

CHAPTER 6

STATE AUDITOR

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6.01 DUTIES, SEAL.

The state auditor shall superintend and manage the fiscal concerns of the state as required by law. The state auditor may execute in behalf of the state assignments and satisfactions of judgments rendered in its favor. The state auditor shall have a seal bearing the words "Seal of the Auditor of Minnesota" and affix it to all official certificates and conveyances executed by the state auditor.

History: (65) *RL s 33; 1955 c 863 s 1; 1986 c 444*

6.02 DEPUTY, EMPLOYEES.

The state auditor shall appoint a deputy, who may perform all the duties of the office when the auditor is absent or disabled. The state auditor may employ and at pleasure dismiss a private secretary.

History: (66) *RL s 34; 1955 c 863 s 2; 1986 c 444*

6.03	[Renumbered 16A.40]
6.04	[Renumbered 16A.41]
6.05	[Renumbered 16A.42]
6.06	[Renumbered 16A.43]
6.07	[Repealed, 1955 c 863 s 22]
6.08	[Renumbered 16A.44]
6.09	[Repealed, 1955 c 863 s 22]
6.10	[Renumbered 16A.45]
6.11	[Renumbered 16A.46]
6.12	[Renumbered 16A.47]
6.13	[Repealed, 1955 c 863 s 22]
6.135	[Repealed, 1947 c 416 s 3]

- 6.136 [Renumbered 16A.48]
- 6.137 [Renumbered 16A.49]
- 6.14 [Repealed, 1955 c 863 s 22]
- 6.15 [Repealed, 1955 c 863 s 22]
- 6.16 [Repealed, 1955 c 863 s 22]
- 6.17 [Repealed, 1955 c 863 s 22]
- 6.18 [Renumbered 16A.50]
- 6.19 [Renumbered 16A.51]
- 6.20 [Renumbered 16A.36]
- 6.21 [Renumbered 16A.055]
- 6.211 [Renumbered 16A.52]
- 6.212 [Renumbered 16A.53]
- 6.213 [Renumbered 16A.54]
- 6.214 [Renumbered 16A.55]
- 6.215 [Obsolete]
- 6.22 [Renumbered 16A.56]
- 6.23 [Renumbered 16A.57]
- 6.24 [Renumbered 16A.58]
- 6.25 [Renumbered 16A.59]

6.26 SALARY, BOND.

The salary of the state auditor shall be as provided by law. The state auditor shall give a corporate bond of \$50,000 to the state for the faithful discharge of duties.

History: (80-7) 1939 c 431 art 3 s 6; 1955 c 863 s 20; 1961 c 561 s 2; 1986 c 444

- 6.27 [Repealed, 1955 c 863 s 22]
- 6.28 [Renumbered 16A.60]
- 6.29 [Renumbered 16A.61]
- 6.291 [Renumbered 16A.62]
- 6.30 [Renumbered 16A.63]
- 6.31 [Renumbered 16A.64]
- 6.32 [Repealed, 1969 c 399 s 51]
- 6.321 [Repealed, 1969 c 399 s 51]
- 6.33 [Renumbered 16A.65]
- 6.34 [Renumbered 16A.66]
- 6.35 [Renumbered 16A.67]
- 6.40 [Renumbered 16A.68]
- 6.42 [Renumbered 16A.69]
- 6.43 [Renumbered 16A.70]
- 6.44 [Renumbered 16A.71]
- 6.45 [Renumbered 16A.72]

6.46 TRANSFER OF POWERS OF PUBLIC EXAMINER TO STATE AUDITOR.

Except as otherwise provided for in Laws 1973, chapter 492 relating to the legislative auditor, all the powers, duties and responsibilities of the public examiner relating to audits of cities of all classes, counties, towns, school districts, and other governmental subdivisions or bodies corporate and politic as contained in sections 6.47 to 6.71, or any other law are hereby transferred to, vested in, and imposed upon the state auditor.

History: 1973 c 123 art 5 s 7; 1973 c 492 s 7

6.47 ACCOUNTING AND BUDGETING SYSTEMS; INVESTIGATION, FORMS.

The state auditor shall inquire into the accounting and budgeting systems of all local units of government and shall prescribe suitable systems of accounts and budgeting, and forms, books, and instructions concerning the same. At the request of any local unit of government the state auditor may install such systems. The state auditor shall recommend a form for order-and warrant-checks of all local units of government which shall conform, so far as consistent with statutory and charter requirements, to approved banking practice in order to facilitate handling of such instruments by banks and other depositories.

