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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-EIGHTH SESSION

**H. F. No. 1197**

03/04/2013 Authored by Beard, Hansen, Holberg and Falk  
The bill was read for the first time and referred to the Committee on Government Operations  
03/14/2013 Adoption of Report: Pass and re-referred to the Committee on State Government Finance and Veterans Affairs  
03/20/2013 Adoption of Report: To Pass  
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration

1.1 A bill for an act  
1.2 relating to the legislative auditor; providing for financial and data security audits;  
1.3 requiring certain notice to the legislative auditor; amending Minnesota Statutes  
1.4 2012, section 3.971, subdivision 6, by adding subdivisions.

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

1.6 Section 1. Minnesota Statutes 2012, section 3.971, subdivision 6, is amended to read:

1.7 Subd. 6. **Financial audits.** The legislative auditor shall audit ~~the financial statements~~  
1.8 ~~of the state of Minnesota required by section 16A.50 and~~, as resources permit, shall audit  
1.9 Minnesota State Colleges and Universities, the University of Minnesota, state agencies,  
1.10 departments, boards, commissions, offices, courts, and other state organizations subject  
1.11 to audit by the legislative auditor, including, but not limited to, the State Agricultural  
1.12 Society, Agricultural Utilization Research Institute, Enterprise Minnesota, Inc., Minnesota  
1.13 Historical Society, ~~Labor Interpretive Center, Minnesota Partnership for Action Against~~  
1.14 ~~Tobacco, Metropolitan Sports Facilities Commission~~ ClearWay Minnesota, Minnesota  
1.15 Sports Facilities Authority, Metropolitan Airports Commission, and Metropolitan  
1.16 Mosquito Control District. The legislative auditor shall also audit, as resources permit,  
1.17 the financial statements of the state of Minnesota required by section 16A.50. Financial  
1.18 audits must be conducted according to generally accepted government auditing standards.  
1.19 The legislative auditor shall see that all provisions of law respecting the appropriate and  
1.20 economic use of public funds and other public resources are complied with and may, as  
1.21 part of a financial audit or separately, investigate allegations of noncompliance.

1.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.1 Sec. 2. Minnesota Statutes 2012, section 3.971, is amended by adding a subdivision to  
2.2 read:

2.3 Subd. 6a. **Data security audits.** The legislative auditor shall audit, as resources  
2.4 permit, information and data systems supported with public funds and operated by an  
2.5 organization listed in subdivision 6. The audits shall include an assessment of controls  
2.6 designed to protect government data, particularly government data classified as not  
2.7 public by chapter 13, from unauthorized access and use. The audits shall also include an  
2.8 assessment of organizations' compliance with other applicable legal requirements related  
2.9 to the operation of information and data systems and proper classification and protection  
2.10 of the data contained in the systems.

2.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.12 Sec. 3. Minnesota Statutes 2012, section 3.971, is amended by adding a subdivision to  
2.13 read:

2.14 Subd. 9. **Obligation to notify the legislative auditor.** The chief executive,  
2.15 financial, or information officers of an organization subject to audit under this section,  
2.16 must promptly notify the legislative auditor when the officer obtains information  
2.17 indicating that public money or other public resources may have been used for an unlawful  
2.18 purpose, or when the officer obtains information indicating that government data classified  
2.19 by chapter 13 as not public may have been accessed or used unlawfully. As necessary,  
2.20 the legislative auditor shall coordinate an investigation of the allegation with appropriate  
2.21 law enforcement officials.

2.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.