

LEGISLATIVE AUDIT DIVISION

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Senator Matt Regier
Senate President
P.O. Box 9763
Kalispell, MT 59904

Senator Pat Flowers
Senate Minority Leader
11832 Gee Norman Rd
Belgrade, MT 59714-8416

Dear Chair Regier and Vice-Chair Flowers,

As the Legislative Council considers interim study priorities for the upcoming biennium, I would like to address potential considerations relating to one study resolution, House Joint Resolution 42. This resolution requests an interim study on procurement, no-bid contracts, and transparency on no-bid purchases.

There are several elements of the study request that fall squarely within the authority and responsibility contained in the Legislative Audit Act, including examining a sample of contracts for compliance with the Montana Procurement Act, accounting for state monies paid to vendors outside of standard procurement process, and evaluating procurement actions for indications of fraud, waste or abuse.

Because interim study resolutions provide the Legislative Council with direction to designate an appropriate interim or statutory committee to assign staff resources, I believe the Council could look to the Legislative Audit Committee to assume responsibility for elements of HJ42, should it assign it a high enough priority for the 2027 biennium. There are good precedents for coordinating staff resources between the Audit and Services Divisions, where the Audit Division examines operational or management issues that contribute to a policy-focused review in an interim committee. One recent example of this was HJ47 from the 2021 session, which requested a performance audit and concurrent interim study relating to education programs in the state's correctional institutions.

An additional consideration relating to HJ42 is the inclusion in HB2 of a requirement for an audit of procurement procedures at the Montana State Lottery. By combining this work with elements of HJ42, we would realize some cost savings.

Please let me know if you have any questions regarding this proposal or if you require any further information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Angus Maciver".

Angus Maciver
Legislative Auditor