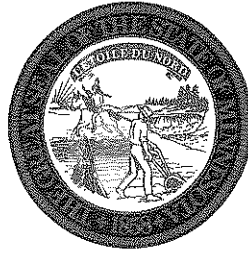


**Sarah Anderson**  
State Representative  
District 44A  
Plymouth



# Minnesota House of Representatives

**COMMITTEES:**  
CHAIR, STATE GOVERNMENT FINANCE  
COMMERCE AND REGULATORY REFORM  
TAXES  
WAYS AND MEANS

August 19, 2015

via electronic delivery

State Auditor Rebecca Otto  
525 Park Street  
Suite 500  
Saint Paul, MN 55103

Dear Auditor Otto,

On Tuesday, August 18, the House State Government Finance Committee held an informational hearing regarding the Office of the State Auditor's county audit practices and a three-year engagement letter sent to Minnesota counties. It was disappointing that you chose not to attend and declined to send any representatives from the OSA.

The committee members and county officials in attendance were left with many unanswered questions, and the letter you sent to the committee after our hearing had adjourned failed to answer them. We request that you please reply with answers to the following questions by the close of business on August 21, so that members of both parties on the committee and counties across Minnesota can have the accountability, clarity and transparency necessary to protect taxpayers while the state undergoes changes to the county auditing process. Many counties have significant questions that impact their ongoing budget decisions, and are hopeful to receive feedback from your office so they can work with the OSA in planning the path forward.

Please answer the following:

- For what reasons did the OSA change the usual practice of sending engagement letters with one-year terms in favor of engagement letters with three-year terms?
- For what reasons did the OSA change the usual practice of sending out the engagement letters in the winter in favor of sending out the engagement letters in the summer?
- For what reasons did the OSA decide to include a due date for the return of the signed engagement letters when that does not appear to be prior practice?
- Were county boards or officials given notice that these changes in practice were to take place so they could plan expedited meeting schedules and timelines to potentially approve or analyze your proposal within your imposed timeline?



- Are there any guarantees from the OSA regarding costs to counties over the course of the three-year term? Will the audit rates for the second and third year of the term be the same as the first year? When can counties expect further information from your office to assist their budgetary planning for important services?
- Why has there been an apparent delay in notification to counties who applied for releases from OSA audits in 2014?
- Will there be any counties released from OSA audits among those who applied in 2014?
- What will be the OSA's response to counties that do not agree to three-year terms by August 21?
- Are the terms of the letter of engagement open to negotiation between the counties and the OSA?
- How are audit rates for the OSA determined? In detail, what is the process for setting the audit rates?
- Why has the OSA been unresponsive to county concerns relating to the new county audit process?

I agree with your quote on June 3, 2015, that "government has to be held to a higher level of accountability than anything else in our society," and look forward to your response.

Thank you for the work you do on behalf of hardworking Minnesota taxpayers. Please feel free to contact my office with any additional questions.

Sincerely,



Sarah Anderson  
Chair, State Government Finance Committee