



OFFICE OF THE STATE AUDITOR

E-Update

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**State Auditor
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1. Reminder: Filing Modified TIF Plans
2. Available: 2019 Supplemental Benefit Reimbursement Amounts
3. Avoiding Pitfalls: Employee Fraud

1. Reminder: Filing Modified TIF Plans

When a TIF authority modifies a TIF plan, the modified TIF plan must be submitted to the Office of the State Auditor via the State Auditor Form Entry System (SAFES) along with the district's TIF Plan Collection Form for Modified Districts. This is required for all modifications, even if the notice and public hearing process was not required.

TIF Plan Collection Forms for Modified Districts are available for each district in SAFES at:

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

2. Available: 2019 Supplemental Benefit Reimbursement Amounts

A listing of the 2019 supplemental benefit reimbursement amounts, released by the Department of Revenue (DOR), is now available on our website at:

<https://www.auditor.state.mn.us/default.aspx?page=20190321.000>

The supplemental benefit reimbursements were disbursed on or about March 15 for volunteer fire relief associations that properly submitted reimbursement application forms to the DOR by February 15.

If your relief association paid supplemental benefits during the preceding year but did not submit a reimbursement application form to the DOR by the February 15 deadline, your association may still be eligible to receive reimbursement in March 2020 if a reimbursement application is properly submitted to the DOR. The form to file for reimbursement in March 2020 will be available on the DOR website in mid-November, and will be due to the DOR by February 15, 2020.

Information regarding supplemental benefit reimbursements is available on the DOR website at:

https://www.revenue.state.mn.us/local_gov/prop_tax_admin/Pages/sbr.aspx

3. Avoiding Pitfalls: Employee Fraud

Studies have found a number of patterns in employee fraud. One finding has been that the fewer employees who are involved with financial transactions, the greater the risk for fraud or misuse of public funds. In addition, when fraud occurs, studies have shown a direct correlation between the length of time an employee has been employed by an entity and the size of the loss. An employee's tenure is likely related to both trust and opportunity. The more trust an entity places in an employee, the greater the person's opportunity to commit fraud. Long-term employees may also be the most familiar with gaps in the entity's operations and controls.

Segregation of duties and oversight are essential to deterring fraud. Public entities need to spread accounting and banking duties among multiple employees. When that is not possible due to the size of the public entity, elected officials may need to become involved in the process. For example, someone other than the person writing checks should receive and review unopened monthly bank statements. In a small entity, an elected official may need to perform that function.

For more information on employee fraud, see the most recent study by the Association of Certified Fraud Examiners, Inc., "2018 Report to the Nations," copyright 2018. To see highlights of the report and a link to the entire report, go to:

<https://www.acfe.com/report-to-the-nations/2018/>

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