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E-Update

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State Auditor
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1. Pension Update: Defined Contribution Plan Working Sub-Group

As you may recall, the Office of the State Auditor's Volunteer Fire Relief Association Working Group decided to form a sub-group consisting of defined contribution plan members and trustees. The purpose of this sub-group is to focus on issues that are unique to defined contribution plans. The sub-group will also draft legislation to reorganize Chapter 424A into separate provisions for defined contribution and defined benefit plans. Chapter 424A is the section of law that pertains to volunteer firefighter pensions and benefits.

Notices were provided to each defined contribution plan seeking interested candidates to serve on the sub-group, and we are extremely pleased with the qualified members and trustees that have volunteered.

The meeting schedule for the sub-group is as follows: Tuesday, July 29, Thursday, August 7, and Tuesday, August 19. All meetings will be held from 11:00 am to 1:00 pm and will take place at our main office in Saint Paul. Meeting materials will be posted on our website. If you have questions, please contact Rose Hennessy Allen at (651) 296-5985 or Rose.Hennessy-Allen@state.mn.us.

2. Reminder: City Reporting

Cities should submit their Management Letter, Auditor's Letter of Findings and Recommendations or Single Audit of Federal Financial Assistance to the Office of the State Auditor. A copy of the report should be filed electronically using the Adobe Acrobat Format (PDF). Please email these reports to: gaapcity@auditor.state.mn.us.

3. Released: Best Practices Review

The Best Practices Review on Reducing Energy Costs in Local Government was released this week. This review will assist local officials in making informed decisions to reduce energy costs. It provides recommendations for steps to best practices, and cost/benefit analyses on different types of technologies and services to reduce energy costs. The review also contains case studies of best practices. Cities, counties and school districts from around the State are featured in the review. The online version is interactive with live links. To view the complete review, go to: <http://www.auditor.state.mn.us/default.aspx?page=20080702.001>.

4. Release: CTAS Newsletter

The summer edition of the CTAS News and Notes newsletter, which contains information and tips about the Small City and Town Accounting System, is now available on the Office of the State Auditor website at: <http://www.auditor.state.mn.us>

5. Avoiding Pitfalls: Ticket Sales

When cash is involved, public entities need to take extra precautions to prevent fraud. One situation where cash is prevalent is ticket sales. For example, tickets may be sold for the public pool, or for a school event.

Ticket sales present the risk of “skimming.” Skimming is the taking of cash before it is recorded on the entity’s books. Using numbered tickets is one method to guard against skimming. When the sale of tickets is reported, the person responsible for the ticket sales should turn in the corresponding amount of cash – and the correct number of unsold tickets – and obtain a receipt.

To properly document ticket sales, entities should develop a form that records the starting and ending numbers on the tickets sold at an event, and the total amount of money collected. This form should be signed by the ticket seller(s) and maintained by the entity as supporting documentation. Someone other than the ticket seller(s) should confirm that the number on the first ticket used for the next event begins where the numbers on the tickets for the prior event ended.