

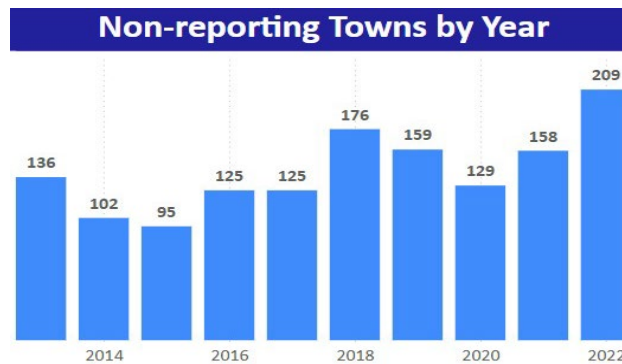


Township Reporting

Improving Response Rates

Reporting

Minnesota townships are required to file an annual financial report with the Minnesota State Auditor. Up to twelve percent of towns have neglected to file this form over the past ten years. Historically, there is a correlation between non-reporting and waste, fraud, and abuse.



Reasons

Reasons for not filing range from staffing and technology issues to long term disconnection from state government. Unlike cities, counties, and fire relief associations, there is no penalty for non-reporting towns. If cities and counties do not report, their Local Government Aid (LGA) or County Program Aid (CPA) payments are withheld. As a result, most cities and counties report. Township Aid is not tied to a reporting requirement and towns have significant non-reporting rates.

Remedies

The OSA has attempted several remedies for non-reporting:

- o Personal communication including emails, letters, and calls
- o Assistance from the Minnesota Association of Townships
- o Dedicated staff person to support towns

Proposal

The OSA proposes adding a reporting requirement to receive Township Aid. This would be consistent with other levels of local government and reduce the state's risk of funding an entity that is unable or unwilling to complete basic reporting requirements.

Fiscal Note

The OSA already collects the data and has the staffing to implement this change, so would not need additional funding.