



State Auditor  
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# OFFICE OF THE STATE AUDITOR

## *E-Update*

*The official online news  
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April 1, 2016

1. Released: Volunteer Fire Relief Associations Financial and Investment Report
  2. Released: Pension Newsletter
  3. Avoiding Pitfalls: Management Override
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### **1. Released: Volunteer Fire Relief Associations Financial and Investment Report**

The State Auditor released the Financial and Investment Report of Volunteer Fire Relief Associations for the year ended December 31, 2014. The report summarizes and evaluates the finances, basic benefit structure, and investment performance of Minnesota's volunteer fire relief associations. Annual benefit levels, municipal contribution amounts, fire state aid amounts, and rates of return for each relief association are included in the report.

To view the complete Report, which includes an Executive Summary, tables, and graphs, go to the Office of the State Auditor website at:

<http://www.auditor.state.mn.us/default.aspx?page=20160330.001>.

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### **2. Released: Pension Newsletter**

The March **Pension Newsletter** has been released. The Newsletter provides information about the 2015 reporting-year forms for volunteer fire relief associations, including helpful hints to keep in mind when completing the forms.

The Newsletter also provides detailed instructions on how to electronically sign reporting forms in the State Auditor's Form Entry System (SAFES). A link to 2016 supplemental benefit reimbursement amounts and a reminder about the upcoming deadline for submitting Investment Business Recipient Disclosure forms are also included.

The complete Newsletter can be viewed on the Office of the State Auditor website at:

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

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### **3. Avoiding Pitfalls: Management Override**

Governmental entities may find themselves dominated by someone who can override internal controls. It may be an elected official or a department head. It may also be a person with a strong personality, or one who has “too many important things to do” to comply with internal control procedures. Left unchecked, “management override” can negate the effectiveness of other internal control measures.

A strong control environment within a public entity sets the tone of the entity’s workplace. One of the best ways to reduce the risk of management override is to create a culture where integrity is held in high esteem and practiced every day. The message must be clear: internal control policies and procedures apply to every official, department head and employee. The message should be sent from the top -- an entity's governing body.

In a strong control environment, timely and appropriate actions should be taken when problems are discovered, and employees should feel comfortable reporting irregularities without fear of retaliation.

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