

State of Minnesota  
Office of the Legislative Auditor  
Financial Audit Division

2011  
Control and Compliance Audit Schedule

The Office of the Legislative Auditor (OLA) is the auditor of Minnesota state government. We conduct an annual audit of the State of Minnesota's financial statements and the state's use of federal funds. In addition, each year our Financial Audit Division conducts several control and compliance audits focused on selected organizations and financial activities. A few of the audits are required by law or a policy of the Legislative Audit Commission.

In addition, OLA selects organizations and financial activities to audit based on a risk assessment that considers various factors, including the size and nature of the financial activities involved and indications that an outside audit may be needed. Some audits address financial activities performed across several organizations, while other audits focus on certain financial activities within a single agency.

Because of other audit responsibilities, the time available to OLA to conduct these kinds of audits is significantly limited. We typically begin work on our control and compliance audit schedule in late February and, generally, complete it in July. The following are audits we plan to complete during this time frame in 2011:

**Department of Administration.** This audit will examine several services the department provides state government. Possibilities include fleet management, materials management, plant management, risk management, workers' compensation administration for injured state employees, and surplus property.

**Accounts Receivable and the State Collections Process.** This audit will determine whether state agencies accurately report accounts receivable amounts to the Department of Management and Budget and whether agencies and the Department of Revenue pursue collections in compliance with the state law and policy.

**Constitutional Officers.** As required by a long-standing policy of the Legislative Audit Commission, OLA audits four constitutional offices – Attorney General, Governor, Secretary of State, and State Auditor—twice during a four-year term; in the middle and at the end.

**Judicial District.** We will select one of the ten judicial districts to audit. The focus will be on the financial activities of the district, but we may incorporate other financial activities managed by the State Courts Office into the audit scope.

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**Department of Labor and Industry.** This audit will examine the department's licensing and inspection functions.

**Legacy Audits.** State law requires OLA to audit expenditures from the Outdoor Heritage Fund every other year, starting this year. We plan to maintain the same schedule for the other three funds by auditing another Legacy Fund this year (in addition to the Outdoor Heritage Fund) and the other two funds next year.

**Metropolitan Sports Facilities Commission.** OLA has audited the commission's annual financial statements since its inception. However, we try to take this audit beyond a traditional financial statement audit and conduct a more in-depth examination of certain additional internal control and compliance concerns.

**Metropolitan State University.** In recent years, OLA has audited smaller colleges under a contract with the MnSCU system office. We ended the contract last year and will now audit at least one larger MnSCU campus with funds we receive in our appropriation from the Legislature. The scope and focus of our audit of Metropolitan State University will be determined in the near future.

**Payroll Compliance.** This audit will examine state agencies' compliance with a variety of laws, directives and policies, including limitations under the Governor's hiring/salary freeze, early retirement incentives, re-employment after retirement, funding shifts, overtime, and premium pay.

**State Agricultural Society (the State Fair).** This is a financial statement audit OLA is currently required by law to conduct annually. As with our audit of the Metropolitan Sports Facilities Commission, we will also selectively examine certain internal controls and compliance concerns beyond those directly related to the society's financial statements.

**Statewide Integrated Financial Tools (SWIFT).** Before the state's "go-live" date (July 1, 2011) we want to take a look at certain parts of the new accounting system. The audit team will include financial auditors and auditors with specialized training and experience auditing complex computer systems.