



Montana

Office of Public Instruction

Leveraging ESSER Funds - Virtual Conference
Audit Trail Reports and Compliance

Prepare, Prevent, and Respond

August 9, 2022



Goals For This Session

- ESSER Audit Compliances
- Statutory obligations to ensure reports are complete
- Montana Code Annotated compliances, Filing dates, and Standard report
- How ESSER Affects Audits



Statutory Obligations

- **OPI has statutory obligations to ensure reports are completed.**
- **§ 2-7-503, Montana Code Annotated (MCA) Financial reports and audits of local government entities.** The superintendent of public instruction shall prescribe the reporting requirements for school districts.
- **§ 2-7-514, MCA Filing of audit report and financial report.** The state superintendent of public instruction shall file with the department a list of school districts subject to audit under § 2-7-503(3).



ESSER Considerations

- Additional funds can result in type of audit required resulting in additional costs.
- ESSER grant can be used to pay for additional audit costs, including accounting assistance.
- The rules are the same with ESSER money. Capital Expenditure project example:
 - Greater than \$80,000 require 3 bids per MCA 20-9-204(3)



Audit Thresholds

Type of Audit or Review Required:	Threshold	Contractor	Term	Comments:
<p>(State law)</p> <p>Review</p> <p>Due June 30</p>	<p>*REVENUES (All Funds)</p> <p>\$750,000 or less</p>	<p>By contracted auditor</p> <p>The OPI or Dept. of Administration will notify district. Contract must be done through the Dept. of Administration as 3rd party</p>	<p>One year at a time with a rotating 4-year schedule.</p>	<p>A review of procedures, especially for recording and reporting revenues and expenditures.</p>
<p>(State Law)</p> <p>Regular (Yellowbook Audit)</p> <p>Due June 30</p>	<p>*REVENUES (All Funds) More than \$750,000</p>	<p>By contracted auditor</p> <p>Dept. of Administration has standard contracts and a roster of authorized auditors</p>	<p>Usually Annual</p>	<p>May be for two years, if approved by Department of Administration.</p>
<p>(Federal Law)</p> <p>Federal Audit</p> <p>Due March 31</p>	<p>FEDERAL EXPENDITURES (Including USDA Commodities)</p> <p>\$750,000 or more</p>	<p>By contracted auditor</p> <p>Department of Administration has standard contracts and a roster of authorized auditors.</p>	<p>Annual</p>	<p>Regular audit, plus additional procedures to review and report on federal programs.</p>



The Seven standard Internal Controls

- Segregation of Duties
- Access Controls
- Physical Audits
- Standardized Documentation
- Trial Balances
- Periodic Reconciliations
- Approval Authority

The Seven standard Internal Controls

- **Segregation of Duties**
 - Splitting responsibility for bookkeeping, deposits, reporting, and auditing.
 - Small offices can use a review of critical transactions. (Superintendent, School Board or other)
- **Access Controls**
 - Control of access to all accounting software and files, personnel records, student records etc.
- **Physical Audits**
 - Self-Audits: Review the reasons for your Audit Findings.
 - Ensure that all transactions are documented, reconciled, and authorized, with signatures.
 - Extracurricular activities, audit, review and observe.
 - Accounting period cut-off review.
 - Have written policies and procedures.
- **Preparation of ESSER Desk Audits**
 - Monitoring tab on ESSER OPI webpage



The Seven standard Internal Controls

- **Standardized Documentation**
 - Have written policies and procedures, use uniform documents, and whenever possible have numeric integrity of documents, checks, deposit slips, tickets etc.
- **Trial Balances**
 - Review for reasonableness, negative balances, comparison with prior periods.
- **Periodic Reconciliations**
 - All cash accounts, including clearing accounts must be reconciled monthly. There should be a review, signature attesting to the review, documenting the review.
- **Approval Authority**
 - Hierarchy of approval.
 - Closing procedures (reconciliations, accruals etc.) have been completed can be approval.
 - For smaller schools, using all available people is a necessity (Secretary, Superintendent, and School Board), depending on the importance of the action taken.