History: (3286-14) 1939 c 431 art 4 s 7; 1953 c 319 s 2; 1973 c 492 s 14

6.48 EXAMINATION OF COUNTIES; COST, FEES.

All the powers and duties conferred and imposed upon the state auditor shall be exercised and performed by the state auditor in respect to the offices, institutions, public property, and improvements of several counties of the state. At least once in each year, if funds and personnel permit, the state auditor shall visit, without previous notice, each county and make a thorough examination of all accounts and records relating to the receipt and disbursement of the public funds and the custody of the public funds, including the game and fish funds, and other property. The state auditor shall prescribe and install systems of accounts and financial reports that shall be uniform, so far as practicable, for the same class of offices. A copy of the report of such examination shall be filed and be subject to public inspection in the office of the state auditor and another copy in the office of the auditor of the county thus examined. The state auditor may accept the records and audit, or any part thereof, of the department of human services in lieu of examination of the county social welfare funds, if such audit has been made within any period covered by the state auditor's audit of the other records of the county. If any such examination shall disclose malfeasance, misfeasance, or nonfeasance in any office of such county, such report shall be filed with the county attorney of the county, and the county attorney shall institute such civil and criminal proceedings as the law and the protection of the public interests shall require.

The county receiving such examination, and the division of game and fish of the department of natural resources of the state of Minnesota, in the case of the examination of the game and fish funds, shall pay to the state general fund, notwithstanding the provisions of section 16A.125, the total cost and expenses of such examinations, including the salaries paid to the examiners while actually engaged in making such examination. The state auditor on deeming it advisable may bill counties, having a population of 200,000 or over, monthly for services rendered and the officials responsible for approving and paying claims shall cause said bill to be promptly paid. The general fund shall be credited with all collections made for any such examinations.

History: (3278) 1913 c 555 s 5; 1931 c 125 s 1; 1931 c 246 s 1; 1945 c 392 s 1; 1949 c 33 s 3; 1951 c 57 s 1; 1953 c 593 s 2; 1955 c 441 s 1; 1969 c 1129 art 10 s 2; 1973 c 492 s 14; 1984 c 654 art 5 s 58; 1986 c 444; 1989 c 335 art 4 s 2

6.49 CITIES OF FIRST CLASS.

All powers and duties conferred and imposed upon the state auditor with respect to state and county officers, institutions, property, and improvements are hereby extended to cities of the first class. Copies of the written report of the state auditor on the financial condition and accounts of such city shall be filed in the state auditor's office, with the mayor, city council, and city comptroller thereof, and with the city commissioners, if such city have such officers. If such report disclose malfeasance, misfeasance, or nonfeasance in office, copies thereof shall be filed with the city attorney thereof and with the county attorney of the county in which such city is located, and these officials of the law shall institute such proceedings, civil or criminal, as the law and the public interest require.

The state auditor may bill said cities monthly for services rendered and the officials responsible for approving and paying claims shall cause said bill to be promptly paid.

History: (3279) 1913 c 555 s 6; 1949 c 206 s 1; 1973 c 492 s 14; 1986 c 444

6.495 EXAMINATION OF FIRE AND POLICE RELIEF ASSOCIATIONS.

Subdivision 1. Audit and examinations. All powers and duties conferred and imposed upon the state auditor with respect to state, county, and first-class city officers, institutions, and property are hereby extended to the various fire and police relief associations in the state. The state auditor shall annually audit the special and general funds of the relief association or, at the request of the board of trustees or the municipality, the state auditor may contract for an annual audit by a certified public accountant. The state auditor may determine that an annual audit is not necessary, in which case the state auditor shall develop a plan for examination of unaudited relief associations, and shall prescribe suitable systems of accounts and budgeting, and forms, books, and instructions concerning the same.

Copies of the written report of the state auditor on the financial condition and accounts of the relief association shall be filed with the board of trustees of the relief association and the governing body of the municipality associated with the relief association. If the report discloses malfeasance, misfeasance, or nonfeasance with regard to relief association funds, copies thereof shall be filed with the city attorney or county attorney in the city or county in which the relief association is located, and these officials of the law shall institute proceedings, civil or criminal, as the law and public interest require.

Subd. 2. [Repealed, 1987 c 404 s 191]

Subd. 3. Report to commissioner of revenue. The state auditor shall file with the commissioner of revenue a financial compliance report certifying for each relief association:

(1) the completion of the annual financial report required pursuant to section 69.051 and the auditing or certification of those financial reports pursuant to subdivision 1; and

(2) the receipt of any actuarial valuations required pursuant to section 69.77 or 69.773.

