17:04:58 Sen. Flowers asked Mr. Watson about the water court.

HB132 STATUS UPDATE

17:06:44 *Presented by Alexa O'Dell, CPA, Financial-Compliance Audit Manager* [\(EXHIBIT 11\)](#)

FINANCIAL AUDIT STATUS UPDATE

17:12:05 Presented by Cindy Jorgenson, Deputy Legislative Auditor ([EXHIBIT 12](#))

PERFORMANCE AUDIT STATUS UPDATE

17:15:22 Presented by William Soller, Deputy Legislative Auditor ([EXHIBIT 13](#))

INFORMATION TECHNOLOGY AUDIT STATUS UPDATE

17:18:16 Presented by Miki Cestnik, Deputy Legislative Auditor ([EXHIBIT 14](#))

Public Comment

17:21:17

17:21:34 Josh Butterfly ([EXHIBIT 15](#))

17:26:27 Prayer Warriors tribal council

17:26:42 Dwayne Bear Child

ADJOURNMENT

17:27:46 With there being no further business, the committee adjourned at 5:27 p.m.

Secretary:


Sen. Chris Friedel