

2675.2630 OPINION AUDIT.

Subpart 1. **Request by commissioner.** The board of directors of institutions covered by parts 2675.2600 to 2675.2630 will engage an independent certified public accountant to provide an opinion audit on the financial statements of the institution, any or all of its subsidiaries, or a consolidated opinion audit on the institution taken as a whole when requested to do so by the commissioner of commerce. The commissioner shall make a request under this subpart if any of the following conditions exist:

A. the commissioner has reason to believe that generally accepted accounting principles (GAAP) are not being followed and failure to properly apply such accounting principles may have a material impact on the presentation of the bank's statement of financial condition;

B. the bank maintains a subsidiary or subsidiaries as provided in Minnesota Statutes, section 48.61, subdivision 7, and the commissioner has reason to believe that the activities or financial condition of the subsidiary or subsidiaries may have a material impact on the financial condition of the bank; or

C. suspected criminal activity has been reported and certainty of the financial impact on the bank is unknown.

Subp. 2. **Issuance of no opinion.** In the event of material issues leading to the issuance of a qualified or no opinion on an engagement referenced in subpart 1, the board shall direct immediate action to correct deficiencies preventing the issuance of an unqualified opinion.

Subp. 3. **Satisfaction of annual examination report requirement.** An unqualified opinion audit on the financial statement of the institution or a consolidated opinion audit on the institution taken as a whole will satisfy the annual examination report requirements of part 2675.2610, subpart 1. However, documentation of internal audit procedures performed in testing the internal control system, part 2675.2600, must be maintained by the bank for inspection by the supervisory examiners and external auditors.

Statutory Authority: *MS s 45.023*

History: *21 SR 1778*

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