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State of Minnesota HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3

02/06/2025 Authored by Nash, Niska, Schultz, Duran, Perryman and others
02/13/2025 The bill was read for the first time and referred to the Committee on State Government Finance and Policy
Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to state government; requiring the legislative auditor to submit a report to
1.3 the legislature related to an agency's implementation of internal control or fiscal
1.4 management recommendations; appropriating money; amending Minnesota Statutes
1.5 2024, sections 3.971, by adding a subdivision; 16A.057, subdivision 5.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2024, section 3.971, is amended by adding a subdivision
1.8 to read:

1.9 Subd. 10. Implementation of audit recommendations. (a) By February 1 each year,
1.10 as resources permit, the legislative auditor must submit a report to the chairs and ranking
1.11 minority members of the legislative committees with fiscal jurisdiction over an entity subject
1.12 to audit under this section. The report must detail whether the entity has implemented any
1.13 recommendations identified by the legislative auditor during the prior five years in a financial
1.14 audit, program evaluation, or special review.

1.15 (b) By July 1 each year, as resources permit, the legislative auditor must submit a report
1.16 to designated legislators listing the standing committees in the senate and the house of
1.17 representatives to which the legislative auditor did or did not present their internal controls
1.18 reports under paragraph (a) in a public hearing. For purposes of this paragraph, "designated
1.19 legislators" means the chairs and ranking minority members of the senate Committees on
1.20 State Government Policy and Finance, Rules and Administration, and Finance, and the
1.21 house of representatives Committees on State Government Finance and Policy, Rules and
1.22 Legislative Administration, and Ways and Means.

2.1 Sec. 2. Minnesota Statutes 2024, section 16A.057, subdivision 5, is amended to read:

2.2 Subd. 5. **Monitoring Office of the Legislative Auditor audits.** The commissioner must
2.3 review audit reports from the Office of the Legislative Auditor and take appropriate steps
2.4 to address internal control problems found in executive agencies. The commissioner must
2.5 submit a report to the legislative auditor no later than September 1 of each year detailing
2.6 the implementation status of all recommendations identified in an auditor's report during
2.7 the prior five years. The report must include a specific itemization of recommendations that
2.8 have not been implemented during that period, along with the basis for that decision.

2.9 Sec. 3. **APPROPRIATIONS.**

2.10 Subdivision 1. Legislative auditor. \$238,000 in fiscal year 2026 and \$259,000 in fiscal
2.11 year 2027 are appropriated from the general fund to the legislative auditor for purposes of
2.12 this act.

2.13 Subd. 2. Management and budget. \$41,000 in fiscal year 2026 and \$41,000 in fiscal
2.14 year 2027 are appropriated from the general fund to the commissioner of management and
2.15 budget for purposes of this act.