History: 1986 c 359 s 2

6.50 CITIES OF SECOND, THIRD, OR FOURTH CLASS.

The state auditor shall have like power and duty to supervise the accounts of all cities not included in section 6.49. The state auditor may require the financial officers of any city not included in section 6.49 to send all books, accounts, and vouchers pertaining to the receipt, disbursement, and custody of its public funds to the office of the state auditor for examination. The state auditor may prescribe and install for such cities systems of accounts and reports, which shall be uniform for each class of cities and offices. The state auditor may conduct such examinations of accounts and records as the state auditor may deem the public interest to demand.

The report of such examination shall be filed with the mayor and city council or commission; and, in case of any violation of law, such report shall be filed with the city attorney thereof and with the county attorney of the county in which the administrative offices of such city are located, and these officials of the law shall institute such proceedings as the law and the public interest require.

History: (3280) 1913 c 555 s 7; 1949 c 33 s 4; 1951 c 186 s 1; 1961 c 586 s 2; 1973 c 492 s 14; 1986 c 444

6.51 SCHOOL DISTRICTS, TOWNS, AND STATUTORY CITIES.

All powers and duties of the state auditor herein imposed and conferred with respect to the supervision, inspection, and examination of books and accounts of cities

in section 6.50 are herewith extended to all school districts, towns, and statutory cities of this state. A copy of the report of such examination shall be filed, subject to public inspection, with the clerk of the town, statutory city, or school district receiving such examination, and an additional copy with the county auditor of the county in which the administrative offices of such town, statutory city, or school district are located. If such report disclose malfeasance, misfeasance, or nonfeasance in office, the state auditor shall file such copy with the county attorney of the county in which the administrative offices of such school district, town, or statutory city are located, and the county attorney shall institute such proceedings as the law and the public interest require.

History: (3281) 1913 c 555 s 8; 1961 c 586 s 3; 1973 c 123 art 5 s 7; 1973 c 492 s 14

6.515 AUDIT OF FEDERAL MONEY.

The state auditor, in respect to any political subdivision subject to the state auditor's audit jurisdiction provided by this chapter, is empowered to examine all accounts and records of the subdivision relating to funds consisting in whole or part of money received from the federal government or any agency thereof.

History: 1977 c 447 art 7 s 1; 1986 c 444

6.52 TESTIMONIAL POWERS.

In all matters relating to official duties, the state auditor shall have the powers possessed by courts of law to issue subpoenas and cause them to be served and enforced. All state and county auditors, treasurers, and other public officials, and their respective deputies and employees, all officers, directors, and employees of all railway and other companies required by law to pay taxes to the state upon a gross earnings basis, and all persons having dealings with or knowledge of the affairs or methods of such companies, and likewise all corporations, firms, and individuals having business involving the receipt, disbursement, or custody of the public funds shall at all times afford reasonable facilities for such examinations, make such returns and reports to the state auditor as required, attend and answer under oath the auditor's lawful inquiries, produce and exhibit such books, accounts, documents, and property as the auditor may desire to inspect, and in all things aid the auditor in the performance of duties.

History: (3283) 1913 c 555 s 10; 1973 c 492 s 14; 1986 c 444

6.53 REFUSAL TO ASSIST; PENALTY.

Every person who shall refuse or neglect to obey any lawful direction of the state auditor, or the auditor's deputy or assistants; withhold any information, book, record, paper, or other thing called for by the auditor for the purpose of examination; willfully obstruct or mislead the auditor in the execution of duties; or swear falsely concerning any matter stated under oath, shall be guilty of a felony, the minimum penalty whereof shall be a fine of \$3,000, or imprisonment in the Minnesota correctional facility-Stillwater for one year.

History: (3284) 1913 c 555 s 11; 1973 c 492 s 14; 1979 c 102 s 13; 1984 c 628 art 3 s 11; 1986 c 444

6.54 EXAMINATION OF MUNICIPAL RECORDS PURSUANT TO PETITION.

The registered voters in a home rule charter or statutory city or the electors at an annual or special town meeting of a town may petition the state auditor to examine the books, records, accounts, and affairs of the home rule charter or statutory city, town, or of any organizational unit, activity, project, enterprise, or fund thereof; and the scope of the examination may be limited by the petition, but the examination shall cover, at least, all cash received and disbursed and the transactions relating thereto, provided that the state auditor shall not examine more than the six latest years preceding the circulation of the petition, unless it appears to the state auditor during the examination that the audit period should be extended to permit a full recovery under bonds

