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**OFFICE OF THE LIEUTENANT GOVERNOR  
FINANCIAL AND COMPLIANCE AUDIT  
FOR THE YEARS ENDED JUNE 30, 1985 AND 1986 AND  
FOR THE SIX MONTHS ENDING DECEMBER 31, 1986**

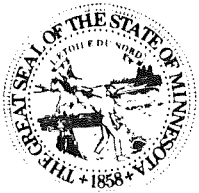
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**APRIL 1987**

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**Financial Audit Division  
Office of the Legislative Auditor  
State of Minnesota**





STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

VETERANS SERVICE BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Representative Phillip J. Riveness, Chairman  
Legislative Audit Commission

Members of the Legislative Audit Commission

and

The Honorable Marlene Johnson  
Lieutenant Governor

Audit Scope

We have completed a financial and compliance audit of the Office of the Lieutenant Governor for the years ended June 30, 1985 and 1986, and for the six months ending December 31, 1986. Section I provides a brief description of the Lieutenant Governor's Office activities and finances. Our audit was made in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the U.S. General Accounting Office Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, and accordingly, included such audit procedures as we considered necessary in the circumstances. Field work was completed on March 25, 1987.

The objectives of this audit were to:

- study and evaluate major department internal control systems, including receipts, disbursements, payroll, cash funds, and fixed assets;
- verify that financial transactions were properly recorded in the statewide accounting system;
- verify that financial transactions were made in accordance with the requirements of the state constitution, applicable laws, regulations, and policies, and other finance-related laws and regulations; and
- determine the status of prior audit recommendations included in our audit report for the period January 1 to June 30, 1983, and the year ended June 30, 1984.

This audit was conducted in accordance with the policy of the Legislative Auditor to perform audits of the administrative practices of the six elected state constitutional officers as follows:

- an audit to commence not later than June 30 of the third year in office, so that a report is issued by the end of the third year in the term, and
- an audit to commence in December of the fourth year, so that a report is issued soon after the end of term.

This schedule is not meant to preclude the Legislative Auditor from making an interim audit if deemed necessary, or as directed by the Legislature, or the Legislative Audit Commission.

### Management Responsibilities

The management of the Office of the Lieutenant Governor is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with procedures may deteriorate.

The management of the Office of the Lieutenant Governor is also responsible for the agency's compliance with laws and regulations. In connection with our audit, we selected and tested transactions and records from the programs administered by the Office of the Lieutenant Governor. The purpose of our testing of transactions was to obtain reasonable assurance that the Office of the Lieutenant Governor had, in all material respects, administered its programs in compliance with applicable laws and regulations.

### Audit Techniques

During our audit, we employed a variety of audit techniques. These included, but were not limited to, auditor observation, interviews with agency staff, analytical reviews to identify unusual transactions or trends, and the examination of documentation supporting a representative number of transactions. Random sampling techniques were used to assure that representative samples of transactions were chosen. However, the use of random sampling did not prohibit us from reviewing additional transactions which may have come to our attention during the audit.

### Conclusions

In our opinion, the system of internal accounting control in the Office of the Lieutenant Governor in effect as of March 25, 1987, taken as a whole, was sufficient to provide management with reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly.

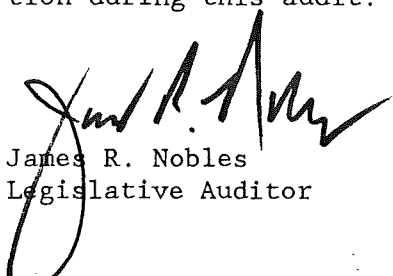
Representative Phillip J. Riveness, Chairman  
Members of the Legislative Audit Commission  
The Honorable Marlene Johnson  
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In our opinion, for the period July 1, 1984 to December 31, 1986, the Office of the Lieutenant Governor properly recorded, in all material respects, its financial transactions on the statewide accounting system.

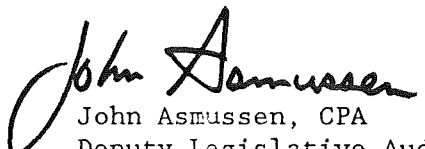
In our opinion, for the period July 1, 1984 to December 31, 1986, the Office of the Lieutenant Governor administered its programs in compliance, in all material aspects, with applicable finance-related laws and regulations, and with Minn. Stat. Chapter 4.

Our audit disclosed no weaknesses in accounting procedures or controls.

We would like to thank the Lieutenant Governor's staff for their cooperation during this audit.



James R. Nobles  
Legislative Auditor



John Asmussen, CPA  
Deputy Legislative Auditor

April 27, 1987



OFFICE OF THE LIEUTENANT GOVERNOR

AUDIT PARTICIPATION

The following members of the Office of the Legislative Auditor participated in this audit:

John Asmussen, CPA	Deputy Legislative Auditor
Warren Bartz, CPA	Audit Manager
Sonya Hill	Auditor-in-Charge
Joan Haskin	Auditor

EXIT CONFERENCE

An exit conference was held with the following staff of the Office of the Lieutenant Governor on March 27, 1987:

Bill Karich	Executive Assistant
Sandra Anderson	Office Manager





# OFFICE OF THE LIEUTENANT GOVERNOR

## INTRODUCTION

The Office of the Lieutenant Governor was created by Article V of the State Constitution and operates under Minn. Stat. Chapter 4, Section 4. The Governor and the Lieutenant Governor are elected jointly for a four year term by a single vote applying to both officers. The Lieutenant Governor's main duty is to assist and represent the Governor, but the Governor has delegated several other duties to the Lieutenant Governor. These include acting as chairman of the Governor's Appointments Advisory Commission and the Capitol Area Architectural Planning Board, serving as a member of the Executive Council, and coordinating the state's tourism and Governor's Council on Youth programs.

Accounting is coordinated by an employee of the Department of Administration. The main source of financing for the Lieutenant Governor's activities is an appropriation from the General Fund. Expenditures for the agency during fiscal years 1985, 1986, and the six months ending December 31, 1986, are as follows:

	<u>Year Ended</u> <u>June 30, 1985</u>	<u>Year Ended</u> <u>June 30, 1986</u>	<u>Six Months Ended</u> <u>December 31, 1986</u>
Personal Services	\$219,575	\$187,817	\$ 97,753
Travel and Subsistence	10,470	9,795	3,599
Supplies and Equipment	8,005	4,785	2,880
Other Administrative			
Expenditures	<u>28,510</u>	<u>28,837</u>	<u>13,776</u>
TOTAL	<u>\$266,560</u>	<u>\$231,234</u>	<u>\$118,008</u>