



OFFICE OF THE STATE AUDITOR

E-Update

*The official online news
publication of the Office
of the State Auditor*

**State Auditor
Rebecca Otto**

May 16, 2008

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1. Pension Update: Omnibus Pension Bill & Reporting Reminder

Omnibus Pension Bill

The Omnibus Pension Bill was heard in both the House and the Senate this week. The bill was passed by both bodies after several amendments were adopted. A conference committee was established since the House and Senate versions of the bill were substantively different. The conference committee met yesterday and reached an agreement on the bill language. The provisions of the bill do not become law unless and until they are signed by the Governor.

To view the updated Omnibus Pension Bill and to track the bill's status, visit the Pension Commission's website at:

<http://www.commissions.leg.state.mn.us/lcpr/omnibus.htm>.

Pension Reminder – Submit Bylaws and Approvals

Please remember that relief associations are required by state law to submit a revised copy of their governing bylaws to the Office of the State Auditor upon the adoption or approval of any amendment. Many volunteer fire relief associations adopt benefit increases during the summer when forecasting contribution requirements for the upcoming year.

When submitting amended bylaws, please also remember to submit copies of the relief association meeting minutes and the municipal meeting minutes or resolution reflecting approval of the bylaw changes. For relief associations that are affiliated with an independent nonprofit firefighting corporation, a copy of the independent board approval should be submitted. If you have questions, please contact Gail Richie with the Pension Division at (651) 282-6110 or Gail.Richie@state.mn.us.

2. TIF Update: Registration Deadline for TIF Workshops is May 30th

The deadline to register for the June TIF Workshops is May 30th. Sign up today to secure your spot.

The dates and locations are:

June 12th in Bemidji

June 19th in St. Cloud

June 26th in New Ulm

The workshops are free, but registration is required so that we can plan our materials. For further information and to register, see

http://www.auditor.state.mn.us/Other/TIFDocs/TIFWorkshop_08_form.pdf.

3. Avoiding Pitfalls: Employee Fraud

Studies have shown that the fewer employees involved with financial transactions, the greater the risk for fraud or misuse of public funds.

When fraud occurs, studies have shown a direct correlation between the length of time an employee has been employed by the entity and the size of the loss. An employee's tenure is likely related to both trust and opportunity. The more trust an entity places in an employee, the greater the person's opportunity to commit fraud. Long-term employees may also be the most familiar with gaps in the entity's operations and controls.

Segregation of duties and oversight are essential to deterring fraud. Public entities need to spread accounting and banking duties among multiple employees. When that is not possible due to the size of the public entity, elected officials may need to become involved in the process. For example, someone other than the person writing checks should receive and review unopened monthly bank statements. In a small entity, an elected official may need to perform that function.

For more information about employee fraud, see the Association of Certified Fraud Examiners' Reports to the Nation found at

<http://www.acfe.com/resources/publications.asp?copy=rttn>.