furnished by public officers or employees, and may if it appears to the auditor in the public interest confine the period or the scope of audit or both period and scope of audit, to less than that requested by the petition. In the case of a home rule charter or statutory city, the petition shall be signed by a number of registered voters at least equal to 20 percent of those voting in the last presidential election. The eligible voters of any school district may petition the state auditor, who shall be subject to the same restrictions regarding the scope and period of audit, provided that the petition shall be signed by at least ten eligible voters for each 50 resident pupils in average daily membership during the preceding school year as shown on the records in the office of the commissioner of education. In the case of school districts, the petition shall be signed by at least ten eligible voters. At the time it is circulated, every petition shall contain a statement that the cost of the audit will be borne by the city or school district as provided by law. Thirty days before the petition is delivered to the state auditor it shall be presented to the appropriate city or school district clerk and the county auditor. The county auditor shall determine and certify whether the petition is signed by the required number of registered voters or eligible voters as the case may be. The certificate shall be conclusive evidence thereof in any action or proceeding for the recovery of the costs, charges, and expenses of any examination made pursuant to the petition.

History: (3286-1) 1929 c 259 s 1; 1937 c 415 s 1; 1951 c 185 s 1; 1953 c 689 s 1; 1959 c 518 s 1; 1973 c 71 s 1; 1973 c 123 art 5 s 7; 1973 c 492 s 14; 1979 c 82 s 1; 1983 c 314 art 7 s 2; 1984 c 562 s 1; 1987 c 266 art 2 s 1

6.55 EXAMINATION OF RECORDS PURSUANT TO RESOLUTION OF GOVERNING BODY.

The governing body of any city, town, county or school district, by appropriate resolution may ask the state auditor to examine the books, records, accounts and affairs of their government, or of any organizational unit, activity, project, enterprise, or fund thereof; and the state auditor shall examine the same upon receiving, pursuant to said resolution, a written request signed by a majority of the members of the governing body; and the governing body of any public utility commission, or of any public corporation having a body politic and corporate, or of any instrumentality joint or several of any city, town, county, or school district, may request an audit of its books, records, accounts and affairs in the same manner; provided that the scope of the examination may be limited by the request, but such examination shall cover, at least, all cash received and disbursed and the transactions relating thereto. Such written request shall be presented to the clerk, or recording officer of such city, town, county, school district, public utility commission, public corporation, or instrumentality, before being presented to the state auditor, who shall determine whether the same is signed by a majority of the members of such governing body and, if found to be so signed, shall certify such fact, and the fact that such resolution was passed, which certificate shall be conclusive evidence thereof in any action or proceedings for the recovery of the costs, charges and expenses of any examination made pursuant to such request. Nothing contained in any of the laws of the state relating to the state auditor, shall be so construed as to prevent any city, town or school district from employing a certified public accountant to examine its books, records, accounts and affairs. For the purposes of this section, the governing body of a town is the town board.

History: (3286-2) 1929 c 259 s 2; 1943 c 188 s 1; 1953 c 689 s 2; 1959 c 518 s 2; 1973 c 123 art 5 s 7; 1973 c 492 s 14; 1984 c 562 s 2

6.552 AUDIT OF COUNTY OR MUNICIPAL HOSPITALS.

Notwithstanding the provisions of any law to the contrary, any county or municipal hospital board may employ a certified public accountant to annually audit and examine the books of said hospital. The report of such examination or audit by such certified public accountant shall be submitted to the state auditor who shall review such audit report and may accept such audit or make such additional examinations as the state auditor deems to be in the public interest.

History: 1974 c 489 s 1; 1986 c 444

6.56 COST OF EXAMINATION, PAYMENT.

Upon the examination of the books, records, accounts, and affairs of any county, city, town, or school district, as provided by law, such county, city, town, or school district shall be liable to the state for the total cost and expenses of such examination, including the salaries paid to the examiners while actually engaged in making such examination. The state auditor may bill such county, city, town, or school district monthly for service rendered and the officials responsible for approving and paying claims are authorized to pay said bill promptly. Said payments shall be without prejudice to any defense against said claims that may exist or be asserted. The general fund shall be credited with all collections made for any such examinations.

