

Timeline: County Audits Issues

The Office of the Legislative Auditor prepared this timeline for the House of Representative's State Government Finance Committee for consideration during a hearing on February 27, 2018.

May 1973. The Legislature enacted legislation delegating authority to audit local governments, including counties, to the State Auditor. The Public Examiner previously audited local governments (and state agencies).

May 2015. The Legislature enacted legislation allowing a county to select either the State Auditor or a CPA firm to audit the county's annual financial statements, but allowing the State Auditor to conduct additional examinations. The law went into effect August 1, 2016.

February 2016. In response to a legislative request, the Office of the Legislative Auditor issued a report on county audits conducted by the Office of the State Auditor and CPA firms.

February 2016. The State Auditor filed a lawsuit in Ramsey County District Court requesting a declaratory judgment to void the 2015 law allowing counties to use a CPA firm to conduct an annual audit.

September 2016. The Ramsey County District Court denied the State Auditor's request. The court ruled that auditing counties is a core function of the State Auditor's office, but also found that the 2015 law allowed the State Auditor adequate authority to continue to fulfill that function.

October 2016. The State Auditor appealed the judgment to the Minnesota Court of Appeals.

March 2017. The State Auditor issued a report finding that several audits of counties conducted by CPA firms were deficient.

May 2017. A three-judge panel of the Minnesota Court of Appeals voted 2-to-1 to uphold the lower court's judgment that the 2015 law was constitutional.

June 2017. The State Auditor petitioned the Minnesota Supreme Court to appeal the Minnesota Court of Appeals' ruling.

August 2017. The Minnesota Supreme Court agreed to hear the appeal.

January 2018. The Minnesota Supreme Court held oral arguments. The court's decision is pending.

January 2018. In response to a requirement in law, the Office of the Legislative Auditor issued a report on the adequacy of county audits conducted by the Office of the State Auditor.