



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

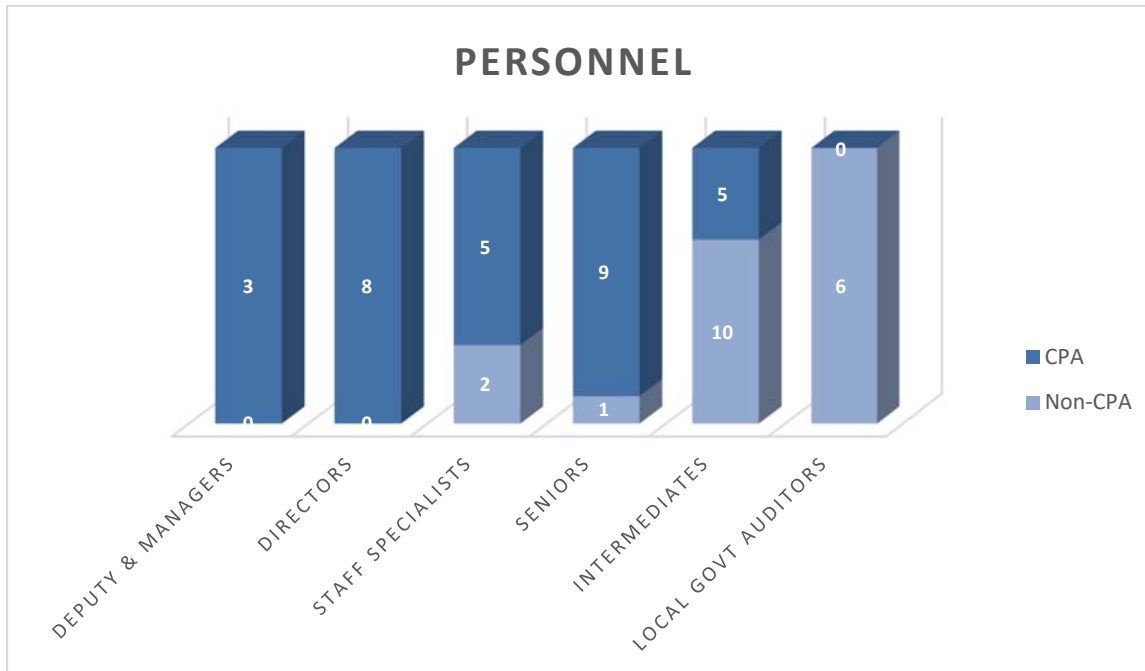
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Office of the State Auditor Audit Practice Division Qualifications, Experience, and Independence

The Audit Practice Division of the Office of the State Auditor performs approximately 150 financial and compliance audits of local governments and reviews approximately 440 single audits per year. Audit clients include counties; first-class cities; government authorities affiliated with these counties and cities; regional organizations; pension funds; and other entities as requested or required by Minnesota Law.

The Audit Practice Division has a professional staff of approximately 50 auditors with 6 regional offices across the State of Minnesota. Staff have a high degree of training, experience, and technical expertise. They work with clients in understanding financial reporting, internal controls, and compliance issues.



All certified public accountants in the Office of the State Auditor hold licenses to practice in the State of Minnesota. All licenses are in good standing with the Minnesota Board of Accountancy. All non-licensed auditors are encouraged to work toward passing the CPA exam. Development and supervision of audit staff are high priorities.

It is the policy of the State Auditor's Office that all professional auditors in the Audit Practice Division comply with the continuing professional education requirements of the American Institute of Certified Public Accountants, the State Board of Accountancy, and Government Auditing Standards. To that end, appropriate training is provided and monitored by the Office of the State Auditor.

Independence for Audit Practice Division staff is considered both in mind and appearance at three levels: the audit organization, the audit engagement, and the individual auditor. At least annually, audit staff are required to complete an Independence, Integrity, and Objectivity Representation. This representation confirms that auditors are complying with the Office of the State Auditor's quality control policy and procedures regarding independence. It also allows for auditors to identify possible issues which may impact objectivity and identify the resolution.

The most recent external peer review report received had a rating of pass, which is the most positive report that can be received. The external peer review report for the Office of the State Auditor is available on the website at:

<http://www.auditor.state.mn.us/default.aspx?page=NSAAPeerReview>