



State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. Deadline: TIF Annual Reporting Form
 2. Tip: Pension Maximum Benefit Levels
 3. Avoiding Pitfalls: Accountants' Obligation to Report Evidence of Misconduct
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1. Deadline: TIF Annual Reporting Form

The 2013 TIF Annual Reporting Form is due on August 1. The form can be accessed at:

<https://www.auditor.state.mn.us/safes/>.

Instructions for completing the form and a completed sample form can be found at:

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

2. Tip: Pension Maximum Benefit Levels

In last week's E-Update we provided a reminder to volunteer fire relief associations that their annual maximum benefit calculations must be completed on or before August 1. Some relief associations are finding that their maximum benefit level fell for 2014, and those associations may now be operating at a benefit level that is higher than the allowable maximum.

There is authority for relief associations to continue operating at a benefit level higher than the allowable maximum if the benefit level was properly adopted and was within the allowable maximum when it was established, and if the decrease to the calculated maximum was due to either a decrease in fire state aid or an increase in the number of active members during the three-year period on which the calculation is based.

Most relief associations have seen a decrease in fire state aid during the past three years. Those relief associations will qualify to be "grandfathered in" and be allowed to continue operating at their current benefit level so long as it was within the maximum when established. Relief associations that qualify to be grandfathered in at their current benefit

level cannot increase their benefit level until the annual calculation shows that an increase is allowed.

Additional information about maximum benefit levels and maximum benefit calculations is available in our Statement of Position on this topic, which can be viewed on the OSA website at:

<http://www.auditor.state.mn.us/default.aspx?page=20110531.003>.

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](#). More information on the mandatory reporting requirement can be viewed on our website at:

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

If you have questions about whether a report should be made, contact Terrilyn Diamond at 651-297-7108 or terrilyn.diamond@osa.state.mn.us.

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