

4525.0550 FORMAL AUDITS.

Subpart 1. **Formal audit.** The purpose of a formal audit is to ensure that all information included in the report or statement being audited is accurately reported. The fact that the board is conducting a formal audit does not imply that the subject of the audit has violated any law. When conducting an audit, the board may require testimony under oath, permit written statements to be given under oath, and issue subpoenas and cause them to be served. When conducting an audit the board may require the production of any records required to be retained under Minnesota Statutes, section 10A.025.

Subp. 2. **Respondent's rights.** The executive director must send to each respondent a draft of any negative or adverse findings related to that respondent before the board considers adoption of the final audit report. The respondent has the right to respond in writing to the draft findings. The respondent must be given an opportunity to be heard by the board prior to the board's decision regarding the draft audit report.

Subp. 3. **Final audit report.** At the conclusion of a formal audit, the board must issue a final audit report. The final report must identify the subject of the audit and must include the following:

- A. the name of the primary board employee responsible for conducting the audit;
- B. a description of the scope of the audit;
- C. any findings resulting from the audit;
- D. a description of any responses to the findings that the subject of the audit provides; and
- E. a description of the manner in which any findings were resolved.

The final audit report may not include any information related to audits that is classified as confidential under Minnesota Statutes, chapter 10A.

Subp. 4. **Audits of affidavits of contributions.** The board may audit the affidavit of contributions filed by a candidate or the candidate's treasurer to determine whether the candidate is eligible to receive a public subsidy payment. The executive director must contact the principal campaign committee of a candidate and request the information necessary to audit any affidavit of contributions that was not filed by electronic filing system, if the committee has accepted contributions from individuals totaling less than twice the amount required to qualify for a public subsidy payment.

Subp. 5. **Audits of other campaign finance filings.** The board may audit any campaign finance report or statement that is filed or required to be filed with the board under Minnesota Statutes, chapter 10A or 211B. The board may conduct a partial audit, including auditing a campaign finance report to determine whether a beginning or ending balance reconciles with the filer's financial records. In determining whether to undertake an audit, the board must consider the availability of board resources, the possible benefit to the public, and the magnitude of any reporting failures or violations that may be discovered as a result of the audit. The board may conduct audits in which respondents are selected on a randomized basis designed to capture a sample of respondents that

meet certain criteria. The board may conduct audits in which all respondents meet certain criteria. When undertaking an audit with respondents selected on a randomized basis, the board must, to the extent possible, seek to prevent selecting respondents based on their political party affiliation, or if the respondents are candidates, based on their incumbency status.

Statutory Authority: *MS s 10A.01; 10A.02; 10A.022; 10A.025*

History: *39 SR 757; 49 SR 979*

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