



# What We Do

## *An Overview for Legislators*

**\$60**  
**BILLION**

The Office of the Minnesota State Auditor **oversees** over \$60 billion in local government spending and federal spending at the state level.

We ensure that local government funds are used for the purposes intended by law and that local governments hold themselves to the highest standards of financial accountability.



**EXAMINATIONS**

We ensure financial **integrity** in local governmental financial activities by way of examinations. Our examinations include audits, standards oversight, compliance checks, and investigations.



**SUPPORT**

We increase the **effectiveness** of local government by providing support to local and legislative leaders. We create financial management software, develop policy, provide direct consultation, and conduct training on best financial practices.



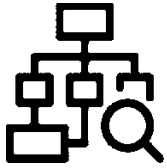
**ANALYSIS**

We give decision makers tools to make **fact based, data driven** decisions about local government. We collect a wide range of data and share it through reports, data comparison tools, and special analyses.



**TEAM**

Our office's biggest resource is our team of financial **professionals**. Our main office is located at 525 Park Street, St Paul with field offices in Duluth, Moorhead, Marshall, Rochester, and Mankato. Our staff is currently 72 people including two Deputy Auditors, six directors, and 20 staff in Greater Minnesota.



## Structure and Organization

*Minnesota's Office of the State Auditor is organized into seven interconnected divisions.*

### Audit Division

*Our largest division and primary source of local government examinations*

- Conducts approximately 85 financial and compliance audits annually
- Reviews approximately 440 single audits annually
- Reviewed an 700 single audits due to COVID and recovery related funding
- Provides technical assistance and education
- Serves both the client and the public
- Funded primarily by audit fees, with hourly rates that have remained the same for the last three years

### Government Information Division

*Primary source of financial information on Minnesota local governments for the U.S. Census Bureau, the Minnesota Legislature, state departments, researchers, and the public*

- Receives, reviews, and compiles financial information of over 3,300 entities:
  - 1781 towns
  - 853 cities
  - 87 counties
  - 607 special districts
  - 25 lobbying associations
- Certifies cities that are eligible to receive state aids totaling over \$500M per year
- Contacts and counsels local governments not complying with legal reporting requirements

### Legal / Special Investigations Division

*Investigates allegations of theft or misuse of public funds by examining local government financial records.*

- When appropriate, coordinates with law enforcement.
- Findings of certain types of wrongdoing are reported to prosecutors
- Reports are posted to educate the public and local government officials and help them safeguard public dollars in the future.

## **Tax Increment Finance Division**

*Oversees expenditures of approximately 1650 Tax Increment Financing (TIF) districts*

- 92% of cities with over 1000 residents have used TIF
- Educates to help TIF authorities understand and comply with the law
- Identifies issues and communicates with TIF authorities to correct problems
- Entirely funded by 0.36% of the tax increment captured by local governments

## **Pension Division**

*Supports about 600 local public pension plans*

- Most are fire relief associations that provide benefits to volunteer and paid-on-call firefighters.
- These benefits are primary source of compensation for these firefighters
- Serves as the first call for help for volunteer firefighters who serve as trustees on these pension plan boards
- Other large plans supported by the division include the St. Paul Teachers' Retirement Fund Association and the University of Minnesota Supplemental Benefits Plan.
- Responds to thousands of questions each year on topics ranging from investments, benefit calculations, municipal contribution requirements, and firefighter service credit.

## **Operations Division**

*Supports the day-to-day operations of the entire office*

- Primary work includes technology, office management, and budgeting
- Calculates fiscal notes for the legislature that relate to our services
- Coordinates OSA infrastructure shared with the State of Minnesota, though our office is more independent of that infrastructure than most agencies

## **Constitution Division**

*The Constitutional Division is the State Auditor herself and her support staff*

- Coordinates legislative activity and policy development
- Provides communications support to help the public understand our reports, data, and positions
- The State Auditor serves on the following boards: State Board of Investment, Public Employee Retirement Association, Minnesota Housing Finance Agency, Minnesota Executive Council, Minnesota Land Exchange Board, Rural Finance Authority, Minnesota Historical Society



## Budget

*Most of our funding supports staffing; the OSA is driven by people.*

- 85% of our budget is dedicated to staffing
- The Audit Division is the largest part of our work and comprises around 70% of our budget and our staffing
- Most of our budget is funded by fees and other sources
- Our fees are based on the actual costs of conducting audits and our billing rates are approved each year by Minnesota Management & Budget (MMB)
- Since 2000, our appropriation when adjusted for inflation has dropped approximately 21%.
- In the last biennium, our budget was less than 5 hundredths of a percent (0.05%) of the state budget



## Connect with Us

*We are here for you! We look forward to helping you include effective oversight in your legislation and to ensure the solutions you create are enacted with fidelity.*

- Our website is [www.osa.state.mn.us](http://www.osa.state.mn.us)
- Our main phone is 651-296-2551
- Follow us on Twitter at @MNStateAuditor, Facebook at facebook.com/JulieBlahaMN, and Instagram at AuditorJulieBlaha
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