###### COUNTY

###### EXAMPLES OF INDEPENDENT AUDITOR’S REPORTS

**LEGAL COMPLIANCE AUDIT GUIDE**

**EXAMPLES OF INDEPENDENT AUDITOR’S REPORTS**

Minnesota Legal Compliance

Counties - *Government Auditing Standards* 6-2

Combined Report

Report on Internal Control Over Financial Reporting

and on Compliance and Other Matters Based on an Audit

of Financial Statements Performed in Accordance with

*Government Auditing Standards* 6-4

Independent auditor’s report for *counties* conducted under *Government Auditing Standards*. (Note: Eliminate this paragraph from the report. Professional guidance can be found at AU-C 806.)

**MINNESOTA LEGAL COMPLIANCE**

Independent Auditor’s Report

(County Board)

(County)

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the *(list related opinion units)* of *(county name)* as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated \_\_\_\_\_\_\_\_\_\_.

In connection with our audit, nothing came to our attention that caused us to believe that *(county name)* failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing (*delete sections not required to test*) sections of the *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters.However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County’s noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

* If legal compliance findings are reported, use the following wording:

In connection with our audit, nothing came to our attention that caused us to believe that *(county name*) failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing (*delete sections not required to test*) sections of the *Minnesota Legal Compliance Audit Guide for Counties*,promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, except as described in the *(schedule name where findings are listed)* as items *(list related finding reference numbers)*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County’s noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

(Signature)

(Date)

Auditor’s internal control and compliance report based on an audit of financial statements performed in accordance with *Government Auditing Standards* and the *Minnesota Legal Compliance Audit Guide for Counties.* (Note: Eliminate this paragraph from the report.)

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

**AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN**

**AUDIT OF FINANCIAL STATEMENTS PERFORMED IN**

**ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditor’s Report

(County Board)

(County)

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of *(list related opinion units)* of *(county name)* as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated \_\_\_\_\_\_\_\_.

**Internal Control Over Financial Reporting\***

In planning and performing our audit of the financial statements, we considered *(county name)*’s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the County’s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters\*\***

As part of obtaining reasonable assurance about whether *(county name)*’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

**Minnesota Legal Compliance**

In connection with our audit, nothing came to our attention that caused us to believe that *(county name)* failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing (*delete sections not required to test*) sections of the *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters*.* However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County’s noncompliance with the above referenced provisions, insofar as they relate to accounting matters. \*\*\*

**[County Name]’s Response to Findings**

*(County name)*’s responses to the internal control and legal compliance findings *(adjust as necessary for what they responded to)* identified in our audit have been included in the (*name of report where responses/corrective action plans are included)*. The County’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them. **[Leave out if no findings and no responses are included.]**

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

(Signature)

(Date)

\*Paragraphs to be used when no significant deficiencies or material weaknesses are identified.

* If significant deficiencies, but no material weaknesses are identified, use the following wording:

In planning and performing our audit of the financial statements, we considered *(county name)*’s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the County’s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit the attention of those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies **(a deficiency)** in internal control over financial reporting, described in the accompanying *(schedule name where findings are listed)* as items *(list related finding numbers)*, that we consider to be significant deficiencies **(a significant deficiency)**.

* If material weaknesses are identified, use the following wording:

In planning and performing our audit of the financial statements, we considered *(county name)*’s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *(schedule name where findings are listed)*, we identified certain deficiencies **(a deficiency)** in internal control over financial reporting that we consider to be material weaknesses **(a material weakness)** and other items that we consider to be significant deficiencies **(a significant deficiency)**. [**If no significant deficiencies, adjust last sentence.]**

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the County’s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies **(deficiency)** described in the accompanying *(schedule name where findings are listed)* as items (*list related finding numbers)* to be material weaknesses **(a material weakness)** and items (*list related finding numbers)* to be significant deficiencies **(a significant deficiency)**. [**If no significant deficiencies, adjust last sentence.]**

**\*\***Paragraph to be used when there are no reportable instances of noncompliance or other matters.

* If instances of noncompliance are reported, use the following wording:

As part of obtaining reasonable assurance about whether *(county name)*’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying *(schedule name where findings are listed)* as items *(list related finding numbers)*.

\*\*\*Paragraph when there are no legal findings.

* If legal compliance findings are reported, use the following wording:

In connection with our audit, nothing came to our attention that caused us to believe that *(county name)* failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing (*delete sections not required to test*) sections of the *Minnesota Legal Compliance Audit Guide for Counties*,promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, except as described in the *(schedule name where findings are listed)* as items *(list related finding numbers)*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County’s noncompliance with the above referenced provisions, insofar as they relate to accounting matters.