

**CITIZEN'S COUNCIL ON VOYAGEURS NATIONAL PARK
FINANCIAL AUDIT
FOR THE THREE YEARS ENDED JUNE 30, 1991**

OCTOBER 1992

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

92-68

CITIZEN'S COUNCIL ON VOYAGEURS NATIONAL PARK

FINANCIAL AUDIT FOR THE THREE YEARS ENDED JUNE 30, 1991

Public Release Date: October 2, 1992

No. 92-68

OBJECTIVE:

- TEST COMPLIANCE WITH CERTAIN FINANCE-RELATED LEGAL PROVISIONS.

CONCLUSION:

We found no departures from finance-related legal provisions.

Contact the Financial Audit Division for additional information.
(612) 296-1730

FINANCIAL AUDIT DIVISION



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

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JAMES R. NOBLES, LEGISLATIVE AUDITOR

Representative Ann Rest, Chair
Legislative Audit Commission

Members of the Legislative Audit Commission

Mr. Milton Knoll, Chair
Citizen's Council on Voyageurs National Park

Members of the Citizen's Council on Voyageurs National Park

Audit Scope

We have conducted a financial related audit of the Citizen's Council on Voyageurs National Park as of and for the three years ended June 30, 1991. Our audit was limited to only that portion of the State of Minnesota financial activities attributable to the transactions of the council, as discussed in the Background Section. We have also considered the internal control structure of the Citizen's Council on Voyageurs National Park.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial activities attributable to the transactions of the council are free of material misstatements.

As part of our consideration of the internal control structure, we performed tests of the council's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

Management Responsibilities

The management of the Citizen's Council on Voyageurs National Park is responsible for establishing and maintaining an internal control structure. This responsibility includes compliance with applicable laws, regulations, contracts, and grants. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that:

- assets are safeguarded against loss from unauthorized use or disposition;

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- transactions are executed in accordance with applicable legal and regulatory provisions, as well as management's authorization; and
- transactions are recorded properly on the statewide accounting system in accordance with Department of Finance policies and procedures.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Internal Control Structure

For purposes of this report we have classified the significant internal control structure policies and procedures into the following categories:

- staff payroll,
- contract services,
- travel expenses, and
- board member per diems.

For the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures. We did not express an opinion on the internal control structure taken as a whole due to the limited staff size of the council.

Conclusion

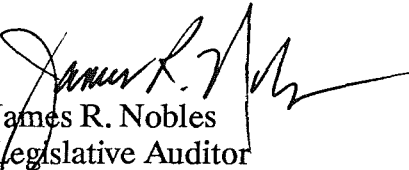
Our audit was conducted only for the limited purpose described in the Audit Scope section of this letter, and would not necessarily disclose all material weaknesses in the council's system of internal control. We do not express an opinion on the system of internal control of the Citizen's Council on Voyageurs National Park taken as a whole.

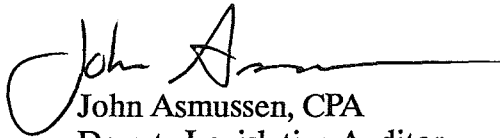
The results of our tests indicate that, with respect to the items tested, the Citizen's Council on Voyageurs National Park complied, in all material respects, with the provisions referred to in the audit scope paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the council had not complied, in all material respects, with those provisions.

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This report is intended for the information of the Legislative Audit Commission and management of the Citizen's Council on Voyageurs National Park. This restriction is not intended to limit the distribution of this report, which was released as a public document on October 2, 1992.

We wish to thank the council's administrative secretary and the staff of the Department of Administration for their cooperation during this audit.


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

End of Fieldwork: May 21, 1992

Report Signed On: September 28, 1992

Citizen's Council on Voyageurs National Park

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Audit Participation

The following members of the Office of the Legislative Auditor prepared this report:

John Asmussen, CPA
Jeanine Leifeld, CPA
Steve Pyan, CPA

Deputy Legislative Auditor
Audit Manager
Auditor-in-Charge

Citizen's Council on Voyageurs National Park

Background Information

The Legislature established the Citizen's Council on Voyageurs National Park in 1975. The council's purpose is to conduct meetings and research into matters related to the establishment and operation of Voyageurs National Park and to make recommendations to the United States National Park Service and other federal and state agencies concerned, regarding the operations of the park. The council consists of 17 members, with one part-time staff person.

The Department of Administration provides the council with administrative services. These services include entering payroll, receipt, and disbursement transactions into the state's accounting system. General Fund appropriations finance the council's activities. The council received a supplemental operating grant of \$7,000 from the Iron Range Resources and Rehabilitation Board during fiscal years 1989 and 1990.

The following is a summary of the council's financial activities for the three fiscal years ended June 30, 1991:

	<u>Year Ended June 30</u>		
	<u>1991</u>	<u>1990</u>	<u>1989</u>
Revenues	\$ 0	\$ 1,893	\$ 5,107
Expenditures			
Employee Payroll	\$20,661	\$18,953	\$16,354
Contract Services	21,490	19,549	27,207
Travel Costs	9,887	16,802	17,411
Board Member Per Diems	5,775	7,296	6,055
Other	<u>11,195</u>	<u>8,774</u>	<u>8,814</u>
Total Expenditures	<u>\$ 69,008</u>	<u>\$ 71,374</u>	<u>\$ 75,841</u>

Source: Statewide Accounting System Manager's Financial Reports as of the September closing for fiscal years 1991, 1990, and 1989.