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STATEMENT OF CHAIRMAN JAMES BROWN ON AUDIT REPORT

HELENA, Montana — Montana Public Service Commission Chairman James Brown (R-Dillon) issued the following statement today on behalf of the five-member Commission, regarding the Legislative Audit Division’s biennial audit report:

“The full Commission appreciates and respects the work of the auditors reflected in the Financial-Compliance Audit for the two fiscal years that ended June 30, 2020. The Commission agrees with each of the auditors’ findings.

“As the auditors determined, the Commission clearly has work to do. The most serious issues identified by the auditors reflect a lack of understanding and appreciation for the importance of internal controls and accounting practices of a few senior management members. Those lapses are intolerable, and the Commission has initiated disciplinary action and retraining where warranted.

“At the beginning of the year, before this audit began, the Commission kicked off an intensive, strategic planning process to improve the operations, performance, culture, and reputation of the agency. This work has already resulted in a number of significant improvements, many of which can be found in our written response included within the Audit Report.

“Vacancies in key positions at the agency have led to gaps in our internal controls. In one week, the agency’s newly hired, full-time, certified public accountant will start work, serving as both a regulatory advisor and an important element of our internal controls. As part of our strategic planning process, we are also reorganizing staff and filling other key vacancies at no additional cost to ratepayers.

“While we have already implemented many of the auditor’s recommendations, some issues will require long-term, continuous improvement of the agency’s management and internal controls.

“More positive changes are already in the works. The Commission is committed to making the necessary changes and setting the agency on the right track. I speak for all of my fellow Commissioners when I say that this agency not only can be, but will be a model of good governance.”

The Commission regulates private investor-owned natural gas, electric, telephone, water, and sewer companies, certain motor carriers, and oversees natural gas pipeline safety and intrastate railroad safety. The Commission works to ensure that Montanans receive safe and reliable service from regulated public utilities while paying reasonable rates. For more information, visit psc.mt.gov or contact the Commission at 1-800-646-6150. Follow the Commission at [Twitter.com/@MT_PSC](https://twitter.com/MT_PSC) or visit [Facebook.com/MontanaPSC](https://facebook.com/MontanaPSC).

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