



State Auditor  
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## OFFICE OF THE STATE AUDITOR

# *E-Update*

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

**December 30, 2011**

1. Released: 2011 Legal Compliance Audit Guide
2. Reminder: Fire Relief Association Economic Interest Statements
3. Released: CTAS Newsletter
4. TIF: Market Value Homestead Credit Payments
5. Avoiding Pitfalls: Documentation For Claims - Original Itemized Receipts/Invoices

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### **1. Released: 2011 Legal Compliance Audit Guide**

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 Political Subdivisions to establish the minimum scope for the required legal compliance audits.

The 2011 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 2011 Minnesota Legal Compliance Audit Guide for Political Subdivisions, go to:

<http://www.auditor.state.mn.us/default.aspx?page=20111223.000>.

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### **2. Reminder: Fire Relief Association Economic Interest Statements**

Every year, each volunteer fire relief association board member and chief administrative officer is required to complete a Statement of Economic Interest. The Statement must be filed with the chief administrative officer of the relief association and be made available for public inspection.

In addition, the chief administrative officer of a relief association must submit a Certified Listing of Individuals Who Filed a Statement of Economic Interest form to the Campaign Finance and Public Disclosure Board by **January 15**. 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 the Certified Listing of Individuals Who Filed a Statement of Economic Interest forms can be found at:

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

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### **3. Released: CTAS Newsletter**

The new CTAS Newsletter has been released. The Newsletter contains information on the Chart of Accounts and an upcoming CTAS training session, as well as guidelines for year-end procedures. To view the complete newsletter, go to:

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

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### **4. TIF: Market Value Homestead Credit Payments**

The TIF Market Value Homestead Credit was recently paid to development authorities by the Department of Revenue. A distribution table showing the credit paid to the district can be found on the Department of Revenue's website at:

[http://taxes.state.mn.us/property\\_tax\\_administrators/Pages/tif\\_credit11.aspx](http://taxes.state.mn.us/property_tax_administrators/Pages/tif_credit11.aspx)

Since MVHC is tax increment revenue, it must be expended according to the requirements of the TIF Act. If you have further questions, please contact Lisa McGuire in our office at (651) 296-9255 or [Lisa.McGuire@osa.state.mn.us](mailto:Lisa.McGuire@osa.state.mn.us).

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### **5. Avoiding Pitfalls: Documentation For Claims - Original Itemized Receipts/Invoices**

Original itemized receipts and invoices should be retained by public entities to support claims paid.

Itemized receipts are needed to determine the date, time and items purchased. For example, a signature receipt from a credit card purchase would not provide adequate detail such as the time of the purchase, or whether unauthorized purchases (such as alcoholic beverages or meals for additional individuals) were made.

Original receipts/invoices are needed because photocopies may not reveal changes made to the original receipt/invoice. Some instances of fraud that the Office of the State Auditor has seen include a photocopy of a credit card statement that did not show that an unauthorized item (e.g., "cash withdrawal - casino") had been replaced with a legitimate vendor's name. Similarly, we have seen receipts that were cut, taped and photocopied to hide unauthorized

purchases. Other manipulations have included the alteration of the date, time or vendor on the receipt.

The statute requiring the itemization of claims is [Minn. Stat. § 471.38](#).

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