



State Auditor
Rebecca Otto

OFFICE OF THE STATE AUDITOR

E-Update

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

March 26, 2010

1. Released: Reducing Energy Costs in Local Governments Follow-Up Report
2. Released: CTAS Newsletter
3. Update: Fire Relief Association Working Group Legislation
4. Avoiding Pitfalls: Fraud Risk Questions During an Audit

1. Released: Reducing Energy Costs in Local Government Follow-Up Report

State Auditor Rebecca Otto this week released the Follow-Up Report to the award-winning Best Practices Review on Reducing Energy Costs in Local Governments. The 2008 Best Practices Review received national recognition with the Excellence in Accountability Award from the National State Auditors Association.

The Follow-Up Report contains updated information on the case studies that were featured in the original Review. The updates detail the actual reduction in energy use and energy costs by local government entities. They also include updated Financial and Informational Resources. To view the complete report, which includes graphs and tables, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20100322.001>.

2. Released: CTAS Newsletter

The Spring CTAS News and Notes has been released. The Newsletter contains helpful information on the new version of CTAS and an announcement of upcoming scheduled online trainings. To view the complete newsletter, go to:

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

3. Update: Fire Relief Association Working Group Legislation

The Omnibus Retirement Bill, which includes the Fire Relief Association Working Group legislation, was heard by both the Senate and House State and Local Government Operations committees last week. The bill passed both committees. The Senate State Government Budget Division heard the bill this week and referred it to the full Senate Finance Committee. In the House, the bill is awaiting a hearing by the State Government Finance Division.

We will continue to keep you updated on the progress of the bill as it makes its way through the legislative process. Working Group information, including a copy of the bill, is provided on the Office of the State Auditor's website at:

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

4. Avoiding Pitfalls: Fraud Risk Questions During an Audit

As part of an audit, auditors are required to consider the risk of material misstatement of the financial statements due to fraud. As a result, even when auditors do not suspect fraud, they will be asking questions designed to assess the risk of fraud, in compliance with auditing standards.

Fraud risks can be considered in the following context:

- Are employees or management under pressure or do they have an incentive to commit fraud?
 - Does the opportunity to commit fraud exist?
 - Do employees or management have an attitude that allows them to commit fraud or to rationalize committing fraud?
-

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

The Office of the State Auditor is located at 525 Park Street, Suite 500, St. Paul, MN 55103. Phone: (651) 296-2551 or (800) 627-3529 (TTY) Fax: (651) 296-4755

Web: www.auditor.state.mn.us.