History: (3286-3) 1929 c 259 s 3; 1949 c 33 s 5; 1951 c 187 s 1; 1955 c 870 s 1; 1973 c 123 art 5 s 7; 1973 c 492 s 14; 1986 c 444; 1989 c 335 art 4 s 3

6.57 COST OF EXAMINATION, COLLECTION.

On July first, of each year, the state auditor shall certify all uncollected claims for the examination of any county, city, town, or school district which have remained unpaid for a period of three months from the date of such claim. The auditor shall forthwith notify the clerk, or recording officer, of each county, city, town, or school district against which the state has a claim that, if the same is not paid, with interest at the rate of six percent per annum from the date of the claim, within 90 days, the full amount thereof will be certified to the county auditor of the county having such examination, or to the county auditor for the county or counties in which such city, town, or school district is situated, for collection by special tax levy, as herein provided. Such notice shall be served by certified mail and the deposit thereof in the United States mail shall constitute due and legal service thereof upon the county, city, town, or school district.

History: (3286-4) 1929 c 259 s 4; 1955 c 870 s 1; 1969 c 359 s 2; 1973 c 123 art 5 s 7; 1974 c 406 s 42; 1978 c 674 s 60

6.58 GENERAL FUND.

The general fund shall be used to provide personnel, pay other expenses, and for the acquisition of equipment used in connection with reimbursable examinations and other duties pursuant to law. When full-time personnel are not available, the state auditor may contract with private persons, firms, or corporations for accounting and other technical services. Notwithstanding any law to the contrary, the acquisition of equipment may include duplicating equipment to be used in producing the reports issued by the department. All receipts from such reimbursable examinations shall be deposited in the general fund. The state auditor is directed to adjust the schedule of charges for such examinations to provide that such charges shall be sufficient to cover all costs of such examinations and that the aggregate charges collected shall be sufficient to pay all salaries and other expenses including charges for the use of the equipment used in connection with such reimbursable examinations and including the cost of contracting for accounting and other technical services. The schedule of charges shall be based upon an estimate of the cost of performing reimbursable examinations including, but not limited to, salaries, office overhead, equipment, authorized contracts, and other expenses. The state auditor may allocate a proportionate part of the total costs to an hourly or daily charge for each person or class of persons engaged in the performance of an examination. The schedule of charges shall reflect an equitable charge for the expenses incurred in the performance of any given examination. The state auditor shall review and adjust the schedule of charges for such examinations at least annually and have all schedules of charges approved by the commissioner of finance before they are adopted so as to ensure that the amount collected shall be sufficient to pay all the costs connected with such examinations during the fiscal year.

History: 1947 c 634 s 24; 1959 c 518 s 4; 1969 c 399 s 49; 1974 c 149 s 1; 1978 c 674 s 1; 1980 c 431 s 1; 1986 c 444; 1989 c 335 art 4 s 4

6.582 PERSONNEL PLAN.

Notwithstanding any law to the contrary, the state auditor shall develop and implement for nonclerical positions in the office of the state auditor a personnel recruitment and hiring plan. The plan shall be approved by the commissioner of employee relations before becoming effective.

History: 1980 c 431 s 2; 1982 c 560 s 2

6.59 CLAIM OF STATE FOR COST OF EXAMINATION, CONTEST.

On or before September first following service of the notice, any such county, city, town, or school district may serve notice, in writing, upon the attorney general that it desires to contest the legality of the state's claim, and the attorney general shall forthwith file with the court administrator of the district court of the county having such examination, or in which such city, town, or school district, or major part thereof, is situated, a verified statement of the state's claim, duly itemized and serve upon the auditor or clerk of such county, city, town, or school district, by certified mail, a copy of such statement. Such county, city, town, or school district may file with the court administrator of such district court, within ten days after the service of such statement upon it, verified objections to the state's claim, and such district court shall thereupon summarily, in or out of term, hear and determine the amount due the state, if any, for such examination, at a time and place fixed by the court therefor. The court administrator of court shall certify to the county auditor of the county having such examination, or to the county auditor of the county or counties in which such city, town, or school district is situated, the amount so determined by the court to be due to the state, if any.

History: (3286-5) 1929 c 259 s 5; 1955 c 870 s 1; 1969 c 359 s 3; 1973 c 123 art 5 s 7; 1978 c 674 s 60; 1Sp1986 c 3 art 1 s 82

6.60 STATE AUDITOR, CERTIFICATION OF AMOUNTS DUE.

On October first, of each year, the state auditor shall certify the respective amounts due the state from the various counties, cities, towns, and school districts, including interest computed to July first, following, to the county auditor of the county having such examination, or to the county auditor of the county in which any such city, town, or school district is, in whole or in part, situated. The county auditor, upon receiving a certificate from the state auditor, or a certificate from the court administrator, as provided in section 6.59, shall include the amount of the state's claim, with 25 percent added, in the tax levy for general revenue purposes of the county or municipality liable therefor, and such additional levy shall not be within any limitation imposed by law upon the amount of taxes which may be levied for revenue purposes. Upon completion of the June tax settlement following such levy the county treasurer shall deduct from the amount apportioned to the county or municipality for general revenue purposes, the amount due the state, including interest, and remit the same to the state treasurer.

