

SENATE  
STATE OF MINNESOTA  
EIGHTY-NINTH SESSION

S.F. No. 860

(SENATE AUTHORS: PEDERSON, J.)

DATE	D-PG	OFFICIAL STATUS
02/16/2015	307	Introduction and first reading Referred to State and Local Government

A bill for an act  
relating to local government; permitting counties to have audits performed by  
certified public accountant firms; amending Minnesota Statutes 2014, section  
6.48.

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

Section 1. Minnesota Statutes 2014, section 6.48, is amended to read:

**6.48 EXAMINATION OF COUNTIES; COST, FEES.**

(a) All the powers and duties conferred and imposed upon the state auditor shall  
be exercised and performed by the state auditor in respect to the offices, institutions,  
public property, and improvements of several counties of the state. At least once in each  
year, if funds and personnel permit, the state auditor may visit, without previous notice,  
each county and make a thorough examination of all accounts and records relating to the  
receipt and disbursement of the public funds and the custody of the public funds and  
other property. If the audit is performed by a private certified public accountant, the state  
auditor may require additional information from the private certified public accountant as  
the state auditor deems in the public interest. The state auditor may accept the audit or  
make additional examinations as the state auditor deems to be in the public interest. The  
state auditor shall prescribe and install systems of accounts and financial reports that shall  
be uniform, so far as practicable, for the same class of offices. A copy of the report of  
such examination shall be filed and be subject to public inspection in the office of the state  
auditor and another copy in the office of the auditor of the county thus examined. The state  
auditor may accept the records and audit, or any part thereof, of the Department of Human  
Services in lieu of examination of the county social welfare funds, if such audit has been  
made within any period covered by the state auditor's audit of the other records of the

county. If any such examination shall disclose malfeasance, misfeasance, or nonfeasance in any office of such county, such report shall be filed with the county attorney of the county, and the county attorney shall institute such civil and criminal proceedings as the law and the protection of the public interests shall require.

(b) The county receiving any examination shall pay to the state auditor enterprise fund the total cost and expenses of such examinations, including the salaries paid to the examiners while actually engaged in making such examination. The state auditor on deeming it advisable may bill counties periodically for services rendered and the officials responsible for approving and paying claims shall cause said bill to be promptly paid. The state auditor enterprise fund shall be credited with all collections made for any such examinations.

(c) Notwithstanding paragraph (a), a county may provide for an audit to be performed by a certified public accountant firm meeting the requirements of section 326A.05. A county must notify the state auditor before August 1 of the even-numbered year immediately preceding the year in which the county intends to have an audit performed by a certified public accounting firm. A county currently using a certified public accounting firm must notify the state auditor before August 1 of the even-numbered year immediately preceding the year in which the county intends for the state auditor to audit the county. The audit performed under this paragraph must meet the standards and be in the form required by the state auditor. The state auditor may require additional information from the certified public accountant firm if the state auditor deems that it is in the public interest, but the state auditor must accept the audit unless the state auditor determines that it does not meet recognized industry auditing standards or is not in the form required by the state auditor.