

Minutes
Legislative Audit Commission
August 14, 2024

Members Present:

Representative Patti Anderson
Representative Rick Hansen
Representative Steven Jacob
Representative Fue Lee
Representative Duane Quam
Senator Calvin K. Bahr
Senator D. Scott Dibble
Senator Mark W. Koran
Senator Ann H. Rest
Senator Tou Xiong

Members Absent

Representative Emma Greenman
Senator Steve S. Drazkowski

Representative Rick Hansen, Chair, called the Legislative Audit Commission meeting to order at 10:01 a.m. Chair Hansen said the meeting's purpose was to hear the Office of the Legislative Auditor's (OLA's) presentation of the performance audit, *Minnesota Department of Agriculture: Incentives and Grants for Renewable Energy and Renewable Chemicals Programs*.

Chair Hansen introduced Lori Leysen, Deputy Legislative Auditor for the Financial Audit Division, and Valentina Stone, Audit Director. Ms. Leysen said the audit covered two programs overseen by the Minnesota Department of Agriculture (MDA): (1) the Bioincentive Program, which provides financial incentives to suppliers for the production of renewable energy and renewable chemicals; and (2) the Biofuels Infrastructure Grant Program, which reimburses fuel stations for the purchase and installation of equipment to disburse biofuels. She said the overall conclusion on the audit was positive; however, there were two findings related to the grants program. She then turned to Ms. Stone for the specific details.

Ms. Stone provided a brief overview of the two programs, as well as the objectives and scope of the audit. She said that the audit found no issues with the Bioincentive Program. However, regarding the Biofuels Infrastructure Grant Program, the audit found that MDA paid for unallowable costs and was noncompliant with grant progress reports. Ms. Stone explained the report's recommendations for MDA.

Chair Hansen invited Andrea Vaubel, MDA Deputy Commissioner, forward to address the commission. Ms. Vaubel said that MDA agrees with OLA's audit and has started addressing the report's recommendations. Ashley Bress, Assistant Director, Agricultural Marketing and Development Division, was called to the table to respond to questions regarding MDA's process for ensuring grantees submit annual progress reports and do not receive payments when they have past-due reports.

Judy Randall, Legislative Auditor, was called to the testifying table to provide an update on forthcoming OLA reports and evaluations to be released. She also mentioned that OLA had a peer review completed and an independent audit conducted on itself; both of which the office passed. Ms. Randall said that she will be reaching out to members this fall to discuss OLA's proposed budget for the next two years, as well as some possible statute language changes.

Chair Hansen adjourned the meeting at 10:47 a.m.

Representative Rick Hansen, Chair

Shelly Gilb, Recording Secretary