History: (3286-6) 1929 c 259 s 6; 1955 c 870 s 1; 1969 c 359 s 4; 1973 c 123 art 5 s 7; 1974 c 406 s 43

6.61 SUBJECT TO PRIOR ENACTMENT OF LAWS.

Subject to the provisions of Laws 1939, chapter 431, the state auditor shall have and exercise all the rights, powers, and duties conferred upon the former public examiner by Mason's Minnesota Statutes of 1927, sections 3274, 3275, 3276, 3277, 3279, 3280, 3281, 3282, 3283, 3284, and 3286, and the 1938 Supplement to Mason's Minnesota Statutes of 1927, sections 3278, 3286-1, 3286-2, 3286-3, 3286-4, 3286-5, 3286-6, and 3286-7, and acts amendatory thereof or supplementary thereto, and all the provisions thereof shall apply to and govern all matters therein specified respecting the office and department of the state auditor, except that any limitations therein contained as to the number of employees to be appointed by the state auditor shall not apply. The state auditor shall account separately for all of the charges, receipts, and disbursements of the department of the state auditor pertaining to the examining and auditing of all

school districts, towns and cities for which charges are made, and after allocating to the expense thereof a proper pro rata share of the administrative expense, such functions of the department of the state auditor shall be sustained, so far as practicable, by the funds collected therefor from such political subdivisions as otherwise provided by law.

History: (3286-15) 1939 c 431 art 4 s 8; 1973 c 123 art 5 s 7; 1973 c 492 s 14

6.62 POSTAUDIT; TAX LEVY.

Subdivision 1. **Levy of tax.** Counties, cities and towns are authorized, if necessary, to levy an amount sufficient to pay the expense of a postaudit by the state auditor.

A school district is authorized to levy an amount sufficient to pay for the expense of a postaudit by the state auditor if the audit is performed at the discretion of the state auditor pursuant to section 6.51 or if the audit has been requested through a petition by eligible voters pursuant to section 6.54. A school district is not authorized to levy these amounts if the postaudit by the state auditor is requested by the school board pursuant to section 6.55.

Subd. 2. **Cost of postaudit.** The amount of said levy shall be the amount of the claim or claims submitted by the state auditor for such services or the auditor's estimate of the entire cost, and said amount shall be certified by the governing body, after the request or petition for the audit has been filed, to the county auditor, along with amounts requested for other governmental purposes. If such levy has been made in excess of statutory limitations, and if the request or petition is withdrawn after the amount of the levy has been certified but the levy cannot be canceled because it has been spread on the tax lists, the governing body shall cause the proceeds of such levy to be transferred to the general fund and reduce the succeeding year's levy for general purposes accordingly. Provided, however, counties, cities, and other governmental units whose financial affairs are required by statute or charter to be audited at regular intervals may levy annually or biennially in anticipation of the audit expense, without the presentment of such claim or estimate by the state auditor.

Subd. 3. **Use of proceeds of levy.** The proceeds of said levy shall be set aside and used only to cover the state auditor's claim.

History: 1951 c 189 s 1; 1953 c 338 s 1; 1959 c 518 s 5; 1973 c 123 art 5 s 7; 1973 c 492 s 14; 1978 c 764 s 1; 1983 c 314 art 7 s 3; 1986 c 444; 1Sp1989 c 1 art 5 s 1

NOTE: Subdivision 1, as amended by Laws 1989, First Special Session chapter 1, article 5, section 1, is effective for taxes levied in 1992, payable in 1993 and thereafter. See Laws 1989, First Special Session chapter 1, article 5, section 52, as amended by Laws 1990, chapter 604, article 3, section 47.

6.63 APPLICATION.

The units of government set forth in sections 6.56, 6.57, 6.59, 6.60 and 6.62 shall be construed, where applicable, to include, in addition to those therein specifically named, public utility commissions, public corporations, and instrumentalities.

History: 1959 c 518 s 3

6.64 COOPERATION WITH PUBLIC ACCOUNTANTS; PUBLIC ACCOUNTANT DEFINED.

There shall be mutual cooperation between the state auditor and public accountants in the performance of auditing, accounting, and other related services for cities, towns, school districts, and other public corporations. For the purposes of sections 6.64 to 6.71 the term public accountant shall have the meaning ascribed to it in section 412.222.

