

4 March 2026

Compliance Audit Program Overview
Commissioner of Political Practices
Lobbying Disclosure Compliance Review

I. Scope and Objectives

A. Scope

The Compliance Audit Program is reviewing the principal Lobbying Financial Report, Form L-5, (and related submissions) for selected legislative sessions to assess compliance with statutory reporting requirements. The review may include examination of financial records, supporting documentation, and related materials necessary to verify reported lobbying expenditures and activities.

The office seeks a professional and cooperative process that supports transparency and due process.

The audit is limited to evaluating compliance with applicable lobbying disclosure reporting requirements. The review does not access policy positions, legislative advocacy content, or strategic activities. To maintain focus on the compliance process and to protect confidentiality, individual principals and/or lobbyists (if applicable) or businesses, will not be identified in the public report.

B. Objectives

The objective of the compliance audit is to:

- Verify that reported lobbying expenditures meet statutory disclosure requirements
- Promote transparency and consistency in lobbying disclosure practices

1. Applicable Criteria and Standards

The Compliance Audit Program is conducted in accordance with:

- Applicable Montana statutes governing lobbying disclosure and reporting requirements
- Applicable Administrative rules adopted by the Office of the Commissioner
- Relevant provisions of Government Auditing Standards issued by the Government Accountability Office (GAO), commonly referred to as the Yellow Book, as applicable to compliance reviews

2. Rights and Responsibilities of Principals

A. Principals Have the Right To:

- Receive written notification of selection and scope of review
- Be informed of the applicable criteria used to evaluate compliance
- Provide supporting documentation and explanations
- Ask questions regarding the audit process
- Review and respond to draft findings prior to issuance of a final report

B. Principals Are Responsible For:

- Maintaining adequate records supporting reported lobbying expenditures
- Providing requested documentation in a timely manner
- Ensuring accuracy and completeness of disclosure filings
- Communicating any need for additional time to assemble records

II. Random Selection Methodology

Principals selected for compliance audit are chosen through a random selection process.

As of March 3, 2026, there were 510 principals. The audit targets approximately 20 percent of the population (102 principals) to provide broad and representative statewide coverage while maintaining audit efficiency and independence.

A. The selection process will include:

- Reviewing session-year subject matter categories
- Establishing a 20 percent coverage target
- Selecting principals across subject areas and jurisdictions (state, county, and municipal)
- Obtaining an independently generated list of principals from Compliance staff for inclusion in the random selection

B. The 20 percent coverage is designed to:

- Promote broad oversight across the regulated population
- Ensure selection is based on a random and objective process
- Encourage awareness and consistent compliance across all reporting entities; and
- Balance oversight objectives with available agency resources. Avoid bias based on political affiliation, policy position, advocacy content, or industry sector.
- Ensure all selected principals are subject to the same review framework and audit standards

C. Reporting of Finding to Each Principal

At the conclusion of the review:

- A draft compliance report will be provided to the principal
- The principal will have an opportunity to review and submit a written response
- Any responses received will be incorporated or referenced in the final report, as appropriate
- The final report may include:
 - Findings of compliance or noncompliance
 - Recommendations for corrective action
 - Observations intended to improve reporting clarity

The goal of reporting is to promote transparency, consistency, and statutory compliance — not punitive action absent statutory authority.

III. Comprehensive Report to Executive and Legislative Branch

End-Product Objective and Legislative Considerations

A. Comprehensive Report of Findings with Respect to Principals:

The ultimate objective of the Compliance Audit Program is to promote transparency, consistency, and statutory compliance in lobbying disclosure reporting.

In addition to determining compliance with existing statutory requirements, the Office of Political Practices may identify systemic trends, recurring reporting challenges, or statutory ambiguities observed during the course of the compliance review.

Where appropriate, the final comprehensive report may include:

- Observations regarding patterns or recurring compliance issues;
- Recommendations for administrative clarification;
- Matters for legislative consideration where statutory language may benefit from clarification, modernization, or enhanced enforcement mechanisms

Any such recommendations will be presented in a neutral, fact-based manner. The purpose of these observations is to support informed decision-making by policymakers.

B. COPP Compliance with 2024 LAD Public Access to Lobbying Information, COPP (November 2024, Report No. 24P-02)

C. COPP Internal Process and Compliance Review:

Updating forms, guides and other materials, implementation of electronic reporting requirements, new reporting system requirements and design, and implementation of AI features related to enhanced public access to lobbying information.

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