

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 3929

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DATE	D-PG	OFFICIAL STATUS
03/04/2020	5227	Introduction and first reading Referred to State Government Finance and Policy and Elections
03/16/2020	5475	Comm report: To pass and re-referred to Health and Human Services Finance and Policy

1.1 A bill for an act

1.2 relating to state government; specifying provisions for auditing the Department

1.3 of Human Services; specifying audit of federal funds; amending Minnesota Statutes

1.4 2018, sections 3.972, subdivision 2a; 16A.06, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2018, section 3.972, subdivision 2a, is amended to read:

1.7 Subd. 2a. **Audits of Department of Human Services.** (a) To ensure continuous

1.8 legislative oversight and accountability, the legislative auditor shall give high priority to

1.9 auditing the programs, services, and benefits administered by the Department of Human

1.10 Services. ~~The audits shall determine whether the department offered programs and provided~~

1.11 ~~services and benefits~~ The legislative auditor shall establish a team of skilled and experienced

1.12 auditors to track and assess expenditures throughout the human service delivery system,

1.13 from the department to the point of service delivery, and determine whether human services

1.14 programs, services, and benefits are being provided cost-effectively and only to eligible

1.15 persons individuals and organizations, and comply in compliance with applicable legal

1.16 requirements.

1.17 (b) ~~The legislative auditor shall, based on an assessment of risk and using professional~~

1.18 ~~standards to provide a statistically significant sample, no less than three times each year,~~

1.19 ~~test a representative sample of persons enrolled in a medical assistance program or~~

1.20 ~~MinnesotaCare to determine whether they are eligible to receive benefits under those~~

1.21 ~~programs. The legislative auditor shall report the results to the commissioner of human~~

1.22 ~~services and recommend corrective actions. The commissioner shall provide a response to~~

1.23 ~~the legislative auditor within 20 business days, including corrective actions to be taken to~~

2.1 ~~address any problems identified by the legislative auditor and anticipated completion dates.~~
2.2 ~~The legislative auditor shall monitor the commissioner's implementation of corrective actions~~
2.3 ~~and periodically report the results to the Legislative Audit Commission and the chairs and~~
2.4 ~~ranking minority members of the legislative committees with jurisdiction over health and~~
2.5 ~~human services policy and finance. The legislative auditor's reports to the commission and~~
2.6 ~~the chairs and ranking minority members must include recommendations for any legislative~~
2.7 ~~actions needed to ensure that medical assistance and MinnesotaCare benefits are provided~~
2.8 ~~only to eligible persons.~~ The legislative auditor shall audit the department's internal
2.9 operations. The audits shall assess the policies, processes, management oversight, and
2.10 information systems the department has implemented and determine whether they are
2.11 contributing to the efficient and effective functioning of the department.

2.12 Sec. 2. Minnesota Statutes 2018, section 16A.06, is amended by adding a subdivision to
2.13 read:

2.14 Subd. 12. **Audit of federal funds.** The commissioner shall contract with a qualified
2.15 audit firm to conduct the annual audit required by the United States Single Audit Act of
2.16 1984, Public Law 98-502, the Single Audit Act Amendments of 1996, Public Law 104-156,
2.17 and circular A-133 issued by the United States Office of Management and Budget. The cost
2.18 of the audit shall be considered a statewide indirect cost as defined in section 16A.127,
2.19 subdivision 1, and the commissioner shall use federal funds obtained pursuant to section
2.20 16A.127, subdivision 4, to pay for the audit.