



State Auditor
Rebecca Otto

OFFICE OF THE STATE AUDITOR

E-Update

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of the State Auditor*

March 13, 2015

1. Released: Large Public Pension Plan Investment Report
2. Deadline: Financial Reporting Form for Cash Towns and Cash Cities
3. Deadline: Special District Financial Reporting Form
4. Announced: Pension Training for Volunteer Fire Relief Associations
5. Avoiding Pitfalls: Small Entities - Review of Checks

1. Released: Large Public Pension Plan Investment Report

The State Auditor released the Large Public Pension Plan Investment Report for the year ended December 31, 2013. The report contains in-depth analysis of rate of return, asset allocation, and benchmark comparison information. The report also provides information and graphic representation of funding ratios, unfunded liabilities, net assets, and administrative expenses. To view the complete report, which includes an Executive Summary, tables, and graphs, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20150309.000>.

2. Deadline: Financial Reporting Form for Cash Towns and Cash Cities

The deadline for the 2014 Local Government Financial Reporting Form for towns and cities reporting on a cash basis is Tuesday, March 31. The form can be accessed at:

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

3. Deadline: Special District Financial Reporting Form

The Special District Financial Reporting Form and Financial Statements are due Tuesday, March 31 for districts whose fiscal year ended September 30, 2014. The reporting form can be accessed at:

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

4. Announced: Pension Training for Volunteer Fire Relief Associations

The Office of the State Auditor's Pension Division is offering free training sessions to relief association officers, municipal trustees, and accountants and auditors. Six training sessions are being held between April 2 and April 23 at locations in Greater Minnesota and at our office in Saint Paul. The training invitation, which includes dates, locations, and a registration form, can be downloaded at:

<http://www.auditor.state.mn.us/forms/pen/2015TrainingRegistration.pdf>.

5. Avoiding Pitfalls: Small Entities - Review of Checks

The Office of the State Auditor sometimes discovers evidence of theft that occurred because no oversight procedures were developed to counteract the lack of segregation of duties in small entities with a limited number of office personnel.

A timely review of bank statements and check images needs to be performed to detect problem checks. Specifically, the bank statements and check images should be compared to the claims list approved for payment at the prior board/council meeting(s). This brief review should be performed on a monthly basis by someone who is not involved in the writing of checks. For example, in small entities, it could be performed by a town supervisor or city council member.

The review could disclose bank encoding errors, but it could also detect the theft of public funds, such as the issuance of unauthorized checks or the alteration of the payee and/or amount of the check.

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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.