

Minutes
Legislative Audit Commission
AUDIT SUBCOMMITTEE
November 14, 2024

Members Present:

Representative Patti Anderson, Chair
Representative Steven Jacob
Representative Fue Lee
Senator Ann H. Rest

Members Absent:

Senator Steve S. Drazkowski

Other LAC Members Present:

Representative Rick Hansen
Representative Duane Quam
Senator Calvin K. Bahr
Senator D. Scott Dibble
Senator Mark W. Koran
Senator Tou Xiong

Representative Patti Anderson, Chair, called the Legislative Audit Commission (LAC) Audit Subcommittee meeting to order at 10:00 a.m. The meeting's purpose was to hear presentations from the Office of the Legislative Auditor (OLA) on two recently released audits: *Minnesota State Academies for the Deaf and the Blind*; and *Minnesota Management and Budget: Enterprise Performance Management Data Warehouse Integrity Controls*.

Chair Anderson welcomed members and introduced Jordan Bjonfald, Audit Director, and Lori Leysen, Deputy Legislative Auditor, to present OLA's key findings and recommendations for the performance audit of the Minnesota State Academies (MSA). Mr. Bjonfald said that overall, MSA did not have adequate internal controls and discussed OLA's 12 audit findings and recommendations, including MSA site councils not meeting in accordance with their bylaws, inadequate monitoring of financial and legal activities of its affiliated foundations, noncompliance with state travel policy, and improper documentation of reconciliations between submitted medical claims and reimbursements from the Department of Human Services.

Chair Anderson opened the meeting to member discussion, which included discussion of compliance challenges for smaller agencies, such as separation of duties, what supports are available for smaller agencies, and the sharing of compliance information. Ms. Leysen said Minnesota Management and Budget (MMB) has a unit in their department which is equipped to share such information with other state agencies.

Chair Anderson introduced Terry Wilding, Superintendent, and Amber Miller, Finance Director, of MSA to speak to the subcommittee. Mr. Wilding said MSA had begun to address OLA's findings and would continue that work with different processes, policies, and trainings for staff. Mr. Wilding explained a few of the challenges in meshing their operations and their system as a school, such as payroll, with those expectations of a state agency system as defined by MMB's policies. Chair Anderson asked for member discussion. Members discussed the findings overall, and Mr. Wilding explained MSA's operations, such as its 24-hour staffing, dormitories, special education services, and additional supports, which are much more than a public school would have.

Chair Anderson next introduced Mark Mathison, IT Audit Director, and Ms. Leysen to present OLA's key findings and recommendations from the audit of MMB's data warehouse. Ms. Leysen began by explaining that MMB, in partnership with Minnesota IT Services (MNIT), developed and maintains a data warehouse that takes information from other systems, mainly the state's accounting system and payroll system, and brings it together in a central data warehouse that state agencies can use for analytics and reporting. Ms. Leysen said this audit concluded that MMB and MNIT have adequate internal controls to ensure the accuracy of the transfer of the data and to prevent unauthorized changes to the data. Mr. Mathison then presented the findings and recommendations in greater detail.

Chair Anderson introduced Erin Campbell, MMB Commissioner; Tarek Tomes, MNIT Commissioner and Chief Information Officer; and John Israel, MNIT Assistant Commissioner and Chief Information Security Officer. Ms. Campbell explained the background of the data warehouse, the data within it, and its usage by thousands of staff in state government. She said that all three findings in the report had been resolved. Mr. Tomes briefly explained MNIT's role in supporting the data warehouse, and explained other audits and risk assessments MNIT had conducted across state agencies during the last twelve months. Mr. Israel added that MNIT appreciates the external perspectives that such audits can bring and the opportunity to correct any identified deficiencies. Further discussion took place regarding MNIT's tools and capabilities to ensure the security and usability of state systems.

With no further discussion, Chair Anderson adjourned the meeting at 11:26 a.m.

Representative Patti Anderson, Chair
Audit Subcommittee

Maureen Garrahy, Recording Secretary