

Minnesota State Academies for the Deaf and the Blind

Performance Audit

Released November 12, 2024

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Minnesota State Academies Overview

- Minnesota State Academy for the Deaf (MSAD)
 - 85 students enrolled in 2023-2024
- Minnesota State Academy for the Blind (MSAB)
 - 45 students enrolled in 2023-2024

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Governing Board Overview

- Governing Board:
 - Seven voting members appointed by Governor
 - Two ex officio members
- School Site Councils

Audit Objectives and Scope

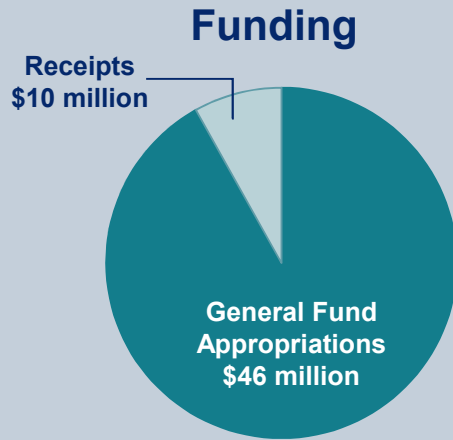
Objectives

Did MSA have adequate internal controls, comply with significant finance-related legal requirements, and resolve prior audit findings?

Scope

July 1, 2021 – December 31, 2023

Funding and Expenditures



Expenditures

- 84% Payroll
- 16% Nonpayroll

Audit Areas

- Oversight and Funding
- Payroll Expenditures
- Nonpayroll Expenditures
- Receipts

Audit Conclusion

The Minnesota State Academies generally did not comply with significant finance-related legal requirements and generally did not have adequate internal controls.

We identified 12 findings across all audit areas.

Site Council Oversight (p. 12)

MSA's site councils did not meet in accordance with their bylaws.

- 2021-2022: Cancelled 4 meetings, due to lack of quorum
- 2022-2023: Cancelled 7 meetings, due to lack of quorum
- 2023-2024: Board cancelled all meetings

Foundation Monitoring (p. 14)

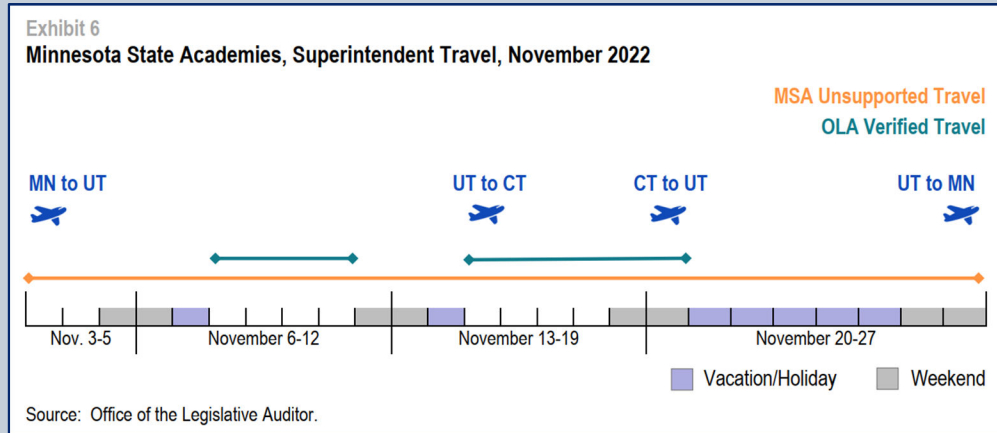
MSA did not monitor the financial statements or fundraising activity of its affiliated foundations.

- MSAD Foundation was inactive between 2020 and 2023.
- MSAD Foundation and MSAB Foundation did not properly register with the Attorney General and/or Secretary of State.

Superintendent Travel (pp. 28-32)

- The superintendent approved his own travel.
- MSA did not always comply with state policy when paying for the superintendent's travel expenses.
 - Inadequate documentation to support travel expenses.
 - Discrepancies between travel authorization and actual travel.
 - State paid for personal travel.

Superintendent Travel



Other Findings

Payroll

- MSA did not process payroll in accordance with policy. (p.19)
 - 36% of timesheets completed by supervisor or payroll.

Nonpayroll

- MSA did not conduct a complete inventory. (p. 35)
- MSA did not always document purchase approvals. (pp. 26, 34)

Other Findings

Receipts

- MSA did not always obtain approval for donations. (p. 44)
- MSA did not always document timely deposits. (p. 40)
- MSA did not reconcile claims submitted to DHS. (p. 42)
- MSA overreported expenditures to MDE. (p. 41)

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