



Representative Sondra Erickson, Chair
Legislative Audit Commission

Members of the Legislative Audit Commission

Members of the Minnesota State Retirement System Board of Directors

Mr. David Bergstrom, Executive Director
Minnesota State Retirement System

Internal Controls Over Financial Reporting and Compliance

In auditing the Minnesota State Retirement System's Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer for the year ended June 30, 2014, we considered internal controls over financial reporting. We also tested compliance with significant legal provisions impacting these schedules. However, given the limited nature of our audit work, we do not express an overall opinion on the effectiveness of the Minnesota State Retirement System's internal controls or compliance. In addition, our work may not have identified all significant control deficiencies or instances of noncompliance with legal requirements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. This document meets the audit standard requirements of the American Institute of Certified Public Accountants and the Government Accountability Office to communicate internal control matters identified in a financial statement audit. This audit was conducted by Michael Hassing, CPA, CISA (Audit Director) and Sonya Johnson, CPA, CFE (Audit Manager).

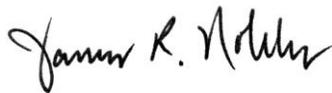
Our audit opinion on these schedules is included in the Minnesota State Retirement System's Addendum to the Comprehensive Annual Financial Report. Access to this report is available at the following website: <https://www.msrs.state.mn.us/financial-information>.

We did not identify any deficiencies in internal controls over financial reporting for these schedules that we consider to be material weaknesses. A material weakness is a deficiency, or combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of the entity's schedules will not be prevented or detected and corrected on a timely basis. In addition, the results of our tests of legal provisions disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance related to the Minnesota State Retirement System's preparation of these schedules. This report is an integral part of our audit of these schedules performed in accordance with *Government Auditing Standards*. Accordingly, this report is not suitable for any other purpose.



James R. Nobles
Legislative Auditor



Cecile M. Ferkul, CPA, CISA
Deputy Legislative Auditor

End of Fieldwork: April 1, 2015

Report Signed On: April 24, 2015