

<u>Section</u>	<u>Function</u>	<u>Report</u>	<u>Agency</u>	<u>Recommendation #</u>	<u>Recommendation Text</u>	<u>Explanation</u>	<u>Program</u>	<u>LAD Contact</u>
Section E	Financial	20-22	Board of Public Education	1	We recommend the Board of Public Education: A. Comply with state law and use the \$4 funding stream from teacher licensure only for Certification Standards and Practices Advisory Council expenditures, or B. Seek a change in legislation to allow the Board to use all teacher licensure revenues for all Board activities including the Certification Standards and Practices Advisory Council.	Budget impact because if they comply with law they may need additional spending authority.		Jeane Carstensen-Garrett
Section E	Financial	20-22	Board of Public Education	2	We recommend the Board of Public Education comply with state law §17-2-109(1), MCA, by expending available cash in State Special Revenue Fund prior to using General Fund appropriations.	Budget impact because would increase unspent General Fund authority.		Jeane Carstensen-Garrett
Section E	Financial	20-06	Commissioner of Higher Education	1	We recommend the Office of the Commissioner of Higher Education: A. Comply with state law by only allowing MUS employees and their dependents to participate in the Montana University System Insurance Program, or B. Work with the Legislature to update state law to include entities related to the MUS system in state laws related to the administering of the MUS Insurance Plan, and C. Work with the State Auditor and the US Department of Labor to determine if the MUS Insurance Plan is subject to Employee Retirement Income Security Act regulations related to the inclusion of private entities.	Costs from non MUS employees could affect the budget.	MUS Insurance Program	Jessica Curtis
Section E	Financial	21-19	Office of Public Instruction	1	We recommend the Office of Public Instruction: A. Comply with state internal control policy by completing internal risk assessments, documenting important internal control processes, and monitoring those internal controls. B. Educate staff on the importance of internal controls and associated responsibilities.	Internal controls can prevent errors with misclassifying expenditures to the incorrect budget.		Jessica Curtis
Section E	Financial	21-19	Office of Public Instruction	13	We recommend the Office of Public Instruction comply with state law by ensuring internal service fund fees are commensurate with costs.	Personal services costs formally charged to the internal service fund may need to be budgeted.		Jessica Curtis
Section E	Financial	21-23	State Library Commission	1	We recommend the Montana State Library comply with federal regulations and state policy regarding employee incentive pay.	Personal services costs for incentive pay used from Federal funds may need to be repaid. We have not audited FY22 however, we do know that the budget office is looking into the large increase in Personal service costs at the library.		Leslie Lahti
Section E	Financial	20-29	School for the Deaf and Blind	1	We recommend that the Montana School for the Deaf and Blind comply with state policy by: A. Strengthening internal controls over inventory and completing a physical inventory annually. B. Strengthening proper segregation of duties over assets.	Without a complete and accurate list of inventory items, MSDB cannot be assured that all items are accounted for and safeguarded. This could lead to loss or theft of assets and the school purchasing additional assets for replacement which could be quite costly. MSDB does not maintain proper segregation of duties related to asset management. Having one individual responsible for equipment and other sensitive items throughout the asset management cycle places personnel in a situation that could lead to theft, resources shortages, and operational inefficiency.		Jeane Carstensen-Garrett
Section E	Information Systems	20DP-03	Montana University System	1	We recommend that Board of Regents and the universities review and enforce university system security policy that includes: A. Clear direction within policy to manage a security program and mandate a consistent security framework, going above and beyond maintaining security policies. B. Requirements for Board of Regents security policy to be reviewed continuously.	Cost avoidance could represent a significant cost if there is a security breach.	University System	Miki Cestnik
Section E	Information Systems	20DP-03	Montana University System	2	We recommend the University of Montana: A. Update and formalize job descriptions for positions that have responsibilities for developing, maintaining, or supporting the security program, and B. Complete a comprehensive IT risk assessment that is used to develop strategic initiatives and the required budget to mature the security program and security awareness.	This also represents a potential for cost avoidance, including potential lost revenue due to UM not being certified for certain federal contracts.	University System	Miki Cestnik
Section E	Information Systems	20DP-03	Montana University System	3	We recommend the Montana State University complete a comprehensive IT risk assessment to develop a formal approach for maturing security procedures.	Similar concerns with MSU, including cost avoidance and potential loss of funding.	University System	Miki Cestnik
Section E	Information Systems	20DP-03	Montana University System	4	We recommend that the Board of Regents establish system-wide IT governance that ensures: A. OCHE has an active role in improving security posture of the university system, B. Security policy addresses the requirements of data security statute and other relevant federal requirements, C. There is clear allocation of security responsibility, authority, and accountability, and D. Communication and reporting mechanisms are formalized between various entities that oversee or make decisions within the university system.	This also represents significant cost avoidance, if a security breach.	University System	Miki Cestnik