



State Auditor  
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## OFFICE OF THE STATE AUDITOR

# *E-Update*

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1. Pension Updates: Working Group Bill & Newsletter
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### **1. Pension Updates: Working Group Bill & Newsletter**

#### **Working Group Bill**

The 2009 Omnibus Retirement Bill (S.F. 191), which contains the Volunteer Fire Relief Association Working Group's legislative proposals, was passed by both the Senate and the House on May 18 and signed into law by the Governor on May 22. We will provide a legislative update within the next few weeks that will include an in-depth explanation of the law changes affecting volunteer fire relief associations. We also will provide sample bylaw language that relief associations may use as a reference if they choose to adopt any of the new options allowed under state law.

A copy of the bill can be viewed at:

<https://www.revisor.leg.state.mn.us/bin/bldbill.php?bill=S0191.4.html&session=1s86>.

#### **Newsletter**

The May Pension Division Newsletter was released this week. It provides information on treasurer bonds, an upcoming training opportunity, and the State Board of Investment Fixed Interest Account. The newsletter also answers questions we've received from relief association trustees about the recent market volatility. To view the complete newsletter, go to:

[http://www.auditor.state.mn.us/other/PensionDocs/pensionNewsletter\\_0905.pdf](http://www.auditor.state.mn.us/other/PensionDocs/pensionNewsletter_0905.pdf).

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### **2. Revised: Statement of Position**

The Statement of Position on Temporary FDIC Rules has been revised to include an extension of the new FDIC coverage limit for bank depositors. The coverage limit of \$250,000 will now remain in effect until December 31, 2013. This extension does not apply to non-interest-bearing transaction accounts. To view the complete statement, go to:

[http://www.auditor.state.mn.us/Other/statements/temporaryFDIC\\_Rules\\_0901\\_statement.pdf](http://www.auditor.state.mn.us/Other/statements/temporaryFDIC_Rules_0901_statement.pdf).

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### **3. Avoiding Pitfalls: Accountants' Obligation to Report Evidence of Misconduct**

Public accountants performing an audit of a political subdivision or a local public pension plan must report to the Office of the State Auditor ("OSA") the discovery of evidence during the audit that points to nonfeasance, misfeasance, or malfeasance on the part of an officer or employee of the entity being audited. The reporting obligation includes an audit of a county; city; town; school district; metropolitan or regional agency; public corporation; local public pension plans; volunteer fire relief association; watershed district; sanitary district; regional public library district; park district; economic development authority; and housing and redevelopment authorities.

The report must be made "promptly" to both the OSA and the appropriate county attorney. "Prompt" reporting should be done prior to the routine filing of the public entity's audit with the OSA. Especially in cases where evidence of fraud is discovered, the OSA may be able to assist with auditing or investigative services. The accountant is also required to provide the OSA and the county attorney with a copy of the completed audit report.

This mandatory reporting requirement is found in Minn. Stat. § 6.67, as amended during the 2009 legislative session in Chap. 86, art. 1 § 3, found at:

<https://www.revisor.leg.state.mn.us/laws/?id=86&doctype=Chapter&year=2009&type=0>.

More information on the mandatory reporting requirement can be viewed at:

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

If you have questions about whether a report should be made, contact Nancy Bode at 651-297-5853 or [Nancy.Bode@state.mn.us](mailto:Nancy.Bode@state.mn.us).

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