



State Auditor
Rebecca Otto

OFFICE OF THE STATE AUDITOR

E-Update

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October 2, 2009

1. Released: Minnesota Special Districts Finances Report
2. Released: Pension Newsletter
3. Avoiding Pitfalls: Issuance of Checks

1. Released: Minnesota Special Districts Finances Report

State Auditor Rebecca Otto has released a comprehensive report on Minnesota's special districts revenues, expenditures and debt for 2007. Special districts are local government units created or authorized by state law to perform specific duties or to provide specific services in a limited scope. Some special districts may levy taxes and/or special assessments. Examples of special districts include regional development commissions, hospital districts, soil and water conservation districts, and sanitation districts.

To view the complete report, which includes an Executive Summary, graphs and tables, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20091001.000>.

2. Released: Pension Newsletter

The September Pension Division Newsletter has been released. It provides information regarding the 2009 fire state aid amounts in addition to reminders about depositing state aid, withholding membership dues, and the Open Meeting Law. The Newsletter also has news on the new Statewide Volunteer Firefighters Retirement Plan, the Fire Relief Working Group, and deferred members serving as board trustees. To view the newsletter, go to:

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

3. Avoiding Pitfalls: Issuance of Checks

Governmental units need to be aware that allowing employees direct access to vendor payments creates higher risks that need to be mitigated with additional controls. Many larger governmental units segregate duties so one employee (or department) requests vendor payments, and another employee (in a different department) issues/mails the check to the vendor.

Funds may be improperly diverted if an employee requesting a vendor payment is allowed to physically pick up the requested check. To view two examples of the risks created when employees requesting vendor payments were allowed to pick up the vendor checks, see:

"Independent School District 625 (St. Paul Public Schools) Investigative Report", found at:

<http://www.auditor.state.mn.us/default.aspx?page=20090922.007>, and

"Fraud at the Minnesota Department of Human Services", which can be viewed on the Office of the Legislative Auditor's website at:

<http://www.auditor.leg.state.mn.us/fad/2009/DHSFraudMemo.pdf>.

If you are interested in signing up to receive an e-mail version of the E-Update regularly, [click here](#).

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