History: 1957 c 631 s 1; 1961 c 560 s 18; 1973 c 123 art 5 s 7; 1973 c 492 s 14

6.65 MINIMUM PROCEDURES FOR AUDITORS, PRESCRIBED.

The state auditor shall prescribe minimum procedures and the audit scope for auditing the books, records, accounts, and affairs of local governments in Minnesota. The minimum scope for audits of all local governments must include financial and legal

compliance audits for fiscal years ending after January 15, 1984. Audits of all school districts shall include a determination of compliance with uniform financial accounting and reporting standards adopted by the state board of education according to section 121.902, subdivision 1. The state auditor shall establish a task force to promulgate an audit guide for legal compliance audits. The task force must include representatives of the state auditor, the attorney general, towns, cities, counties, school districts, and private sector public accountants.

History: 1957 c 631 s 2; 1973 c 492 s 14; 1983 c 301 s 62; 1988 c 629 s 6; 1989 c 67 s 1; 1990 c 562 art 8 s 1

6.66 CERTAIN PRACTICES OF PUBLIC ACCOUNTANTS AUTHORIZED.

Any public accountant may engage in the practice of auditing the books, records, accounts, and affairs of cities, towns, school districts, and other public corporations which are not otherwise required by law to be audited exclusively by the state auditor.

History: 1957 c 631 s 3; 1973 c 123 art 5 s 7; 1973 c 492 s 14

6.67 PUBLIC ACCOUNTANTS; REPORT OF EVIDENCE POINTING TO MISCONDUCT.

Whenever a public accountant in the course of auditing the books and affairs of a city, town, school district, or other public corporations, shall discover evidence pointing to nonfeasance, misfeasance, or malfeasance, on the part of an officer or employee in the conduct of duties and affairs, the public accountant shall promptly make a report of such discovery to the state auditor and the county attorney of the county in which the governmental unit is situated and the public accountant shall also furnish a copy of the report of audit upon completion to said officers. The county attorney shall act on such report in the same manner as required by law for reports made to the county attorney by the state auditor.

History: 1957 c 631 s 4; 1959 c 518 s 6; 1973 c 123 art 5 s 7; 1973 c 492 s 14; 1986 c 444

6.68 STATE AUDITOR MAY ASSIST PUBLIC ACCOUNTANT IN AUDIT.

Subdivision 1. Request to governing body. If in an audit of a city, town, school district, or other public corporation, a public accountant has need of the assistance of the state auditor, the accountant may obtain such assistance by requesting the governing body of the governmental unit being examined to request the state auditor to perform such auditing or investigative services, or both, as the matter and the public interest require.

Subd. 2. Auditor's report; payment. The state auditor shall work in close cooperation with the public accountant in rendering the services so requested and the state auditor shall make such report of findings to the county attorney as is required by law to be made of nonfeasance, misfeasance, and malfeasance discovered by the state auditor. The governmental unit shall be liable for the payment of such services so performed by the state auditor in the same manner as if it had requested the services pursuant to section 6.55.

History: 1957 c 631 s 5; 1973 c 123 art 5 s 7; 1973 c 492 s 14; 1986 c 444

6.69 INFORMATION FURNISHED PUBLIC ACCOUNTANT BY STATE AUDITOR.

Subdivision 1. Governmental accounting information. The state auditor, whenever time and facilities permit, shall furnish information to public accountants, when requested by them to do so, concerning governmental accounting and auditing principles, practices, and procedures, and other related matters.

Subd. 2. Charge for services. The state auditor may charge the actual cost of furnishing such information and the public accountant shall pay the amount so charged promptly after receipt of the claim.

History: 1957 c 631 s 6; 1973 c 492 s 14

6.70 ACCESS TO REPORTS.

The state auditor and the public accountants shall have reasonable access to each other's audit reports, working papers, and audit programs concerning audits made by each of cities, towns, school districts, and other public corporations.

History: 1957 c 631 s 7; 1973 c 123 art 5 s 7; 1973 c 492 s 14

6.71 SCOPE OF AUDITOR'S INVESTIGATION.

Whenever the governing body of a city, town, or school district shall have requested a public accountant to make an audit of its books and affairs, and such audit is in progress or has been completed, and freeholders petition or the governing body requests or both the state auditor to make an examination covering the same, or part of the same, period, the state auditor may, in the public interest, limit the scope of the examination to less than that specified in section 6.54, but the scope shall cover, at least, an investigation of those complaints which are within the state auditor's powers and duties to investigate.

