



MINNESOTA

CAMPAIGN FINANCE BOARD

In the Matter of the Staff Review of the House Republican Campaign Committee (HRCC) - Balance adjustment authorization and schedule for formal audits

In its order dated January 3, 2019, the Campaign Finance and Public Disclosure Board directed the House Republican Campaign Committee (HRCC) to file amended year-end reports for 2011 through 2017. The Board ordered the party unit to work with Board staff to determine how to accurately report receipts and expenditures for which detailed information was not available. The Board authorized the executive director to make one-time adjustments to the party unit's reported ending cash balances as necessary to reconcile each year's reported cash balance with the ending bank balance for that year.

The HRCC worked with Board staff to accomplish the directives in the January order. The HRCC discovered two expenditures for which no supporting documentation could be found. The first was for \$736.50 on June 1, 2012. The executive director instructed the party unit to report this expenditure as being made to an unknown vendor and to explain in the purpose section that no documentation could be found for the expense. The second expenditure was to a credit card vendor for \$1,229.61 on June 1, 2013. The HRCC no longer has this credit card and therefore cannot access the records for the expense. The executive director instructed the HRCC to report this expenditure as being made to the credit card vendor and to explain in the purpose section that no supporting documentation could be found for the expense.

The HRCC also determined that it needed an adjustment to the ending cash balance on its amended 2011 year-end report to account for a discrepancy of \$867.89. The executive director grants this adjustment and increases the ending cash balance on the HRCC's amended 2011 year-end report from \$746,306.72 to \$747,058.92.

The HRCC has followed these directions and has filed the required amended reports. The HRCC also has submitted bank statements and a reconciliation showing that the balance on its amended 2017 year-end report matches the reconciled balance in its bank accounts at the end of that year. The HRCC and the executive director therefore agree that the year-end balance of \$583,648.87 shown on the party unit's 2017 amended report is correct.

The January 3, 2019, order also directed the HRCC to implement several corrective actions. One of these corrective actions is that the HRCC, through its auditors, must "provide quarterly certifications to the Board that the HRCC is maintaining necessary and adequate records." The HRCC has timely filed the first quarterly certification. Going forward, the due date for each future quarterly certification will be the 15th day of the month following the end of the quarter.

The January 3, 2019, order also directed the HRCC to “retain an accounting firm to conduct two formal audits within a five-year period and . . . provide the audit results to the Board.” The first of these formal audits must cover calendar year 2020 and the audit results must be provided to the Board by June 15, 2021. The second formal audit must cover calendar year 2022 and the audit results must be provided to the Board by June 15, 2023.

May 6, 2019
Date

/s/ Jeff Sigurdson
Jeff Sigurdson
Executive Director