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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1917

03/16/2015 Authored by Franson

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act
1.2 relating to the legislature; modifying the duties of the legislative auditor;
1.3 requiring the constant audit of community action agencies; requiring community
1.4 action agencies to cover the costs of such audits; amending Minnesota Statutes
1.5 2014, sections 3.972, subdivision 2; 3.9741, by adding a subdivision.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2014, section 3.972, subdivision 2, is amended to read:

1.8 Subd. 2. **Audits of state and semistate agencies.** The legislative auditor shall
1.9 make a constant audit of all financial affairs of all departments and agencies of the state,
1.10 and of the financial records and transactions of public boards, associations, community
1.11 action agencies, and societies supported, wholly or in part, by state funds. Once in each
1.12 year, if funds and personnel permit, without previous notice, the legislative auditor shall
1.13 visit each state department and agency, association, community action agency, or society
1.14 and, so far as practicable,

1.15 (1) inspect;

1.16 (2) thoroughly examine its books and accounts, verifying the funds, securities,
1.17 and other assets;

1.18 (3) check the items of receipts and disbursements with its voucher records;

1.19 (4) ascertain the character of the official bonds for its officers and the financial
1.20 ability of the bonding institution;

1.21 (5) inspect its sources of revenue and the use and disposition of state appropriations
1.22 and property;

1.23 (6) investigate the methods of purchase and sale and the character of contracts
1.24 on public account;

1.25 (7) ascertain proper custody and depository for its funds and securities;

2.1 (8) verify the inventory of public property and other assets held in trust; and

2.2 (9) ascertain that all financial transactions and operations involving the public funds
2.3 and property of the state comply with the spirit and purpose of the law, are sound by modern
2.4 standards of financial management and are for the best protection of the public interest.

2.5 Sec. 2. Minnesota Statutes 2014, section 3.9741, is amended by adding a subdivision
2.6 to read:

2.7 Subd. 6. **Community action agencies.** Upon the audit of a community action
2.8 agency pursuant to section 3.972, the agency is liable to the state for the total cost and
2.9 expenses of the audit, including the salaries paid to the examiners while actually engaged
2.10 in making the examination. The legislative auditor may bill the community action agency
2.11 either monthly or at the completion of the audit. All collections received by the legislative
2.12 auditor for the audits must be deposited in the general fund.