



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Pension: Reporting Requirement Signed into Law
2. Revised: Legal Compliance Audit Guide
3. Pension: Fiduciary Education for Trustees
4. Avoiding Pitfalls: Credit Cards – Detailed Receipts Required

1. Pension: Reporting Requirement Signed into Law

This week the Governor signed legislation which clarifies that employees or officers of local public pension plans, including volunteer fire relief associations, are required to report evidence of theft or misuse of public funds to the Office of the State Auditor. Other local government employees and local officials currently have the same reporting requirement.

This new law will help to safeguard pension plan assets and ensure accountability of pension plan administrators to their members and the public. The final language can be viewed at:

<https://www.revisor.mn.gov/laws/?id=35&doctype=Chapter&year=2013&type=0>.

2. Revised: Legal Compliance Audit Guide

The 2012 Legal Compliance Audit Guide has been revised. Section 6 of the Guide, formerly known as "Examples of Auditor's Reports on Compliance", has been revised and is now called "Examples of Independent Auditor's Reports".

The revision is based on AICPA and GAO standards effective for periods ending on or after December 15, 2012, for which the AICPA had not released guidance when the 2012 Audit Guide was released. The new section 6 can be accessed in Word and PDF formats at:

<http://www.auditor.state.mn.us/default.aspx?page=20121130.000>.

3. Pension: Fiduciary Education for Trustees

Each trustee of a volunteer fire relief association fills the role and carries the responsibilities of a fiduciary to the association. A fiduciary must make a reasonable effort to obtain the knowledge and skills sufficient to perform fiduciary duties adequately. A relief association's board of trustees is required to develop and periodically revise a program for the continuing education of any of its board members who are not reasonably considered to be experts with respect to their activities as fiduciaries. The program must be designed to provide trustees with the knowledge and skills needed to enable them to perform their fiduciary activities.

Fiduciary activities are defined in [Minn. Stat. § 356.02](#).

4. Avoiding Pitfalls: Credit Cards – Detailed Receipts Required

Counties, cities, towns, school districts, watershed districts, and soil and water conservation districts have the authority to use credit cards for purchases. Monthly statements received from credit card companies generally do not provide sufficient detail to determine whether a purchase was made for a public purpose and not for a public employee's or public official's personal use. As a result, public employees/public officials should be required to turn in the original, detailed receipt for every purchase made with the public entity's credit card. For more information on this topic, see our Statement of Position on Credit Card Use and Policies at:

<http://www.auditor.state.mn.us/default.aspx?page=20110607.011>.

To review the State of Minnesota's Purchasing Card Use Policy 2.1, effective July 19, 2010, go to:

<http://www.mmd.admin.state.mn.us/pdf/alpappnpolicy1.pdf>.

The State's policy was amended to include recommendations contained in the Purchasing Card Program Internal Control and Compliance Audit Report released by the Office of the Legislative Auditor on July 23, 2010, which you can access by going to the Office of the Legislative Auditor's website at:

<http://www.auditor.leg.state.mn.us/FAD/pdf/fad1025.pdf>.

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