



OFFICE OF THE STATE AUDITOR

E-Update

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

**State Auditor
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March 1, 2019

1. Deadline: Fire Equipment Certification Reminder
2. Released: 2018 Revenue Thresholds for Audit Requirements
3. Released: Pension Newsletter
4. Released: TIF Newsletter
5. Avoiding Pitfalls: Computer Access - Passwords

1. Deadline: Fire Equipment Certification Reminder

The 2019 Fire Equipment Certification (FA-1) Form and the Certification of Service Areas Protected are due to the Minnesota Department of Revenue by March 15, 2019. Submission of the forms is required for communities to be eligible for 2019 fire state aid. The FA-1 Form must be signed by the fire chief and by the municipal clerk or secretary of the independent nonprofit firefighting corporation, as applicable.

Five percent of a community's fire state aid is forfeited for each week or fraction of a week that the forms are submitted past the March 15 due date. Additional information about this reporting requirement and a list of fire departments for which the forms have been received are provided on the Minnesota Department of Revenue's website at:

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

2. Released: 2018 Revenue Thresholds for Audit Requirements

Cities - A city with a population over 2,500 must have an annual audit performed.

Cities with Combined Clerk/Treasurers - A city with a population of 2,500 or less and a combined clerk/treasurer must have an annual audit for 2018 if its annual revenue is more than \$225,000. A city with a combined clerk/treasurer and annual revenue of \$225,000 or less must have an Agreed-Upon Procedures engagement once every five years.

Towns - A town with a population over 2,500 and 2018 annual revenue of \$1,006,000 or more must have an annual audit.

Towns with Combined Clerk/Treasurers - A town with a combined clerk/treasurer must have an annual audit for 2018 if its annual revenue was more than \$225,000. A town with a combined clerk/treasurer and annual revenue of \$225,000 or less must have an Agreed-Upon Procedures engagement once every five years.

Special Districts - A special district must have an annual audit for 2018 if its annual revenue was more than \$225,000. A special district with annual revenue of \$225,000 or less must have an Agreed-Upon Procedures engagement once every five years.

The OSA has developed minimum procedures and a reporting format for Agreed-Upon Procedures engagements of cities and towns that have combined the offices of clerk and treasurer, and special districts, with annual revenues less than the audit threshold. The minimum procedures and reporting format for Agreed-Upon Procedures engagements can be found on the OSA website at:

<http://www.auditor.state.mn.us/default.aspx?page=20111222.001>

3. Released: Pension Newsletter

The February **Pension Newsletter** has been released. The Newsletter provides information about a new law that went into effect on January 1 that allows volunteer emergency medical personnel who are members of a fire department to become members of the affiliated relief association and to be eligible for service pensions from the relief association on the same basis as volunteer firefighters.

The Newsletter also provides a link to a work group report that was submitted to the Legislative Commission on Pensions and Retirement. The report summarizes the group's review of the statutes governing relief association conversions and dissolutions. The Newsletter also provides information about the annual Broker Certification requirement, and provides a link to the OSA's updated Statement of Position on management of relief association records.

The complete Newsletter can be accessed at:

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

4. Released: TIF Newsletter

The February **TIF Newsletter** has been released. The Newsletter contains information on the County TIF Information Form, County Administrative Expenses, and the Four-Year Knockdown Rule. To view the complete Newsletter, go to:

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

5. Avoiding Pitfalls: Computer Access - Passwords

Weak control over access to computer systems increases the risk that the systems may be accessed by unauthorized people. To strengthen these controls, employee passwords should be changed on a regular basis. Strong passwords, such as those using a greater number of characters and randomized characters, should be required. Employees should not share passwords or usernames.

Public entities should also consider computer system security issues when using volunteer staff.

If you are interested in signing up to receive an e-mail version of the E-Update regularly, send an e-mail with your contact information to signup@osa.state.mn.us.

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