

Minutes
LEGISLATIVE AUDIT COMMISSION
December 22, 2020

Members Present:

Representative Rick Hansen, Chair
Representative Connie Bernardy
Representative Sondra Erickson
Representative Tina Liebling
Representative Nels Pierson
Representative Duane Quam

Senator Mark W. Koran, Vice Chair
Senator Michelle Benson
Senator Nick A. Frentz
Senator Mary Kiffmeyer
Senator Matt D. Klein
Senator Ann H. Rest

Representative Rick Hansen, Chair, called the Legislative Audit Commission (LAC) meeting to order at 12:59 p.m. Due to the COVID-19 pandemic and the stay-at-home and social distancing guidelines in place for the state of Minnesota, this meeting was held using the Zoom conferencing web application.

Representative Hansen said the purpose of the meeting was to go through each proposed amendment to the Office of the Legislative Auditor (OLA) statutes.

Senator Kiffmeyer made a motion to approve adding the proposed new subdivision to *Minnesota Statutes*, 3.971, which defines special reviews conducted by OLA. After Legislative Auditor Jim Nobles explained the amendment, a verbal roll call vote was taken by the recording secretary, and the motion passed.

Mr. Nobles explained the proposed amendment to *Minnesota Statutes*, 3.971, subdivision 2, which provides slight wording changes in subdivisions 2 (b), (d), and (e), and deletes subdivision 2 (c). Representative Liebling moved to adopt these changes. After a verbal roll call vote, the motion passed.

The members had a lively discussion about the proposed new language under *Minnesota Statutes*, 3.971, subdivision 2, which does not allow an OLA employee to be a candidate for an elected public office. After Mr. Nobles explained how this is incompatible with the nonpartisan character of OLA, Senator Kiffmeyer moved for its approval. A verbal roll call vote was taken and the motion passed.

Representative Erickson motioned to approve the proposed amendment to *Minnesota Statutes*, 3.972, subdivision 2, which eliminates antiquated statutory language. Mr. Nobles provided a brief explanation of the suggested changes. After a verbal roll call vote, the motion passed.

The next proposed amendment was to *Minnesota Statutes*, 3.972, subdivision 2(a), which eliminates some language and clarifies OLA's responsibility with regard to auditing programs, services, and benefits administered by the Department of Human Services. Senator Koran moved to approve the changes. A verbal roll call vote was taken, and the motion passed.

In order to clarify OLA's authority to request data from auditees, OLA proposed an amendment to *Minnesota Statutes*, 3.978, subdivision 2. Representative Erickson made a motion to approve the change, and after a verbal roll call vote, the motion passed.

The proposed amendments to *Minnesota Statutes*, 3.979, subdivisions 1 and 2 (data practices and access to data by commission members), prompted some discussion among members. The commission decided not to take action on the suggested changes, and directed Mr. Nobles to add additional language addressing members' comments and concerns. The commission planned to meet in January to review the updated language in hopes of approving it at that time.

Representative Erickson made a motion to approve the proposed amendment to *Minnesota Statutes*, 3.979, subdivision 3, which protects data that can be used to determine the identity of an individual supplying data for an audit as private. After a brief discussion, a verbal roll call vote was taken, and the motion passed.

Mr. Nobles briefly described the reasons for requesting to repeal *Minnesota Statutes*, 3.972, subdivisions 2c and 2d; 3.9741, subdivision 5; and 299D.03, subdivision 2a. Representative Erickson moved to approve the repealers. After a verbal roll call vote, the motion passed.

The meeting turned to a discussion regarding the proposed new subdivision to *Minnesota Statutes*, 16A.06, which requires Minnesota Management and Budget (MMB) to contract for completion of the federally mandated Single Audit. The commission determined that OLA does not need to add this language to statutes, since statutes do not direct OLA to conduct the Single Audit. Instead, Representative Liebling made a motion to direct OLA to inform MMB that the LAC has directed OLA to no longer complete the Single Audit. A verbal roll call vote was taken, and the motion passed.

Next, the commission reviewed OLA's proposed budget options for the upcoming legislative session. Representative Liebling moved to approve Option 4, which supplements OLA's current budget with funding for two special review staff. After discussion among members, a verbal roll call vote was taken, and the motion passed.

Representative Hansen thanked the commission members for serving for the past two years. He also thanked Mr. Nobles and asked him to extend the commission's thanks to all OLA staff for their work.

With no further business, Representative Hansen adjourned the meeting at 2:43 p.m.

Representative Rick Hansen, Chair

Shelly Gilb, Recording Secretary