



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Deadline: Forfeiture Reporting Forms
2. Pension Reminder: New Broker Certification Form
3. Avoiding Pitfalls: Management Override

1. Deadline: Forfeiture Reporting Forms

April 20th is the deadline for law enforcement agencies to report the disposition of property seized in March which is subject to forfeiture. DWI forfeitures do not need to be included in the reports. The forms can be found at:

<http://www.auditor.state.mn.us/default.aspx?page=20031119.001>.

2. Pension Reminder: New Broker Certification Form

A state law change enacted during the 2008 legislative session requires that volunteer fire relief associations and other public pension plans using the services of a broker fill out and submit a uniform Broker Certification (BC-1) Form that is available from our office.

For purposes of this reporting requirement, “broker” means a broker, broker-dealer, investment advisor, investment manager, or third-party agent who transfers, purchases, sells, or obtains investment securities for, or on behalf of, a covered pension plan. The BC-1 Form must be completed and submitted before a public pension plan (including relief associations) may enter into a business arrangement with a broker, and must be completed annually thereafter. The BC-1 Forms for Large Public Plans and for Volunteer Fire Plans are available on our website at:

<http://www.auditor.state.mn.us/default.aspx?page=20070105.001>.

If you have questions regarding this reporting requirement, please contact Rose Hennessy Allen at (651) 296-5985 or at Rose.Hennessy-Allen@state.mn.us.

3. Avoiding Pitfalls: Management Override

Governmental entities may find themselves dominated by someone who can override internal controls. It may be an elected official or a department head. It may be the person with the strong personality, or the one who has “too many important things to do” to comply with internal control procedures. Left unchecked, “management override” can negate the effectiveness of other internal control measures.

A strong control environment within a public entity sets the tone of the entity’s workplace. One of the best ways to reduce the risk of management override is to create a culture where integrity is held in high esteem and practiced every day. The message must be clear: internal control policies and procedures apply to every official, department head and employee. The message should be sent from the top -- the governing body.

In a strong control environment, timely and appropriate actions should be taken when problems are discovered, and employees should feel comfortable reporting irregularities without fear of retaliation.

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