

Minnesota Management & Budget Statewide Operating Policy

Minnesota Management & Budget, Internal Control &
Accountability
Issued: December 1, 2011

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Office of Legislative Auditor Audit Report Monitoring

Objective

To improve internal control across the Executive Branch by ensuring that control weaknesses and compliance violations identified by the Office of the Legislative Auditor (OLA) are addressed and corrected in a timely manner. Monitoring of OLA reports and agency corrective action plan implementation is required by MN Statute 16A.057, Subdivision 5 (<https://www.revisor.mn.gov/statutes/?id=16A.057>).

Policy

Each agency must develop and implement corrective action plans to resolve all internal control and compliance weaknesses identified in OLA reports. Each agency must also communicate corrective action plan implementation progress periodically to MMB until all reported audit issues are fully resolved or no longer applicable.

Timely consideration and resolution of audit findings is a key part of an agency's internal control system. An organizational culture where management values opportunities to improve internal controls and correct deficiencies is an indication of a strong control environment.

This policy pertains only to audit reports issued by the OLA Financial Audit Division including:

- Internal Control and Compliance Audits
- Internal Control Over Statewide Financial Reporting
- Financial Statement Audits
- Federal Compliance Audits (i.e., "single audit")
- Information Technology Audits

This policy does NOT apply to reports issued by the OLA Program Evaluation Division or audit entities other than the OLA (e.g., agency internal audit staff, federal auditors/agencies, and/or other external audit/consulting organizations). However, agency management must also address and remediate the findings identified by those entities.

Definitions

Corrective Action Plan A documented strategy (i.e., roadmap) for resolving all internal control weaknesses and compliance violations identified by the OLA. Each corrective action plan must include the following elements:

- A description of the corrective measure(s) taken, or to be taken;
- The person(s) responsible to take action; and,
- A target date for resolution.

Procedures

MMB Statewide Procedure 0102-02, *Office of Legislative Auditor Audit Report Monitoring*
(<http://www.beta.mmb.state.mn.us/doc/statewide-financial/ch1/0102-02-01.pdf>)

See Also

- The MMB Internal Control & Accountability OLA report monitoring webpage: (<http://www.beta.mmb.state.mn.us/ola-audit-report>)
- The Office of the Legislative Auditor reports/website: (<http://www.auditor.leg.state.mn.us/>)