



State Auditor  
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# OFFICE OF THE STATE AUDITOR

## *E-Update*

*The official online news  
publication of the Office  
of the State Auditor*

October 28, 2016

1. Released: Municipal Liquor Store Report
2. Deadline: County Financial Reporting Form
3. Pension: Special Fund Deposit Errors
4. Released: Pension Newsletter
5. Avoiding Pitfalls: Fraud Prevention - The Perception of Detection

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### **1. Released: Municipal Liquor Store Report**

The OSA has released the 2015 Analysis of Municipal Liquor Store Operations. The report provides comparative data on municipal liquor operations owned and operated by Minnesota cities. To view the complete Report, which includes an Executive Summary, tables, and graphs, please go to:

<http://www.auditor.state.mn.us/default.aspx?page=20161026.000>

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### **2. Deadline: County Financial Reporting Form**

November 1st is the deadline for counties to submit the annual financial reporting form. The form can be found at:

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

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### **3. Pension: Special Fund Deposit Errors**

Volunteer Fire Relief Association special fund assets may only be disbursed for purposes expressly authorized under Minnesota law. The special fund may be used to pay benefits, such as service pensions, disability benefits, and survivor benefits, and to pay certain fees and other expenses specifically authorized by law.

If a relief association discovers that funds have been deposited into the special fund in error, please contact the OSA right away. Funds erroneously deposited into a relief association's special fund cannot be taken out of the special fund unless the association obtains specific written authorization from the OSA. After a relief association has presented evidence to the OSA that the deposit error occurred in good faith, the OSA has the authority to order the transfer of an amount equal to the funds deposited in error from the special fund to the appropriate fund or account.

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#### **4. Released: Pension Newsletter**

The October Pension Newsletter has been released. The Newsletter provides an update on the Volunteer Fire Relief Association Working Group and a reminder about the November 30 fire state aid forfeiture deadline. The Newsletter also provides information on how to avoid two compliance related issues.

To view the complete Newsletter, go to:

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

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#### **5. Avoiding Pitfalls: Fraud Prevention - The Perception of Detection**

Preventing fraud is generally less costly than trying to recover losses. One inexpensive, yet effective, fraud prevention measure is to increase the perception of detection. For example, internal controls are most effective at preventing fraud when they are known by those who may be tempted to steal from a public entity. This means being open about the fact that the entity is taking steps to prevent and detect fraud.

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