

House Research Act Summary

CHAPTER: 99

SESSION: 1999 Regular Session

TOPIC: Legislative Auditor

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Overview

Reduces the size of the Legislative Audit Commission from 20 to 16 (in 2001), retaining current balance between the minority and majority caucuses. Amends a variety of laws governing the powers and duties of the Legislative Auditor. Repeals a number of requirements for reports to be sent to the Legislative Auditor.

- 1 Legislative Auditor.** Reduces the size of the Legislative Audit Commission from 20 to 16 by striking reference to chairs of tax committees and by reducing the number of house and senate minority leader appointments from 5 to 4. This is effective in January, 2001. The Commission would continue to have equal representation from the minority and majority caucus from each house.

Makes a variety of changes in laws governing the legislative auditor. These include:

- clarifying that compensation and benefits for certain employees are determined by the LCC compensation plan;
- requiring deputy for financial audit to hold an active CPA license;
- clarifying that auditor must protect from public disclosure data classified as not public;
- clarifying data practices treatment of audit data;
- adding a new subdivision providing requiring people who receive audit reports before release to protect data from unlawful disclosure;
- providing that legislative and legislative committees may suggest topics for evaluation, but that the auditor shall only conduct evaluations approved by the legislative audit commission.

- 2 Powers and duties.** Modifies various laws governing powers of the auditor, including:
 - listing organization subject to audit (according to the auditor this does not change

existing jurisdiction);

requiring financial audits to be conducted according to generally accepted government auditing standards;

removal of the sunset date for the auditor's "best practices review" activity.

- 3 **Audit reports.** Clarifies that copies of all reports must be provided to the legislative reference library. Strikes specific required contents of audit reports.
- 4 **Misuse of resources.** Provides that reports dealing with misuse of public money or other public resources are to be filed with the appropriate county attorney, and that the county attorney, not the attorney general, has jurisdiction over possible criminal proceedings.
- 5 **Copy of report.** Strikes requirement that state auditor send the legislative auditor copies or reports from local government units.
- 6 **Expense reports.** Strikes requirement that constitutional officers and court officials send detailed quarterly reports of their expenditures to the legislative auditor.
- 7 **Data practices.** Strikes data practices language relating to a 1988 audit.
- 8 **Finance report.** Strikes requirement that commissioner of finance send copy of daily balance report to the legislative audit commission.
- 9 **Fund.** In statute dealing with state agricultural society, strikes reference to the auditor's revolving fund, and substitutes reference to state general fund.
- 10 **Monthly report.** In statute dealing with state agricultural society, strikes requirement that monthly report be filed with the legislative auditor.
- 11 **Zoo board.** Technical change regarding auditor power to make additional examinations after receiving the CPA audit of the Zoo.
- 12 **Accounting system.** Strikes requirement the DNR accounting system be implemented with assistance and recommendation of the legislative auditor.
- 13 **Books of account.** Substitutes commissioner of finance for legislative auditor in law dealing with certain MnDOT accounts.
- 14 **Military.** Provides that auditor may audit military accounts subject to state law or rule, and strikes language relating to appointment of military auditors.
- 15 **MSRS.** Strikes requirement that state retirement system management survey reports be sent to the legislative auditor.
- 16 **PERA.** Strikes requirement that public employees retirement association file copies of management survey reports with the legislative auditor.
- 17 **Local relief association.** Strikes requirement that actuarial reports relating to local relief association consolidation be sent to the legislative auditor.
- 18 **TRA.** Strikes requirement that teachers retirement association file copies of management survey reports with the legislative auditor.
- 19 **Transportation.** Strikes requirement for legislative auditor to prescribe books of accounts relating to aeronautics division.
- 20 **Bonds.** Strikes requirement that legislative auditor approve bonds of certain state officials.
- 21 **Reporting to legislative auditor.** Requires an employee or office of the state, University of Minnesota, or other organization subject to the jurisdiction of the legislative auditor to report in writing to the legislative auditor if the employee discovers evidence of theft, embezzlement, or unlawful use of public funds or property. This duty does not apply if the reporting would interfere with an ongoing criminal investigation.
- 22 **Lake Superior Center Authority.** Substitutes state auditor for legislative auditor in law dealing

with audits of the Lake Superior Center Authority.

- 23 Revisor instruction.** Requires renumbering of certain laws relating to the legislative auditor.
- 24 Repealer.** Repeals sections 3.973 (audit of state treasurer); 116.072 (1998 report to auditor on administrative penalties); 469.207, subdivision 1 (audit of targeted neighborhood revitalization programs); and 574.02 (relating to fidelity insurance)
- 25 Effective dates.** The reduction in size of the Audit Commission is effective in 2001. The rest of the bill is effective immediately.