

**BOARD OF PODIATRIC MEDICINE
FINANCIAL AUDIT
FOR THE THREE YEARS ENDED JUNE 30, 1991**

OCTOBER 1992

Financial Audit Division
Office of the Legislative Auditor
State of Minnesota

92-69

**BOARD OF PODIATRIC MEDICINE
FINANCIAL AUDIT
FOR THE THREE YEARS ENDED JUNE 30, 1991**

OCTOBER 1992

BOARD OF PODIATRIC MEDICINE

Financial Audit For the Three Years Ended June 30, 1991

Public Release Date: October 2, 1992

No. 92-69

OBJECTIVES:

- EVALUATE INTERNAL CONTROL STRUCTURE: Payroll, license and fee revenue.
- TEST COMPLIANCE WITH CERTAIN FINANCE-RELATED LEGAL PROVISIONS.

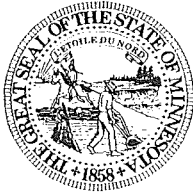
CONCLUSIONS:

We did not express an opinion on the internal control structure taken as a whole, due to the limited staff size at the board office.

We found that the Board of Podiatric Medicine had complied with 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

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

JAMES R. NOBLES, LEGISLATIVE AUDITOR

Representative Ann Rest, Chair
Legislative Audit Commission

Members of the Legislative Audit Commission

Mr. Michael Stone, DPM, Chair
Board of Podiatric Medicine

Members of the Board of Podiatric Medicine

Ms. Lois Mizuno, Executive Director
Board of Podiatric Medicine

Audit Scope

We have conducted a financial related audit of the Board of Podiatric Medicine 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 Board of Podiatric Medicine, as defined in the next paragraph. Specifically, we reviewed payroll and license receipts.

The Minnesota Board of Podiatric Medicine is the agency which regulates the practice of podiatric medicine. Its purpose is to protect the public from incompetent and/or unprofessional practice. In June 1987, the Board of Podiatric Medicine changed its name from the Board of Podiatry. The board is authorized to establish fees with the approval of the Commissioner of Finance, so that total fees collected will approximately equal anticipated biennial expenditures.

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 Board of Podiatric Medicine are free of material misstatements.

We performed tests of the Board of Podiatric Medicine's transactions to obtain reasonable assurance that the Board had, in all material respects, administered its operations in compliance with applicable laws and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions.

Management Responsibilities

The management of the Board of Podiatric Medicine 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;
- 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 in the following categories:

- payroll
- license and fee receipts

For the years 1989, 1990, and 1991, payroll was \$5,624, \$15,768, and \$16,843, of expenditures totaling \$14,656, \$21,106, and \$25,645, respectively. License and fee receipts for fiscal years 1989, 1990, and 1991 totalled \$26,771, \$30,899, and \$35,787, respectively. For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures. We will not express an opinion on the internal control structure taken as a whole, due to the limited staff size at the board office.

Representative Ann Rest, Chair
Members of the Legislative Audit Commission
Mr. Michael Stone, Chair
Ms. Lois Mizuno, Executive Director
Page 3

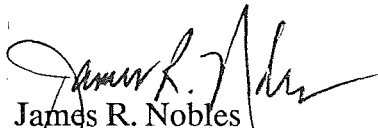
Conclusions


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 board's system of internal control. We do not express an opinion on the system of internal control of the Board of Podiatric Medicine taken as a whole. However, we noted matters involving the internal control structure that we reported to the management of the Board of Podiatric Medicine at the exit conference held on June 1, 1992.

The results of our tests indicate that, with respect to the items tested, the Board of Podiatric Medicine 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 Board of Podiatric Medicine had not complied, in all material respects, with those provisions.

This report is intended for the information of the Legislative Audit Commission and management of the Board of Podiatric Medicine. This restriction is not intended to limit the distribution of this report, which was released as a public document on October 2, 1992.

We thank the Board of Podiatric Medicine staff for their cooperation during this audit.


James R. Nobles
Legislative Auditor


John Asmussen, CPA
Deputy Legislative Auditor

End of Fieldwork: May 22, 1992

Report Signed On: September 28, 1992