



OFFICE OF THE STATE AUDITOR

E-Update

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**State Auditor
Rebecca Otto**

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1. Released: 2008 Legal Compliance Audit Guide
2. Available: Budget Reporting Forms for Cities and Counties
3. New: Statement of Position
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1. Released: 2008 Legal Compliance Audit Guide

The minimum scope for Minnesota political subdivision audits must include financial and legal compliance audits. The Office of the State Auditor annually publishes the Minnesota Legal Compliance Audit Guide for Local Government to establish the minimum scope for the required legal compliance audits.

The 2008 Legal Compliance Audit Guide is now available on the Office of the State Auditor's website in both PDF and Word formats. To view or download the 2008 Minnesota Legal Compliance Audit Guide for Local Government, go to:

<http://www.auditor.state.mn.us/default.aspx?page=frmaud08legalCompliance>.

2. Available: Budget Reporting Forms for Cities and Counties

The Office of the State Auditor's budget reporting forms for cities and counties are now available.

The reporting system has been updated, and is now entirely in the State Auditor's Form Entry System (SAFES). In addition, each user will now be issued only one username and password for reporting to the Office of the State Auditor. If you receive duplicate usernames and passwords, please contact our office.

Current users of the system will be sent a new password. If you're a current user and haven't heard from this Office by e-mail or U.S. Mail by next Friday, January 16, please contact the Government Information Division at (651) 284-3684.

3. New: Statement of Position

A new Statement of Position entitled Temporary FDIC Rules discusses a number of recent temporary changes made to Federal Deposit Insurance Corporation coverage, including the new coverage limit for bank depositors and unlimited coverage for "non-interest-bearing transaction accounts." In addition, the Statement summarizes account coverage. To view the Statement, go to:

http://www.auditor.state.mn.us/Other/statements/temporaryFDIC_Rules_0901_statement.pdf.

4. Pension Reminder: Economic Interest Statements

Every year, each board member (including municipal trustees) and the chief administrative officer of a volunteer fire relief association are required to complete a *Statement of Economic Interest*. The Statement must be filed with the chief administrative officer of the relief association and must be made available for public inspection during regular office hours at the association's office.

The chief administrative officer of the relief association must also submit a *Certified Listing of Individuals Who Filed a Statement of Economic Interest* form to the Campaign Finance and Public Disclosure Board by January 15th. This form must list all individuals who have filed *Statements of Economic Interest* with the relief association for the preceding 12 months, along with the address of the office at which the statements are available for public inspection.

The *Statement of Economic Interest* and *Certified Listing of Individuals Who Filed a Statement of Economic Interest* forms are available in the Forms section of the Office of the State Auditor's website at:

<http://www.auditor.state.mn.us/default.aspx?page=20070105.001>.

5. Training: Office of the State Auditor Annual Training

The deadline for registering for the January 28, 2009, Office of the State Auditor Annual Training is Thursday, January 22. The training seminar will be held at the Crowne Plaza Hotel Minneapolis North in Brooklyn Center. Topics will include a GASB update as well as accounting, legal compliance, fraud prevention, and auditing issues. More information and a link to the registration form can be found at:

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

6. TIF: Market Value Homestead Credit Payments

On December 26, 2008, TIF authorities eligible for the TIF Market Value Homestead Credit received a lump-sum electronic transfer from the Department of Revenue. The transfer does not specify the individual districts receiving the credit. A spreadsheet was e-mailed by our office to each authority with the MVHC information identified by district.

The breakdown of payments by TIF district can also be found at the MN Department of Revenue website:

http://www.taxes.state.mn.us/property_tax_administrators/other_supporting_content/ad08tweb.pdf.

Since MVHC is tax increment revenues, it must be expended according to the requirements of the TIF Act. If you have further questions, please contact Marsha Pattison in our office at (651) 296-4716 or Marsha.Pattison@state.mn.us.

7. Avoiding Pitfalls: Payroll Entries

In many larger public entities, the personnel office notifies the payroll office of new hires, promotions, pay increases, and other personnel-related financial changes. The payroll office then enters the changes into the payroll system.

A person who is independent of the payroll function should review payroll checks issued or payroll reports to determine whether all payments were made to actual employees, any pay increases were authorized, and the hours worked appear to be correct. Where possible, the duties of generating and signing payroll checks should be segregated from the payroll processing function.

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The Office of the State Auditor is located at 525 Park Street, Suite 500, Saint Paul, MN 55103. Phone: 651-296-2551 Fax: 651-296-4755 Web: www.auditor.state.mn.us