

# U. S. Department of Housing and Urban Development



Community Planning and Development

Region VIII, Denver  
1670 Broadway Street  
Denver, Colorado 80202-4801

Phone: 303-672-5414  
Fax: 303-672-5028  
Web: www.hud.gov

SEP 29 2006

Leslie J. Edgcomb  
Consolidated Plan Coordinator  
Montana Department of Commerce  
Housing Division  
PO Box 200545  
Helena, MT 59620-0545

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Dear Ms. Edgcomb:

Thank you for your letter dated September 5, 2006, addressing the concern raised about the most recent A-133 single audit on file with the Audit Clearinghouse for the State of Montana. The information available through the Clearinghouse indicates that the audit resulted in findings for the CDBG, HOME, and ESG programs in the areas of cash management, allowable costs/cost principle, procurement/suspension/debarment, and the Davis-Bacon Act in the Assessment of the State of Montana's performance for the 2005 program year.

The information provided in your letter and Attachment A sufficiently addressed our concerns about the audit findings. It is the State's responsibility to ensure that the audit findings are closed satisfactorily with the independent auditor.

On page three of your response under the title Program Reviews – CDBG Review you refer to a statement in the CAPER review concerning Economic Development. The information that you are referring to is from a document titled “**CAPER - ACA COMBINED WORKSHEET**”. The CAPER worksheet is an internal document that is used as a guide for review of the CAPER and is not intended to be a part of the Assessment. Montana's PERs report is accurate and does not require additional information.

The 2005 Assessment is now considered final.

If you have any questions, please contact Renae Blair, Community Planning and Development Representative at 303 672 5064.

Sincerely,

A handwritten signature in cursive script that reads "Guadalupe M. Herrera".

Guadalupe M. Herrera  
Director  
Office of community Planning  
and Development