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STATE AUDITOR

STATE OF MINNESOTA

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September 25, 2003

The Honorable Lyle Robinson
Chair
Hubbard County Board of Commissioners
30253 State 200
P. O. Box 58
Benedict, Minnesota 56436

Dear Chair Lyle Robinson:

As follow-up to a telephone conversation between Pam Heeren, County Auditor, and Dianne Syverson, a member of my staff, I am confirming that the Office of the State Auditor (OSA) will not be providing audit services to Hubbard County for the three years ending December 31, 2003, December 31, 2004, and December 31, 2005. We do intend to audit Hubbard County for the year ending December 31, 2006.

It is the County's responsibility to ensure that audit requirements continue to be met. The goal for all audits, regardless of who performs them, is to maintain a consistent level of audit coverage. In order to accomplish this, the State Auditor will issue guidelines pursuant to Minn. Stat 6.65 which prescribe minimum procedures and the audit scope for county audits performed by CPA firms. A task force consisting of representatives from the OSA, the Minnesota Society of Certified Public Accountant's (MNCPA's), the Association of Minnesota Counties (AMC), the Minnesota Association of County Officers (MACO), and the Metropolitan Inter-County Association (MICA) will meet to recommend the form and content of the guidelines. Adherence to those audit guidelines will be required and should be referenced in audit engagement letters. These audit guidelines will be sent to you by mid-November 2003.

We would be happy to discuss your audit needs before you initiate a request for proposals (RFP). In addition, attached to this letter are items for consideration in hiring a CPA and a sample RFP that may assist you in the RFP process. (The sample RFP will be emailed to the County next week.) Please note that the proposals that you receive from CPA firms will need to include the additional audit guidelines mentioned in the previous paragraph. Therefore, the County may have to issue an addendum to the RFP that would include these audit guidelines. Also, the proposed audit costs submitted by CPA firms should take into consideration the procedures necessary to comply with these audit guidelines. In making your arrangements for a CPA firm to perform your audit, please do not hesitate to contact us should they wish to review past work papers.



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Page 2

Pursuant to 2003 Minn. Laws, 1st Spec. Sess., Ch. 1, art. 2, § 4, we will be exercising the authority to review audits performed by CPA firms. The 2003 legislative change, addressing the review process, was agreed to by AMC and private CPA's. Any additional information from the CPA firm that the State Auditor deems in the public interest may be included in the review such as the work papers supporting the audits. The County will be billed for any such review.

When your audit is complete, please submit a copy of the report, including the management letter, to:

Tom Karlson
Office of the State Auditor
525 Park Street, Suite 500
St. Paul, MN 55103

If you have any questions regarding this matter, or if we can provide you with any other assistance, please do not hesitate to contact me at (651) 296-2551 or Greg Hierlinger, Deputy State Auditor, Audit Practice, at (651) 296-7003.

Sincerely,



Patricia Awada
State Auditor

Attachments

cc: The Honorable Pam Heeren
Hubbard County Auditor

Mr. Jack Paul
Hubbard County Coordinator