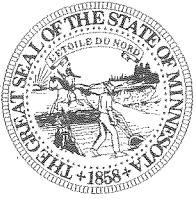


**CRIME VICTIMS REPARATIONS BOARD  
FINANCIAL AND COMPLIANCE AUDIT  
FOR THE PERIOD JULY 1, 1983  
THROUGH JUNE 30, 1986**

**JUNE 1987**

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





STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

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Representative Phillip J. Riveness, Chairman  
Legislative Audit Commission

Members of the Legislative Audit Commission

William Kosiak, M.D., Chairman  
Crime Victims Reparations Board

Ms. Fern Sepler-King, Executive Director  
Crime Victims Reparations Board

Audit Scope

We have completed a financial and compliance audit of the Crime Victims Reparations Board for the period July 1, 1983 through June 30, 1986. 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 May 12, 1987.

The objectives of the audit were to:

- study and evaluate major internal accounting and administrative controls including claim payments, administrative disbursements, and payroll of the Crime Victims Reparations Board in addition to any administrative support provided by the Department of Public Safety as of February 28, 1987;
- evaluate the recording and reporting of financial transactions on the statewide accounting (SWA) system;
- verify that financial transactions were made in accordance with the requirements of applicable laws, regulations, and policies, including Minn. Stat. Chapters 611A and other finance-related laws and regulations.

Management Responsibilities

The Crime Victims Reparations Board is responsible for approving claim payments and other disbursements of the board. The Department of Public Safety provides administrative support for the processing of payments after initial authorization by the board staff. The Crime Victims Reparations Board is ultimately responsible for its financial operations.

The management of the Crime Victims Reparations Board is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgements by management are

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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 the procedures may deteriorate.

The management of the Crime Victims Reparations Board 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 board. The purpose of our testing of transactions was to obtain reasonable assurance that the Crime Victims Reparations Board had, in all material respects, administered programs in compliance with applicable laws and regulations.

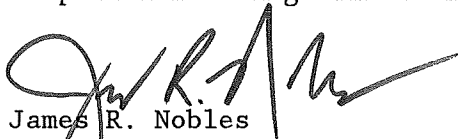
### Conclusions

In our opinion, the Crime Victims Reparations Board's system of internal accounting control in effect on February 28, 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 authorizations.

In our opinion, for the period July 1, 1983 through June 30, 1986, the Crime Victims Reparations Board properly recorded, in all material respects, its financial transactions on the statewide accounting system.

In our opinion, for the period July 1, 1983 through June 30, 1986, the Crime Victims Reparations Board administered its programs in compliance, in all material respects, with Minn. Stat. Chapter 611A and other applicable finance-related laws and regulations.

We would like to thank the Crime Victims Reparations Board staff for their cooperation during this audit.

  
James R. Nobles  
Legislative Auditor

  
John Asmussen, CPA  
Deputy Legislative Auditor

June 24, 1987