History: 1957 c 631 s 8; 1959 c 518 s 7; 1973 c 123 art 5 s 7; 1973 c 492 s 14; 1986 c 444

6.72 STATE AUDITOR; REPORT TO THE LEGISLATURE ON VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATIONS.

Subdivision 1. **Reporting requirements.** Commencing November 15, 1981 and every two years thereafter, the state auditor shall report to the legislature on the general financial condition of the various volunteer firefighters' relief associations in the state as of December 31 of the year preceding the filing of the report. Two copies of the report shall be filed with the executive director of the legislative commission on pensions and retirement and ten copies of the report shall be filed with the director of the legislative reference library.

Subd. 2. **Contents of report.** The report shall include the aggregate totals for all volunteer firefighters' relief associations directly associated with the municipal fire departments and all volunteer firefighters' relief associations subsidiary to independent nonprofit firefighting corporations, the aggregate totals by the various benefit types and the individual results for each volunteer firefighters' relief association listed by various benefit types specified in subdivision 3. The following items shall be reported in each instance:

- (1) amount of accrued liability,
- (2) amount of assets,
- (3) amount of surplus or unfunded accrued liability,
- (4) funding ratio,
- (5) amount of annual accruing liability or normal cost,
- (6) amount of annual required contribution to amortize the unfunded accrued liability,
- (7) amount of total required contribution,
- (8) amount of fire state aid,
- (9) amount of any municipal contributions,
- (10) amount of administrative expenses,
- (11) amount of service pension disbursements,
- (12) amount of other retirement benefit disbursements,
- (13) number of active members,
- (14) number of retired members,
- (15) number of deferred members,
- (16) amount of fidelity bond of secretary and treasurer,
- (17) amount of lump sum or monthly service pension accrued per year of service credit,

- (18) minimum retirement age required for commencement of a service pension,
- (19) minimum years of active service credit required for commencement of service pension,
- (20) minimum years of active membership credit required for commencement of service pension,
- (21) type and amount of other retirement benefits.

Subd. 3. Benefit categories. For purposes of compiling the report required by this section, the various benefit types shall be as follows:

- (1) volunteer firefighters' relief associations paying a lump sum service pension of:
 - (a) less than \$50 per year of service,
 - (b) \$50 or more, but less than \$100 per year of service,
 - (c) \$100 or more, but less than \$200 per year of service,
 - (d) \$200 or more, but less than \$300 per year of service,
 - (e) \$300 or more per year of service;
- (2) volunteer firefighters' relief associations paying a monthly benefit service pension of:
 - (a) less than \$2 per month per year of service,
 - (b) \$2 or more per month per year of service;
- (3) volunteer firefighters' relief associations paying a defined contribution service pension;
- (4) volunteer firefighters' relief associations paying no service pension.

History: 1979 c 201 s 20; 1986 c 359 s 3,26

6.74 INFORMATION COLLECTED FROM LOCAL GOVERNMENTS.

The state auditor, or a designated agent, shall collect annually from all city, county, and other local units of government, information as to the assessment of property, collection of taxes, receipts from licenses and other sources, the expenditure of public funds for all purposes, borrowing, debts, principal and interest payments on debts, and such other information as may be needful. The data shall be supplied upon blanks prescribed by the state auditor, and all public officials so called upon shall fill out properly and return promptly all blanks so transmitted. The state auditor or assistants, may examine local records in order to complete or verify the information. Copies of all reports so received shall be forwarded by the state auditor to the legislative auditor.

History: (3286-12) 1939 c 431 art 4 s 5; 1943 c 435 s 1; 1973 c 123 art 5 s 7; 1973 c 492 s 31; 1986 c 444

6.75 ANNUAL REPORT.

The state auditor shall make and file, annually, in the state auditor's office a summary report of the information collected, with such compilations and analyses and interpretations as may be deemed helpful. Copies of such report may be made and distributed to interested persons and governmental units. A copy of the report shall be forwarded to the legislative auditor.

History: (3286-13) 1939 c 431 art 4 s 6; 1945 c 338 s 1; 1973 c 492 s 32; 1986 c 444

6.76 LOCAL GOVERNMENTAL EXPENDITURES FOR LOBBYISTS.

On or before January 31, 1990, and each year thereafter, all counties, cities, school districts, metropolitan agencies, regional railroad authorities, and the regional transit board shall report to the state auditor, on forms prescribed by the auditor, their estimated expenditures paid for the previous calendar year to a lobbyist as defined in section 10A.01, subdivision 11, and to any staff person not registered as a lobbyist but who spends over 25 percent of his or her time during the legislative session on legislative matters.

History: 1Sp1989 c 1 art 3 s 30