



State Auditor  
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# OFFICE OF THE STATE AUDITOR

## *E-Update*

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July 26, 2013

1. New: Sign Up for CTAS Rewrite Updates
  2. Pension: Legislative Update and Bylaw Guides
  3. Revised: Pension Statements of Position
  4. Avoiding Pitfalls: Fraud Risk Questions During an Audit
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### **1. New: Sign Up for CTAS Rewrite Updates**

The Small City and Town Accounting Software (CTAS) needs to be rewritten/updated, and legislation passed this last session that allows for the financing mechanism of this rewrite/update. If you are interested in tracking the progress of this project, which is being done in consultation with MAT, LMC, and MAOSC, you can sign up to receive special CTAS e-mails. These updates will be more regular than the CTAS News and Notes. To sign up, please go to:

<http://www.auditor.state.mn.us/ctasrewriteupdate.aspx>.

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### **2. Pension: Legislative Update and Bylaw Guides**

#### **Legislative Update**

The 2013 Pension Legislative Update was released this week. The Update provides detailed information about several law changes that affect volunteer fire relief associations. Some of the changes may require a relief association to amend its bylaws. The Update can be found at:

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

#### **Revised Bylaw Guides**

Revised Bylaw Guides that incorporate the recent legislative changes are now available. The revised guides are available in both MS Word and Adobe PDF versions, and can be found at:

<http://www.auditor.state.mn.us/default.aspx?page=20120208.000>

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### **3. Revised: Fire Relief Association Statements of Position**

There are four Statements of Position related to fire relief associations that have been revised to incorporate recent legislative changes. The revised Statements, “Interest Earnings for Deferred Members of Volunteer Fire Relief Associations,” “Maximum Benefit Levels,” “Survivor Benefits,” and “Volunteer Fire Relief Member’s Return to Service” can be viewed under the “Pensions” heading at on the OSA website at:

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

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

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