Opi resources

- <http://opi.mt.gov/Leadership/Finance-Grants/School-Finance/School-Finance-Auditing>
 - Audit requirements
 - Audit processes
 - News
 - Information to schools
 - Information to auditors



Questions?

Call the OPI Auditor for help:

Dan Moody, Dan.Moody@mt.gov 406 444-0701

Call the OPI School Finance staff:

Barb Quinn, Barbara.Quinn@mt.gov 406 444-3249

Call the auditor on contract with your school or district.

Auditors are often limited to contractual obligations and stipulations.



OPI's System of Support

Advocate

Assist in securing operationally, technically, and financially feasible solutions

OPI Auditor for help:
Dan Moody, 444-0701, Dan.Moody@mt.gov
Call the OPI School Finance staff:
Barb Quinn, 444-3249, Barbara.Quinn@mt.gov

Auditor

Documentation templates and report reviews; plans, data collection, projects

Call the auditor on contract with your school or district.

- Be mindful that auditors are often limited to contractual obligations and stipulations.



Resources at OPI.MT.GOV

Montana Office of Public Instruction



Welcome to the Office of Public Instruction

Superintendent Elsie Arntzen is proud to serve our Montana families, students, and teachers. **Families are the foundation of learning as our parents are our first teachers.** Our students are our most precious resource and the future of this great state. As a teacher of 23 years, the Superintendent knows the importance of quality educators in the classroom and is working to ensure Montana teachers have the flexibility needed to put our Montana students first.

The Montana Office of Public Instruction (OPI) is charged with the responsibility of providing technical assistance in:

- School Finance
- School Law
- Teacher Certification and Licensing
- School Accreditation
- Teaching and Learning Standards

The OPI staff administer a number of federally funded programs and provide a variety of information services, including the information systems necessary to assess student achievement and the quality of Montana's elementary and secondary school systems.

OFFICE OF THE SUPERINTENDENT

MEET EXECUTIVE STAFF

OPI ORGANIZATIONAL CHART

SEE OPI PRESS RELEASES

ESSER



[Wendi Fawns](#)
ESSER/EANS Director

Wendi's grandmothers were elementary teachers and her parents' college professors. They shaped Wendi's passion for learning anywhere, anytime and in varied formats. Wendi has taught dyslexic readers in elementary schools and provided college/career program support to schools and families across Montana. Her career in social work, information technology, and education have centered around helping customers identify goals and gain the resources necessary to succeed. She holds a BA in Sociology with MIS focus and a MA in Education Leadership. She is a strong customer advocate, member of Rotary and P.E.O. International, and mother of a Montana high school teacher and Arizona college advisor.

406-437-8595



[Rebecca Brown](#)
ESSER Program Manager

Rebecca Brown is joining us from the Bozeman School District where she worked as an ICTE instructor, teaching Metals, Woods, and Auto shop classes. Rebecca holds a BS in Technology Education from Montana State University, Bozeman. She has just recently moved to Helena with her husband, cats, and parakeet. Born and raised in Montana, Rebecca feels nothing can beat a gorgeous Montana summer weekend spent camping and floating on the river.

406-444-0783



[Victoria Hoefler](#)
Broadband Data Specialist

Victoria Hoefler relocated to Montana from the Atlanta, Georgia area. Victoria's previous roles in Corporate America include IT Support, Project Management, B2B Client Support, Software Training and Copywriting. In her secondary job, Victoria serves as the Founder and President of a 501(c)(3) Charity bringing awareness to mental health needs of Military Veterans and better quality of life for Military Families. She is looking forward to identifying effective ways to improve broadband internet data in the school throughout Montana.

406-438-3601

Thank you!

For questions or additional information please contact:

ESSER Program Questions

Dan Moody at Dan.Moody@mt.gov or 406-444-0701

Barb Quinn Barb.Quinn@mt.gov or 406-444-3249