

2860.1500 ACCOUNTING.

Subpart 1. **Auditors' report.** The auditors' report required herein shall comply with the following requirements:

A. The report shall be dated, manually signed, and shall identify the financial statements covered by the report.

B. The report shall state whether the audit was made in accordance with generally accepted auditing standards and shall disclose any auditing procedures generally recognized as normal or deemed necessary under the circumstances of the particular case, which have been omitted, and the reasons for such omission.

C. The report shall state clearly:

(1) the opinions of the accountant with respect to the financial statements covered by the report and the accounting principles and practices reflected therein; and

(2) the opinion of the accountant as to any changes in accounting principles or practices that have a material effect on the financial statements.

D. Any matters to which the accountant takes exception shall be clearly identified, the exception thereto specifically and clearly stated and, to the extent practicable, the effect of each such exception on the related financial statements given, either in the auditor's report or in a footnote to the financial statements.

Subp. 2. **Signed and dated.** All financial statements filed with the commissioner shall include a manually signed and dated consent of the accountant to the use of the accountant's name and report in the public offering statement and registration statement.

Subp. 3. **Independent accountant for audit.** If the independent accountant who has been engaged as the principal accountant to audit the franchisor's financial statements was not the principal accountant for the franchisor's most recently filed certified financial statements, the franchisor shall furnish the commissioner with a statement of the date when such independent accountant was engaged; and whether, in the 18 months preceding such engagements, there were any disagreements with the former principal accountant on any manner of accounting principles or practices, financial statement disclosure, or auditing procedure, which disagreements if not resolved to the satisfaction of the former accountant would have caused that accountant to make reference in connection with an opinion to the subject matter of the disagreement. The franchisor shall also request the former accountant to furnish the franchisor with a letter stating whether the former accountant agrees with the statements contained in the letter of the franchisor and, if not, stating the respects in which that accountant does not agree; and the franchisor shall furnish such letter to the commissioner together with its own.

Statutory Authority: *MS s 80C.18*

History: *17 SR 1279*

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